



Q3 2020 Results

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Index

Delivering the objectives presented in the Resilience Plan	2
3Q20 highlights: Strong Operating Cash Flow generation	3
Net income performance by business segment	5
▪ Upstream	5
▪ Industrial	8
▪ Commercial and Renewables	10
▪ Corporation & Others	12
▪ Inventory effect	13
▪ Special items	13
Adjusted cash flow statement analysis	14
Net debt evolution	15
Relevant events	16
Annexes	
Appendix I – Metrics by business segments	19
▪ Operating indicators	22
Appendix II – Repsol's reporting model	25
Appendix III – IFRS Consolidated Financial Statements	29
Appendix IV – Basis of presentation	35



Delivering the objectives presented in the Resilience Plan

Josu Jon Imaz, CEO

“€1.3 billion of Operating Cash Flow during the quarter”

Repsol’s strong cash flow performance during the quarter demonstrates the strength of our Resilience Plan. We have been able to deliver €1.3 billion of Operating Cash Flow during the quarter, proving its resilience even under a very challenging scenario of depressed commodity prices and low demand.

Resilience Plan 2020

“Delivering the objectives presented in our Resilience Plan 2020”

We are delivering the objectives presented in our Resilience Plan 2020, ensuring the robustness of our balance sheet while we reiterate the commitment to lead the energy transition to pursue our goal to achieve net zero carbon emissions in 2050:

- New **Opex** estimate reduction for 2020: €500 million. €150 million above the initial target. As of September 2020, more than €350 million have been already captured.
- New **Working capital** optimization for 2020: €700 million. As of September 2020, more than €400 million have been already captured.
- New **Capex** estimate reduction for 2020: €1.2 billion. €0.2 billion above the initial target.
- The **Group’s net debt** at the end of the third quarter stood at €3,338 million, €649 million lower than at the end of the second quarter of 2020. The strong operating cash flow generated during the quarter more than covered investments, dividends, interests and others.
- The **Group’s liquidity** at the end of the third quarter of 2020 was €9,099 million (including undrawn committed credit lines); representing 3.43 times short-term gross debt maturities that compares with 2.43 times at the end of the second quarter of 2020.

Leading The Energy Transition

“Decarbonization projects”

The industrial decarbonization projects and renewable projects announced during the quarter:

- Repsol will build the first low-emissions advanced biofuels plant in Spain at its refinery in Cartagena representing an investment of €188 million. The plant, projected to be operational in the first half of 2023, will produce 250,000 tons per year of advanced biofuels from recycled raw materials. The new advanced biofuels will make it possible to cut CO₂ emissions by 900,000 tons per year.
- Repsol produced the Spanish market’s first batch of biojet at its Puertollano Industrial Complex, becoming the pioneering company in the manufacturing of this sustainable aviation fuel in Spain.
- Repsol started to generate wind power with the connection to the grid of the first wind turbines at Delta. With a capacity of 335 MW it is one of Repsol’s two major wind projects located in the northern Spanish region of Aragon.

Shareholder Remuneration

“Delivering on our commitment to shareholder’s remuneration”

Repsol has delivered on its remuneration commitment for 2020 through the scrip dividend formula as well as a share capital reduction of around 99 million shares resulting in a final share capital of 1,527 million shares.

3Q20 Highlights: Strong Operating Cash Flow generation

(Unaudited figures)

Results (€ Million)	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Upstream	51	(141)	218	(76.6)	0	864	-
Industrial	(67)	8	223	-	229	671	(65.9)
Commercial and Renewables	169	42	153	10.5	332	418	(20.6)
Corporate and Others	(146)	(167)	(72)	(102.8)	(365)	(316)	(15.5)
Adjusted Net Income	7	(258)	522	(98.7)	196	1,637	(88.0)
Inventory effect	40	(298)	(123)	-	(1,048)	(60)	-
Special items	(141)	(1,441)	(66)	(113.6)	(1,726)	(111)	-
Net Income	(94)	(1,997)	333	-	(2,578)	1,466	-
Earnings per share (€/share)	(0.07)	(1.32)	0.20	-	(1.70)	0.89	-
Financial data (€ Million)	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
EBITDA	882	240	1,597	(44.8)	1,471	5,309	(72.3)
EBITDA CCS	828	641	1,764	(53.1)	2,924	5,386	(45.7)
Operating Cash Flow	1,258	268	1,544	(18.5)	2,122	4,074	(47.9)
Investments	426	479	837	(49.1)	1,539	2,305	(33.2)
Group's Effective Tax Rate (%)	(80)	11	(40)	(40.0)	(52)	(38)	(14.0)
Net Debt	3,338	3,987	3,836	(13.0)	3,338	3,836	(13.0)
Net Debt with leases	7,188	8,026	7,751	(7.3)	7,188	7,751	(7.3)
International prices	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Brent (\$/bbl)	42.9	29.6	62.0	(30.8)	41.1	64.6	(36.4)
Henry Hub (\$/MBtu)	2.0	1.7	2.2	(9.1)	1.9	2.7	(29.6)
Average exchange rate (\$/€)	1.17	1.10	1.11	5.4	1.13	1.12	0.9
Operational data	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Liquids Production (Thousand bbl/d)	192	214	252	(23.8)	217	251	(13.5)
Gas Production ^(*) (Million scf/d)	2,383	2,388	2,576	(7.5)	2,462	2,528	(2.6)
Total Production (Thousand boe/d)	616	640	711	(13.3)	655	702	(6.6)
Crude Oil Realization Price (\$/bbl)	39.1	25.5	55.3	(29.3)	36.8	58.1	(36.7)
Gas Realization Price (\$/Thousand scf)	2.2	1.9	2.6	(15.4)	2.2	3.0	(26.7)
Distillation Utilization Spanish Refining (%)	70.0	69.9	89.5	(19.5)	74.1	89.4	(15.3)
Conversion Utilization Spanish Refining (%)	83.9	82.4	104.9	(21.0)	88.9	102.9	(14.0)
Refining Margin Indicator in Spain (\$/bbl)	(0.1)	3.0	5.5	-	2.6	4.8	(45.8)
Sustainability data	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Process safety indicator (PSIR)	0.84	0.55	0.74	0.1	0.75	0.56	0.2
Total recordable injury rate (TRIR)	0.91	0.36	1.05	(0.1)	0.99	1.22	(0.2)
Annual CO2e emissions reduction (Kt) ^(**)	57.3	167.3	35.3	22.0	284.5	120.1	164.4

(*) 1,000 Mcf/d = 28.32 Mm3/d = 0.178 Mboe/d. (**) Estimated.

Adjusted Net Income & Net Income

Adjusted net income in the third quarter of 2020 was €7 million, €515 million lower year-on-year. **Net income** amounted to €-94 million, mainly due to provisions and indemnities.

Upstream

€51 M

In **Upstream**, adjusted net income was €51 million, €167 million lower than in the same period in 2019 mainly due to lower oil and gas realization prices and lower production. This was partially offset by lower costs, lower amortization and lower taxes due to a lower operating income.

Industrial

€-67 M

In **Industrial**, adjusted net income was €-67 million, €290 million lower than in the same period in 2019 mainly because of the negative impact from the new market conditions produced by the Covid-19 in Refining, Repsol Peru and to a lesser extent in the Chemicals business.

Commercial and Renewables

€169 M

In **Commercial and Renewables**, adjusted net income was €169 million, €16 million higher than in the same period in 2019 primarily driven by the good performance of Mobility and Lubricants, Asphalts and Specialities.

Corporate & Others

€-146 M

In **Corporate and others**, adjusted net income was €-146 million, compared to €-72 million in the same period of 2019, mainly due to lower results in exchange rate positions.

Special Items

€-141 M

Special Items stood at €-141 million in the period, compared with €-66 million for the same period of 2019 and correspond mainly to provisions in the Upstream and Industrial businesses and indemnities and workforce restructuring in Corporate areas.

Solid Financial Position

Group's liquidity €9,099 M

The Group's **net debt** at the end of the third quarter stood at €3,338 million, €649 million lower than at the end of the second quarter of 2020. The strong operating cash flow generated during the quarter more than covered investments, dividends, interests and others. Including leases, net debt stood at €7,188 million.

