2025

Repsol Upstream Group

Consolidated Management Report

repsol

(1) Overview

Repsol E&P S.à r.l. is the parent company of the Group comprising Repsol E&P S.à r.l. and its investees (hereinafter "Repsol Upstream Group" or the "Group"). Repsol E&P S.à r.l. is controlled by Repsol Upstream B.V., which holds a 75% stake (the remaining 25% is held by Breakwater Energy Holdings S.à r.l.). The ultimate parent entity is Repsol S.A., holding the 75% stake. Repsol E&P S.à r.l. did not acquire any of its own shares during the year ended December 31, 2025.

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

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

1.1 Performance and transformation

The deployment of strategic lines has continued through active portfolio management, prioritizing those areas with the greatest strategic fit in terms of value and competitive advantages, such as the integration of assets in the North Sea in the United Kingdom with NEO Energy Group and the agreement to merge them with those of Total Energies UK, or divestments in countries (Colombia and Indonesia) and non-strategic assets. Production (548 Kboe/d) was 4% lower than in 2024, mainly impacted by divestments, partially mitigated by the alliance with NEO Energy and the absence of force majeure shutdowns in Libya.

The main operating figures are:

	Consolidated [1]		Equity		TOTAL	
	2025	2024	2025	2024	2025	2024
Acreage						
Net developed acreage (km^2)	1,855	3,386	1,193	466	3,048	3,853
Net undeveloped acreage (km^2)	11,794	14,812	2,769	2,327	14,563	17,140
Reserves						
Net proven reserves of crude oil, condensate and LPG (Mbbl) [2]	358	468	170	169	529	636
Net proven natural gas reserves (Mboe) [2]	695	785	286	326	981	1,111
Net proven reserves replacement ratio (%) [3]	(55)	61	46	42	(19)	55
Production						
Net production of liquids (kbbl/d)	129	149	59	47	188	196
Net production of gas (kboe/d)	223	241	137	135	360	376
Net hydrocarbon production (kboe/d)	353	390	195	181	548	571

(1) Includes controlled assets and direct interests in assets and joint operations (commonly referred to as Joint Operating Agreements, or "JOAs"), which are not structured through jointly controlled entities (Joint Ventures) that would limit the Group's exposure to the risks and rewards of the underlying assets. Figures relating to JOAs are consolidated based on the Group's ownership interest.
(2) For the estimation of proven oil and gas reserves, the Group uses the criteria established by the "SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System" system, commonly referred to as its acronym SPE-PRMS (SPE - Society of Petroleum Engineers).
(3) Reserve replacement ratio: quotient between total additions of proven reserves in the period and production in the period.

1.2 Key figures and indicators

Repsol Upstream Group's Management Report contains figures and measures prepared in accordance with the Group's Reporting Model, which constitute Alternative Performance Measures (APM) in accordance with the Guidelines on Alternative Performance Measures of October 2015 published by the European Securities Market Association (ESMA). APMs are measures which are adjusted compared to those presented as IFRS-EU and readers should therefore consider them in conjunction with, rather than instead of, the latter. Further information, including the definitions and reconciliations of the various measures, is provided in Appendix I.

Financial indicators [1][2][3]	2025	2024
Earnings		
Adjusted EBITDA	2,918	3,259
Adjusted income	1,253	1,174
Net income	973	(523)
Cash and liquidity		
Cash	181	358
Cash flows from operations	2,010	3,516
Free cash flow	907	2,087
Investments [4]	1,819	2,065

Financial indicators [1][2][3]	2025	2024
Available capital and debt		
Capital employed (CE)	12,392	10,864
Net debt (ND)	7,092	5,617
Net debt without leases	6,790	5,211
ND / CE (%)	57	52
ND without leases / CE (%)	55	48

[1] In USD million, where applicable.
[2] Prepared in accordance with the Group's reporting policies (for further information see Appendix I)
[3] Some of the figures presented are considered Alternative Performance Measures (APM) in accordance with the Guidelines of the European Securities Markets Authority (ESMA). For more information, see Appendix I.
[4] Corresponds to Payment for Investments of EU-IFRS Statement of Cash Flows

(2) Our company - Businesses

2.1 Corporate governance

The Group's corporate governance system guides the structure, organization and operation of its corporate bodies in the best interests of the company and its shareholders. It is based on the principles of transparency, independence and accountability and is fully compliant with national and international best practices and standards.

The governance structure adequately differentiates governance and management functions from oversight, control and strategic definition functions.

The structure of the Board of Managers as at the date of preparing the report is:

- Class A Managers:
    - Josu Jon Imaz (Chairman)
    - Francisco José Gea Pascual del Riquelme (Chief Executive Officer)
    - Antonio Lorenzo Sierra
    - Sonia Mera Uriarte
- Class B Managers:
    - Robert Blair Thomas
    - Vahid Farzad
- Class C Managers (independent):
    - Khodor Mattar
    - Abdulaziz Mohammed Al Gudaimi.

2.2 Strategy

Our strategy is based on yield and portfolio upgrade, and continuing a transformation, seeking value growth, project delivery and decarbonization. We believe we have successfully deployed this strategy, entailing asset divestments in non-strategic countries and the operational start-up of key projects. More specifically, our strategic pillars are: (i) to focus on geographic areas with competitive advantages (United States); (ii) development of projects with higher margins and lower carbon intensity with an improved cash generation; (iii) to accelerate the decarbonization of our assets and inclusion of low-carbon solutions. We have identified the following strategic priorities to accomplish our goals:

Unconventionals	Conventionals
Increase operated production and inventory.	Deliver safely key projects in value and in time.
Optimize operating model.	Integrate UK operations.
Improve capital efficiency.	Optimize cash generation in assets.
	Capture emerging opportunities in the portfolio.

(3) Environment

3.1 Macroeconomic environment

Global activity in 2025 has remained relatively stable after a prolonged and challenging period marked by significant shocks.

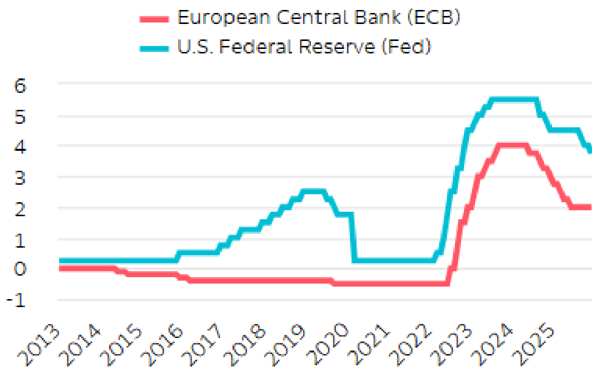
According to the International Monetary Fund (WEO October 2025), global economic growth stood at around 3.2% for 2025 (after 3.3% in 2024), with global output close to its potential level, i.e., achievable in a sustainable manner without generating serious imbalances. More importantly, the disinflation process has continued, albeit more gradually, with global inflation projected at around 4.2% in 2025.

The global economy held up well, despite an adverse economic environment, an uncertain geopolitical landscape (including the ongoing war in Ukraine, the conflicts in the Middle East, and an increase in sanctions and threat of tariff hikes), along with the impact of restrictive monetary policies.

Since early 2025, the global environment has become substantially more uncertain as a result of the shift in trade and geopolitical policy driven by the U.S. administration, aimed at accelerating regime change in the global economy. On April 2, the U.S. government imposed new tariffs on a broad group of countries, including the European Union and China, establishing a universal minimum tariff of 10% and additional rates for partners with larger bilateral surpluses. Although the initial reaction of the markets was adverse, it subsequently moderated thanks to the exemptions announced and the willingness of most countries to negotiate bilateral agreements to avoid an escalation of trade protectionism. The only exception was China, which has taken a more aggressive stance by imposing restrictions on rare earth exports. In recent months, both countries have reached a partial truce that reduces some tariffs and postpones certain restrictions for a year, although without resolving the structural tensions.

