Unaudited Quarterly Report

3Q 2020

Published on the 20th November 2020

Results Highlights

3Q 2020 - Improved performance vs 2Q

- Cepsa posted Clean CCS EBITDA of €277 million in 3Q 2020, affected by the global impact of the Covid-19 pandemic. This figure, however, represents a 54% increase vs 2Q 2020, reflecting the company's ability to generate positive results even in an extremely challenging market environment thanks to its diversification and strong level of integration, as well as the measures put in place to protect results and cash flow generation.

- The company's Contingency plan has enabled it to generate a strong cash flow in 3Q in a still very challenging macro environment. Cash flow from operations before working capital in the quarter was €224 million which represents a 159% increase vs 2Q, thanks to the recovery in demand following the end of the lockdown and the summer holiday season.

- Clean CCS Net Income for the quarter stood at €39 million vs the negative €93 million registered in 2Q 2020, on improved operating results.

- Operations have been running smoothly during the quarter, with all key assets and industrial plants operating normally, while Marketing sales volumes have increasing significantly vs 2Q 2020.

9M 2020 – Results benefit from the Contingency Plan relative to Covid-19 crisis

- The €500 million Contingency Plan put in place in April to preserve cash flow generation for the year is well on track. As of September, €390 million in savings have been delivered through the reduction of €100 million in costs and €290 million in capex.

- Clean CCS EBITDA for the first nine months of 2020 was €910 million, a decrease of 41% vs the €1,551 million registered during the same period of 2019, affected by Covid-19. Cash flow from operations[1] up to September was €663 million, a 49% decrease compared to the first nine months of 2019, consequence of lower results due to the impact of Covid-19.

- Since the onset of the Covid-19 pandemic, the company has further improved its capital structure by extending the average maturity of its debt and strengthening its liquidity position through two €500 million bond issues and the execution of new banking credit facilities in excess of €1.1 billion. As a result, the company's balance sheet remains solid, with total liquidity[2] of €4.6 billion covering 4.9 years of debt maturities and a Net Debt to LTM EBITDA ratio of 2.2x[3].

- Cepsa is currently working on an ambitious long-term strategy, which will address the challenges of the energy transition while establishing clear, meaningful and trackable ESG related KPIs across matters such as CO2 emissions reduction, carbon footprint, green fuels and renewable energy. The company expects to announce its new strategy in 1H 2021.

[1] *Before changes in Working Capital*
[2] *Defined as cash on balance sheet plus available committed credit facilities.*
[2] *Excludes IFRS16.*

Presentation of Results

Market Indicators

Market Indicators	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Dated Brent oil price ($/bbl)	43.0	29.2	61.9	*(31)%*	*47%*	40.8
Refining margin - VAR ($/bbl)	0.5	2.2	5.6	*(90)%*	*(76)%*	2.6
Dutch TTF Natural gas price (€/MWh)	7.8	5.6	10.2	*(24)%*	*39%*	7.6
Spanish pool price (€/MWh)	37.5	23.2	46.2	*(19)%*	*62%*	31.9
Average EURUSD FX	1.17	1.10	1.11	*5%*	*6%*	1.13

Financial Summary

Financial Summary - € millions (unless otherwise stated)	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Upstream	110	62	229	*(52)%*	*77%*	337
Refining	(50)	(11)	153	*(132)%*	*(335)%*	34
Marketing	131	52	128	*3%*	*151%*	307
Chemicals	92	86	61	*50%*	*7%*	256
Corporation	(6)	(9)	(11)	*44%*	*32%*	(25)
Clean CCS EBITDA	**277**	**180**	**559**	***(51)%***	***54%***	**910**
Clean CCS EBIT	113	(27)	341	*(67)%*	*518%*	331
Clean CCS Net Income	39	(93)	171	*(77)%*	*142%*	31
IFRS Net Income	31	(286)	108	*(71)%*	*111%*	(810)
Cash flow from operations before working capital	**224**	**86**	**418**	***(46)%***	***159%***	**663**
Cash flow from operations	**449**	**95**	**470**	***(4)%***	***373%***	**645**
Accounting Capex	**(136)**	**(168)**	**(197)**	***(31)%***	***19%***	**(464)**
Free cash flow	**221**	**(135)**	**250**	***(12)%***	***263%***	**(129)**
Free cash flow before working capital movements	**(5)**	**(144)**	**197**	***(103)%***	***97%***	**(112)**
Net debt (a)	**2,858**	**3,131**	**2,802**	***2%***	***(9)%***	**2,858**
Net debt to LTM CCS EBITDA (excl-IFRS16)	**2.2x**	**2.0x**	**1.4x**	***56%***	***11%***	**2.2x**
Liquidity (b)	**4,617**	**4,524**	**3,055**	***51%***	***2%***	**4,617**

Note: YTD IFRS Net Income impacted by non-cash inventory valuation effect of €479 M and upstream asset impairments of €332M.
(a) Excluding IFRS16 liabilities.
(b) Defined as cash on balance sheet and available credit facilities.

