Repsol, S.A. and investees comprising the Repsol Group

Report on limited review of condensed interim consolidated financial statements and interim consolidated directors' Report at June 30, 2020

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Report on limited review of condensed interim consolidated financial statements

To the shareholders of Repsol, S.A. at the request of the Board of Directors:

Introduction

We have performed a limited review of the accompanying condensed interim consolidated financial statements (hereinafter, the interim financial statements) of Repsol, S.A. (hereinafter, "the parent company") and investees comprising the Repsol Group (hereinafter, "the group"), which comprise the balance sheet as at June 30, 2020, the income statement, the statement of recognized income and expense, the statement of changes in equity, the statement of cash flows and related notes, all condensed and consolidated, for the six-month period then ended. The parent company´s directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial information, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six months period ended June 30, 2020 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007.

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Emphasis of matter

We draw attention to Note 2.1, in which it is mentioned that these interim financial statements do not include all the information required of complete consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the group for the year ended December 31, 2019. Our conclusion is not modified in respect of this matter.

Other matters

Interim consolidated directors' Report

The accompanying interim consolidated directors' Report for the six months period ended June 30, 2020 contains the explanations which the parent company´s directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this directors' Report is in agreement with that of the interim financial statements for the six months period ended June 30, 2020. Our work is limited to checking the interim consolidated directors' Report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Repsol, S.A. and investees comprising the Repsol Group's accounting records.

Preparation of this review report

This report has been prepared at the request of the Board of Directors in relation to the publication of the half-yearly financial report required by Article 119 of Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Securities Market Law developed by the Royal Decree 1362/2007, of 19 October.

PricewaterhouseCoopers Auditores, S.L.

Iñaki Goiriena Basualdu

July 23, 2020

REPSOL Group

2020 Interim consolidated financial statements First Half

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails

REPSOL

Repsol, S.A. and Investees comprising the Repsol Group
Balance sheet at June 30, 2020 and December 31, 2019

		€ Million	
ASSETS	Note	**06/30/2020**	**12/31/2019**
Intangible assets	4.1.1	3,951	4,470
Property, plant and equipment	4.1.2	22,971	23,145
Investment property		65	66
Investments accounted for using the equity method	4.1.3	6,345	7,237
Non-current financial assets	4.1.6	922	1,125
Deferred tax assets		4,083	4,050
Other non-current assets		738	1,315
NON-CURRENT ASSETS		**39,075**	**41,408**
Non-current assets held for sale		4	5
Inventories	4.1.8	3,246	4,597
Trade and other receivables	4.1.8	4,022	5,911
Other current assets	4.1.8	734	195
Other current financial assets	4.1.6	1,227	2,800
Cash and cash equivalents	4.1.6	5,285	2,979
CURRENT ASSETS		**14,518**	**16,487**
TOTAL ASSETS		**53,593**	**57,895**

		€ Million	
EQUITY AND LIABILITIES	Note	**06/30/2020**	**12/31/2019**
Share capital		1,626	1,566
Share premium and reserves		22,564	26,731
Treasury shares and own equity investments		(1,326)	(1,170)
Profit for the period attributable to the parent		(2,484)	(3,816)
Other equity instruments		1,912	1,024
SHAREHOLDERS' EQUITY	4.1.4	22,292	24,335
Equity instruments with changes through other comprehensive income		24	24
Hedging transactions		(145)	(109)
Translation differences		521	678
OTHER CUMULATIVE COMPREHENSIVE INCOME		400	593
NON-CONTROLLING INTERESTS		248	281
EQUITY		**22,940**	**25,209**
Non-current provisions		3,876	3,912
Non-current financial liabilities	4.1.5	12,734	10,929
Deferred tax liabilities and other tax items		2,121	2,375
Other non-current liabilities		452	385
NON-CURRENT LIABILITIES		**19,183**	**17,601**
Current provisions		674	865
Current financial liabilities	4.1.5	5,418	6,538
Trade and other payables	4.1.8	5,378	7,682
CURRENT LIABILITIES		**11,470**	**15,085**
TOTAL EQUITY AND LIABILITIES		**53,593**	**57,895**

Notes 1 to 8 are an integral part of the balance sheet.

Repsol, S.A. and Investees comprising the Repsol Group
Income statement corresponding to the interim periods ending June 30, 2020 and 2019

	Note	€ Million 06/30/2020	€ Million 06/30/2019
Sales		16,488	24,783
Income from services rendered and other income		175	150
Changes in inventories of finished goods and work in progress		(500)	335
Other operating income		279	404
Procurements		(12,863)	(19,178)
Amortization of non-current assets		(1,146)	(1,146)
(Provision for)/Reversal of impairment provisions	4.2.2	(577)	13
Personnel expenses		(935)	(969)
Transport and freights		(757)	(613)
Supplies		(203)	(231)
Gains/(Losses) on disposal of assets		69	81
Other operating expenses		(1,700)	(1,997)
OPERATING INCOME	4.2.1	**(1,670)**	**1,632**
Net interest		(127)	(124)
Change in fair value of financial instruments		128	80
Exchange gains (losses)		(24)	(21)
Impairment of financial instruments		(25)	14
Other financial income and expenses		(117)	(118)
FINANCIAL RESULT	4.2.3	**(165)**	**(169)**
NET INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD [1]	4.1.3	(978)	237
NET INCOME BEFORE TAX		**(2,813)**	**1,700**
Income tax	4.2.4	296	(555)
NET INCOME		**(2,517)**	**1,145**
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		33	(12)
NET INCOME ATTRIBUTABLE TO THE PARENT	3	**(2,484)**	**1,133**
EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT	4.2.5	**Euros / share**	
Basic		(1.63)	0,68
Diluted		(1.63)	0,68

[1] Net of taxes.

Notes 1 to 8 are an integral part of the consolidated income statement.

Repsol S.A. and Investees comprising the Repsol Group
Statement of recognized income and expense corresponding to the interim periods ending June 30, 2020 and 2019

	€ Million	
	30/06/2020	**30/06/2019**
CONSOLIDATED NET INCOME FOR THE PERIOD	**(2,517)**	**1,145**
Due to actuarial gains and losses	(6)	(7)
Investments in joint ventures and associates	(14)	(6)
Equity instruments with changes through other comprehensive income	—	(3)
Tax effect	—	2
OTHER COMPREHENSIVE INCOME. ITEMS NOT RECLASSIFIABLE TO INCOME	(20)	(14)
Cash flow hedging:	**(38)**	**(27)**
Valuation gains / (losses)	3	(36)
Amounts transferred to the income statement	(41)	9
Translation differences:	**(191)**	**108**
Valuation gains / (losses)	(154)	128
Amounts transferred to the income statement	(37)	(20)
Tax effect	**36**	**9**
OTHER COMPREHENSIVE INCOME. ITEMS RECLASSIFIABLE TO INCOME	(193)	90
TOTAL OTHER COMPREHENSIVE INCOME	**(213)**	**76**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(2,730)**	**1,221**
a) Attributable to the parent	(2,697)	1,208
b) Attributable to non-controlling interests	(33)	13

Notes 1 to 8 are an integral part of the consolidated statement of recognized income and expense.

Repsol S.A. and Investees comprising the Repsol Group
Statement of changes in equity for the interim periods ending June 30, 2020 and 2019

	Equity attributable to the parent and other equity instrument holders							
	Shareholders' equity							
€ Million	Share capital	Share premium and reserves	Treasury shares and own equity investments	Profit for the year attributable to the parent	Other equity instruments	Other cumulative comprehensive income	Non-controlling interests	Equity
Closing balance at 12/31/2018	**1,559**	**25,894**	**(350)**	**2,341**	**1,024**	**160**	**286**	**30,914**
Impact of new standards	—	(162)	—	—	—	—	—	(162)
Adjusted opening balance	**1,559**	**25,732**	**(350)**	**2,341**	**1,024**	**160**	**286**	**30,752**
Total recognized income/(expenses)	**—**	**(11)**	**—**	**1,133**	**—**	**86**	**13**	**1,221**
Transactions with partners or owners								
Share capital increase/(reduction)	40	(40)	—	—	—	—	—	—
Dividends and shareholder remuneration	—	(223)	—	—	—	—	(1)	(224)
Transactions with treasury shares and own equity investments (net)	—	20	(811)	—	—	—	—	(791)
Increases/(reductions) due to changes in scope	—	21	—	—	—	4	(25)	—
Other equity variations								
Transfers between equity-line items	—	2,341	—	(2,341)	—	—	—	—
Subordinated perpetual obligations	—	(15)	—	—	(19)	—	—	(34)
Other variations	—	7	—	—	—	(3)	(1)	3
Closing balance at 06/30/2019	**1,599**	**27,832**	**(1,161)**	**1,133**	**1,005**	**247**	**272**	**30,927**
Total recognized income/(expenses)	**—**	**4**	**—**	**(4,949)**	**—**	**346**	**15**	**(4,584)**
Transactions with partners or owners								
Share capital increase/(reduction)	38	(38)	—	—	—	—	—	—
Dividends and shareholder remuneration	—	(107)	—	—	—	—	(6)	(113)
Transactions with treasury shares and own equity investments (net)	(71)	(952)	(9)	—	—	—	—	(1,032)
Increases/(reductions) due to changes in scope	—	—	—	—	—	—	—	—
Other transactions with partners and owners	—	—	—	—	—	—	—	—
Other equity variations								
Transfers between equity-line items	—	—	—	—	—	—	—	—
Subordinated perpetual obligations	—	(14)	—	—	19	—	—	5
Other variations	—	6	—	—	—	—	—	6
Closing balance at 12/31/2019	**1,566**	**26,731**	**(1,170)**	**(3,816)**	**1,024**	**593**	**281**	**25,209**
Total recognized income/(expenses)	**—**	**(20)**	**—**	**(2,484)**	**—**	**(193)**	**(33)**	**(2,730)**
Transactions with partners or owners								—
Share capital increase/(reduction)	60	(60)	—	—	—	—	—	—
Dividends and shareholder remuneration	—	(236)	—	—	—	—	—	(236)
Transactions with treasury shares and own equity investments (net)	—	(5)	(156)	—	—	—	—	(161)
Other equity variations								
Transfers between equity-line items	—	(3,816)	—	3,816	—	—	—	—
Subordinated perpetual obligations	—	(25)	—	—	884	—	—	859
Other variations	—	(5)	—	—	4	—	—	(1)
Closing balance at 06/30/2020	**1,626**	**22,564**	**(1,326)**	**(2,484)**	**1,912**	**400**	**248**	**22,940**

Notes 1 to 8 are an integral part of the consolidated statement of changes in equity.

Repsol S.A. and Investees comprising the Repsol Group
Statement of cash flows for the interim periods ending June 30, 2020 and 2019

	€ Million	
	06/30/2020	**06/30/2019**
Income before tax	**(2,813)**	**1,700**
Adjustments to income:	**2,904**	**1,067**
Amortization of non-current assets	1,146	1,146
Other (net)	1,758	(79)
Changes in working capital	**665**	**(580)**
Other cash flows from operating activities:	**(139)**	**(315)**
Dividends received	56	164
Income tax refunded/(paid)	(9)	(416)
Other proceeds from/(payments for) operating activities	(186)	(63)
CASH FLOWS FROM OPERATING ACTIVITIES	**617**	**1,872**
Payments for investments:	**(2,073)**	**(2,172)**
Group companies and associates	(56)	(71)
Property, plant and equipment, intangible assets and investment property	(944)	(1,133)
Other financial assets	(1,073)	(968)
Proceeds from divestments:	**3,149**	**1,060**
Group companies and associates	469	2
Property, plant and equipment, intangible assets and investment property	17	51
Other financial assets	2,663	1,007
Other cash flows	**40**	**47**
CASH FLOWS FROM INVESTMENT ACTIVITIES	**1,116**	**(1,065)**
Proceeds from and (payments for) equity instruments:	**736**	**(729)**
Issuance	1,491	—
Repayment and redemption	(605)	—
Acquisition	(156)	(791)
Disposal	6	62
Proceeds from and (payments for) financial liability instruments:	**243**	**(206)**
Issuance	6,000	7,842
Return and amortization	(5,757)	(8,048)
Payments on shareholder remuneration and other equity instruments	**(128)**	**(201)**
Other cash flows from financing activities:	**(264)**	**(177)**
Interest payments	(230)	(267)
Other proceeds from/(payments for) financing activities	(34)	90
CASH FLOWS FROM FINANCING ACTIVITIES	**587**	**(1,313)**
EXCHANGE RATE FLUCTUATIONS EFFECT	**(14)**	**22**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**2,306**	**(484)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,979**	**4,786**
CASH AND CASH EQUIVALENTS AT END OF PERIOD:	**5,285**	**4,302**
Cash and banks	2,411	3,006
Other financial assets	2,874	1,296

Notes 1 to 8 are an integral part of the consolidated statement of cash flows.

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

(1) GENERAL INFORMATION

1.1 About this report

The accompanying interim consolidated financial statements of Repsol, S.A. and its investees, comprising the Repsol Group (hereinafter, "*Repsol," "Repsol Group"* or *"Group*"), present fairly the Group's equity and financial position at June 30, 2020, as well as the Group's earnings performance, the changes in the consolidated equity and the consolidated cash flows for the six-month period ending on the above date.

These interim financial statements were approved by the Board of Directors of Repsol, S.A. at its meeting of July 22, 2020 and are available at www.repsol.com.

1.2 About the Repsol Group

Repsol is a group of companies with a presence worldwide that, with a vision of being a multi-energy efficient, sustainable and competitive company, performs activities in the hydrocarbon sector throughout its entire value chain (exploration, development and production of crude oil and natural gas, refining, production, transportation and sale of a wide range of oil and petrochemical products, oil derivatives and natural gas), as well as activities for the generation and sale of electricity[1].

The activities of Repsol, S.A. and its subsidiaries are subject to extensive regulation, as described in Appendix III to the consolidated financial statements for 2019.

The Group operates in several business segments. The definition of the business segments was revised in the period: *Upstream*, *Industrial* and *Commercial* and Renewables (see Note 2.4), the main metrics of which are summarized below.

	Revenue[(1)]		Operating income		Adjusted net income		Capital employed	
€ Million	**30/6/2020**	**30/6/2019**	**30/6/2020**	**30/6/2019**	**30/6/2020**	**30/6/2019**	**30/6/2020**	**30/6/2019**
Upstream	1,520	2,527	(4)	1,174	(51)	646	15,844	22,531
Industrial	8,164	12,169	409	59	296	448	10,037	11,115
Commercial and Renewables	7,828	11,605	218	362	163	265	3,746	3,464
Corporate and other	1	—	(129)	(124)	(219)	(244)	1,336	1,281
TOTAL	**17,513**	**26,301**	**494**	**1,471**	**189**	**1,115**	**30,963**	**38,391**

NOTE: Figures calculated in accordance with the Group's reporting model, as described in Note 4 to the 2019 consolidated financial statements.
(1) Corresponds to the sum of the "Sales" and "Services rendered and other income."

The Repsol Group prepares its interim financial statements including investments in all its subsidiaries, joint arrangements and associates.

Appendix IA of the consolidated financial statements for 2019 details the main companies that form part of the Repsol Group and that formed part of its scope of consolidation at that date. Appendix I of these interim financial statements contains the changes in the composition of the Group that have taken place during the first six months of 2020.

1.3 Main new developments in the period

COVID-19 and 2020 Resilience Plan

On March 11, 2020, the World Health Organization raised to the status of global pandemic the public health emergency caused by SARSCoV-2 virus (commonly known as coronavirus, while COVID-19 denotes the disease caused by the virus). The rapid spread of COVID-19, on an international scale, has triggered into an unprecedented healthcare, social and economic crisis that continues to evolve.

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[1] For further information, see section 2.1 Value chain and business segments of the 2019 Management Report, available at www.repsol.com.

The economic impact of the pandemic, combined with pre-existing complications on the supply and demand side, has resulted in an exceptionally challenging pricing environment for oil and gas. At the beginning of the year, most analysts expected to see an oil market with a tighter balance between supply and demand than in 2019. However, the pandemic has triggered an abrupt drop in the global consumption of oil, gas and other energy products following the mobility restrictions deployed around the world to contain the spread of the disease and its impact on the economy. In early March 2020, OPEC+ members failed to reach an agreement to make further cuts in oil production to counteract the decline in demand. In these circumstances, there came about the largest collapse in decades in crude oil and gas prices, which fell as low as USD 20/bbl Brent and USD 1.7/MBtu Henry Hub. However, throughout the second quarter the health crisis was slowly surmounted and economic activity gradually recovered - in different countries and to different degrees. Coupled with the agreements finally reached by producing countries to limit oil output, this rebalanced supply and demand in the market and aided a recovery of oil prices. For further information on the performance of oil and gas prices and their expected future development, see sections 3 and 7, Management Report for the first half of 2020.

Even amid these difficult circumstances, Repsol has sustained the safe operation of its businesses, most of which are officially considered essential or strategic activities in the countries where we are present.

The overall decline in business volume and the deterioration of economic conditions as a result of the pandemic have affected the activities and results of the Company's businesses, as explained in detail in sections 2.1. "*Impact of the COVID-19 crisis*" and 4.1. "*Results*" of the Management Report for the first half of 2020.

The Board of Directors of Repsol has assessed the context and the foreseeable evolution of the economic situation, particularly the global impact of COVID-19, the downturn in oil and gas market prices and their impact on the Company's business and activities. The Board adopted the "2020 Resilience Plan", taking into account a very demanding macroeconomic environment for the rest of the year and planning the following initiatives:

- Reductions of more than €350 million in Opex (4% of the initial budget) and more than €1 billion in Capex (26%), along with optimizations of around €800 million in working capital, compared with the metrics in our initial budget.

- The Company's financial goal is to preserve a robust balance sheet and investment grade credit rating and not increase net debt in 2020 compared to year-end 2019.

- The shareholder remuneration commitment for the fiscal year 2020 under the current Strategic Plan will be maintained. Also, as planned, the Company will reduce the total number of issued shares to avoid share dilution as a result of the scrip dividend formula. However, no proposed resolution will be laid before the shareholders at a General Meeting to reduce share capital by 5%.

For further information on the 2020 Resilience Plan see section 2.2 of the Management Report for the first half of 2020.

Against this background, the oil and gas price expectations used to calculate the recoverable amount of assets were revised downward. This impacted their carrying amount of €-1,289 million after tax in the Upstream segment (see Note 4.2.2), with no impact on the Industrial or the Commercial and Renewables segments.

It is difficult to predict to what extent and for how long the impact of the pandemic will affect Repsol's businesses in the future. The lower global demand for crude oil, gas and oil products as a consequence of the reduction in economic activity and, in particular, restrictions to mobility, may have a negative impact on prices and production and sales volumes; the deterioration of global financial conditions may affect the cost of capital, liquidity or solvency of our clients and partners in joint operations, and so on. The pandemic's evolution as well as the control measures that health authorities may take and the policies to mitigate economic and social impact might influence both the scope and the length of both the crisis and its subsequent recovery.

Other events in the period

- In June, Repsol signed an **agreement with PetroVietnam** to transfer its 51,75% stake in Block 07/03 PSC and 40% in Blocks 135-136/03 PSC in Vietnam (see Note 5.3). The transaction, which is subject to government authorizations, is expected to close over the course of this year with no material impact on Repsol's financial statements.

- In February, we acquired a **seventh renewable project** (Delta 2), to develop wind farms in Aragon, in the provinces of Huesca, Zaragoza and Teruel, where Repsol is also developing the Delta 1 wind project. The wind farm, to be developed over the next three years, will be built and operated by Repsol. For further information see Note 4.3.

- During the first half of the year, the Group strengthened its **financial and liquidity position** by issuing two senior bonds for a total amount of €1,500 million in April (see Note 4.1.5), perpetual subordinated bonds for an amount of €1,500 million in June (see Note 4.1.4) and a further increase of €1,605 million in unused committed structural credit lines (see Note 4.1.7). In addition, a bond issued in 2013 for a nominal amount of €1,200 million was redeemed at maturity and €594 million of the perpetual subordinated bond issued in 2015 was repurchased at a price of 101,2% (see Note 4.1.4).

- In line with the commitment made under the Resilience Plan on **shareholder remuneration**, in the first half of 2020 the Company paid remuneration equivalent to 0.424 euros per share. In July, it paid additional remuneration equivalent to 0.492 euros per share. Both payouts were made through the "scrip dividend" scheme. To offset the dilutive effect, at a general meeting the shareholders approved a capital reduction through redemption of treasury shares as needed. For further information, see Note 4.1.4.

- In the first half, *Standard & Poor's, Moody's* and *Fitch* confirmed Repsol's **investment grade rating**. For further information, see section 4.3. "*Financial position*" of the Interim Management Report.

(2) BASIS OF PRESENTATION

2.1 General principles

These interim financial statements have been prepared using the accounting records of the investee companies within the Group under the International Financial Reporting Standards adopted by the European Union (IFRS-EU) as of June 30, 2020, and, specifically, pursuant to the requirements set out in International Accounting Standard (IAS) 34 "*Interim Financial Reporting*," in addition to the other provisions of the applicable regulatory framework.

In accordance with the provisions of IAS 34, these interim financial statements are prepared exclusively to update the content of the most recent annual consolidated financial statements published, placing an emphasis on new activities, events and circumstances that have taken place during the first six months of the year, without duplicating the information published in the annual consolidated financial statements for the preceding year. To facilitate the correct understanding of information contained in these interim financial statements and given that they do not contain information required by comprehensive financial statements prepared pursuant to IFRS-EU, they must be read in conjunction with the Repsol Group's 2019 consolidated financial statements, which were approved at the Annual General Meeting of Repsol, S.A. on May 8, 2020 and are available at www.repsol.com.

These interim financial statements are presented in millions of euros (unless otherwise indicated) and the exchange rate against the euro of the main currency used by the Group companies at June 30, 2020 and December 31, 2019 was:

	June 30, 2020		December 31, 2019	
	Closing rate	Accumulated average	Closing rate	Accumulated average
Dollar	1.12	1.10	1.12	1.12

2.2 Accounting estimates and judgments

The preparation of interim financial statements calls for estimates and judgments to be made that affect the measurement of recognized assets and liabilities, the presentation of contingent assets and liabilities, and income and expense recognized over the period. The results may be significantly affected depending on the estimates made.

These estimates are made on the basis of the best information available, as described in Note 3.5 "*Accounting estimates and judgments*" to the consolidated financial statements for 2019. During the first half of 2020, in the context of the COVID-19 crisis and the market situation for hydrocarbon prices, significant estimates and judgments were revised, as described in annual reporting, with the following key updates: (i) revision of the background assumptions, and, especially, price paths used to calculate the recoverable amount of assets in the Upstream segment (see Note 4.2.2) and (ii) review of the expected loss model to measure financial instruments (see Note 4.1.7).

2.3 Comparative information[2]

2.3.1 Application of new accounting standards

During the first half of 2020, accounting standards applicable as of January 1, 2020[3] were adopted by the European Union and other previously adopted accounting standards[4] began to apply. Given that the application of the new standards is prospective in nature and scope, there was no material impact on the financial statements for the period.

In addition, during the period the IASB issued the following amendments to standards, which are pending adoption by the European Union:

Standards and amendments to standards	Date of first application
Amendments to IFRS 16 - "Covid-19-Related Rent Concessions"[(1)]	June 1, 2020
Amendments to IFRS 4 - *Deferral of Effective Date of IFRS 9*	January 1, 2021
Amendments to IFRS 3 - *Amendments to the Conceptual Framework for Financial Reporting*	January 1, 2022
Amendments to IAS 16 - *"Proceeds before intended use"*	January 1, 2022
Amendments to IAS 37 - "*Onerous contracts: Cost of Fulfilling a Contract"*	January 1, 2022
Annual improvements to IFRS: 2018-2020	January 1, 2022
Amendments to IFRS 17 Insurance contracts	January 1, 2023

NOTE: On July 15, 2020, the date of first application of the Amendments to IAS 1 "Classification of liabilities as current or non-current" was changed to January 1, 2023.
(1) To date, no transactions have been identified that fall within the scope of these Amendments to IFRS 16.

The Group is currently assessing the impact the application of these standards may have on the consolidated financial statements, without any material impacts having been identified to date.

2.3.2 Restatement of earnings per share

In accordance with accounting standards, earnings per share for the second quarter of 2019 and for the half year ending June 30, 2019 have been restated, as the average number of outstanding shares considered in the calculation should take account of the new number of shares issued after the capital increase carried out as part of the compensation scheme to shareholders known as the "*Repsol Flexible Dividend*" program, described in Note 4.1.4 "*Equity*".

2.4 Information by business segments

The segment reporting disclosed by the Group in Note 3 is presented in accordance with the disclosure requirements of IFRS 8 *Operating Segments*.

Definition of 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 to (i) refining activities, (ii) petrochemicals, (iii) trading and transportation of crude oil and oil products and (iv) commercialization, transportation and regasification of natural gas and liquefied natural gas (LNG).

[2] The Group's activities comprise a range of different businesses and are carried on in an international environment and, therefore, the effect of the seasonality of some of its businesses (the most significant being effects related to liquefied petroleum gas (LPG), residential natural gas and electricity in Spain) is not material.

