

Q2 2020 RESULTS

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INDEX

Delivering the objectives presented in the Resilience Plan	2
2Q20 highlights: Positive Operating Cash Flow generation	3
Net income performance by business segment	5
Upstream	5
Industrial	8
Commercial and Renewables	10
Corporation & Others	12
Inventory effect	13
Special items	13
Adjusted cash flow statement analysis	14
Net debt evolution	15
Relevant events	16
<u>ANNEXES:</u>	
Appendix I – Metrics by business segments	20
Operating indicators	23
Appendix II – Repsol’s reporting model	26
Appendix III – IFRS Consolidated Financial Statements	30
Appendix IV – Basis of presentation	36



Delivering the objectives presented in the Resilience Plan

JOSU JON IMAZ, CEO

“Ensuring the robustness of our balance sheet”

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

Even under a very challenging scenario of depressed commodity prices and low demand experienced in the second quarter, Repsol has been able to deliver a positive operating cash flow during the quarter.

RESILIENCE PLAN 2020 *“Delivering the objectives presented in our Resilience Plan 2020”*

We are delivering and improving the objectives presented in our Resilience Plan 2020:

- New **Opex** estimate reduction for 2020: €450 million. €100 million above the initial target. During the quarter more than €250 million have been already captured. The Opex per barrel in the upstream business has been reduced by 12% year-on-year from 9.0 USD/Bbl in 2Q19 to 7.9 USD/Bbl in 2Q20.
- New **Capex** estimate reduction for 2020: €1.1 billion. €0.1 billion above the initial target.
- **Working capital** optimization for 2020: €800 million. During the quarter, more than €300 million have been captured.

LEADING THE ENERGY TRANSITION

“Decarbonization projects”

Two major pioneering industrial decarbonization projects will be developed in Spain:

- The first project involves building one of the world’s largest plants to manufacture net zero emissions fuels in Petronor, using CO₂ and green hydrogen generated with renewable energy.
- The second project is a plant for generation of gas from urban waste which will replace part of the traditional fuels used in Petronor’s production process.

In **Renewables**, the development in Spain of one wind and two solar projects totaling 725 MW continues as planned. Moreover, Repsol has reached an agreement to develop in Chile a **pipeline of renewable projects of up to 2.6 Gigawatts** of generation capacity.

SHAREHOLDER REMUNERATION

“Delivering on our commitment to shareholder’s remuneration”

Repsol has delivered on its remuneration commitment for 2020 with July’s shareholder remuneration through the scrip dividend formula.

After the 2020 scrip dividend, around 99 million shares have been issued. The company plans to reduce the total number of issued shares to avoid share dilution. At the end of the quarter, Repsol maintains an equivalent position of 93 million treasury shares.

STRATEGIC PLAN 2021 – 2025

“November 2020”

Repsol will present its Strategic Plan 2021 – 2025 in November 2020 based on a strategy towards achieving net zero emissions in 2050 while enhancing its global value position.

2Q20 Highlights: Positive Operating Cash Flow generation

(Unaudited figures)

