Unaudited Quarterly Report
2020 Q1

Published on the 15th May 2020

Basis of Preparation

This report is based on the Unaudited Consolidated Financial Statements, 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.

In 2019, the appliance of IFRS16 normative on operating leases, led to a change in the accounting policy over these items, as the leases paid were considered as opex and consequently included in EBITDA until the 31st of December of 2018. On the 1st of January 2019, the NPV of the outstanding amounts committed in the operating lease contracts were considered as Non-current Assets, booking also their associated liability. Therefore, from that moment until the end of the contract, we register the correspondent monthly amortization and the interest considered for debt, increasing EBITDA for the purposes of year-on-year (YoY) comparison. For better comprehension of ratios and other metrics, we also provide adjusted figures excluding this IFRS16 effect.

For a better Management Discussion & Analysis (MD&A) 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 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 Cepsa Group activities are considered as non-recurring items and, therefore, excluded. Generally, these are income 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 Cepsa Group's KPIs, with the sole exception of the Reserves and Production of the E&P JVs (Cosmo Abu Dhabi at the date of issuance of this report), which are added to the BU KPIs following the Reserves Audit criteria.

Impact of COVID-19 on Cepsa's Business and Measures Taken

The current economic situation has no precedent in recent times and affects all companies in all sectors. Companies in the energy industry are affected by the significant drop in crude prices and the reduction of demand for refined products that comes from the lower international trade and domestic lockdown policies connected to COVID-19.

Cepsa, like every other company in the energy industry, is affected by these market phenomena. The Spanish market is particularly impacted, with a significant drop in energy consumption due to the lockdown. However, we believe that Cepsa is particularly well positioned to withstand what we believe is a temporary market disruption, thanks to our Company's favorable cost structure, integrated business model, and the actions taken by our management team, which coupled with our strong balance sheet and liquidity, led Fitch and Moody’s to re-affirm Cepsa’s investment grade rating while Standard & Poor’s left it unchanged. Cepsa, as an essential player within the Spanish energy system, is working closely with the local and central government to guarantee the continued supply of energy to the country and support society in general and, very especially, regarding the communities closest to our activity.

To weather the crisis, Cepsa is taking a number of actions across each of its businesses and functional areas.

- First and foremost, to ensure the health and safety of all of its employees, suppliers and customers, by implementing prevention measures to help halt the spread of COVID-19. Thus, for example, all possible work is done remotely: since the first days of the crisis, more than 3,500 employees have been doing it concurrently.

- In order to coordinate the company's efforts in respect of the current situation, several committees have been established under the umbrella and oversight of a global Crisis Committee. These committees address the company’s response in different areas including personnel, facilities, operations and processes, and are in charge of identifying and analyzing different scenarios, whilst searching for formulas to address the present situation and subsequent recovery.

- From an operational stand-point, Cepsa is committed to continuing with its operations to guarantee the supply of energy products and services to its customers and society at large, which is crucial in the current emergency situation, observing all instructions and guidelines issued by public authorities in each jurisdiction in which we operate. Mobility has been restricted to the bare minimum and virtually all non-essential commerce and industry has remained closed until now.

- Cepsa has also put in place several resiliency initiatives to protect the company’s cash flow generation. These initiatives include:
    - The reduction of fixed operating expenses across all business units and operations, with the objective of achieving savings of €100 million in 2020 with respect to 2019.

- A reduction in the 2020 capital investment program of approximately 20%, equivalent to €210 million, compared to the figures planned before the onset of both crises. The integrated nature of its business and presence across the whole energy value chain provides Cepsa with great flexibility when it comes to investment decisions, being able to adjust or defer capital investments if required, in accordance with the economic situation.

- Strict working capital management.

- Specific actions in our network of Service Stations: following the criteria of the Government regarding essential services, Cepsa offers flexibility in resizing its workforce. In order to achieve this flexibility, temporary lay-offs of staff are necessary.

- At the same time, the company has launched through its Foundation, another series of assistance-type actions to help vulnerable groups during this pandemic.

Activity and Business

The integrated nature of Cepsa's business, operating in the whole energy value chain from the Exploration and Production of crude oil, to crude Refining, all the way down to Marketing of petroleum and Petrochemical products and the supply of natural gas & electricity, provides a natural hedge against commodity price fluctuations.

At the present time, it is difficult to predict the final impact that COVID-19 will have on any company; its impact depends mainly on the speed at which the economy recovers at a global level and, especially, on the way out that is drawn for our main markets. Below is further commentary on our individual business segments:

- Cepsa's E&P portfolio has a low average extraction cost, because of its producing nature, the technical characteristics of its assets, and favorable provisions in several of its concession agreements that mitigate the effect of the lower crude prices through tax offsets.

- Cepsa's refining assets have a competitive cost structure and, being located on the coast, provide the optionality to access the global market for refined products, providing an attractive outlet while the consumption in Spain is temporarily reduced. In addition, we have taken advantage of present low crude oil prices to hedge and lock-in energy costs, at historically low levels, which will protect our refining operations until the end of 2021.

- With respect to the other business units, which have contributed approximately 30% of EBITDA in recent years, we would highlight our strong commercial position in Spain and Portugal, both in the Marketing and Gas & Power business units.

- Cepsa has a relevant international activity in the chemical business, being leader in some of its business units. Our raw material plays a key role in other industries, some of them critical in this pandemic.