The level of protectionism remains at its highest level since the mid-20th century, and additional legal uncertainty persists following the U.S. Supreme Court's review of the constitutionality of certain tariffs. In this context, the impact on inflation is asymmetrical. In the U.S., tariffs are already exerting upward pressure on goods prices, partially offset by falling energy and services prices, while in Europe and other regions, the appreciation of the euro and lower external demand are generating disinflationary effects.

Trend in ECB and FED interest rates



Source: Bloomberg and Repsol's Research Department.

In this context, a divergence emerged in the monetary trajectories of the European Central Bank (ECB) and the U.S. Federal Reserve (Fed), although this has become less noticeable in recent months. In June 2024, the ECB began a cycle of cuts, bringing its deposit rate close to 2.0% by mid-2025. The Fed, on the other hand, remained more cautious (given the continued strength of the U.S. economy and the persistent inflationary risks linked to tariffs) and postponed cuts until September 2025, at which point it implemented three cuts until the end of the year, leaving federal funds rate in the 3.50-3.75% range. This change in tone can be explained by a slowdown in the labor market, which is beginning to outweigh the risk of inflation.

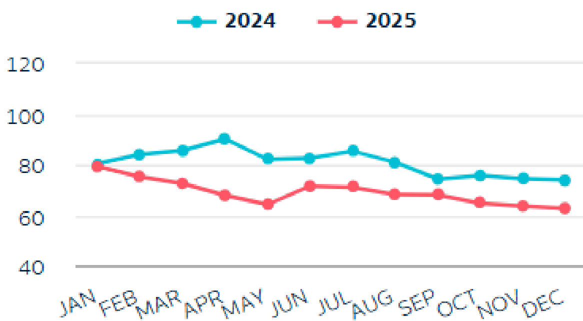
As for the exchange rate, and following a 2024 dominated by the strength of the dollar, aided by the rate differential and the greater relative buoyancy of the U.S. economy, we witnessed a gradual depreciation of the U.S. currency in the early stages of 2025. This trend reflected the change in tone of the Fed's monetary policy, the lower attractiveness of dollar assets and a certain perception of legal and macroeconomic uncertainty. The depreciation was especially visible against the euro, which has acted as a strong reserve currency. However, after this initial phase of appreciation, the movement has stabilized, and in recent months the euro/dollar exchange rate has remained around 1.16-1.17. More precisely, at the end of December 2025, the euro/dollar exchange rate stood at 1.18.

The NOK/USD exchange rate in 2025 has been characterized by high sensitivity to energy prices, global risk sentiment, and relative monetary-policy expectations. After a weak start to the year, the Norwegian krone strengthened materially during 2025, appreciating by more than 12% against the USD, supported by rising oil prices and the dollar's gradual loss of momentum

3.2 Energy landscape

Crude oil – Brent

Brent price performance (USD/bbl)



Source: Bloomberg and Repsol Research Unit.

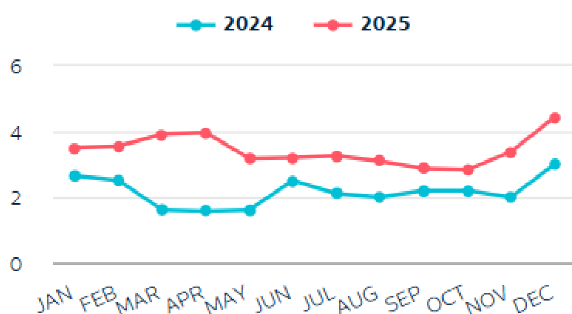
In 2025, the average price of Brent stood at USD 69.1/bl, after a year marked by high volatility that led crude oil to move in a range of more than USD 20. The year started with strong upticks, peaking at USD 82.03/bl on January 15 due to low temperatures in both the United States and Europe, which boosted demand for diesel. Subsequently, the market experienced a drop to near USD 60/bl on May 1, reflecting a broader context of lower economic strength and trade tensions. The trend in the price was largely determined by geopolitical uncertainty, with alternating episodes of increases and corrections, closing the year at around USD 61/bbl, as geopolitical uncertainty eased.

On the demand side, the initial impact of trade tensions between various economies moderated as the year progressed. The IMF's improved growth projections for 2025 and 2026 offered a more favorable environment for global oil consumption. However, significant doubts persisted over Chinese demand, driven by structural factors such as prolonged weakness in the real estate sector and the transition to cleaner energy, especially LNG and electric vehicles. As a result, despite a somewhat better macroeconomic climate than that observed after the April tariff announcement, the pace of demand growth showed signs of slowing compared to 2024.

The factor that exerted the greatest downward pressure on prices was supply, especially due to OPEC+'s production strategy. Between April and September, the group reintroduced the 2.2 million barrels a day it had cut in November 2023 to the market, accelerating a process that had originally been planned for an 18-month horizon. Moreover, the gradual reversal of the 1.65 million barrels a day withdrawn in April 2023 got underway in October 2025. These movements unbalanced the market and weakened the fundamentals supporting prices, causing its potential for recovery to be limited. OPEC+'s announcement to suspend barrel returns during the first quarter of 2026 reflects its intention to halt a further decline in a period characterized by lower seasonal demand.

In this context, towards the end of 2025, global geopolitical tensions eased, which further contributed to the moderation of crude oil prices. However, uncertainty remains, especially in relation to developments in major producing countries such as Russia, Iran, and Venezuela, where further developments could reintroduce volatility into the market.

Natural Gas - Henry Hub (HH)



Source: Bloomberg and Repsol Research Unit.

In 2025, the price of U.S. HH natural gas averaged USD 3.4 MBtu, above the 2024 average (USD 2.3/MBtu). During January and February of 2025, the intense cold caused production freeze-offs and high heating demand, which increased the price during the first quarter and eliminated the surplus of gas in U.S. storage compared with the average for the last five years, which had kept prices moderate.

In the second and third quarters, the existing deficit in storage was reduced, bringing it above the average for the last five years. Production remained at historically high values of 109.1 bcf/d in August, driven mainly by demand from exports, due to the increase in LNG feed gas (new LNG export facilities and additional trains at existing terminals that have come online) and increased pipeline exports to Mexico. Additionally, HH prices increased in the fourth quarter due to higher winter demand for heating in the United States.

(4) Performance of our businesses

Repsol Upstream continued to deploy the strategic lines through active portfolio management, prioritizing those areas with the greatest strategic fit in terms of value and competitive advantages, such as the integration of assets in the North Sea in the United Kingdom alongside NEO Energy Group and the agreement to merge them with those of Total Energies UK, or divestments in certain countries (Colombia and Indonesia) and in non-strategic assets. Production (548 Kboe/d) was 4% lower than in 2024, largely due to divestments, partially mitigated by the alliance with NEO Energy and the absence of force majeure outages in Libya.

Efficiency measures and a focus on the value of the asset portfolio have been instrumental in capturing a strong adjusted income in the current context of price volatility.

