Q2 2021 Results

July 29, 2021

Index

2Q21: Strong set of results reaching pre-pandemic levels

Josu Jon Imaz, CEO *"Strong set of results reaching pre-pandemic levels"*

We have delivered during the quarter a strong set of results in all the business segments generating €488 million at the adjusted net income level. This compares with the €497 million generated during the second quarter of 2019, reaching pre-pandemic levels.

Portfolio Management *"Focusing on areas with competitive advantages"*

Portfolio management actions included the agreement to sell the Exploration and Production assets in Malaysia and Vietnam during the second quarter of 2021. This transaction follows the transfer of our stake in the TFT asset in Algeria and the sale of the company's producing assets in Russia, the cessation of oil production activities in Spain and the exit from exploratory activity in other countries.

These transactions support the broader rationalization of the company's global portfolio, within the framework of its 2021-2025 Strategic Plan that focuses on the geographic areas with the greatest competitive advantages. Operating Cash Flow per barrel improved around 0.7 $/bbl quarter on quarter.

Leading the Energy Transition

Hecate acquisition *"U.S.-based PV solar and battery storage project developer"*

Repsol acquired 40% of Hecate Energy, a U.S.-based PV solar and battery storage project developer complementing the company's capabilities and portfolio, adding a solid platform with strong growth potential. The agreement is fully aligned with Repsol's Strategic Plan and represents a substantial step forward in the achievement of the company's targets for low-emission generation capacity and internationalization of this business by 2025.

Sines Expansion *"Transformation of our industrial business"*

Repsol will invest €657 million in the expansion of the Sines Industrial Complex in Portugal to build two new plants of high value-added, 100% recyclable polymeric materials, including a linear polyethylene (PEL) plant and a polypropylene (PP) plant, each with a capacity of 300,000 tons per year. The facilities will be operational in 2025 and make the Sines Industrial Complex one of the most advanced in Europe due to its flexibility, high degree of integration and competitiveness.

The new investment project has been designed to accompany Repsol's goals of being a net zero emissions company by 2050 and is aligned with the Paris Agreement.

Sustainable Financing Framework *"First in our sector"*

Repsol was the first company in its sector to present an innovative and comprehensive financing framework, verified and certified by the ISS rating agency, that allows to issue all types of existing transition financing instruments. With its new Transition Financing Framework, Repsol fully incorporates its sustainability roadmap into its financing strategy and takes a key step forward in its commitment to become a net zero emissions company by 2050.

Within this framework, two series of Sustainability-Linked Eurobonds for an aggregate amount of EUR 1,250 million were issued at the end of June. Settlement took place on July 6, 2021.

2Q21 Highlights: solid performance across all business segments

(Unaudited figures)

Results (€ Million)	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Upstream	351	327	(141)	-	678	(51)	-
Industrial	166	73	8	-	239	296	(19.3)
Commercial and Renewables	127	101	42	202.4	228	163	39.9
Corporate and Others	(156)	(30)	(167)	6.6	(186)	(219)	15.1
Adjusted Net Income	**488**	**471**	**(258)**	**-**	**959**	**189**	**-**
Inventory effect	168	321	(298)	-	489	(1,088)	-
Special items	(69)	(144)	(1,441)	95.2	(213)	(1,585)	86.6
Net Income	**587**	**648**	**(1,997)**	**-**	**1,235**	**(2,484)**	**-**
Earnings per share (€/share)	0.39	0.41	(1.28)	-	0.80	(1.59)	-

Financial data (€ Million)	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
EBITDA	1,798	1,837	240	-	3,635	589	-
EBITDA CCS	1,565	1,395	641	144.1	2,960	2,096	41.2
Operating Cash Flow	902	1,030	268	236.6	1,932	864	123.6
Investments	560	501	479	16.9	1,061	1,113	(4.7)
Group's Effective Tax Rate (%)	(38)	(41)	11	(49.0)	(39)	(48)	9.0
Net Debt (*)	6,386	6,452	8,026	(20.4)	6,386	8,026	(20.4)

International prices	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Brent ($/bbl)	69.0	61.1	29.6	133.1	65.0	40.1	62.1
Henry Hub ($/MBtu)	2.8	2.7	1.7	64.7	2.8	1.8	55.6
Average exchange rate ($/€)	1.21	1.20	1.10	10.0	1.21	1.10	10.0

Operational data	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Liquids Production (Thousand bbl/d)	208	234	214	(2.8)	221	229	(3.5)
Gas Production (**) (Million scf/d)	1,983	2,267	2,388	(17.0)	2,125	2,503	(15.1)
Total Production (Thousand boe/d)	**561**	**638**	**640**	**(12.3)**	**599**	**675**	**(11.3)**
Crude Oil Realization Price ($/bbl)	61.5	54.4	25.5	141.2	57.7	35.8	61.2
Gas Realization Price ($/Thousand scf)	3.7	3.4	1.9	94.7	3.6	2.2	63.6
Distillation Utilization Spanish Refining (%)	70.6	76.2	69.9	0.7	73.4	76.1	(2.7)
Conversion Utilization Spanish Refining (%)	73.1	81.6	82.4	(9.3)	77.3	91.4	(14.1)
Refining Margin Indicator in Spain ($/bbl)	1.5	0.2	3.0	(50.0)	0.9	3.9	(76.9)

Sustainability data	Q2 2021	Q1 2021	Q2 2020	Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	Change 2021 / 2020
Process safety indicator (PSIR)	0.11	0.46	0.55	(0.4)	0.23	0.82	(0.6)
Total recordable injury rate (TRIR)	1.01	0.90	0.36	0.7	0.91	0.99	(0.1)
Annual CO2e emissions reduction (Kt) (***)	106	70	168	(62)	176	228	(52)

(*) It includes leases: 3,715 M€ and 3,626 M€ as of first quarter 2021 and second quarter 2021 respectively (**) 1,000 Mcf/d = 28.32 Mm3/d = 0.178 Mboe/d. (***) Estimated.

2Q21 Highlights

Adjusted Net Income & Net Income

Adjusted net income in the second quarter was €488 million, €746 million higher than in the same period of 2020. **Net income** amounted to €587 million, mainly due to a positive impact in the inventory effect of €168 million.

Upstream €351 M

In Upstream, the adjusted net income was €351 million, €492 million higher than in the same period of 2020 mainly due to higher oil and gas realization prices and lower amortization. This was partially offset by lower production and higher taxes due to a higher operating income.

Industrial €166 M

In **Industrial**, adjusted net income was €166 million, €158 million higher than in the same period of 2020 mainly due to the strong performance of Chemicals and Wholesale & Gas Trading businesses.

Commercial & Renewables €127 M

In **Commercial and Renewables**, adjusted net income was €127 million, €85 million higher than in the same period of 2020 mainly due to higher results in Mobility, Lubricants, Aviation and Specialties, partially offset by lower results in LPG.

Corporate & Others €-156 M

In **Corporate and others**, adjusted net income was €-156 million, compared to €-167 million in the same period of 2020, mainly due to lower cost of debt and better corporate and adjustments results. This was partially compensated by lower results from derivatives from treasury stock positions.

Special Items €-69 M

Special Items stood at €-69 million, compared with €-1,441 million in the same period of 2020 and correspond mainly to provisions and workforce restructuring.

Net debt €6,386 M

The Group´s **net debt** at the end of the quarter stood at €6,386 million, €66 million lower than at the end of the first quarter of 2021. The strong cash flow from operating activities during the quarter more than covered investments, dividends and interests.

In June, Moody's improved the outlook on Repsol S.A.'s Baa2 issuer rating to stable.

Net Income performance by Business Segment

Upstream

(Unaudited figures)

Results (€ Million)	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Adjusted Net Income	**351**	**327**	**(141)**	**-**	**678**	**(51)**	**-**
Operating income	586	596	(165)	-	1,182	(4)	-
Income tax	(239)	(271)	20	-	(510)	(57)	-
Income from equity affiliates and non-controlling interests	4	2	4	-	6	10	(40.0)
EBITDA	918	927	331	177.3	1,845	988	86.7
Investments	212	206	214	(0.9)	418	603	(30.7)
Effective Tax Rate (%) (*)	(41)	(45)	12	(53.0)	(43)	-	-
International prices	**Q2 2021**	**Q1 2021**	**Q2 2020**	**% Change Q2 21/Q2 20**	**Jan - Jun 2021**	**Jan - Jun 2020**	**% Change 2021 / 2020**
Brent ($/bbl)	69.0	61.1	29.6	133.1	65.0	40.1	62.1
WTI ($/bbl)	66.2	58.1	28.0	136.4	62.2	36.8	69.0
Henry Hub ($/MBtu)	2.8	2.7	1.7	64.7	2.8	1.8	55.6
Average exchange rate ($/€)	1.21	1.20	1.10	10.0	1.21	1.10	10.0
Realization prices	**Q2 2021**	**Q1 2021**	**Q2 2020**	**% Change Q2 21/Q2 20**	**Jan - Jun 2021**	**Jan - Jun 2020**	**% Change 2021 / 2020**
Crude Oil ($/bbl)	61.5	54.4	25.5	141.2	57.7	35.8	61.2
Gas ($/Thousand scf)	3.7	3.4	1.9	94.7	3.6	2.2	63.6
Production	**Q2 2021**	**Q1 2021**	**Q2 2020**	**% Change Q2 21/Q2 20**	**Jan - Jun 2021**	**Jan - Jun 2020**	**% Change 2021 / 2020**
Liquids (Thousand bbl/d)	208	234	214	(2.8)	221	229	(3.5)
Gas (**) (Million scf/d)	1,983	2,267	2,388	(17.0)	2,125	2,503	(15.1)
Total (Thousand boe/d)	**561**	**638**	**640**	**(12.3)**	**599**	**675**	**(11.3)**

(*) Calculated on the Operating Income (**) 1,000 Mcf/d = 28.32 Mm3/d = 0.178 Mboe/d

Second quarter 2021 results

Adjusted net income was €351 million, €492 million higher than in the same period of 2020 mainly due to higher oil and gas realization prices and lower amortization. This was partially offset by lower production and higher taxes due to a higher operating income.