[3] With respect to the information provided in Note 3.3 to the consolidated financial statements for 2019 on newly issued standards that will be mandatory in future, the European Union has adopted Amendments to IFRS 3: New definition of a business.

[4] Other standards applied from January 1, 2020 are: i) Amendments to IAS 1 and IAS 8: Definition of materiality; and ii) Amendments to References to the Conceptual Framework in IFRS Standards.

- Commercial and Renewables: corresponding to (i) low carbon power generation and renewable sources, (ii) gas and power commercialization, (iii) mobility and commercialization of oil products and (iv) LPG.

On the other hand, "Corporate and other" 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) intersegment consolidation adjustments.

Financial reporting for the first half of 2020 is presented under this new scheme, and financial reporting for the same period in 2019 has been restated to enable comparative analysis.

Group reporting model

With regard to the Repsol Group's reporting model, see About this report and Appendix II of the Management Report for the first half of 2020 (www.repsol.com).

(3) INCOME AND OTHER FIGURES BY SEGMENT[5]

Adjusted net profit and net profit

	€ Million	
Income/(loss) for the period	**30/06/2020**	**30/06/2019**
Upstream	(51)	646
Industrial	296	448
Commercial and Renewables	163	265
Corporate and other	(219)	(244)
ADJUSTED NET INCOME	**189**	**1,115**
Inventory effect	(1,088)	63
Special items	(1,585)	(45)
NET INCOME	**(2,484)**	**1,133**

The Group's interim Management Report for the first half of 2020, available at www.repsol.com, contains information by segment on results, cash flow and financial position.

Other figures

	Operating income		Operating cash flow		Free cash flow		Operating investments		Capital employed	
€ Million	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019	30/06/2020	30/06/2019
Upstream	(4)	1,174	684	1,605	(2)	649	603	961	15,843	22,531
Industrial	409	590	90	723	(141)	418	227	306	10,038	11,115
Commercial and Renewables	218	362	125	370	(124)	202	259	176	3,742	3,464
Corporate and other	(129)	(124)	(35)	(168)	439	(176)	24	25	1,343	1,281
TOTAL	**494**	**2,002**	**864**	**2,530**	**172**	**1,093**	**1,113**	**1,468**	**30,966**	**38,391**

NOTE: To reconcile these figures to IFRS-EU figures, see Appendix III of these interim financial statements and Appendix II of the Interim Management Report corresponding to the first half of 2020.

[5] All information provided in this Note, unless stated otherwise, has been prepared pursuant to the Group's reporting model (see Note 2.4) and has been reconciled with the IFRS-EU Financial Statements in Appendix III. Some of the figures are classified as Alternative Performance Measures (APMs) in accordance with European Securities and Markets Authority (ESMA) guidelines (for further information, see Appendix II of the Interim Management Report corresponding to the first half of 2020 and go to www.repsol.com).

(4) MAIN CHANGES IN THE FINANCIAL STATEMENTS

This section outlines the most significant changes affecting the balance sheet and income statement headings in the period.

4.1 Balance Sheet

4.1.1 Intangible assets

The decrease in the recoverable amount of the assets in the Upstream segment (see Note 4.2.2) gave rise to an impairment of goodwill arising from the acquisition of Repsol Oil & Gas Canada, Inc. (ROGCI) for €-362 million. Unfavorable changes in the key assumptions that determine the recoverable amount of Upstream assets, mainly the decline in oil and gas prices, sales volume (production) and increases in the discount rate, would result in additional impairment of the goodwill at ROGCI at year-end (the balance at June 30, 2020 was €1,289 million).

4.1.2 Property, plant and equipment

The decrease in the balance of property, plant and equipment is due to the impairment losses recognized on hydrocarbon exploration and production assets (see Note 2.2), which were partly offset by expenditure in the first half, especially in the North American and Norwegian areas in Upstream, and expenditure to maintain and optimize the industrial complexes in the Industrial segment. Expenditure was less than in the first half of 2019 due to implementation of the Resilience Plan (see Note 1.3).

4.1.3 Investments accounted for using the equity method

Repsol accounts for investments in joint ventures and associates in which it has a stake using the equity method. Note 14 to the consolidated financial statements for 2019 describes the Group's most significant investments. The breakdown of the balance at June 30 is as follows:

	€ Million	
	Carrying amount of investment	
	06/30/2020	12/31/2019
Joint ventures	6,236	7,126
Associates [1]	109	111
TOTAL	**6,345**	**7,237**

[1] Includes mainly the stake in Petrocarabobo, S.A. and Oleoducto de Crudos Pesados (OCP) Ltd.

The changes in this heading during the period were as follows:

	€ Million	
	06/30/2020	06/30/2019
Balance at December 31	**7,237**	**7,144**
Net investments	9	1
Changes in scope of consolidation [1]	—	25
Net income from investments accounted for using the equity method [2]	(978)	237
Dividends paid out	(56)	(157)
Translation differences	(1)	60
Reclassifications and other movements [3]	134	45
Balance at June 30	**6,345**	**7,355**

[1] Does not include Other comprehensive income amounting to €-17 million at June 30, 2020 (€-18 million for joint ventures and €1 millionfor associates) and €54 million at June 30, 2019 for joint ventures.
[2] In 2020 mainly Repsol Sinopec Brasil (RSB) and Dynasol and in 2019 mainly RSB.
[3] Mainly reflects reclassification to provisions of negative equity at Petroquiriquire and Cardón IV.

The decrease in "Net income from investments accounted for using the equity method" is due mainly to lower profit from investments in joint ventures whose business was affected by the price environment resulting from the international crisis (see Note 1.3) and impairments recognized in the recoverable amount of these investments, mainly in Trinidad and Tobago and United Kingdom (see Note 2.2).

4.1.4 Equity

	€ Million	
	06/30/2020	12/31/2019
Shareholders' equity	**22,292**	**24,335**
Share capital	1,626	1,566
Share premium and reserves:	22,564	26,731
Share premium	4,218	6,278
Legal reserve	312	312
Retained earnings and other reserves (1)	18,034	20,248
Dividends and remuneration on account	—	(107)
Treasury shares and own equity investments	(1,326)	(1,170)
Profit for the year attributable to the parent	(2,484)	(3,816)
Other equity instruments	1,912	1,024
Other cumulative comprehensive income	**400**	**593**
Non-controlling interests	**248**	**281**
TOTAL EQUITY	**22,940**	**25,209**

(1) This heading includes the transfer from income for the year attributable to the Parent for 2019 and "*Other reserves*" includes the impact of the first-time application of IFRS 16 and IFRIC 23 in 2019 (see Note 3.2.1 to the consolidated financial statements for 2019).

Capital

On May 8, 2020, at the Annual General Meeting, shareholders approved two paid-up capital increases for the purpose of implementing the "*Repsol Flexible Dividend*" shareholder remuneration program, which replaces the final dividend for 2019 and the interim dividend for 2020. This allows shareholders to choose between taking the dividend in cash (by selling their free allocation rights to the Company or in the market) or in Company shares. The first of these paid-up capital increases took place in June and July, when 30.65% of the free allocation rights holders accepted Repsol's irrevocable commitment to purchase such rights[6].

After the capital increase, the share capital of Repsol, S.A. registered at June 30 stood at €1,626,379,018, fully subscribed for and paid up, comprising 1,626,379,018 shares, each of a par value of €1.

In accordance with the most recent information available, Repsol, S.A.'s significant shareholders are as follows:

Significant shareholders	% of voting rights attributed to shares		% of voting rights through financial instruments	% of total voting rights
	Direct	Indirect		
Sacyr, S.A. (1)	—	7.545	—	7.545
BlackRock, Inc. (2)	—	4.762	0.236	4.998
JP Morgan Chase & Co (3)	—	0.585	6.270	6.855

(1) Sacyr, S.A. holds its interest through Sacyr Securities, S.A.U., Sacyr Investments S.A.U. and Sacyr Investments II, S.A.U.
(2) BlackRock, Inc. holds its interest through several controlled entities. The information relating to BlackRock, Inc. is based on the statement submitted by this company to the CNMV on December 10, 2019, on the share capital amount of 1,527,396,053 shares.
(3) JP Morgan Chase & Co holds its stake through a number of controlled entities. The information relating to JP Morgan Chase & Co. is based on the statement submitted by that entity to the CNMV on March 19, 2020 on the share capital amount of 1,566,043,878 shares.

6 Repsol has waived its free allocation rights acquired under the purchase commitment and hence its rights to the corresponding new shares. The balance sheet at June 30, 2020 includes a reduction under the heading of "Share premium" and a payment obligation to those shareholders who accepted Repsol's binding purchase commitment.

Shareholder remuneration

The following table breaks down the remuneration received by Repsol, S.A.'s shareholders during the six-month period ending on June 30, 2020, carried out under the "*Repsol Flexible Dividend*" program:

	No. free allocation rights sold to Repsol	Price of purchase commitment (€/ right)	Cash payout (millions of euros)	New shares issued	Remuneration in shares (millions of euros)
December 2019/January 2020	252,017,771	0.424	107	38,647,825	541
June/July 2020	480,011,345	0.492	236	60,335,140	534

At the Annual General Meeting, held on May 8, the shareholders approved a capital reduction[7] through the cancellation of treasury shares up to a maximum amount equal to the number of shares issued in the paid-up capital increases carried out in 2020 shown in the table above, so as to offset the dilutive effect. The Board of Directors decided not to list on the agenda of the Annual General Meeting of shareholders the proposed 5% reduction of the share capital figure resolved upon in July 2019 due to the state of the markets and supervening circumstances arising from COVID-19.

Treasury shares and own equity investments

The main transactions undertaken by the Repsol Group involving treasury shares[8] were as follows:

	No. of shares	Amount (€M)	% capital
Balance at 12/31/2019	**80,768,905**	**1,170**	**5.16%**
Market purchases (1)	24,831,072	329	1,53%
Market sales (1)	(12,196,174)	(173)	0,76%
Repsol Flexible Dividend (2)	79,906	—	—%
Balance at 06/30/2020	**93,483,709**	**1,326**	**5,75%**

(1) Includes any shares purchased and delivered under the Share Purchase Plan and the Plans for share purchases by the beneficiaries of the multiyear variable remuneration programs (in 2020, 711,530 shares have been delivered in accordance with the provisions of each of the plans (see Note 29.4 of the consolidated financial statements for 2019), and other transactions within the framework of discretionary treasury share trading as described in the Repsol Group's Internal Code of Conduct in the area of the securities market. Also includes book entries to recognize/de-recognize treasury shares resulting from derivatives transactions.

(2) New shares received in the bonus share capital increases under the "Repsol Flexible Dividend" program, corresponding to treasury shares.

As of June 30, 2020, the balance of treasury shares included a position of 92 million shares in the form of equity swaps. Through these derivatives, Repsol finances most of its treasury share position. Specifically, Repsol sells a certain volume of treasury shares and simultaneously enters into equity swaps with the same counterparties for an equivalent notional amount. Derivatives provide for physical settlement in a number of cases and transfer the economic rights in and over the shares to Repsol. As a result, Repsol continues to be substantially exposed to the risks and rewards of ownership of the shares and, therefore, the funds received are recorded as a financing transaction under "Current financial liabilities". As of June 30 the amount recognized as a liability was €821 million.

[7] This capital reduction has been carried out through the retirement of 1,400,000 treasury shares and the shares acquired through a share buy-back programme and, where applicable, through the settlement of derivatives arranged prior to March 25, 2020. (The maximum number of shares that may be acquired through the settlement of derivatives shall not exceed 96,950,000).

[8] The shareholders, at their annual meetings of March 28, 2014 and May 11, 2018, authorized the Board of Directors to carry out the derivative acquisition of Repsol shares, directly or through subsidiaries, up to a maximum number of shares such that the sum of those acquired plus treasury shares already held by Repsol and any of its subsidiaries does not exceed 10% of the Company's capital, insofar as the price or value of the consideration delivered is not less than the par value of the shares or more than their quoted price on the stock exchange. The current authorization (conferred at the shareholder annual meeting of May 11, 2018) was granted for five years running from the date of the meeting, and nullified the equivalent resolution ratified at the shareholder annual meeting of March 28, 2014, in relation to any unused portion.

Other equity instruments

On June 2, 2020, Repsol International Finance, B.V. ("RIF"), a wholly owned subsidiary of the Repsol Group, finalized the terms of RIF's issuance of two series of perpetual subordinated bonds guaranteed by Repsol, S.A. for a total amount of €1.500 million. The bonds were placed with accredited investors and are listed on the Luxembourg Stock Exchange. Their main characteristics are as follows:

	Series 1	**Series 2**
ISIN	XS2185997884	XS2186001314
Amount	€750 million	€750 million
First option to redeem[(1)]	11/03/2026	11/09/2028
Interest (payable annually)	3.750% until June 11, 2026. Thereafter a 5-year swap rate applies plus an additional spread according to the terms and conditions of the bonds.	4.247% until December 11, 2028. Thereafter a 5-year swap rate applies plus an additional spread according to the terms and conditions of the bonds.

(1) There are also options to redeem at the request of the issuer in certain cases specified in the terms and conditions.

The bonds bear no maturity date and the issuer can defer the coupon payments without triggering an event of default. The coupons thus deferred will be cumulative and must be paid in certain cases specified in the terms and conditions of the issue (for further information, see the issue prospectus, available at www.repsol.com).

The bonds were recognized in *"Other equity instruments"* on the view that they do not satisfy the conditions to be treated for accounting purposes as a financial liability, since redemption and coupon payments are within the discretion of Repsol.

On that same day (June 2), Repsol, S.A. and RIF launched a cash repurchase offer for the perpetual subordinated bond *€1,000,000,000 6 Year Non-Call Perpetual Securities* (ISIN: XS1207054666) issued by RIF in March 2015. The price of the repurchase offer was 101.2% of the nominal amount, plus the accrued coupon. Holders of bonds of a total nominal amount of €594 million subscribed for the offer, which resulted in RIF acquiring and subsequently redeeming 59.37% of the issue. In total, RIF paid acceptors of the repurchase offer a total of €606 million in cash. The repurchased and canceled bonds were removed from the balance sheet.

4.1.5 Financial resources

	€ Million	
	06/30/2020	**12/31/2019**
Non-current financial liabilities:		
Non-current financial liabilities (1)	12,734	10,929
Non-current trade operation derivatives (2)	9	11
Current financial liabilities:		
Current financial liabilities (1)	5,418	6,538
Current trade operation derivatives (3)	388	350
Total financial liabilities	**18,549**	**17,828**

(1) This change is due mainly to the bond issues described in this section, which were partially offset by the cancellation of a bond upon maturity.
(2) Recognized under "Other non-current liabilities" on the balance sheet.
(3) Recognized under "Trade and other payables" on the balance sheet.

Key issues, repurchases and redemptions in the first half of 2020

- In April 2020, RIF completed two bond issues under the EMTN Program for a total amount of €1,500 million: i) €750 million at a price of 99.967% and a fixed annual coupon of 2%, maturing in December 2025; and ii) €750 million at a price of 99.896% and a fixed annual coupon of 2.625%, maturing in April 2030.

- In May 2020, a bond issued by RIF in May 2013 under the EMTN Program, which had been paying a fixed annual coupon of 2.625%, was redeemed at maturity for the nominal amount of €1,200 million.

The outstanding balance of the debentures and marketable securities at June 30 is as follows:

ISIN	Issuer	Date of issue	Currency	Nominal amount (millions)	Average rate %	Maturity	Listed [5]
US87425EAE32 [3]	Repsol Oil & Gas Canadá Inc.	Oct-97	Dollar	50	7.250%	Oct-27	-
US87425EAH62 [3]	Repsol Oil & Gas Canadá Inc.	May-05	Dollar	88	5.750%	May-35	-
US87425EAJ29 [3]	Repsol Oil & Gas Canadá Inc.	Jan-06	Dollar	102	5.850%	Feb-37	-
US87425EAK91 [3]	Repsol Oil & Gas Canada Inc.	Nov-06	Dollar	115	6.250%	Feb-38	-
US87425EAN31 [3]	Repsol Oil & Gas Canada Inc.	May-12	Dollar	57	5.500%	May-42	-
XS0975256685 [1]	Repsol International Finance, B.V.	Oct-13	Euro	1,000	3.625%	Oct-21	LuxSE
XS1148073205 [1]	Repsol International Finance, B.V.	Dec-14	Euro	500	2.250%	Dec-26	LuxSE
XS1207058733 [2]	Repsol International Finance, B.V.	Mar-15	Euro	1,000	4,500% (4)	Mar-75	LuxSE
XS1334225361 [1]	Repsol International Finance, B.V.	Dec-15	Euro	600	2.125%	Dec-20	LuxSE
XS1352121724 [1]	Repsol International Finance, B.V.	Jan-16	Euro	100	5.375%	Jan-31	LuxSE
XS1613140489 [1]	Repsol International Finance, B.V.	May-17	Euro	500	0.500%	May-22	LuxSE
XS2035620710 [1]	Repsol International Finance, B.V.	Aug-19	Euro	750	0.250%	Aug-27	LuxSE
XS2156581394 [1]	Repsol International Finance, B.V.	Apr-20	Euro	750	2.000%	Dec-25	LuxSE
XS2156583259 [1]	Repsol International Finance, B.V.	Apr-20	Euro	750	2.625%	Apr-30	LuxSE

NOTE: Excludes perpetual subordinated bonds, which qualify as equity instruments (see Note 4.1.3), issued by RIF on March 25, 2015 and June 11, 2020 for an outstanding nominal amount of €406 million and €1,500 million, respectively.

(1) Issues made under the EMTN Program, which is guaranteed by Repsol, S.A.
(2) Subordinated bond issued by RIF and guaranteed by Repsol, S.A. This issue does not correspond to any open-ended or shelf program.
(3) Repsol Oil & Gas Canada, Inc. issues guaranteed by Repsol, S.A.
(4) Coupon scheduled for reset on March 25, 2025 and March 25, 2045.
(5) LuxSE (Luxembourg Stock Exchange). Multilateral trading facilities or other trading centers or non-official over-the-counter markets are not considered.

Furthermore, RIF runs a Euro Commercial Paper (ECP) Program, guaranteed by Repsol, S.A., with a limit of €2,000 million. Under this program, issues and redemptions were carried out over the course of the period, with an outstanding balance at June 30, 2020 of €1,989 million (€1,845 million at December 31, 2019).

For further details on financial liabilities, see Appendix II.

4.1.6 Financial assets

	€ Million	
	06/30/2020	**12/31/2019**
Non-current assets		
Non-current financial assets	922	1,125
Non-current trade operation derivatives [1]	28	9
Current assets		
Other current financial assets [2]	1,227	2,800
Current trade operation derivatives [3]	131	168
Cash and cash equivalents [4]	5,285	2,979
Total financial assets	**7,593**	**7,081**

(1) Recognized under “Other non-current liabilities” on the balance sheet.
(2) The variation is due mainly to the cancellation of deposits during the period.
(3) Recognized under “Other receivables” of the balance sheet.
(4) The variation is explained by the change in cash and cash equivalents in the period (see the consolidated statement of cash flows).

For further details on financial assets, see Appendix II.

4.1.7 Financial risks

As described in Note 11 to the 2019 consolidated financial statements, the Group's own activities are exposed to several types of financial risk: market risk, liquidity risk and credit risk. The main updates are highlighted below:

Market risk

Interest rate risk

In connection with the process of transition to new benchmark interest rates currently under way in several jurisdictions worldwide, the Group is continuing a review of its inventory of contracts in accordance with the reform timetable. The main contracts identified to date, under which interbank interest rates are a key benchmark, are of a financial nature: mainly loans and credit facilities.

As to the hedging relations pegged to LIBOR/EURIBOR according to the "Interest Rate Benchmark Reform - Amendments to IFRS 9 and IAS 39", which we applied early in 2019, we believe that the cash flows of the hedging instrument and the hedged item will not be altered as a result of the reform. The notional amount of the dollar cash flow hedge related to the financing of the investment in the Canaport (Canada) LNG project, in the form of interest rate swaps, was increased to €393 million (€289 million at December 31, 2019). For further information, see Note 10.1 to the 2019 consolidated financial statements, available at www.repsol.com.

In addition, the Group is monitoring regulatory and market developments for an orderly transition. Whenever feasible, new contracts are pegged to risk-free rates, and specific clauses are included to govern permanent cessation events. In relation to existing contracts that will continue to be in force after the reform, the mechanisms for determining substitute benchmarks and market alternatives (i.e. ISDA 2020 IBOR, Fallbacks Protocol) are being reviewed to resolve permanent cessation events.

Liquidity risk

In the present international context, severely impacted by COVID-19, and within the framework of the Group's financial policy, Repsol has ensured the availability of funds to meet its obligations and implement its business plans, while maintaining at all times an optimal level of liquidity and seeking greater efficiency in the management of financial resources.

At June 30, 2020, cash and other liquid financial instruments[9] and credit lines were sufficient to cover short-term debt maturities 2.0 times (1.2 times at December 31, 2019). There were also undrawn credit lines for an amount of €3,411 million (€1,808 million at December 31, 2019). At the end of the period, liquidity stood at €9,521 million (including undrawn committed credit facilities).

Credit risk

The Company updated its customer management model using economic forecasts for the main countries where it operates. No material impact on the Group's financial statements will arise from a change in the payment behavior of debtors.

For credit risk arising from financial instruments relating to operations in Venezuela, see Note 5.3.

4.1.8 Current assets and liabilities

"Other current assets" includes assets within the scope of the agreement with PetroVietnam described in Note 5.3.

The lower balances under "Inventories" are explained by lower crude oil prices. "Trade and other receivables" declined due to lessened activity in all businesses (lower sales).

"Trade and other payables" decreased due to lessened activity (lower purchases).

[9] Includes immediately available time deposits recorded under "Other current financial assets" amounting to €825 million.

4.2 Income Statement

On the same date as these interim financial statements, Repsol published its interim Management Report for the first half of 2020, which contains a detailed explanation of these results and other performance figures, available at www.repsol.com.

4.2.1 Operating net income

Revenue from ordinary activities

The distribution, by country, of revenue from ordinary activities ("*Sales*" and "*Income from services rendered*" headings) by country in the first six months of 2020 is as follows:

€ Million	06/30/2020	06/30/2019
Spain	8,194	13,333
United States	981	1,321
Portugal	945	1,304
Peru	800	1,407
Other	5,743	7,568
Total [1]	**16,663**	**24,933**

[1] The distribution by geographical area has been drawn up based on the markets to which the sales or services rendered are destined.

In 2020, revenue from *Upstream* activities amounted to €1,510 million (€2,402 million in the same period of 2019), while that of the *Industrial* segment amounted to €12,674 million (€19,610 million in the same period of 2019) and *Commercial and Renewables* segment amounted to €7,784 (€11,586 million in the same period of 2019).

The reduction in revenue in the first half is explained by the economic impacts of the COVID-19 pandemic and, in particular, (i) a decline in realization prices and production volumes in Upstream assets, (ii) lower activity in industrial complexes due to slack demand for oil products and (iii) a drop in sales in the commercial businesses as a result of the decline in demand due to mobility restrictions

Changes in inventories of finished goods and work in progress

The expense recognized under this heading is explained by the drop in prices in the period for finished goods and work in progress at the industrial complexes, and for unsold inventories in the hydrocarbon exploration and production activities.

Procurement

In the first half of 2020, the lower costs of "Procurement" were mainly due to lower prices of raw materials and the fall in volumes due to the lessened activity of industrial complexes.

Transport and freight and Supplies

The increase in "Transport and freight" reflects higher prices in the freight market.

Other operating expenses

The decrease in expenses is mainly explained by the higher measured value of derivatives and commitments over commodities and lower taxes reflecting lessened activity and lower prices.

4.2.2 Asset impairment

In light of the social and economic consequences of the COVID-19 pandemic (see Note 1.3), the Group has reviewed the recoverable amount of its cash-generating units that are likely to be most affected by changes in the scenario and where indications of impairment were identified.

a) Revised assumptions

At the end of the first half, the Company reviewed its expectations of future oil and gas prices, modifying the price paths set down at year-end 2019 and reflected in the consolidated financial statements for 2019 to adapt them to the new economic scenario.

In addition to the medium- and long-term market dynamics, the new strategic orientation and published commitments to achieve zero net emissions in 2050, which led to a review of oil price expectations, particularly for gas, and therefore a reduction in the recoverable value of the assets in 2019 (see Note 21 to the 2019 consolidated financial statements), in 2020 the impact of COVID-19 and the oversupply of crude oil on the market was also significant. The COVID-19 crisis has triggered an unprecedented contraction in oil demand and the supply response was not enough to satisfy the weak demand, despite the fact that OPEC+ made the biggest production cut in its history and other producers also sharply curtailed their output.

The new assumptions for the main price references are:

(Real terms 2020)	**2020-2050 (1)**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026-2050 (2)**
Brent ($/ barrel)	**60**	43	49	67	67	67	67	**60**
WTI ($/ barrel)	**57**	40	46	64	64	64	64	**57**
HH ($/ Mbtu)	**3**	2	3	3	3	3	3	**3**

(1) Average prices for the period 2020-2050.
(2) Average prices for the period 2026-2050.

