Unaudited Quarterly Report

Q1 2021

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Results Highlights

Q1 2021 – Strong Recovery Positions Cepsa for Growth in 2021

- Cepsa, the global energy company, today announced its Q1 results for 2021, reporting EBITDA of €324 million, up 17% vs Q4 2020 and continuing the improving trend in results seen in Q3 and Q4 2020. This represents a reduction of 28% vs Q1 2020, reflecting the impact of the global pandemic on the energy industry.

- The ongoing successful execution of Cepsa's optimization plan positions the Group strongly for 2021. This will enable Cepsa to capture opportunities as markets continue to improve.

- Upstream delivered stronger results with EBITDA of €171 million (up 41% vs Q4 2020), helped by a stronger oil price.

- Chemicals registered another quarter at record levels, with EBITDA of €100 million and strong performance across all market segments.

- Refining was impacted by continued pressure on refining margins, partially offset by strong trading results and Commercial suffered weaker volumes impacted by travel restrictions and abnormal adverse weather.

- The successful execution of Cepsa's contingency plan during 2020 delivered accumulated savings of over €500 million and included a reduction of 20% in the capital investment program compared to pre-Covid-19 levels. In Q1 2021 this program of management actions limited the impact of weak European and Spanish market conditions. It also ensures Cepsa is well positioned for the future and will benefit from any improvement in market conditions in 2021.

- Capex in Q1 2021 was €104 million, a 45% decrease QoQ. Capex for the year will be closely monitored for optimization opportunities.

- In March, Fitch affirmed Cepsa's BBB- rating with a stable outlook, highlighting the company's business diversification and management actions taken to preserve cash flow generation.

Philippe Boisseau, Cepsa CEO:

"I am pleased that the successful execution of our optimization plan has enabled us to continue our trend of increasing profitability and ensures that we are in a strong position to take advantage of an expected economic recovery during 2021. A combination of management actions and the diversified strengths of our business has helped to preserve cash flow generation and a strong balance sheet, supporting our credit rating.

"I am excited by the significant opportunities the energy transition presents for Cepsa and look forward to setting out our Strategic Plan in the following months as previously stated."

All financial figures in the "Highlights" section are reported under Clean CCS basis, unless otherwise stated.

Presentation of Results

Market Indicators

Market Indicators	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Dated Brent oil price ($/bbl)	60.9	44.2	50.3	*21%*	*38%*	41.7
Refining margin ($/bbl)	2.1	2.4	4.7	*(55)%*	*(12)%*	2.5
Dutch TTF Natural gas price (€/MWh)	18.5	14.3	9.5	*95%*	*29%*	9.3
Spanish pool price (€/MWh)	45.2	40.1	34.9	*30%*	*13%*	34.0
Average EUR/USD FX	1.20	1.19	1.10	*9%*	*1%*	1.14

Financial Summary

Financial Summary - € millions (unless otherwise stated)	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Upstream	171	122	165	*4%*	*41%*	458
Refining	8	(24)	95	*(91)%*	*134%*	10
Commercial	80	92	124	*(35)%*	*(13)%*	400
Chemicals	100	101	79	*27%*	*(1)%*	357
Corporation	(35)	(14)	(10)	*266%*	*154%*	(39)
Clean CCS EBITDA	**324**	**277**	**453**	***(28)%***	***17%***	**1,187**
Clean CCS EBIT	155	52	245	*(37)%*	*199%*	383
Clean CCS Net Income	53	(29)	85	*(37)%*	*287%*	1
IFRS Net Income	75	(108)	(556)	*114%*	*170%*	(919)
Cash flow from operations before wc	**309**	**218**	**353**	***(12)%***	***42%***	**881**
Cash flow from operations	**79**	**374**	**101**	***(22)%***	***(79)%***	**1,019**
Accounting Capex	**(104)**	**(188)**	**(161)**	***(35)%***	***(45)%***	**(652)**
Growth	*(56)*	*(106)*	*(110)*	*(49)%*	*(47)%*	*(423)*
Maintenance & HSE	*(47)*	*(82)*	*(51)*	*(6)%*	*(42)%*	*(229)*
Free cash flow	**(95)**	**205**	**(150)**	***37%***	***(146)%***	**260**
Free cash flow before wc movements	**136**	**49**	**102**	***32%***	***176%***	**122**
Net debt (a)	**3,032**	**2,825**	**2,991**	***1%***	***7%***	**2,825**
Net debt to LTM CCS EBITDA (a)	**3.3x**	**2.7x**	**1.6x**	***109%***	***22%***	**2.7x**
Liquidity (b)	**4,485**	**4,550**	**3,450**	***30%***	***(1)%***	**4,550**