The principal factors that explain the variations in the year-on-year performance in the Upstream division are as follows:

- **Higher realization prices** had a positive impact on the operating income of €916 million.
- **Lower volumes** impacted the operating income negatively by €111 million, mainly due to planned and unplanned maintenance programs, the natural decline of fields and the divestment of producing assets in Russia.
- **Higher production costs and general costs** had a negative impact of €28 million on the operating income mainly derived from higher maintenance costs.
- **Depreciation and amortization** charges had a positive impact of €109 million because of lower production and due to the impairments posted during 2020.

- **Higher royalties** had a negative contribution to the operating income of €93 million due to higher prices and higher production in Libya.
- **Lower exploration costs** had a positive impact on the operating income of €22 million.
- **Income tax** expense increased by €259 million due to a higher operating income.
- **Income from equity affiliates and non-controlling interests and the depreciation of the dollar against the euro** explain the remaining differences.

Production

Upstream production averaged 561 kboe/d in the second quarter of 2021, 79 kboe/d lower year-on-year primarily as a consequence of the planned and unplanned maintenance activities in Peru, United Kingdom and Trinidad & Tobago, the natural decline of fields in Marcellus and Eagle Ford (USA) and Canada, as well as the divestment of producing assets in Russia. These were partially compensated by the resumption of operations in Libya since October 11, 2020 and higher production in Bolivia, Gulf of Mexico (USA), Indonesia and Colombia.

Exploration

During the second quarter of 2021, one appraisal well (KBD-3X) was declared positive in Indonesia and one exploration well (Chak-1) was declared negative in Mexico.

At the end of the quarter, one appraisal well (Polok-2) in Mexico and one exploration well (Sararenda-X3D) in Bolivia were in progress.

Exploration expenses during the second quarter stood at €36 million, 32% lower than in the same period of 2020.

Investments

Investments in Upstream in the second quarter of 2021 amounted to €212 million, €2 million lower than in the same period of 2020.

- **Development** investments accounted for 82% of the total investment and was concentrated mainly in Norway (25%), the USA (21%), Trinidad and Tobago (20%) and UK (10%).
- **Exploration** investments represented 14% of the total and was allocated primarily in Mexico (34%), the USA (27%), Bolivia (13%), Indonesia (7%) and Brazil (7%).

January - June 2021 results

The **adjusted net income** for the first half of 2021 amounted to €678 million, €729 million higher year-on-year mainly due to higher oil and gas realization prices, lower amortization, lower costs and lower exploration costs. This was partially offset by lower production and higher taxes due to a higher operating income.

Production

Upstream **production** averaged 599 kboe/d in the first half of 2021, 76 kboe/d lower year-on-year primarily as a consequence of freezing cold temperatures in the USA that forced well shut-ins in Eagle Ford during the first quarter, planned and unplanned maintenance activities in Peru, United Kingdom and Trinidad &

Tobago, the natural decline of fields in Marcellus and Eagle Ford (USA), Trinidad & Tobago, Norway and Canada, as well as the Piedemonte license expiration (Colombia). These were partially compensated by the resumption of operations in Libya since October 11, 2020 and higher production in Bolivia.

Exploration

During the first half of 2021, two exploration and one appraisal wells were completed. One exploration well was declared positive (Boicobo Sur-X1ST) in Bolivia and one exploration well (Chak-1) in Mexico was declared negative. In addition, one appraisal well (KBD-3X) was declared positive in Indonesia.

At the end of the first half of 2021, one appraisal well (Polok-2) in Mexico and one exploration well (Sararenda-X3D) in Bolivia were in progress.

Exploration expenses during the first half of the year stood at €46 million, 36% lower than in the same period of 2020.

Investments

Investment in Upstream during the first half of the year amounted €418 million, €185 million lower than in the same period of 2020.

- **Development** investment accounted for 74% of the total investment and was concentrated mainly in Norway (26%), Trinidad and Tobago (25%), the USA (16%), UK (12%) and Brazil (6%).
- **Exploration** investment represented 19% of the total and was allocated primarily in the USA (48%), Mexico (16%), Indonesia (12%), Bolivia (11%) and Brazil (6%).

REPSOL

Industrial

(Unaudited figures)

Results (€ Million)	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Adjusted Net Income	**166**	**73**	**8**	**-**	**239**	**296**	**(19.3)**
Operating income	219	88	15	-	307	409	(24.9)
Income tax	(57)	(20)	(5)	-	(77)	(109)	29.4
Income from equity affiliates and non-controlling interests	4	5	(2)	-	9	(4)	-
Inventory effect (after taxes)	160	304	(282)	-	464	(1,066)	-
EBITDA	647	708	(156)	-	1,355	(670)	-
EBITDA CCS	424	289	223	90.1	713	808	(11.8)
Investments	129	74	104	24.0	203	227	(10.6)
Effective Tax Rate (%) (*)	(26)	(23)	(33)	7.0	(25)	(27)	2.0

Operational data	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Refining Margin Indicator in Spain ($/bbl)	1.5	0.2	3.0	(50.0)	0.9	3.9	(76.9)
Distillation Utilization Spanish Refining (%)	70.6	76.2	69.9	0.7	73.4	76.1	(2.7)
Conversion Utilization Spanish Refining (%)	73.1	81.6	82.4	(9.3)	77.3	91.4	(14.1)
Processed Crude (Mt)	8.8	9.4	8.3	6.0	18.2	18.5	(1.6)
Intl. Petrochemical Margin Indicator (€/t)	1,537	1,059	884	73.9	1,298	874	48.5
Petrochemical Product Sales (Thousand tons)	671	711	740	(9.3)	1,382	1,297	6.6

International prices ($/bbl)	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Maya vs Brent spread	(5.5)	(4.5)	(8.6)	36.0	(5.0)	(9.3)	46.2
Gasoline vs Brent spread	10.1	5.6	2.5	-	7.8	3.7	110.8
Diesel vs Brent spread	6.4	5.9	8.9	(28.1)	6.2	11.3	(45.1)

(*) Calculated on the Operating Income

Second quarter 2021 results

Adjusted net income was €166 million, €158 million higher than in the same period of 2020. The principal factors that explain the variations in the year-on-year performance in the Industrial businesses are as follows:

- In **Refining**, operating performance was €52 million lower year-on-year mainly due to narrower middle distillates spreads and higher energy costs that were transferred into lower refining margins. This was partially offset by higher naphtha and gasolines spreads.
- In **Repsol Peru**, operating performance was €23 million lower year-on-year due to lower refining margins partially offset by higher utilization rates and higher results in the mobility business.
- In **Chemicals**, operating performance was €216 million higher year-on-year due to higher petrochemical margins thanks to higher polyolefins and intermediate products prices. This was partially offset by higher naphtha prices and lower utilization rates due to the Puertollano planned maintenance.
- In **Trading and Wholesale & Gas Trading**, operating performance was €13 million lower year-on-year due to a lower contribution in the Trading business. This was partially compensated by higher gas prices and higher volumes in the Wholesale & Gas Trading business.

- **Income tax** expense increased by €52 million due to a higher operating income.
- **Results in other activities, non-transcended sales adjustments and equity affiliates and non-controlling interests** covered the remaining difference.

Investments

Investments in the second quarter amounted to €129 million, €25 million higher than in the same period of 2020.

January - June 2021 results

Adjusted net income for the first half of 2021 was €239 million, 19% lower year-on-year mainly due to the negative impact in Refining, Repsol Peru and Trading. This was partially offset by the strong performance of Chemicals and Wholesale & Gas Trading, as well as lower taxes due to a lower operating income.

Investments

Investments in the first half of the year amounted to €203 million, €24 million lower than in the same period of 2020.