The discount rates (Weighted Average Cost of Capital, WACC) used for the 2019 impairment test, published in the consolidated financial statements for the year, were kept in place, as they were not significantly different.

b) Recognized impairments

€ Million	**Notes**	**Total**
Goodwill	4.1.1	368
Property, plant and equipment	4.1.2	133
Investments accounted for using the equity method (1)	4.1.3	887

(1) Before taxes.

Impairments, net of reversals, amounted to €1,388 million before tax (€1,289 million after tax) and reflect write-downs of assets in the Upstream segment. Main items:

– America (€-297 million), mainly in Trinidad and Tobago due to lower gas prices.

– Europe and North Africa (€-419 million), mainly in the United Kingdom and Algeria, due to lower gas prices and changes to asset development plans.

– South East Asia (€-234 million), mainly in Indonesia, due to new expectations regarding gas demand and prices.

– Exploration and development assets (€-70 million) in Russia and Bolivia, due to the new price scenarios.

– Goodwill (€-368 million) due to a decrease in the recoverable amount of segment assets (see Note 4.1.1).

The recoverable amount of assets impaired in the period stood at €9,529 million. The carrying amount of the Cash-Generating Units (CGUs) of the Upstream segment[10] after recognition of the impairment stood at €15,252 million.

[10] Includes investments accounted for using the equity method. Does not include goodwill or the carrying amount of exploratory assets.

c) Sensitivities

Changes in the estimated future price curves or in the discount rates used would affect the value of the Group's assets and could lead to the reversal, in whole or in part, of existing impairment losses or to the recognition of additional provisions. The key sensitivities to these variations in the Cash-Generating Units in the Upstream segment, disregarding any rebalancing of related variables or any adaptations of operating plans that might mitigate the adverse impact of these variations, are indicated below:

		€ Million [(1)]	
	Increase (+) / decrease (-)	**Operating net income [(1)]**	**Net income**
Variation in hydrocarbon prices	+10%	1,728	1,538
	-10%	(2,163)	(1,853)
Variation in hydrocarbon output	+5%	912	807
	-5%	(1,121)	(963)
Variation in hydrocarbon output and prices	+10% (prices) / +5% (output)	2,716	2,416
	-10% (prices) / -5% (output)	(3,266)	(2,785)
Variation in discount rate	+100 p.b.	(745)	(627)
	-100 p.b.	745	639

[(1)] Includes impact on investments accounted for using the equity method.

4.2.3 Financial results

The financial result improved compared to the first half of 2019 due to better results from specific exchange rate positions and lower interest on debt.

4.2.4 Income tax

The effective tax rate[11] applicable to the loss before taxes and before the results of entities accounted for using the equity method was 16% (income tax refund of €297 million). In 2019, the effective tax rate on the result - which was a profit - was -38% (income tax expense of €554 million). The change in tax rates is mainly due to the mix of results at different nominal rates and the absence of tax effects on some of the assets impaired in 2020 (see Note 4.2.2).

4.2.5 Earnings per share

Earnings per share in the first six months of 2020 and 2019 are detailed below:

EARNINGS PER SHARE	**06/30/2020**	**06/30/2019**
Profit attributable to the parent (€ million)	(2,484)	1,133
Adjustment for perpetual subordinated bond (€ million) [(1)]	(25)	(15)
Weighted average number of shares outstanding on June 30 (millions of shares) [(2)]	1,540	1,644
Basic and diluted earnings per share (euros/share)	**(1.63)**	**0.68**

[(1)] At June 30, 2020, this item reflects the costs of partial repurchase of the perpetual bond issued in March 2015 (see section in Note 4.1.4).

[(2)] The share capital recognized at June 30, 2019 comprised 1.598.791.040 shares, although the weighted average number of outstanding shares for the purposes of calculating earnings per share includes the effect of the capital increases undertaken as part of the "Repsol Flexible Dividend" shareholder payment system, as per the applicable accounting regulations (see Note 2.3 "*Comparative information*").

[11] To estimate the income tax accrued for interim periods, the estimated annual effective tax rate is applied. However, the tax effects resulting from one-off events of transactions in the period are considered as an integral part thereof.

4.3 Cash Flows

In the first half of 2020, **cash flow from operating activities** amounted €617 million, compared to €1,872 million in the first half of 2019. The decrease was due mainly to lower crude oil prices and lower demand for products, and therefore to lower volume in many of the Group's businesses as a result of the international crisis triggered by COVID-19 (see Note 1.3). This was partly offset by the effect on working capital of the lower cost of inventories (price of inventories in the industrial businesses) and by lower tax payments.

In the first half of 2020, **net cash flow from investing activities** resulted in a net receipt of €1,116 million. "Payments for/receipts from investments in property, plant and equipment, intangible assets *and investment property*" (€-922 million) decreased with respect to the comparative period in line with reduction targets under the Resilience Plan, due to lower expenditure on assets in the Upstream segment and the Industrial segment; capital expenditure increased, however, in the new electricity businesses and renewable projects in the Commercial and Renewables segment. "*Payments for/receipts from investments in other financial instruments*" reflected net disposals of €+1,591 million through termination of time deposits in the period. "*Proceeds of disposals*" includes the refund of the tax (corporate income tax prepayment) attributed to the disposal of an interest in Naturgy in May 2018. For further information, see sections 4.1, 5.1 and 5.2 of the consolidated Management Report.

During the first half of 2020, **net cash flow from financing activities** resulted in a net receipt of €587 million compared to a net payment of €-1,313 million in 2019, due to the net issuance of equity (see Note 4.1.4) and debt (see Note 4.1.5) instruments in 2020, lower purchases of own shares, lower cash payments to shareholders (who mostly chose to receive shares), and lower interest payments (lower borrowing costs) than in the first half of 2019.

In short, *Cash and cash equivalents* increased by €2,305 million compared to December 31, 2019 to reach €5,285 million. The strong cash position, a part of the Group's liquidity (see Note 4.1.7), enables us to cope with an adverse international environment affected by COVID-19 in the second half of the year.

(5) RISKS

5.1 Disputes

The information provided in this section updates the following disputes set out in Note 14.2 to the consolidated financial statements for 2019:

United Kingdom

Addax arbitration in relation to the purchase of Talisman Energy UK Limited (TSEUK)

On January 29, 2020, the Arbitral Tribunal issued a Partial Award on one aspect of the five matters to be determined in the liability phase and, although Repsol had considered the claims to be without merit -supported by external advice-, and still does, the Tribunal has decided that ROGCI and TCHL are liable to Sinopec and Addax in respect of that aspect of the claim.

As indicated, the partial Award issued addresses one of the five claims regarding liability. The Court has indicated that it will decide the result of the remaining ones in due time, through subsequent awards, although the time at which they will be issued is currently unknown. In principle, once all of them have been decided, a new procedural phase will be necessary to determine the amounts, whose schedule has not yet been established. It is likely that this calendar should include deadlines for new allegation briefs, evidence, additional expert statements and a new oral hearing. It is estimated that the phase related to the determination of the amount, without taking into account any challenges to the awards, will not be resolved before the first quarter of 2022.

On April 28, 2020, as already reported, Repsol challenged the partial arbitral award of January 29, 2020 in the Singapore courts.

Although the amount of compensation (if any) is not known with certainty, given that the dispute still has a long way to go and numerous decisions are pending, in light of the partial award Repsol prudently estimated the economic impacts of the dispute as a whole, and accordingly recognized a provision of $940 million in its financial statements of December 31, 2019 (no changes in the first half).

Additionally, on November 30, 2017 Repsol, S.A. commenced an arbitration against China Petroleum Corporation and TipTop Luxembourg S.A.R.L seeking relief from any adverse ruling on the arbitration mentioned above together with other damages yet unquantified. This procedure is based on their conduct towards Repsol during the months leading up to its acquisition of the Talisman Group.

5.2 Government and legal proceedings with tax implications

No material events have occurred that should be reported in addition to the information provided in Note 23.4 to the consolidated financial statements for 2019.

5.3 Geopolitical risks

The information in this section updates the content of Note 21.3 to the consolidated financial statements for 2019.

Venezuela

In 2020, the political instability, economic recession and inflation remain. There was a significant devaluation of the Venezuelan currency against the euro (€229,622/BsS compared to €52,231/BsS at December 31, 2019)], with no significant impact on the Group's financial statements, since the functional currency of its subsidiaries in the country is mainly the US dollar.

With regard to international sanctions affecting the Venezuelan government, PDVSA and its affiliates, on April 22, 2020 the US Government announced, through the Office of Foreign Assets Control (OFAC), that it extends until December 1, the General License (GL 8F) to the oil company Chevron and four other US companies in the hydrocarbon sector so that they can continue to operate in Venezuela, despite the sanctions imposed more than a year ago to the state-owned oil company (PDVSA) and its affiliates, even though it has further limited their activity. These companies may continue to have a relationship with PDVSA or its affiliates, but they may not extract, sell or transport Venezuelan-origin petroleum, contract for additional personnel or pay any dividends to PDVSA or its affiliates. This authorization from OFAC will allow these companies to carry out "essential maintenance of operations."

In June 2020, the US Department of the Treasury sanctioned several shipping companies for transporting Venezuelan crude oil in February and April 2020 in violation of OFAC restrictions on doing business with the Venezuelan government, PDVSA or its affiliates. In addition, there were several designations of entities, individuals and vessels on OFAC's "Specially Designated Nationals And Blocked Persons List" (SDN List) in connection with activities intended to evade US sanctions against Venezuela. However, also in June, the OFAC removed some of these shipowners and vessels from the SDN List since, after their initial designation, these companies undertook to improve their sanctions compliance programs.

Repsol continues to take the necessary measures to maintain its activity in Venezuela in full compliance with international sanctions laws, and is constantly monitoring the state of affairs, and, therefore, the possible effects on its activities. This monitoring discloses no significant impact for the Group, although changes in US policies could affect future crude oil lifting.

Repsol's total equity exposure to Venezuela at June 30, 2020 amounted to €224 million (€239 million at December 31, 2019), mainly comprising the financing extended to the Venezuelan affiliates.

Libya

Uncertainty over Libya's political future continues following the withdrawal of Marshal Haftar's Libyan National Army from the Tripoli center of operations and the advance of troops loyal to the Government officially established in Tripoli and supported by the United Nations and Turkey (GNA) toward Sirte and Al Jufrah. Although diplomatic efforts are ongoing on several fronts, fighting continues. Despite the progress made by the GNA, Marshal Haftar's forces retain formal control of the production fields, which remain closed down (the *El Sharara* field reopened for a few hours in early June). The deterioration in the security situation continues to affect the prospects of Libya's oil industry.

As a consequence of the security situation brought about by the war, production was halted from January 19 until the end of the first half.

Repsol's equity exposure in Libya at June 30, 2020 totaled around €344 million (mainly property, plant and equipment at that date).

Algeria

Following the electoral victory of Tebboune in December 2019, Algeria has started a process of political and economic reform against a background of mass protests and economic crisis resulting from low commodity prices. Hence the rules are constantly evolving and changing."

The Group's equity exposure in the country at June 30, 2020 totaled around €520 million (mainly property, plant and equipment at that date).

Vietnam

In June 2020, Repsol signed an agreement with PetroVietnam whereby it will transfer its 51.75% stake in Block 07/03 and 40% stake in Blocks 135 and 136/03. The corresponding assets are on the Group's balance sheet, classified to "Other current assets". The transaction, which is aligned to Repsol's Strategic Plan objectives and subject to government authorizations, is expected to close over the course of this year with no material impact on Repsol's financial statements.

(6) OTHER INFORMATION

New industrial projects

In June, two cutting-edge industrial decarbonization projects were presented, which the Company will implement alongside major Spanish and international partners. The facilities, which as a first option will be located in the port of Bilbao and its environs, will involve an initial outlay of approximately €80 million.

The first project, in which €60 million will be invested initially, consists of the construction of a plant to produce synthetic fuels with zero net emissions using green hydrogen generated with renewable energy. The main characteristic of these innovative fuels is that they are produced with water -for the production of green hydrogen- and CO2 as the only raw materials. They can be used in combustion engines such as those currently installed in cars, in aircraft and trucks, and in other applications. The facility will be fully operational within four years.

The second project, to be located next to the first, will involve an initial investment of €20 million, led by Petronor. It will consist of an urban waste-fueled gas generation plant. The gas will replace some of the conventional fuel consumed by the Petronor refinery in Bilbao, one of the largest in Spain. This second initiative is in line with Repsol's strategy of promoting the circular economy, which we apply in many phases of the Company's production cycle through technology and innovation.

New international renewable projects

The Board of Directors of Repsol, S.A. approved in July the creation of a joint venture with the Ibereólica Group, which has extensive experience in the renewable energy sector in Chile, to develop a portfolio of projects in that country, both wind and solar, at various stages of progress, totaling 2.6 GW. The investment initially planned by Repsol comes to around $192 million. This transaction helps implement Repsol's objectives in low-carbon generation.

New Strategic Plan

The Company plans to update the scenarios for the development of its activities and develop a new Strategic Plan for the period 2021-2025, which will be published in November 2020.

(7) SUBSEQUENT EVENTS

There have been no material events after the interim reporting date.

(8) EXPLANATION ADDED FOR THE TRANSLATION INTO ENGLISH

These interim consolidated financial statements are prepared on the basis of the IFRS, as endorsed by the European Union, and Article 12 of Royal Decree 1362/2007. Consequently, certain accounting principles applied by the Group may not conform to other generally accepted accounting principles in other countries.

APPENDIX I. CHANGES IN THE COMPOSITION OF THE GROUP

The companies that comprise the Repsol Group are set out in Appendix I of the 2019 consolidated financial statements. The main changes in the composition of the Group during the first six months of 2020 are as follows:

a) Business combinations, other acquisitions and increased interests in subsidiaries, joint ventures and/or associates:

					06/30/2020		
Registered name	Country	Parent	Item	Date	Method of consolidation (1)	% voting rights acquired	% total voting rights in entity following acquisition(2)
LGA – Logística Global de Aviação, LDA.	Portugal	Repsol Portuguesa, S.A	Acquisition	January 2020	E.M.	20,00%	20,00%
Aragonesa de Infraestructuras Energéticas Renovables, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Boalar Energías, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Desarrollos Eólicos El Saladar, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Desarrollo Eólico Las Majas VIII, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Desarrollo Eólico Las Majas XIV, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Desarrollo Eólico Las Majas XV, S.L.	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Desarrollo Eólico Las Majas XXVII, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Desarrollo Eólico Las Majas XXXI, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Energías Renovables de Cilene, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Energías Renovables de Gladiateur 18, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Energías Renovables de Hidra, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Energías Renovables de Kore, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Fuerzas Energéticas del Sur de Europa XIII, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Fuerzas Energéticas del Sur de Europa XIV, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Fuerzas Energéticas del Sur de Europa XVIII, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Fuerzas Energéticas del Sur de Europa XX, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Generación y Suministro de Energía, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Hispánica de Desarrollos Energéticos Sostenibles, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Natural Power Development, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Soluciones Tecnológicas de Energías Verdes, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	February 2020	F.C.	100,00%	100,00%
Finboot Ltd.	United Kingdom	Repsol Energy Ventures, S.A.	Share increase	March 2020	E.M.	0,07%	8,41%
Klikin Deals Spain, S.L.	Spain	Repsol Comercial de Productos	Share increase	April 2020	E.M.	0,73%	70,73%
Energia Distribuida del Norte, S.A.	Spain	Petróleos del Norte, S.A.	Incorporation	April 2020	F.C.	100,00%	100,00%
Rocsole OY	Finland	Repsol Energy Ventures S.A.	Share increase	May 2020	E.M.	1,43%	13,93%
Energías Renovables de Dione, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	June 2020	F.C.	100,00%	100,00%
Energías Renovables de Lisitea, S.L.U	Spain	Repsol Renovables, S.L.U	Acquisition	June 2020	F.C.	100,00%	100,00%
Energías Renovables de Polux, S.L.U,	Spain	Repsol Renovables, S.L.U	Acquisition	June 2020	F.C.	100,00%	100,00%

(1) Method of consolidation:
F.C.: Full consolidation.
E.M.: Equity method. Joint ventures are identified as “JV”.

(2) Corresponds to the percentage of equity in the acquired company.

b) Reduction in interest in subsidiaries, joint ventures, and/or associates and other similar transactions:

					06/30/2020			
Registered name	**Country**	**Parent**	**Item**	**Date**	**Method of consolidation (1)**	**% voting rights disposed or derecognized**	**% voting rights in entity following disposal**	**Profit / (Loss) generated (Millions of euros)**
Repsol Exploración East Bula, B.V.	The Netherlands	Repsol Exploración S.A.	Liquidation	January 2020	F.C.	100.00%	0,00%	—
Repsol Exploración Seram, B.V.	The Netherlands	Repsol Exploración, S.A.	Liquidation	January 2020	F.C.	100.00%	0,00%	—
Foreland Oil, Ltd.	British Virgin Islands	Rift Oil, Ltd.	Sale	January 2020	F.C.	100.00%	0,00%	Note (2)
Repsol Oil & Gas Papua Pty, Ltd.	Australia	Repsol Oil & Gas Niugini Pty Ltd.	Sale	January 2020	F.C.	100.00%	0,00%	Note (2)
Repsol Oil & Gas Niugini Pty, Ltd.	Australia	Talisman International Holdings, B.V.	Sale	January 2020	F.C.	100.00%	0,00%	Note (2)
Repsol Oil & Gas Niugini Kimu Alpha Pty, Ltd.	Australia	Repsol Oil & Gas Niugini Ltd.	Sale	January 2020	F.C.	100.00%	0,00%	Note (2)
Repsol Oil & Gas Niugini Kimu Beta, Ltd.	Papua New Guinea	Repsol Oil & Gas Niugini Ltd.	Sale	January 2020	F.C.	100.00%	0,00%	Note (2)
Repsol Oil & Gas Niugini, Ltd.	Papua New Guinea	Repsol Oil & Gas Papua Pty, Ltd.	Sale	January 2020	F.C.	100.00%	0,00%	Note (2)
Rift Oil, Ltd.	United Kingdom	Talisman International Holdings, B.V.	Sale	January 2020	F.C.	100.00%	0,00%	Note (2)
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Partial reduction	February 2020	E.M.	0,58%	70,20%	1
CSJC Eurotek - Yugra	Russia	Repsol Exploración Karabashsky, B.V.	Partial reduction	April 2020	E.M.	1.00%	69,20%	3
Repsol Louisiana Corporation	USA	Repsol USA Holdings Corporation	Liquidation	April 2020	F.C.	100.00%	0,00%	—
Repsol Exploration Australia Pty, Ltd.	Australia	Repsol Exploración S.A.	Liquidation	April 2020	F.C.	100.00%	0,00%	—
Nanogap Sub n-m Powder S.A.	Spain	Repsol Energy Ventures S.A.	Partial reduction	May 2020	E.M.	0,10%	12,52%	—
Principle Power, Inc.	USA	Repsol Energy Ventures S.A.	Partial reduction	May 2020	E.M.	4,49%	16,08%	—
Repsol Exploración Cendrawasih III, B.V.	The Netherlands	Repsol Exploración S.A.	Liquidation	May 2020	F.C.	100.00%	0,00%	—
Talisman (Block K 9) B.V.	The Netherlands	Talisman Global Holdings, B.V.	Liquidation	June 2020	F.C.	100.00%	0,00%	—
Begas Motor, S.L.	Spain	Repsol Energy Ventures, S.A.	Partial reduction	June 2020	E.M.	4,23%	23,70%	—

(1) Method of consolidation:
F.C.: Full consolidation.
E.M.: Equity method. Joint ventures are identified as "JV".
(2) Reflects the scope of the sale of the Group's interest in seven onshore blocks in Papua New Guinea, at a profit after tax of €63 million.

APPENDIX II. OTHER DETAILED INFORMATION

Financial instruments

Financial assets

The breakdown of the Group's financial assets, categorized by asset type, is as follows:

	June 30, 2020 and December 31, 2019							
	At fair value through income statement		At fair value through other comprehensive income		At amortized cost [4]		Total	
€ Million	2020	2019	2020	2019	2020	2019	2020	2019
Equity instruments [1]	36	29	117	122	—	—	153	151
Derivatives [2]	28	9	—	—	—	—	28	9
Loans	—	—	—	—	718	759	718	759
Time deposits	—	—	—	—	—	150	—	150
Other financial assets	31	43	—	—	20	22	51	65
Non-current	**95**	**81**	**117**	**122**	**738**	**931**	**950**	**1,134**
Derivatives [2]	202	238	19	40	—	—	221	278
Loans	—	—	—	—	215	203	215	203
Time deposits	—	—	—	—	914	2,481	914	2,481
Cash and cash equivalents	8	8	—	—	5,277	2,971	5,285	2,979
Other financial assets		—	—	—	8	6	8	6
Current	**210**	**246**	**19**	**40**	**6,414**	**5,661**	**6,643**	**5,947**
TOTAL [3]	**305**	**327**	**136**	**162**	**7,152**	**6,592**	**7,593**	**7,081**

(1) Includes non-controlling financial investments in certain companies over which it does not have management influence.
(2) Includes non-current hedging derivatives amounting to €28 million (€40 million in 2019).
(3) Does not include "Other non-current assets" and "Trade and other receivables" in the consolidated balance sheet, which at June 30, 2020 and December 31, 2019 amounted to € 710 million and €1,306 million classified as non-current and €3,892 million and €5,743 million classified as current, respectively, corresponding to trade receivables not included in the previous table net of the corresponding provisions for impairment.
(4) Items that do not bear explicit interest are recognized at their nominal value whenever the effect of not discounting the related cash flows is not significant.

Financial liabilities

The breakdown of the Group's financial liabilities, categorized by liability type, is as follows:

	June 30, 2020 and December 31, 2019							
	At fair value [2]		At amortized cost		Total		Fair value	
€ Million	2020	2019	2020	2019	2020	2019	2020	2019
Bonds and obligations	—	—	5,696	4,199	5,696	4,199	—	4,551
Loans	—	—	3,042	2,946	3,042	2,946	—	2,946
Lease liabilities	—	—	2,861	2,709	2,861	2,709	n/a	n/a
Bank borrowings	—	—	958	917	958	917	—	934
Derivatives [1]	104	82	—	—	104	82	—	82
Other financial liabilities		—	82	88	82	88	—	88
Non-current	**104**	**82**	**12,639**	**10,859**	**12,743**	**10,941**	**—**	**8,601**
Bonds and obligations	—	—	2,655	3,721	2,655	3,721	—	3,748
Loans	—	—	934	970	934	970	—	970
Lease liabilities	—	—	504	424	504	424	n/a	n/a
Bank borrowings	—	—	1,166	1,328	1,166	1,328	—	1,328
Derivatives [1]	501	397	—	—	501	397	—	397
Other financial liabilities	—	—	46	48	46	48	—	48
Current	**501**	**397**	**5,305**	**6,491**	**5,806**	**6,888**	**—**	**6,491**
TOTAL	**605**	**479**	**17,944**	**17,350**	**18,549**	**17,829**	**—**	**15,092**

(1) In 2020, includes non-current and current hedging derivatives amounting to €95 million and €9 million, respectively (€72 million and €7 million in 2019).
(2) *"Fair value of financial instruments"* in this appendix sets out the classification of financial instruments according to their level in the fair value hierarchy.

Fair value of financial instruments

The classification of the financial instruments recognized in the interim financial statements at their fair value at June 30, 2020 and December 31, 2019, is as follows:

€ Million	June 30, 2020 and December 31, 2019							
	Level 1		Level 2		Level 3		Total	
Financial assets	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
At fair value through profit or loss	130	121	158	175	28	29	316	325
At fair value through other comprehensive income	—	2	—	40	125	122	125	164
Total	**130**	**123**	**158**	**215**	**153**	**151**	**441**	**489**

	Level 1		Level 2		Level 3		Total	
Financial liabilities	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
At fair value	336	319	269	160	—	—	605	479
Total	**336**	**319**	**269**	**160**	**—**	**—**	**605**	**479**

For further details of the calculation methodology and the fair value hierarchy, see Notes 3 and 8 of the 2019 consolidated financial statements.

Related party transactions

Repsol carries out transactions with related parties on an arm's length basis. The transactions between Repsol, S.A. and the companies of its Group, and between these, form part of the company's usual business as regards purpose and conditions.

At June 30, 2020, for the purposes of presenting this information, the following are considered to be related parties:

a. Significant shareholders: Sacyr, S.A. (see Note 4.1.4).

b. Directors and executive personnel: includes members of the Board of Directors as well as members of the Executive Committee, whose members are considered "*key management personnel*" for purposes of the following section (see section "*Remuneration of the members of the Board of Directors and executives*").

c. People, companies or entities within the Group: includes transactions with Group companies or entities for the part not eliminated in the consolidation process, corresponding mainly to transactions undertaken with companies consolidated using the equity method (see Note 14 to the Consolidated Financial Statements for 2019).