Operational KPIs

Operational Overview	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Working interest crude production (kbopd)	70.7	76.0	92.9	*(24)%*	*(7)%*	76.9
Realized crude price($/bbl)	42.7	27.8	62.0	*(31)%*	*53%*	40.9
Upstream operating costs ($/boe)	9.3	10.3	9.9	*(6)%*	*(10)%*	10.0
Refining throughput (mton)	4.9	4.4	5.7	*(13)%*	*12%*	14.7
Refining utilization (%)	80%	74%	94%	*(14)%*	*9%*	81%
Refining margin - VAR ($/bbl)	0.5	2.2	5.6	*(90)%*	*(76)%*	2.6
Marketing product sales (mton)	3.8	3.0	5.2	*(27)%*	*30%*	11.1
Chemical product sales (kton)	693	691	721	*(4)%*	*0%*	2,108
Electricity production (GWh)	1,241	490	1,268	*(2)%*	*153%*	2,252
Natural gas sales (GWh)	7,348	6,200	8,113	*(9)%*	*19%*	22,204
Installed renewable power capacity (MW)	28.9	28.9	--	-	-	28.9

Management Discussion

In Q3 2020, Cepsa posted Clean CCS EBITDA of €277 million, a 54% increase vs Q2 2020, despite a still very challenging market environment. The improved performance reflects the effectiveness of the company's Contingency Plan put in place in the month of April. Clean CCS EBITDA for the first nine months of 2020 stood at €910 million.

Upstream Clean CCS EBITDA for the third quarter was €110 million (€337 million YTD), decreasing 52% YoY, impacted by lower crude prices (-31% YoY) and lower production (-24% YoY) mainly due to OPEC quota restrictions affecting both Algeria and Abu Dhabi. Working interest production amounted to 71 kbopd.

Refining Clean CCS EBITDA amounted to negative €50 million in Q3 2020 (€34 million YTD), down 132% YoY, as a consequence of depressed European refining margins (-90% YoY) due to Covid-19 and lower production (-13% YoY). Despite this challenging environment, Cepsa's refining business continued to demonstrate operational flexibility and ability to optimize production thanks to the strategic location of its refineries and the strong level of integration with other Cepsa's businesses. The average utilization of refineries increased to 80% in 3Q 2020 vs 74% in 2Q 2020.

In the third quarter, Marketing Clean CCS EBITDA increased by 3% YoY to €131 million (€307 million YTD), mainly as a consequence of the strong performance of the Wholesales and Asphalts segments derived from improved margins and increased exports, despite the poor results registered in Aviation. In addition, the end of mobility restrictions in Spain and the summer holiday season translated in increased volumes, especially in the network of service stations, with sales of automotive fuels, although still below by 15% YoY, increasing significantly vs 2Q (+64%). All service stations have been fully operational during the quarter.

Chemicals delivered Clean CCS EBITDA of €92 million in Q3 2020 (€256 million YTD), up 50% YoY as a result of the strong performance of the LAB segment, mainly as a consequence of higher margins, and the rebound in margins in the Phenol-Acetone segment. Cepsa's Chemical business global leadership and its resilient nature have proven as a relevant competitive advantage in the current challenging market context.

Cash flow from operations before working capital was €224 million in the quarter (€663 million YTD), a significant improvement vs the €86 million registered in 2Q, derived from improved results.

Clean CCS Net Income in Q3 2020 was €39 million (€31 million YTD), while IFRS Net Income stood at €31 million (negative €810 million YTD), affected by a non-cash inventory valuation effect of negative €15 million.

Recent Developments

Cepsa's results continue to be affected by the extremely challenging market environment caused by Covid-19 and its impact in crude oil prices, refining margins and oil products demand.

During 3Q, however, we have seen signs of recovery, especially in the Upstream and Marketing businesses, as crude prices have stabilized in the 40 to 45 $/bbl range, while oil products demand in Cepsa's traditional markets in the Iberian Peninsula has somewhat improved due to the easing of lockdown measures and the summer holiday season.

Our Refining business has continued to be under pressure with European refining margins registering their lowest records in the last decade. Despite the tough market circumstances, the strategic, coastal location of Cepsa's refineries in Southern Spain at the crossroads of three major markets such as Europe, West Africa and the Mediterranean, together with their operational flexibility and strong integration with the Marketing and Chemicals businesses, provides greater optionality to optimize margins and mitigate exposure to the Iberian market.

Demand for automotive oil products during the quarter evolved quite positively, with a remarkable increase vs 2Q of a 56%, boosted by the end of mobility restrictions in Spain and the summer holiday period. Although figures are still below 3Q 2019 by 10%, we have observed a strong rebound vs 2Q, in which demand was 40% down vs 2Q 2019.

Cepsa's Chemical business has continued to perform extremely well, proving to be resilient in the most adverse scenarios and highlighting the importance and benefits of diversification in the current macroeconomic context.