The Group's **liquidity** at the end of the third quarter of 2020 was €9,099 million (including undrawn committed credit lines); representing 3.43 times short-term gross debt maturities that compares with 2.43 times at the end of the second quarter of 2020.

Moreover, during the fourth quarter 2020, Repsol has issued a €850 million Eurobond with the lower interest rate ever obtained. The bond had an issue price of 99.753% and annual fixed coupon of 0.125 % due October 2024.

Net Income performance by Business Segment

Upstream

(Unaudited figures)

Results (€ Million)	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Adjusted Net Income	51	(141)	218	(76.6)	0	864	-
Operating income	108	(165)	460	(76.5)	104	1,634	(93.6)
Income tax	(57)	20	(244)	76.6	(114)	(791)	85.6
Income from equity affiliates and non-controlling interests	0	4	2	-	10	21	(52.4)
EBITDA	459	331	984	(53.4)	1,447	3,197	(54.7)
Investments	163	214	553	(70.5)	766	1,514	(49.4)
Effective Tax Rate (%) ^(*)	(52)	12	(53)	1.0	(109)	(48)	(61.0)
International prices	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Brent (\$/bbl)	42.9	29.6	62.0	(30.8)	41.1	64.6	(36.4)
WTI (\$/bbl)	40.9	28.0	56.4	(27.5)	38.2	57.1	(33.1)
Henry Hub (\$/MBtu)	2.0	1.7	2.2	(9.1)	1.9	2.7	(29.6)
Average exchange rate (\$/€)	1.17	1.10	1.11	5.4	1.13	1.12	0.9
Realization prices	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Crude Oil (\$/bbl)	39.1	25.5	55.3	(29.3)	36.8	58.1	(36.7)
Gas (\$/Thousand scf)	2.2	1.9	2.6	(15.4)	2.2	3.0	(26.7)
Production	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Liquids (Thousand bbl/d)	192	214	252	(23.8)	217	251	(13.5)
Gas ^(**) (Million scf/d)	2,383	2,388	2,576	(7.5)	2,462	2,528	(2.6)
Total (Thousand boe/d)	616	640	711	(13.3)	655	702	(6.6)

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

Third quarter 2020 results

Adjusted net income was €51 million, €167 million lower than in the same period in 2019 mainly due to lower oil and gas realization prices and lower production. This was partially offset by lower costs, lower amortization and lower taxes due to a lower operating income.

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

- Lower **realization prices** had a negative impact on the operating income of €356 million.
- Lower **volumes** impacted the operating income negatively by €248 million, mainly due to the suspension of operations in Libya since January 19th, lower gas demand caused by the Covid-19, temporary ceases of production as a result of lower prices and maintenance programs.
- Lower **production costs and general costs** had a positive impact of €42 million on the operating income mainly derived from the lower activity and higher efficiencies.

- **Depreciation and amortization** charges were €177 million lower mainly due to lower production and lower amortization because of the impairment posted during 2019 and 2020.
- **Lower royalties** contributed positively to the operating income by €58 million due to lower production and lower prices.
- **Income tax** expense impacted the adjusted net income positively by €188 million due to a lower operating income.
- **Income from equity affiliates and non-controlling interests, exploration costs and the depreciation of the dollar against the euro** explain the remaining differences.

Production

Upstream **production** reached an average of 616 kboe/d in the third quarter of 2020, 94 kboe/d lower year-on-year primarily as a consequence of the stoppage of production in Libya due to force majeure since January 19, 2020, lower gas demand in Peru and Indonesia caused by the Covid-19 and temporary ceases of production in Colombia and Canada as a result of lower prices, as well as the Piedemonte license expiration (Colombia), maintenance programs and the natural decline of fields. These were partially compensated by the acquisition of an additional 63% of working interest in Eagle Ford (USA) in December 2019.

Exploration

During the third quarter of 2020, no wells were finished.

At the end of the quarter one exploration well in Bolivia (Boicobo Sur-X-1) and one appraisal well in the USA (Black Tip-2 App & ST) were in progress.

Exploration expenses during the quarter stood at €30 million, €20 million higher than in the same period of 2019.

Investments

Investment in Upstream in the third quarter of 2020 amounted to €163 million, €390 million lower than in the same period of 2019.

- **Development** investment accounted for 70% of the total investment and was concentrated mainly in Norway (37%), Trinidad and Tobago (22%), Brazil (11%), the USA (9%) and UK (9%).
- **Exploration** investment represented 26% of the total and was allocated primarily in the USA (21%), Indonesia (20%), Bolivia (10%) and Russia (9%).

January - September 2020 results

The adjusted net income for the first nine months of 2020 amounted to €0 million, €864 million lower year-on-year mainly due to lower oil and gas realization prices and lower production mainly due the force majeure in Libya, lower demand caused by the Covid-19 and temporary ceases of production as a result of lower prices. This was partially offset by lower costs, lower amortization and lower taxes due to a lower operating income.

Production

Upstream **production** reached an average of 655 kboe/d in the first nine months of 2020, 47 kboe/d lower year-on-year primarily as a consequence of the stoppage of production in Libya due to force majeure since January 19, 2020, lower gas demand in Peru, Bolivia and Indonesia caused by the Covid-19 and temporary ceases of production in Colombia and Canada as a result of lower prices, as well as the Piedemonte license expiration (Colombia), maintenance programs and the natural decline of fields. These were partially compensated by the connection of new wells in Marcellus (USA), the acquisition of an additional 63% of working interest in Eagle Ford (USA) in December 2019 and the first oil of Buckskin (USA) in June 2019.

Exploration

During the first nine months of 2020, seven exploration and one appraisal wells were finished. Six exploration wells were declared positive, including the Lorito Este-1 exploration well in Colombia, the Monument discovery in the Gulf of Mexico (USA), two discoveries (Polok-1 and Chinwol-1) in the Gulf of Mexico (Mexico) as well as two discoveries (Mitquq-1 & ST1 and Stirrup-1) in Alaska. In addition, one exploration (Juum in Mexico) well was declared negative and one appraisal well (Lorito A-1) in Colombia is currently under evaluation.

At the end of the quarter one exploration well in Bolivia (Boicobo Sur-X-1) and one appraisal well in the USA (Black Tip-2 App & ST) were in progress.

Exploration expenses during the first nine months of the year stood at €101 million, €16 million higher than in the same period of 2019.

Investments

Investment in Upstream in the first nine months of 2020 amounted €766 million, €748 million lower than in the same period of 2019.

- **Development** investment accounted for 74% of the total investment and was concentrated mainly in Norway (28%), the USA (20%), Trinidad and Tobago (14%), Brazil (9%) and Malaysia (8%).
- **Exploration** investment represented 26% of the total and was allocated primarily in the USA (32%), Mexico (19%), Indonesia (9%), Russia (8%) and Bolivia (6%).

Industrial

(Unaudited figures)

Results (€ Million)	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Adjusted Net Income	(67)	8	223	-	229	671	(65.9)
Operating income	(101)	15	293	-	308	883	(65.1)
Income tax	29	(5)	(66)	-	(80)	(206)	61.2
Income from equity affiliates and non-controlling interests	5	(2)	(4)	-	1	(6)	-
Inventory effect (after taxes)	40	(282)	(117)	-	(1,026)	68	-
EBITDA	146	(156)	359	(59.3)	(524)	1,434	-
EBITDA CCS	93	223	518	(82.0)	901	1,496	(39.8)
Investments	113	104	190	(40.5)	340	496	(31.5)
Effective Tax Rate (%) ^(*)	29	(33)	(23)	52.0	(26)	(23)	(3.0)

Operational data	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Refining Margin Indicator in Spain (\$/bbl)	(0.1)	3.0	5.5	-	2.6	4.8	(45.8)
Distillation Utilization Spanish Refining (%)	70.0	69.9	89.5	(19.5)	74.1	89.4	(15.3)
Conversion Utilization Spanish Refining (%)	83.9	82.4	104.9	(21.0)	88.9	102.9	(14.0)
Processed Crude (Mt)	8.5	8.3	11.2	(24.1)	27.0	33.3	(18.9)
Petrochemical Product Sales (Thousand tons)	704	740	678	3.8	2,001	2,136	(6.3)