Income, expenses and other transactions and balances recorded at June 30 with related parties are as follows:

Expenses and revenues

€ Million	06/30/2020				06/30/2019			
EXPENSES AND REVENUE	**Significant shareholders**	**Directors and executives [1]**	**People, companies or entities within the Group**	**Total**	**Significant shareholders**	**Directors and executives [1]**	**People, companies or entities within the Group**	**Total**
Finance costs	—	—	53	53	—	—	59	59
Leases	1	—	—	1	—	—	—	—
Service receptions	12	—	24	36	13	—	33	46
Purchase of goods [2]	—	—	484	484	—	—	803	803
Other expenses [3]	—	—	83	83	—	—	14	14
TOTAL EXPENSES	**13**	**—**	**644**	**657**	**13**	**—**	**909**	**922**
Finance income	—	—	45	45	—	—	62	62
Service provisions	2	—	2	4	2	—	3	5
Sale of assets [4]	38	—	117	155	94	—	195	289
Other revenue	1	—	36	37	—	—	56	56
TOTAL REVENUE	**41**	**—**	**200**	**241**	**96**	**—**	**316**	**412**

Other transactions

€ Million	06/30/2020				06/30/2019			
OTHER TRANSACTIONS	**Significant shareholders**	**Directors and executives [1]**	**People, companies or entities within the Group**	**Total**	**Significant shareholders**	**Directors and executives [1]**	**People, companies or entities within the Group**	**Total**
Funding agreements: credit and capital contributions (creditor)[4]	—	—	211	211	—	—	120	120
Funding agreements: loans and capital contributions (borrower)[5]	—	—	775	775	—	—	506	506
Guarantees and sureties given[6]	—	—	566	566	—	—	613	613
Guarantees and sureties received	8	—	5	13	5	—	—	5
Commitments assumed [7]	78	—	62	140	35	—	1	36
Dividends and other profits distributed [8]	3	—	—	3	47	—	—	47
Other operations [9]	5	—	822	827	17	—	123	140

Closing balances

€ Million	06/30/2020				06/30/2019			
CLOSING BALANCES	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total	Significant shareholders	Directors and executives [1]	People, companies or entities within the Group	Total
Customers and trade receivables	1	—	87	88	2	—	179	181
Loans and credits granted	—	—	934	934	—	—	1,036	1,036
Other receivables	—	—	90	90	—	—	—	—
TOTAL RECEIVABLES BALANCES	**1**	**—**	**1,111**	**1,112**	**2**	**—**	**1,215**	**1,217**
Suppliers and trade payables	8	—	181	189	18	—	196	214
Loans and credits received	—	—	3,977	3,977	—	—	3,668	3,668
Other payment obligations [10]	55	—	1	56	62	—	3	65
TOTAL PAYABLE BALANCES	**63**	**—**	**4,159**	**4,222**	**80**	**—**	**3,867**	**3,947**

NOTE: In 2020 the tables for Expenses and Income and Other transactions include transactions with the Temasek group up until April 16 (date of sale of the entire interest).

(1) Includes any transactions performed with executives and directors not included in the following section "*Remuneration to members of the Board of Directors and executives*", which correspond to the outstanding balance at the reporting date of the loans granted to members of senior management and the corresponding accrued interest, as well as dividends and other remuneration received as a result of holding shares of the Company.

(2) The column headed *"People, companies or entities within the Group"* primarily includes products purchased with Repsol Sinopec Brasil (RSB) and from BPRY Caribbean Ventures LLC (BPRY).

(3) In 2020 and 2019 *"People, companies or entities within the Group"* includes mainly sales of products to Iberian Lube Base Oil, S.A. (ILBOC) and Dynasol Group for €78 million and €28 million euros in 2020 and €122 million and €44 million in 2019, respectively.

(4) Includes mainly loans and credit facilities granted to Group companies by companies accounted for using the equity method.

(5) Mainly reflects loans and drawings on credit facilities within the period and capital contributions to Group companies accounted for using the equity method.

(6) Includes primarily guarantees granted to joint ventures in the United Kingdom, issued in the ordinary course of business to cover obligations to dismantle offshore platforms in the North Sea.

(7) Corresponds to purchase, investment or expense commitments acquired in the period.

(8) The amounts shown as dividends and other benefits distributed include the corresponding amounts for the sale to Repsol, at the guaranteed fixed price, of the bonus share rights derived from the bonus share capital increase finalized in January 2020, in the framework of the "Repsol Flexible Dividend" remuneration program (see Note 4.1.4).

(9) In 2020 and 2019 *"People, companies or entities within the Group"* includes mainly the cancellations of guarantees provided to joint ventures in the UK and financing agreements. Under this heading, the amounts of any decrease in assets and liabilities are reflected as an absolute value.

(10) In 2020 and 2019 *"Significant Shareholders"* includes the amounts corresponding to the sale to Repsol, at the guaranteed fixed price, of the bonus share rights arising from bonus capital increase closed in July 2020 and 2019, respectively. The rights are recorded as accounts payable.

Remuneration of the members of the Board of Directors and executives [12]

The information in this section is provided by way of an update on the contents of Notes 29 and 30 to the consolidated financial statements for 2019.

During the first half of 2020, a total of 15 people sat on the Board of Directors and 9 people on the Executive Committee.

The table below details the remunerations accrued during the first half of 2020 by the people who, at some point during the six-month period and during the time they occupied such positions, were members of the Board of Directors, and by the people who, similarly for the same period and with the same criterion, were members of the Executive Committee.

	€ Thousand	
Directors	**1H 2020**	**1H 2019**
Remuneration for membership of the Board and/or Board committees	3,468	3,505
Wages	600	1,091
Variable remuneration in cash	891	1,719
Share-based remuneration systems	104	203
Compensation	—	—
Long-term savings systems (1)	127	225
Other items (2)	111	342
Total remunerations received by the Directors	**5,301**	**7,085**
Total remunerations received by the Executive personnel (3)(4)	**6,018**	**6,154**

(1) Corresponds to the contributions to pension plans, long-service bonuses and savings plans for executive personnel.
(2) Includes the accrued cost of the retirement, disability, and life insurance policies for Board of Directors members, including the corresponding tax payments on account in the amount of €11 thousand (€179 thousand in 2019).
(3) Includes the contributions to the pension plans, contributions to savings plans and life and accident insurance premiums (including in the latter instance the corresponding payments on account) totaled €666 thousand (€712 thousand in 2019).
(4) Excludes executives who are also directors of Repsol, S.A., who are instead included in the remuneration paid to directors.

Share Purchase Program aimed at Beneficiaries of the Long-Term Incentive Programs and Plans for Share Acquisition and Share Purchases for Employees.

i.) "Share purchase program for beneficiaries of Long-term Incentive Programs"

A total of 238 employees and executive personnel have been included in the tenth cycle of the 2020-2023 Plan, acquiring a total of 325,794 shares on May 29, 2020, at an average price of €8.4935 per share. Additionally, shares delivered to the Executive Directors as a partial payment of the 2016-2019 Incentive Program, which amounted to 14,743 shares, have been included in the calculation of the expected investment in this current Share Acquisition Plan by the Beneficiaries of the Long-term Incentive Programs. Therefore, the total amount of shares under this Plan amounted to 340,537 shares. Thus, the maximum share delivery commitment corresponding to this tenth cycle by the Group with employees who meet the requirements of the Plan after the three years in which it remains in force, comes to 113,512 shares.

As part of the tenth cycle, the current members of the Executive Committee, have acquired a total of 135.532 shares.

In addition, the seventh cycle of the Plan vested on May 31, 2020. As a result, 133 beneficiaries of this cycle vested rights to a total of 39,780 shares (receiving a total of 30,025 shares after deducting the payment of income tax on account to be paid by the Company). The members of the Executive committee, together with the other Executive Directors, vested rights to 16,536 shares (after deducting the payment of income tax on account to be paid by the Company, they received a total of 11,464 shares).

ii.) *"Share Acquisition Plan"*

During the first half of 2020, the Group purchased 666,886 treasury shares for €6,131,553, which were delivered to employees. The members of the Executive Committee acquired a total of 5,216 shares in accordance with the plan terms and conditions during the first-half of the year.

[12] For reporting purposes in this section, Repsol considers "key management personnel" to be the members of the Executive Committee. The above definition of "key management personnel", made purely for reporting purposes, neither substitutes nor comprises a benchmark for interpreting other senior management pay concepts applicable to the Company under prevailing legislation (e.g. Royal Decree 1382/1985), nor does it have the effect of creating, recognizing, amending or extinguishing any existing legal or contractual rights or obligations.

iii.) *"Global Share Purchase Plan to reward employees: TU REPSOL"*

In the first half of 2020, a total of 4,158 Group employees purchased 355.379 shares at an average price of 8,5806 euro per share. Thus, the maximum commitment to deliver shares to employees who, after the two years corresponding to the vesting period, have satisfied the requirements of the Plan, comes to 177.689 shares.

The current members of the Executive Committee, and the other Executive Directors, participate in the Plan with a total of 696 shares.

The shares to be delivered in plans i), ii) and iii) may be taken from Repsol's direct or indirect treasury shares, newly issued shares or via third parties with whom agreements are entered into to ensure the satisfaction of commitments assumed.

Average headcount

The average headcount at June 30, 2020 and 2019 can be seen below:

	06/30/2020	06/30/2019
Men	15,190	15,413
Women	9,077	9,171
Average headcount	**24,267**	**24,584**

APPENDIX III. RECONCILIATION OF REPSOL´S REPORTING MODEL FIGURES TO IFRS-EU

The reconciliation of adjusted net income/(loss) to IFRS-EU net income/(loss) for the first half of 2020 and 2019 is as follows:

	First half											
			ADJUSTMENTS									
	Adjusted income		Reclassification of joint ventures		Special items		Inventory effect [2]		Total adjustments		IFRS-EU income	
€ Million	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**	**2020**	**2019**
Operating net income	494[1]	2,002[1]	843	(478)	(1,500)	18	(1,507)	90	(2,164)	(370)	(1,670)	1,632
Financial result	(136)	(228)	22	68	(51)	(9)	—	—	(29)	59	(165)	(169)
Net income from companies accounted for using the equity method - net of tax	7	17	(986)	220	1	—	—	—	(985)	220	(978)	237
Income before tax	**365**	**1,791**	**(121)**	**(190)**	**(1,550)**	**9**	**(1,507)**	**90**	**(3,178)**	**(91)**	**(2,813)**	**1,700**
Income tax	(172)	(668)	121	190	(36)	(54)	383	(23)	468	113	296	(555)
Net income	**193**	**1,123**	—	—	**(1,586)**	**(45)**	**(1,124)**	**67**	**(2,710)**	**22**	**(2,517)**	**1,145**
Profit attributable to non-controlling interests	(4)	(8)	—	—	1	—	36	(4)	37	(4)	33	(12)
Net income attributable to the parent	**189**	**1,115**	—	—	**(1,585)**	**(45)**	**(1,088)**	**63**	**(2,673)**	**18**	**(2,484)**	**1,133**

[1] Profit from continuing operations at current cost of supply (CCS).
[2] The inventory effect represents an adjustment to "*Procurement*" and "*Changes in inventory of finished goods*" on the IFRS-EU income statement.

Revenue from ordinary activities by segments between customer and inter-segment revenue is displayed below:

	€ Million					
	Customers		Inter-segment		Total	
Segments	**06/30/2020**	**06/30/2019**	**06/30/2020**	**06/30/2019**	**06/30/2020**	**06/30/2019**
Upstream	1,520	2,527	630	987	2,150	3,514
Industrial	8,164	12,169	4,639	7,608	12,803	19,777
Commercial and Renewables	7,828	11,605	38	72	7,866	11,677
Corporate	1	—	—	—	1	—
(-) Adjustments and eliminations of operating income between segments	—	—	(5,307)	(8,667)	(5,307)	(8,667)
TOTAL	**17,513**	**26,301**	—	—	**17,513**	**26,301**

The reconciliation of other figures shown in Note 3 to those in IFRS-EU during the first six months of 2020 and 2019 is as follows:

	€ Million	
	06/30/2020	**06/30/2019**
Revenue from ordinary activities [1]	**17,513**	**26,301**
Adjustments		
Upstream	(639)	(1,112)
Industrial	(129)	(167)
Commercial and Renewables	(82)	(91)
Revenue from ordinary activities IFRS-EU (2)	**16,663**	**24,933**
Operating net income [1]	**494**	**2,002**
Adjustments		
Upstream	(593)	(389)
Industrial	(1,509)	75
Commercial and Renewables	(43)	(37)
Corporate	(19)	(19)
Operating net income IFRS-EU	**(1,670)**	**1,632**
Capital employed, continuing operations [1]	**30,966**	**38,391**
Adjustments		
Upstream	2,728	2,275
Industrial	20	48
Commercial and Renewables	14	14
Capital employed	**33,728**	**40,728**

(1) Figures drawn up according to the Group's reporting model described in Note 2.4 "*Information by business segment*".
(2) Corresponds to the sum of "*Sales*" and "*Income from services rendered and other income*" in the income statement (IFRS-EU).

REPSOL S.A.

2020 Interim Management Report First Half

Translation of a report originally issued in Spanish.
In the event of a discrepancy, the Spanish language version prevails

ABOUT THIS REPORT

The **Interim Management Report** of the Repsol Group[1] must be read together with the 2019 Consolidated Management Report[2]. In conjunction with this report, Repsol publishes condensed interim consolidated financial statements[3] for the first half of 2020 (hereinafter, "interim financial statements for the first half of 2020"). The Board of Directors of Repsol, S.A. approved both reports at its meeting of July 22, 2020.

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 the way in which results are analyzed for decision-making purposes are adequately reflected in this report.

Given the nature of its business and in order 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 current cost of supply (CCS) earnings, the cost of volumes sold is calculated on the basis of procurement and production costs incurred during the period in question and not based on 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 included in Appendix I — Alternative Performance Measures of the 2019 Management Report and are updated with the quarterly information available on the Repsol website (www.repsol.com).

Repsol has updated the **definitions of its operating and reporting segments** to bring them in line with the new strategic vision of the businesses. The following three business segments are therefore envisioned from 2020 onward: *Upstream*, *Industrial* and *Commercial and Renewables*. For more information, see section 2.3. The financial information presented for the first half of 2020 already reflects this new business and reporting structure. Information for the previous year has also been restated so as to provide more reliable monitoring and comparability of the information disclosed.

The **non-financial information** corresponding to sustainability indicators contained in this document was calculated according to corporate rules that specify the criteria and common methods to be applied to each topic.

[1] In this report, the names "Repsol," "Repsol Group" or "the Company" are used interchangeably to refer to the business group consisting of Repsol, S.A. and its subsidiaries, associates and joint arrangements.
[2] This Interim Management Report has been prepared solely for the purpose of updating the consolidated Management Report for 2019.
[3] The interim financial statements for the first half of the year have been subject to a limited independent review by the Group's auditor.

CONTENTS

1. SUMMARY OF MAIN EVENTS - FIRST HALF 2020

AN ENVIRONMENT MARRED BY THE COVID-19 CRISIS

The economic **environment**, largely shaped by the COVID-19 pandemic, has been exceptionally tough for the operations and Repsol's businesses. The social and economic impact of the pandemic significantly hurt demand for hydrocarbons and caused a sharp drop in oil and gas prices.

In this extremely challenging environment, Repsol has focused on its role as a supplier of essential and strategic products and services for society

Even in these extraordinary times, Repsol proved able to continue to operate and ensure the supply of essential energy products and services to society, while safeguarding the health and safety of its employees, clients and suppliers.

Moreover, Repsol has taken steps to protect cash flow generation and strengthen the balance sheet, thus enabling it to reduce its net debt over the period, despite the harshly adverse economic impact of the COVID-19 crisis on the profitability of its businesses.

In this context, the launch of the 2021-2025 Strategic Plan has been postponed until November 2020.

For more information, see sections 2.1. Impact of COVID-19 and 3. Environment.

2020 RESILIENCE PLAN

In the wake of the crisis triggered by the pandemic, Repsol reacted swiftly by creating and implementing a Resilience Plan that assures continuity of operations, financial robustness and the Company's investment-grade credit rating. The Plan envisions reductions of more than 350 million euros in operating expenses and more than 1,000 million euros in investments, along with optimizations of around 800 million euros in working capital, compared with the metrics in our initial budget.

The Plan maintains the Company's existing shareholder remuneration commitments for 2020 under the current Strategic Plan. Also, reaffirms its pledge to lead the energy transition, in line with the objectives of the climate change.

In line with the Plan, the Annual General Meeting held in May ratified the committed shareholder remuneration, the Company continued with its investments in renewable energies and in projects aligned with the energy transition, and the businesses and corporate areas achieved savings in operating costs and investments during the period that were even higher than those envisioned. Accordingly, the Company is confident of achieving reductions of 450 million and of more than 1,100 million euros, respectively, over the entire year.

For more information, see sections 2.2 2020 Resilience Plan and 7.2 Outlook by business.

PERFORMANCE AND FINANCIAL POSITION

The **prevailing** global economic recession, the fall in oil and gas prices, the dramatic decline in demand for products and the increased cost of operating safely amid the pandemic have all shaped the financial performance of our businesses.

Negative net income due to the COVID-19 crisis

RESULTS FOR THE PERIOD *(Millions of euros)*	1H 2020	1H 2019	Δ%
Upstream	(51)	646	-
Industrial	296	448	(-34%)
Commercial and Renewables	163	265	(-38%)
Corporate and others	(219)	(244)	10%
Adjusted net income	**189**	**1,115**	**(-83%)**
Inventory effect	(1,088)	63	-
Special items	(1,585)	(45)	-
Net income	**(2,484)**	**1,133**	**-**

Upstream results (-51 million euros) were hit by the dramatic decline in hydrocarbon prices, which has led to decreased production from some assets. Results at the **Industrial** segment (296 million euros) were a product of muted activity at refining and chemicals amid slumping demand and a gradual tightening of margins during the period. The results of the **Commercial and Renewables** segment (163 million euros) were affected by falling sales -especially at service stations and in aviation- due to the mobility restrictions put in place to combat COVID-19. At **Corporate**, results saw an improvement following a reduction in finance costs and corporate overheads, in line with the objectives set out in the Resilience Plan.

As a result, **adjusted net income**, which shows ordinary earnings obtained from managing the businesses, amounted to 189 million euros, 83% down on the same period last year. The Company's integrated business model, together with its flexibility and the resilience of its assets, was vital in enabling its businesses to achieve this positive result in such an adverse environment.

The prevailing volatility and the heavy decline in the prices of commodities and international products had an extraordinary adverse impact on Repsol inventories, giving an **inventory effect** of -1,088 million euros, versus 63 million euros in the first half of 2019.

Meanwhile, **special items** (-1,585 million euros) relate to the extraordinary accounting write-downs of Upstream assets due to the updating of assumptions on future oil and gas prices as a result of the COVID-19 crisis.

On balance, **net income** at the Group was negative (-2,484 million euros), versus 1,133 million euros earned in the first half of 2019. *For more information, see section 4.1 Results.*

Despite the reduction in EBITDA due to the impact of COVID-19, **cash flow from operations** in the first half amounted to 864 million euros, while **free cash flow** came to 172 million euros. F*or more information, see section 4.2 Cash flows.*

The measures put in place under the Resilience Plan to protect the balance sheet have been successful in reducing **net debt**[1] to 3,987 million euros, with a leverage ratio of 14.7%. The Group strengthened its **financial position** by issuing senior Eurobonds in the period (EUR 1.5 billion) and perpetual subordinated bonds (a further EUR 1.5 billion), while also extending its committed and undrawn credit facilities by a further 1,602 million euros. Group **liquidity** at the end of the period came to 9,762 million euros (including undrawn credit facilities).

€233 M
Reduction in Net Debt[1] vs Dec-19

During the period, rating agencies Standard & Poor's, Moody's and Fitch all confirmed Repsol's **investment grade**. *For more information, see section 4.3 Financial position.*

Shareholder remuneration in the first half of the year was equivalent to 0.424 euros per share[2] under the "Repsol Flexible Dividend" program, which replaces the interim dividend for 2019. Furthermore, and as a result of the resolutions carried at the Annual General Meeting held in May, shareholders received additional remuneration in July equivalent to 0.492 euros per share under the same scrip dividend program and in lieu of the customary final dividend for 2019. With the aim of offsetting the resulting dilutive effect, the General Meeting resolved to reduce capital through redemption of treasury shares, up to a maximum amount equivalent to the number of shares issued under the scrip dividend completed in 2020. *For more information, see section 4.4 Shareholder remuneration.*

[1] Net debt without leases, which amounted to 4,220 million euros at year-end 2019.
[2] As per Repsol's commitment to purchase from shareholders their right to receive free shares under the scrip dividend (see section 4.4.).

BUSINESS ACTIVITIES

At **Upstream**, against a backdrop of low crude oil and gas prices, the unit has prioritized value generation over production volume, in the form of cost reduction plans and by redefining asset operation plans in a bid to reduce the cash break-even. To help achieve this, facilities have been temporarily shut down in Canada, the United States and Colombia and pursued profitable growth, with highlights including the successful exploratory campaign with discoveries in Alaska, Gulf of Mexico and Colombia, the start-up of new development wells in Marcellus, Norway, Eagle Ford, Russia and Trinidad and Tobago, as well as new acreage obtained in Indonesia, Norway and Russia. *For more information, see section 5.1. Upstream*.

Successful exploratory campaign

At the **Industrial** segment, against the background of a deep and sharp reduction in demand, production, logistics and commercial patterns were adjusted to keep utilization levels above international averages. This effort did not blur our focus on innovation and digitalization. We launched new projects in line with the Group's strategy of decarbonization and the circular economy, and took steps to enhance energy efficiency, environmental impact and operational reliability. *For more information, see section 5.2. Industrial.*

Operations continue despite the testing conditions

At **Commercial and Renewables**, the mobility restrictions had a negative impact on demand for oil products and, more specifically, fuel. Nonetheless, Repsol kept up operation of its service stations. Over the first half, we continued to drive our client-centric multi-energy supply model by developing our Electricity and Gas businesses (1.07 million customers), launching a new 100% renewable self-consumption service ("Solmatch"), making further progress on renewable projects (acquisition of Delta 2 in Aragón and start of construction on Kappa in Ciudad Real and on Valdesolar in Badajoz). *For more information, see section 5.3. Commercial and Renewables.*

Enhanced range of multi-energy products and services

GOVERNANCE AND SUSTAINABILITY

The Company has made further progress toward the **Global Sustainability Plan** and released its first SDG 2019 report, which presents Repsol's contribution toward the 2030 Agenda of the United Nations and its sustainable development goals. As we witness the energy transition toward a future of low emissions to mitigate the effects of **climate change**, the Company remains firmly committed to reducing its Carbon Intensity Score by 3% in 2020 when compared with 2016. Meanwhile, improvement actions have been put in place at the Company's facilities, generating an effective reduction in CO_2 of 279 thousand tons over the first six months of the year. The Company has also delivered on its pledge to invest 500 million euros through the Green Bond issued in 2017 to support projects aimed at cutting greenhouse gas emissions.

Moving to the **personnel accident rate**, the Total Frequency Rate (TFR) has fallen when compared with annual figures for 2019, while the number of Tier 1 + Tier 2 process safety incidents (PSIR) has risen following an increase in incidents classified as Tier 2 in relation to non-conventional Upstream activity. In the context of COVID-19, numerous measures have been implemented to safeguard the **health and safety** of employees, without this affecting the Company's operations or the service offered.

Repsol has sought at all times to protect the **jobs of its workers**, especially in the wake of the COVID-19 health crisis.

Committed to protecting jobs

For more information, see Section 6 Sustainability.

Repsol is acutely aware of the impact that the health and social crisis resulting from COVID-19 has had on the **communities in which it operates**. It has therefore undertaken various actions and initiatives to mitigate the effects, such as adapting existing equipment and shifting its competition lubricant laboratory toward the production and free supply of much-needed hydroalcoholic gel for disinfecting hospitals and health workers. It has also made donations to institutions such as the Red Cross to aid the delivery of basic necessities and to provide housing for people at risk, support for low-income families, psychological assistance and telephone social support and guidance for people forced to cope with loneliness.