Cepsa maintains a robust balance sheet, with Net Debt (excluding IFRS 16 impact) as at 31 March 2020 of €2,991 million and a Net Debt to EBITDA LTM ratio of 1.6x.

Cepsa also has a strong liquidity position, with cash and available committed credit facilities in excess of €3,500 million with an average debt maturity of 4.2 years. Cepsa continues to have access to both the bank and capital markets at attractive terms, and has recently raised new capital, including by successfully placing a €500 million senior unsecured bond maturing in 2028 with a 0.75% coupon in February and secured new bank facilities for a combined amount of €550 million.

Cepsa is rated investment grade by the three main rating agencies. Both Fitch and Moody´s have reaffirmed their ratings during the month of April (Fitch: BBB-, stable outlook; Moody's: Baa3, negative outlook), while Standard & Poor's has left its rating unchanged (BBB-, stable outlook).

Unaudited Financial Statements

Profit & Loss Statement (CCS)

CLEAN/CCS
Millions of euros

Q1 2020	Q1 2019	Δ %	PROFIT &LOSS	YTD 2020	YTD 2019	Δ %	2019 FY
5,110	5,668	-10%	Revenues	5,110	5,668	-10%	23,857
(4,404)	(4,917)	10%	Cost of Supply	(4,404)	(4,917)	10%	(20,699)
707	**751**	**-6%**	**GROSS MARGIN over VARIABLE COSTS**	**707**	**751**	**-6%**	**3,158**
48	34	41%	Other Operating Income	48	34	41%	138
(297)	(319)	7%	Fixed Operating Expenses	(297)	(319)	7%	1,249
(4)	4	-183%	Total Changes in Working Capital Provisions	(4)	4	-183%	(6)
(0)	(10)	97%	Changes in Provisions	(0)	(10)	97%	9
(0)	8	-103%	Result from Assets Disposal	(0)	8	-103%	8
453	**468**	**-3%**	**EBITDA**	**453**	**468**	**-3%**	**2,058**
(166)	(175)	5%	Assets Amortization	(166)	(175)	5%	(705)
(2)	(0)	-25688%	Assets Impairments	(2)	(0)	-25688%	(2)
1	1	-3%	Capital Subsidies transferred to Income	1	1	-3%	3
(31)	(24)	-29%	Operating Leases Amortization	(31)	(24)	-29%	(125)
255	**271**	**-6%**	**OPERATING INCOME**	**255**	**271**	**-6%**	**1,229**
3	12	-77%	Other Companies carried by Equity Method	3	12	-77%	12
0	(0)	105%	Changes in Portfolio Provisions	0	(0)	105%	(0)
(12)	(9)	-38%	Total Operational Net Financial Result	(12)	(9)	-38%	26
245	**273**	**-10%**	**EBIT**	**245**	**273**	**-10%**	**1,266**
(40)	(30)	-31%	Net Debt expenses total	(40)	(30)	-31%	(123)
206	**243**	**-15%**	**INCOME BEFORE TAXES**	**206**	**243**	**-15%**	**1,143**
1	(2)	166%	Minority Interest	1	(2)	166%	(18)
(123)	(116)	-6%	Total Income Taxes	(123)	(116)	-6%	(515)
84	**124**	**-32%**	**NIAT (Net Income allocated to Holding Co.)**	**84**	**124**	**-32%**	**611**

Profit & Loss Statement (IFRS)

IFRS (International Financial Reporting Standards)
Millions of euros

Q1 2020	Q1 2019	Δ %	PROFIT &LOSS	YTD 2020	YTD 2019	Δ %	2019 FY
5,110	5,668	-10%	Revenues	5,110	5,668	-10%	23,857
(4,529)	(4,909)	8%	Cost of Supply	(4,529)	(4,909)	8%	(20,789)
581	**759**	**-23%**	**GROSS MARGIN over VARIABLE COSTS**	**581**	**759**	**-23%**	**3,068**
48	34	41%	Other Operating Income	48	34	41%	138
(297)	(319)	7%	Fixed Operating Expenses	(297)	(319)	7%	1,238
(466)	15	-3190%	Total Changes in Working Capital Provisions	(466)	15	-3190%	18
(0)	(10)	97%	Changes in Provisions	(0)	(10)	97%	9
(0)	8	-103%	Result from Assets Disposal	(0)	8	-103%	8
(135)	**487**	**-128%**	**EBITDA**	**(135)**	**487**	**-128%**	**2,004**
(166)	(175)	5%	Assets Amortization	(166)	(175)	5%	(705)
(326)	(0)	-3712094%	Assets Impairments	(326)	(0)	-3712094%	(100)
1	1	-3%	Capital Subsidies transferred to Income	1	1	-3%	3
(31)	(24)	-29%	Operating Leases Amortization	(31)	(24)	-29%	(125)
(657)	**289**	**-327%**	**OPERATING INCOME**	**(657)**	**289**	**-327%**	**1,077**
(18)	22	-180%	Other Companies carried by Equity Method	(18)	22	-180%	(49)
0	(0)	105%	Changes in Portfolio Provisions	0	(0)	105%	406
(12)	(9)	-38%	Total Operational Net Financial Result	(12)	(9)	-38%	26
(687)	**303**	**-327%**	**EBIT**	**(687)**	**303**	**-327%**	**1,460**
(40)	(30)	-31%	Net Debt expenses total	(40)	(30)	-31%	(123)
(727)	**273**	**-367%**	**INCOME BEFORE TAXES**	**(727)**	**273**	**-367%**	**1,336**
3	(1)	628%	Minority Interest	3	(1)	628%	(13)
168	(121)	238%	Total Income Taxes	168	(121)	238%	(503)
(556)	**151**	**-469%**	**NIAT (Net Income allocated to Holding Co.)**	**(556)**	**151**	**-469%**	**820**