International prices (\$/bbl)	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Maya vs Brent spread	(6.0)	(8.6)	(8.0)	25.0	(8.2)	(9.4)	12.8
Gasoline vs Brent spread	4.6	2.5	11.7	(60.7)	4.0	8.5	(52.9)
Diesel vs Brent spread	5.6	8.9	16.9	(66.9)	9.4	16.0	(41.3)

(*) Calculated on the Operating Income

Third quarter 2020 results

Adjusted net income was €-67 million, €290 million lower than in the same period in 2019. The principal factors that explain the variations in the year-on-year performance in the Industrial businesses are as follows:

- In **Refining**, operating income was €315 million lower year-on-year mainly due to narrower middle distillates, gasolines and light-to-heavy crude oil spreads that were transferred into lower distillation and lower refining margins. This was partially offset by lower energy costs.
- In **Repsol Peru**, operating income was €22 million lower year-on-year due to lower refining margins and lower distillation.
- In **Chemicals**, operating income was €34 million lower year-on-year. Higher utilization rates and petrochemical sales were not able to compensate lower margins due to a generalized drop in petrochemical product prices especially for those linked to the auto sector. This was partially compensated by the growing needs for packaging and healthcare applications.
- In **Trading and Wholesale & Gas Trading**, operating income was €14 million lower year-on-year due to lower margins in the Trading business and lower commercialization margins in the North American Wholesale & Gas Trading business.
- **Income tax** expense impacted the adjusted net income positively by €96 million due to a lower operating income.

- **Results in other activities, adjustments and equity affiliates and non-controlling interests** covered the remaining difference.

Investments

Investments in the third quarter amounted to €113 million, €77 million lower than in the same period of 2019.

January - September 2020 results

Adjusted net income for the first nine months of 2020 was €229 million, 66% lower year-on-year. The negative impact from the new market conditions produced by the Covid-19 in Refining, Chemicals and Wholesale & Gas Trading has been partially offset by the good performance of Repsol Peru, Trading and lower taxes due to a lower operating income.

Investments

Investments in the first nine months of the year amounted to €340 million, €156 million lower than in the same period of 2019.

Commercial and Renewables

(Unaudited figures)

Results (€ Million)	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Adjusted Net Income	169	42	153	10.5	332	418	(20.6)
Operating income	229	54	210	9.0	447	572	(21.9)
Income tax	(57)	(12)	(50)	(14.0)	(109)	(140)	22.1
Income from equity affiliates and non-controlling interests	(3)	0	(7)	57.1	(6)	(14)	57.1
Inventory effect (after taxes)	0	(16)	(6)	-	(22)	(5)	-
EBITDA	316	118	302	4.6	676	804	(15.9)
EBITDA CCS	315	140	310	1.6	704	819	(14.0)
Investments	141	141	77	82.6	400	253	58.0
Effective Tax Rate (%) ^(*)	(25)	(22)	(24)	(1.0)	(24)	(25)	1.0

Operational data	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Electricity Prices in Spanish pool (€/MWh)	37.6	23.2	46.2	(18.6)	31.9	49.9	(36.1)
Marketing own network sales (Diesel & Gasoline in km3)	3,428	2,385	3,941	(13.0)	9,253	11,602	(20.2)
Electricity Generation (GWh)	2,439	1,401	2,823	(13.6)	4,732	5,008	(5.5)
Electricity commercialization (GWh)	1,012	838	1,304	(22.4)	2,917	3,605	(19.1)
LPG Sales (Thousand tons)	221	221	226	(2.2)	822	925	(11.1)

(*) Calculated on the Operating Income

Third quarter 2020 results

Adjusted net income was €169 million, €16 million higher than in the same period in 2019. The principal factors that explain the variations in the year-on-year performance in the Commercial and Renewables businesses are as follows:

- In **Mobility**, operating income was €8 million higher year-on-year. A 13% demand reduction in the Spanish Service Stations due to the Covid-19 was compensated by higher relative weight from products with better margins and lower costs.
- In **LPG**, operating income was €3 million lower year-on-year mainly due to lower sales as consequence of weather conditions as well as the effects of the Covid-19 mainly affecting the hospitality sector.
- In **Lubricants**, operating income was €8 million higher year-on-year. Lower sales because of the Covid-19 were compensated by higher margins and lower costs. The international expansion carried out with Bardahl and United Global Ltd has positively impacted the results.
- In **Electricity & Gas**, operating income was in line year-on-year. Lower results in power generation were offset by higher results in Retail.
- **Income tax** expense increased by €6 million due to a higher operating income.
- **Results in other activities, adjustments and equity affiliates and non-controlling interests** covered the remaining difference.

Investments

Investments in Commercial and Renewables in the third quarter amounted to €141 million, mainly linked to the development of renewable projects.

January - September 2020 results

Adjusted net income for the first nine months of 2020 was €332 million, 21% lower year-on-year primarily driven by a 24% demand reduction in the Spanish Service Stations due to the Covid-19. This was partially offset by the good performance of Lubricants and Electricity and Gas as well as lower taxes due to a lower operating income.

Investments

Investments in the first nine months of the year amounted to €400 million, corresponding €317 million to the Electricity and Gas business, mainly linked to the development of renewable projects.

Corporate and others

(Unaudited figures)

Results (€ Million)	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Adjusted Net Income	(146)	(167)	(72)	(102.8)	(365)	(316)	(15.5)
Corporate result	(40)	(50)	(44)	9.1	(141)	(144)	2.1
Financial result	(128)	(125)	(14)	-	(264)	(242)	(9.1)
Consolidation adjustments	(19)	(23)	(25)	24.0	(47)	(49)	4.1
Income tax	46	31	12	283.3	92	121	(24.0)
Income from equity affiliates and non-controlling interests	(5)	0	(1)	-	(5)	(2)	(150.0)
EBITDA	(39)	(53)	(48)	18.8	(128)	(126)	(1.6)
Net Interests ^(*)	(50)	(55)	(49)	(2.0)	(154)	(163)	5.5
Investments	9	20	17	(47.1)	33	42	(21.4)
Effective Tax Rate (%) ^(**)	24	16	16	8.0	20	28	(8.0)

(*) Lease effect not included. (**) Calculated on the Operating Income and the Financial Result.

Third quarter 2020 results

At operating income level, **Corporate and Adjustments** accounted for a net expense of €59 million during the third quarter of 2020 compared to a net expense of €69 million in the third quarter of 2019 mainly due to lower corporate expenses.

The **financial result** in the quarter amounted to a net expense of €128 million compared with a net expense of €14 million for the same period of last year mainly due to lower results from exchange rate positions.

January - September 2020 results

At operating income level, **Corporate and Adjustments** accounted for a net expense of €188 million during the first nine months of 2020 compared with a net expense of €193 million in the same period of 2019.

The **financial result** during the first nine months of 2020 amounted to a net expense of €264 million compared with a net expense of €242 million for the same period of last year mainly due to lower results from interest rate positions and other positions.

Inventory Effect

Third quarter 2020

Inventory effect was €40 million in the period, compared with €-123 million in the same period of 2019.

January - September 2020

Inventory effect was €-1,048 million in the period, compared with €-60 million in the same period of 2019 mainly due to the fall of crude oil prices since March as a consequence of the rapid progression of the Covid-19 and its subsequent impact on demand, as well as the excess of crude supply.

Special Items

(Unaudited figures)

Results (€ Million)	Q3 2020	Q2 2020	Q3 2019	% Change Q3 20/Q3 19	Jan - Sep 2020	Jan - Sep 2019	% Change 2020 / 2019
Divestments	(2)	3	14	-	70	45	55.6
Indemnities and workforce restructuring	(32)	(35)	(4)	-	(73)	(33)	(121.2)
Impairment of assets	(3)	(1,296)	(1)	(200.0)	(1,299)	(4)	-
Provisions and others	(104)	(113)	(75)	(38.7)	(424)	(119)	(256.3)
Special Items	(141)	(1,441)	(66)	(113.6)	(1,726)	(111)	-

Third quarter 2020

Special Items stood at €-141 million in the period, compared with €-66 million for the same period of 2019 and correspond mainly to provisions in the Upstream and Industrial business and indemnities and workforce restructuring in Corporate areas.