Results (€ Million)	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Upstream	(141)	90	323	-	(51)	646	-
Industrial	8	288	177	(95.5)	296	448	(33.9)
Commercial and Renewables	42	121	128	(67.2)	163	265	(38.5)
Corporate and Others	(167)	(52)	(131)	(27.5)	(219)	(244)	10.2
Adjusted Net Income	(258)	447	497	-	189	1,115	(83.0)
Inventory effect	(298)	(790)	60	-	(1,088)	63	-
Special items	(1,441)	(144)	(32)	-	(1,585)	(45)	-
Net Income	(1,997)	(487)	525	-	(2,484)	1,133	-
Earnings per share (€/share)	(1.32)	(0.33)	0.32	-	(1.63)	0.68	-
Financial data (€ Million)	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
EBITDA	240	349	1,902	(87.4)	589	3,712	(84.1)
EBITDA CCS	641	1,455	1,819	(64.8)	2,096	3,622	(42.1)
Operating Cash Flow	268	596	1,369	(80.4)	864	2,530	(65.8)
Investments	479	634	870	(44.9)	1,113	1,468	(24.2)
Group's Effective Tax Rate (%)	11	(32)	(42)	53.0	(48)	(38)	(10.0)
Net Debt	3,987	4,478	3,662	8.9	3,987	3,662	8.9
Net Debt with leases	8,026	8,364	7,464	7.5	8,026	7,464	7.5
International prices	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Brent (\$/bbl)	29.6	50.1	68.9	(57.0)	40.1	66.0	(39.2)
Henry Hub (\$/MBtu)	1.7	2.0	2.6	(34.6)	1.8	2.9	(37.9)
Average exchange rate (\$/€)	1.10	1.10	1.12	(1.8)	1.10	1.13	(2.7)
Operational data	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Liquids Production (Thousand bbl/d)	214	244	258	(17.1)	229	251	(8.7)
Gas Production ^(*) (Million scf/d)	2,388	2,617	2,446	(2.4)	2,503	2,504	(0.0)
Total Production (Thousand boe/d)	640	710	694	(7.8)	675	697	(3.2)
Crude Oil Realization Price (\$/bbl)	25.5	44.1	62.2	(59.0)	35.8	59.6	(39.9)
Gas Realization Price (\$/Thousand scf)	1.9	2.4	3.1	(38.7)	2.2	3.2	(31.3)
Distillation Utilization Spanish Refining (%)	69.9	82.4	85.9	(16.0)	76.1	89.3	(13.2)
Conversion Utilization Spanish Refining (%)	82.4	100.4	101.8	(19.4)	91.4	102.0	(10.6)
Refining Margin Indicator in Spain (\$/bbl)	3.0	4.7	3.5	(14.3)	3.9	4.4	(11.4)
Sustainability data	Q2 2020	Q1 2020	Q2 2019	Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	Change 2020 / 2019
Process safety indicator (PSIR)	0.55	0.72	0.56	(0.0)	0.82	0.47	0.4
Total recordable injury rate (TRIR)	0.36	1.35	1.06	(0.7)	0.99	1.18	(0.2)
Annual CO ₂ e emissions reduction (Kt) ^(**)	198.3	80.5	42.3	156.0	278.7	84.7	194.0

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

ADJUSTED NET INCOME & NET INCOME

Adjusted net income in the second quarter of 2020 was €-258 million, €755 million lower year-on-year. **Net income** amounted to €-1,997 million, mainly due to impairments in the Upstream segment and the impact of the inventory effect.

UPSTREAM

€-141 M

In **Upstream**, adjusted net income was €-141 million, €464 million lower than in the same period in 2019 mainly due to lower oil and gas realization prices and lower production. This was partially offset by lower costs, lower amortization rates and lower taxes.

INDUSTRIAL

€8 M

In **Industrial**, adjusted net income was €8 million, €169 million lower than in the same period in 2019 mainly as a consequence of the negative impact from the new market conditions produced by the Covid-19 in Refining and Chemicals, together with the negative impact of own use adjustments and non-transcended sales. This was partially offset by the good performance of Repsol Peru and lower taxes due to a lower operating income.

COMMERCIAL AND RENEWABLES

€42 M

In **Commercial and Renewables**, adjusted net income was €42 million, €86 million lower than in the same period in 2019 primarily driven by a 48% demand reduction in the Spanish Service Stations business due to the Covid-19. This was partially offset by the good performance of LPG, Lubricants and Electricity and Gas as well as lower taxes due to a lower operating income.

CORPORATE & OTHERS

€-167 M

In **Corporate and others**, adjusted net income was €-167 million, compared to €-131 million in the same period of 2019, mainly due to the negative impact of the adjustments within intra-group crude oil sales and own use that were partially compensated by lower corporate expenses.

SPECIAL ITEMS

€-1,441 M

Primarily due to an impairment of €-1,289 million post-tax in the Upstream business after assuming a lower oil and gas price scenario.

Repsol's new average price deck for the period 2020 to 2050, in real terms of 2020, stands at 59.6 \$/bbl Brent and 3.3 \$/Mbtu Henry Hub.