Adjusted income was USD 1,253 million, compared to USD 1,147 million in 2024 largely due to:

- Increase in gas realization prices (+34%), with a significant impact on the results obtained at Marcellus. Conversely, lower realized crude oil prices (-14%) negatively affected the results achieved in Libya, the Gulf of America (GoA), and Norway;
- Higher sales volumes, driven in particular by a significant increase in Libya and GoA, partially offset by lower volumes in Eagle Ford, Norway, Algeria, Peru, and Marcellus;
- Higher taxes on production and hydrocarbon royalties, mainly in Alaska, Eagle Ford, and Libya;
- Lower amortization due to the impairment recognized in December 2024 and lower production;
- Higher production costs, mainly due to First Oil in the GoA;
- Other; mainly the divestment of all productive assets in Indonesia and Colombia and the results of UK until the incorporation of Neo Next joint venture (July 2025);
- Higher income tax, in line with higher operating results;
- Lower results from equity-accounted companies (associates), due to weaker performance in Brazil (lower prices and lower production) and Venezuela (higher production costs, lower prices, and higher taxes, despite the increase in production), partially offset by improved performance in the United Kingdom (associate since July 2025) and in Trinidad and Tobago (higher gas prices and lower production costs).

Cash generated from operating activities in 2025 amounted to USD 2,010 million, a decrease of USD 1,506 million in comparison to 2024. This was mainly due to lower results and the monetization of tax credits within the Spanish Tax Group in 2024.

Free cash flow amounted to USD 975 million, compared to USD 2,149 million in 2024, mainly driven by the higher payments of taxes. During 2025, the Group slightly decreased its investments, which were mainly concentrated at production and/or development assets in the United States (Alaska, Gulf of America, Leon and Castille, Eagle Ford, and Marcellus). The amount received due to the divestments in non-strategic assets (Indonesia and Colombia) was USD 716 million (2024: USD 636 million).

4.1 Our activities

- New areas: identification and entry into new projects (organic or inorganic growth).
- Exploration: geology, geophysics, and exploratory drilling activities in the search for hydrocarbon resources.
- Evaluation: drilling of appraisal wells, definition of the volumes discovered and determination of their commercial viability.
- Development: drilling of production wells, construction of collection systems, processing plants and evacuation and transportation systems for production of reserves.
- Production: commercial operation of hydrocarbons.
- Decommissioning: abandonment of the wells and removal of all facilities to leave the area in the same environmental condition as prior to the commencement of operations.

4.2 Main events

Management of the asset portfolio

The Group is deploying the new strategy with a focus on improving its portfolio by rotating assets to concentrate and consolidate production in key areas, where it has built a material position that benefits from synergies that generate greater competitive advantages.

In 2025, an agreement with NEO UK and TotalEnergies UK has been reached to consolidate the E&P business in the United Kingdom. During the year the Group has divested in countries (Colombia and Indonesia) and in non-strategic assets. These decisions are part of the broader portfolio optimization strategy, prioritizing assets with greater alignment with its profitability and sustainability objectives. Divestments allow the Group to focus resources on key regions and projects with greater potential for long-term value generation.

Additionally, progress was made in the execution of strategic development projects that will contribute to incremental production in the time horizon of the 2024-2027 Strategic Plan, such as Pikka Phase 1 in Alaska, Raia and Lapa SW in Brazil, and similarly in the unconventional assets in the U.S. with drilling and completion activity.

Some of the strategic development projects have reached their production phase during 2025, such as Leon and Castile in the Gulf of America and Cypre and Mento in Trinidad and Tobago.

Average production

Average production has reached 548 Kboe/d in 2025, 4% lower than in 2024 mainly due to divestments in Colombia and Indonesia in 2025, divestments in Eagle Ford Southwest in June 2024 and mature assets in Trinidad and Tobago in December 2024 and maintenance activities in the United Kingdom and Norway, as well as the natural decline of the fields. This has been partially offset by the production of Cypre and Mento in Trinidad and Tobago and Leon and Castile in the Gulf of America, the integration of the assets in the United Kingdom with NEO, the acquisition of Tomoporo-La Ceiba (Venezuela) in the second quarter of 2024, as well as the absence of periods of force majeure and the connection of new wells in Libya and Marcellus, respectively.

Exploration activity

In 2025, the drilling of five exploratory wells has been completed: two under evaluation (one in Trinidad and Tobago and one in Libya), two positive in Bolivia and one with a negative result in Libya. In addition, the drilling of two delineation wells was completed: one positive in Trinidad and Tobago and one under evaluation in Libya.

As of December 31, there was an exploratory well ongoing in Bolivia (YPC-X43).

Reserves

The change in net proven reserves in 2025 was -38 Mboe, mainly as a net result of reserve purchases and sales, extensions and discoveries, and revisions of previous estimates. The total reserves replacement ratio stood at -19% in 2025 (55% in 2024).

Financing

In September, the Group successfully completed its first U.S. dollar bond issuance, totaling 2.5 billion, through its subsidiary Repsol E&P Capital Markets US LLC. The transaction—structured in three tranches with maturities between 2028 and 2035—was oversubscribed 6.9 times, reflecting strong demand from the U.S. market. The proceeds were used to refinance intercompany debt within the Group. This issuance strengthens Repsol E&P's financial position and broadens its U.S. investor base, consolidating its access to international capital markets. The bonds are guaranteed by the Company and rated BBB+ by S&P and Fitch.

4.3 Main assets

The following contains details of the Group's main assets and events in the period.

North America

United States

Main Assets	% Group	P/D/E [1]	L/G [1]	Description
Shenzi	28.00%	P	L-G	Deep waters of the Gulf of America southeast of the state of Louisiana
Eagle Ford	92.64%	P	L-G	Unconventional onshore shale gas with associated liquids in South Texas
Marcellus	83.43%	P	G	Unconventional onshore shale gas in Pennsylvania, New York and West Virginia
Buckskin	22.50%	P	L-G	Deep waters of the Gulf of America southwest of the state of Louisiana
North Slope - Pikka	49.00%	D	L	Asset under development in northern Alaska
North Slope - Horseshoe	49.00%	E	L	Exploratory area comprising the Horseshoe discovery in northern Alaska
Leon-Castile	47.13%	P	L-G	Asset in deep waters of the Gulf of America southwest of the state of Louisiana

[1] P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- In April, the Salamanca floating production unit was mobilized to the Gulf of America to start operations in the Leon and Castile fields, where the Group holds 50.00% and 35.62%, respectively. The production capacity is 60,000 barrels per day of crude oil and 40 million cubic feet of gas. The Salamanca platform is the result of a refurbishment of an old facility, which has led to an 87% reduction in emissions compared to the construction of a new unit. In September, it began producing the first well in the Leon field and, in October, two other wells began production, one in Leon and the other in Castile. This strategic project adds significant long-term production in the U.S. and reflects the Group's commitment to this key basin for the E&P business.
- In August, Eagle Ford awarded Ensign US Southern Drilling LLC a service contract for rig 120 to execute the drilling of 17 wells. In September, drilling began on the Blunh-Evangeline A platform (7 wells).
- In September, Marcellus awarded Precision Drilling Company a service contract for rig 566 to execute the drilling of 37 wells and has started drilling the Lovell rig (6 wells).
- In November, in Alaska, the Group was awarded a total of 67 exploration blocks, of which 45 correspond to areas where the company holds a 100% operating interest. The other 22 blocks will be operated by Santos, in which the Group maintains a 49% stake.
- In December, the preparation of the Quokka-1 well began, which started drilling in January 2026.
- On December 31, 2024, Santos Ltd received approval from the Alaska Department of Natural Resources (ADNR) for the 2025 Development Plan (POD 2025) for the Pikka field in the North Slope Basin, where the Group has a 49% stake and Santos is the operator with 51%. The Plan began on February 1, 2025 and is progressing as planned with the drilling of 23 wells (10 production, 11 injection and 2 service) of the 45 planned and the commissioning of the facilities.
- The Nanushuk Processing Plant is 95% complete. All other work areas required for the start of production are already operational. Production is estimated to begin at the end of the first quarter of 2026, reaching a sustained production level of 80,000 barrels per day for Phase I in the third quarter. Although not required for the start of production, the seawater treatment plant will start operating in May 2026.
- In December, Repsol Upstream Group was awarded 12 exploration blocks in the Gulf of America in the Big Beautiful Gulf 1 (BBG1) auction, the first deepwater oil and gas auction held by the United States since 2023. The Group submitted bids for 13 ultra-deepwater blocks and was awarded 12 (3 alone and 9 accompanied by a partner), with a total of 303 km².
- In December, the license for 2 blocks, AC 380 and AC 424, of the Alaminos Canyon area of the Gulf of America expired.