(a) Excluding IFRS16 liabilities.
(b) Defined as cash on balance sheet and available credit facilities.

Operational KPIs

Operational Overview	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Working interest crude production (kbopd)	76.1	72.7	84.0	*(9)%*	*5%*	75.8
Realized crude price($/bbl)	59.7	44.1	55.8	*7%*	*35%*	41.6
Upstream opex ($/boe)	9.1	9.9	10.3	*(12)%*	*(8)%*	10.2
Refining output (mton)	4.2	4.5	5.4	*(22)%*	*(6)%*	19.3
Refining utilization (%)	67%	71%	88%	*(23)%*	*(5)%*	78%
Commercial product sales (mton)	3.6	3.6	4.3	*(17)%*	*(2)%*	14.8
Chemical product sales (kton)	715	687	725	*(1)%*	*4%*	2,795
Electricity production (GWh)	470	547	522	*(10)%*	*(14)%*	2,799
Natural gas sales (GWh)	8,488	8,707	8,665	*(2)%*	*(3)%*	30,918
Installed renewable power capacity	28.9	28.9	28.9	-	-	28.9

Consolidated Financial Results

Income Statement (CCS)

CCS - € millions (unless otherwise stated)	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Revenues	4,726	3,603	5,110	*(8)%*	*31%*	15,760
Cost of supply	(4,158)	(3,083)	(4,404)	*6%*	*(35%)*	(13,581)
Gross margin over variable costs	**568**	**519**	**707**	***(20%)***	***9%***	**2,179**
Other operating income	47	44	48	*(3%)*	*7%*	192
Fixed operating expenses	(292)	(305)	(297)	*2%*	*4%*	(1,205)
Other	2	19	(4)	*147%*	*(90%)*	20
Clean CCS EBITDA	**324**	**277**	**453**	***(28%)***	***17%***	**1,187**
Amortizations and impairments	(157)	(192)	(168)	*7%*	*18%*	(671)
Capital subsidies transferred to income	1	1	1	*(2%)*	*(1%)*	3
Operating leases amortization	(24)	(29)	(31)	*21%*	*18%*	(121)
Clean CCS Operating income	**144**	**57**	**255**	***(43%)***	***154%***	**398**
Other companies carried by equity method	8	5	3	*191%*	*41%*	11
Other	4	(10)	(12)	*128%*	*134%*	(26)
Clean CCS EBIT	**155**	**52**	**245**	***(37%)***	***199%***	**383**
Net debt expenses	(30)	(18)	(40)	*23%*	*(69%)*	(114)
Clean CCS Income before taxes	**125**	**34**	**206**	***(39%)***	***268%***	**268**
Minority interest	(3)	(4)	2	*(318%)*	*21%*	(8)
Income taxes	(68)	(58)	(123)	*44%*	*(17%)*	(258)
Clean CCS Net income	**53**	**(29)**	**85**	***(37%)***	***287%***	**1**
NIAT Reconciliation						
Clean CCS Net income	**53**	**(29)**	**85**	***(37%)***	***287%***	**1**
CCS adjustment (replacement cost valuation)	26	96	(443)	*106%*	*(73%)*	(369)
Non-recurring items	(4)	(175)	(198)	*98%*	*98%*	(551)
Net income (IFRS)	**75**	**(108)**	**(556)**	***114%***	***170%***	**(919)**