January - September 2020

Special Items stood at €-1,726 million in the period, compared with €-111 million for the same period of 2019 and correspond mainly to impairments in Upstream due to a lower short-term oil and gas price deck, the adverse impact of exchange rate fluctuations on tax positions (mainly Brazil) as well as credit risk provisions in Venezuela.

Adjusted Cash Flow Statement Analysis

(Unaudited figures) (€ millions)

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

	QUARTERLY DATA		JANUARY - SEPTEMBER	
	Q3 2020	Q3 2019	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES				
EBITDA CCS	828	1,764	2,924	5,386
Inventory Effect	54	(167)	(1,453)	(77)
Changes in working capital	427	240	886	(419)
Dividends received	7	25	26	42
Income taxes received/ (paid)	9	(227)	(1)	(690)
Other proceeds from/ (payments for) operating activities	(67)	(91)	(260)	(168)
	1,258	1,544	2,122	4,074
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES				
Payments for investment activities	(434)	(848)	(1,641)	(2,351)
Organic investments	(413)	(845)	(1,569)	(2,285)
Inorganic investments	(21)	(3)	(72)	(66)
Proceeds from divestments	316	23	831	89
	(118)	(825)	(810)	(2,262)
FREE CASH FLOW (I. + II.)	1,140	719	1,312	1,812
Payments for dividends and payments on other equity instruments	(200)	(207)	(328)	(408)
Net interests	(73)	(78)	(326)	(365)
Treasury shares	(48)	(495)	(198)	(1,224)
CASH GENERATED IN THE PERIOD	819	(61)	460	(185)
Financing activities and others	(1,114)	(527)	1,544	(870)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(295)	(588)	2,004	(1,055)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	5,517	4,554	3,218	5,021
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,222	3,966	5,222	3,966

The strong **cash flow from operations** generated during the third quarter of 2020 was €1,258 million. **Free cash flow** amounted to €1,140 million, compared to €719 million in 2019. Lower EBITDA CCS due to the negative effect from the new market conditions produced by the Covid-19 impacted negatively the demand of oil products and the oil and gas realization prices has been compensated by the working capital optimization, lower taxes, lower investments, lower treasury stock acquisitions and the collection of divestments during the period.

The **cash flow from operations** generated as of September 2020 was €2,122 million. **Free cash flow** amounted to €1,312 million, compared to €1,812 million in the same period of 2019. Lower EBITDA CCS due to the negative effect from the new market conditions produced by the Covid-19 impacted negatively the demand of oil products and the oil and gas realization prices has been compensated by the working capital optimization, lower taxes, lower investments, lower treasury stock acquisitions and the collection of divestments during the period.

Net Debt Evolution

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

(Unaudited figures)

NET DEBT EVOLUTION (€ Million)	Q3 2020	Jan-Sep 2020
NET DEBT AT THE START OF THE PERIOD	3,987	4,220
LEASES	4,039	3,863
NET DEBT AT THE START OF THE PERIOD WITH LEASES	8,026	8,083
EBITDA CCS	(828)	(2,924)
INVENTORY EFFECT	(54)	1,453
CHANGE IN WORKING CAPITAL	(427)	(886)
INCOME TAX RECEIVED /PAID	(9)	1
NET INVESTMENT	117	822
DIVIDENDS PAID AND OTHER EQUITY INSTRUMENTS PAYOUTS	200	328
TREASURY SHARES AND EQUITY DERIVATIVES	44	230
HYBRID BONDS ISSUANCE/TENDER	0	(886)
INTEREST AND OTHER MOVEMENTS ⁽¹⁾	119	967
NET DEBT AT THE END OF THE PERIOD WITH LEASES	7,188	7,188
NET DEBT AT THE END OF THE PERIOD	3,338	3,338
	Accumulated '20 September	Accumulated '20 September with leases
CAPITAL EMPLOYED (M€)	25,558	29,234
NET DEBT / CAPITAL EMPLOYED (%)	13.1	
NET DEBT WITH LEASES / CAPITAL EMPLOYED (%)		24.6

⁽¹⁾ Principally includes new lease contracts, interest expenses, exchange rate effect, dividends received, other receipts/payments and companies' acquisition/sale effect.

The Group's **net debt** at the end of the third quarter stood at €3,338 million, €649 million lower than at the end of the second quarter of 2020. The strong operating cash flow generated during the quarter more than covered investments, dividends, interests and others. Including leases, net debt stood at €7,188 million.

The Group's **liquidity** at the end of the third quarter of 2020 was €9,099 million (including undrawn committed credit lines); representing 3.43 times short-term gross debt maturities that compares with 2.43 times at the end of the second quarter of 2020.

Moreover, during the fourth quarter 2020, Repsol has issued a €850 million Eurobond with the lower interest rate ever obtained. The bond had an issue price of 99.753% and annual fixed coupon of 0.125 % due October 2024.

Relevant Events

The main company-related events since the second quarter 2020 results release were as follows:

Industrial

Aug. 2020 In August, Repsol produced the Spanish market's first batch of biojet at its Puertollano Industrial Complex, becoming the pioneering company in the manufacturing of this sustainable aviation fuel in Spain. The first batch consists of 7,000 tons of aviation fuel with a bio-component. This will prevent 440 tons of CO₂ emissions from being released into the atmosphere, which is equal to 40 Madrid-Barcelona flights.

Aug. 2020 In August, Repsol announced that it will invest in its petrochemical complex in Tarragona to expand its polymer range. The project has a budget of approximately 32 million euros, earmarked for new investments and adaptation of the production line. When operational in 2021, the plant will be the first of its kind in the Iberian Peninsula. It will produce highly specialised polymers with great added value for the automotive sector due to their extraordinary resistance to impacts, positively affecting safety.

Oct. 2020 On October 22, Repsol informed that it will build the first low-emissions advanced biofuels plant in Spain at its refinery in Cartagena. The plant will have an annual production capacity of 250,000 tons of hydrobiodiesel, biojet, bionaphtha, and biopropane.

The plant, projected to be operational in 2023, will produce advanced biofuels from recycled raw materials to be used in aircrafts, trucks, or cars. The new advanced biofuels will make it possible to cut CO₂ emissions by 900,000 tons per year.

This pioneering facility will represent an investment of €188 million. It will be equipped with cutting-edge technology and the most efficient solutions.

Commercial And Renewables

Jul. 2020 On July 27, the last platform of WindFloat Atlantic was connected to the grid, and the windfarm has been fully commissioned. The three units are now supplying the Portuguese electrical grid with the energy generated by their 8.4 MW wind turbines, the largest turbines ever installed on a floating platform.

The commissioning of this floating wind farm is a landmark achievement for the sector as floating wind technology contributes to the diversification of energy sources, provides access to untapped marine areas, and represents a major technological leap towards a carbon-free economy. With a total installed capacity of 25 MW, WindFloat Atlantic is the world's first semi-submersible floating wind farm, and it will generate enough energy to supply the equivalent of 60,000 users per year, saving almost 1.1 million tons of CO₂.

Aug. 2020 On August 12, Repsol and Acteco joined forces to boost the circular economy. The two companies will develop a project to increase the capacity of the recycled materials production plant that Acteco owns in Alicante. The recycled products from this plant will

be included in the polyolefins of the Repsol Reciclex range, designed for high-value applications and those with high technical requirements.

Oct. 2020

On October 1, Repsol, as part of its commitment to an efficient and sustainable energy transition, has reached a new milestone and started to generate wind power with the connection to the grid of the first wind turbines at Delta, one of its two major wind projects located in the northern Spanish region of Aragon.

The construction and commissioning of this facility, which is already supplying the grid with its first megawatt hours of 100% renewable energy, was completed in less than 12 months and has required an investment of 300 million euros. It is expected that this project, which will initially operate on a trial basis, will enter into commercial operation at the end of the year, according to the projected timetable.

Delta will produce 992 GWh of clean energy per year, the equivalent of the average annual consumption of 300,000 households, avoiding the emission into the atmosphere of one million tons of CO₂ per year.

Corporation

Sep. 2020

On September 3, Repsol resolved to start implementing the buy-back program of the Company's own shares (the "Buy-back Programme") authorized by the Annual Shareholders' Meeting held on May 8, 2020, under item eight of the agenda (the "Shareholders' Meeting Resolution").