SOLID FINANCIAL POSITION

Group's liquidity €9,762 M

The Group's **net debt** at the end of the second quarter stood at €3,987 million, €491 million lower than at the end of the first quarter of 2020. During the quarter, Repsol has issued two perpetual subordinated bonds, accounted for as equity, for a total amount of €1.5 billion. Moreover, it has also repurchased €0.6 billion of the perpetual subordinated bond NC 2021, also accounted for as equity, issued in 2015. The net positive impact of €0.9 billion from both transactions together with the positive operating cash flow generated during the quarter more than covered investments, interests and others. Including leases, net debt stood at €8,026 million.

The Group's **liquidity** at the end of the second quarter of 2020 was €9,762 million (including undrawn committed credit lines); representing 2.43 times short-term gross debt maturities that compares with 1.60 times at the end of the first quarter of 2020.

NET INCOME PERFORMANCE BY BUSINESS SEGMENT

Upstream

(Unaudited figures)

Results (€ Million)	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Adjusted Net Income	(141)	90	323	-	(51)	646	-
Operating income	(165)	161	612	-	(4)	1,174	-
Income tax	20	(77)	(300)	-	(57)	(547)	89.6
Income from equity affiliates and non-controlling interests	4	6	11	(63.6)	10	19	(47.4)
EBITDA	331	657	1,150	(71.2)	988	2,213	(55.4)
Investments	214	389	562	(61.9)	603	961	(37.3)
Effective Tax Rate (%) ^(*)	12	(47)	(49)	61.0	-	(47)	-
International prices	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Brent (\$/bbl)	29.6	50.1	68.9	(57.0)	40.1	66.0	(39.2)
WTI (\$/bbl)	28.0	45.8	59.9	(53.3)	36.8	57.4	(35.9)
Henry Hub (\$/MBtu)	1.7	2.0	2.6	(34.6)	1.8	2.9	(37.9)
Average exchange rate (\$/€)	1.10	1.10	1.12	(1.8)	1.10	1.13	(2.7)
Realization prices	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Crude Oil (\$/bbl)	25.5	44.1	62.2	(59.0)	35.8	59.6	(39.9)
Gas (\$/Thousand scf)	1.9	2.4	3.1	(38.7)	2.2	3.2	(31.3)
Production	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Liquids (Thousand bbl/d)	214	244	258	(17.1)	229	251	(8.7)
Gas ^(**) (Million scf/d)	2,388	2,617	2,446	(2.4)	2,503	2,504	(0.0)
Total (Thousand boe/d)	640	710	694	(7.8)	675	697	(3.2)

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

Second quarter 2020

Results

In **Upstream**, adjusted net income was €-141 million, €464 million lower than in the same period in 2019 mainly due to lower oil and gas realization prices and lower production. This was partially offset by lower costs, lower amortization rates and lower taxes.

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

- Lower **realization prices** had a negative impact on the operating income of €881 million.
- Lower **volumes** impacted the operating income negatively by €152 million, mainly due to the suspension of operations in Libya since January 19th.
- Lower **production costs and general costs** had a positive impact of €75 million on the operating income mainly derived from the lower activity and lower maintenance costs.

- **Depreciation and amortization** charges were €64 million lower due to lower production and lower amortization rates as a consequence of the impairment posted during 2019.
- **Lower royalties** contributed positively to the operating income by €121 million due to lower production and lower prices.
- **Income tax** expense impacted the adjusted net income positively by €319 million due to a lower operating income.
- **Income from equity affiliates and non-controlling interests and the depreciation of the dollar against the euro** explain the remaining differences.

Production

Upstream **production** reached an average of 640 kboe/d in the second quarter of 2020, 55 kboe/d lower year-on-year primarily due to the stoppage of production in Libya as a consequence of force majeure from January 19, 2020, lower gas demand in Bolivia, Peru and Indonesia caused by Covid-19 as well as the shutdown of Akacias (Colombia), Chauvin (Canada) and the reduction of production in Duvernay (Canada) due to low prices, the Piedemonte license expiration (Colombia), maintenance programs and the natural decline of fields. These were partially compensated by the connection of new wells in Marcellus (USA) and the acquisition of an additional 63% of working interest in Eagle Ford (USA) in December 2019.