Mexico

- In October, Petronas, and in December Harbour signed agreements with Repsol to relinquish their stakes in block B29. Repsol now holds 100% of the rights to the block, assuming full operational and strategic responsibility for the asset (pending authorization for the divestiture of partners by the Ministry of Energy, SENER).

	Consolidated (1)		North America Equity		TOTAL	
	2025	2024	2025	2024	2025	2024
Acreage						
Net developed acreage (km^2)	792	759	—	—	792	759
Net undeveloped acreage (km^2)	4,885	5,071	—	—	4,885	5,071
Acreage in development (km^2)	1,728	1,779	—	—	1,728	1,779
Net exploration acreage (km^2)	3,949	4,052	—	—	3,949	4,052
Reserves						
Net proven reserves of crude oil, condensate and LPG (Mbbl) (2)	205	224	—	—	205	224
Net proven natural gas reserves (Mboe) (2)	500	530	—	—	500	530
Net proven reserves replacement ratio (%) (3)	28	93			28	93
Production						
Net production of liquids (kbbl/d)	42	46	—	—	42	46
Net production of gas (kboe/d)	142	148	—	—	142	148
Net hydrocarbon production (kboe/d)	184	194	—	—	184	194

(1) Includes controlled assets and direct interests in assets and joint operations (commonly referred to as Joint Operating Agreements, or "JOAs"), which are not structured through jointly controlled entities (Joint Ventures) that would limit Repsol's exposure to the risks and rewards of the underlying assets. Figures relating to JOAs are consolidated based on Repsol's ownership interest.
(2) For the estimation of proven oil and gas reserves, Repsol uses the criteria established by the "SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System" system, usually referred to by its acronym SPE-PRMS (SPE - Society of Petroleum Engineers).
(3) Reserve replacement ratio: (quotient between total additions of proven reserves in the period and production in the period)

	North America	
Performance of operations	**2025**	**2024**
Oil production wells	1,030	1,021
Gas production wells	936	886
Development wells completed:	41	83
Positive	41	83
Negative	—	—
Under evaluation	—	—
Exploratory wells completed and ongoing(1):	**—**	**1**
Positive	—	1
Negative	—	—
Under evaluation	—	—
In progress	—	—

(1) Does not include appraisal wells (no activity in 2025; 1 that was under evaluation in 2024).

International

Brazil

Main assets	% Group	P/D/E (1)	L/G (1)	Description
BM-S-9 (Sapinhoá)	15.00%	P	L-G	Ultra-deep waters in the pre-saline of the Santos basin
BM-S-9A (Lapa)	15.00%	P	L	Ultra-deep waters in the pre-saline of the Santos basin
BM-S-50 (Sagitario)	12.00%	E	L-G	Ultra-deep waters in the pre-saline of the Santos basin
BM-C-33 (Raia)	21.00%	D	L-G	Ultra-deep waters in the pre-saline of the Campos basin
Albacora Leste	6.00%	P	L-G	Deep waters in the Campos basin

(1) P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- In June, the Brazilian regulator (Agencia Nacional do Petróleo) has technically approved the development plan for the Raia project (Block BM-C-33) in the Campos basin, where the Group is a partner along with Equinor, Sinopec and Petrobras. In July, Brazil's environmental regulator (IBAMA) granted the installation license for the Raia export pipeline project, allowing work to begin on the 15-kilometer section of shallow water. The complete pipeline will span approximately 200 kilometers, connecting Raia's production, storage and offloading vessel (FPSO) with the Cabiúnas terminal in Macaé. Raia is one of the country's most important natural gas developments, with the

capacity to transport 16 million cubic meters of natural gas per day and containing recoverable oil/condensate reserves of more than one billion barrels of oil equivalent (boe). The project is scheduled to start operating in 2028.

Trinidad and Tobago

Main asset	% Group	P/D/E [1]	L/G [1]	Description
BP TT	30.00%	P	L-G	Columbus Offshore Basin

[1] P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- The company BpTT, a company owned by BP (70%) and Repsol Upstream Group (30%), approved in March the development of the Ginger project off the coast, a gas field discovered in 2019. This field will be connected to the Mahogany B platform, with a production target of approximately 62,000 barrels of oil equivalent per day (boe/d). Gas production is expected to start in 2027.
- In March, gas production began at the Cypre project, located in Block 3 off the coast. This first phase connects four wells to the Juniper platform, with expected production of up to 45,000 boe/d. A second phase, comprising three additional wells completed in the second half of the year, is scheduled to be brought onstream in 2026.
- In June, gas production began at the Mento-1ST well, located in the SMR (Ska Mento Reggae) block. This well, discovered in 2020, marks the beginning of the development of the Mento field, which includes a facility with a capacity for 12 wells. In parallel, a drilling campaign will be launched to complete the project's remaining seven wells. In August, production began on the second well in Mento.

Peru

Main assets	% Group	P/D/E [1]	L/G [1]	Description
Camisea (Blocks 56 y 88)	10.00%	P	L-G	Ucayali Basin, in the Andean region
Block 57 (Kinteroni & Sagari)	53.84%	P	L-G	Madre de Dios Basin, in the Andean region

[1] P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- Within the framework of the Recapex II project, in order to maintain production in Block 57 and guarantee the gas delivery commitments, the installation and commissioning of the 7th and last compressor has been completed successfully, improving the reliability of the plant and guaranteeing the production of the block.

Bolivia

Main assets	% Group	P/D/E [1]	L/G [1]	Description
Margarita - Huacaya (Caipipendi)	37.50%	P	L-G	Southern Sub-Andean Basin in the south of the country
Sábalo	24.17%	P	L-G	Southern Sub-Andean Basin in the south of the country
San Alberto	24.17%	P	L-G	Southern Sub-Andean Basin to the south of the country

[1] P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- Operations in Bolivia have been marked by the variability of gas demand, mainly due to the adjustment that Petrobras Brazil makes on a recurring basis on its volumes between the guaranteed contractual minimum (Take or Pay) and the committed daily amount (QDC). There are contractual obligations that ensure a minimum level of payment and supply, even if actual consumption fluctuates, which brings stability to the seller's income.

Colombia

- In February, the sale of 45% of the CPO-9 asset and 25% of SierraCol Energy Arauca LLC was completed.