Gross margin during Q1 2021 was €568 million, a 9% increase compared to the previous quarter, confirming the positive trend that began in Q3 2020, when economic activity started picking up again. A strong recovery in the prices achieved during the quarter and the continued reduction in fixed operating expenses allowed Cepsa to post a solid Clean CCS EBITDA of €324 million in Q1 2021, up 17% compared to Q4 2020. However, travel restrictions across Iberia, which were especially severe during the Easter holidays, have had a negative impact on the results that has prevented the company from taking full advantage of the abovementioned recovery in prices.

Cepsa's Upstream business delivered a significant improvement in results compared to Q4 2020 (Clean CCS EBITDA +41%), boosted by higher realized oil prices in the quarter (+35% vs Q4 2020) while Refining, despite ongoing low refining margins this quarter, was able to provide a better contribution to EBITDA QoQ. Chemicals continued to perform strongly in Q1 2021 with Clean CCS EBITDA at similar levels to those registered in Q4 2020 and robust margins in all segments. However, Commercial remains impacted by travel restrictions resulting from the pandemic, and therefore its contribution to the quarter was lower than Q4 2020.

Clean CCS Net income for the quarter was €53 million, up 287% from a loss of €29 million in Q4 2020, positively impacted by the strong EBITDA and lower depreciation costs.

IFRS Net Income in Q1 2021 was €75 million, a 170% increase compared to the previous quarter. Higher IFRS NIAT compared to CCS NIAT was due to the positive CCS adjustment that resulted from the higher CCS valuation compared to the Last Twelve Months (LTM) average (valuation method used under IFRS reporting). Consequently, CCS EBITDA reflects higher costs.

Cash Flow Statement (CCS)

CCS - € millions (unless otherwise stated)	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Clean CCS EBITDA	**324**	**277**	**453**	***(28)%***	***17%***	**1,187**
Dividends from associates	0	8	0	*n.a*	*(100)%*	13
Income tax paid	(2)	(35)	(103)	*(98%)*	*(94)%*	(257)
Other adjustments to EBITDA	(13)	(31)	3	*555%*	*(58)%*	(61)
Cash flow from operations before wc	**309**	**218**	**353**	***(12)%***	***42%***	**881**
Changes in working capital (wc)	(230)	156	(252)	*9%*	*(248)%*	138
Cash flow from operations	**79**	**374**	**101**	***(22)%***	***(79)%***	**1,019**
Capex	(165)	(160)	(251)	*34%*	*(3)%*	(774)
Growth	*(95)*	*(91)*	*(155)*	*39%*	*(4)%*	*(519)*
Maintenance	*(70)*	*(69)*	*(96)*	*27%*	*(2)%*	*(255)*
Other cash flow from investments	(9)	(9)	1	*(1237)%*	*7%*	15
Cash flow from investments	**(174)**	**(169)**	**(250)**	***31%***	***(3)%***	**(759)**
Free cash flow	**(95)**	**205**	**(150)**	***37%***	***(146)%***	**260**
Operating lease payments	(30)	(34)	(30)	*(0)%*	*10%*	(136)
Interest paid	(26)	(15)	(35)	*26%*	*(76)%*	(97)
Dividends paid to shareholders	0	(166)	0	*n.a*	*100%*	(196)
Dividends paid to minority interests	0	(13)	0	*n.a*	*100%*	(13)
Net change in gross debt	194	(286)	723	*(73)%*	*168%*	986
Net change in cash	**43**	**(309)**	**508**	***(91)%***	***114%***	**804**

Cash flow from operations before working capital stood at €309 million, an increase of 42% compared to Q4 2020. The improvement was driven by higher CCS EBITDA and lower income tax paid.

Working capital realization during the quarter was negative €230 million, resulting from higher inventories which was mainly due to the increase in volumes and prices, as well as operational working capital building since the increase in oil prices.

Capex payments were in line with those of Q4, not yet reflecting the lower level of accounting capex for the period due to timing of payments.