MAIN FIGURES AND INDICATORS

Financial indicators [1] [2]	1H 2020	1H 2019
Results		
EBITDA	589	3,712
Results from operations	494	2,002
Adjusted net income	189	1,115
Net income	(2,484)	1,133
Earnings per share (€/share)	(1.63)	0.68
ROACE (%)	(8.4)	3.8
ROACE with leases (%)	(7.3)	3.5
Investments	1,113	1,468
Cash and liquidity		
Cash flows from operations	864	2,530
Free cash flow	172	1,093
Cash generated	(359)	(124)
Liquidity	9,762	7,832
Debt and available capital		
Net Debt (ND)	3,987	3,662
Net Debt (ND) (with leases)	8,026	7,464
Capital employed	27,076	34,697
Capital employed (with leases)	30,966	38,391
ND / Capital employed (%)	14.7%	10.6%
ND / Capital employed with leases (%)	25.9%	19.4%
Shareholder remuneration		
Shareholder remuneration (€/share)	0.424	0.411

Sustainability indicators [3]	1H 2020	1H 2019
People		
Number of employees	24,373	25,228
New employees	664	3,800
Safety and the environment		
Process safety indicator rate (PSIR) [4]	0.82	0.55
Total recordable incident rate (TRIR) [4]	0.99	1.24
Reduction in CO_2 emissions (Mt)	0.279	0.171

Macroeconomic context	1H 2020	1H 2019
Average Brent price ($/bbl)	40.1	66.0
Average WTI price ($/bbl)	36.8	57.4
Average Henry Hub price ($/MBtu)	1.8	2.9
Electricity Pool - OMIE [5] (€/MWh)	29.0	51.8
Average exchange rate (€/$)	1.10	1.13
CO_2 (€/Tn)	21.7	24.0

Our businesses performance [1]	1H 2020	1H 2019
Upstream		
Net daily liquids production (kbbl/d)	229	251
Net daily gas production (kboe/d)	446	446
Net daily hydrocarbon production (kboe/d)	675	697
Average crude oil price ($/bbl)	35.8	59.6
Average gas price ($/kscf)	2.2	3.2
EBITDA	988	2,213
Adjusted net income	(51)	646
Cash flows from operations	684	1,605
Investments	603	961
Industrial		
Refining capacity (kbbl/d)	1,013	1,013
Crude oil processed	18.5	22.1
Conversion utilization Spanish refining (%)	91.4	102
Distillation utilization Spanish refining (%)	76.1	89.3
Refining margin indicator in Spain ($/Bbl)	3.9	4.4
Sales of petrochemical products (kt)	1,297	1,458
EBITDA	(670)	1,075
Adjusted net income	296	448
Cash flow from operations	90	723
Investments	227	306
Commercial and Renewables		
Service stations (number)	4,955	4,875
Own marketing sales	8,936	11,867
LPG sales (kt)	601	699
Installed capacity - low emissions (MW)	2,952	2,952
Electricity production (GWh)	2,293	2,186
EBITDA	360	502
Adjusted net income	163	265
Cash flow from operations	125	370
Investments	259	176
Sales of oil products (kt)	20,857	24,251

Stock market indicators	1H 2020	1H 2019
Share price at period-end (€/share)	7.79	13.79
Average share price (€/share)	9.79	14.81
Market capitalization at period-end (€ million)	12,193	21,489

(1) Where applicable, figures shown in million euros.
(2) More information in section 4 and Appendix I — *Alternative Performance Measures*.
(3) Figures and indicators calculated in accordance with the Group's management policies and guidelines. For more information, see section 6 of the 2019 Integrated Management Report.
(4) The figure for 2019 is at year-end.
(5) Iberian Energy Market Operator.

2. OUR COMPANY

2.1 IMPACT OF 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 international pandemic status. COVID-19 spread rapidly to many countries and is remains a threat today. The sheer scale and speed of the events across the globe has sparked an unprecedented health, social and economic crisis.

Even in these difficult times, 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.

In this context, COVID-19 has had a significant impact on several of the material risks[1] to our businesses:

- *Fluctuations in the reference price of hydrocarbons, derivative products and other commodities:*

  The economic impact of the COVID-19 pandemic, combined with other pre-existing complications on the supply and demand side, has resulted in an exceptionally challenging price environment. We have witnessed a dramatic decline in global consumption of oil, gas and other energy products as a result of the measures put in place around the world in a bid to halt the spread of the pandemic. Meanwhile, in early March 2020, OPEC+ members failed to reach an agreement to make further cuts in oil production to counteract the decline in demand. These events led to the largest collapse in oil prices in decades, which fell below \$20/bbl by the end of March. We even witnessed negative prices for WTI [2] on 20 April, reaching -\$37.63/bbl. In the first half, Brent averaged \$40.1/bbl (down 39% on the first half of 2019). As for gas prices, the impact of COVID-19 has pushed down demand for gas in North America and for LNG in China, which has led to an increase in inventories of stored gas and from February onward gas prices converged within a very narrow range of below \$2/MMBtu. *For more information, see section 3.2 Energy landscape and 7.1 General outlook*.

- *Drop in demand for our products*

  Demand for oil products in the first half of the year, and especially in the second quarter, saw a significant downturn in response to the decline in economic activity stemming from COVID-19, particularly as a result of the mobility restrictions put in place to stem the spread of the pandemic.

We have therefore seen a significant impact on the activity and profitability of our businesses.

- *Upstream:*

  The results and activities of Upstream have been heavily affected by the weak demand caused by the price environment for crude oil and gas (see section 4). To mitigate the negative impacts, we have throttled our business accordingly, prompting the segment to lower investment and adjusted operations to protect profitability and asset value.

  - The change in investment activity during the period has led to: (i) slower development work at *Akacías* in Colombia; (ii) start-up of YME in Norway put back to 2021; and (iii) minimal drilling activity at non-conventional sides in North America.

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[1] The information relating to the Group's main risks is set out in this section, which should be read in conjunction with Appendix II of the 2019 Management Report. Additionally, the information contained in this section is updated and complemented with the information provided in Note 5.1 —*Disputes*, Note 5.2 — *Administrative tax proceedings* and Note 5.3 — *Geopolitical risks* to the interim financial statements for the first half of 2020. The risks described in the 2019 Management Report and updated in this section are subject to change not only in the current financial year but also in future years. However, it is expected that these risks and uncertainties will persist throughout the second half of 2020.

[2] WTI futures with delivery in May 2020.

- Production has fallen by just over 22 kboe/d as a result of (i) shrinking demand for gas (Algeria, Venezuela, Bolivia, Peru and Indonesia); (ii) temporary closures due to low prices to preserve the value of certain assets (Colombia, Canada and the US Gulf of Mexico); and (iii) production cuts in certain countries (Algeria and Norway).

- *Industrial businesses:*

At Refining, the drop in global demand has prompted the temporary shut-down of refineries across the globe, including Europe. Repsol's refining system has managed to maintain reasonable levels of activity by balancing production, sales and storage capacity, despite a certain throttling of refinery use.

At Chemicals, the gradual recovery of the Chinese economy has been countered by the effective closure of other major markets. Margins have been solid and demand has remained at reasonable levels. The increased reliance on propylene oxide and styrene units was somewhat successful in compensating for the lack of any real market for polyols and polyurethanes destined for the automotive sector.

This price environment has also had a negative impact on the value of inventories, the effect of which is shown in the inventory effect.

- *Commercial businesses*:

Shrinking demand for fuel in the wake of the mobility restrictions and the general decline in economic activity has had a significant impact, especially at our network of service stations and aviation supplies.

In Spain, we witnessed an 85% reduction in demand for fuel at service stations at the height of the containment measures, before recovering to end the period at still 25% below the levels of demand seen in 2019. Demand for kerosene plummeted in the first six months due to lower domestic consumption and the absence of an international market for this product. Meanwhile, the confinement has pushed up demand for heating oil and LPG for domestic use due to increased consumption while people remained at home.

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 restrictions 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.

2.2 2020 RESILIENCE PLAN

On March 25, Repsol's Board of Directors assessed the context and the evolution of the current economic situation, particularly the global impact of COVID-19, the downturn in oil and gas market prices and their impact on the Company's business and activities. This prompted the Company to make the following decisions:

Reduced operating costs and investment

- Guaranteeing the health and safety of its employees, clients and suppliers in their dealings with the Company, as well as continuing with its operations, maintaining the supply of essential energy products and services to society, both critical to sustain key services at the present time.

- Deploying a 2020 Resilience Plan in response to the hugely demanding macroeconomic environment expected for the rest of the year: factoring in an average price of Brent crude of $35/Bbl for the period April to December, and Henry Hub price of $1.8/MBtu.

  The Resilience Plan also envisions a number of initiatives that imply additional reductions of more than 350 million euros in operating expenses and more than 1 billion euros in investments, along with optimizations of around 800 million euros in working capital, compared with the metrics in our initial budget.

  The Company's financial objective will be to preserve the robustness of its balance sheet and its investment grade and, despite the current context, avoid any further increase in debt in 2020 with respect to the figure reported at the end of 2019.

- The Company will maintain its shareholder remuneration commitments in 2020 (charged to 2019 earnings) under the current Strategic Plan (see section 4.4) and it also plans to effect a capital reduction by redeeming treasury shares so as to counter the dilutive effect of its scrip dividend issues. Meanwhile, and in response to the current market situation and the COVID-19 crisis, the Board of Directors decided not to include on the agenda of the Annual General Meeting held on May 8 a further reduction of 5% of the Company's share capital at December 31, 2018, as initially agreed upon in July 2019.

- Repsol has reaffirmed its commitment to lead the energy transition, in line with the objectives of the Paris objectives and the United Nations´ Sustainable Development Goals, maintaining its objective of reducing the Carbon Intensity Index by 3% in 2020 compared to 2016, while significantly increasing renewable generation capacity and reducing CO_2 emissions across all businesses.

Given the extraordinary levels of volatility and market uncertainty, Repsol has decided to postpone the presentation of its 2021-2025 Strategic Plan until November 2020.

During the first half of the year, the Company aligned its actions with the objectives set out in the Resilience Plan, as evidenced by the following:

- We guaranteed the continuing supply of our products and services, while keeping our operations safe. In Spain, for instance, our service stations, direct fuel sales and LPG distribution networks remained operational even at the peak of the lock-down and production continued at our refining and chemical industrial complexes.

- We achieved savings in operating costs and investment over and above the level expected, prompting us to review our annual targets and now estimate that the reductions could reach 450 million euros in operating costs and over 1,100 million euros in investment.

- The main rating agencies all upheld Repsol's investment grade, which has made its balance sheet stronger by enhancing its equity (issue of 1.5 billion euros of perpetual subordinated bonds), reducing its net debt and increasing its liquidity.

- Committed levels of shareholder remuneration in 2020 have been honored through the payment, in January and July, of 0.424 and 0.492 euros per share, under the scrip dividend program to replace the traditional dividend charged to 2019 earnings.

For more information, see section 7.2 Outlook by business.

2.3 OPERATING AND REPORTING SEGMENTS

New definition for the operating and reporting segments

Repsol has revised the definition of its operating and reporting segments, attending both to our commitment to become CO_2 emissions neutral by 2050 and to our renewed strategic vision for the business divisions. In particular, the Company will enhance its commercial businesses with a new multi energy and customer centric approach, as well as the development of new low carbon electricity generation businesses, from which a new business segment was created under the "Commercial and Renewables" nomenclature. Consequently, Repsol's operating and reporting segments will be defined as follows:

- Upstream: corresponding to exploration, development and production of crude oil and natural gas reserves;
- Industrial: corresponding, mainly, to the following activities: (i) refining; (ii) petrochemistry; (iii) trading and transportation of crude oil and oil products; (iii) commercialization, transportation and regasification of natural gas and liquefied natural gas (LNG);
- Commercial and Renewables: corresponding, mainly, to the following businesses: (i) low-carbon electricity generation and renewable sources; (ii) gas and electricity 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.

2.4 CORPORATE GOVERNANCE

On May 8, Repsol held its Annual General Meeting remotely, without the physical attendance of shareholders, their proxies or guests. The 2020 Annual General Meeting was an absolute necessity for the Company to carry on its business normally and accomplish its objectives, in the interests of all its shareholders and other stakeholders. Even so, Repsol's Board of Directors made every effort to ensure strict compliance with the state of the alarm announced by the Spanish government, with the overriding priority being to protect the health of everyone involved in organizing and staging the meeting.

3. ENVIRONMENT

3.1 MACROECONOMIC ENVIRONMENT

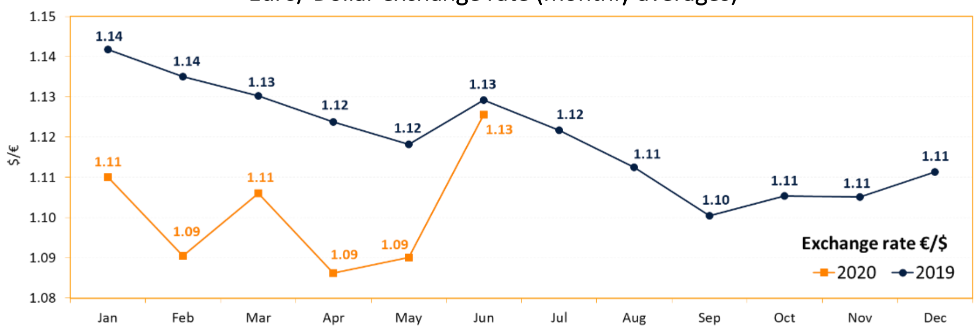
-4.9%
Forecast global growth in 2020

In 2020, the **global economy** has faced a massive scare in the form of the COVID-19 pandemic, forcing the authorities to resort to confinement measures to protect public health. The sheer scale and speed of the collapse in economic activity seen between mid-March and the end of April across many countries has been unprecedented. It is estimated that most countries will have seen a slump in economic activity of between 20% and 30% during the confinement, and in some sectors the impact has been even greater.

According to the latest forecasts of the International Monetary Fund (IMF, World Economic Outlook June 2020), the world economy will shrink considerably in 2020 (-4.9%), after gaining 2.9% in 2019. Yet there is much uncertainty surrounding these forecasts. For instance, 75% of countries have been reopening their economies in late June and in most countries economic activity is recovering faster than expected, and financial conditions are now relaxing in response to the rapid change in monetary policy. Yet at the same time the pandemic is intensifying in other countries and the risk of further outbreaks and renewed financial tensions will persist for as long as there is no treatment or vaccine.

Given this widespread uncertainty and huge demand for liquidity, the **dollar strengthened** in early 2020 to reach 1.078 euros/dollar at the start of April. However, since then the reduction in risk aversion has made interest rate spreads and fundamentals more relevant in shaping the exchange rate. Since the FED has more room to implement further stimulus measures than the ECB, and because financing needs are greater in the United States due to its high fiscal and external deficit, the dollar has retreated and the exchange rate has now stabilized within the range of 1.12-1.13 euros/dollar.

Euro/ Dollar exchange rate (monthly averages)



Source: Bloomberg and Repsol´s Division of Business Studies & Analysis

3.2 ENERGY LANDSCAPE

Brent crude

40.1 $/bbl
Average Brent price in 1H

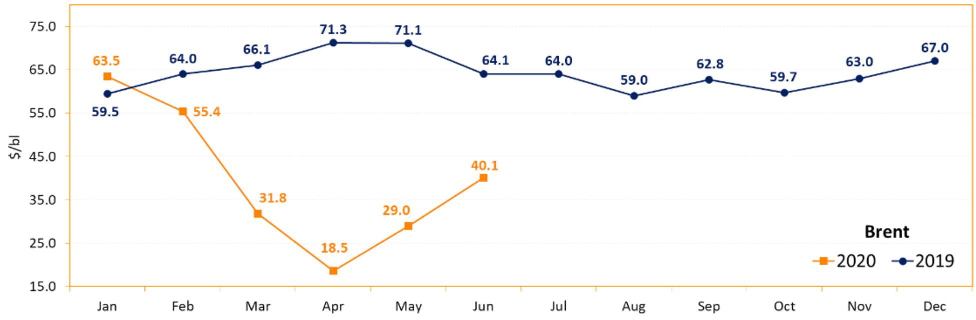
Brent crude averaged $40.1/bbl in the first half of 2020. Brent crude began the year at around $68/bbl, before dropping to below $20/bbl in April and then recovering to around $40/bbl by the end of June.

Crude oil prices have been heavily affected by the pandemic. The COVID-19 crisis has caused an unprecedented contraction in oil consumption. The drastic measures rolled out by governments to control the spread of the virus by limiting social interaction, imposing significant mobility restrictions and closing borders and non-essential sectors, have directly impacted the consumption of oil products. The estimated contraction in global oil consumption for the second quarter of 2020 is around 20 million bbl/d, bringing demand back to the levels reported in 2002-2003.

On the supply side, the response has fallen short of the mark in rebalancing the market, despite the actions undertaken by both OPEC and non-OPEC countries. OPEC+ has agreed on the largest and longest production cut in its history, while in the rest of the countries we have witnessed the natural dynamic whereby falling prices have triggered a decline in investment and consequently a fall in production; the main difference being that in the current climate this dynamic has been a more rapid affair than on previous occasions.

As a result, the balance in the first half of 2020 has been one of oversupply, with an unprecedented build-up of inventories that has forced prices down.

Average Brent price over time



Source: Bloomberg and Repsol´s Division of Business Studies & Analysis.

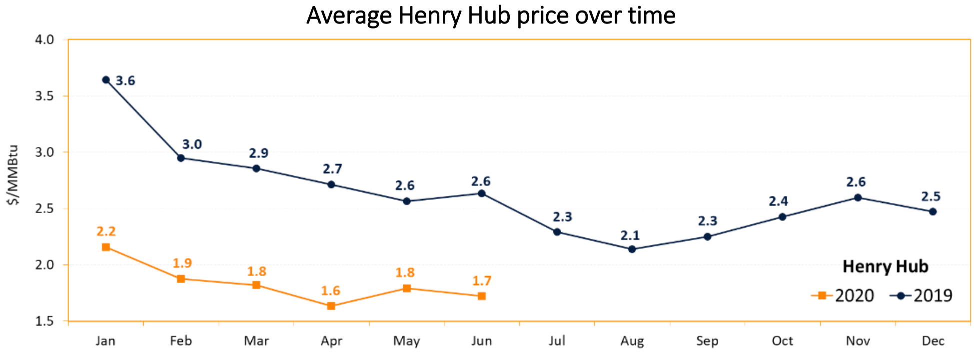
Natural Gas - Henry Hub

The price of U.S. Henry Hub natural gas averaged $1.8/MBtu in the first half of 2020, trading 40% below the same period in 2019. Persistently high production levels and mild winter temperatures continued to apply pressure on gas prices during the early months of the year. This situation was then aggravated by the emergence of COVID-19 and the containment measures put in place to stop it from spreading, which have dampened demand and caused an even greater reduction in prices. Turning to U.S. exports of liquefied natural gas, loads have been cancelled in the wake of the pandemic, which has placed further pressure on prices. Coupled with low Henry Hub prices, production has also been affected, showing a 4% year-on-year drop through to April when compared with 2019.

1.8 $/MBtu
Average Henry Hub price in 1H

According to the latest figures released in the United States, and assuming this downward trend in production continues and demand recovers due to the seasonal effect, a gradual recovery in prices next winter and throughout 2021 as a result of this improved balance between supply and demand could be expected.

Average Henry Hub price over time



Source: Bloomberg and Repsol´s Division of Business Studies & Analysis.

For more information on the expected performance of prices in the second half of the year, see section 7.1 General outlook.

4. FINANCIAL PERFORMANCE AND SHAREHOLDER REMUNERATION

Despite the impact of the COVID-19 crisis on the Group's income, the measures rolled out under the Resilience Plan to maximize cash flow and protect the balance sheet enabled us to end the period with net debt lower than at December 31, 2019.

Lower debt and increased liquidity in response to the challenging environment

4.1 RESULTS

Results for the first half of 2020 (1H 2020) arose within a **context** of a global economic recession, largely caused by the emergence of the COVID-19 pandemic, with low crude oil prices (Brent 40.1 vs 66.0 in 1H 2019) and gas prices (Henry Hub 1.8 vs 2.9 in 1H 2019) and plummeting demand for oil and gas products.

Millions of euros	1H 2020	1H 2019	Δ
Upstream	(51)	646	-
Industrial	296	448	(-34%)
Commercial and Renewables	163	265	(-38%)
Corporate and others	(219)	(244)	10%
Adjusted net income	**189**	**1,115**	**(-83%)**
Inventory effect	(1,088)	63	-
Special items	(1,585)	(45)	-
Net income	**(2,484)**	**1,133**	**-**

In this extremely challenging environment, there was a significant reduction in **EBITDA** (589 million euros vs 3,712 million euros in 1H 2019):

	TOTAL	
EBITDA (Millions of euros)	1H 2020	1H 2019
Upstream	988	2,213
Industrial	(670)	1,075
Commercial and Renewables	360	502
Corporate and others	(89)	(78)
TOTAL	589	3,712

<u>Adjusted net income:</u>

Adjusted net income, which is intended to reflect the financial result of the ordinary course of the businesses, was 189 million euros, 83% lower than in the same period of the previous year.

Upstream

Average **production** in period came to 675 kboe/d, down 3% on the same period of 2019. This decline was largely a result of production stoppages in Libya and the shutdown or reduction of operations at other assets owing to slacker demand and prices.

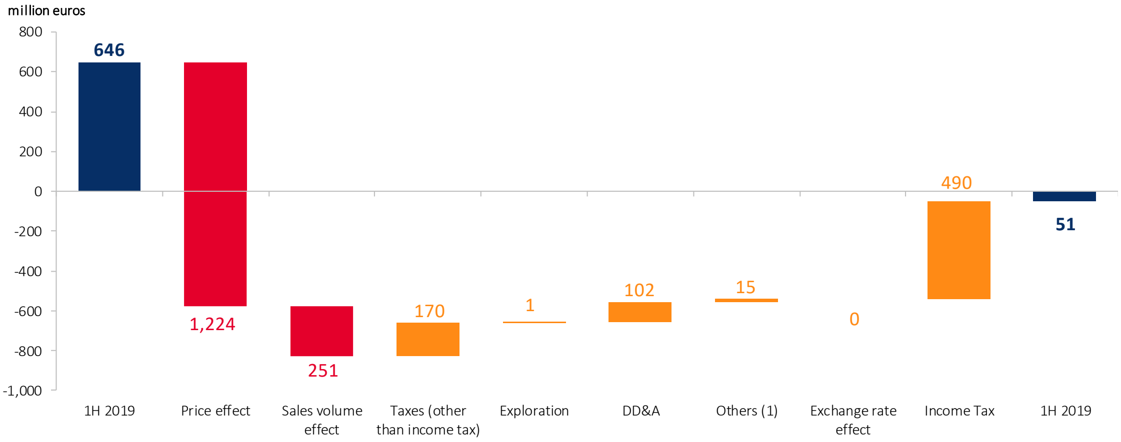
Greater exploration success with less investment

Moving to **exploration activity**, the drilling of seven exploration wells and one appraisal well were completed in the first half of the year. Six of them with positive results.

For further information on the activities of the Upstream segment, see section 5.1.

Adjusted net income at *Upstream* amounted to -51 million euros, down 697 million euros on 1H 2019. Lower crude oil and gas prices (-40% and -33%, respectively), coupled with lower volumes produced and sold, had a negative impact, which was partially offset by the reduction in amortization expenses and taxes.

Change in adjusted net income at *Upstream*



(1) Includes costs related to production and the results of investees and non-controlling interests.

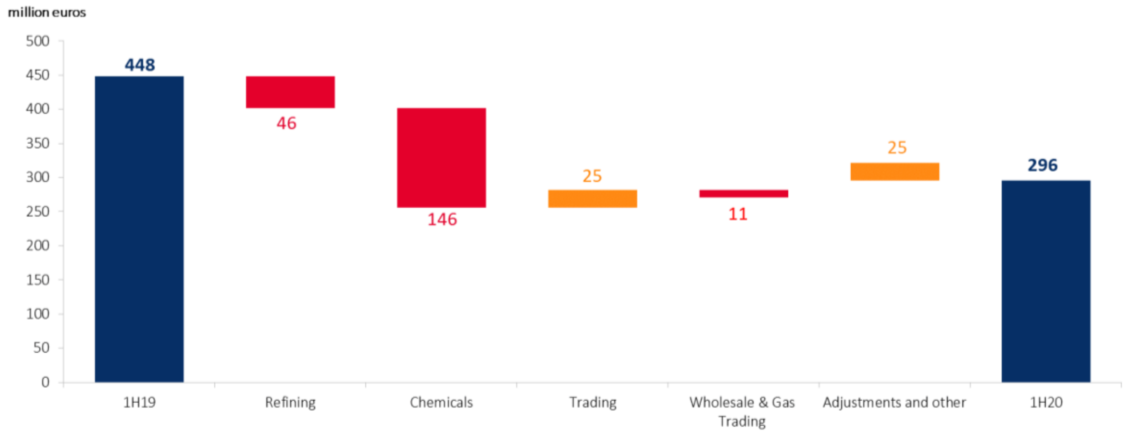
Investment in the first half of the year (603 million euros) was down on 1H 2019 (961 million euros) in response to the Resilience Plan. Investment activity focused on assets in production and/or under development, mainly in Norway, the United States, Trinidad and Tobago, Brazil and Malaysia. Exploratory investment took place mainly in the United States (Alaska and Gulf of Mexico) and Mexico (Gulf of Mexico), and to a lesser extent in Russia, Indonesia and Colombia.

Industrial

Adjusted net income in the first half of 2020 was 296 million euros, compared to 448 million euros in the first half of 2019.

€296 M
Adjusted net income at *Industrial*

Change in adjusted net income at *Industrial*



The change in income is mainly due to the following factors:

- At **Refining**, the lower result arising from lower margins and decreased sales due to the worsening international environment were mitigated by production adjustment and plant logistics measures and by improved margins in Peru through operational optimization.
- At **Chemicals**, the drop in income was largely down to lower margins and sales, a rise in operating incidents and maintenance stoppages at the Tarragona and Sines facilities.
- At **Trading**, improved results across all lines, especially in crudes and light products.
- At **Wholesale & Gas Trading**, margins fell at the LNG commercialization business, despite improved margins at the trading gas business in North America.