Balance Sheet

Millions of euros

ASSETS	**Mar-20**	**Dec-19**	**Δ %**
Non-current assets			
Intangible assets			
Intangible assets and rights	4,423	4,292	3%
Amortization charge and Impairment losses	(3,790)	(3,638)	-4%
Total intangible assets	**633**	**653**	-3%
Consolidated Goodwill	103	108	-4%
Property, plant and equipment			n.a
Tangible assets and rights	16,491	16,055	3%
Amortization charge and Impairment losses	(10,350)	(9,916)	-4%
Total property, plant and equipment	**6,141**	**6,139**	0%
Right of Use			n.a
Right of Use	850	861	-1%
Amortization charge and Impairment losses	(152)	(123)	-23%
Total Right of Use	**699**	**737**	-5%
Investments in associates and joint ventures	255	269	-5%
Non-current financial assets	170	173	-2%
Deferred tax assets	1,030	799	29%
Total non-current assets	**9,031**	**8,878**	**2%**
Current assets			
Inventories	1,468	2,163	-32%
Trade and other receivables	1,536	2,119	-27%
Current income tax assets	58	56	5%
Other current financial assets	163	87	88%
Other current assets	18	12	54%
Cash and cash equivalents	1,069	561	90%
Assets held for sale and discontinued operations	59	98	-40%
Total current assets	**4,373**	**5,096**	**-14%**
Total assets	**13,404**	**13,974**	**-4%**

Shareholder's Equity and Liabilities	**Mar-20**	**Dec-19**	**Δ %**
Equity			
Shareholder's equity			
Share capital	268	268	0%
Share premium	339	339	0%
Revaluation reserve	91	91	0%
Retained earnings	4,261	3,688	16%
Profit attributable to equity holders of the parent	(556)	820	-168%
Interim dividend	0	(216)	100%
Total Shareholder´s equity	**4,403**	**4,989**	-12%
Adjustments for changes in value			
Translation differences	822	772	6%
Hedging Reserves	(952)	(747)	-27%
Hedging Reserves (Tax Effect)	238	187	28%
Total adjustments for changes in value	**109**	**212**	-49%
Total equity attributable to shareholders of the parent	**4,511**	**5,201**	-13%
Non-controlling interest			n.a
Equity and translation reserves attributed to non-controlling interests	94	87	8%
Profit attributable to non-controlling interests	(3)	14	-124%
Total non-controlling interests	90	100	-10%
Total equity	**4,602**	**5,301**	**-13%**
Non-current liabilities			
Bonds, obligations and similar issuances	991	497	100%
Bank borrowings	2,921	3,303	-12%
Other non-current financial liabilities	238	51	368%
Deferred tax liabilities	524	624	-16%
Capital grants	67	21	217%
Employee defined benefit liabilities	10	11	0%
Provisions	355	353	1%
Other non-current liabilities	76	76	-1%
Total non-current liabilities	**5,183**	**4,935**	**5%**
Current liabilities			
Bonds, obligations and similar issuances	1		n.a
Bank borrowings	854	265	222%
Trade and other payables	2,696	3,428	-21%
Current income tax liabilities	40	15	169%
Other current liabilities	11	11	5%
Liabilities held for sale and discontinued operations	17	17	3%
Total current liabilities	**3,619**	**3,738**	**-3%**
Total equity and liabilities	**13,404**	**13,974**	**-4%**

Cash Flow Statement

CLEAN/CCS

Millions of euros

Q1 2020	Q1 2019	Δ %	CASH FLOW	YTD 2020	YTD 2019	Δ %	2019 FY
453	468	-3%	**EBITDA - CCS including IFRS16**	453	468	-3%	2,058
0	19	-100%	Equity Dividends	0	19	-100%	79
(103)	(77)	-35%	Income taxes	(103)	(77)	-35%	(337)
3	(12)	124%	Other Cash Flow adjustments	3	(12)	124%	(27)
353	**399**	**-12%**	**Cash Flow from Operations before Working Capital**	**353**	**399**	**-12%**	**1,773**
(95)	(214)	55%	Inventories variation	(95)	(214)	55%	(25)
574	(95)	706%	Trade & other receivables	574	(95)	706%	208
(730)	294	-349%	Trade and other payables variation	(730)	294	-349%	118
(0)	(31)	100%	Other changes in WC variation	(0)	(31)	100%	5
(252)	**(46)**	**-448%**	**Changes in Operational Working Capital**	**(252)**	**(46)**	**-448%**	**306**
101	**353**	**-71%**	**Cash Flow from Operating Activities**	**101**	**353**	**-71%**	**2,079**
(714)	(1,901)	62%	Capex Payments	(245)	(233)	-5%	(961)
464	1,647	-72%	Capital Grants and Other Financial Assets	(5)	(21)	74%	(40)
(0)	20	-100%	Collection of divestments	(0)	20	-100%	75
(250)	**(234)**	**-7%**	**CASH FLOW FROM INVESTMENTS**	**(250)**	**(234)**	**-7%**	**(927)**
(149)	**120**	-225%	**FREE CASH FLOW (excl. net debt expenses)**	**(149)**	**120**	**-225%**	**1,152**
(35)	(26)	-35%	Net Debt Expenses paid	(35)	(26)	-35%	(102)
(30)	(31)	4%	Operating leases	(30)	(31)	4%	(143)
(215)	**62**	**-444%**	**FREE CASH FLOW before Dividends**	**(215)**	**62**	**-444%**	**908**
0	0	n.a	Dividends paid to shareholders of the Parent			n.a	(532)
0	0	n.a	Dividends paid to minority interests			n.a	(19)
(215)	**62**	**-444%**	**NET FREE CASH FLOW**	**(215)**	**62**	**-444%**	**357**