In words of Philippe Boisseau: *"Despite the extremely challenging market environment caused by Covid-19, the integrated nature of our business, the unique geographical position of our refineries, which provide us privileged access to the three major markets of Europe, West Africa, and the Mediterranean, as well as our global leadership in niche chemical businesses such as LAB and Phenol, has allowed us to weather remarkably well the worst crisis suffered by the O&G industry in the last decade."*

The Contingency Plan put in place in April with the aim of protecting cash flow generation, is progressing extremely positively, with accumulated operating expenses and capex savings of €390 million to date, out of a total target of €500 million in 2020. In addition, working capital during the quarter registered a very positive evolution, releasing €226 million of cash mainly related to lower crude cargo payments. As we enter the final quarter of the year, we will continue to work on capturing additional efficiencies and optimizing the company's working capital position.

As a result of the above management-led initiatives, free cash flow generation during the quarter was €221 million, although still 12% below when compared to the same quarter of 2019, represents an extremely positive improvement vs 2Q 2020 figure of negative €135 million.

In July, Cepsa and Sonatrach signed a Memorandum of Understanding to analyze joint growth opportunities in the exploration, development and production of hydrocarbons in Algeria and internationally. This agreement will allow both companies to consolidate their current alliance by seeking new opportunities for cooperation.

In September, Cepsa acquired IS-XXI, a Spanish company owning five service stations located in heavy transportation corridors in northern Spain, as well as a fuel card system with coverage in more than 200 service stations in Spain and France, and a customer base of more than 6,000 professional clients. With this acquisition, Cepsa has reinforced the range of service stations focused on the professional sector and consolidated its presence on the main transportation routes in northern connecting Portugal, Spain and France.

At the end of the quarter Cepsa decided to extend the maintenance shutdown of two of the units at its La Rábida Refinery in Huelva (Fuel 1 and Vacuum 2), to align production to the current demand for energy products. The economic crisis caused by Covid-19 has significantly impacted the energy market, accelerating the structural crisis in the refining industry, particularly in Europe. Given this scenario, Cepsa prolonged the shutdown of these units, after successfully completing their maintenance work. The company will meet the market demand with the current output of the other units and will periodically reassess market conditions to determine the best time to resume the activity of these units.

Cepsa continues to hold a very strong liquidity position of €4.6 billion as at the end of the quarter, a long-dated maturity profile of 4.2 years and a robust balance sheet as evidenced by the affirmation of its Investment Grade credit ratings by all three rating agencies in April and June 2020.

Subsequent Events

In October, oil products demand in Spain has been negatively affected by the second wave of Covid-19 infections, which has prompted the reinstatement of mobility restrictions across Spain and Portugal. As such, sales volumes in the Marketing business have registered a decrease of 2% vs September.

For the remainder of 2020 we expect continued volatility in the markets and ongoing pressure in European refining margins, as measures taken to fight against the second wave of Covid-19 are back in place in a number of European countries, including Spain and Portugal.

Consolidated Financial Results

Income Statement (CCS)

CCS - € millions (unless otherwise stated)	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Revenues	4,127	2,920	6,027	*(32%)*	*41%*	12,157
Cost of supply	(3,606)	(2,487)	(5,194)	*31%*	*(45%)*	(10,497)
Gross margin over variable costs	**521**	**433**	**833**	***(38%)***	***20%***	**1,660**
Other operating income	36	33	35	*3%*	*8%*	118
Fixed operating expenses	(285)	(287)	(308)	*(7%)*	*1%*	(870)
Other	5	0	(1)	*649%*	*1271%*	2
Clean CCS EBITDA	**277**	**180**	**559**	***(51%)***	***54%***	**910**
Amortizations and impairments	(150)	(161)	(184)	*(19%)*	*7%*	(479)
Capital subsidies transferred to income	1	1	1	*1%*	*15%*	2
Operating leases amortization	(31)	(30)	(33)	*(8%)*	*(2%)*	(92)
Operating income	**97**	**(11)**	**343**	***(72%)***	***972%***	**341**
Other companies carried by equity method	3	(1)	7	*(50%)*	*593%*	5
Other	12	(15)	(9)	*235%*	*180%*	(15)
Clean CCS EBIT	**113**	**(27)**	**341**	***(67%)***	***518%***	**331**
Net debt expenses	(41)	(16)	(37)	*10%*	*(150%)*	(96)
Income before taxes	**72**	**(43)**	**304**	***(76%)***	***267%***	**235**
Minority interest	(3)	(2)	(4)	*(18%)*	*(33%)*	(4)
Income taxes	(30)	(47)	(129)	*(77%)*	*36%*	(200)
Clean CCS Net income	**39**	**(93)**	**171**	***(77%)***	***142%***	**31**
NIAT Reconciliation						
Clean CCS Net income	**39**	**(93)**	**171**	***(77%)***	***142%***	**31**
CCS adjustment (replacement cost valuation)	(15)	(21)	(56)	*(73%)*	*28%*	(479)
Non-recurring items	8	(172)	(7)	*(217%)*	*105%*	(362)
Net income (IFRS)	**31**	**(286)**	**108**	***(71%)***	***111%***	**(810)**

Gross margin during 3Q 2020 reached €521 million, a 20% increase vs 2Q due to higher crude prices and higher demand as a result of the end of the lockdown and easing of mobility restrictions in Spain and Portugal.