Venezuela

Main assets	% Group	P/D/E [1]	L/G [1]	Description
Petroquiriquire	40%	P	L-G	Joint venture with PDVSA holding the assets Mene Grande, Quiriquire, Barúa Motatán, La Ceiba and Tomoporo.
Cardón IV	50%	P	G	Offshore asset in the Gulf of Venezuela jointly operated with Eni

[1] P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- In March 2025, OFAC revoked the Special License that allowed the Upstream Group to continue its operations in Venezuela and issued a Wind-Down License authorizing the Group to carry out the ordinary, incidental and necessary transactions for the winding-down of the previously authorized operations until May 27, 2025.
- Throughout 2025, the political and economic crisis persisted, influenced by the international sanctions imposed on Petróleos de Venezuela, S.A. (PDVSA) and the Government of Venezuela. This situation worsened following the military activities deployed by the United States in the Caribbean under the counter-narcotics program.
- In January 2026, the National Assembly approved a partial reform of the Organic Hydrocarbons Law, which includes three main areas of amendment: (i) the incorporation of "successful business models" from the Anti-Blockade Law; (ii) the proposal of mechanisms to ensure the viability of projects which, due to their technical or economic characteristics, require special considerations (e.g., undeveloped fields); and (iii) the strengthening of legal safeguards for investment by introducing the possibility of resorting to independent mediation and arbitration mechanisms.
- In addition, in January and February 2026, the OFAC issued several General Licenses enabling operations in the oil and gas sector in Venezuela, including those involving the Government of Venezuela, Petróleos de Venezuela, S.A. (PDVSA), or any entity in which PDVSA owns, directly or indirectly, an interest equal to or greater than 50%. Specifically, the following licenses have been issued: (i) GL 46, later replaced by GL 46A, authorizing the marketing of Venezuelan crude oil and derivatives by established US entities; (ii) GL 47, allowing necessary transactions with US-origin diluents in Venezuela; (iii) GL 48, authorizing the provision from the US of goods, technology, software and services for exploration, production and maintenance of facilities; (iv) GL 30B, authorizing the operation and use of ports and airports in Venezuela; (v) GL 49, authorizing negotiations of and entry into contingent contracts for new investments (including due diligence), subject to separate authorization by the OFAC; and (vi) GL 50, authorizing transactions to be carried out in the oil and gas sector in Venezuela by the entities and subsidiaries listed in the Appendix, which expressly includes the Group.
- In this context, the Group continues to closely monitor the country's political and institutional developments, maintaining direct contact with the U.S. and Venezuelan administrations, in an effort to align the scope of the Group´s authorized activities in Venezuela with the objective of contributing to the country's energy development, while adopting the necessary measures in full compliance with the applicable international sanctions regulations.
- In this regard, several events have taken place from year-end to the date of authorization for issue of this consolidated Management Report that could have an impact in the future on the Group's operations and assets in the country, in particular the new general license (GL 50) that authorizes the Group to carry out transactions with the Government of Venezuela or entities of the PDVSA group related to the oil and gas sector in Venezuela. In order to effectively apply these licenses and, therefore, determine their scope and impact on Repsol's assets in Venezuela, the contracts must be subject to the laws of the US and any jurisdiction within the US, and certain relevant terms must be negotiated and finalized with the Government of Venezuela and/or PDVSA, in accordance with that set out in the partial reform of the Organic Law on Hydrocarbons, including, among other aspects, a period of up to 180 days to adapt the contractual models.

Algeria

Main assets	% Group	P/D/E [1]	L/G [1]	Description
Reggane Nord	36.00%	P	G	Gas assets in the center of the country in the Reggane Basin
Block 405a	24.50%	P	L	Assets located in the Ghadames/Berkine basin, in the east of the country

[1] P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- In January 2025, the contract signed for the extension of operations for 25 years with an option for an additional 10 years of Block 405a (MLN, EMK and Ourhoud licenses) was published in the Algerian Official Gazette (at the time of its entry into force), where Repsol Upstream Group is a partner with a 24.5% stake in MLN, 6.37% in EMK and 1.34% in Ourhoud.
- In February, authorization was received from the Algerian Government to move forward with Repsol Upstream Group's investment in Block 405a.
- In November, the Algerian Council of Ministers approved and published in the country's Official Gazette, the amendment of Factor A (part of the formula that regulates the distribution of production between international companies and the state-owned company) of the new block 405a contract to start receiving hydrocarbon rights. The Indonesian company Pertamina is the temporary operator until the new Groupement is formed in the first quarter of 2026.
- In September, the drilling and development of the Reggane, Kahlouche and Kahlouche Sud fields was completed.
- The AZSE-20 well at the Azrafil Sudest field continues operations, and is expected to be completed by the end of first quarter of 2026. The Tio 4 well remains under evaluation.

Libya

Main assets	% Group	P/D/E [1]	L/G [1]	Description
NC-115	20%	P	L	Asset located in the Murzuq basin in the southwest of the country
NC-186	16%	P	L	Asset located in the Murzuq basin in the southwest of the country

[1] P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- In December 2024, after a decade of suspension, exploratory activity resumed in the Murzuq basin with the drilling of the Nesser-1 well started on 31 December, which has been declared negative for 2025.
- On March 3, 2025, the NOC started a bidding round consisting of 22 blocks, 11 onshore and 11 offshore, with a total of 235,000 km2.
- During 2025, the development drilling campaign has continued with five rigs; 30 wells have been completed and 5 were pending completion as of December 31, 2025.

Indonesia

- In July, Repsol Upstream Group sold its 24% stake in the Corridor block, located in Sumatra (Indonesia) to MedcoEnergi for USD 425 million.
- In August, MedcoEnergi acquired the Group's stakes in the Sakakemang (45%) and South Sakakemang (80%) blocks. Authorization was received from the Government of Indonesia for the sale of Sakakemang in November, and approval for the sale of South Sakakemang is pending.

Iraq

- In May, the Group sold the company Talisman (Block K39) BV, along with its mining rights over the Topkhana development project.

Norway

Main assets	% Group	P/D/E [1]	L/G [1]	Description
Operated assets (Varg, Yme, Rev...)	Avg. 65.37%	P	L-G	Offshore assets located in the North Sea in the south of the country
Non operated assets (Visund, Gudrun, Mikkel...)	Avg. 12.08/%	P	L-G	Offshore assets located in the North Sea in the south of the country

[1] P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- In July, Repsol Upstream Group, through its operating partner Equinor, carried out a 232 km2 4D seismic campaign in the Visund field in the North Sea.
- In September, Equinor started phase 2 of the underwater compression project in the Asgard field in the Norwegian Sea. The second compressor module was installed at a depth of 270 meters, which will allow production to be maintained by increasing the pressure between the wells and the Asgard B platform. With both phases, it is expected to increase the recovery rate to 90% of the Midgard and Mikkel fields (in which Repsol Upstream Group has a 7.65% stake as a non-operating partner).

United Kingdom

Main assets	% Group [1]	P/D/E [2]	L/G [2]	Description
NEO NEXT	Avg. 22,99%	P,D&E	L-G	Offshore assets located primarily in the Central North Sea Basin

[1] Repsol Upstream average participation in the assets held by NEO NEXT at 45% stake. There is an agreement with TotalEnergies UK to merge the assets which will reduce Repsol's stake in the joint venture from 45% to 23.625%. See Note 12 in the 2025 Consolidated Financial Statements.

[2] P: Production / D: Development / E: Exploration / L: Liquids / G: Gas

- In April, the Group started the drilling campaign for three development wells at Piper Infill, in which NEO NEXT holds a 100% stake.
- In July, the alliance between Repsol Resources UK and NEO Energy was completed, forming the joint venture NEO NEXT Energy Limited ("NEO NEXT"). The joint venture, owned by Repsol E&P (45%) and NEO UK (55%), becomes one of the largest producers of oil and gas on the United Kingdom's continental shelf (UKCS), with a production by 2025 of approximately 130,000 boe/d. NEO UK's production as of December 31, 2024 was approximately 68,000 boe/d and RRUK's was 34,000 boe/d. The new entity operates a diversified portfolio that, as of the date of this Report, includes 11 production sites, as well as significant undeveloped reserves. In addition, this alliance will significantly enhance the combined entity's operational scale, efficiency, and growth prospects, while reinforcing

the Group's long-term commitment to maximizing the value of its exploration and production assets in the United Kingdom.