Management Discussion & Analysis

CLEAN/CCS

2020 Q1	2019 Q1	∆ %	Refining	YTD 2020	YTD 2019	∆ %	2019 FY
50.3	63.2	-20%	Average Brent price in $/b	50.3	63.2	-20%	64.3
1.10	1.14	-3%	Average exchange rate in $/€	1.10	1.14	-3%	1.12
4.8	4.4	9%	CEPSA refining margin (VAR) in $/bbl	4.8	4.4	9%	4.3

Brent crude oil price averaged 50.3 $/b in Q1, below last year figures by -12.9$/b, as COVID-19-related travel bans and lockdowns in many countries have led to a historic oil price collapse. The sudden demand drop led to worldwide oversupply and a necessary reduction in refining runs reductions as oil storage filled rapidly. Furthermore, crude oil supply increased after OPEC and non-affiliated Russia (OPEC+) failed to reach a production cut agreement in early March, increasing concerns over the global oversupply.

The US dollar exchange rate against the euro averaged 1.10 $/€ in Q1, appreciating slightly from last year figures on the back of relative strength of the US economy, despite the Federal Reserve's interest rates' cut in an emergency move due to worries about the near-term outlook, and the subsequent European Central Bank stimulus measures approved to help the Euro-zone economy cope with the growing cost of the COVID-19 epidemic.

The Refining Margin indicator was 4.8 $/b in Q1, up by +0.4 $/b compared to 2019 Q1, benefitting from energy cost savings owing to the lower Brent price registered this year despite poorer Diesel and 3.5% Fuel Oil spreads.

Cepsa Group Performance

CLEAN/CCS
Millions of euros

Q1 2020	Q1 2019	∆ %	Cepsa Group	YTD 2020	YTD 2019	∆ %	2019 FY
453.2	468.4	-3%	EBITDA Clean CCS	453.2	468.4	-3%	2,058.0
418.9	433.8	-3%	EBITDA Clean CCS ex-IFRS16	418.9	433.8	-3%	(44.4)
84.5	124.3	-32%	NIAT Clean CCS	84.5	124.3	-32%	610.6
(555.8)	150.7	-469%	NIAT IFRS	(555.8)	150.7	-469%	820.3
100.9	353.5	-71%	Cash Flow from Operating Activities	100.9	353.5	-71%	2,078.9
160.6	208.3	-23%	Capex Accounting ex-IFRS16	160.6	208.3	-23%	909.2
2,991	3,074	-3%	Net Debt ex-IFRS16	2,991	3,074	-3%	2,746

Clean CCS EBITDA stood at 453.2 M€ in YTD 2020, a decrease of -3% compared to 468.4 M€ in YTD 2019. This decrease was mainly attributable to the negative impact of COVID-19 on global energy demand, which lowered the average Upstream sales price (55.8 $/b vs 62.7 $/b in YTD 2019) and forced a reduction of the refinery and cogeneration plant runs from mid-March. Upsides came from strong Marketing margins as well as increased demand for detergent raw material in Petrochemicals.

Net income for the financial year to date, under International Financial Reporting Standards (IFRS), was negative by €555.8 million, compared to gains of €150.7 million in the first quarter of 2019. These results include both the write off due to lower realizable value of inventories of crude oil and oil products, with an impact after taxes of €350 million, and a net impairment of €188 million on

Exploration and Production assets, mainly caused by the fall in crude prices in this quarter (both Spot and Forward prices).

Cash Flow from Operations up to March was 100.9 M€, -71% over the previous year's same period, mainly due to the lower oil sale prices mentioned above joined by higher income tax payments in Upstream. In addition, 1Q2019 was impacted by the collection of a one-off dividend from an associate. Working Capital variation worsened by -206 M€ in comparison to 2019, mainly as a consequence of the crude cargo payments swing from December to January, as well as the first effects of COVID-19, with a reduction of sales causing an increase in inventories.

Accounting capex, excluding IFRS16, amounted to 160.6 M€ during the period, -23% below last year, mainly due to important reduction actions carried out in Q1 2020, where several planned projects have been postponed.

In 2020 Q1, Cepsa issued a second bond of 500 M€ with a maturity of eight years and fixed interest rate of 0.75%. The company's net debt decreased by 3% year on year, reducing the Net Debt/EBITDA ratio by -0.1x to 1.6x as at 31st March 2020, but 0.2x higher than at the end of 2019 (1.4x) due to investments and the reversal of a temporary working capital swing from December.