Clean CCS EBITDA during the quarter stood at €277 million, a 54% increase vs Q2 2020, despite the still very challenging market environment. The improved performance reflects the effectiveness of the company's Contingency Plan put in place in the month of April.

Net debt expenses in the quarter were €41 million, compared to €16 million in 2Q, derived from the settlement of certain interest rate derivatives in August. Prior to its settlement, such expenses are accrued and reported quarterly in the line-item "Other", above the EBIT line. The recovery of the Upstream and Marketing businesses in 3Q 2020, has allowed the company to obtain positive Clean CCS and IFRS Net Income in the quarter, both coming from losses in 2Q 2020. Clean CCS Net Income stood at €39 million, while IFRS Net Income was €31 million.

Cash Flow Statement (CCS)

CCS - € millions (unless otherwise stated)	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Clean CCS EBITDA	**277**	**180**	**559**	***(51)%***	***54%***	**910**
Dividends from associates	1	4	16	*(92)%*	*(71)%*	5
Income tax paid	(36)	(83)	(84)	*(57)%*	*57%*	(222)
Other adjustments to EBITDA	(18)	(15)	(74)	*(75)%*	*(26)%*	(30)
Cash flow from operations before working capital	**224**	**86**	**418**	***(46)%***	***159%***	**663**
Changes in working capital	226	9	53	*329%*	*2499%*	(18)
Cash flow from operations	**449**	**95**	**470**	***(4)%***	***373%***	**645**
Capex	(160)	(185)	(207)	*(23)%*	*14%*	(597)
Growth	*(131)*	*(131)*	*(155)*	*(15)%*	*-*	*(419)*
Maintenance	*(29)*	*(54)*	*(52)*	*(44)%*	*46%*	*(178)*
Other cash flow from investments	2	3	45	*(94)%*	*(26)%*	7
Cash flow from investments	**(158)**	**(182)**	**(162)**	***(3)%***	***13%***	**(590)**
Operating lease payments	(35)	(37)	(28)	*24%*	*6%*	(102)
Interest paid	(36)	(11)	(30)	*21%*	*(229)%*	(82)
Free cash flow before dividends	**221**	**(135)**	**250**	***(12)%***	***263%***	**(129)**
Dividends paid to shareholders	0	(30)	(5)	*(100)%*	*(100)%*	(30)
Dividends paid to minority interests	0	0	(5)	*(100)%*	*-*	0
Net change in debt	(454)	1,003	1,939	*(123)%*	*(145)%*	1,272
Net change in cash	**(233)**	**838**	**2,180**	***(111)%***	***128%***	**1,113**

Cash flow from operations before working capital during the quarter stood at €224 million (€663 million YTD) a remarkable improvement vs 2Q (+159%), derived from the higher results registered during the quarter as well as the increase in crude and products prices and lower taxes paid, mainly in Upstream.

Working capital experienced a significant positive evolution, releasing €226 million of cash in 3Q 2020, mainly due to lower crude cargo payments and the reinforced control over this magnitude.

Capex payments were in line with those of 2Q, although 23% lower YoY, as a result of the Contingency Plan implemented to preserve cash flow generation.

The increase in interest payments during the quarter is mainly related to a number of interest rate derivatives with settlement in August, which translated into higher payments in 3Q 2020.

Strong rebound in Free cash flow before dividends vs Q2 to €221 million (+263%). YTD Free cash flow fundamentally positive at €290 million, excluding discretionary growth capex of €419 million.

Net change in debt during the quarter was €454 million mainly related to the repayment of certain revolving credit facilities aimed at reducing the significant cash balances built-up at the onset of the Covid-19 crisis as precautionary measure. The increase of €1,003 million in 2Q 2020 was mainly related to new credit facilities executed during the period to increase cash position of the company.

Accounting Capex

Accounting Capex - € millions (unless otherwise stated)	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Growth	85	122	143	*(40)%*	*(30)%*	317
Maintenance & HSE	51	46	54	*(5)%*	*11%*	147
Total Capex	**136**	**168**	**197**	***(31)%***	***(19)%***	**464**

Capex in 3Q 2020 was €136 million, a 19% decrease vs 2Q 2020 (-31% YoY) derived from savings resulting from the abovementioned Contingency Plan. As of September 2020, €290 million in capex savings have been captured (out of €380 million in total targeted for the year).

Growth capex amounting €85 million mainly relates to investments in the development of upstream assets in the UAE, and efficiency investments at our refineries and chemical plants.