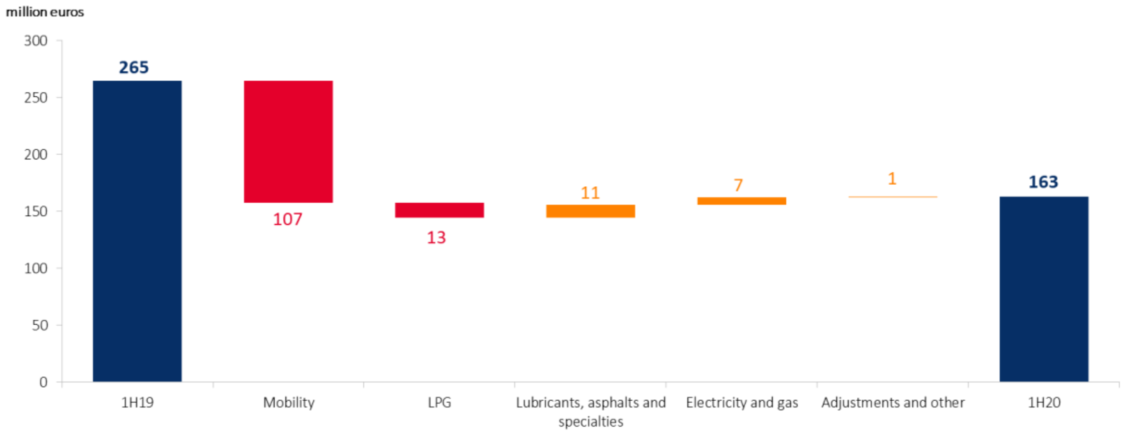
Operating **investment** at *Industrial* in the first half of 2020 came to 227 million euros (down 26% on 1H 2019). The investments were aimed at maintaining levels of activity at industrial complexes.

See section 5.2 for more information on the activities of the Industrial segment.

Commercial and Renewables

Adjusted net income in the first half of 2020 was 163 million euros, compared to 265 million euros in the first half of 2019.

Change in adjusted net income at *Commercial and Renewables*



The change in income is mainly due to the following factors:

- At **Mobility**, the decrease in result was largely due to lower demand at Service Stations, Direct Sales and International Aviation by the COVID-19 impact.
- At **LPG**, weaker performance reflected lower margins on operations subject to regulated prices and lower sales due to a relatively mild winter in Spain.
- At **Lubricants**, the improved performance was due to the increased margins at Asphalts and the contribution made by the international lubricants businesses (Mexico and Southeast Asia).
- At **Electricity and Gas**, result was higher than in the first half of 2019, largely due to an improved performance at the generation business, where higher margins were achieved and production increased, despite the falling electricity pool prices in Spain. A further highlight was the increase in the number of customers for electricity and gas commercialization compared with the first half of 2019.

Operating **investment** in the first half of 2020 amounted to 259 million euros (up 47% on 1H 2019). The investments were largely aimed at the development/start-up of new renewable energy businesses for Electricity and Gas.

Investment in new renewable projects

See section 5.3 for more information on the activities of the Commercial and Renewables segment.

Corporate and others

Results for the first six months amounted to -219 million euros (1H 2019: -244 million euros). Corporation cost reduction efforts were increased in line with Resilience Plan goals, but kept up our momentum in digitalization and technology initiatives. The financial result improved in response to higher results from exchange rate positions and lower net interest expenses.

Net income:

Adjusted net income was shaped by the following impacts:

- The **inventory effect**, which was a negative 1,088 million euros, versus a positive 63 million euros in the first half of 2019, due to the collapse of prices through to April 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** for the first half of 2020 totaled -1,585 million euros. These items corresponds to accounting recognition of impairments and valuation adjustments to Upstream assets reflecting the change in economic expectations due to the COVID-19 crisis (see following section), the adverse impact of exchange rate fluctuations on tax positions in countries where the local currency is not the Company's functional currency (mainly Brazil) and credit risk provisions in Venezuela, all of which were partially offset by the capital gain generated on the sale of assets in Papua New Guinea.

Millions of euros	1H 2020	1H 2019
Divestments	72	31
Workforce restructuring	(41)	(29)
Impairment	(1,296)	(3)
Provisions and others	(320)	(44)
TOTAL	**(1,585)**	**(45)**

Therefore, the Group's **net income** in the first half of 2020 amounted to -2,484 million euros (1,133 million euros in 1H 2019).

Profitability indicators	1H 2020	1H 2019
ROACE - Return on average capital employed (%) [1]	-8.4	3.8
Earnings per share (€/share)	-1.63	0.68

[1] ROACE with leases: -7.3%

Asset impairment and write-downs

Write-downs in response to the new market conditions

The COVID-19 pandemic has worsened the environment in which some of our businesses are expected to operate. The scale and depth of the crisis, and a lack of historical benchmarks, cast a cloud of uncertainty on forecasts. However, at this time, a strong recovery of the economy and gradual stabilization of oil and gas markets are already in sight. It can be reasonably expected that the recovery will continue and allow a return to pre-crisis scenarios in the medium term (see section 7.1).

In this context, Repsol has revised downward its expectations related to the future prices of crude oil and gas, which has prompted the Company to recognize impairments and write-downs on the carrying amount of certain Upstream assets, as described below (before taxes):

Millions of euros	1H 2020
Productive assets	(956)
Americas	(297)
Southeast Asia	(234)
Europe and North Africa	(419)
Exploration assets	(70)
Goodwill	(368)
TOTAL	**(1,388)**

For more information on the impairment recognized in the period, see Note 4.2.2 to the interim financial statements for the first half of 2020.

4.2 CASH FLOW

Free cash flow in 1H 2020 came to 172 million euros, compared to 1,093 million euros in 1H 2019.

CASH FLOWS *(Millions of euros)*	1H 2020	1H 2019
EBITDA	**589**	**3,712**
Changes in working capital	459	(659)
Dividends received	19	17
Income tax receipts/(payments)	(10)	(463)
Other receipts/(payments)	(193)	(77)
I. Cash flow from operations	**864**	**2,530**
Payments for investments	(1,207)	(1,503)
Receipts from investments	515	66
II. Cash flow from investing activities	**(692)**	**(1,437)**
FREE CASH FLOW (I + II)	**172**	**1,093**
Dividends and other equity instruments	(128)	(201)
Net interest and leases	(253)	(287)
Treasury shares	(150)	(729)
CASH GENERATED [1]	**(359)**	**(124)**

[1] Does not include derivatives on shares of Repsol, S.A. arranged/settled with financial institutions, out of a total notional amount of 21.9 million shares, which form part of "cash flows from financing activities and other items" (-199 million euros).

Cash flow from operations (864 million euros) was lower on 1H 2019, although the reduction in EBITDA of the businesses due to the impact of COVID-19 was mitigated by the effect of lower inventory costs on working capital (price of inventories at the industrial businesses) and a reduction in taxes payable.

Positive free cash flow, but affected by the difficult environment

Cash flow from investing activities (-692 million euros) was down on the first half of 2019, in line with the Resilience Plan (Upstream investment down 28% and Industrial investment 24%), although investment in the new electricity and renewables businesses was maintained. The refund of tax paid in previous years following the sale of Naturgy is included in Proceeds from divestments.

Free cash flow amounted to 172 million euros, versus 1,093 million euros in the first half of 2019.

As a result of the foregoing, after satisfying financing costs (-253 million euros), shareholder remuneration (-128 million euros) and acquisition of treasury shares (see section 4.4), **cash generated** amounted to -359 million euros.

4.3 FINANCIAL POSITION

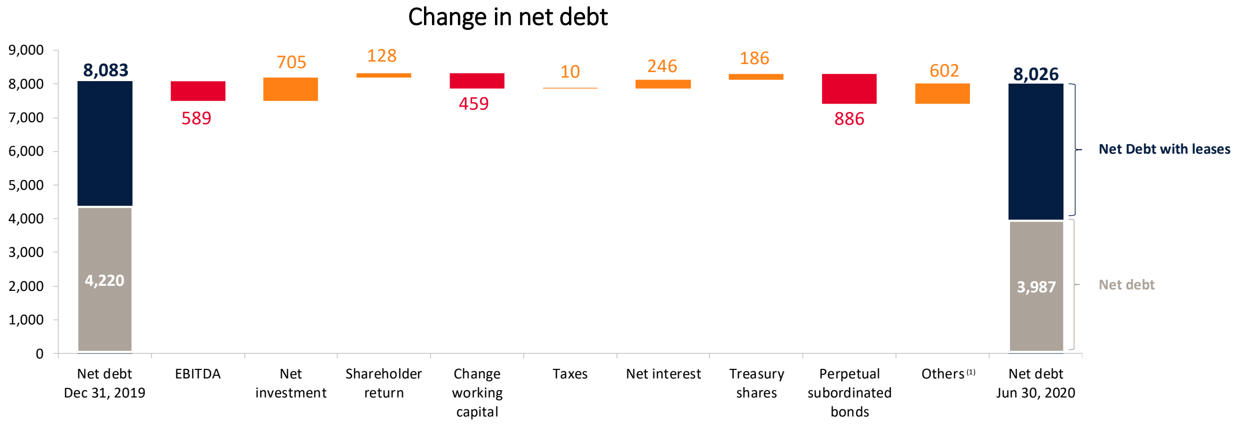
The financial objective envisioned in the 2020 Resilience Plan is to preserve the strength of our balance sheet and maintain an investment grade credit rating. With this in mind, there will be no increase in debt in 2020 when compared to the end of 2019.

€3,987 M
Net Debt

In line with the policy of financial prudence and commitment to maintaining a high degree of liquidity, the funds held in cash by the Group at the end of June and available credit facilities were comfortably enough to meet debt maturities in the short term and beyond, through to 2029, without the need to refinance.

Indebtedness

Net debt (3,987 million euros) with leases (8,026 million euros) is down on 2019. The lower cash flow from operations as a result of COVID-19 have been offset by a total of 886 million euros in net funds obtained from issuances and repurchases of equity instruments (perpetual subordinated bonds).

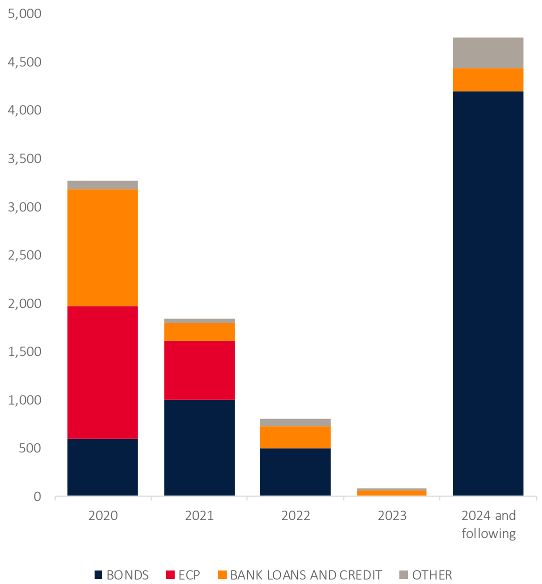


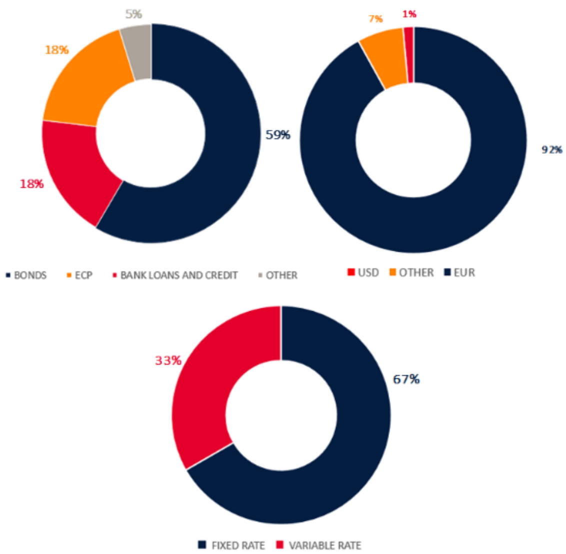
(1) Net impact of the issuance and partial repurchase described in the section titled "*Main funding operations*".
(2) Includes, inter alia, new leases contracts in the period, other receipts/payments from operating activities and the exchange rate effect.

The **leverage ratio** (14.7% without leases) remains unchanged on December 2019.

Leverage ratio:
14.7%
Solid financial structure

The **breakdown and maturity of gross debt** *ex* leases (10,756 million euros) at June 30, 2020 is as follows:





Main funding operations

On April 15, Repsol International Finance, B.V. (RIF) issued two series of Eurobonds (secured by Repsol, S.A.) worth 1,500 million euros, which are admitted to trading on the Luxembourg Stock Exchange:

(i) 750 million euros at an issue price of 99.967%, paying a fixed annual coupon of 2% and maturing in December 2025; and

(ii) 750 million euros at an issue price of 99.896%, paying a fixed annual coupon of 2.625% and maturing in April 2030.

On May 28, a bond issued by RIF in May 2013 under the EMTN Program, which had been paying a fixed annual coupon of 2.625%, was redeemed at maturity for the nominal amount of 1,200 million euros.

On June 11, RIF issued two series of perpetual subordinated bonds (secured by Repsol, S.A.) worth 1,500 million euros, which are admitted to trading on the Luxembourg Stock Exchange:

(i) 750 million euros, paying a fixed coupon of 3.750% through to the first redemption option in March 2026; and

(ii) 750 million euros, paying a fixed coupon of 4.247% through to the first redemption option in September 2028.

On June 12, the Repurchase Offer announced by RIF in relation to the perpetual subordinated bonds issued in March 2015, as described in Note 4.1.4 to the interim financial statements for the first half of 2020, was settled, with RIF paying the nominal sum of 594 million euros (59.4% uptake).

Additionally, RIF runs a Euro Commercial Paper (ECP) Program guaranteed by Repsol, S.A., capped at 2,000 million euros; the outstanding balance at June 30, 2020 was 1,989 million euros.

For further information, see Note 4.1.5 to the interim financial statements for the first half of 2020.

Liquidity

Group liquidity at June 30, 2020, including committed and undrawn credit facilities, stood at 9,762 million euros, which is enough to cover its short-term debt maturities by a multiple of 2.4. Repsol had undrawn credit facilities amounting to 3,420 million and 1,818 million euros at June 30, 2020 and December 31, 2019, respectively.

€9,762 M
Liquidity

Credit rating

At present, the credit ratings assigned to Repsol, S.A. by the rating agencies are as follows:

	STANDARD & POOR'S	MOODY'S	FITCH
TERM	Repsol, S.A.	Repsol, S.A.	Repsol, S.A.
Long-term	BBB	Baa2	BBB
Short-term	A-2	P-2	F-2
Outlook	stable	negative	stable
Most recent change	25/03/2020	02/04/2020	02/04/2020

Credit rating maintained

Treasury shares and own equity investments

At June 30, 2020, the balance of treasury shares stood at 93.4 million shares (including 92.0 million shares as the underlying of derivative contracts entered into by Repsol, S.A. with financial institutions) representing 75% of share capital as at that date. For further information, see Note 4.1.4 to the interim financial statements for the first half of 2020.

4.4 SHAREHOLDER REMUNERATION

Remuneration received by shareholders in the first half of 2020 as part of the "*Repsol Flexible Dividend*" program includes the amount of the irrevocable commitment to purchase free allocation rights undertaken by Repsol as part of the paid-up capital increase closed in January 2020 (0.424 euros, gross, per right). Thus, in the first half of 2020, Repsol paid out a gross total of 107 million euros to shareholders and distributed 38,647,825 new shares, equivalent to 541 million euros, to shareholders opting to receive new shares of the Company.

In addition, in July 2020, under the "*Repsol Flexible Dividend*" program, replacing what would have been the final dividend of 2019, Repsol paid out 236 million euros in cash (0.492 euros, gross, per right) to shareholders opting to sell their free allocation rights to the Company and delivered 60,335,140 shares, equivalent to 534 million euros, to shareholders opting to receive new shares of Repsol, S.A. (holders of the 69.35% of the free allocation rights).

At the 2020 Annual General Meeting, the shareholders resolved to reduce capital through redemption of treasury shares[1], up to a maximum amount equivalent to the number of shares issued under the scrip dividend completed in 2020, as described above, with the aim of offsetting the resulting dilutive effect.

For additional information on the total remuneration received by shareholders and the scrip dividend made under the "*Repsol Flexible Dividend*" program, see Note 4.1.4 to the interim financial statements for the first half of 2020.

Our share price

The Repsol share ended June at well below the price reported at the start of the year, largely as a result of the impact that COVID-19 has had on the markets since March.

The Group's main stock market indicators in 2020 and 2019 are detailed below:

MAIN STOCK MARKET INDICATORS	1H 2020	1H 2019
Shareholder remuneration (€/share) (1)	0.424	0.411
Share price at period-end (2) (euros)	7.79	13.79
Period average share price (€)	9.79	14.81
High (€)	14.36	15.52
Low (€)	6.03	13.64
Number of shares outstanding at end of the period (million)	1,566	1,559
Market capitalization at the end of the period (€ millions) (1)	12,193	21,489

(1) For each period, shareholder remuneration includes dividends paid and the fixed price guaranteed by Repsol for the bonus share rights awarded under the "Repsol Flexible Dividend" program.

(2) Share price at period-end in the continuous market of the Spanish stock exchanges.

(3) Period-end closing market price per share, times the number of shares outstanding.

[1] Through the redemption of 1,400,000 existing treasury shares, as well as the shares acquired under a share repurchase program and, as the case may be, through the settlement of derivatives arranged prior to March 25, 2020 (the maximum number of shares that may be acquired through the settlement of derivatives shall not exceed 96,950,000).

5. OUR BUSINESS PERFORMANCE

5.1 UPSTREAM

Main operating figures

	1H 2020	1H 2019
Net production of liquids (kbbl/d)	229	251
Net production of gas (kboe/d)	446	446
Net production of hydrocarbons (Kboe/d)	675	697
Average crude oil price ($/bbl)	35.8	59.6
Average gas price ($/kscf)	2.2	3.2

Our performance in 1H 2020

Millions of euros	1H 2020	1H 2019	Δ
Operating income	(4)	1,174	-
Income tax	(57)	(547)	90%
Investees and non-controlling interests	10	19	(-47%)
Adjusted net income	**(51)**	**646**	**-**
Special items	(1,489)	75	-
Net income	**(1,540)**	**721**	**-**
Effective tax rate (%)	[1]	47	-
EBITDA	**988**	**2,213**	**(-55%)**
Investments	**603**	**961**	**(-37%)**

[1] N/A. Although profit from operations is negative, there is a tax expense due to the mix of results at different effective rates in each jurisdiction (income at high rates and losses at low rates or not capitalized).

Main events in the first half of the year (1/3):

Average production:

Average production in the first half of 2020 came to 675 kboe/d, down 3% on the same period of 2019. This decline was largely a result of production stoppages (Libya); natural decline at fields (Canada); as well as temporarily shutdowns in Akacias (Colombia) and Chauvin (Canada) and the reduction of production in Duvernay (Canada) due to low prices; lower demand for gas (Bolivia, Peru and Indonesia); and the Piedemonte license expiration (Colombia), which has been partially offset by the acquisition of an additional 63% in Eagle Ford (United States) at the end of 2019, the connection of new wells, mainly at Marcellus (United States) and the first oil in Buckskin (United States) in June 2019.

Exploration campaign:

Over the first six months of 2020, drilling was completed on seven exploration wells and one appraisal well, six of which yielded a positive result (three exploration wells in the United States -two in Alaska and one in Gulf of Mexico-, two in Mexico -Gulf of Mexico- and one in Colombia), one with a negative result in Mexico (Gulf of Mexico) and one under evaluation (appraisal well in Colombia). At June 30, one exploration well in Bolivia was in progress.

Acreage:

In the first half of 2020, several exploration blocks were acquired in Indonesia (Aru, with a stake of 100%) and Russia (Sablerskiy, as part of the AROG Joint Venture, with a stake of 49%). In Norway, the Company was awarded development block PL-055E (Brage field), with a stake of 33.84%.

Impact of COVID-19 and price review:

The COVID-19 pandemic and prevailing prices have had a significant impact on operations at Upstream. Activity has been reduced, investment limited and operations throttled accordingly (with the resulting drop in production) to protect profitability and asset value (see section 2.1).

Future price patterns have been reviewed accordingly, as have production schedules for certain assets, prompting extraordinary write-downs for some of these assets as described in section 4.1 of this report and in Note 4.2.2 to the interim financial statements for the first half of the year.

Main events in the first half of the year (2/3):

NORTH AMERICA

United States: discoveries in the Gulf of Mexico and Alaska and new production wells at Marcellus and Eagle Ford

- In January, eight new wells were put into production at the Marcellus non-conventional gas production asset, located between the states of Pennsylvania and New York.
- Between January and February, seven new wells were put into production at the Eagle Ford non-conventional production asset.
- In April, the discovery of oil in the US part of the Gulf of Mexico was announced at the Monument exploration well, where Repsol holds a 20% stake alongside Equinor (operator) with a 50% stake, and Progress Resources USA Ltd, with the remaining 30%.
- Also in April, two additional exploration discoveries were made at the North Slope project in Alaska, where Repsol holds a 49% stake, namely the Mitquq-1 and Stirrup-1 wells.

Mexico: significant deepwater discoveries

- In May, Repsol announced two important deepwater oil discoveries at two high quality fields with excellent properties in block 29. Repsol holds a 30% stake in this block and is the operator. The Polok-1 and Chinwol-1 exploration wells are located in the Salina basin and have a net oil pay thickness of 200 meters and 150 meters, respectively.

LATIN AMERICA - CARIBBEAN

Trinidad and Tobago: new production well at bpTT

- In March, the Amherstia well was put into production in the assets of bpTT, where Repsol holds a 30% stake.

Colombia: discovery of an exploration well in the Llanos basin

- In March, the Lorito Este-1 exploration well was discovered at the CPO-9 production block in the Llanos basin, where Repsol holds a 45% stake.

Brazil: resumption of production at two wells in Albacora Leste

- In January and February, production was resumed at two wells in the Albacora Leste offshore asset.

Venezuela: complex environment

- Political instability and economic recession continued to threaten during the period, as did a raft of new international sanctions. For further information, see Note 5.3 to the interim financial statements for the first half of 2020.

Main events in the first half of the year (3/3):

ASIA AND OCEANIA

Vietnam: Agreement with PetroVietnam

- On June 12, Repsol signed an agreement with PetroVietnam whereby Repsol would transfer its stakes of 51.75% in Block 07/03 PSC and of 40% in Blocks 135-136/03 PSC to the other company. The deal is subject to administrative clearance and is expected to be completed in 2020. For further information, see Note 5.3 to the interim financial statements for the first half of 2020.

Indonesia: sale of 27% of the South East Jambi block and new acreage

- In February, the Company announced the sale of 27% of the South East Jambi onshore block to Pertamina Hulu Energy (subsidiary of state-owned company Pertamina). Following the deal, Repsol will remain the operator of the block, with a 40% stake.
- Repsol has acquired the new Aru exploration block in the Biak offshore basin, with a stake of 100%.

Papua New Guinea: no further activity in the country

- Repsol has sold the stake it held in seven onshore blocks in Papua New Guinea to Australian company Arran Energy Pty Ltd. Following the deal, Repsol has no further activity in the country.

Russia: new production wells at TNO and new acreage

- In March and May, two new wells were brought into production at the TNO asset.
- The Sablerskiy exploration block has been obtained as part of the AROG Joint Venture, with a 49% stake.

EUROPE

Norway: New production wells in Brage and Gudrun and new acreage

- In February and May, two new wells were put into production in Brage, while a further well was commissioned in April at the Gudrun asset.
- In June, the Norwegian authorities granted an extension of production at the Rev field operated by Repsol through to the end of 2023.
- The Company has also been awarded development block PL-055E (Brage field), with a 33.84% stake.

Bulgaria: transfer of the stake in block 1-21 Han Asparuh

- In June, it was announced that Repsol had obtained permission to transfer its 30% stake in block 1-21 Han Asparuh, located on the Bulgarian Black Sea Coast, to its partners Total and OMV.

AFRICA

Libya: complex environment

- As a result of existing security threats in Libya, production was halted throughout virtually all of the first half of 2020. For further information, see Note 5.3 to the interim financial statements for the first half of 2020.

5.2 INDUSTRIAL

Main figures

	1H 2020	1H 2019
Refining capacity (kbbl/d)	1,013	1,013
Europe	896	896
Rest of the world	117	117
Conversion rate in Spain (%)	63	63
Conversion utilization Spanish refining (%)	91	102
Distillation utilization Spanish refining (%)	76.1	89.3
Crude oil processed (millions of t)	18.5	22.1
Europe	17.0	19.8
Rest of the world	1.5	2.3
Refining margin indicator ($/Bbl)		
Spain	3.9	4.4
Peru	12.1	6
Petrochemical production capacity (kt)		
Basic petrochemicals	2,603	2,603
Derivative petrochemicals	2,235	2,235
Sales of petrochemical products (kt)	1,297	1,458
Gas sales in North America (Tbtu)	351	287

Our performance in 1H 2020

Millions of euros	1H 2020	1H 2019	Δ
Operating income	409	590	(-31%)
Income tax	(109)	(140)	22%
Investees and non-controlling interests	(4)	(2)	(-100%)
Adjusted net income	296	448	(-34%)
Inventory effect	(1,066)	68	-
Special items	(32)	(67)	52%
Net income	(802)	449	-
Effective tax rate (%)	27	24	3
EBITDA	(670)	1,075	-
Investments	227	306	(-26%)

Main events in the first half of the year (1/2):

Refining: lower activity, but maintaining the supply and developing state-of-the-art decarbonization projects.