The Process Safety Events Rate[1] accounted for 0.61x up to March 2020 vs 0.0x in the comparative period last year. The Lost Workday Incident Frequency[2] stood at 0.61x, below 1.12 for Q1 2019.

Divisional Performance

CLEAN/CCS
Millions of euros

Q1 2020	Q1 2019	Δ %	EBITDA (incl. IFRS16)	YTD 2020	YTD 2019	Δ %	2019 FY
165.0	215.6	-23%	Exploration & Production	165.0	215.6	-23%	963.3
95.4	112.7	-15%	Refining	95.4	112.7	-15%	433.4
123.7	92.9	33%	Marketing	123.7	92.9	33%	463.0
78.8	59.3	33%	Petrochemicals	78.8	59.3	33%	246.4
(9.7)	(12.0)	19%	Corporation	(9.7)	(12.0)	19%	(48.1)
453.2	**468.4**	**-3%**	**Cepsa Group**	**453.2**	**468.4**	**-3%**	**2,058.0**

CLEAN/CCS
Millions of euros

Q1 2020	Q1 2019	Δ %	EBITDA (excl. IFRS16)	YTD 2020	YTD 2019	Δ %	2019 FY
164.3	214.5	-23%	Exploration & Production	164.3	214.5	-23%	960.0
87.9	105.3	-17%	Refining	87.9	105.3	-17%	402.8
104.5	75.4	39%	Marketing	104.5	75.4	39%	391.6
73.0	52.3	39%	Petrochemicals	73.0	52.3	39%	219.3
(10.8)	(13.8)	21%	Corporation	(10.8)	(13.8)	21%	(55.0)
418.9	**433.8**	**-3%**	**Cepsa Group**	**418.9**	**433.8**	**-3%**	**1,918.6**

[1] Process Safety Event of level 1 and 2 reported per million total work hours
[2] Number of lost workday injuries per hours worked expressed in millions

Upstream

CLEAN/CCS
Millions of euros

Q1 2020	Q1 2019	Δ %	E&P	YTD 2020	YTD 2019	Δ %	2019 FY
81.5	92.7	-12%	WI production in kb/d	81.5	92.7	-12%	92.6
55.8	62.7	-11%	Average realised crude price in $/b	55.8	62.7	-11%	64.0
50.3	63.2	-20%	Average Brent price in $/b	50.3	63.2	-20%	64.3
61.6	71.7	-14%	Fixed Operating Expenses ex-IFRS16	61.6	71.7	-14%	273.6
165.0	215.6	-23%	EBITDA Clean CCS	165.0	215.6	-23%	963.3
164.3	214.5	-23%	EBITDA Clean CCS ex-IFRS16	164.3	214.5	-23%	960.0

On the whole, 2020 year-to-date Clean CCS EBITDA was lower than previous year (-23%), negatively affected by the drop in sale prices (55.8 $/b vs 62.7 $/b in Q1 2019) due to the global oversupply after the COVID-19 outbreak, but also by lower sales, especially in Thailand, Latin America and Algeria. These effects were mitigated by different cost reduction initiatives carried out in all assets.

Production figures in Q1 2020 were lower than previous year due to the expected decrease in activity in Thailand and the sale of APICO in Q3 2019. The rest of assets are performing according to plan, only affected by OPEC quota restrictions.

The operating expenses reduction is due mainly to the lower activity in Southeast Asia combined with the different cost reduction initiatives mentioned above.

Refining

CLEAN/CCS
Millions of euros

2020 Q1	2019 Q1	Δ %	Refining	YTD 2020	YTD 2019	Δ %	2019 FY
5.41	5.30	2%	Refining output (production) in Mt	5.41	5.30	2%	21.49
4.8	4.4	9%	CEPSA refining margin (VAR) in $/bbl	4.7	4.4	7%	4.3
97.9	102.8	-5%	Fixed Operating Expenses ex-IFRS16	97.9	102.8	-5%	398.4
95.4	112.7	-15%	EBITDA Clean CCS	95.4	112.7	-15%	433.4
87.9	105.3	-17%	EBITDA Clean CCS ex-IFRS16	87.9	105.3	-17%	402.8

The Refineries' margins were strongly penalized along the first two months of the year by the increased crude oil premiums for sour grades after IMO 2020 application, which changed the average differentials against Brent to positive, as well as the weak middle distillate cracks and plunge of high sulfur fuel oil cracks. Nevertheless, the sudden drop of crude oil prices in March and the global turmoil around the COVID-19 disease led to lower energy costs and initial pressure alleviation on product spreads, allowing margins to surpass last year's quotes. 2020 Q1 segment EBITDA has mainly been penalized by decreased commercialization margins, lower electricity pool price and regulatory remuneration to cogeneration operations in the Power business, as well as continued depressed gas commercialization margins.

There was a decrease in the operating expenses compared to the same quarter of the last year, mainly on account of the lower maintenance and personnel costs at the Refineries, as well as a positive regularization related to the 2016-2019 period.