Commercial and Renewables

(Unaudited figures)

Results (€ Million)	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Adjusted Net Income	**127**	**101**	**42**	**202.4**	**228**	**163**	**39.9**
Operating income	176	136	54	225.9	312	218	43.1
Income tax	(45)	(33)	(12)	(275.0)	(78)	(52)	(50.0)
Income from equity affiliates and non-controlling interests	(4)	(2)	0	-	(6)	(3)	(100.0)
Inventory effect (after taxes)	8	17	(16)	-	25	(22)	-
EBITDA	277	242	118	134.7	519	360	44.2
EBITDA CCS	267	219	140	90.7	486	389	24.9
Investments	200	213	141	41.8	413	259	59.5
Effective Tax Rate (%) (*)	(25)	(24)	(22)	(3.0)	(25)	(24)	(1.0)

Operational data	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Electricity Prices in Spanish pool (€/MWh)	71.8	44.7	23.2	209.5	58.3	29.0	101.0
Marketing own network sales (Diesel & Gasoline in km3)	3,248	3,255	2,385	36.2	6,502	5,825	11.6
Electricity Generation (GWh)	958	1,095	1,401	(31.6)	2,052	2,293	(10.5)
Electricity commercialization (GWh) (**)	892	1,015	848	5.2	1,907	1,912	(0.3)
LPG Sales (Thousand tons)	263	387	221	19.0	650	601	8.2

(*) Calculated on the Operating Income (**) Estimated

Second quarter 2021 results

Adjusted net income was €127 million, €85 million higher than in the same period of 2020. The principal factors that explain the variations in the year-on-year performance in the Commercial and Renewables businesses are as follows:

- In **Mobility**, operating performance was €122 million higher year-on-year mainly thanks to higher volumes in the Spanish Service Stations as restrictions loosened.
- In **Retail Electricity & Gas**, operating performance was in line year-on-year.
- In **LPG**, operating performance was €15 million lower year-on-year mainly due to lower margins in the regulated part of the LPG business that were partially compensated by higher volumes.
- In **Lubricants, Aviation, Asphalts & Specialties,** operating performance was €23 million higher year-on-year thanks to higher volumes in Lubricants and Aviation as well as higher margins in Specialties and Aviation.
- In **Renewables & Low Carbon Generation**, operating performance was €8 million lower year-on-year mainly due to lower production in the CCGT and hydropower plants. This was partially offset by the contribution from the wind project Delta I and the photovoltaic project Kappa.
- **Income tax** expense increased by €33 million due to a higher operating income.
- **Results in other activities and equity affiliates and non-controlling interests** covered the remaining difference.

Investments

Investments in the second quarter amounted to €200 million, mainly linked to the development of renewable projects and the acquisition of a 40% of Hecate Energy.

January - June 2021 results

Adjusted net income for the first half of 2021 was €228 million, 40% higher year-on-year primarly driven by higher results in Mobility and Aviation due to lower restrictions as well as the good performance of the Renewables and Low Carbon Generation business. This was partially offset by lower results in LPG and higher taxes due to a lower operating income.

Investments

Investments in the first half of the year amounted to €413 million, €154 million higher than in the same period of 2020, mainly linked to the development of renewable projects and the acquisition of a 40% of Hecate Energy.

Corporate and others

(Unaudited figures)

Results (€ Million)	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Adjusted Net Income	**(156)**	**(30)**	**(167)**	**6.6**	**(186)**	**(219)**	**15.1**
Corporate and adjustments result	(64)	(58)	(73)	12.3	(122)	(129)	5.4
Financial result	(138)	27	(125)	(10.4)	(111)	(136)	18.4
Income tax	45	1	31	45.2	46	46	0.0
Income from equity affiliates and non-controlling interests	1	0	0	-	1	0	-
EBITDA	(44)	(40)	(53)	17.0	(84)	(89)	5.6
Net Interests (*)	(43)	(47)	(55)	21.8	(90)	(104)	13.5
Investments	19	8	20	(5.0)	27	24	12.5
Effective Tax Rate (%) (**)	22	5	16	6.0	20	18	2.0

(*) Does not include interest income/expenses from leases. (**) Calculated on the Operating Income and the Financial Result.

Second quarter 2021 results

At operating income level, **Corporate and Adjustments** accounted for a net expense of €64 million during the second quarter of 2021, compared with a net expense of €73 million for the same period of 2020.

The **Financial result** before taxes in the quarter amounted to €-138 million compared with €-125 million for the same period of 2020, mainly due to lower results from derivatives from treasury stock positions that were partially compensated by a lower cost of debt.

January - June 2021 results

At operating income level, **Corporate and Adjustments** accounted for a net expense of €122 million during the first half of 2021, compared with a net expense of €129 million for the same period of 2020.

The **Financial result** before taxes in the first half of the year amounted to €-111 million compared with €-136 million for the same period of 2020 due to lower financial interests and higher results from derivatives from treasury stock positions that were partially offset by lower results from exchange rate positions.

Inventory Effect

Second quarter 2021

Inventory effect was €168 million in the period, compared with €-298 million in the same period of 2020 mainly due to higher crude oil prices.

January - June 2021 results

Inventory effect was €489 million in the first half of the year, compared with €-1,088 million in the same period of 2020 mainly due to higher crude oil prices.

Special Items

(Unaudited figures)

Results (€ Million)	Q2 2021	Q1 2021	Q2 2020	% Change Q2 21/Q2 20	Jan - Jun 2021	Jan - Jun 2020	% Change 2021 / 2020
Divestments	(5)	6	3	-	1	72	(98.6)
Indemnities and workforce restructuring	(31)	(23)	(35)	11.4	(54)	(41)	(31.7)
Impairment of assets	(15)	10	(1,296)	98.8	(5)	(1,296)	99.6
Provisions and others	(18)	(137)	(113)	84.1	(155)	(320)	51.6
Special Items	**(69)**	**(144)**	**(1,441)**	95.2	**(213)**	**(1,585)**	86.6

Second quarter 2021 results

Special Items stood at €-69 million in the period, compared with €-1,441 million in the same period of 2020 and correspond mainly to provisions and workforce restructuring.

January - June 2021 results

Special Items stood at €-213 million in the first half of the year, compared with €-1,585 million for the same period of 2020 and correspond mainly to provisions and workforce restructuring.

Adjusted Cash Flow Statement Analysis

(Unaudited figures) (€ millions)

Prepared according to Repsol's reporting model (See Appendix IV – Basis of presentation)

	QUARTERLY DATA		JANUARY - JUNE	
	Q2 2021	Q2 2020	2021	2020
I. CASH FLOWS FROM OPERATING ACTIVITIES				
EBITDA CCS	**1,565**	**641**	**2,960**	**2,096**
Inventory Effect	233	(401)	675	(1,507)
Changes in working capital	(561)	150	(1,158)	459
Dividends received	(1)	13	11	19
Income taxes received/ (paid)	(217)	(73)	(343)	(10)
Other proceeds from/ (payments for) operating activities	(117)	(62)	(213)	(193)
	902	**268**	**1,932**	**864**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES				
Payments for investment activities	(574)	(505)	(1,107)	(1,207)
Organic investments	(453)	(499)	(873)	(1,156)
Inorganic investments	(121)	(6)	(234)	(51)
Proceeds from divestments	120	20	130	515
	(454)	**(485)**	**(977)**	**(692)**
FREE CASH FLOW (I. + II.)	**448**	**(217)**	**955**	**172**
Payments for dividends and payments on other equity instruments	(28)	11	(146)	(128)
Net interests	(89)	(131)	(199)	(253)
Treasury shares	20	0	(447)	(150)
CASH GENERATED IN THE PERIOD	**351**	**(337)**	**163**	**(359)**
Financing activities and others	370	2,420	506	2,658
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**721**	**2,083**	**669**	**2,299**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,526**	**3,434**	**4,578**	**3,218**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5,247**	**5,517**	**5,247**	**5,517**

The strong **cash flow from operations** during the second quarter of 2021 was €902 million, €634 million higher than in the same period of 2020. Free cash flow amounted to €448 million, €665 million higher than in the same period of 2020. Higher EBITDA CCS, mainly due to higher oil and gas realization prices, a positive inventory effect and higher divestments were partially compensated by a negative impact from working capital changes and higher taxes.

The strong **cash flow from operations** during the first half of the year was €1,932 million, €1,068 million higher than in the same period of 2020. Free cash flow amounted to €955 million, €783 million higher than in the same period of 2020. Higher EBITDA CCS, mainly due to higher oil and gas realization prices, a positive inventory effect and lower investments were partially compensated by a negative impact from working capital changes, lower divestments and higher taxes.

Net Debt Evolution and Liquidity

This section presents the changes in the Group's adjusted net debt:

(Unaudited figures)

NET DEBT EVOLUTION (1) *(€ Million)*	Q2 2021	Jan-Jun 2021
NET DEBT AT THE START OF THE PERIOD	**6,452**	**6,778**
EBITDA CCS	(1,565)	(2,960)
INVENTORY EFFECT	(233)	(675)
CHANGE IN WORKING CAPITAL	561	1,158
INCOME TAX RECEIVED /PAID	217	343
NET INVESTMENT	453	978
DIVIDENDS PAID AND OTHER EQUITY INSTRUMENTS PAYOUTS	28	146
TREASURY SHARES AND EQUITY DERIVATIVES (2)	140	445
HYBRID BONDS ISSUANCE/TENDER	0	(340)
INTEREST AND OTHER MOVEMENTS (3)	333	513
NET DEBT AT THE END OF THE PERIOD	**6,386**	**6,386**

	Acummulated '21 June
CAPITAL EMPLOYED (M€)	27,348
NET DEBT / CAPITAL EMPLOYED (%)	23.4

(1) *It includes leases: €3,736 million, €3,715 million and €3,626 million as of fourth quarter 2020, first quarter 2021 and second quarter 2021, respectively.*
(2) *It includes the Share Buy Back program (€427 million year-to-date) implemented to avoid the dilution because of the scrip dividend paid in January. It also includes MTM treasury shares derivatives of €-19 and €141 million in the second quarter 2021 and year-to-date 2021 respectively.*
(3) *Principally includes new lease contracts, interest expenses, exchange rate effect, dividends received, companies' acquisition/sale effect and other effects.*

The Group´s **net debt** at the end of the quarter stood at €6,386 million, €66 million lower than at the end of the first quarter of 2021. The strong cash flow from operating activities during the quarter more than covered investments, dividends and interests.