- In September, NEO NEXT, completed the acquisition of Gran Tierra North Sea Limited (GTNSL) for USD 7.5 million. GTNSL holds 100% of the UKCS P2358 licence, which encompasses the Serenity discovery off the coast of the Moray Firth. This asset has development potential through connection with the Bleo Holm FPSO floating production unit, already operated by NEO NEXT.
- In October, the redeveloped Murlach crude oil field with a subsea connection and operated by BP (NEO NEXT 20% WI) was put into production at 15,000 boe/d gross.
- In November, NEO NEXT exercised its pre-emptive right over two BP assets in the North Sea to acquire the licenses operated by Total Energies P111 (Culzean, the country's largest gas-producing field) and P2544 (exploratory permit), after Serica Energy announced its intention to acquire 32% for USD 232 million. The transaction was completed on December 31, 2025. Upon completion, NEO NEXT increased its stake to 50.01%.
- In December, the Clyde field (NEO NEXT 100% WI) ended its production to begin the abandonment and decommissioning of the facilities.
- In December 2025, NEO NEXT has agreed with TotalEnergies to merge its exploration and production assets in the British North Sea. This transaction will result in the creation of the NEO NEXT+ joint venture, which will position itself as the largest independent oil and gas producer on the UK Continental Shelf (UKCS), with production expected to be around 250,000 barrels of oil equivalent per day by 2026. The shareholding structure of NEO NEXT+ will be divided between TotalEnergies (47.5%), HitecVision (28.8%) and Repsol Upstream Group (23.6%). The addition of TotalEnergies' high-quality assets will strengthen the new company's balance sheet and operating capabilities. In addition, TotalEnergies will retain up to $2.3 billion in decommissioning obligations, improving the cash flows of the combined business. The transaction, pending regulatory approval, is scheduled to close in the first half of 2026.

Spain

- In October, Dolphin Drilling signed a contract with the Group for the abandonment of subsea wells in Spain. For this purpose, the semi-submersible rig Borgland Dolphin will be mobilized to Tarragona at the end of 2026 to begin operations. The contract covers a firm scope of seven wells and has a minimum duration of 220 days, with an option to extend it to three additional wells.
- Meanwhile, the decommissioning of the Casablanca platform and its well connections continues and is expected to be completed by the end of March 2026.

As of December 31, 2025, Repsol Upstream Group, had oil and gas exploration and/or production interests in 13 countries, either directly or through its subsidiaries, and has operated or jointly operated assets in 12 of them.

	Consolidated [1]		International Equity [2]		TOTAL	
	2025	2024	2025	2024	2025	2024
Acreage						
Net developed acreage (km^2)	1,063	2,627	1,193	466	2,256	3,093
Net undeveloped acreage (km^2)	6,909	9,741	2,769	2,327	9,678	12,069
Acreage in development (km^2)	3,691	5,640	3,418	2,755	7,109	8,395
Net exploration acreage (km^2)	4,281	6,728	544	39	4,825	6,767
Reserves						
Net proven reserves of crude oil, condensate and LPG (Mbbl) [3]	154	244	170	169	324	413
Net proven natural gas reserves (Mboe) [3]	195	255	286	326	481	581
Net proven reserve replacement ratio (%) [4]	(145)	30	46	42	(42)	36
Production						
Net production of liquids (kbbl/d)	88	103	59	47	146	150
Net production of gas (kboe/d)	81	93	137	135	218	228
Net hydrocarbon production (kboe/d)	169	196	195	181	364	377

[1] Includes controlled assets and direct interests in assets and joint operations (commonly referred to as Joint Operating Agreements, or "JOAs"), which are not structured through jointly controlled entities (Joint Ventures) that would limit Repsol's exposure to the risks and rewards of the underlying assets. Figures relating to JOAs are consolidated based on Repsol's ownership interest.
[2] In 2025, it includes the indicators relating to the United Kingdom assets based on Repsol's ownership interest following the formation of the joint venture with Neo. For further information, see the Information on hydrocarbon exploration and production activities.
[3] For the estimation of proven oil and gas reserves, Repsol uses the criteria established by the "SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System" system, usually referred to by its acronym SPE-PRMS (SPE - Society of Petroleum Engineers).
[4] Reserve replacement ratio: (quotient between total additions of proven reserves in the period and production in the period).

Performance of operations	International	
	2025	2024
Oil production wells	1,217	1,279
Gas production wells	319	274
Development wells completed:	73	64
Positive	68	56
Negative	1	5
Under evaluation	4	3
Completed and ongoing exploratory wells [(1)]:	**6**	**8**
Positive	2	2
Negative	1	2
Under evaluation	2	1
In progress	1	3

[(1)] Does not include appraisal wells (2 completed in 2025, 1 with a positive result and 1 that was under evaluation; 1 with a positive result in 2024).

(5) ESG

Repsol E&P contributes to ensuring a reliable, secure, and competitive energy supply while advancing the Company's commitment to a lower-carbon future. The business maintains a robust and diversified portfolio of conventional and unconventional assets in regions where it holds clear competitive advantages. This strategic positioning enables efficient, resilient, and profitable operations, supported by an active portfolio management approach focused on enhancing margins, strengthening cash flow, and progressively reducing greenhouse gas emissions and carbon intensity. Over the past two years, Repsol E&P has laid the foundations for a more sustainable business model through the design and deployment of a comprehensive Environmental, Social, and Governance (ESG) Strategy, led by a dedicated team of multidisciplinary specialists responsible for managing all material sustainability matters across the organization.

Environmental stewardship, social responsibility, and ethical governance are integrated in the Company's operational discipline. Repsol E&P's Environment, Social, and Governance Management System provides a unified framework for managing risks and impacts across all its operations, ensuring alignment with international guidelines and good practices. The revised Environmental Policy, approved in 2024, reinforces the Company's commitments in key areas such as climate change mitigation, pollution prevention, biodiversity conservation, water stewardship, and circular economy principles. Through these commitments, Repsol E&P ensures responsible resource management, upholds stringent sustainability standards, respects human rights and local communities, and strengthens transparency and ethical conduct—supporting its long-term contribution to a more sustainable and competitive energy future.

The main indicators are:

Sustainability indicators [(1)]	2025	2024
People		
No. of employees	1,753	2,649
New employees	80	183
Total turnover rate (%)	8	11.5
Investment in training	2	3
Safety		
No. of Tier 1 process incidents	-	-
No. of Tier 2 process incidents	7	4
Total recordable injury rate (TRIR)	2.93	2.82

(1) In USD million, where applicable.

	2025	2024
Environment		
Carbon Intensity Indicator (kgCO2e/boe)	12.4	14.7
GROSS (Scopes 1+2) GHG emissions (MtCO2e)	1.62	2.23
Annual GHG emissions reduction (ktCO2e)	87.7	107.2
Number of hydrocarbon spills (>1bbl) reaching the environment	4	11
Quantity of hydrocarbons spilled (> 1bbl) reaching the environment (bbl)	40	52

(6) Financial performance

6.1 Indebtedness

Net debt of USD 7,092 million has increased compared to December 31, 2024 (USD 5,617 million), mainly due to the NEO NEXT Energy Limited UK joint venture incorporation. This resulted in a rise in the leverage ratio, being 57.2% (2024: 51.7%).

6.2 Debt and financial position ratios

Net debt and ***Net debt without leases*** were as follows:

	2025		
$ Million	Net debt	Leases	Net debt without leases
Non-current assets:			
Non-current financial instruments	388	-	388
Current assets:			
Other current financial assets	411	-	411
Cash and cash equivalents	181	-	181
Non-current liabilities:			
Non-current financial liabilities	(7,784)	(177)	(7,607)
Current liabilities:			
Current financial liabilities	(288)	(125)	(163)
Net debt	**(7,092)**	**(302)**	**(6,790)**

The ***Leverage ratio*** is ***Net debt*** divided by ***Capital employed*** at the end of the period. This ratio can be used to examine financial structure and degree of indebtedness in relation to capital contributed by shareholders and financing entities. Leverage is the main measure used to evaluate and compare the Company's financial position with respect to its peers in the Oil & Gas industry.