Marketing

CLEAN/CCS
Millions of euros

2020 Q1	2019 Q1	Δ %	Marketing	YTD 2020	YTD 2019	Δ %	2019 FY
1,800	1,800	0%	Number of service stations	1,800	1,800	0%	1,806
4.3	5.3	-19%	Total Volumes Marketing (Mt)	4.3	5.3	-19%	20.7
109.8	105.8	4%	Fixed Operating Expenses ex-IFRS16	109.8	105.8	4%	440.7
123.7	92.9	33%	EBITDA Clean CCS	123.7	92.9	33%	463.0
104.5	75.4	39%	EBITDA Clean CCS ex-IFRS16	104.5	75.4	39%	391.6

Marketing EBITDA was 123.7 M€, +30.8 M€ higher than 2019, thanks to improved margins in the Network, Wholesale and Bunker business lines, coupled with the sale of commercial facilities in January and Asphalts' domestic market recovery in the beginning of the year until mid-March when confinement began in Spain.

Marketing volumes reduced by -19% relative to 2019, as the COVID-19 lowered demand. The largest drop was registered in Bunker, due to the lack of activity in Fujairah, the sale of the Panama subsidiary and different sales mix following IMO 2020.

Operating expenses excluding IFRS16 increased by +4% compared to the same period in 2019, owing to reclassification of 4 M€ of services stations rent from variable costs. Excluding this change in accounting criteria, the costs would be in line with last year.

Petrochemicals

CLEAN/CCS
Millions of euros

2020 Q1	2019 Q1	Δ %	Refining	YTD 2020	YTD 2019	Δ %	2019 FY
0.72	0.72	0%	Total Volumes (Mt)	0.72	0.72	0%	2.9
39.4	42.7	-8%	Fixed Operating Expenses ex-IFRS16	39.4	42.7	-8%	171.2
78.8	59.3	33%	EBITDA Clean CCS	78.8	59.3	33%	246.4
73.0	52.3	39%	EBITDA Clean CCS ex-IFRS16	73.0	52.3	39%	219.3

Petrochemicals' YTD Clean CCS EBITDA accounted for 78.8 M€, above last year by +19.5 M€.

Results were mainly driven by the strong performance of the LAB/LABSA business line thanks to improved margins and volume sold owing to the increase in demand of the raw material used in detergents given COVID-19 spread, as well as higher margins in Acetone at the Spanish plant. Solvents' business line stood above last year data due to improved margins in the Spanish, UK and Italy.

Operating expenses have decreased by -8%, due to lower fixed cost in the Phenol/Acetone business line mainly from a change in accounting policy in Shanghai where some costs regarding the plant operation are now registered as variable. Excluding this criterion change, the reduction would be of -2%.

Corporation

CLEAN/CCS
Millions of euros

2020 Q1	2019 Q1	∆ %	Refining	YTD 2020	YTD 2019	∆ %	2019 FY
(9.7)	(12.0)	19%	EBITDA Clean CCS	(9.7)	(12.0)	19%	(48.1)
(10.8)	(13.8)	21%	EBITDA Clean CCS ex-IFRS16	(10.8)	(13.8)	21%	(55.0)

Corporation costs stood below last year figures, as a result of lower management expenses and advertising costs due to the cost reduction plans across the Cepsa Group, but also accelerated due to the lockdowns and the measures actioned.

Capital Expenditure (Accounting)

Q1 2020	Q1 2019	∆ %	Capex Accounting	2020 YTD	2019 YTD	∆ %	2019 FY
109.9	149.1	-26%	Growth	109.9	149.1	-26%	587.3
50.7	59.2	-14%	Maintenance & HSE	50.7	59.2	-14%	321.7
160.6	**208.3**	**-23%**	**TOTAL Capex Accounting**	**160.6**	**208.3**	**-23%**	**909.2**
31.7	0.0	n.a	IFRS16 (new contracts)	31.7	0.0	n.a	64.0
192.2	**208.3**	**-8%**	**Total Capex including IFRS16**	**192.2**	**208.3**	**-8%**	**973.2**

Accounting capex excluding IFRS16 rose to 160.6 M€, -23% below last year, mainly due to important reduction actions carried out in Q1 2020. Several planned projects were postponed to comply with the capex reduction policy implemented as a response to COVID-19.

Growth capex declined -35% compared to last year. Growth projects included the Abu Dhabi development, RKF Redevelopment and Caracara Infill in Upstream, the Bottom of the Barrel investment at the Algeciras Refinery, as well as several units' revamping turnarounds at the Spanish Refining and Petrochemicals sites.

Out of the total capex, 38% was oriented to the Refining activities, 34% to Upstream and 28% was distributed across the other businesses. 68% of investments were related to growth projects and 32% to Maintenance & HSE.

Capital Structure

Millions of euros	Q1 2020	FY 2019
Non-current Bank Borrowings	2,329	2,661
Current Bank Borrowings	738	149
Bonds	993	497
Cash	(1,069)	(561)
Net Debt ex-IFRS16	**2,991**	**2,746**
FX effect of Cross Currency Swaps (*)	41	9
Adj Net Debt ex-IFRS16	**3,032**	**2,754**