Free cash flow was negative €95 million in the quarter, a consequence of the negative impact of working capital realization, which offset the higher EBITDA contribution in the quarter.

The net positive change in gross debt during the quarter was €194 million, mainly related to additional funds received from new credit lines employed partially to support the company's prudent cash balance and liquidity position.

Accounting Capex

Accounting Capex - € millions (unless otherwise stated)	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Growth	(56)	(106)	(110)	(49)%	(47)%	(423)
Maintenance & HSE	(47)	(82)	(51)	(6)%	(42)%	(229)
Total Accounting Capex	**(104)**	**(188)**	**(161)**	**(35)%**	**(45)%**	**(652)**

Accounting capex in Q1 2021 was €104 million, a 45% drop QoQ as a result of the Contingency Plan launched in 2020. This reinforces the strong discipline on investments and preservation of cash flow generation which has continued in Q1 2021.

Growth capex of €56 million mainly relates to investments in the development of Upstream assets in the UAE, as well as efficiency investments at our refineries.

The company's significant flexibility due to its diversification throughout the energy value chain has allowed Cepsa to cancel certain non-essential investments and delay others. Consequently, Maintenance capex was down by 42% in the quarter.

Debt Structure

€ millions (unless otherwise stated)	Q1'21	Q4'20	Q1'20
Non-current bank borrowings	2,798	2,555	2,328
Current bank borrowings	145	128	737
Bonds	1,491	1,501	995
Cash	(1,401)	(1,358)	(1,069)
Net debt excluding IFRS16 liabilities	**3,032**	**2,825**	**2,991**
IFRS16 liabilities	663	626	707
Net debt including IFRS16 liabilities	**3,695**	**3,451**	**3,698**
Net debt to LTM CCS EBITDA (a)	3.3x	2.7x	1.6x
Liquidity (b)	4,485	4,550	3,450
Average maturity of drawn debt (years)	4.0	4.4	4.3
Equity	4,158	4,029	4,601
Capital employed(a)	7,190	6,854	7,592
Gearing ratio (%) (a)	42%	41%	39%
Return on capital employed (%)	1%	1%	8%

(a) Excluding IFRS 16 impact

(b) Defined as cash on balance sheet and available credit facilities.

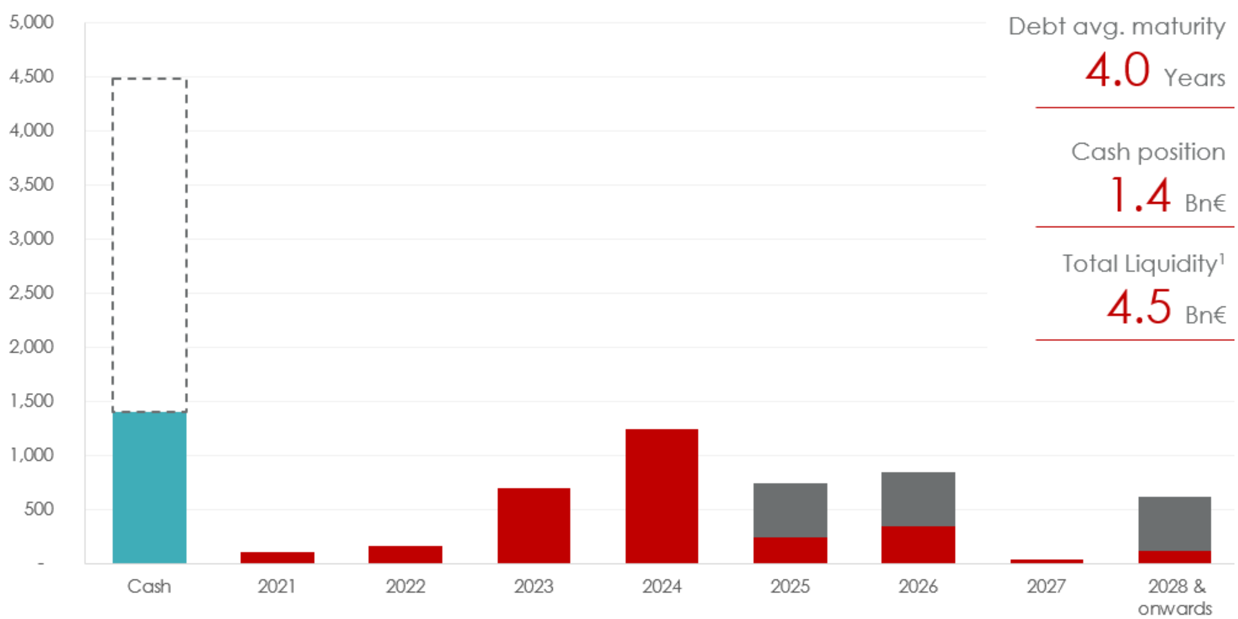
There was a slight increase in the overall debt levels in the quarter mainly due to working capital consumption, with Net Debt of € 3,032 million as of March 2021. Cepsa's leverage ratio based on LTM (Last twelve months) figures deteriorated due to the impact of the Covid 19 pandemic. Consequently, at Q1 2021, the Net Debt to EBITDA ratio was 3.3x[1] while average debt maturity stood at 4.0 years.