Maintenance capex remained in line with 3Q 2019, comprising optimization projects in the Refining business as well as works performed in the decommissioning of productions fields in Thailand.

Debt Structure

€ millions (unless otherwise stated)	3Q'20	2Q'20	3Q'19
Non-current bank borrowings	2,377	3,358	2,180
Current bank borrowings	651	685	630
Bonds	1,500	995	500
Cash	(1,670)	(1,907)	(508)
Net debt excluding IFRS16 liabilities	**2,858**	**3,131**	**2,802**
IFRS16 liabilities	661	690	786
Net debt including IFRS16 liabilities	**3,519**	**3,820**	**3,588**
Net debt to LTM CCS EBITDA (excl-IFRS16)	2.2x	2.0x	1.4x
Liquidity (a)	4,617	4,524	3,055
Average maturity of drawn debt (years)	4	4	4
Capital employed (IFRS)	7,818	8,117	9,153
Gearing ratio (%)	45%	47%	39%
Return on capital employed (%)	3.7%	5.1%	10.0%

(a) Defined as cash on balance sheet and available credit facilities. 2Q 2020 figure includes €500 M. bond issued in July.

Cepsa maintains a robust balance sheet, with Net Debt as of 30 September 2020 of € 2,858 million, which represents a Net Debt to LTM EBITDA ratio of 2.2x[3].

In the third quarter Cepsa has continued to work on strengthening its liquidity position and terming out its debt maturities. In this sense, Cepsa has carried out the following actions:

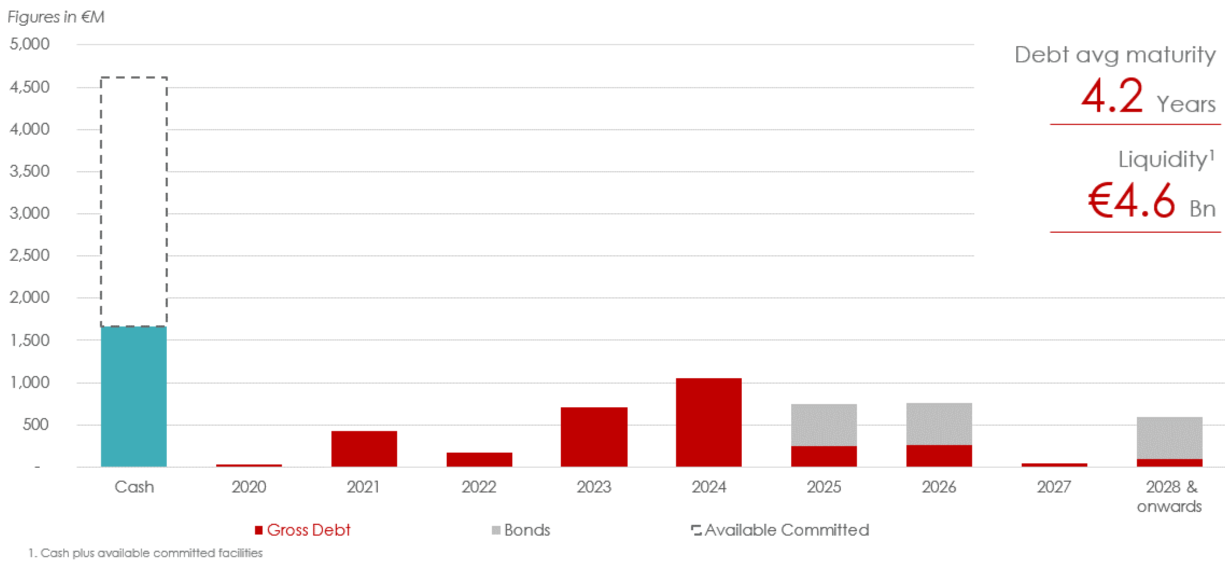
- Renewal, extension and or improvement of existing short-term lines, amounting to €190 million.
- New long 5-year bond issue executed in July (€500 million), which attracted significant investor demand achieving 3.2 times oversubscription.

As a result of the above initiatives, as of the end of September Cepsa holds a strong liquidity position comprised of cash on balance sheet and available committed credit facilities in excess of €4.6 billion, covering 4.9 years of debt maturities.

[3]*Excludes the impact of IFRS16.*

Cepsa's Investment Grade credit ratings were affirmed in the second quarter by all three rating agencies at BBB- with stable outlook, Baa3 with negative outlook and BBB- with stable outlook by Fitch, Moody's and S&P, respectively.