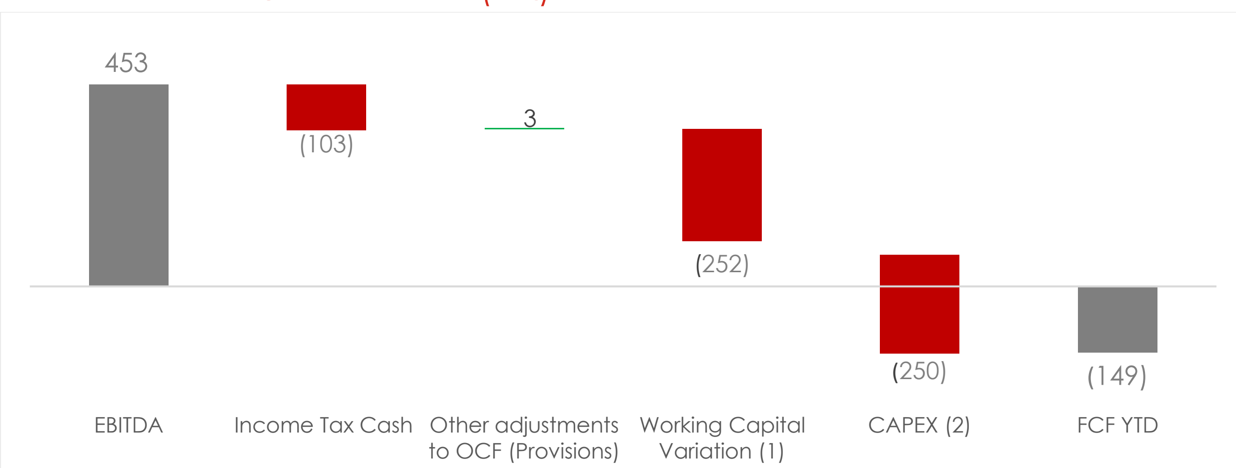
(*) Represents the FX component of the mark-to-market of Cross Currency Swaps entered into by the company, which convert EUR denominated debt to USD synthetic debt.

Adj. ND/LTM Clean CCS EBITDA (ex-IFRS16)	1,60x	1,43x
IFRS16 Liabilities	707	760
Adj Net Debt incl-IFRS16	**3.739**	**3.514**
Adj. ND/LTM Clean CCS EBITDA (incl-IFRS16)	1,81x	1,70x

Leverage Ratios

Equity	**4,602**	**5,301**
IFRS Capital Employeed (incl- IFRS16)	8,303	8,650
Gearing Ratio (%)	**39.4%**	**34.1%**
Gearing Ratio includ. IFRS16 (%)	44.6%	39.8%

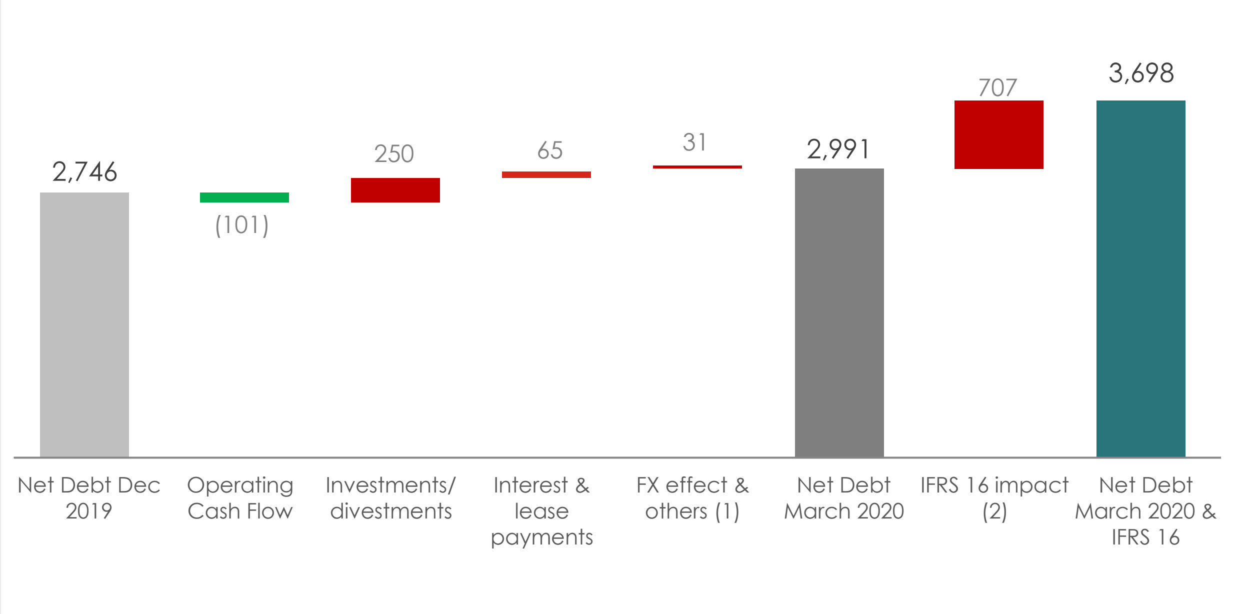
From EBITDA to FCF YTD March (M€)



(1) Working Capital variation mainly due to the reversal of the working capital swing in Q4'19

(2) Comprised of €96 million of Maintenance & HSE and €154 million of Growth Capex

Net Debt Evolution YTD March (M€)



(1) Effect of the exchange rate on USD debt

(2) On January 1, 2019, IFRS 16 became into force, by which operating leases are capitalized in the Cepsa Group's balance sheet. As of March 31, 2020, the impact of IFRS 16 in Cepsa books represents an increase in financial debt of €707M along with an increase in EBITDA of €34M