Cepsa holds a strong liquidity position comprised of cash on balance sheet and available committed credit facilities of €4.5 billion.

In March, Fitch confirmed Cepsa's BBB- rating with a stable outlook. This highlighted the company's business diversification, as well as management actions to preserve cash flow generation and the shareholders' commitment to Cepsa's investment grade rating, as evidenced by the significant reduction in dividend payments in 2020.

[1] Excluding IFRS 16 impact

Debt Maturity Profile (€ million)



1. Cash plus available committed lines

Consolidated Business Unit Results

Upstream

Upstream Overview - € millions (unless otherwise stated)	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Dated Brent oil price ($/bbl)	60.9	44.2	50.3	21%	38%	41.7
Realized oil price ($/bbl)	59.7	44.1	55.8	7%	35%	41.6
Crude Oil Sales (million bbl)	4.3	4.4	4.5	(5)%	(2)%	19.2
Upstream opex ($/boe)	9.1	9.9	10.3	(12)%	(8)%	10.2
Net entitlement Crude Oil prod. (kbopd)	63.1	61.2	70.7	(11)%	3%	66.1
Working interest crude production (kbopd)	**76.1**	**72.7**	**84.0**	**(9)%**	**5%**	**75.8**
Algeria	38.1	37.8	41.5	(8)%	1%	37.0
UAE	29.6	26.1	26.3	13%	14%	27.1
LatAm	8.4	8.8	11.1	(25)%	(5)%	9.7
Other	0.0	0.0	5.1	(100)%	(8)%	2.1
Clean CCS EBITDA	**171**	**122**	**165**	**4%**	**41%**	**458**
Growth capex	**(28)**	**(41)**	**(47)**	**(39)%**	**(31)%**	**(146)**
Mainenance capex	**(5)**	**(9)**	**(9)**	**(36)%**	**(40)%**	**(33)**

Operations

The quarter saw a significant increase in Abu Dhabi Working interest (WI) production (+14%) vs Q4 2020, on account of lower OPEC+ production restrictions. In particular, lower quota restrictions in January and March in UAE have been partially offset by higher quotas imposed in February. Upstream WI production in the quarter stood at 76.1 thousand barrels per day (kbopd), an increase of 5% compared to the previous quarter. Sales remained in line vs Q4 2020.

The average realized crude oil price was $59.7 per barrel, 35% higher than Q4 2020, as a result of Brent Oil price increases due to an improved macro environment.

Results

Upstream improved its performance on a comparable basis (+41% vs Q4), registering a Clean CCS EBITDA for the first quarter of €171 million. This improvement was mainly due to the increase in sale oil prices during Q1 2021, with an especially positive impact in Abu Dhabi results which benefitted from increases in both prices and production.