The Buy-back Programme would be implemented with the objective of reducing the share capital of Repsol through the cancellation of own shares, contributing to the Company's shareholder remuneration by increasing the profit per share.

The maximum number of shares (the "MNS") to be acquired under the Buy-back Programme was set at 23,632,965 Repsol's shares, representing approximately 1.45% of Repsol's share capital as of today. In accordance with the formula provided for in the Shareholders' Meeting Resolution, the Maximum Investment of the Buy-back Programme will be 227,230,958.475 euros.

The Buy-back Programme commenced on 4 September 2020. Repsol has informed regularly about the transactions that have been carried out under the Buy-back Programme.

Sep. 2020

On September 23, Repsol informed that the Company reached the maximum number of shares to be acquired under the Buy-back Programme ("MNS"), that is, 23,632,965 shares (representing approximately 1.45% of Repsol's share capital as of that date).

Repsol also informed that the execution of the share capital reduction, approved by the Annual Shareholders' Meeting held on May 8, 2020 under item eight of the agenda, was expected within one month from the date of termination of the Buy-back Programme. In this regard, the following shares would be cancelled: (i) 1,400,000 own shares held in treasury stock on March 25, 2020; (ii) 23,632,965 own shares representing approximately 1.45% of Repsol's share capital, acquired under the Buy-back Programme; and (iii) 73,950,000 own shares from the settlement, prior to the agreement

on the closing and execution of the referred capital reduction, of the derivative instruments on own shares entered into by the Company prior to 25 March 2020.

That is, a total of 98,982,965 treasury shares, each with a par value of one euro and representing approximately 6.09% of the share capital of Repsol as of that day, would be cancelled.

Sep. 2020 On September 29, Repsol International Finance, B.V. closed a 850 million euros Eurobond issuance, with an issue price of 99.753% and annual fixed coupon of 0.125 % due October 2024 to be listed on the regulated market of the Luxembourg Stock Exchange. Settlement took place on October 5, 2020.

Oct. 2020 On October 7, Repsol's Trading Statement was published. It provided provisional information for the third quarter of 2020, including data on the economic environment as well as company performance during the period.

Oct. 2020 On October 8, Repsol informed that the CEO, pursuant to the delegation granted in his favor by the Board of Directors, has resolved to carry out the implementation of the share capital reduction by means of cancellation of own shares, approved by the Annual Shareholders' Meeting held on May 8, 2020, under item eight of the agenda.

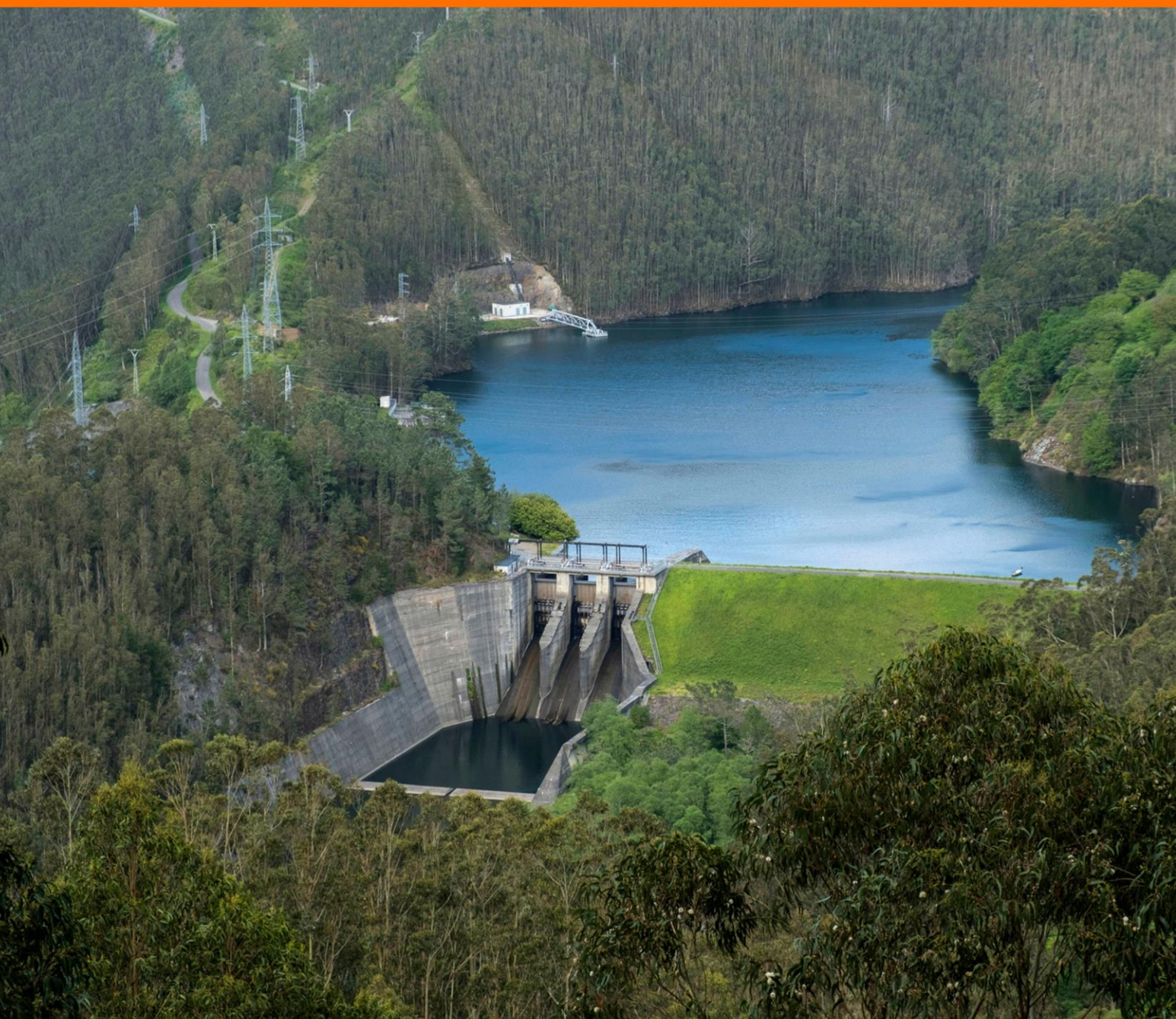
The share capital of Repsol was reduced in the amount of 98,982,965 euros, through the cancellation of 98,982,965 own shares with a face value of one euro each. The share capital resulting from the reduction was set at 1,527,396,053 euros, corresponding to 1,527,396,053 shares with a face value of one euro each.

Madrid, October 29, 2020

A conference call has been scheduled for research analysts and institutional investors for today, October 29, 2020 at 12:30 (CET) to report on the Repsol Group's 2020 third quarter results. Shareholders and other interested parties can follow the call live through Repsol's corporate website (www.repsol.com). A full recording of the event will also be available to shareholders and investors and any other interested party at www.repsol.com for a period of no less than one month from the date of the live broadcast.