Exploration

During the second quarter of 2020, 6 exploration and 1 appraisal wells were finished. 5 exploration wells were declared positive, including the Monument discovery in the Gulf of Mexico (USA), two discoveries (Polok-1 and Chinwol-1) in the Gulf of Mexico (Mexico) as well as two discoveries (Mitquq-1 & ST1 and Stirrup-1) in Alaska.

In addition, 1 exploration (Juum in Mexico) well was declared negative and 1 appraisal (Lorito A-1 in Colombia) well is currently under evaluation.

At the end of the quarter one exploration well in Bolivia (Boicobo Sur-X-1) was in progress.

Exploration expenses during the quarter stood at €52 million, in line year-on-year.

Investments

Investment in Upstream in the second quarter of 2020 amounted to €214 million, €348 million lower than in the same period of 2019.

- **Development** investment accounted for 66% of the total investment and was concentrated mainly in Norway (30%), Trinidad and Tobago (18%), the USA (15%), Malaysia (13%) and Brazil (9%).
- **Exploration** investment represented 31% of the total and was allocated primarily in Mexico (38%), the USA (20%), Russia (9%) and Indonesia (8%).

January - June 2020 results

Results

The adjusted net income for the first half of 2020 amounted to €-51 million, €697 million lower year-on-year mainly due to lower oil and gas realization prices and the force majeure in Libya. This was partially offset by lower costs, lower amortization rates and lower taxes.

Production

Upstream **production** reached an average of 675 kboe/d in the first half of 2020, 22 kboe/d lower year-on-year primarily due to the stoppage of production in Libya as a consequence of force majeure from January 19, 2020, lower gas demand in Bolivia, Peru and Indonesia caused by Covid-19 as well as the shutdown of Akacias (Colombia) Chauvin (Canada) and the reduction of production in Duvernay (Canada) due to low prices, the Piedemonte license expiration (Colombia), maintenance programs and the natural decline of fields. These were partially compensated by the connection of new wells in Marcellus (USA), the acquisition of an additional 63% of working interest in Eagle Ford (USA) in December 2019 and the first oil in Buckskin (USA) in June 2019.

Exploration

During the first half of 2020, 7 exploration and 1 appraisal wells were finished. 6 exploration wells were declared positive, including the Lorito Este-1 exploration well in Colombia, the Monument discovery in the Gulf of Mexico (USA), two discoveries (Polok-1 and Chinwol-1) in the Gulf of Mexico (Mexico) as well as two discoveries (Mitquq-1 & ST1 and Stirrup-1) in Alaska.

In addition, 1 exploration (Juum in Mexico) well was declared negative and 1 appraisal (Lorito A-1 in Colombia) well is currently under evaluation.

At the end of the semester one exploration well in Bolivia (Boicobo Sur-X-1) was in progress.

Exploration expenses during the first half of the year stood at €71 million, practically in line year-on-year.

Investments

Investment in Upstream in the first half of 2020 amounted €603 million, €358 million lower than the first half of 2019.

- **Development** investment accounted for 74% of the total investment and was concentrated mainly in Norway (26%), the USA (23%), Trinidad and Tobago (12%), Brazil (9%) and Malaysia (9%).
- **Exploration** investment represented 26% of the total and was allocated primarily in the USA (35%), Mexico (23%), Russia (7%), Indonesia (6%) and Colombia (6%).

Industrial

(Unaudited figures)

Results (€ Million)	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Adjusted Net Income	8	288	177	(95.5)	296	448	(33.9)
Operating income	15	394	231	(93.5)	409	590	(30.7)
Income tax	(5)	(104)	(56)	91.1	(109)	(140)	22.1
Income from equity affiliates and non-controlling interests	(2)	(2)	2	-	(4)	(2)	(100.0)
Inventory effect (after taxes)	(282)	(784)	66	-	(1,066)	68	-
EBITDA	(156)	(514)	521	-	(670)	1,075	-
EBITDA CCS	223	585	430	(48.1)	808	978	(17.4)
Investments	104	123	178	(41.6)	227	306	(25.8)
Effective Tax Rate (%) ^(*)	(33)	(26)	(24)	(9.0)	(27)	(24)	(3.0)