Growth capex of €28 million was mostly due to the development of the Sarb and Umm Lulu fields in Abu Dhabi.

Refining

Refining Overview - € millions (unless otherwise stated)	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Refining output (mton)	4.2	4.5	5.4	*(22)%*	*(6)%*	19.3
Crude oil distilled (million of barrels)	29.8	31.5	38.8	*(23)%*	*(5)%*	138.4
Refining utilization (%)	67%	71%	88%	*(23)%*	*(5)%*	78%
Refining margin ($/bbl)	2.1	2.4	4.7	*(55)%*	*(12)%*	2.5
Spanish pool price (€/MWh)	45.2	40.1	34.9	*30%*	*13%*	34.0
Dutch TTF Natural gas price (€/MWh)	18.5	14.3	9.5	*95%*	*29%*	9.3
Electricity production (GWh)	470	547	522	*(10)%*	*(14)%*	2,799
Natural Gas Sales (GWh)	8,488	8,707	8,665	*(2)%*	*(3)%*	30,918
Installed renewable power capacity	28.9	28.9	28.9	-	-	28.9
Clean CCS EBITDA	**8**	**(24)**	**95**	**(91)%**	***134%***	**10**
Growth capex	**(19)**	**(40)**	**(42)**	**(55)%**	**(53)%**	**(160)**
Mainenance capex	**(24)**	**(47)**	**(23)**	**7%**	**(49)%**	**(119)**

Operations

Output of Cepsa's refineries was 4.2 million tons in Q1 2021, representing a 6% decrease vs Q4 2020. Cepsa's refineries utilization rate was 67%, a 5% decrease compared to the previous quarter, with both figures impacted by the continued COVID-19 related reduction in demand, as well as several minor planned turnarounds that have taken place during the quarter in San Roque refinery. Additionally, the maintenance turnaround of two of the La Rábida refinery units in Huelva (Fuels 1 and Vacuum 2) that began last September continued in Q1 2021. These units are planned to resume production in Q2 2021. This would bring refinery utilization levels back to around 85%.

Results

Clean CCS EBITDA was €8 million, up by €32 million vs Q4 2020, as a result of strong Trading activity, supported particularly by contango inventory profits, and lower logistics costs in the refining business due to the lower prices of freights. The move into positive EBITDA was also in part due to a change in allocation of certain corporate costs, which, from this quarter, will be no longer allocated to each Business Unit but registered under Corporation, to better reflect the underlying profitability of each BU. The change in the allocation of corporate costs did not result in a material impact to any other Business Unit.

Market refining margins during the period remained low at 2.1 $/bbl due to continued subdued demand, although they have shown an improvement in all products, except for Middle Distillates in March, that continues in April.

Growth capex was €19 million in the quarter, -53% QoQ, while maintenance capex was €24 million, 49% lower than Q4. Specifically, regarding Growth capex, the "Tartessos project" should be highlighted for the improvement of logistics in the loading and unloading of ships of petroleum products in Huelva harbour. This project will generate reduced logistics costs, demurrages savings and will create new commercial and trading opportunities. Maintenance capex in the quarter was mainly related to planned shutdowns of certain units in the Gibraltar refinery, carried out to enhance their conversion capacity and efficiency.

Commercial

Commercial Overview - € millions (unless otherwise stated)	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Number of service stations	1,774	1,783	1,800	(1)%	(1)%	1,783
Product sales (mton)	3.6	3.6	4.3	(17)%	(2)%	14.8
Clean CCS EBITDA	**80**	**92**	**124**	**(35)%**	**(13)%**	**400**
Growth capex	**(5)**	**(9)**	**(6)**	**(13)%**	**(47)%**	**(66)**
Mainenance capex	**(8)**	**(15)**	**(8)**	**5%**	**(47)%**	**(39)**

Operations

Product sales in the Commercial business were 3.6 million tons, equal to that of the last quarter, still impacted by the fall in demand associated with new travel restrictions, with a particular impact from the disruption caused to the Easter holidays as well as the impact of the Filomena snow storm across the Iberian peninsula.