Appendix I

Metrics by Business Segments



Adjusted Net Income by Business Segments

(Unaudited figures)

€ Million	Q3 2020							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	108	-	(57)	-	51	-	(72)	(21)
Industrial	(101)	-	29	5	(67)	40	(36)	(63)
Commercial and Renewables	229	-	(57)	(3)	169	-	3	172
Corporate & Others	(59)	(128)	46	(5)	(146)	-	(36)	(182)
TOTAL	177	(128)	(39)	(3)	7	40	(141)	(94)
NET INCOME							(141)	(94)

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

€ Million	Q3 2019							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	460	-	(244)	2	218	-	(51)	167
Industrial	293	-	(66)	(4)	223	(117)	(6)	100
Commercial and Renewables	210	-	(50)	(7)	153	(6)	(4)	143
Corporate & Others	(69)	(14)	12	(1)	(72)	-	(5)	(77)
TOTAL	894	(14)	(348)	(10)	522	(123)	(66)	333
NET INCOME							(66)	333

€ Million	January - September 2020							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	104	-	(114)	10	0	-	(1,561)	(1,561)
Industrial	308	-	(80)	1	229	(1,026)	(68)	(865)
Commercial and Renewables	447	-	(109)	(6)	332	(22)	(9)	301
Corporate & Others	(188)	(264)	92	(5)	(365)	-	(88)	(453)
TOTAL	671	(264)	(211)	0	196	(1,048)	(1,726)	(2,578)
NET INCOME							(1,726)	(2,578)

€ Million	January - September 2019							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	1,634	-	(791)	21	864	-	24	888
Industrial	883	-	(206)	(6)	671	(49)	(73)	549
Commercial and Renewables	572	-	(140)	(14)	418	(11)	(25)	382
Corporate & Others	(193)	(242)	121	(2)	(316)	-	(37)	(353)
TOTAL	2,896	(242)	(1,016)	(1)	1,637	(60)	(111)	1,466
NET INCOME							(111)	1,466

Other Financial Information by Segment

(Unaudited figures)

REVENUES	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	Q3 2020	Q2 2020	Q3 2019	2020	2019
UPSTREAM	940	773	1,661	3,090	5,175
INDUSTRIAL	5,894	4,635	9,343	18,697	29,120
COMMERCIAL AND RENEWABLES	4,437	2,844	6,303	12,303	17,980
CORPORATION & OTHERS	(2,791)	(1,871)	(4,489)	(8,097)	(13,156)
TOTAL	8,480	6,381	12,818	25,993	39,119

EBITDA	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	Q3 2020	Q2 2020	Q3 2019	2020	2019
UPSTREAM	459	331	984	1,447	3,197
INDUSTRIAL	146	(156)	359	(524)	1,434
COMMERCIAL AND RENEWABLES	316	118	302	676	804
CORPORATION & OTHERS	(39)	(53)	(48)	(128)	(126)
TOTAL	882	240	1,597	1,471	5,309

INVESTMENTS	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	Q3 2020	Q2 2020	Q3 2019	2020	2019
UPSTREAM	163	214	553	766	1,514
INDUSTRIAL	113	104	190	340	496
COMMERCIAL AND RENEWABLES	141	141	77	400	253
CORPORATION & OTHERS	9	20	17	33	42
TOTAL	426	479	837	1,539	2,305

CAPITAL EMPLOYED	CUMULATIVE DATA		
€ Million	Sep-20	Dic-19	Sep-20 with leases
UPSTREAM	13,418	17,205	14,323
INDUSTRIAL	7,727	10,717	9,569
COMMERCIAL AND RENEWABLES	2,801	3,361	3,742
CORPORATION & OTHERS	1,612	2,009	1,600
TOTAL	25,558	33,292	29,234
ROACE Jan-Sep (%)	(8.6)	(9.7)	
ROACE Jan-Sep (%) with leases (*)			(7.4)

(*) 3Q20 ROACE CCS is -4.1%

Operating Indicators



Operating Indicators (I)

	Unit	Q1 2019	Q2 2019	Q3 2019	Jan - Sep 2019	Q4 2019	Jan - Dec 2019	Q1 2020	Q2 2020	Q3 2020	Jan - Sep 2020	% Variation YTD20/YTD19
HYDROCARBON PRODUCTION	kboe/d	700	694	711	702	730	709	710	640	616	655	(6.6)
Liquids production	kboe/d	244	258	252	251	263	254	244	214	192	217	(13.8)
Europe & Africa	kboe/d	69	92	84	81	91	84	62	54	41	52	(36.1)
Latin America	kboe/d	100	97	97	98	94	97	94	76	75	82	(16.8)
North America	kboe/d	48	44	48	47	53	48	63	57	52	57	22.2
Asia, Russia & Rest of the world	kboe/d	27	26	23	25	25	25	26	28	25	26	3.2
Natural gas production	kboe/d	456	436	459	450	467	454	466	425	424	439	(2.6)
Europe & Africa	kboe/d	40	38	36	38	34	37	34	30	29	31	(18.4)
Latin America	kboe/d	246	223	239	236	235	236	226	203	217	215	(8.7)
North America	kboe/d	124	125	137	129	148	134	161	149	135	148	15.3
Asia, Russia & Rest of the world	kboe/d	47	50	46	47	50	48	45	43	43	44	(8.0)
Natural gas production	(Million scf/d)	2,561	2,446	2,576	2,528	2,622	2,552	2,617	2,388	2,383	2,462	(2.6)

Operating Indicators (II)

	Unit	Q1 2019	Q2 2019	Q3 2019	Jan - Sep 2019	Q4 2019	Jan - Dec 2019	Q1 2020	Q2 2020	Q3 2020	Jan - Sep 2020	% Variation YTD20/YTD19
PROCESSED CRUDE OIL	Mtoe	11.5	10.6	11.2	33.3	10.7	44.0	10.1	8.3	8.5	27.0	(18.9)
Europe	Mtoe	10.3	9.6	10.1	29.9	9.7	39.6	9.2	7.8	7.9	24.8	(17.0)
Rest of the world	Mtoe	1.2	1.1	1.1	3.3	1.0	4.4	0.9	0.6	0.7	2.2	(35.5)
SALES OF OIL PRODUCTS	kt	12,341	11,910	13,121	37,372	12,560	49,932	10,958	9,899	9,904	30,761	(17.7)
Europe Sales	kt	10,690	10,642	11,557	32,889	11,118	44,007	9,799	9,207	8,989	27,995	(14.9)
Own network	kt	5,098	5,271	5,725	16,094	5,274	21,368	4,520	3,252	4,392	12,164	(24.4)
Light products	kt	4,185	4,369	4,752	13,306	4,486	17,792	3,776	2,424	3,632	9,832	(26.1)
Other Products	kt	913	902	973	2,788	788	3,576	744	828	760	2,332	(16.4)
Other Sales to Domestic Market	kt	2,170	2,265	2,211	6,646	2,218	8,864	2,194	1,527	2,066	5,787	(12.9)
Light products	kt	2,130	2,223	2,170	6,523	2,189	8,712	2,166	1,499	2,041	5,706	(12.5)
Other Products	kt	40	42	41	123	29	152	28	28	25	81	(34.1)
Exports	kt	3,422	3,106	3,621	10,149	3,626	13,775	3,085	4,428	2,531	10,044	(1.0)
Light products	kt	1,319	1,401	1,585	4,305	1,328	5,633	880	2,375	794	4,049	(5.9)
Other Products	kt	2,103	1,705	2,036	5,844	2,298	8,142	2,205	2,053	1,737	5,995	2.6
Rest of the world sales	kt	1,651	1,268	1,564	4,483	1,442	5,925	1,159	692	915	2,766	(38.3)
Own network	kt	825	672	807	2,304	872	3,176	757	407	597	1,761	(23.6)
Light products	kt	789	624	766	2,179	818	2,997	723	381	552	1,656	(24.0)
Other Products	kt	36	48	41	125	54	179	34	26	45	105	(16.0)
Other Sales to Domestic Market	kt	329	318	341	988	375	1,363	176	153	224	553	(44.0)
Light products	kt	222	226	266	714	302	1,016	142	147	194	483	(32.4)
Other Products	kt	107	92	75	274	73	347	34	6	30	70	(74.5)
Exports	kt	497	278	416	1,191	195	1,386	226	132	94	452	(62.0)
Light products	kt	40	45	63	148	93	241	20	3	1	24	(83.8)
Other Products	kt	457	233	353	1,043	102	1,145	206	129	93	428	(59.0)
CHEMICALS												
Sales of petrochemical products	kt	755	703	678	2,136	652	2,787	557	740	704	2,001	(6.3)
Europe	kt	588	604	565	1,757	532	2,289	440	559	543	1,542	(12.2)
Base	kt	190	191	226	607	174	781	98	203	178	478	(21.2)
Derivative	kt	399	412	339	1,150	358	1,509	342	356	366	1,064	(7.5)
Rest of the world	kt	166	100	112	378	119	498	117	181	161	459	21.4
Base	kt	40	4	1	45	3	48	16	65	30	111	147.6
Derivative	kt	127	95	112	334	116	450	101	116	131	348	4.4
LPG												
LPG sales	kt	394	305	226	925	328	1,253	380	221	221	822	(11.1)
Europe	kt	386	298	219	903	321	1,225	374	219	216	808	(10.5)
Rest of the world	kt	8	7	7	22	7	29	6	2	5	14	(38.2)