Debt Maturity Profile (€ million)



Consolidated Business Unit Results

Upstream

Upstream Overview - € millions (unless otherwise stated)	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Dated Brent oil price ($/bbl)	43.0	29.2	61.9	(31)%	47%	40.8
Realised oil price ($/bbl)	42.7	27.8	62.0	(31)%	53%	40.9
Working interest crude production (kbopd)	**70.7**	**76.0**	**92.9**	**(24)%**	**(7)%**	**76.9**
Algeria	34.2	34.4	45.0	(24)%	(0)%	36.7
UAE	27.4	28.6	25.6	7%	(4)%	27.4
Colombia	9.1	9.7	12.1	(25)%	(6)%	10.0
Other	0.0	3.3	10.3	(100)%	(100)%	2.8
Operating costs ($/boe)	**9.3**	**10.3**	**9.9**	**(6)%**	**(10)%**	**10.0**
CCS EBITDA	**110**	**62**	**229**	**(52)%**	**77%**	**337**
Growth capex	**21**	**37**	**46**	**(55)%**	**(44)%**	**105**
Mainenance capex	**9**	**6**	**4**	**141%**	**63%**	**23**

Operations

Working interest (WI) production decreased 7% vs 2Q (24% YoY) to 70.7 kbopd, mainly driven by the continued OPEC quota restrictions affecting both Algeria and UAE and the natural decline of fields in Colombia and South East Asia.

In Algeria, production was flat vs 2Q (24% down YoY) at 34.2 kbopd due to the sustained OPEC quota restrictions.

In UAE, production vs 2Q decreased by 4% (7% YoY) to 27.4 kbopd, mainly driven by the impact of the OPEC quota restrictions despite the ramp-up of SARB field.

Production in Colombia decreased by 6% QoQ (25% YoY), largely due to the natural decline of fields.

Decrease in production in other geographies mainly relates to South East Asia, from which Cepsa is exiting as recoverable reserves have reached the end of their economic life. Highlight the SKL-E platform closure in Thailand during the quarter.

Results

Clean CCS EBITDA for the third quarter was €110 million, a 77% increase vs 2Q (52% drop YoY) as a consequence of the increase in Brent oil prices (+47% QoQ).

Operating costs over WI have decreased by 10% QoQ, mainly driven by the lower production during the period (-7% QoQ).

Growth capex of €21 million is mainly related to asset developments in Algeria and the UAE. The increase in maintenance capex is mainly related to the decommissioning of Thailand assets.

Refining

Refining Overview - € millions (unless otherwise stated)	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Refining output (mton)	4.9	4.4	5.7	*(13)%*	*12%*	14.7
Refining utilization (%)	80%	74%	94%	*(14)%*	*9%*	81%
Cepsa Refining margin - VAR ($/bbl)	0.5	2.2	5.6	*(90)%*	*(76)%*	2.6
CCS EBITDA	**(50)**	**(11)**	**153**	***(132)%***	***(335)%***	**34**
Growth capex	**39**	**39**	**65**	***(39)%***	***0%***	**121**
Mainenance capex	**24**	**25**	**31**	***(23)%***	***(2)%***	**72**

Operations

Output of Cepsa's refining system was 4.9 mton during the quarter, representing a 12% increase QoQ, as a consequence of increased refinery runs due the positive evolution of demand in Iberia derived from the end of the lockdown and the summer holiday season.

In 3Q 2020, Cepsa refining system operated at an average utilization rate of 80%. Utilization rate has improved 9% compared to the second quarter of 2020.

Results

Third quarter Clean CCS EBITDA was negative €50 million, down from negative €11 million in 2Q 2020, derived from the on-going pressure on European refining margins as a result of Covid-19, despite higher production in the quarter (12% QoQ).

Market refining margins during the period remained abnormally low, showing a decrease from previous quarter. Cepsa's refining margin indicator average 0.5 $/bbl in the quarter, a 76% decrease QoQ. Oil production cuts announced by OPEC+ translated in an increase in crude prices and also in premiums, which affected negatively margins. Although the summer season and resuming of mobility after Covid-19 restrictions in Europe during 2Q had a positive effect in oil products demand, distillates cracks did not follow the oil price increase derived from the large inventories built in previous months, putting pressure on margins.

Growth capex was €39 million in the quarter, flat vs 2Q and -39% YoY, while Maintenance capex was €24 million, in line with 2Q and representing a 23% decrease YoY. Lower capex figures vs last year are the result of the savings initiatives implemented to preserve cash flow generation in this challenging market environment. Investments in the Refining business during the period were mainly related to the upkeep and improvement of safety at refineries, as well as enhancing the conversion capacity and their efficiency. During the quarter, some scheduled turnarounds were also carried out.

Marketing

Marketing Overview - € millions (unless otherwise stated)	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Number of service stations	1,784	1,791	1,810	(1)%	(0)%	1,784
Product sales (mton)	3.8	3.0	5.2	(27)%	30%	11.1
CCS EBITDA	**131**	**52**	**128**	**3%**	**151%**	**307**
Growth capex	**13**	**38**	**9**	**44%**	**(66)%**	**56**
Mainenance capex	**9**	**7**	**10**	**(13)%**	**18%**	**24**

Operations

Product sales in the Marketing business increased by 30% QoQ (-27% YoY) to 3.8 million tons, boosted by the surge in demand following the end of mobility restrictions implemented during 2Q in the summer holiday season.