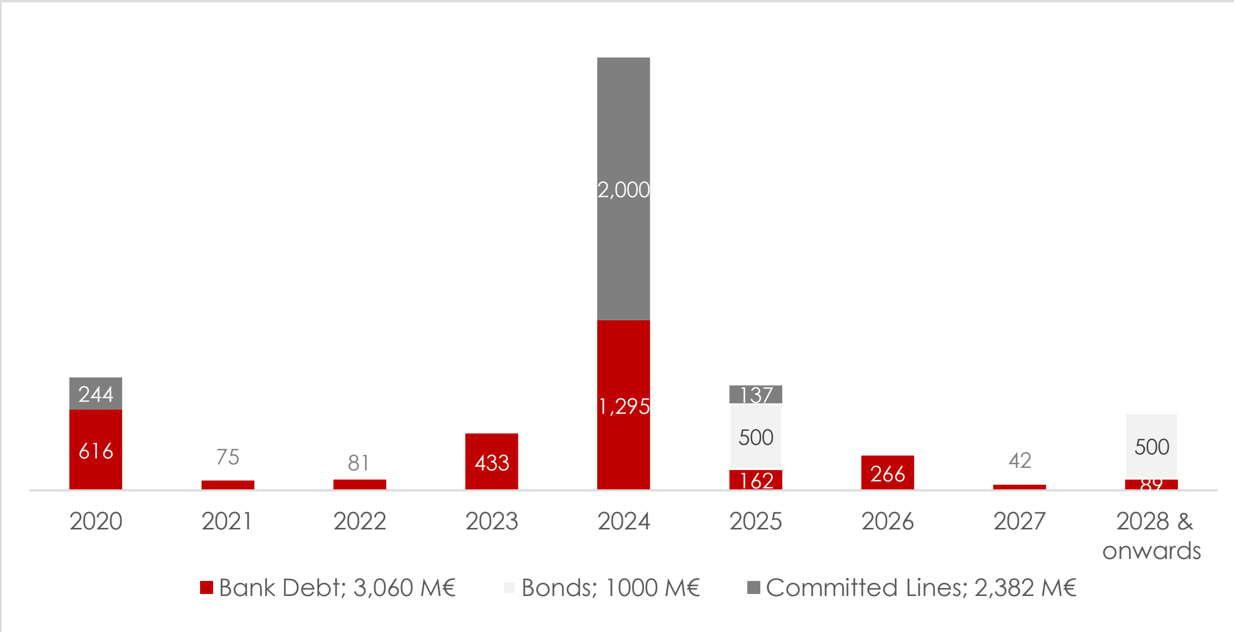
Cepsa maintains a robust balance sheet, with Net Debt (excluding IFRS 16 impact) as at 31 March 2020 of 2,991 M€ and a Net Debt to EBITDA LTM ratio of 1.6x.

Cepsa also has a strong liquidity position, with cash and available committed credit facilities in excess of 3,500 M€ with an average debt maturity of 4.2 years. Cepsa continues to have access to both the bank and capital markets at attractive terms, and has recently raised new capital, by successfully placing a 500 M€ senior unsecured bond maturing in 2028 with a 0.75% coupon in February and securing new bank facilities for a combined amount of 550 M€.

Cepsa is rated investment grade by the three main rating agencies. Both Fitch and Moody´s have reaffirmed their ratings during the month of April (Fitch: BBB-, stable outlook; Moody's: Baa3, negative outlook), while Standard & Poor's has left it unchanged (BBB-, stable outlook).

With the further deterioration of the macroeconomic outlook and the uncertainties regarding the pace of demand recovery, Cepsa is taking additional measures to secure its resilience and reinforce its balance sheet.

Debt Maturity profile post refinancing as of March (M€)



Appendix

Impact of IFRS16 on 2020 Accounting

IMPACT IFRS16	YTD 2020
EBITDA	34
Cash Flow from Operations	30
Net Debt	707
Capital Employed	699

Affiliates and Minorities

CLEAN/CCS
Millions of euros

Q1 2020	Q1 2019	∆ %	Dividends Paid/ Received	YTD 2020	YTD 2019	∆ %	2019 FY
12.1	43.9	-72%	Affiliates EBITDA share	12.1	43.9	-72%	94.4
2.7	6.2	-57%	Minority Interest share included in EBITDA	2.7	32.4	-92%	32.4
0.0	0.0	n.a	Cash Dividends Paid to minority interes	0.0	0.0	n.a	(19.2)
0.0	20.3	-100%	Dividends Received from Equities	0.0	20.3	-100%	79.3

[3]

Affiliates EBITDA YTD contribution of 12.1 M€ is explained mainly by ADOC Upstream JV in Abu Dhabi. In Q1 2019 besides ADOC, MEDGAZ and APICO contributed to the affiliates results, however, our stakes in these companies (39% and 42%, respectively) were sold in Q3 2019.

The largest minority interest shares included in EBITDA comes from the Brazilian LAB plant (2.2 M€) and the Shanghai Phenol plant (1.9 M€), offset by negative EBITDA in the power cogeneration plants and the KBM upstream subsidiary.

[3] Affiliates are consolidated by the Equity Method and, therefore, the contribution to the Cepsa Group Consolidated EBITDA is null. Figures shown state the appliance of Cepsa Group share % to the Affiliate P&L.