Operational data	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Refining Margin Indicator in Spain (\$/bbl)	3.0	4.7	3.5	(14.3)	3.9	4.4	(11.4)
Distillation Utilization Spanish Refining (%)	69.9	82.4	85.9	(16.0)	76.1	89.3	(13.2)
Conversion Utilization Spanish Refining (%)	82.4	100.4	101.8	(19.4)	91.4	102.0	(10.6)
Processed Crude (Mt)	8.3	10.1	10.6	(21.7)	18.5	22.1	(16.3)
Petrochemical Product Sales (Thousand tons)	740	557	703	5.3	1,297	1,458	(11.0)

International prices (\$/bbl)	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Maya vs Brent spread	(8.6)	(10.0)	(9.4)	8.5	(9.3)	(10.1)	7.9
Gasoline vs Brent spread	2.5	4.9	12.1	(79.3)	3.7	6.9	(46.4)
Diesel vs Brent spread	8.9	13.6	13.8	(35.5)	11.3	15.5	(27.1)

(*) Calculated on the Operating Income

Second quarter 2020

Results

Adjusted net income was €8 million, €169 million lower than in the same period in 2019. The principal factors that explain the variations in the year-on-year performance in the Industrial businesses are as follows:

- In **Refining**, operating income was €62 million lower year-on-year mainly because of the severe decrease in the demand of oil products due to the Covid-19 that led to narrower middle distillates, gasolines and light-to-heavy crude oil spreads that were transferred into lower distillation and lower refining margins. This was partially offset by lower energy costs (Brent and gas prices).
- In **Repsol Peru**, operating income was €24 million higher year-on-year due to higher refining margins that were partially offset by lower distillation.
- In **Chemicals**, operating income was €49 million lower year-on-year. Higher international margins, mainly due to lower feedstock prices, were not able to compensate the negative effects from new market conditions because of the Covid-19 as well as the impact of the accident at the third party IQOXE's plant in the cracker of Tarragona.
- In **Trading and Wholesale & Gas Trading**, operating income was €27 million lower year-on-year. Higher results in Trading due to the recovery in prices and a contango market structure were not able to compensate lower commercialization margins in the Wholesale & Gas Trading business.
- Negative impact on the operating income from lower adjustments within intra-group crude oil sales and own use of €117 million.

- **Income tax** expense impacted the adjusted net income positively by €51 million due to a lower operating income.
- **Results in other activities, adjustments and equity affiliates and non-controlling interests** covered the remaining difference.

Investments

Investments in the second quarter amounted to €104 million, €74 million lower than in the same period of 2019.

January - June 2020

Results

Adjusted net income for the first half of 2020 was €296 million, 34% lower year-on-year. The negative impact from the new market conditions produced by the Covid-19 in Refining, Chemicals and Wholesale & Gas Trading has been partially offset by the good performance of Trading, Repsol Peru and lower taxes due to a lower operating income.

Investments

Investments in the first half of the year amounted to €227 million, €79 million lower than in the same period of 2019.

Commercial and Renewables

(Unaudited figures)

Results (€ Million)	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Adjusted Net Income	42	121	128	(67.2)	163	265	(38.5)
Operating income	54	164	175	(69.1)	218	362	(39.8)
Income tax	(12)	(40)	(44)	72.7	(52)	(90)	42.2
Income from equity affiliates and non-controlling interests	0	(3)	(3)	-	(3)	(7)	57.1
Inventory effect (after taxes)	(16)	(6)	(6)	(166.7)	(22)	(5)	-
EBITDA	118	242	250	(52.8)	360	502	(28.3)
EBITDA CCS	140	249	258	(45.7)	389	509	(23.6)
Investments	141	118	115	22.6	259	176	47.2
Effective Tax Rate (%) ^(*)	(22)	(25)	(25)	3.0	(24)	(25)	1.0

Operational data	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Electricity Prices in Spanish pool (€/MWh)	23.2	34.9	48.7	(52.4)	29.0	51.8	(44.0)
Marketing own network sales (Diesel & Gasoline in km3)	2,385	3,440	3,794	(37.1)	5,825	7,661	(24.0)
Electricity Generation (GWh)	1,401	892	1,494	(6.2)	2,293	2,185	4.9
Electricity commercialization (GWh)	838	1,066	1,137	(26.3)	1,905	2,313	(17.6)
LPG Sales (Thousand tons)	221	380	305	(27.5)	601	699	(14.0)