The Group's **liquidity** at the end of the second quarter of 2021 was €9,448 million (including undrawn committed credit lines); representing 2.20 times short-term gross debt maturities that compares with 2.93 times at the end of the first quarter of 2021 (excluding leases on short-term gross debt, it represents 2.53 times and 3.65 times respectively).

Relevant Events

The main company-related events since the first quarter 2021 results release were as follows:

Upstream

Apr. 2021 In April, Kaliberau Dalam-3X delineation / appraisal well on the Sakakemang block in Indonesia was finished with positive result.

Apr. 2021 In April, in Margarita block in Bolivia, the start-up of a new water treatment plant was announced that provides a capacity to process 6,800 barrels of water per day and in May a new compression plant that has allowed to increase recoverable reserves and deliveries of gas to market.

May. 2021 In May, Repsol Sinopec Brasil has begun a project to develop CO2 capture technologies for the production of hydrocarbons that do not emit greenhouse gases. These hydrocarbons can be green fuels as green diesel or gasoline, or even special paraffins.

May. 2021 In May, production of 20 million barrels of oil equivalent was reached in Buckskin, in the deep waters of the US Gulf of Mexico. This significant milestone was reached in less than two years with the production of only two wells, which together currently produce an average of 42,000 barrels of oil equivalent per day gross (8,275 barrels of oil equivalent per day net Repsol).

May. 2021 In May, Repsol has sold its 49% stake in W.I. in Arog, the joint venture with Alliance Oil (51%), which implies the end of Repsol's oil production in Russia. AR Oil & Gas (AROG) is the owner of Saneco and Tatneftteotdacha, two small producers with oil assets in the Samara region and the Republic of Tatarstan. However, Repsol maintains its presence in exploratory activities in the territory of the Russian Federation through its association with Gazprom Neft.

May. 2021 In May, Repsol has agreed with Maersk Drilling to take control of the operation of the platform, which makes it possible to obtain additional operational and contractual synergies for the YME license in Norway.

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

Jun. 2021 In June, Repsol concluded the transfer of its stake in the producing asset Tin Fouyet Tabenkor (TFT). Repsol had a 22.62% stake in this gas and liquified petroleum gas (LPG) asset.

Jun. 2021 In June, Repsol has agreed to sell its 33.84% stake in the Brage field to Singapore-based company Lime Petroleum. There are 5 licenses involved in the operation that expire in April 2030: PL 053B, PL 055, PL 055B, PL 055D and PL 185.

Jun. 2021 In June, the Cessation of Production (CoP) of the Casablanca platform in Tarragona was carried out after 40 years in operation.

Industrial

Jun. 2021 On June 18, Repsol, Bilbobus, and Alsa launched the first pilot project in Spain to use HVO, a net zero emissions fuel. After this date, 12 buses in the fleet of Bilbobus, the Bilbao city bus line, will run on advanced residue-based biofuels.

Repsol, in line with its commitment to becoming a net zero emissions company by 2050, looks to strengthen its role as a major player in the energy transition and a key supplier of eco-fuels for transportation, based on the circular economy.

HVO is an advanced biofuel that meets the European Union Renewable Energy Directive's requirements for certification as a sustainable fuel, and it is considered a net zero emissions fuel. HVO also complies with all the technical requirements to ensure its use in Bilbobus's diesel-powered vehicles without modifications. Bilbobus is operated by Alsa, Spain's largest motorcoach carrier line.

Jun. 2021 On June 30, Repsol and Tecnicas Reunidas reached a strategic agreement to develop new decarbonization technologies while promoting the circular economy.

In-house technology will be developed to manufacture high added-value products with a low or zero carbon footprint from waste and recycled materials, as well as for the energy optimization of industrial processes.

Both companies will share their knowledge and experience with other companies in the industrial sector through technological consultancy services to promote the reduction of emissions. Small and medium-sized enterprises (SMEs) will be the main target, to advance the energy transition throughout the industrial value chain.

Jul. 2021 On July 9, Repsol announced it will build two polymer materials plants at its Sines Industrial Complex (Portugal), representing the largest industrial investment in Portugal in the last ten years, at €657 million. The new materials produced are 100% recyclable, like the rest of Repsol's polyolefins, and can be used for highly specialized applications aligned with energy transition in the pharmaceutical, automotive and food industries. The facilities will be operational in 2025 and make the Sines Industrial Complex one of the most advanced in Europe due to its flexibility, high degree of integration and competitiveness.

The project includes a linear polyethylene (PEL) plant and a polypropylene (PP) plant, each with a capacity of 300,000 tons per year. The technologies applied in both plants, which guarantee maximum energy efficiency, are market leaders and the first of their kind to be installed on the Iberian Peninsula.

The new investment project has been designed to accompany Repsol's goals of being a net zero emissions company by 2050 and is aligned with the Paris Agreement. The Portuguese government has considered this investment of National Interest and has granted tax incentives worth up to €63 million.

Jul. 2021 On July 14, Repsol and Iberia signed a collaboration agreement to move towards more sustainable mobility, among other objectives. The agreement between the multi-energy company and the airline is part of the Sustainable Development Goals (SDG) promoted by the United Nations through its 2030 Agenda.

The agreement will develop ambitious joint programs and activities in three areas: the research and production of sustain-able aviation fuels, capable of reducing their carbon footprint during their combustion on flights; the development of processes for the production and supply of electricity and renewable hydrogen that will decarbonize Iberia's fleet of land vehicles; and the energy management of Iberia's facilities through advanced systems (Energy Management System) and artificial intelligence, as well as self-consumption installations.

Jul. 2021 On July 19, Repsol and Talgo signed an agreement to promote a renewable hydrogen-powered train, fostering emission-free rail transport in the Iberian Peninsula. Repsol is currently the leading hydrogen producer in Spain, operates the largest hydrogen plant in Europe and is rolling out numerous projects in the industrial hubs where it operates, to become a benchmark producer of renewable hydrogen in the Iberian Peninsula. Repsol will use its logistics infrastructure to supply renewable hydrogen to the railway network.

Commercial And Renewables

May. 2021 On May 10, Repsol begun construction of Delta II, the company's largest renewable project to date. Once completed, it will have a total capacity of 860 MW distributed over 26 wind farms located in the region of Aragon in northeastern Spain.

In the first construction stage, Repsol begun work on two wind farms, La Cometa I and La Cometa II. These two wind farms, with a combined capacity of 60 MW, are scheduled to come into operation in the first quarter of 2022. They will have 4 and 12 wind turbines, respectively. Repsol also plans to begin work on three other wind farms in this large wind project this year.

Delta II is expected to be completed in 2023 and, at that time, it will supply electricity to around 800,000 homes. The renewable electricity generated will avoid the emission of more than 2.6 million tons of CO_2 per year. Its development and start-up will provide a significant boost to the socioeconomic dynamism of the region.

May. 2021 On May 12, Repsol and Krean (Mondragon Corporation) joined forces to promote the creation of citizen co-operatives for renewable power generation through the launch of Ekiluz. The initiative aims to transform the relationship between consumers and energy, allowing the consumers to participate in the management of energy in a real and effective way.

To achieve this, Ekiluz will use energy infrastructures of significant dimensions, with solar farms with capacities of between 1 MW and 5 MW that will generate local energy (kilometer 0). The objective is that the members of the cooperative benefit from savings associated with this type of installation and generate a volume of energy equivalent to their entire annual electricity consumption.

May. 2021 On May 13, Repsol signed an agreement to acquire 40% of Hecate Energy, a U.S. company specializing in the development of PV solar and battery projects for energy storage. Thanks to this transaction, the Spanish multi-energy company advances its objectives of geographic diversification of its renewables business, complementing its capabilities, improving its portfolio, and adding a solid platform with strong growth potential.

Hecate Energy, based in Chicago, has an extensive portfolio of renew-able projects totaling more than 40 gigawatts (GW). Of these, 16.8 GW are PV solar projects and energy storage associated with these assets, all at advanced stages of development. The company also participates in Hecate Grid, a battery platform for energy storage with a capacity of 4.3 GW.

The transaction represents a substantial leap forward for Repsol towards achieving the goals of low-emission generation capacity and the internationalization of this business set out in the company's 2021-2025 Strategic Plan.

Jun. 2021 On June 21, Repsol opened its first PV solar farm Kappa. Located in the town of Manzanares, in the central Spanish province of Ciudad Real, the farm represents an investment of €100 million and boasts a total installed capacity of 126.6 MW distributed across three plants. Two of these, Perseo Fotón I and Perseo Fotón II, are already operational, with a combined capacity of 90.5 MW. The third plant, Perseo Fotón III, is still under development. It will add another 36.1 MW when it comes online.

The new solar farm consists of 285,331 solar modules capable of supplying renewable power to 71,000 homes, around 177,500 persons. This will help avoid the emission of nearly 107,600 tons of CO2 each year, or the equivalent amount of carbon dioxide as that absorbed by 13.5 million trees.