Results

Clean CCS EBITDA during the quarter was €131 million, a 151% increase QoQ and 3% higher YoY, mainly derived from the increase in demand already mentioned, healthier margins and fixed costs reduction initiatives.

Growth capex totaled €13 million, mainly related to the acquisition of «Intransport Service XXI, S.L.U» a company owning 5 service stations located in heavy transportation corridors in northern Spain, as well as a fuel card system with coverage in more than 200 service stations in Spain and France, and a customer base of more than 6,000 professional clients. With this acquisition, Cepsa reinforces its presence in the professional transport market. Maintenance capex was €9 million, in line with 2Q and 13% down YoY due to the savings initiatives put in place during the year.

Chemicals

Chemicals Overview - € millions (unless otherwise stated)	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20	YTD 2020
Product sales (kton)	692.8	691.0	721.2	(4)%	0%	2,108.5
LAB / LABSA	178.6	176.7	176.5	1%	1%	528.1
Phenol / Acetone	369.5	380.0	400.5	(8)%	(3)%	1,153.0
Solvents	144.7	134.3	144.2	0%	8%	427.4
CCS EBITDA	**92**	**86**	**61**	**50%**	**7%**	**256**
Growth capex	**8**	**6**	**21**	**(62)%**	**23%**	**29**
Mainenance capex	**7**	**5**	**7**	**(5)%**	**27%**	**23**

Operations

Sale of chemical products were flat QoQ (4% down YoY), to 693 ktons. Sales in the LAB business segment (raw material for detergents) were in line with 2Q and last year figures although registering higher margins, especially the Spanish and Canadian plants. Sales in the Phenol / Acetone segment were 3% down QoQ (8% below YoY), impacted by the decrease in demand globally due to Covid-19, although enjoyed improved margins. Sales in Solvents increased by 8% QoQ (flat YoY) achieving also better margins.

Results

Clean CCS EBITDA for Q3 2020 was €92 million, a 7% increase vs 2Q (+50% YoY). Results were mainly driven by LAB segment strong performance, currently in high demand given the Covid-19 pandemic, and higher margins in all business lines.

Growth capex during the period amounted to €8 million, with the main projects being the LAB revamping at Puente Mayorga plant and the DETAL project, which will be launched in 2021. Maintenance capex was €7 million, mainly driven by maintenance and safety works in all industrial plants.

Appendix

Balance Sheet – IFRS

Assets - € millions (unless otherwise stated)	3Q'20	2Q'20	FY'19
Intangible assets including goodwill	650	651	761
Property, plant and equipment	5,840	5,938	6,139
Right of use assets	652	680	737
Investments in associates and joint ventures	276	279	269
Non-current financial assets	107	159	173
Deferred tax assets	930	922	799
Total non-current assets	**8,455**	**8,627**	**8,878**
Cash and cash equivalents	1,670	1,907	561
Other current financial assets	212	178	87
Inventories	1,312	1,306	2,163
Trade and other receivables	1,347	1,267	2,119
Current income tax assets	93	87	56
Other current assets	27	34	111
Total non-current assets	**4,661**	**4,778**	**5,096**
Total assets	**13,115**	**13,406**	**13,974**

Equity & Liabilities - € millions (unless otherwise stated)	3Q'20	2Q'20	FY'19
Total equity attributable to shareholds of the parent	**4,211**	**4,207**	**5,201**
Non-controlling interest	88	89	100
Total equity	**4,299**	**4,297**	**5,301**
Bonds, obligations and similar issuances	1,487	991	497
Bank borrowings	3,050	3,936	3,303
Other non-current financial liabilities	86	203	51
Deferred tax liabilities	436	450	624
Other non-current liabilities	484	529	461
Total non-current liabilities	**5,544**	**6,111**	**4,935**
Bonds, obligations and similar issuances	8	3	3
Bank borrowings	644	796	265
Trade and other payables	2,496	2,126	3,428
Current income tax liabilities	117	63	15
Liabilities held for sale and discontinued operations	0	0	17
Other current liabilities	9	9	11
Total current liabilities	**3,273**	**2,998**	**3,738**
Total equity and liabilities	**13,115**	**13,406**	**13,974**

EBITDA Reconciliation

€ millions (unless otherwise stated) 3Q'20	IFRS EBITDA	Inventory Effect	Non-Recurring Items	Clean CCS EBITDA
Upstream	110	0	(0)	110
Refining	(77)	27	(0)	(50)
Marketing	128	3	0	131
Chemicals	101	(9)	0	92
Corporation	(6)	0	0	(6)
CEPSA - Consolidated	**256**	**21**	**0**	**277**

The column "Inventory Effect" relates to changes in the valuation of inventories. As the Current Cost of Supply (CCS) valuation is currently lower than the Last Twelve Months (LTM) average (valuation method used under IFRS reporting), CCS EBITDA reflects lower costs. Nevertheless, in the Refining business, the reversal of the inventories provision had a counterbalancing effect.