(*) Calculated on the Operating Income

Second quarter 2020

Results

Adjusted net income amounted to €42 million, €86 million lower than in the same period in 2019. The principal factors that explain the variations in the year-on-year performance in the Commercial and Renewables businesses are as follows:

- In **Mobility**, operating income was €136 million lower year-on-year primarily driven by a 48% demand reduction in the Spanish Service Stations due to the Covid-19.
- In **LPG**, operating income was €10 million higher year-on-year mainly due to higher margins that were partially compensated by lower sales due to weather conditions as well as the effects of the Covid-19.
- In **Lubricants**, operating income was €5 million higher year-on-year mainly due to higher margins across all its product's segments.
- In **Electricity & Gas**, operating income was €6 million higher year-on-year mainly due to higher results in power generation partially compensated by lower electricity consumption as a consequence of Covid-19.
- **Income tax** expense impacted the adjusted net income positively by €32 million due to a lower operating income.
- **Results in other activities, adjustments and equity affiliates and non-controlling interests** covered the remaining difference.

Investments

Investments in Commercial and Renewables in the second quarter amounted to €141 million.

January - June 2020

Results

Adjusted net income for the first half of 2020 was €163 million, 38% lower year-on-year primarily driven by a 30% demand reduction in the Spanish Service Stations due to the Covid-19. This was partially offset by the good performance of Lubricants and Electricity and Gas as well as lower taxes due to a lower operating income.

Investments

Investments in the first half of the year amounted to €259 million, corresponding €190 million to the Electricity and Gas business, mainly linked to the development of renewable projects.

Corporate and others

(Unaudited figures)

Results (€ Million)	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Adjusted Net Income	(167)	(52)	(131)	(27.5)	(219)	(244)	10.2
Corporate result	(50)	(50)	(68)	26.5	(100)	(100)	0.0
Financial result	(125)	(11)	(131)	4.6	(136)	(228)	40.4
Consolidation adjustments	(23)	(6)	27	-	(29)	(24)	(20.8)
Income tax	31	15	41	(24.4)	46	109	(57.8)
Income from equity affiliates and non-controlling interests	0	0	0	-	0	(1)	-
EBITDA	(53)	(36)	(19)	(178.9)	(89)	(78)	(14.1)
Net Interests ^(*)	(55)	(48)	(48)	(14.6)	(104)	(114)	8.8
Investments	20	4	15	33.3	24	25	(4.0)
Effective Tax Rate (%) ^(**)	16	23	24	(8.0)	18	31	(13.0)

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

Second quarter 2020 results

At operating income level, **Corporate and Adjustments** accounted for a net expense of €73 million during the second quarter of 2020 compared to a net expense of €41 million in the second quarter of 2019 mainly due to the negative impact of the adjustments within intra-group crude oil sales and own use that were partially compensated by lower corporate costs.

The **financial result** in the quarter amounted to a net expense of €125 million compared with a net expense of €131 million for the same period of last year mainly due to better exchange rate positions.

January - June 2020 results

At operating income level, **Corporate and Adjustments** accounted for a net expense of €129 million during the first half of 2020, in line with a net expense of €124 million in the same period of 2019.

The **financial result** during the first half of 2020 amounted to a net expense of €136 million compared with a net expense of €228 million for the same period of last year mainly due to higher results from exchange rate positions and lower net interest expenses.

Inventory Effect

Second quarter 2020

Inventory effect was €-298 million in the period, compared with €60 million in the same period of 2019 mainly due to the fall of crude oil prices during the quarter 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.

January - June 2020

Inventory effect was €-1,088 million in the period, compared with €63 million in the same period of 2019 mainly due to the fall of crude oil prices since March as a consequence of the rapid progression of the Covid-19 and its subsequent impact on demand, as well as the excess of crude supply.