Jun. 2021 On June 28, Repsol and Renault Group renewed their collaboration agreement with the aim of continuing to promote AutoGas in the automotive sector, as part of their strategy to encourage the use of alternative energies. The two companies share a vision of sustainable mobility and both have set zero-emission targets. They are actively working on all mobility alternatives available on the market.

Repsol leads the AutoGas supply market in Spain, with more than 415 service stations out of a total of over 700 that offer this eco-friendly fuel in the country.

Jul. 2021 On July 26, Repsol begun generating electricity from Valdesolar, its largest photovoltaic (PV) solar farm in Spain. Located in the municipality of Valdecaballeros, in the western province of Badajoz, Valdesolar presently has 264 MW of installed capacity.

Representing an investment of €200 million, Valdesolar has 648,000 solar modules that are distributed across five large areas. They will be connected to the grid through a new electrical substation of 400 kV that is also included in the project.

The facility begun trial production and is expected to be fully operational by the last third of 2021.This PV solar farm will power around 140,000 homes housing 350,000 people. This is roughly equivalent to the combined population of Badajoz, Cáceres, Mérida, and Plasencia: the four largest cities in the region of Extremadura.

Corporation

May. 2021 On May 5, His Majesty King Felipe VI inaugurated the Roman Forum Molinete Museum in Cartagena, an exceptional place that completes the archaeological project to recover and enhance the Roman Forum of Cartagena. This has been possible thanks to the collaboration of the Repsol Foundation, which has invested 4.7 million euros since 2013.

May. 2021 On May 6, Repsol informed that its share capital resulting from the share capital reduction, which was recorded with the Commercial Registry of Madrid on April 29, 2021, amounts to 1,527,396,053 euros, corresponding to 1,527,396,053 shares of 1 euro of face value each, which grant a total of 1,527,396,053 voting rights (one per share).

May. 2021 On May 6, the Spanish Minister of Science and Innovation, Pedro Duque, visited the Repsol Technology Lab research center that the multi-energy company owns in the city of Mostoles (Madrid). During the visit, Duque learned about the strategic lines that Repsol is developing to transform its businesses, with the aim of advancing in the energy transition and achieving the goal of zero net emissions by 2050.

May. 2021 On May 18, Repsol International Finance B.V., a wholly-owned subsidiary of Repsol, S.A., closed a 300 million euro Eurobond issuance, with an issue price of 100.815% and a floating coupon equivalent to EURIBOR 3 months +70 b.p. due May 2023 (equivalent to a EURIBOR 3 months + 30 b.p. reoffer), to be listed on the regulated market of the Luxembourg Stock Exchange.

Settlement took place on May 25, 2021.

May. 2021 On May 28, Repsol announced that in accordance with the resolutions passed by the General Shareholders' Meeting held on May 8th, 2020 under item 9th of the Agenda, Repsol S.A. launched the Eleventh Cycle of the Share Acquisition Plan by the Beneficiaries of the Long Term Incentive Programs 2017-2020.

Jun. 2021 On June 11, Repsol disclosed information in connection with the dividend approved by the General Shareholders' Meeting of Repsol, S.A. held on March 26, 2021, under item second of the Agenda.

Jun. 2021 On June 14, Repsol launched a comprehensive sustainable financing framework to accompany its energy transition process. It is the first company in its sector worldwide to present an overarching framework that incorporates both instruments aimed at financing specific projects (green and transition) and those linked to the company's sustainability commitments (Sustainability-Linked Bonds). This approach offers flexibility and transparency in the issuance of financial instruments.

Repsol, thus, takes a meaningful step forward in its commitment to be-come a net zero emissions company by 2050. The new sustainable financing framework is aligned with the 2021-2025 Strategic Plan that the company presented last November and allows access to the necessary financial resources for its implementation, reinforcing the company's continued leadership in energy transition within its sector. Repsol's Transition Financing Framework has been verified and certified by the ISS rating agency in line with the principles of transparency and best practices.

Jun. 2021 In June, Moody's Investors Service announced its decision to improve the outlook on Repsol S.A.'s Baa2 issuer rating to stable.

Jun. 2021 On June 15, six major corporations — Repsol, Gestamp, Navantia, Técnicas Reunidas, Telefónica, and Microsoft — joined forces to create IndesIA, the first data economy and artificial intelligence consortium in the Spanish industrial sector. Focused on Spain with a European outlook, the consortium aims to take on more companies and integrate different business sectors.

Jun. 2021 On June 29, Repsol announced that its collaboration with Accenture will begin marketing ARiA (Advanced Repsol Intelligence & Analytics). This proprietary, cloud-based data and analytics platform, originally conceived for internal use by Repsol, will now assist other companies in deploying and accelerating the use of big data and artificial intelligence for business.

Jun. 2021 On June 29, Repsol Europe Finance, a wholly-owned subsidiary of Repsol, S.A. (the "Guarantor", and together with its consolidated subsidiaries, the "Group"), agreed to issue two series of Sustainability-Linked Eurobonds for an aggregate amount of EUR 1,250 million, to be listed on the regulated market of the Luxembourg Stock Exchange:

(i) EUR 650,000,000 with an issue price of 99.077% and an annual fixed coupon of 0.375% due July 2029 (the "2029 Bonds"); and

(ii) EUR 600,000,000 with an issue price of 99.108% and an annual fixed coupon of 0.875% due July 2033 (the "2033 Bonds", and together with the 2029 Bonds, the "Bonds").

The Bonds are issued under the Company's Euro 10,000,000,000 Euro Medium Term Note Programme (the "Programme"), guaranteed by Repsol, S.A., they are Sustainability-Linked Notes (as defined in the Base Prospectus dated 7 May 2021 relating to the Programme, as supplemented on 24 June 2021) and include the following Sustainability Performance Targets ("SPTs") (in each case against a 2016 baseline):

- In the case of the 2029 Bonds, SPT1: The Group targets to reduce its CII by 12% by 2025
- In the case of the 2033 Bonds, SPT2: The Group targets to reduce its CII by 25% by 2030

Should the Group fail to meet these respective Sustainability Performance Targets, the interest rate on the Bonds will be increased by a Step Up Margin, which, in the case of the 2029 Bonds, will be 0.25% (payable in 2027, 2028 and 2029) and, in the case of the 2033 Bonds, will be 0.375% (payable in 2032 and 2033).

CII is the Group's carbon intensity indicator measuring carbon dioxide equivalent emissions for every unit of energy that the Group makes available to society, measured in grams of carbon dioxide equivalent per megajoule (g CO_2e/MJ), to be calculated as specified in the Base Prospectus.

Settlement took place on July 6, 2021.

Jul. 2021 On July 7, Repsol published its "Trading Statement," which is a document that provides provisional information for the second quarter of 2021, including data on the economic environment as well as company performance during the periods.

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

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

Madrid, July 29, 2021

A conference call has been scheduled for research analysts and institutional investors for today, July 29, 2021 at 12:30 (CEST) to report on the Repsol Group's second quarter 2021 results. Shareholders and other interested parties can follow the call live through Repsol's corporate website (www.repsol.com). A full recording of the event will also be available to shareholders and investors and any other interested party at www.repsol.com for a period of no less than one month from the date of the live broadcast. Moreover Repsol will publish today the Interim consolidated financial statements and Management Report for the first half of 2021 that will be available on Repsol's corporate website as well as at the Spanish regulator CNMV (Comisión Nacional del Mercado de Valores).

Appendix I - Metrics by Business Segments

Adjusted Net Income & Net Income by Business Segments

(Unaudited figures)

€ Million	Q2 2021							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	586	-	(239)	4	351	-	(60)	291
Industrial	219	-	(57)	4	166	160	(11)	315
Commercial and Renewables	176	-	(45)	(4)	127	8	(7)	128
Corporate & Others	(64)	(138)	45	1	(156)	-	9	(147)
TOTAL	**917**	**(138)**	**(296)**	**5**	**488**	**168**	**(69)**	**587**
NET INCOME							**(69)**	**587**

€ Million	Q1 2021							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	596	-	(271)	2	327	-	(104)	223
Industrial	88	-	(20)	5	73	304	(10)	367
Commercial and Renewables	136	-	(33)	(2)	101	17	2	120
Corporate & Others	(58)	27	1	-	(30)	-	(32)	(62)
TOTAL	**762**	**27**	**(323)**	**5**	**471**	**321**	**(144)**	**648**
NET INCOME							**(144)**	**648**

€ Million	Q2 2020							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	(165)	-	20	4	(141)	-	(1,376)	(1,517)
Industrial	15	-	(5)	(2)	8	(282)	(4)	(278)
Commercial and Renewables	54	-	(12)	-	42	(16)	(20)	6
Corporate & Others	(73)	(125)	31	-	(167)	-	(41)	(208)
TOTAL	**(169)**	**(125)**	**34**	**2**	**(258)**	**(298)**	**(1,441)**	**(1,997)**
NET INCOME							**(1,441)**	**(1,997)**

€ Million	January - June 2021							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	1,182	-	(510)	6	678	-	(164)	514
Industrial	307	-	(77)	9	239	464	(21)	682
Commercial and Renewables	312	-	(78)	(6)	228	25	(5)	248
Corporate & Others	(122)	(111)	46	1	(186)	-	(23)	(209)
TOTAL	**1,679**	**(111)**	**(619)**	**10**	**959**	**489**	**(213)**	**1,235**
NET INCOME							**(213)**	**1,235**