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

(7) Risks

Repsol E&P S.à r.l., ("Repsol E&P")as part of Repsol Group ("Repsol"), has at its disposal an Enterprise Risk Management System which, through the coordinated action of all the units involved, ensures that the main risks are identified, measured, managed and supervised in accordance with the risk policy, and monitors whether the management systems effectively mitigate them up to the required levels. Enterprise Risk Management System ("ERMS") provides an anticipatory, global, and reliable overview of all risks that could impact the Company, based on a Risk Management Policy.

Another key element is the risk tolerance declaration, which is set out in the Risk Management Policy along with the above principles. Repsol has a profile typical of an energy company, integrated and diversified, differentiating between the risks which the Company actively manages and maintains within the defined tolerance thresholds, and those for which it declares its high ambition for control, minimizing its probability of occurrence and its impact, including reputational impact. The latter include accident rate, environment, health, safety, ethics, and conduct and compliance (including tax) risks.

The list below identifies the main risks on a five-year horizon, based on their importance in terms of finance, reputation and people. Some of these risks are sensitive to the phenomena of energy transition and climate change. Repsol links those

material risks identified in the Enterprise Risk Management System (ERMS) according to the taxonomy of energy transition and climate change risks.

Financial and market risks

The prices of crude oil and gas are subject to exogenous factors and, therefore, to volatility as a result, among others, of fluctuations in international supply and demand, affected by the geopolitical and macroeconomic environment, the influence of OPEC, technological changes, natural disasters, pandemics or the energy transition process.

Note that price deviations from the Group's projected figures may be favorable or unfavorable.

The reduction in crude oil and gas prices has a negative impact on the profitability of the Exploration and Production activity, the valuation of its assets, the ability to generate cash and investment plans. Rising prices have the opposite effect. A potential drop in investment could adversely affect Repsol E&P's ability to replace its crude oil and gas reserves.

Additionally, the Repsol Upstream Group is exposed to other financial risks, such as third party credit and default risks (see Note 9 "Financial risks" of the 2025 Consolidated Financial Statements).

Strategic risks

The Repsol Upstream Group is exposed to negative impacts related to possible errors in the investment, divestment or association processes that may be caused by an inadequate capture and selection of alternatives or an incorrect analysis of each of them. The current context marked by high volatility and uncertainty may result in an inaccurate estimate of the trend in the main variables of the initiative, such as raw material prices, exchange and interest rates, the efficiency of the factors of production, and operating costs, among others.

This heading includes risks related to the management of the asset portfolio in accordance with the strategic lines, to the management of the portfolio of new and existing asset development projects, as well as risks related to inadequate forecasting of fiscal conditions or the appearance of contingencies in the purchase/sale processes of assets or companies.

Regulatory and litigation risks

Regulatory changes (including taxation)

The energy industry and the Repsol E&P's activity are heavily impacted by regulations. Future developments in the regulatory framework may significantly affect the Repsol Upstream Group's activity in aspects such as the energy transition, the environment and the preservation of biodiversity, taxation, the markets where the Group operates, the labor environment, industrial and transport safety, quotas or the imposition of tariffs, financial and sustainability information communicated to the market and modifications to sanctions regimes in force, among others, adversely impacting the business, results and financial situation of the Repsol Upstream Group.

Administrative proceedings and lawsuits relating to regulatory matters

Disputes may arise concerning the application or interpretation of current law and regulations in certain realms. In particular, the areas that generate this exposure to the Repsol Upstream Group include tax regulations and their interpretation, energy transition regulations, the wide variety of environmental and safety standards (environmental quality of products, air emissions, energy efficiency, extractive technologies, discharges to water, soil and groundwater remediation, preservation of biodiversity, waste management and risk management linked to substances contained in the products we market), accounting regulations and those that regulate financial and sustainability information communicated to the market, those related to industrial and intellectual property, the regulation of financial markets, competition, good corporate governance, those related to communication and advertising practices, those related to money laundering and Financing of terrorism, regulations on labor law, data protection, those related to the development and use of artificial intelligence (AI), those relating to cybersecurity management and operational resilience in the field of systems, and in general, all those required by Public Administrations. In addition, Repsol E&P reports on oil and gas reserve estimates that present an uncertainty inherent to the evaluation process and that are subject to judgments and estimates. In addition, the Repsol Upstream Group may be affected by the existence of sanctions and trade embargo regimes adopted by the EU, its Member States, the U.S. or other countries, as well as supranational bodies such as the United Nations, on certain countries in which it operates and/or companies or individuals based in them.

Operational risks

Accident rate

The E&P facilities (exploratory or production wells, surface facilities, oil platforms, pipelines, etc.), both onshore and offshore, are exposed to accidents such as fires, explosions, leaks of toxic products, as well as environmental incidents of significant potential impact. Such accidents may cause death and injury to employees, contractors, residents in surrounding areas, damage to assets and properties owned by the Company and third parties as well as damage to the environment. These accidents can occur during the operation of the facilities or in construction or decommissioning projects. Repsol Upstream Group is exposed to impacts from any type of damage or temporary interruption of service associated with

accidents in operations or involving vehicles for land, maritime and air transportation of people, substances, goods or equipment.

Deviations in organizational and employee management

Repsol Upstream Group is exposed to negative impacts arising from the management of the organization and its employees, which constitute a key asset for the Group and which, in certain business contexts, may prove inadequate for achieving its objectives. Among the triggering factors of such impacts are aspects such as the recruitment and retention of talent, the organizational structure, both in terms of design and sizing, rising wage costs, cultural adaptation and transformation, protecting the health of our workers, and labor relations.

Cyberattacks

The Repsol Upstream Group is exposed to all manner of cyberattacks, including, but not limited to, those affecting the availability of critical systems and their information on industrial or digital assets, attacks specifically directed against industrial asset control systems, those that could affect the confidentiality of our data, such as the theft of strategic or sensitive information, those that impact the privacy of the information we hold, such as the theft of personal data, whether of customers, employees or other third parties, and last but not least, those that may affect the integrity of our data, which could lead to erroneous decision-making or the occurrence of fraud events.

Deviations when undertaking investment projects

The project performance phase is exposed to various risks, such as geological, technical, economic, commercial, legal and regulatory, in addition to those related to safety, environment and sustainability, all of which can compromise the delivery of goods and services, compliance with pre-agreed budgets and deadlines, and compliance with defined specifications and/or operational reliability of projects. In addition, since the execution of the project also depends on the performance of third parties (including suppliers of goods, services and equipment, partners in joint agreements, associates, governments and other parties) that are not under the direct control of Repsol E&P, Repsol Upstream Group is exposed to execution and reputational risks through such entities.

Supply chain

The Repsol Upstream Group is exposed to negative impacts associated with the unavailability or scarcity of market goods and services, price and cost fluctuations, as well as interruptions and deviations in time and form in the supply of goods or the provision of services, including the supply of raw materials, which may eventually force the interruption of the affected business activities. Specifically, part of the processing, transportation and marketing of crude oil and gas production from Upstream assets is carried out through infrastructure (pipelines, processing and purification units or liquefaction terminals) operated by third parties. This infrastructure is exposed to various risks, such as unscheduled shutdowns or accidents, which may affect the provision of these logistical services by the suppliers concerned. In addition, in certain countries where the Group operates that are prone to socio-political instability, there may be a shortage of qualified suppliers or contractors, which could in turn affect business. The Company is also exposed to risks arising from its relations with other firms along the supply chain, or where the Group is held jointly liable for their actions, including non-compliances with applicable laws and other regulations, external policies and standards or administrative requirements.