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

Exports: expressed from the country of origin

APPENDIX II – REPSOL'S REPORTING CONSOLIDATED FINANCIAL STATEMENTS



Statement of Financial Position

(Unaudited figures) (€ millions)

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

	SEPTEMBER	DECEMBER
	2020	2019
NON-CURRENT ASSETS		
Goodwill	1,808	2,234
Other intangible assets	2,213	2,419
Property, plant and equipment	27,416	29,691
Investment property	65	66
Investments accounted for using the equity method	241	259
Non-current financial assets	63	308
Deferred tax assets	4,265	4,354
Other non-current assets	647	1,145
CURRENT ASSETS		
Non-current assets held for sale	20	13
Inventories	3,600	4,776
Trade and other receivables	6,398	8,477
Other current assets	419	214
Other current financial assets	650	2,663
Cash and cash equivalents	5,222	3,218
TOTAL ASSETS	53,027	59,837
TOTAL EQUITY		
Attributable to equity holders of the parent company	21,801	24,928
Attributable to minority interests	245	281
NON-CURRENT LIABILITIES		
Non-current provisions	5,196	5,417
Non-current financial liabilities	10,098	8,700
Deferred tax liabilities and others	2,912	3,111
Other non-current liabilities	467	386
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	1	0
Current provisions	819	976
Current financial liabilities	3,326	5,811
Trade and other payables	8,162	10,227
TOTAL LIABILITIES	53,027	59,837

Income Statement

(Unaudited figures) (€ millions)

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

	QUARTERLY DATA			JANUARY - SEPTEMBER	
	Q3 2020	Q2 2020	Q3 2019	2020	2019
Revenue	8,480	6,381	12,818	25,993	39,119
Operating income	177	(169)	894	671	2,896
Financial result	(128)	(125)	(14)	(264)	(242)
Income from equity affiliates	(3)	2	(1)	4	16
Net income before tax	46	(292)	879	411	2,670
Income tax	(39)	34	(348)	(211)	(1,016)
Net income	7	(258)	531	200	1,654
Net income from non-controlling interest	0	0	(9)	(4)	(17)
ADJUSTED NET INCOME	7	(258)	522	196	1,637

Cash Flow Statement

(Unaudited figures) (€ millions)

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

	QUARTERLY DATA		JANUARY - SEPTEMBER	
	Q3 2020	Q3 2019	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES				
EBITDA CCS	828	1,764	2,924	5,386
Inventory Effect	54	(167)	(1,453)	(77)
Changes in working capital	427	240	886	(419)
Dividends received	7	25	26	42
Income taxes received/ (paid)	9	(227)	(1)	(690)
Other proceeds from/ (payments for) operating activities	(67)	(91)	(260)	(168)
	1,258	1,544	2,122	4,074
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES				
Payments for investment activities	(434)	(848)	(1,641)	(2,351)
Organic investments	(413)	(845)	(1,569)	(2,285)
Inorganic investments	(21)	(3)	(72)	(66)
Proceeds from divestments	316	23	831	89
	(118)	(825)	(810)	(2,262)
FREE CASH FLOW (I. + II.)				
	1,140	719	1,312	1,812
Payments for dividends and payments on other equity instruments	(200)	(207)	(328)	(408)
Net interests	(73)	(78)	(326)	(365)
Treasury shares	(48)	(495)	(198)	(1,224)
CASH GENERATED IN THE PERIOD				
	819	(61)	460	(185)
Financing activities and others	(1,114)	(527)	1,544	(870)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS				
	(295)	(588)	2,004	(1,055)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD				
	5,517	4,554	3,218	5,021
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD				
	5,222	3,966	5,222	3,966

APPENDIX III – IFRS CONSOLIDATED FINANCIAL STATEMENTS



Statement of Financial Position

(Unaudited figures) (€ millions)

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

	SEPTEMBER	DECEMBER
	2020	2019
NON-CURRENT ASSETS		
Goodwill	1,747	2,172
Other intangible assets	2,126	2,298
Property, plant and equipment	22,271	23,145
Investment property	65	66
Investments accounted for using the equity method	6,024	7,237
Non-current financial assets	900	1,125
Deferred tax assets	3,834	4,050
Other non-current assets	823	1,315
CURRENT ASSETS		
Non-current assets held for sale	11	5
Inventories	3,426	4,597
Trade and other receivables	3,943	5,911
Other current assets	397	195
Other current financial assets	807	2,800
Cash and cash equivalents	4,969	2,979
TOTAL ASSETS	51,343	57,895
TOTAL EQUITY		
Attributable to equity holders of the parent company	21,801	24,928
Attributable to minority interests	245	281
NON-CURRENT LIABILITIES		
Non-current provisions	3,749	3,912
Non-current financial liabilities	12,412	10,929
Deferred tax liabilities and others	2,016	2,375
Other non-current liabilities	467	385
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	0	0
Current provisions	769	865
Current financial liabilities	4,117	6,538
Trade and other payables	5,767	7,682
TOTAL LIABILITIES	51,343	57,895

Income Statement

(Unaudited figures) (€ millions)

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

	IFRS		IFRS	
	3Q	3Q	SEPTEMBER	SEPTEMBER
	2020	2019	2020	2019
Sales	8,012	12,087	24,500	36,870
Income from services rendered	75	85	250	235
Changes in inventories of finished goods and work in progress	161	(268)	(339)	67
Other operating income	59	194	338	598
Procurements	(6,056)	(9,217)	(18,919)	(28,395)
Amortization and depreciation of non-current assets	(527)	(597)	(1,673)	(1,743)
(Provision for)/Reversal of provisions for impairment	12	(4)	(565)	9
Personnel expenses	(458)	(465)	(1,393)	(1,434)
Transport and freights	(242)	(305)	(999)	(918)
Supplies	(118)	(110)	(321)	(341)
Gains/(Losses) on disposal of assets	(12)	16	57	97
Other operating expenses	(795)	(817)	(2,495)	(2,814)
OPERATING NET INCOME	111	599	(1,559)	2,231
Net interest	(57)	(58)	(184)	(182)
Change in fair value of financial instruments	(168)	127	(40)	207
Exchange gains/(losses)	173	(6)	149	(27)
Impairment of financial instruments	2	(3)	(23)	11
Other financial income and expenses	(60)	(63)	(177)	(181)
FINANCIAL RESULT	(110)	(3)	(275)	(172)
NET INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	(33)	32	(1,011)	269
NET INCOME BEFORE TAX	(32)	628	(2,845)	2,328
Income tax	(63)	(288)	233	(843)
NET INCOME	(95)	340	(2,612)	1,485
NET INCOME FROM OPERATIONS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	1	(7)	34	(19)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	(94)	333	(2,578)	1,466
EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT	€/share	€/share	€/share	€/share
Basic	(0.07)	0.20	(1.70)	0.89
Diluted	(0.07)	0.20	(1.70)	0.89

Cash Flow Statement

(Unaudited figures) (€ millions)

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

	JANUARY - SEPTEMBER	
	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxes	(2,845)	2,328
Adjustments to net income		
Depreciation and amortisation of non current assets	1,673	1,743
Other adjustments to results (net)	1,966	(119)
EBITDA	794	3,952
Changes in working capital	1,063	(294)
Dividends received	111	213
Income taxes received/ (paid)	7	(638)
Other proceeds from/ (payments for) operating activities	(241)	(126)
Other cash flows from/ (used in) operating activities	(123)	(551)
	1,734	3,107
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities		
Companies of the Group, equity affiliates and business units	(82)	(77)
Fixed assets, intangible assets and real estate investments	(1,304)	(1,830)
Other financial assets	(1,098)	(2,236)
Payments for investment activities	(2,484)	(4,143)
Proceeds from divestments		
Companies of the Group, equity affiliates and business units	784	16
Fixed assets, intangible assets and real estate investments	9	60
Other financial assets	3,010	1,107
Proceeds from divestments	3,803	1,183
Other cashflow	45	61
	1,364	(2,899)
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Issuance of own capital instruments	886	0
Proceeds from/(payments for) equity instruments	(198)	(1,224)
Proceeds from issue of financial liabilities	7,556	11,847
Payments for financial liabilities	(8,645)	(11,267)
Payments for dividends and payments on other equity instruments	(328)	(408)
Interest payments	(298)	(333)
Other proceeds from/(payments for) financing activities	(66)	43
	(1,093)	(1,342)
Effect of changes in exchange rates from continued operations	(15)	51
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,990	(1,083)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,979	4,786
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,969	3,703