Results

Commercial activity, closely related to end consumers such as the network of service stations and jets, has continued being impacted by the reduced levels of transportation of people and goods, and the fall in air traffic globally. These impacts were partially offset by improved margins in Wholesales and Bios, which were above last quarter levels. Consequently, CCS EBITDA of the business was 13% lower than Q4 2020 (€80 million in Q1 2021).

Capex for the period was €13 million. Projects were mainly in the Network business line, including restyling of gas stations and asset replacements.

Chemicals

Chemicals Overview - € millions (unless otherwise stated)	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20	FY 2020
Product sales (kton)	715	687	725	(1)%	4%	2,795
LAB / LABSA	*163*	*173*	*173*	*(6)%*	*(6)%*	*701*
Phenol / Acetone	*414*	*372*	*403*	*3%*	*11%*	*1,525*
Solvents	*138*	*142*	*148*	*(7)%*	*(3)%*	*569*
Clean CCS EBITDA	**100**	**101**	**79**	**27%**	**(1)%**	**357**
Growth capex	**(3)**	**(9)**	**(14)**	**(77)%**	**(64)%**	**(38)**
Mainenance capex	**(8)**	**(26)**	**(12)**	**(28)%**	**(68)%**	**(49)**

Operations

Sales of chemical products increase by 4%, to 715 ktons. Sales in the LAB business segment (raw material for detergents) were down by 6% vs Q4, mainly due to the 45-days-long turnaround at Puente Mayorga plant which began at the end of January. The Phenol and Acetone segment saw sales increased by 11% to 414 ktons, as global demand improved for plastics and fibers. Sales in the Solvents segment were in line QoQ.

Results

All segments in Chemicals performed very well, resulting in a Clean CCS EBITDA of €100 million in Q1 2021. This is in line with the record results achieved in Q4 2020 and with robust margins experienced in all segments. In particular, results were boosted by high margins in the Phenol and Acetone segment as a result of the lower product availability in the market, as well as the continued strong performance of the LAB segment.

Capex during the period amounted to €11 million mainly related to the maintenance turnaround in Puente Mayorga.

Appendix

Balance Sheet – IFRS

Assets - € millions	Q1'21	Q4'20	Q1'20
Intangible assets including goodwill	768	668	736
Property, plant and equipment	5,675	5,604	6,141
Right of use assets	647	617	699
Investments in associates and joint ventures	244	230	255
Non-current financial assets	137	170	170
Deferred tax assets	938	894	1,030
Total non-current assets	**8,409**	**8,183**	**9,031**
Inventories	1,594	1,419	1,069
Trade and other receivables	1,729	1,289	164
Current income tax assets	19	111	1,468
Other current financial assets	126	69	1,536
Other current assets	147	17	58
Cash and cash equivalents	1,401	1,358	78
Total current assets	**5,016**	**4,263**	**4,373**
Total assets	**13,425**	**12,446**	**13,404**

Equity & Liabilities - € millions	Q1'21	Q4'20	Q1'20
Total equity attributable to shareholds of the parent	**4,068**	**3,944**	**4,511**
Non-controlling interest	90	85	90
Total equity	**4,158**	**4,029**	**4,601**
Bonds, obligations and similar issuances	1,488	1,488	992
Bank borrowings	3,347	3,085	2,921
Other non-current financial liabilities	46	183	238
Deferred tax liabilities	538	518	524
Other non-current liabilities	576	486	508
Total non-current liabilities	**5,995**	**5,760**	**5,183**
Bonds, obligations and similar issuances	3	13	1
Bank borrowings	258	223	854
Trade and other payables	2,206	1,766	2,696
Current income tax liabilities	279	260	40
Liabilities held for sale and discontinued operations	0	0	17
Other current liabilities	526	395	12
Total current liabilities	**3,272**	**2,657**	**3,620**
Total equity and liabilities	**13,425**	**12,446**	**13,404**