- Amid the COVID-19 crisis, utilization of the refining system has fallen short of the levels reported in 2019 but is above the world and European average, illustrating its competitive strength. The Company's refineries have been effective at throttling production to prevailing market needs and have shown great flexibility in terms of logistics and storage, allowing the continuous supply of essential products to the market.
- The slump in demand and low production margins toward the end of the first half prompted the shut-down of the distillation units at the Tarragona industrial complex, although the refinery's main conversion unit, the hydrocracker, continued to produce fuel from intermediate products (vacuum gas oil), as did certain other auxiliary units.
- Shut-downs at the A Coruña and Puertollano refineries for maintenance work:
  - A Coruña shut down its Fluid Catalytic Cracking (FCC) block and the FCC Hydrotreatment unit and projects were implemented to improve energy efficiency and reduce CO_2 emissions.
  - At Puertollano, maintenance work was carried out on the FCC block and on the Alkylation and Lubricants units.
- Repsol has announced the development of two major greenhouse gas emission reduction projects in Spain. The first project will involve the construction of one of the world's largest net-zero emissions fuel production plants, which will utilize CO_2 and green hydrogen to generate renewable energy. The second project is a plant for generating gas from urban waste, which will replace a part of the traditional fuels used in Petronor's production process.

Chemicals: Certification for the production of circular polyolefins and further product differentiation.

- All of the Group's petrochemical complexes have been certified to produce circular polyolefins, which are obtained from the chemical recycling of plastic waste. All the facilities have now earned ISCC PLUS certification in 2020, following the lead of the Puertollano facility, which obtained its certification in 2019. This makes Repsol the first petrochemical company to have all its complexes certified.
- The Repsol's product range has been extended by developing new materials for 3D printing and further improvements have been made to our range of polyolefins with high recycling content. Plan 2030 has now been launched in line with the Company's pledge to achieve a reduction in its carbon intensity score.

Main events in the first half of the year (2/2):

Wholesale and Gas & Trading: increase in volume sold and competitive provisioning to profit from low market prices

- Increase in gas sold in North America to reach 351 TBtu in the first half of the year, up 22% year on year.
- Provisioning ahead of the 2020/2021 winter period through six shipments acquired on the spot market to profit from competitive market prices, for subsequent sale in North America.
- Amid the COVID-19 crisis, Wholesale and Gas & Trading has sought to offset the drop in demand from Industrial Complexes in Spain by optimizing the value of its gas and LNG portfolio through swap operations arranged with third parties, volume cancellations, logistical optimizations and trading in the gas system and in the international market to expand the portfolio of customers and destinations. A new long-term contract (2034) has also been signed for the supply of LNG for delivery in Spain.

5.3 COMMERCIAL AND RENEWABLES

Main figures

	1H 2020	1H 2019
Sales of petrochemical products (kt) [(1)]	**20,857**	**24,251**
Europe	19,006	21,332
Rest of the world	1,851	2,919
Number of service stations [(2)]	**4,955**	**4,875**
Europe	4,125	4,113
Rest of the world	830	762
Own marketing sales (kt)	**936**	**11,867**
LPG sales (kt)	**601**	**699**
Europe	593	684
Rest of the world	8	15
Electricity generation (GWh) [(3)]	**2,293**	**2,186**
Electricity installed capacity (MW)	**2,952**	**2,952**

[(1)] Includes also sales at the Industrial segment reported by Refining Spain (to operators of oil and bunker fuel products and exports) and by Repsol Peru.
[(2)] Includes controlled and licensed service stations.
[(3)] Electricity generation by Repsol Electricidad y Gas. Does not include energy produced at cogeneration plants (which is included in installed capacity), which relates to the assets of the Industrial segment, where virtually all production is used to supply the complexes (self-consumption).

Our performance in 1H 2020

Millions of euros	1H 2020	1H 2019	Δ
Operating income	218	362	(-40%)
Income tax	(52)	(90)	42%
Investees and non-cont. interests	(3)	(7)	57%
Adjusted net income	**163**	**265**	**(-38%)**
Inventory effect	(22)	(5)	(-340%)
Special items	(12)	(21)	43%
Net income	**129**	**239**	**(-46%)**
Effective tax rate (%)	24	25	(1)
EBITDA	**360**	**502**	**(-28%)**
Investments	**259**	**176**	**47%**

Main events in the first half of the year (1/2):

Mobility: lower activity, but maintaining supply and initiatives to help citizens.

- Repsol has maintained steady activity and operations by providing an essential service through the following initiatives:
  - Since the onset of the crisis, most Repsol Service Stations have remained operational to ensure supply, while adapting safety and customer service protocols accordingly. Meanwhile, the Direct Sales network, fishing ports and airport facilities have remained fully operational.
  - A special service for transporters has been set up at the Service Stations to give them everything they need to rest, eat, wash and continue their onward journey in optimum safety conditions. Service Stations in Spain have also been offering free coffee and buns for transporters, emergency services, health care workers, armed forces and the police force.
  - A Call & Collect service has been set up so that orders can be placed over the phone and then collected in store. The service is available at over 800 Service Stations, with a 5% discount if payment is made through Waylet.
  - Repsol and Deliveroo (food delivery company) have reached an agreement to facilitate and speed up the supply of basic products during the crisis through Service Stations in 19 Spanish cities, thus allowing us to deliver our products to your home in just 30 minutes.

Lubricants, asphalts and specialized products: international expansion.

- Following the acquisition of a 40% stake in United Oil Company in 2019, the Group has begun to manufacture and distribute its first Repsol brand projects through this new Joint Venture, designed under the Repsol formula but adapted to meet local base and additive requirements and subject to higher standards of quality. More precisely, batches of a product from the Heavy Diesel range have been manufactured at the Singapore plant for the Malaysian market, while batches of an industrial hydraulic oil have been produced at the Indonesia plant, in this case for the local market.

  These milestones are fully aligned with the development plan in place for the Joint Venture and have allowed us to continue growing our Lubricants business in Southeast Asia.

Main events in the first half of the year (2/2):

LPG: maintenance of supply, integrated solutions and entry into the Canary Islands market.

- The following initiatives have been undertaken in the wake of the health crisis:
    - Thousands of customers have now enjoyed the benefits of buying butane gas bottles online and new forms of payment have been introduced (Bizum, as well as conventional cards) to provide a more agile and flexible relationship.
    - The 13 LPG facilities in Spain and Portugal have remained operational with 100% uptime and have even opened on public holidays to guarantee supply. The Company has also guaranteed home delivery and the availability of bottled gas at points of sale.
    - Both Spain and Portugal have intervened in bottled gas prices. Portugal has decreed a maximum price (between April 20 and May 2) for traditional bottles of butane (22 euros for the 13 kg bottle) and propane, except for bottles K-6 and K-11. In Spain, prices for regulated LPG have been limited for three two-month periods.
- In May, the sale of butane cylinders in Tenerife and Gran Canaria became subject to new safety and tracking requirements.

Electricity and gas: new renewable projects and growing the customer portfolio.

- To enhance the customer experience and provide integrated energy solutions, customers have been offered a solution that combines the supply of electricity, a basic energy management service, the supply of LPG and the option to install a photovoltaic self-consumption solution. Thanks to these initiatives, the number of customers has risen even though Repsol Service Stations have reported quieter levels of business from the public.
- In February, the Company acquired the Delta 2 renewable energy project with a total installed capacity of 859 megawatts (MW), which will be operated and built by Repsol over the next three years. The new farms will be located in Aragon, in the provinces of Huesca, Zaragoza and Teruel, where Repsol is also developing its 335 MW Delta wind farm.
- In April, Repsol launched Solmatch, Spain's first large solar community. With this new service, which is based on a 100% renewable energy model, the Company is championing distributed generation in Spain by bringing energy generation closer to the point of consumption through the design of solar communities in towns and cities.
- In April, Repsol began construction of its first photovoltaic farm, known as Kappa, in Ciudad Real, which will have a total installed capacity of 126 MW once built. Meanwhile in July, the company began construction of the Valdesolar photovoltaic farm in Badajoz, with 264 MW.
- In May, Repsol earned the "A" badge for low emissions, making it the first of the big electricity and gas marketing companies to earn this accolade and demonstrating Repsol's commitment to leading the energy transition and becoming a net-zero emissions company by 2050.
- In May, the last platform of the WindFloat project (the world's first semi-submersible floating wind farm) left the port of Ferrol. The two previous platforms are now fully installed at the wind farm and provide energy to the Portuguese electricity grid. Once all three platforms have been installed, the wind farm, with its 25 MW of installed capacity, will be able to generate enough energy to supply the equivalent of 60,000 users per year. WindFloat Atlantic could save some 1.1 million tons of CO_2.
- In June, the Environmental Impact Statement (DIA) was obtained, subject to conditions, to increase the total installed capacity of the existing 340 MW Aguayo hydro facility located in San Miguel de Aguayo (Cantabria). The project would involve the construction, lasting four to five years, of a second reversible plant (Aguayo II) to harness the already existing lower and upper reservoirs, with the aim of adding a further four generators, each of 250 MW, to bring the total installed capacity to 1,340 MW.
- The Board of Directors of Repsol, S.A. approved in July the creation of a joint venture with the Ibereólica Group, which has extensive experience in the renewable energy sector in Chile, to develop a portfolio of projects in that country, both wind and solar, at various stages of progress, totaling 2.6 GW. The investment initially planned by Repsol comes to around 192 million US dollars. The arrangement will help to implement Repsol's objective in low-carbon generation of reaching 7.5 GW in 2025.

5.4 CORPORATE AND OTHERS

Our financial performance

Millions of euros	1H 2020	1H 2019	Δ
Corporation and adjustments	(129)	(124)	(-4%)
Financial result	(136)	(228)	40%
Income tax	46	109	(-58%)
Result at investees and non-controlling interests	-	(1)	-
Adjusted net income	**(219)**	**(244)**	**10%**
Special items	(52)	(32)	(-63%)
Net income	**(271)**	**(276)**	**2%**
Effective tax rate (%)	18	31	(13)
EBITDA	**(89)**	**(78)**	**(-14%)**
Net investment	**24**	**25**	**(-4%)**

Main events in the first half of the year:

- In April, the Group carried out **two Eurobond issuances** for a combined total of 1,500 million euros. Meanwhile, a Eurobond worth 1,200 million euros was redeemed at maturity.

- In June, the Group issued **perpetual subordinated bonds** totaling 1,500 million euros and effected the partial redemption of the perpetual subordinated bond issued in 2015 in the amount of 594 million euros.

- In the first half of the year, Standard & Poor's, Moody's and Fitch all confirmed Repsol's **investment grade** status at BBB/Baa2/BBB, respectively.

  For more information, see Section 4.3.

- In January and July, **shareholders received remuneration** under the *Repsol Flexible Dividend* program (0.424 and 0.492 euros, gross, per right, respectively).

- In May, **shareholders at the Annual General Meeting** approved a capital reduction through the redemption of treasury shares, up to a maximum amount equivalent to the number of shares to be issued under the scrip issues to be carried out in 2020, with the aim of compensating the resulting dilutive effect.

  For more information, see section 4.4.

6. SUSTAINABILITY

With regard to the information published in section 6 of the 2019 Management Report, the following updates on the subject of sustainability deserve to be highlighted:

- Global Sustainability Plan. The Executive Committee approved the Global Sustainability Plan 2020 (GSP), which sets out 39 medium-term objectives built around the six axes of the Sustainability Model, aimed at the businesses, supply chain, employees and society. These objectives are fully aligned with the 2030 Agenda of the United Nations and its 17 Sustainable Development Goals (SDGs) and include, most notably, Repsol's commitment to become a net-zero emissions Company by 2050.

The GSP is then used to devise and launch Local Sustainability Plans, with annual initiatives that pursue the Company's objectives and respond to the needs of local stakeholders. Over 20 local plans have now been deployed in different countries and industrial complexes. Further information on global and local sustainability plans can be found at www.repsol.com.

- Sustainable Development Goals (SDGs). The first SDG report has been published for 2019, presenting Repsol's contribution to the 2030 Agenda through more than 30 different indicators, as well as different challenges and objectives showing the efforts made by the Company at both global and local level (for more information, see www.repsol.com). This makes Repsol one of the few companies worldwide to publish this specific type of report.

  In June, online training was set up to enable employees to discover what the 2030 Agenda is all about and to find out how the Company is contributing through different initiatives and projects in the countries in which it operates. The course has the double objective of raising awareness of the Agenda and raising the Company's contribution through its employees.

- Climate change. As happens every year, verifications of greenhouse gas (GHG) inventories have been carried out under ISO14064 at the various industrial centers and assets operated by Repsol. Given the confinement in response to COVID-19, certain audits have been carried out remotely, though all verifications have been completed in spite of the restrictions.

  In June, the third follow-up report on the green bond issued in May 2017 was released, thus delivering on the Company's pledge to invest 500 million euros over the first three years in projects aimed at preventing and reducing GHG emissions across all activities carried out by the Company.

  Repsol has released a report that analyses the Company's involvement in industry associations and initiatives to ensure that the commitments of Repsol and the companies it supports are in line with the climate change policy. The report reveals that only two associations out of the 28 evaluated were partially aligned, namely the American Petroleum Institute (API) and the Canadian Society for

€500 M invested in projects to curb GHG emissions

Unconventional Resources (CSUR). Constructive dialog will be enabled with both associations on those points where differences were found to exist.

- **Digitization:** 40% of Repsol's digital portfolio contributes directly to sustainable development objectives. New cases with a direct impact on sustainability were launched in the first half of the year, especially in reducing energy consumption and emissions through initiatives such as the monitoring of Upstream operations in real time, the transport of raw materials and products at industrial facilities to bring about a reduction in CO_2 emissions, or the launch of a solution for the creation of renewable energy consumption networks across distributed generation environments (Solmatch). Repsol has also continued to migrate its applications from data processing centers to the cloud, with the consequent positive impact on energy efficiency. It has also enhanced technologies to allow for remote and distributed work, making it possible to relocate during the lock-down period.

- **Circular economy.** In the first half of the year, the Company continued to expand its alliances with strategic partners, as well as its portfolio of circular economy projects, which a key to accomplishing the Company's objectives and to deliver on its pledge that 20% of total polyolefin production will come from recycled content by 2030, while doubling production of high-quality biofuel from hydrotreated vegetable oil (HVO) to reach 600,000 tons a year by 2030, half of which will be produced from waste by 2025. In Spain, Repsol will rely on the recently approved Spanish Circular Economy Strategy.

Priority: protecting jobs

- **People.** Given the exceptional state of affairs resulting from the COVID-19 crisis, Repsol has rolled out a series of measures to safeguard the health of its employees, without this affecting the continuity of its operations or levels of service. The COVID-19 Coordination and Monitoring Committee has promoted various initiatives, notably: (i) adopting new approaches to organizing shift work in industrial activities; (ii) maintaining service at service stations in strict accordance with the safety and service requirements prescribed by the competent authorities; (iii) enabling agile teleworking for a large number of employees, with no impact on their productivity; or (iv) enabling a safe and orderly return to the new normality at the different work centers, guaranteeing the necessary biocapacity and individual protection measures.

  Protecting the jobs of its workers has remained a key priority for Repsol. In June, the number of employees with permanent contracts remained stable at 22,698, compared with 22,802 at December 2019. The total number of employees in June 2020 was 24,373.

- **Respect for Human Rights and Community Relations.** In the first half of the year, the new Human Rights and Community Relations Policy was delivered to employees, contractors and communities (for more information, see www.repsol.com), and an in-house and external training campaign in human rights was launched.

- **Safe operation.** Repsol has been working for years on the development of a crisis and emergency response system, involving working practices, regulations, management tools and specific training, all of which has helped to ensure a swift response to the COVID-19 health crisis. Major changes have been made to our approach to work, without this generating any significant operating incidents as we continue to meet demand for essential products while protecting the health of our workers.

  The Total recordable incident rate (TRIR) for accidents was down on the end of 2019, while the number of Tier 1 + Tier 2 process safety incident rate (PSIR) rose following an increase in incidents classified as Tier 2 in relation to non-conventional Upstream activity.

- **Innovation and technology.** During the first half of the year, the Company continued to work toward new sustainable solutions, with highlights including the eco-design of materials so that recycled material can re-enter the production cycle. Repsol has also been working alongside the company TactoTek through the Corporate Venturing fund in developing a material printing technology to make vehicles lighter. The Company has made further progress in developing new materials that incorporate CO_2 as a raw material.

- **Responsible tax policy.** In the first half of 2020, Repsol paid more than 4,433 million euros in taxes and similar public charges, having filed more than 24,000 tax returns.

  As a further show of its commitment to earning public recognition for its integrity and tax transparency, Repsol has renewed the Responsible Taxation section of the website to include numerous relevant reports for its stakeholders. The customary report on Repsol' tax contribution is now joined by the voluntary publication of the latest Country by Country Report presented to the tax authorities and a report which discusses any possible presence in tax havens or other territories considered controversial.

  For further information, see the Responsible tax policy section at (www.repsol.com).

- **Ethics and compliance.** The Company has continued its internal plan to raise awareness of the Code of Ethics and Conduct and its compliance communication campaign, thus helping to consolidate and strengthen a global culture of compliance, specifically on actions related to personal data protection, crime prevention, anti-corruption, sanctions and embargoes. Meanwhile, courses have been given on new law and regulations to provide a better understanding of various aspects enshrined in the Code, such as the treatment of gifts and favors, conflicts of interest and due diligence with third parties.

7. OUTLOOK

7.1 GENERAL OUTLOOK

Macroeconomic outlook

The world economy will experience an unprecedented decline in 2020 as a result of the COVID-19 crisis. The impact on economic activity was at its most severe between March and April, and the subsequent economic recovery could fall into two distinct phases. The first stage we have already seen, in the form of a strong though partial rebound from very depressed levels. The subsequent stage will see a slower return to normality due to the scars that the crisis has inflicted on the business fabric and the impact on confidence of lingering fears of a possible resurgence of the virus until we are able to come up with a vaccine.

Against this backdrop, forecasts and projections will be fraught with uncertainty. Yet there are some positives; the policy response, both monetary and fiscal, has been very strong and borrowing conditions have eased since April, which is essential for avoiding structural damage to the economy.

Macroeconomic outlook - key figures

	Real GDP growth (%)		Average inflation (%)	
	2020	2019	2020	2019
Global economy	-4.9	2.9	2.8	3.6
Advanced countries	-8.0	1.7	0.3	1.4
Spain	-12.9	2.0	-0.3	0.7
Emerging countries	-3.0	3.7	4.4	5.1

Source: IMF (*World Economic Outlook* June 2020) and Repsol´s Division of Business Studies & Analysis.

As a baseline scenario, the IMF projects that global economic activity bottomed out in the second quarter of 2020 and that after losing 4.9% in 2020, global growth should reach 5.4% in 2021. The recovery could be particularly strong in certain developed regions, which together would report 4.8% growth in 2021, and in emerging countries such as China (+8.2%), although less so in other emerging areas such as Latin America (+3.7%).

Economic activity is expected to decline (increased probability of growth falling short of the baseline scenario). The risks include a possible resurgence of the pandemic and, perhaps linked to this, a reappraisal of the valuation of financial assets and tighter borrowing conditions. Other risks include a possible escalation of trade protectionism and reconfigurations of international supply chains, leading to production disruption and/or productivity issues.

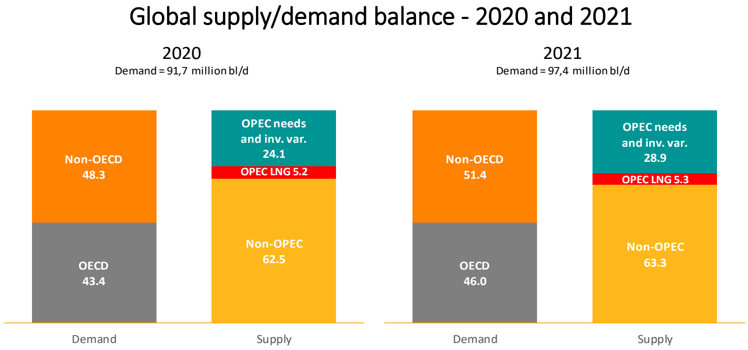
Energy sector outlook

Short-term energy sector outlook

At the beginning of the year, an oil market with a tighter balance between supply and demand than in 2019 was expected. However, COVID-19 forced to rethink this outlook.

The International Energy Agency (IEA), following its January estimate of an increase in global demand of +960,000 bbl/d in 2020, downgraded this in June to a decline of -8.11 million bbl/d, thus bringing the average level of demand in 2020 to 91.72 million bbl/d. Consumption among non-OECD and OECD countries looks set to shrink by -3.9 million bbl/d and -4.21 million bbl/d, respectively. The IEA expects non-OPEC countries to report a production drop of -3.09 million barrels per day in 2020, with a sharp decline in non-conventional US supply. On the OPEC+ side, the market will be watching closely to see if the historic new production cuts are effectively honored in order to combat the impact of COVID-19 on demand.

Looking ahead to 2021, the IEA expects to see a recovery in global demand of +5.7 million bbl/d to reach a total of 97.42 million bbl/d, with an increase across both the OECD (+2.67 million bbl/d) and non-OECD regions (+3.03 million bbl/d). As for the supply side, the IEA estimates that the non-OPEC region will increase its production by only +800,000 bbl/d, while OPEC crude oil demand is likely to increase by 4.9 million bbl/d in 2021.



Source: International Energy Agency (IEA) and Repsol´s Division of Business Studies & Analysis.

Turning to the Henry Hub natural gas market, oversupply and a warm winter have generated exceedingly high inventory levels in the United States since early 2020. This situation, coupled with the spread of the pandemic and the impact it has had on gas demand, has weighed heavily on Henry Hub prices. The social distancing and lock-down measures put in place in response to COVID-19 have dramatically impacted domestic demand for gas in the United States. Meanwhile, falling demand and concerns in Asia about a possible second wave have triggered a decline in exports, as well as cancellations of LNG tanker loads. In spite of all this, low prices have opened the door to market adjustments that can help counter the fall in production and possibly bring about a turnaround in gas prices.

In 2021, the Henry Hub price is expected to recover. On the supply side, the decline (already observable) in gas production in the United States, particularly associated gas, will shore up prices by helping to re-establish a proper balance more quickly. On the demand side, the expected recovery of domestic demand linked to seasonal winter factors and the progressive recovery of Asian demand should help exports to recover.

Long-term energy sector outlook

In a scenario in which the effects of COVID-19 are expected to be concentrated in the short term, the long-term outlook for the energy sector is unchanged, as described in section 7.1 of the 2019 Management Report. However, there is a high degree of uncertainty as to how possible surges in demand for oil and gas might affect global demand, as well as the policies that the various governments might implement to drive the economic recovery and compliance with the commitments made on the subject of the energy transition.

7.2 OUTLOOK BY BUSINESS

The Group's business plans for the second half of 2020 are as envisioned in the Resilience Plan described in section 2.2, which ultimately pursues the objective of ending the year with debt at below the level reported at year-end 2019.

At today's date, Repsol expect to exceed the objectives initially set out in the Resilience Plan by cutting operating costs by 450 million and investment by upward of 1,100 million euros, while also improving working capital by some 800 million euros with respect to the initially budgeted metrics.

It is difficult to predict to what extent and for how long the impact of the pandemic will persist. The course of the pandemic, the control 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 play a part in shaping the scope and duration of both the crisis and the subsequent recovery. Weaker global demand for oil, gas and petroleum products in response to the slump in economic activity and, in particular, the mobility restrictions, may adversely affect prices, along with levels of production and sales.

However, the Company plans to update the scenarios in which it will continue to operate and will prepare a new Strategic Plan for the 2021-2025 horizon, to be published in November 2020.

APPENDIX I: ALTERNATIVE PERFORMANCE MEASURES

Repsol's financial information contains indicators and measures prepared in accordance with applicable financial reporting standards and regulations, as well as other measures prepared in accordance with the Group's Reporting Model, defined as Alternative Performance Measures (APMs). APMs are measures that are "adjusted" compared to those presented in accordance with IFRS-EU or with Supplementary Information on Oil and Gas Upstream Activities, and the reader should therefore consider them in addition to, but not instead of, the latter.

APMs are useful for users of financial information as they are the measures employed by Repsol's Management to evaluate its financial performance, cash flows or financial position when making operational or strategic decisions for the Group.

For historical quarterly APM information, see www.repsol.com.

1. Financial performance measures

Adjusted net income

Adjusted net income is the key financial performance measure that Management (the Executive Committee) consults when making decisions.

Repsol presents its segment[1] results including joint ventures or other companies which are jointly managed in accordance with the Group's investment percentage, considering its 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 the way in which results are analyzed for decision-making purposes is adequately reflected.

Adjusted net income is calculated as ***Net income from continuing operations at Current Cost of Supply*** (or CCS) net of taxes and non-controlling interests. It excludes certain income and expenses (***Special items***) and the ***Inventory effect***. ***Financial income*** is allocated to the adjusted net income of the "*Corporate and others*" segment.

Adjusted net income is a useful APM for investors in evaluating the performance of operating segments while enabling increased comparability with Oil & Gas sector companies that use different inventory measurement methods (see the following section).