Special Items

(Unaudited figures)

Results (€ Million)	Q2 2020	Q1 2020	Q2 2019	% Change Q2 20/Q2 19	Jan - Jun 2020	Jan - Jun 2019	% Change 2020 / 2019
Divestments	3	69	1	200.0	72	31	132.3
Indemnities and workforce restructuring	(35)	(6)	(24)	(45.8)	(41)	(29)	(41.4)
Impairment of assets	(1,296)	0	(1)	-	(1,296)	(3)	-
Provisions and others	(113)	(207)	(8)	-	(320)	(44)	-
Special Items	(1,441)	(144)	(32)	-	(1,585)	(45)	-

Second quarter 2020

Special Items stood at €-1,441 million in the period, compared with €-32 million for the same period of 2019 and correspond mainly to impairments in Upstream due to a lower short-term oil and gas price deck as a result of Covid-19.

Repsol's new average price deck for the period 2020 to 2050, in real terms of 2020, stands at 59.6 \$/bbl Brent and 3.3 \$/Mbtu Henry Hub.

January - June 2020

Special Items stood at €-1,585 million in the period, compared with €-45 million for the same period of 2019 and correspond mainly to impairments in Upstream due to a lower short-term oil and gas price deck, the adverse impact of exchange rate fluctuations on tax positions (mainly Brazil) as well as credit risk provisions in Venezuela.

ADJUSTED CASH FLOW STATEMENT ANALYSIS

(Unaudited figures) (€ millions)

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

	JANUARY - JUNE	
	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES		
EBITDA CCS	2,096	3,622
Changes in working capital ⁽¹⁾	(1,048)	(569)
Dividends received	19	17
Income taxes received/ (paid)	(10)	(463)
Other proceeds from/ (payments for) operating activities	(193)	(77)
	864	2,530
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities	(1,207)	(1,503)
Organic investments	(1,156)	(1,440)
Inorganic investments	(51)	(63)
Proceeds from divestments	515	66
	(692)	(1,437)
FREE CASH FLOW (I. + II.)	172	1,093
Payments for dividends and payments on other equity instruments	(128)	(201)
Net interests	(253)	(287)
Treasury shares	(150)	(729)
CASH GENERATED IN THE PERIOD	(359)	(124)
Financing activities and others	2,658	(343)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,299	(467)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,218	5,021
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,517	4,554

⁽¹⁾ Adjusted by the pretax inventory effect of €-1,507 and €-401 million in the first half and second quarter of 2020 respectively.

The **cash flow from operations** generated during the second quarter of 2020 was €268 million, lower than the €1,369 million obtained in the same period of 2019. **Free cash flow** amounted to €-217 million, compared to €500 million in 2019. This was mainly because of a lower EBITDA CCS due the negative effect from the new market conditions produced by the Covid-19 that impacted negatively the demand of oil products and the oil and gas realization prices.

NET DEBT EVOLUTION

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

(Unaudited figures)

NET DEBT EVOLUTION (€ Million)	Q2 2020	Jan-Jun 2020
NET DEBT AT THE START OF THE PERIOD	4,478	4,220
LEASES	3,886	3,863
NET DEBT AT THE START OF THE PERIOD WITH LEASES	8,364	8,083
EBITDA CCS	(641)	(2,096)
CHANGE IN WORKING CAPITAL ⁽¹⁾	251	1,048
INCOME TAX RECEIVED /PAID	73	10
NET INVESTMENT	481	705
DIVIDENDS PAID AND OTHER EQUITY INSTRUMENTS PAYOUTS	(11)	128
TREASURY SHARES AND EQUITY DERIVATIVES	(43)	186
HYBRID BONDS ISSUANCE/TENDER	(886)	(886)
INTEREST AND OTHER MOVEMENTS ⁽²⁾	438	848
NET DEBT AT THE END OF THE PERIOD WITH LEASES	8,026	8,026
NET DEBT AT THE END OF THE PERIOD	3,987	3,987
	Accumulated '20 June	Accumulated '20 June with leases
CAPITAL EMPLOYED (M€)	27,076	30,966
NET DEBT / CAPITAL EMPLOYED (%)	14.7	
NET DEBT WITH LEASES / CAPITAL EMPLOYED (%)		25.9

⁽¹⁾ Adjusted by the pretax inventory effect of €-1,507 and €-401 million in the first half and second quarter of 2020 respectively.

⁽²⁾ Principally includes new lease contracts, interest expenses, exchange rate effect, dividends received, other receipts/payments and companies' acquisition/sale effect.