Recognized Income and Expense Statement

(Unaudited figures) (€ millions)

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

	JANUARY - SEPTEMBER	
	2020	2019
Net Income	(2,612)	1,485
Other comprehensive income. (Items not reclassifiable to net income)	(16)	(21)
Due to actuarial gains and losses	(9)	(8)
Investments accounted for using the equity method	(7)	(12)
Equity instruments with changes through other comprehensive income	0	(3)
Tax effect	0	2
Other comprehensive income. (Items reclassifiable to net income)	(966)	992
Cash flow hedging	(36)	(27)
Valuation gains / (losses)	(24)	(56)
Amounts transferred to the income statement	(12)	29
Translation differences	(931)	974
Valuation gains / (losses)	(893)	994
Amounts transferred to the income statement	(38)	(20)
Share of investments in joint ventures and associates:	0	0
Valuation gains / (losses)	0	0
Amounts transferred to the income statement	0	0
Tax effect	1	45
Total other comprehensive income	(982)	971
Total comprehensive income for the period	(3,594)	2,456
a) Attributable to the parent	(3,557)	2,435
b) Attributable to non-controlling interests	(37)	21

Statement of Changes In Equity

(Unaudited figures) (€ millions)

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

Million euros	Equity attributable to the parent and other equity instrument holders							Non-controlling interests	Equity
	Shareholders' equity					Other cumulative comprehensive income			
	Share capital	Share premium and reserves	Treasury shares and own equity investments	Net income for the period attributable to the parent	Other equity instruments				
Closing balance at 12/31/2018	1,559	25,894	(350)	2,341	1,024	160	286	30,914	
Impact of new standards	0	(162)	0	0	0	0	0	(162)	
Adjusted opening balance	1,559	25,732	(350)	2,341	1,024	160	286	30,752	
Total recognized income/(expenses)	0	(18)	0	1,466	0	987	21	2,456	
Transactions with partners or owners	40	(219)	(1,376)	0	0	0	(26)	(1,581)	
Share capital increase/(reduction)	40	(40)	0	0	0	0	0	0	
Dividends and shareholder remuneration	0	(223)	0	0	0	0	(1)	(224)	
Transactions with treasury shares and own equity investments (net)	0	19	(1,376)	0	0	0	0	(1,357)	
Increases/(reductions) due to changes in scope	0	25	0	0	0	0	(25)	0	
Other transactions with partners and owners	0	0	0	0	0	0	0	0	
Other equity variations	0	2,327	0	(2,341)	(10)	(3)	0	(27)	
Transfers between equity-line items	0	2,341	0	(2,341)	0	0	0	0	
Subordinated perpetual obligations	0	(22)	0	0	(10)	0	0	(32)	
Other variations	0	8	0	0	0	(3)	0	5	
Closing balance at 09/30/2019	1,599	27,822	(1,726)	1,466	1,014	1,144	281	31,600	
Total recognized income/(expenses)	0	11	0	(5,282)	0	(555)	6	(5,820)	
Transactions with partners or owners	(33)	(1,100)	556	0	0	4	(7)	(580)	
Share capital increase/(reduction)	38	(38)	0	0	0	0	0	0	
Dividends and shareholder remuneration	0	(107)	0	0	0	0	(7)	(114)	
Transactions with treasury shares and own equity investments (net)	(71)	(951)	556	0	0	0	0	(466)	
Increases/(reductions) due to changes in scope	0	(4)	0	0	0	4	0	0	
Other transactions with partners and owners	0	0	0	0	0	0	0	0	
Other equity variations	0	(2)	0	0	10	0	1	9	
Transfers between equity-line items	0	0	0	0	0	0	0	0	
Subordinated perpetual obligations	0	(7)	0	0	10	0	0	3	
Other variations	0	5	0	0	0	0	1	6	
Closing balance at 12/31/2019	1,566	26,731	(1,170)	(3,816)	1,024	593	281	25,209	
Impact of new standards	0	0	0	0	0	0	0	0	
Adjusted opening balance	1,566	26,731	(1,170)	(3,816)	1,024	593	281	25,209	
Total recognized income/(expenses)	0	(16)	0	(2,578)	0	(963)	(37)	(3,594)	
Transactions with partners or owners	60	(448)	(52)	0	0	0	0	(440)	
Share capital increase/(reduction)	60	(60)	0	0	0	0	0	0	
Dividends and shareholder remuneration	0	(236)	0	0	0	0	0	(236)	
Transactions with treasury shares and own equity investments (net)	0	(152)	(52)	0	0	0	0	(204)	
Increases/(reductions) due to changes in scope	0	0	0	0	0	0	0	0	
Other transactions with partners and owners	0	0	0	0	0	0	0	0	
Other equity variations	0	(3,852)	0	3,816	908	(2)	1	871	
Transfers between equity-line items	0	(3,816)	0	3,816	0	0	0	0	
Subordinated perpetual obligations	0	(40)	0	0	903	0	0	863	
Other variations	0	4	0	0	5	(2)	1	8	
Closing balance at 09/30/2020	1,626	22,415	(1,222)	(2,578)	1,932	(372)	245	22,046	

Appendix IV

Basis of Presentation



Basis Of Preparation Of The Financial Information

Financial information

This document comprises information in accordance with the Intermediate Management Statement for the purposes of compliance with the transparency obligations of stock-listed companies. This information, which has not been audited, has been approved by the Board of Directors of Repsol S.A.

Group's reporting model

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

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

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

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

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

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

Operating segments

Repsol has revised the definitions of its operating and reporting segments to align them with its renewed strategic vision of business evolution and with the commitment to be CO₂-neutral by 2050. Specifically, the Company will boost its commercial businesses with a new multi-energy offering, a customer-focused strategy and the development of new low-emission electricity generation businesses. Hence, a new business segment has been defined under the name "Commercial and Renewables". As a result, Repsol's reporting segments are now defined as follows:

- Upstream, corresponding to exploration and production of crude oil and natural gas reserves.

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

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

The quarterly financial information of these business segments scheme has already been adopted and, to facilitate the monitoring and comparability of the information, the information from 2019 has been restated.

COVID-19

On March 11, 2020, the World Health Organization upgraded the public health crisis posed by the SARS-CoV-2 virus (widely known as coronavirus or COVID-19) to an international pandemic status. The rapid evolution of the virus on an international scale has led to) causing an unprecedented health, social, and economic crisis on a truly global scale.

Even in these difficult circumstances, Repsol has managed to ensure the safe operation of its businesses, most of which are considered essential or strategic activities in the countries in which it operates. However, the widespread decline in global economic activity and indicators in the wake of the pandemic has affected the profitability of the company's main businesses, as explained in this report.

It is also difficult to predict to what extent and for how long the pandemic will continue to impact Repsol's businesses as we move forward. The reduced global demand for crude oil, gas and oil products in response to the slump in economic activity, especially the mobility limitations in place, may adversely affect prices and the level of production and sales of our businesses. Meanwhile, the deterioration in global financial conditions may also affect the cost of financing, available liquidity or the solvency of our clients and partners under joint ventures, among other possible impacts. The course of the pandemic, the containment measures rolled out by the health authorities and the policies put in place to mitigate the social and economic impact of the crisis will all shape the scope and duration of both the crisis and the subsequent recovery.

Disclaimer

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

Repsol does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

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

This document does not constitute an offer or invitation to purchase or subscribe shares, pursuant to the provisions of the Royal Legislative Decree 4/2015 of the 23rd of October approving the recast text of the Spanish Securities Market Law and its implementing regulations. In addition, this document does not constitute an offer to purchase, sell, or exchange, neither a request for an offer of purchase, sale or exchange of securities in any other jurisdiction.

The information contained in the document has not been verified or revised by the External Auditors of Repsol.

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