Inventory effect

For current cost of supply (CCS) earnings, the cost of volumes sold is calculated on the basis of procurement and production costs[2] incurred during the period in question and not based on weighted average cost (WAC), which is the accepted methodology under European accounting law and regulations. The difference between CCS earnings and WAC earnings 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. Repsol management considers that this measurement is useful for investors, considering the significant variations arising in the prices of inventories between periods.

WAC is a generally accepted European accounting method for measuring inventories. It factors in purchase prices and historic production costs, valuing inventory at the lower between this cost and its market value.

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[1] In the first quarter of 2020, Repsol updated the definition of its segments as described in section 2.3.

[2] Cost of supplies is calculated on the basis of international quoted prices in the reference markets in which the Company operates. The relevant average monthly price is applied to each quality of distilled crude. Quoted prices are obtained from daily crude oil publications according to Platts, while freight rates are estimated by Worldscale (which publishes global reference prices for freight costs from one port to another). All other production costs (fixed and variable costs) are valued at the cost recognized in the accounts.

Special items

Significant items for which separate presentation is considered desirable to facilitate the task of monitoring the ordinary management of business operations. This heading includes capital gains/losses arising from divestment, restructuring costs, impairments, provisions for risks and expenses and other major income or expense items outside the ordinary management of the businesses. Special items are presented net of taxes and minority interests.

Special items for the first half and second quarter of 2020 and 2019 are presented below:

	1H		2Q	
Million euros	**2020**	**2019**	**2020**	**2019**
Divestments	72	31	3	1
Workforce restructuring	(41)	(29)	(35)	(24)
Impairment	(1,296)	(3)	(1,296)	(1)
Provisions and other	(320)	(44)	(113)	(8)
TOTAL	**(1,585)**	**(45)**	**(1,441)**	**(32)**

The following is a reconciliation of **Adjusted net income** under the Group's reporting model to income as stated under IFRS-EU:

	First half											
			ADJUSTMENTS									
	Adjusted net income		Joint venture reclassification		Special items		Inventory effect[(2)]		Total adjustments		IFRS-EU income	
Million euros	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating income	494 [(1)]	2,002 [(1)]	843	(478)	(1,500)	18	(1,507)	90	(2,164)	(370)	(1,670)	1,632
Financial income	(136)	(228)	22	68	(51)	(9)	-	-	(29)	59	(165)	(169)
Net income from entities accounted for using the equity method	7	17	(986)	220	1	-	-	-	(985)	220	(978)	237
Net Income before tax	**365**	**1,791**	**(121)**	**(190)**	**(1,550)**	**9**	**(1,507)**	**90**	**(3,178)**	**(91)**	**(2,813)**	**1,700**
Income tax	(172)	(668)	121	190	(36)	(54)	383	(23)	468	113	296	(555)
Consolidated net income for the year	**193**	**1,123**	**-**	**-**	**(1,586)**	**(45)**	**(1,124)**	**67**	**(2,710)**	**22**	**(2,517)**	**1,145**
Net income attributed to non-controlling interests	(4)	(8)	-	-	1	-	36	(4)	37	(4)	33	(12)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	**189**	**1,115**	**-**	**-**	**(1,585)**	**(45)**	**(1,088)**	**63**	**(2,673)**	**18**	**(2,484)**	**1,133**

(1) Net income from continuing operations at current cost of supply (CCS).

(2) The inventory effect represents an adjustment to "*Supplies*" and "*Changes in inventory of finished goods*" in the income statement under IFRS-EU.

	Second quarter											
			ADJUSTMENTS									
	Adjusted net income		Joint venture reclassification		Special items		Inventory effect[2]		Total adjustments		IFRS-EU income	
Million euros	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operating income	(169) [1]	977 [1]	947	(238)	(1,550)	20	(401)	83	(1,004)	(135)	(1,173)	842
Financial income	(125)	(131)	28	37	(38)	6	-	-	10	43	(135)	(88)
Net income from entities accounted for using the equity method	2	11	(944)	94	1	-	-	-	(943)	94	(941)	105
Net Income before tax	**(292)**	**857**	**31**	**(107)**	**(1,587)**	**26**	**(401)**	**83**	**(1,957)**	**2**	**(2,249)**	**859**
Income tax	34	(359)	(31)	107	146	(58)	100	(21)	215	28	249	(331)
Consolidated net income for the year	**(258)**	**498**	**-**	**-**	**(1,441)**	**(32)**	**(301)**	**62**	**(1,742)**	**30**	**(2,000)**	**528**
Net income attributed to non-controlling interests	-	(1)	-	-		-	3	(2)	3	(2)	3	(3)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	**(258)**	**497**	**-**	**-**	**(1,441)**	**(32)**	**(298)**	**60**	**(1,739)**	**28**	**(1,997)**	**525**

[1] Net income from continuing operations at current cost of supply (CCS)

[2] The inventory effect represents an adjustment to "*Supplies*" and "*Changes in inventory of finished goods*" in the income statement under IFRS-EU.

EBITDA:

EBITDA, or "Earnings Before Interest, Taxes, Depreciation, and Amortization," is a financial indicator which determines the operating margin of a company prior to deducting interest, taxes, impairment, restructuring costs, and amortization. Since it does not include financial and tax indicators or accounting expenses not involving cash outflow, it is used by Management to evaluate the company's results over time, for a more straightforward exercise in making comparisons with peers within the Oil&Gas sector.

EBITDA is calculated as Operating Income + Amortization + Impairment as well as other items which do not represent cash inflows or outflows from transactions (restructuring, capital gains/losses from divestment, provisions etc.). Operating income corresponds to the result from continuing operations at weighted average cost (WAC). Where ***Net income from continuing operations*** at ***Current Cost of Supply*** (CCS) is used, it is known as ***CCS EBITDA.***

	First half					
	Group Reporting Model		Joint venture reclassification and others		IFRS-EU [1]	
	2020	2019	2020	2019	2020	2019
Upstream	988	2,213	(488)	(918)	500	1,295
Industrial	(670)	1,075	(15)	(18)	(685)	1,057
Commercial and Renewables	360	502	(2)	(6)	358	496
Corporate and others	(89)	(78)	7	(2)	(82)	(80)
EBITDA	**589**	**3,712**	**(498)**	**(944)**	**91**	**2,768**
Inventory effect	1,507	(90)	-	-	-	-
CCS EBITDA	**2,096**	**3,622**	**(498)**	**(944)**	**91**	**2,768**

[1] Corresponds to "*Net income before tax*" and "*Adjustments to income*" in the consolidated Statement of Cash Flows prepared under IFRS-EU.

	First half					
	Group Reporting Model		Joint venture reclassification and others		IFRS-EU [1]	
	2020	2019	2020	2019	2020	2019
Net income before tax	(2,692)	1,890	(121)	(190)	(2,813)	1,700
Adjusted result:						
Depreciation of property, plant and equipment	1,547	1,580	(401)	(434)	1,146	1,146
Operating provisions	1,614	213	(939)	(37)	675	176
Other items	120	29	963	(283)	1,083	(254)
EBITDA	**589**	**3,712**	**(498)**	**(944)**	**91**	**2,768**

[1] Corresponds to "Net income before tax" and "Adjustments to income" in the consolidated Statement of Cash Flows prepared under IFRS-EU.

	Second quarter					
	Group Reporting Model		Joint venture reclassification and others		IFRS-EU [1]	
	2020	2019	2020	2019	2020	2019
Upstream	331	1,150	(186)	(460)	145	690
Industrial	(156)	521	(6)	(10)	(162)	511
Commercial and Renewables	118	250	-	(3)	118	247
Corporate and others	(53)	(19)	4	(21)	(49)	(40)
EBITDA	240	1,902	(188)	(494)	52	1,408
Inventory effect	401	(83)	-	-	-	-
CCS EBITDA	641	1,819	(188)	(494)	52	1,408

[1] Corresponds to "Net income before tax" and "Adjustments to income" in the consolidated Statement of Cash Flows prepared under IFRS-EU.

	Second quarter					
	Group Reporting Model		Joint venture reclassification and others		IFRS-EU [1]	
	2020	2019	2020	2019	2020	2019
Net income before tax	(2,280)	966	31	(107)	(2,249)	859
Adjusted result:						
Depreciation of property, plant and equipment	762	807	(198)	(212)	564	595
Operating provisions	1,591	117	(937)	(45)	654	72
Other items	167	12	916	(130)	1,083	(118)
EBITDA	**240**	**1,902**	**(188)**	**(494)**	**52**	**1,408**

[1] Corresponds to "Net income before tax" and "Adjustments to income" in the consolidated Statement of Cash Flows prepared under IFRS-EU.

ROACE:

This APM is used by Repsol Management to evaluate the capacity of its operating assets to generate profit, and therefore measures the efficiency of capital employed (equity and debt).

ROACE (*Return on average capital employed*) is calculated as: (Adjusted Net Income —taking the expense for operating leases as the instalments specified in the contracts, instead of the amortization of the right of use recognized under IFRS 16— excluding Finance Income + Inventory Effect + Special Items) / (Average capital employed for the period in continuing operations, which measures own and external capital employed by the company, and comprises Total Equity + *Net debt*). This includes capital employed in joint ventures or other companies managed operationally as joint ventures. If the Inventory Effect is not used in the calculation process, it is known as ***CCS ROACE***.

NUMERATOR (*Million euros*)	1H 2020	1H 2019
Operating income IFRS-EU	(1,670)	1,632
Joint ventures reclassification	(843)	478
Income tax [1]	150	(802)
Net income from entities accounted for using the equity method, net of taxes	8	17
IFRS 16 impact	(21)	(27)
I. ROACE result at weighted average cost	(2,376)	1,298

DENOMINATOR (*Million euros*)	1H 2020	1H 2019
Total equity	23,089	31,035
Net debt	3,987	3,662
Capital employed at period-end	27,076	34,697
II. Average capital employed [2]	28,316	34,525
ROACE (I/II) [3] [4]	(8.4)%	3.8%

[1] Does not include income tax corresponding to financial income.
[2] This is the average balance of capital employed in continuing operations at the beginning and end of the period.
[3] ROACE for the six-month period. In previous periods this magnitude was annualized by simply extrapolating the results (with the exception of special results and earnings).
[4] ROACE on CCS (without taking into account the Inventory Effect) amounts to (3.9)%.

ROACE* with leases** is calculated as: (Adjusted Net Income, excluding Financial income + Inventory Effect + Special Items) / (Average capital employed in continuing operations during the period, which equals Total Equity + ***Net Debt with leases). It includes the return pertaining to joint ventures or other companies operationally managed as such.

NUMERATOR (*Million euros)*	1H 2020	1H 2019
Operating income IFRS-EU	(1,670)	1,632
Joint Venture reclassification	(843)	478
Income tax [1]	150	(802)
Net income from entities accounted for using the equity method, net of taxes	8	17
I. ROACE result at weighted average cost	(2,355)	1,325

DENOMINATOR (*Million euros*)	1H 2020	
Total equity	22,940	30,927
Net debt with leases	8,026	7,464
Capital employed at period-end (with leases)	30,966	38,391
II. Average capital employed [2]	32,128	38,158
ROACE with leases (I/II) [3]	(7.3)%	3.5%

[1] Does not include income tax corresponding to financial results.
[2] This is the average balance of capital employed in continuing operations at the beginning and end of the period.
[3] ROACE for the six-month period. In previous periods this magnitude was annualized by simply extrapolating the results (with the exception of special results and earnings).

2. Cash flow measures

Cash flow from operations

Cash flow from operations measures the generation of cash flow corresponding to operations and is calculated as: EBITDA +/- Changes in working capital + Collection of dividends + Collection / - payment of income tax + Other collections / - payments relating to operating activities.

Free cash flow

Free cash flow measures cash flow generation from operating and investment activities, and is useful for evaluating the funds available for paying shareholder dividends and servicing debt.

Cash generated

Cash generated is ***free cash flow*** less dividend payments, payment of remuneration for other equity instruments, net interest payments, and payments for leases and treasury shares. This APM measures the funds generated by the Company before financial transactions (mainly debt issuance and repayments).

The following is a reconciliation of ***free cash flow*** and ***cash generated*** to the consolidated statements of cash flow prepared under IFRS-EU:

	First half					
	Adjusted cash flow		Joint venture reclassification and others		Statement of cash flows – IFRS-EU	
	2020	2019	2020	2019	2020	2019
I. Cash flows from / (used in) operating activities	864	2,530	(247)	(658)	617	1,872
II. Cash flows from / (used in) investing activities	(692)	(1,437)	1,808	372	1,116	(1,065)
Free cash flow (I+II)	**172**	**1,093**	**1,561**	**(286)**	**1,733**	**807**
Cash generated	**(359)**	**(124)**	**1,605**	**(266)**	**1,246**	**(390)**
III. Cash flows from / (used in) financing activities and others (1)	2,127	(1,560)	(1,554)	269	573	(1,291)
Net increase / (decrease) in cash and cash equivalents (I+II+III)	**2,299**	**(467)**	**7**	**(17)**	**2,306**	**(484)**
Cash and cash equivalents at the beginning of the period	3,218	5,021	(239)	(235)	2,979	4,786
Cash and cash equivalents at the end of the period	5,517	4,554	(232)	(252)	5,285	4,302

	Second quarter					
	Adjusted cash flow		Joint venture reclassification and others		Statement of cash flows – IFRS-EU	
	2020	2019	2020	2019	2020	2019
I. Cash flows from / (used in) operating activities	268	1,369	35	(258)	303	1,111
II. Cash flows from / (used in) investing activities	(485)	(869)	1,053	(105)	568	(974)
Free cash flow (I+II)	**(217)**	**500**	**1,088**	**(363)**	**871**	**137**
Cash generated	**(337)**	**111**	**1,121**	**(342)**	**784**	**(231)**
III. Cash flows from / (used in) financing activities and others [1]	2,300	(775)	(1,050)	467	1,250	(308)
Net increase / (decrease) in cash and cash equivalents (I+II+III)	**2,083**	**(275)**	**38**	**104**	**2,121**	**(171)**
Cash and cash equivalents at the beginning of the period	3,434	4,829	(270)	(356)	3,164	4,473
Cash and cash equivalents at the end of the period	5,517	4,554	(232)	(252)	5,285	4,302

[1] Includes dividends paid out and payments on other equity instruments, interest payments, other proceeds from / (payments for) financing activities, proceeds from / (payments for) equity instruments, proceeds from / (payments for) issuance/(redemption) of financial liabilities and the effect of exchange rate fluctuations.

The Group measures **liquidity** as the sum of "Cash and cash equivalents" on-demand cash deposits at financial institutions, and short and long-term credit facilities that remain undrawn at the end of the period, i.e., credit facilities granted by financial institutions that may be drawn on by the Company on the terms, in the amount and subject to the other conditions agreed in the contract.

	First half					
	Group Reporting Model		Joint venture reclassification		IFRS-EU	
	Jun - 2020	Dec - 2019	Jun - 2020	Dec - 2019	Jun - 2020	Dec - 2019
Cash and cash equivalents	5,517	3,218	(232)	(239)	5,285	2,979
Undrawn credit facilities	3,420	1,818	(9)	(10)	3,411	1,808
On-demand cash deposits [1]	825	2,631	-	-	825	2,631
Liquidity	**9,762**	**7,667**	**(241)**	**(249)**	**9,521**	**7,418**

[1] Repsol enters into contracts for time deposits that are nonetheless drawable on demand which are recorded in "*Other current financial assets*" insofar as they are not classifiable for accounting purposes as cash and cash equivalents.

Operating investments:

Group Management uses this APM to measure each period's investment effort and allocation by business segment, reflecting operating investments by the various Group business units. The figure includes joint ventures or other companies managed operationally as joint ventures.

Investments may be presented as organic (acquisition of projects, assets or companies for the expansion of the Group's activities) or inorganic (funds invested in the development or maintenance of the Group's projects and assets). This distinction is useful in understanding how the Group's Management allocates its resources and allows for a more reliable comparison of investment between periods.

	First half					
	Operating investments		Joint venture reclassification and others		IFRS-EU [1]	
	2020	2019	2020	2019	2020	2019
Upstream	603	961	(99)	(253)	504	708
Industrial	227	306	(1)	(5)	226	301
Commercial and Renewables	259	176	(13)	(11)	246	165
Corporate and others	24	25	-	5	24	30
TOTAL	**1,113**	**1,468**	**(113)**	**(264)**	**1,000**	**1,204**

[1] This corresponds to "*Payments on investments*" in the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to "*Other financial assets*."

	Second quarter					
	Operating investments		Joint venture reclassification and others		IFRS-EU [1]	
	2020	2019	2020	2019	2020	2019
Upstream	214	562	(42)	(136)	172	426
Industrial	104	200	(3)	(25)	101	175
Commercial and Renewables	141	93	(1)	22	141	115
Corporate and others	20	15	-	4	20	19
TOTAL	**479**	**870**	**(46)**	**(135)**	**433**	**735**

(2) This corresponds to "*Payments on investments*" in the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to "*Other financial assets*."

3. Financial position measures

Debt and financial position ratios

Net Debt and **Net Debt with leases** are the main APMs used by Management to measure the Company's level of debt. The figure is made up of financial liabilities (including lease liabilities, as the case may be) less financial assets, cash and cash equivalents, and the effect arising from the mark-to-market of financial derivatives (*ex* exchange rate derivatives). It also includes the net debt of joint ventures and other companies operationally managed as such.

	Net Debt	Joint venture reclassification [1]	IFRS-EU Balance sheet
	Jun-20	Jun-20	Jun-20
Non-current assets			
Non-current financial instruments [2]	(118)	867	749
Current assets			
Other current financial assets	1,081	137	1,218
Cash and cash equivalents	5,517	(232)	5,285
Non-current liabilities			
Non-current financial liabilities [3]	(6,839)	(3,034)	(9,873)
Current liabilities			
Current financial liabilities [3]	(4,091)	(823)	(4,914)
Off-balance sheet items			
Mark-to-market financial derivatives (*ex* exchange rate derivatives) [4]	463	(380)	83
NET DEBT [5]	**(3,987)**	**(3,465)**	**(7,452)**
Non-current lease liabilities (net) [6]	(3,482)	641	(2,841)
Current lease liabilities (net) [6]	(557)	62	(495)
NET DEBT with leases	**(8,026)**		**(10,788)**

(1) Mainly includes the net financing of the Repsol Sinopec Brazil Group, broken down into: Cash and cash equivalents of 51 million euros and current financial liabilities as a result of an intra-group loan of 2,995 million euros, less 49 million euros for third-party loans and 591 million euros for leases.
(2) Corresponds to "*Non-current financial assets*" on the consolidated balance sheet, excluding equity instruments.
(3) Excludes lease liabilities.
(4) The mark-to-market value of financial derivatives other than exchange rate derivatives is eliminated from this caption.
(5) The reconciliations of this figure for previous half-year periods are available at www.repsol.com.
(6) Includes collection rights for subleases amounting to 29 million euros (20 million euros long-term and 9 million euros short-term).

Gross Debt and Gross Debt with leases are measures used to analyze the Group's solvency and include financial liabilities (including lease liabilities as the case may be) and the mark-to-market value of exchange rate derivatives. It also includes the net debt of joint ventures and other companies operationally managed as such.

	Gross Debt	Joint venture reclassification	IFRS-EU Balance sheet
	Jun-20	Jun-20	Jun-20
Current financial liabilities [1]	(3,978)	(822)	(4,800)
Mark-to-market current exchange rate derivatives	(31)	0	(31)
Current gross debt	**(4,009)**	**(822)**	**(4,831)**
Non-current financial liabilities [1]	(6,743)	(3,035)	(9,778)
Mark-to-market of non-current exchange rate derivatives	(4)	0	(4)
Non-current gross debt	**(6,747)**	**(3,035)**	**(9,782)**
GROSS DEBT [2]	**(10,756)**	**(3,856)**	**(14,613)**
Current lease liabilities	(566)	62	(504)
Non-current lease liabilities	(3,510)	649	(2,861)
GROSS DEBT with leases	**(14,832)**	**(3,146)**	**(17,978)**

(1) Lease liabilities not included.
(2) The reconciliations of this figure for previous periods are available at www.repsol.com.

The following ratios are used by Group Management to evaluate leverage ratios and Group solvency.

The ***leverage ratio*** is ***net debt*** divided by ***capital employed*** at the end of the period. This ratio can be used to examine financial structure and degree of indebtedness in relation to capital contributed by shareholders and financing entities. Leverage is the chief measure used to evaluate and compare the Company's financial position with respect to its peers in the Oil & Gas industry.

	First half					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
Million euros	2020	2019	2020	2019	2020	2019
Net debt	(8,026)	(7,464)	(2,762)	(2,337)	(10,788)	(9,801)
Capital employed	30,966	38,391	2,762	2,337	33,728	40,728
Leverage with leases	**25.9%**	**19.4%**			**32.0%**	**24.0%**

	First half					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
Millones de euros	2020	2019	2020	2019	2020	2019
Net debt	(3,987)	(3,662)	(3,465)	(3,098)	(7,452)	(6,760)
Capital employed	27,076	34,697	3,465	3,098	30,541	37,795
Leverage without leases	**14.7%**	**10.6%**			**24.4%**	**17.9%**

The ***solvency ratio*** is calculated as ***liquidity*** (section 2 of this Appendix) divided by ***Current Gross debt*** and is used to determine the number of times the Group may service its current debt using its existing liquidity.

	First half					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
Million euros	Jun - 2020	Dec - 2019	Jun - 2020	Dec - 2019	Jun - 2020	Dec - 2019
Liquidity	9,762	7,667	(241)	(249)	9,521	7,418
Current Gross debt	4,009	5,219	822	(10)	4,831	6,022
Solvency	2.4	1.5			2.0	1.2

The ***interest coverage ratio*** is calculated in the same way as debt interest (which comprises financial income and expenses, without considering lease income and expenses) divided by EBITDA. This ratio is used to examine the Company's ability to cover interest payments with its EBITDA.

	First half					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
Million euros	2020	2019	2020	2019	2020	2019
Interest[(1)]	104	114	13	10	117	124
EBITDA	589	3,712	(498)	(944)	91	2,768
Interest coverage	**17.7%**	**3.1%**			**128.5%**	**4.5%**

[(1)] Does not include the lease effect due to IFRS 16.

	Second quarter					
	Group Reporting Model		Joint venture reclassification		IFRS - EU Balance sheet	
Million euros	2020	2019	2020	2019	2020	2019
Interest[(1)]	55	49	(1)	9	55	58
EBITDA	240	1,902	(188)	(494)	52	1,408
Interest coverage	**23.0%**	**2.6%**			**104.8%**	**4.1%**

[(1)] Does not include the lease effect due to IFRS 16.

APPENDIX II: TABLE OF CONVERSIONS AND ABBREVIATIONS

			OIL				GAS		ELECTRICITY
			Liters	Barrels	Cubic meters	toe	Cubic meters	Cubic feet	kWh
OIL	1 barrel [1]	bbl	158.99	1	0.16	0.14	162.60	5,615	$1.7x10^3$
	1 cubic meter [1]	m^3	1,000	6.29	1	0.86	1,033	36,481	10,691.5
	1 ton of oil equivalent [1]	toe	1,160.49	7.30	1.16	1	1,187	41,911	12,407.4
GAS	1 cubic meter	m^3	0.98	0.01	0,001	0,001	1	35.32	10.35
	1,000 cubic feet=$1.04x10^6$ Btu	ft^3	27.64	0.18	0.03	0.02	28.3	1,000	293.1
ELECTRICITY	1 megawatt hour	MWh	93.53	0.59	0.10	0.08	96.62	3,412.14	1,000

[1] Benchmark: 32.35° API and relative density of 0.8636.

			Meter	Inch	Foot	Yard
LENGTH	Meter	m	1	39.37	3.281	1.093
	Inch	in	0.025	1	0.083	0.028
	Foot	ft	0.305	12	1	0.333
	Yard	yd	0.914	36	3	1

			Kilogram	Pound	Ton
MASS	Kilogram	kg	1	2.2046	0.001
	Pound	lb	0.45	1	0.00045
	Ton	t	1,000	22.046	1

			Cubic feet	Barrel	Liter	Cubic meter
VOLUME	Cubic foot	ft^3	1	0.1781	28.32	0.0283
	Barrel	bbl	5.615	1	158.984	0.1590
	Liter	l	0.0353	0.0063	1	0.001
	Cubic meter	m^3	35.3147	6.2898	1,000	1

Term	Description	Term	Description	Term	Description
bbl / bbl/d	Barrel/ Barrels per day	kbbl	Thousand barrels of oil	Mm^3/d	Million cubic meters per day
bcf	Billion cubic feet	kbbl/d	Thousand barrels per day	Mscf/d	Million standard cubic feet per day
Bm^3	Billion cubic meters	kboe	Thousand barrels of oil equivalent	kscf/d	Thousand standard cubic feet per day
Boe	Barrel of oil equivalent	kboe/d	Thousand barrels of oil equivalent per day	MW	Megawatts
Btu/MBtu	British thermal unit/ Btu/millions of Btu	km^2	Square kilometer	MWh	Megawatt hour
LPG	Liquefied petroleum gas	kt/Mt	Thousand tons/Million tons	Tcf	Trillion cubic feet
LNG	Liquefied natural gas	Mbbl	Million barrels	toe	Tons of oil equivalent
GWh	Gigawatts per hour	Mboe	Million barrels of oil equivalent	USD / Dollar / $	US dollar