€ Million	January - June 2020							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	(4)	-	(57)	10	(51)	-	(1,489)	(1,540)
Industrial	409	-	(109)	(4)	296	(1,066)	(32)	(802)
Commercial and Renewables	218	-	(52)	(3)	163	(22)	(12)	129
Corporate & Others	(129)	(136)	46	-	(219)	-	(52)	(271)
TOTAL	**494**	**(136)**	**(172)**	**3**	**189**	**(1,088)**	**(1,585)**	**(2,484)**
NET INCOME							**(1,585)**	**(2,484)**

Other Financial Information by Segment

(Unaudited figures)

REVENUES	QUARTERLY DATA			JANUARY - JUNE	
€ Million	Q2 2021	Q1 2021	Q2 2020	2021	2020
UPSTREAM	1,494	1,494	773	2,988	2,150
INDUSTRIAL	8,460	7,913	4,635	16,373	12,803
COMMERCIAL AND RENEWABLES	5,046	4,389	2,844	9,435	7,866
CORPORATION & OTHERS	(3,605)	(3,204)	(1,871)	(6,809)	(5,306)
TOTAL	**11,395**	**10,592**	**6,381**	**21,987**	**17,513**

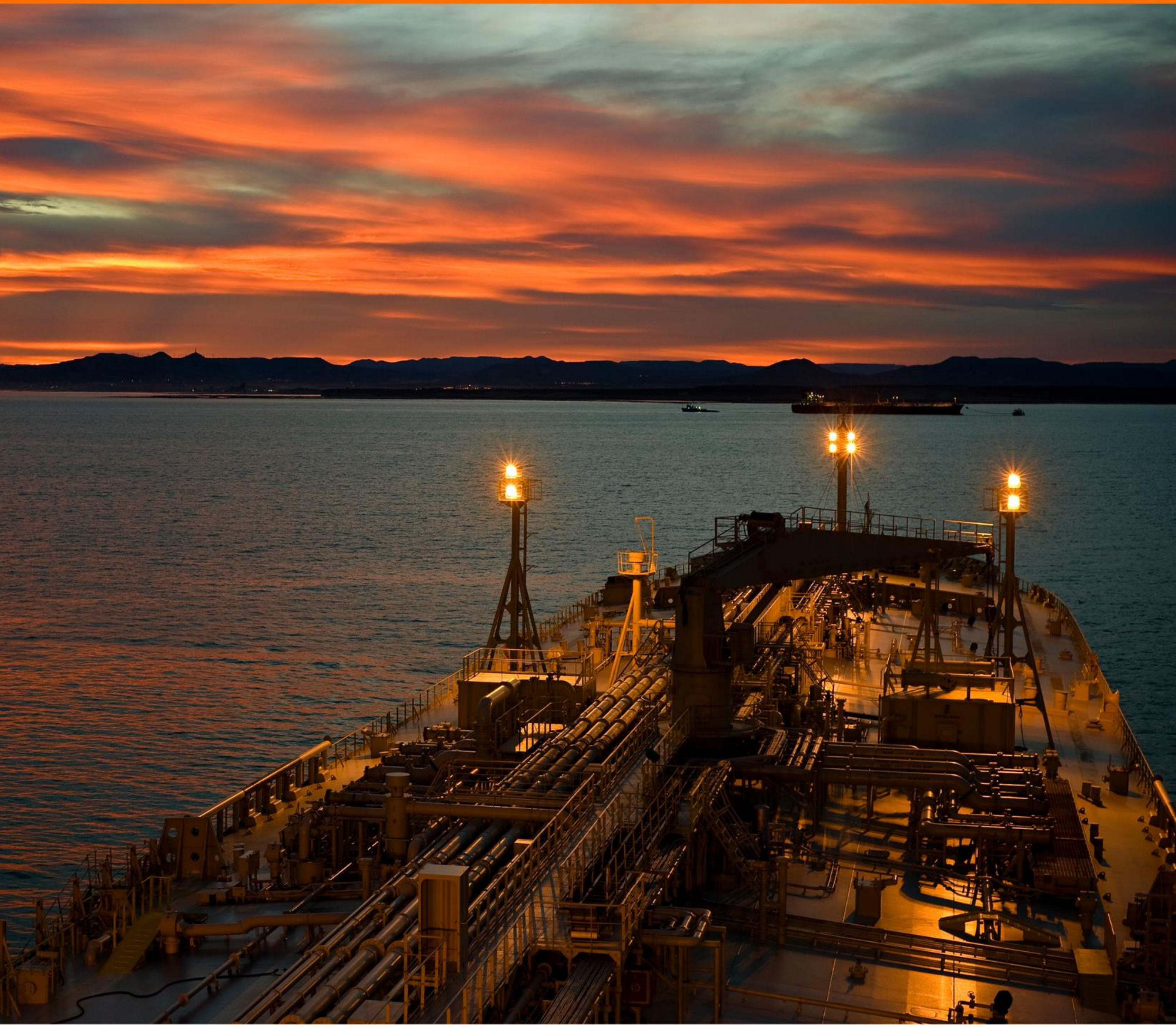
EBITDA	QUARTERLY DATA			JANUARY - JUNE	
€ Million	Q2 2021	Q1 2021	Q2 2020	2021	2020
UPSTREAM	918	927	331	1,845	988
INDUSTRIAL	647	708	(156)	1,355	(670)
COMMERCIAL AND RENEWABLES	277	242	118	519	360
CORPORATION & OTHERS	(44)	(40)	(53)	(84)	(89)
TOTAL	**1,798**	**1,837**	**240**	**3,635**	**589**

INVESTMENTS	QUARTERLY DATA			JANUARY - JUNE	
€ Million	Q2 2021	Q1 2021	Q2 2020	2021	2020
UPSTREAM	212	206	214	418	603
INDUSTRIAL	129	74	104	203	227
COMMERCIAL AND RENEWABLES	200	213	141	413	259
CORPORATION & OTHERS	19	8	20	27	24
TOTAL	**560**	**501**	**479**	**1,061**	**1,113**

CAPITAL EMPLOYED	CUMULATIVE DATA	
€ Million	jun-21	dec-20
UPSTREAM	12,742	12,608
INDUSTRIAL	10,368	9,755
COMMERCIAL AND RENEWABLES	4,347	4,061
CORPORATION & OTHERS	(109)	893
TOTAL	**27,348**	**27,317**
ROACE (%)	4.5	(10.3)

(*)2Q21 ROACE CCS is 2.6%

Operating Indicators



Operating Indicators (I)

	Unit	Q1 2020	Q2 2020	Jan - Jun 2020	Q3 2020	Q4 2020	Jan - Dec 2020	Q1 2021	Q2 2021	Jan - Jun 2021	% Variation YTD21/YTD20
HYDROCARBON PRODUCTION	**kboe/d**	**710**	**640**	**675**	**616**	**628**	**648**	**638**	**561**	**599**	**(11.2)**
Liquids production	**kboe/d**	**244**	**214**	**229**	**192**	**217**	**217**	**234**	**208**	**221**	**(3.7)**
Europe & Africa	kboe/d	62	54	58	41	67	56	82	67	74	28.3
Latin America	kboe/d	94	76	85	75	80	81	82	81	81	(4.1)
North America	kboe/d	63	57	60	52	47	55	49	46	48	(20.4)
Asia, Russia & Rest of the world	kboe/d	26	28	27	25	23	25	21	14	18	(33.9)
Natural gas production	**kboe/d**	**466**	**425**	**446**	**424**	**411**	**432**	**404**	**353**	**378**	**(15.1)**
Europe & Africa	kboe/d	34	30	32	29	29	31	36	27	32	(1.1)
Latin America	kboe/d	226	203	215	217	210	214	204	171	187	(12.8)
North America	kboe/d	161	149	155	135	127	143	118	112	115	(25.9)
Asia, Russia & Rest of the world	kboe/d	45	43	44	43	45	44	46	43	45	1.2
Natural gas production	**(Million scf/d)**	**2,617**	**2,388**	**2,503**	**2,383**	**2,308**	**2,424**	**2,267**	**1,983**	**2,125**	**(15.1)**

Operating Indicators (II)