Affiliates and Minority Interests

EBITDA from Affiliates and Minority interests - € millions CCS figures, considering Cepsa's share	Cepsa Share	3Q'20	2Q'20	3Q'19	Variation vs. 3Q'19	Variation vs. 2Q'20
EBITDA from equity accounted affiliates (Cepsa share)		**18.8**	**6.4**	**64.4**	**(71)%**	**194%**
Medgaz, S.A.	42.1%	0.0	0.0	29.0	(100)%	-
Abu Dhabi Oil CO, Ltd (ADOC)	12.9%	(0.5)	(1.3)	25.0	(102)%	63%
Asfaltos Españoles, S.A. (ASESA)	50.0%	1.5	1.4	2.5	(42)%	5%
Sinarmas Cepsa Pte, Ltd	50.0%	5.4	3.5	2.7	100%	54%
SIL Chemical, Ltd	30.0%	3.8	0.8	3.1	21%	390%
CS Chem Limited	30.0%	3.9	1.1	1.3	200%	238%
Nueva Generadora del Sur, S.A.	50.0%	0.7	0.5	0.8	(8)%	44%
Atlas Nord Hidrocarbures, S.A.S.	50.0%	1.2	0.3	0.0	-	246%
Sorexi	40.0%	1.9	0.0	0.0	-	-
Bitulife	40.0%	1.0	0.0	0.0	-	-
EBITDA attributable to minoroty interests		**6.3**	**5.9**	**6.3**	**(0)%**	**6%**
C.M.D. Aeropuertos Canarios, S.L.	60.0%	0.2	(0.4)	1.5	(84)%	155%
Coastal Energy KBM Sdn. Bhd.	70.0%	0.0	(1.0)	(0.0)	(111)%	-
Cepsa Chemical (Shanghai) CO. LTD	75.0%	2.5	4.6	1.1	125%	(46)%
Deten Quimica, S.A.	71.4%	4.1	3.9	2.2	86%	5%
Generación Eléctrica Peninsular, S.A.	70.0%	0.7	(0.1)	0.3	107%	1211%
Cepsa Gas Comercializadora, S.A.	70.0%	(1.2)	(1.1)	1.1	(212)%	(17)%
Dividends received from affiliates (Cepsa share)		**1.2**	**4.0**	**1.5**	**(20)%**	**(70)%**
Abu Dhabi Oil CO, Ltd (ADOC)	12.9%	1.2	4.0	1.5	(20)%	(70)%

EBITDA contribution (net to Cepsa) from equity accounted affiliates in 3Q 2020 amounted to €19 million and mainly came from the Chemical's JV in Indonesia (Sinarmas Cepsa Pte) with €5 million and Nigeria (SIL Chemical and CS Chem Limited) with €8 million. It is also worth highlighting the contribution of the new acquisitions in Morocco, Sorexi and Bitulife totaling €3 million.

EBITDA attributable to minority interests in the quarter amounted to €6 million, being the largest shares from the Brazilian LAB plant, Deten Química (€4 million).

Regarding dividends received in 3Q 2020, these relate entirely to Cepsa's share in Abu Dhabi Oil Company (ADOC).

Basis of Preparation

This report is based on the unaudited consolidated financial statements of Compañía Española de Petróleos S.A. (CEPSA, or the Company), prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with all the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB applicable at the date of closing provided that they have been endorsed at that date by the European Union, with the exception of those applied in advance, if any. For any matter of interpretation over the applied rule, please take the reference of the last Audited Cepsa Group Consolidated Financial Statements, as publicly available on https://www.cepsa.com/en/investors.

For a better Management Discussion & Analysis and consistent with industry practice, the IFRS Profit & Loss Statement is adjusted as follows to obtain a CCS Profit & Loss Statement:

1) Inventories: IFRS Cepsa Group Consolidated P&L measures crude oil, oil derivatives and petrochemical products, acquired as raw materials, at the lower of historical weighted average cost (12 months) and net realizable value.

For the MD&A, we consider the replacement cost presents a more accurate view of the current operations, considering therefore the stock variation in P&L at Current Cost of Supply (CCS), which values the manufacturing consumption at the month´s average cost. The adjustment necessarily eliminates also the crude & products hedging valuation and the inventories impairment, if any.

2) Clean adjustments: Those income or costs that are not directly related to the Group activities are considered as non-recurring items and, therefore, excluded. Generally, these are incomes or costs that occur atypically, are of a material amount and with minimal probability of recurrence.

Regarding the KPIs presented, for a better comprehension and to allow the accurate calculation of different ratios, figures are always consolidated and adjusted to the associated financials by:

a) Elimination of intercompany transactions.

b) Considering JVs as third parties: As their financial information is only presented in the Equity Method line and no Capital Employed is incorporated apart from the Financial Investment, we also do not consider any contribution to the Group's KPIs, with the sole exception of the Reserves and Production of the Upstream JVs (Cosmo Abu Dhabi at the date of issuance of this report), which are added to the BU KPIs following the Reserves Audit criteria.