EBITDA Reconciliation

€ millions (unless otherwise stated) Q1'20	IFRS EBITDA	Inventory Effect	Non-Recurring Items	Clean CCS EBITDA
Upstream	171	0	0	171
Refining	8	(0)	0	8
Commercial	84	4	0	80
Chemicals	130	31	0	100
Corporation	(35)	0	0	(35)
CEPSA - Consolidated	**358**	**34**	**0**	**324**

The column "Inventory Effect" relates to changes in the valuation of inventories. Current Cost of Supply (CCS) valuation vs Last Twelve Months (LTM) average (valuation method used under IFRS reporting). As the Current Cost of Supply (CCS) valuation is currently higher than the Last Twelve Months (LTM) average (valuation method used under IFRS reporting), CCS EBITDA reflects higher costs.

Affiliates and Minority Interests

EBITDA from Affiliates and Minority interests - € millions CCS figures, considering Cepsa's share	Cepsa Share	Q1'21	Q4'20	Q1'20	Variation vs. Q1'20	Variation vs. Q4'20
EBITDA from equity accounted affiliates (Cepsa share)		**18.2**	**36.8**	**7.9**	**130%**	**(50)%**
Abu Dhabi Oil CO, Ltd (ADOC)	12.9%	6.3	35.5	2.1	194%	(82)%
Asfaltos Españoles, S.A. (ASESA)	50.0%	1.0	0.8	1.1	(6)%	21%
Sinarmas Cepsa Pte, Ltd	50.0%	5.2	(5.6)	1.9	176%	193%
SIL Chemical, Ltd	30.0%	1.9	0.8	0.6	217%	136%
CS Chem Limited	30.0%	0.6	0.6	1.9	(71)%	(14)%
Nueva Generadora del Sur, S.A.	50.0%	0.4	0.3	0.4	6%	54%
Atlas Nord Hidrocarbures, S.A.S.	50.0%	0.2	0.6	0.0	n.a	(71)%
Sorexi	40.0%	0.2	1.2	0.0	n.a	(82)%
Bitulife	40.0%	2.5	2.5	0.0	n.a	1%
EBITDA attributable to minority interests		**6.9**	**1.5**	**1.7**	**313%**	**366%**
C.M.D. Aeropuertos Canarios, S.L.	60.0%	(0.1)	0.0	1.2	(106)%	(290)%
Coastal Energy KBM Sdn. Bhd.	70.0%	(0.0)	(1.3)	(0.7)	98%	99%
Cepsa Chemical (Shanghai) CO. LTD	75.0%	2.9	4.3	1.9	55%	(33)%
Deten Quimica, S.A.	71.4%	4.2	2.9	2.2	93%	47%
Generación Eléctrica Peninsular, S.A.	70.0%	1.3	3.3	(1.4)	189%	(61)%
Cepsa Gas Comercializadora, S.A.	70.0%	(1.4)	(7.7)	(1.5)	8%	82%
Dividends received from affiliates (Cepsa share)		**0.0**	**4.4**	**0.0**	**n.a**	**(100)%**
Abu Dhabi Oil CO, Ltd (ADOC)	12.9%	0.0	0.0	0.0	n.a	n.a
Nueva Generadora del Sur, S.A.	50.0%	0.0	0.3	0.0	n.a	(100)%
CSCHEM	30.0%	0.0	4.1	0.0	n.a	(100)%
Cepsa Gibraltar	50.0%	0.0	0.0	0.0	n.a	n.a

EBITDA contribution (net to Cepsa) from equity accounted affiliates in Q1 2021 amounted to €18 million and mainly came from the contribution of our investments in ADOC €6 million and in Sinarmas €5 million. It is also worth highlighting the contribution of the new acquisitions in Morocco, Sorexi and Bitulife totalling €3 million.

EBITDA attributable to minority interests in the quarter amounted to €7 million, being the largest shares from the LAB plant in Brazil, Deten Química (€4 million) and results received from the chemical plant in Shanghai (€3 million).

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.