In addition, operational continuity depends on some critical services and supplies provided by third parties, such as those in the IT environment or those related to essential supplies. Finally, it should be mentioned that a certain impact on the Group related to possible logistical restrictions arising from situations of geopolitical instability or armed conflicts that affect the main global transport routes and that result in cost overruns or delays in deliveries cannot be ruled out (see Note 20 "Geopolitical risks" of the 2025 Consolidated Financial Statements).

In general, but especially in certain countries where it operates, Repsol E&P is exposed to potential impacts arising from acts of direct violence that may endanger the integrity of both the Company's assets and the persons linked to it as a result of the actions of persons or groups obedient to any interests, governmental or non-governmental acts, including, but not limited to, acts of terrorism (including cyber terrorism), asset blocking, crime, piracy, kidnappings, extortion, theft, and acts of vandalism. The exposure of our assets (including reserves) and employees to economically, socially or politically unstable countries or regions could have an adverse impact on our business, financial position and results of operations.

Attacks on people or assets

In general, but especially in certain countries where it operates, Repsol E&P is exposed to potential impacts arising from acts of direct violence that may endanger the integrity of both the Company's assets and the persons linked to it as a result of actions taken by persons or groups partisan to any interests, governmental or otherwise, including, without limitation, acts of terrorism (including cyber origin), asset blocking, crime, piracy, kidnapping, extortion, theft, and acts of vandalism. For more information, see Note 20 "Geopolitical risks" of the 2025 Consolidated Financial Statements.

Appendix I: Reconciliation of Alternative Performance Measures to EU-IFRS Financial Statements

In the fourth quarter of 2025, in the context of the evolution of its strategic lines and its update for the period 2026-2028, the Group has changed the way it manages and evaluates the business performance and has therefore modified the financial measures that are reviewed internally by the Chief Operating Decision Maker (Chief Executive Officer) for decision-making. Specifically, the results and financial figures of the joint ventures are now integrated by the equity method[1] into its results presentation model. In this way, the Group's financial information is provided with greater clarity, aligning it with the presentation of financial statements prepared under IFRS and with common practice in the sector.

The comparative information for the 2024 fiscal year has been revised to reflect this new measurement method, ensuring adequate comparability between periods.

Repsol Upstream Group's Management Report contains figures and measures prepared in accordance with applicable accounting standards as well as other measures prepared in accordance with the Group's reporting model, known as Alternative Performance Measures (APMs) in accordance with the Guidelines on Alternative Performance Measures of October 2015 published by the European Securities Market Association (ESMA). The APMs are considered "adjusted" figures with respect to those presented in accordance with IFRS-EU and, therefore, should be viewed as complementary, rather than as substitutes for them. APMs are highly useful for users of financial information as they are the measures employed by Management to evaluate the Group's financial performance, cash flows, and its financial position when making operational or strategic decisions.

A measure of profit known as Adjusted income is used, which corresponds to operating income, net of taxes and without including certain income and expenses ("Special items"), which are presented separately.

In this Appendix, Repsol Upstream Group provides the definitions and reconciliations between the Alternative Performance Measures and the measures of the financial statements prepared in accordance with EU-IFRS Accounting Standards.

Adjusted income is the primary measure of financial performance that the Chief Operating Decision Maker (CODM) reviews when making decisions[2]. It is a useful APM as it allows investors to evaluate performance and allow better comparability with other companies operating in our sector.

Corresponds to Net income and excluding certain income and expenses ("Special items"), which are presented separately.

Special items includes certain material items whose separate presentation is considered appropriate in order to facilitate analysis of the ordinary business performance. This heading includes gains/losses on divestments, restructuring costs, asset impairment losses (provisions/reversals), provisions for contingencies and charges, and other relevant income/expenses that do not form part of the ordinary management of the businesses. Special items are presented net of taxes.

Income statement	**2025**	**2024**
Operating income	1,877	42
Financial results	(270)	(520)
Income tax	(777)	(574)
Net income from companies accounted for using the equity method	**143**	529
Net income	**973**	**(523)**
Special items	280	1,697
Adjusted income	**1,253**	**1,174**

Adjusted EBITDA ("Earnings before interest, taxes, depreciation, amortization and others"), 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 peers within the Oil & Gas sector.

Adjusted EBITDA is calculated as operating Income + depreciation and amortization + impairment as well as other items which do not represent cash inflows or outflows from operations (restructurings, capital gains/losses from divestment, provisions etc.).

[1] Previously, the earnings and other financial figures were presented taking into consideration the economic figures of the joint ventures, according to their percentage of ownership, with the same methodology and level of detail as for the consolidated companies.

[2] Prior to the change in the reporting model, the measure of business results included the percentage corresponding to joint businesses. The new measure of business results "Adjusted income" adequately reflects the nature of its business and the way in which the results are analyzed for decision making by the Chief Operating Decision Maker, in addition to aligning it with the presentation of the financial statements prepared under International Financial Reporting Standards - European Union and with common practice in the sector.

The reconciliation of EBITDA to IFRS Accounting Standards at December 31, 2025 and 2024, is as follows:

	IFRS [(1)]	
$ Million	**2025**	**2024**
Operating income	1,877	42
Amortization and depreciation of non-current assets	1,114	1,729
Impairment and other provisions	(14)	1,563
Other	(59)	(75)
Adjusted EBITDA	**2,918**	**3,259**

[(1)] Corresponds to Income before tax + Adjustments to income in EU-IFRS Statement of Cash Flows.

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

The reconciliation of the cash flow from operations to free cash flow with the IFRS Accounting Standards Statement of Cash Flows at December 31, 2025 and 2024 is as follows:

Cash flow	**Cash flow**		**Other financial assets and others**		**EU-IFRS**	
$ Million	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
I. Cash flows from / (used in) operating activities (cash flow from operations)	2,010	3,516	-	-	2,010	3,516
II. Cash flows from / (used in) investing activities [(1)]	(1,103)	(1,429)	68	62	(1,035)	(1,367)
Free cash flow (I + II)	**907**	**2,087**	**68**	**62**	**975**	**2,149**

[(1)] Free cash flow includes payments for investments and proceeds from divestments, excluding "Other cash flows for investing activities".

Net debt and ***Net debt without leases*** are the key indicators used by Management to assess the Group's indebtedness. These metrics comprise financial liabilities (excluding lease liabilities, where applicable) less financial assets, cash and cash equivalents.

	2025		
$ Million	Net debt	Leases	Net debt without leases
Non-current assets:			
Non-current financial instruments	388	-	388
Current assets:			
Other current financial assets	411	-	411
Cash and cash equivalents	181	-	181
Non-current liabilities:			
Non-current financial liabilities	(7,784)	(177)	(7,607)
Current liabilities:			
Current financial liabilities	(288)	(125)	(163)
Net debt	**(7,092)**	**(302)**	**(6,790)**

	2024		
$ Million	Net debt	Leases	Net debt without leases
Non-current assets:			
Non-current financial instruments	260	-	260
Current assets:			
Other current financial assets	653	-	653
Cash and cash equivalents	358	-	358
Non-current liabilities:			
Non-current financial liabilities	(5,662)	(277)	(5,385)
Current liabilities:			
Current financial liabilities	(1,226)	(129)	(1,097)
Net debt	**(5,617)**	**(406)**	**(5,211)**

Capital employed measures the capital invested in the Company from internal and external sources and corresponds to Total equity + Net debt.

Leverage equals net debt divided by Capital employed at the end of the period. 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.

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