	Unit	Q1 2020	Q2 2020	Jan - Jun 2020	Q3 2020	Q4 2020	Jan - Dec 2020	Q1 2021	Q2 2021	Jan - Jun 2021	% Variation YTD21/YTD20
PROCESSED CRUDE OIL	**Mtoe**	**10.1**	**8.3**	**18.5**	**8.5**	**8.9**	**35.9**	**9.4**	**8.8**	**18.2**	**(1.3)**
Europe	Mtoe	9.2	7.8	17.0	7.9	8.3	33.1	8.5	7.8	16.3	(3.9)
Rest of the world	Mtoe	0.9	0.6	1.5	0.7	0.6	2.8	0.9	1.0	1.9	27.9
SALES OF OIL PRODUCTS	**kt**	**10,958**	**9,899**	**20,857**	**9,904**	**10,719**	**41,480**	**10,068**	**10,218**	**20,286**	**(2.7)**
Europe Sales	kt	**9,799**	**9,207**	**19,006**	**8,989**	**9,590**	**37,585**	**8,875**	**8,726**	**17,601**	**(7.4)**
Own network	kt	**4,520**	**3,252**	**7,772**	**4,392**	**4,371**	**16,535**	**3,952**	**4,047**	**7,999**	**2.9**
Light products	kt	3,776	2,424	6,200	3,632	3,600	13,432	3,246	3,368	6,614	6.7
Other Products	kt	744	828	1,572	760	771	3,103	706	679	1,385	(11.9)
Other Sales to Domestic Market	kt	**2,194**	**1,527**	**3,721**	**2,066**	**1,865**	**7,652**	**1,542**	**1,851**	**3,393**	**(8.8)**
Light products	kt	2,166	1,499	3,665	2,041	1,835	7,541	1,509	1,812	3,321	(9.4)
Other Products	kt	28	28	56	25	30	111	33	39	72	28.6
Exports	kt	**3,085**	**4,428**	**7,513**	**2,531**	**3,354**	**13,398**	**3,381**	**2,828**	**6,209**	**(17.4)**
Light products	kt	880	2,375	3,255	794	1,536	5,585	1,462	920	2,382	(26.8)
Other Products	kt	2,205	2,053	4,258	1,737	1,818	7,813	1,919	1,908	3,827	(10.1)
Rest of the world sales	kt	**1,159**	**692**	**1,851**	**915**	**1,129**	**3,895**	**1,193**	**1,492**	**2,685**	**45.1**
Own network	kt	**757**	**407**	**1,164**	**597**	**743**	**2,504**	**756**	**815**	**1,571**	**35.0**
Light products	kt	723	381	1,104	552	690	2,346	712	763	1,475	33.6
Other Products	kt	34	26	60	45	53	158	44	52	96	60.0
Other Sales to Domestic Market	kt	**176**	**153**	**329**	**224**	**267**	**820**	**240**	**403**	**643**	**95.4**
Light products	kt	142	147	289	194	194	677	169	311	480	66.1
Other Products	kt	34	6	40	30	73	143	71	92	163	307.5
Exports	kt	**226**	**132**	**358**	**94**	**119**	**571**	**197**	**274**	**471**	**31.6**
Light products	kt	20	3	23	1	78	102	33	2	35	52.2
Other Products	kt	206	129	335	93	41	469	164	272	436	30.1
CHEMICALS											
Sales of petrochemical products	kt	**557**	**740**	**1,297**	**704**	**727**	**2,729**	**711**	**671**	**1,382**	**6.5**
Europe	kt	**440**	**559**	**999**	**543**	**541**	**2,084**	**569**	**552**	**1,121**	**12.2**
Base	kt	98	203	301	178	177	655	168	180	348	15.9
Derivative	kt	342	356	698	366	364	1,428	401	372	773	10.7
Rest of the world	kt	**117**	**181**	**298**	**161**	**186**	**645**	**142**	**119**	**261**	**(12.6)**
Base	kt	16	65	81	30	50	161	32	32	64	(21.6)
Derivative	kt	101	116	217	131	136	484	110	87	197	(9.2)
LPG											
LPG sales	kt	**380**	**221**	**601**	**221**	**340**	**1,162**	**387**	**263**	**650**	**8.0**
Europe	kt	374	219	593	216	333	1,141	382	257	638	7.7
Rest of the world	kt	6	2	8	5	8	21	5	6	11	33.9

Other sales to the domestic market: includes sales to operators and bunker

Exports: expressed from the country of origin

Appendix II – Repsol's Reporting Consolidated Financial Statements

REPSOL

Statement of Financial Position

(Unaudited figures) (€ millions)

Prepared according to Repsol's reporting model (See Appendix IV – Basis of presentation)

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

Income Statement

(Unaudited figures) (€ millions)

Prepared according to Repsol's reporting model (See Appendix IV – Basis of presentation)

	QUARTERLY DATA			JANUARY - JUNE	
	Q2 2021	Q1 2021	Q2 2020	2021	2020
Revenue	11,395	10,592	6,381	21,987	17,513
Operating income	**917**	**762**	**(169)**	**1,679**	**494**
Financial result	(138)	27	(125)	(111)	(136)
Income from equity affiliates	4	0	2	4	7
Net income before tax	**783**	**789**	**(292)**	**1,572**	**365**
Income tax	(296)	(323)	34	(619)	(172)
Net income from operations	**487**	**466**	**(258)**	**953**	**193**
Net income from non-controlling interest	1	5	0	6	(4)
ADJUSTED NET INCOME	**488**	**471**	**(258)**	**959**	**189**
Inventory effect	168	321	(298)	489	(1,088)
Special Items	(69)	(144)	(1,441)	(213)	(1,585)
NET INCOME	**587**	**648**	**(1,997)**	**1,235**	**(2,484)**

REPSOL

Cash Flow Statement

(Unaudited figures) (€ millions)

Prepared according to Repsol's reporting model (See Appendix IV – Basis of presentation)

	QUARTERLY DATA		JANUARY - JUNE	
	Q2 2021	Q2 2020	2021	2020
I. CASH FLOWS FROM OPERATING ACTIVITIES				
EBITDA CCS	**1,565**	**641**	**2,960**	**2,096**
Inventory Effect	233	(401)	675	(1,507)
Changes in working capital	(561)	150	(1,158)	459
Dividends received	(1)	13	11	19
Income taxes received/ (paid)	(217)	(73)	(343)	(10)
Other proceeds from/ (payments for) operating activities	(117)	(62)	(213)	(193)
	902	**268**	**1,932**	**864**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES				
Payments for investment activities	(574)	(505)	(1,107)	(1,207)
Organic investments	(453)	(499)	(873)	(1,156)
Inorganic investments	(121)	(6)	(234)	(51)
Proceeds from divestments	120	20	130	515
	(454)	**(485)**	**(977)**	**(692)**
FREE CASH FLOW (I. + II.)	**448**	**(217)**	**955**	**172**
Payments for dividends and payments on other equity instruments	(28)	11	(146)	(128)
Net interests	(89)	(131)	(199)	(253)
Treasury shares	20	0	(447)	(150)
CASH GENERATED IN THE PERIOD	**351**	**(337)**	**163**	**(359)**
Financing activities and others	370	2,420	506	2,658
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**721**	**2,083**	**669**	**2,299**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,526**	**3,434**	**4,578**	**3,218**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**5,247**	**5,517**	**5,247**	**5,517**

Appendix III - IFRS Consolidated Financial Statements

REPSOL

Statement of Financial Position

(Unaudited figures) (€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	JUNE 2021	DECEMBER 2020
NON-CURRENT ASSETS		
Goodwill	1,441	1,422
Other intangible assets	1,872	1,931
Property, plant and equipment	20,684	20,927
Investment property	22	23
Investments accounted for using the equity method	3,515	5,897
Non-current financial assets	969	916
Deferred tax assets	3,485	3,745
Other non-current assets	943	857
CURRENT ASSETS		
Non-current assets held for sale	830	5
Inventories	4,616	3,379
Trade and other receivables	5,231	4,056
Other current assets	288	239
Other current financial assets	1,697	1,584
Cash and cash equivalents	4,914	4,321
TOTAL ASSETS	**50,507**	**49,302**
TOTAL EQUITY		
Attributable to equity holders of the parent company	20,707	20,295
Attributable to minority interests	255	244
NON-CURRENT LIABILITIES		
Non-current provisions	3,602	3,572
Non-current financial liabilities	8,547	12,123
Deferred tax liabilities and others	2,161	2,142
Other non-current liabilities	538	407
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	582	0
Current provisions	639	740
Current financial liabilities	5,219	3,880
Trade and other payables	8,257	5,899
TOTAL LIABILITIES	**50,507**	**49,302**

Income Statement

(Unaudited figures) (€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	IFRS		IFRS	
	2Q 2021	2Q 2020	JUNE 2021	JUNE 2020
Sales	10,738	6,013	20,742	16,488
Income from services rendered	86	93	148	175
Changes in inventories of finished goods and work in progress	240	(316)	527	(500)
Other operating income	224	(117)	627	279
Procurements	(8,082)	(4,054)	(15,396)	(12,863)
Amortization and depreciation of non-current assets	(478)	(566)	(982)	(1,146)
(Provision for)/Reversal of provisions for impairment	(40)	(575)	(21)	(577)
Personnel expenses	(451)	(484)	(890)	(935)
Transport and freights	(257)	(334)	(530)	(757)
Supplies	(128)	(66)	(285)	(203)
Gains/(Losses) on disposal of assets	(5)	3	6	69
Other operating expenses	(1,121)	(770)	(2,222)	(1,700)
OPERATING NET INCOME	**726**	**(1,173)**	**1,724**	**(1,670)**
Net interest	(31)	(65)	(83)	(127)
Change in fair value of financial instruments	(67)	(75)	302	128
Exchange gains/(losses)	298	93	63	(24)
Impairment of financial instruments	(2)	(21)	(6)	(25)
Other financial income and expenses	(61)	(67)	(106)	(117)
FINANCIAL RESULT	**137**	**(135)**	**170**	**(165)**
NET INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	103	(941)	117	(978)
NET INCOME BEFORE TAX	**966**	**(2,249)**	**2,011**	**(2,813)**
Income tax	(375)	249	(767)	296
NET INCOME	**591**	**(2,000)**	**1,244**	**(2,517)**
NET INCOME FROM OPERATIONS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(4)	3	(9)	33
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	**587**	**(1,997)**	**1,235**	**(2,484)**

EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT	€/share	€/share	€/share	€/share
Basic	0.39	(1.28)	0.80	(1.59)
Diluted	0.39	(1.28)	0.80	(1.59)

Cash Flow Statement

(Unaudited figures) (€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	JANUARY - JUNE	
	2021	2020
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxes	2,011	(2,813)
Adjustments to net income		
Depreciation and amortisation of non current assets	982	1,146
Other adjustments to results (net)	37	1,758
EBITDA	**3,030**	**91**
Changes in working capital	(1,030)	665
Dividends received	49	56
Income taxes received/ (paid)	(316)	(9)
Other proceeds from/ (payments for) operating activities	(193)	(186)
Other cash flows from/ (used in) operating activities	(460)	(139)
	1,540	**617**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities		
Companies of the Group, equity affiliates and business units	(246)	(56)
Fixed assets, intangible assets and real estate investments	(648)	(944)
Other financial assets	(518)	(1,073)
Payments for investment activities	(1,412)	(2,073)
Proceeds from divestments		
Companies of the Group, equity affiliates and business units	128	469
Fixed assets, intangible assets and real estate investments	28	17
Other financial assets	299	2,663
Proceeds from divestments	455	3,149
Other cashflow	12	40
	(945)	**1,116**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Issuance/ Repayment and Redemption of own capital instruments	340	886
Proceeds from/(payments for) equity instruments	(447)	(150)
Proceeds from issue of financial liabilities	5,099	6,000
Payments for financial liabilities	(4,368)	(5,757)
Payments for dividends and payments on other equity instruments	(146)	(128)
Interest payments	(180)	(209)
Other proceeds from/(payments for) financing activities	(320)	(55)
	(22)	**587**
Effect of changes in exchange rates from continued operations	**20**	**(14)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**593**	**2,306**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,321**	**2,979**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4,914**	**5,285**

Recognized Income and Expense Statement

(Unaudited figures) (€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	JANUARY - JUNE	
	2021	2020
Net Income	**1,244**	**(2,517)**
Other comprehensive income. (Items not reclassifiable to net income)	**17**	**(20)**
Due to actuarial gains and losses	6	(6)
Investments accounted for using the equity method	11	(14)
Equity instruments with changes through other comprehensive income	0	0
Tax effect	0	0
Other comprehensive income. (Items reclassifiable to net income)	**362**	**(193)**
Cash flow hedging	**6**	**(38)**
Valuation gains / (losses)	2	3
Amounts transferred to the income statement	4	(41)
Translation differences	**332**	**(191)**
Valuation gains / (losses)	418	(154)
Amounts transferred to the income statement	(86)	(37)
Share of investments in joint ventures and associates:	**0**	**0**
Valuation gains / (losses)	0	0
Amounts transferred to the income statement	0	0
Tax effect	**24**	**36**
Total other comprehensive income	**379**	**(213)**
Total comprehensive income for the period	**1,623**	**(2,730)**
a) Attributable to the parent	1,613	(2,697)
b) Attributable to non-controlling interests	10	(33)

REPSOL

Statement of Changes In Equity

(Unaudited figures) (€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

Million euros	Equity attributable to the parent and other equity instrument holders							
	Shareholders' equity							
	Share capital	Share premium and reserves	Treasury shares and own equity investments	Net income for the period attributable to the parent	Other equity instruments	Other cumulative comprehensive income	Non-controlling interests	Equity
Closing balance at 12/31/2019	**1,566**	**26,731**	**(1,170)**	**(3,816)**	**1,024**	**593**	**281**	**25,209**
Impact of new standards	0	0	0	0	0	0	0	0
Adjusted opening balance	**1,566**	**26,731**	**(1,170)**	**(3,816)**	**1,024**	**593**	**281**	**25,209**
Total recognized income/(expenses)	**0**	**(20)**	**0**	**(2,484)**	**0**	**(193)**	**(33)**	**(2,730)**
Transactions with partners or owners	**60**	**(301)**	**(156)**	**0**	**0**	**0**	**0**	**(397)**
Share capital increase/(reduction)	60	(60)	0	0	0	0	0	0
Dividends and shareholder remuneration	0	(236)	0	0	0	0	0	(236)
Transactions with treasury shares and own equity investments (net)	0	(5)	(156)	0	0	0	0	(161)
Increases/(reductions) due to changes in scope	0	0	0	0	0	0	0	0
Other transactions with partners and owners	0	0	0	0	0	0	0	0
Other equity variations	**0**	**(3,846)**	**0**	**3,816**	**888**	**0**	**0**	**858**
Transfers between equity-line items	0	(3,816)	0	3,816	0	0	0	0
Subordinated perpetual obligations	0	(25)	0	0	884	0	0	859
Other variations	0	(5)	0	0	4	0	0	(1)
Closing balance at 06/30/2020	**1,626**	**22,564**	**(1,326)**	**(2,484)**	**1,912**	**400**	**248**	**22,940**
Total recognized income/(expenses)	**0**	**0**	**0**	**(805)**	**0**	**(1,290)**	**(1)**	**(2,096)**
Transactions with partners or owners	**(58)**	**(1,405)**	**1,164**	**0**	**0**	**0**	**(1)**	**(300)**
Share capital increase/(reduction)	41	(41)	0	0	0	0	0	0
Dividends and shareholder remuneration	0	(102)	0	0	0	0	(1)	(103)
Transactions with treasury shares and own equity investments (net)	(99)	(1,262)	1,164	0	0	0	0	(197)
Increases/(reductions) due to changes in scope	0	0	0	0	0	0	0	0
Other transactions with partners and owners	0	0	0	0	0	0	0	0
Other equity variations	**0**	**(27)**	**0**	**0**	**24**	**0**	**(2)**	**(5)**
Transfers between equity-line items	0	0	0	0	0	0	0	0
Subordinated perpetual obligations	0	(29)	0	0	23	0	0	(6)
Other variations	0	2	0	0	1	0	(2)	1
Closing balance at 12/31/2020	**1,568**	**21,132**	**(162)**	**(3,289)**	**1,936**	**(890)**	**244**	**20,539**
Impact of new standards	0	0	0	0	0	0	0	0
Adjusted opening balance	**1,568**	**21,132**	**(162)**	**(3,289)**	**1,936**	**(890)**	**244**	**20,539**
Total recognized income/(expenses)	**0**	**17**	**0**	**1,235**	**0**	**361**	**10**	**1,623**
Transactions with partners or owners	**(41)**	**(1,274)**	**(187)**	**0**	**0**	**0**	**0**	**(1,502)**
Share capital increase/(reduction)	(41)	(386)	427	0	0	0	0	0
Dividends and shareholder remuneration	0	(916)	0	0	0	0	0	(916)
Transactions with treasury shares and own equity investments (net)	0	28	(614)	0	0	0	0	(586)
Increases/(reductions) due to changes in scope	0	0	0	0	0	0	0	0
Other transactions with partners and owners	0	0	0	0	0	0	0	0
Other equity variations	**0**	**(3,324)**	**0**	**3,289**	**336**	**0**	**1**	**302**
Transfers between equity-line items	0	(3,289)	0	3,289	0	0	0	0
Subordinated perpetual obligations	0	(30)	0	0	336	0	0	306
Other variations	0	(5)	0	0	0	0	1	(4)
Closing balance at 06/30/2021	**1,527**	**16,551**	**(349)**	**1,235**	**2,272**	**(529)**	**255**	**20,962**

Appendix IV - Basis of Presentation

Basis of preparation of the Financial Information

Group's reporting model

The financial information contained in this document, unless expressly indicated otherwise, was prepared in accordance with the Group's reporting model, which is described below:

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

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

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

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

The Group´s reporting model uses Alternative Performance Measures (APMs), meaning measures that are "adjusted" to those presented under IFRS-EU. The information, breakdowns and reconciliations are updated quarterly and available on Repsol´s website.

Operating segments

The reporting segments of the Group are as follows:

- Upstream, corresponding to exploration and production of crude oil and natural gas reserves.
- Industrial: corresponding, mainly, to (i) refining activities, (ii) petrochemical, (iii) trading and transportation of crude oil and oil products and (iv) commercialization, transportation and regasification of natural gas and liquefied natural gas (LNG);
- Commercial and Renewables: corresponding, mainly, to (i) low carbon power generation and renewable sources, (ii) gas and power commercialization, (iii) mobility and commercialization of oil products and (iv) LPG.

Corporate and others includes (i) Corporation running expenses and, specifically, those expenses related to managing the Group that have not been invoiced to the business divisions as a service, (ii) the financial result and (iii) consolidation intersegment adjustments.

Disclaimer

This document contains statements that Repsol believes constitute forward-looking statements which may include statements regarding the intent, belief, or current expectations of Repsol and its management, including statements with respect to trends affecting Repsol's financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, capital expenditures, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates and are generally identified by the words "expects", "anticipates", "forecasts", "believes", estimates", "notices" and similar expressions. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol's control or may be difficult to predict. Within those risks are those factors described in the filings made by Repsol and its affiliates with the "Comisión Nacional del Mercado de Valores" in Spain and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.

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This document mentions resources which do not constitute proved reserves and will be recognized as such when they comply with the formal conditions required by the system "SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE Petroleum Resources Management System" (SPE-PRMS) (SPE – Society of Petroleum Engineers).

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