PRESS RELEASE

November 20, 2020

Cepsa reports Clean CCS EBITDA of €277m in Q3 2020, a 54% increase in the quarter despite challenging environment

3Q 2020 – Improved performance vs 2Q

- Cepsa posted Clean CCS EBITDA of €277 million in 3Q 2020. While the business continues to be affected by the global impact of the Covid-19 pandemic, this figure represents a 54% increase vs 2Q 2020. This reflects 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 preserve cash flow generation.

- Cash flow from operations[1] during the quarter was €224 million, an increase of 159% vs the €86 million registered in 2Q 2020.

- Clean CCS Net Income for the quarter stood at €39 million vs the negative €93 million registered in 2Q 2020, a result of 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 benefitting from the implementation of the Contingency Plan

- 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, primarily a result of Covid-19. Cash flow from operations[1] up to September was €663 million, a 49% decrease compared to 2019, a consequence of lower results due to the impact of Covid-19.

- The €500 million Contingency Plan, put in place in April as a response to the decline in crude oil prices and the global impact of Covid-19, is substantially on track. As of September 2020, €390 million in savings have been delivered through the reduction of €100 million in costs and €290 million in capex.

- 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].

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[1] Before working capital variation.
[2] Defined as cash on balance sheet plus available committed credit facilities.
[3] Excludes the impact of IFRS16.

- Cepsa is currently working on an ambitious long-term strategy. This will address the challenges of the energy transition while also establishing clear, meaningful and trackable ESG-related KPIs, including across CO_2 emissions reduction, carbon footprint, green fuels and renewable energy. The company expects to announce its new strategy in 1H 2021.

Philippe Boisseau, Cepsa CEO:

"The year has been defined by an extremely challenging market environment in which the Covid-19 pandemic has had a significant impact on the oil and gas industry globally. However, Cepsa continues to weather the crisis well. We have demonstrated the full benefit of our integrated business model, broad geographic footprint – which provides access to the three major markets of Western Europe, West Africa, and the Mediterranean - and our global leadership position in niche chemical businesses.

Our priority continues to be ensuring the health and safety of our employees, customers and suppliers while maintaining the consistency of our operations and delivering on our responsibility as a major provider of essential energy solutions.

Finally, it gives me great pleasure to announce that we are working on a renewed and ambitious long-term strategy, which will address the opportunities of the energy transition. We are optimistic about this new strategic plan, which will mark a turning point for the company and set the foundations for bringing Cepsa to a leading position in the years to come."

For further information on 3Q 2020 results, please refer to the Quarterly Report available at www.cepsa.com/en/investors

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 €332 M.
(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), impacted 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.

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.

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Cepsa is a global energy and chemical company operating end-to-end in every stage of the oil & gas value chain. Cepsa also manufactures products from raw materials of plant origin and is active in the renewable energy sector. Cepsa has 90 years of experience and a team of over 10,000 employees, combining technical excellence and adaptability. Cepsa's operations are present on five continents.

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