The Group's **net debt** at the end of the second quarter stood at €3,987 million, €491 million lower than at the end of the first quarter of 2020. During the quarter, Repsol has issued two perpetual subordinated bonds, accounted for as equity, for a total amount of €1.5 billion. Moreover, it has also repurchased €0.6 billion of the perpetual subordinated bond NC 2021, also accounted for as equity, issued in 2015. The net positive impact of €0.9 billion from both transactions together with the positive operating cash flow generated during the quarter more than covered investments, interests and others. Including leases, net debt stood at €8,026 million.

The Group's **liquidity** at the end of the second quarter of 2020 was €9,762 million (including undrawn committed credit lines); representing 2.43 times short-term gross debt maturities that compares with 1.60 times at the end of the first quarter of 2020.

RELEVANT EVENTS

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

UPSTREAM

- APR. 2020** In the North Slope project in Alaska where Repsol has 49% participation, two additional exploratory discoveries were made in addition to those made in recent years, with the Mitquq-1 and Stirrup-1 wells.
- APR. 2020** In Norway, a new well was put into production in the Gudrun asset.
- MAY. 2020** In Norway, a new well was put into production into the Brague productive asset.
- JUN. 2020** In June, it was announced that Repsol obtained permission to transfer its 30% working interest of its offshore block “1-21 Han Asparuh”, located in the Bulgarian Black Sea coastline to the remaining partners: Total and OMV.
- JUN. 2020** On June 12, Repsol signed an agreement with PetroVietnam to transfer to the latter its 51.75% stake in Block 07/03 PSC and its 40% stake in Blocks 135-136/03 PSC in Vietnam.
- It is expected that the transaction, aligned with the goals outlined in Repsol’s Strategic Plan and subject to the approval of the relevant authorities, will be completed by the end of this year.
- The transaction will have no significant impact on Repsol’s financial statements.
- JUN. 2020** The Norwegian authorities granted the extension of the production of the Rev field operated by Repsol until the end of 2023.

INDUSTRIAL

- JUN. 2020** On June 15, Repsol CEO Josu Jon Imaz presented two major pioneering industrial decarbonization projects that the company will undertake in Spain.
- The first project involves building one of the world’s largest plants to manufacture net zero emissions fuels, using CO₂ and green hydrogen generated with renewable energy.
- The second project is a plant for generation of gas from urban waste which will replace part of the traditional fuels used in Petronor’s production process.
- Both initiatives —innovative, sustainable, and generating high added-value— anticipate the refinery of the future and represent an important impetus to technological and industrial development that is essential in the current context of economic recovery.

COMMERCIAL AND RENEWABLES

- MAY. 2020** On May 24, the last platform of the WindFloat Atlantic project, the world's first semi-submersible floating wind farm set sail. The two previous platforms were fully installed at the wind farm, supplying energy to Portugal's electricity network. Once all three platforms making up the wind farm are installed, with their 25 MW of production capacity, they will be able to generate enough energy to supply the equivalent of 60,000 users each year. WindFloat Atlantic could save almost 1.1 million tons of CO₂.

CORPORATION

- MAY. 2020** On May 8, the Ordinary General Shareholders' Meeting of Repsol, S.A., approved all the Board of Directors' proposals.
- MAY. 2020** On May 8, Repsol announced the expected timetable for the completion of its paid-up capital increase, approved in the framework of the "Repsol Flexible Dividend" program by the Shareholders' Meeting held on May 8, with respect to point six of the Agenda, to be implemented in June – July 2020.
- Additionally, in relation to the paid-up capital increase approved on May 8 by the Shareholders' Meeting, under point seven of the Agenda, the Company plans that, subject to approval of the corresponding governing bodies, the ex-date of the capital increase, that could be carried out, will take place before the third Friday of December 2020 and the payment date to shareholders who elected payment in cash will be in January 2021.
- JUN. 2020** On June 1, in accordance with the resolutions passed by the General Shareholders' Meeting held on May 20th, 2016 under item 7th of the Agenda, Repsol S.A. launched the Tenth Cycle of the Share Acquisition Plan by the Beneficiaries of the Long Term Incentive Programs (the "Plan").
- This Plan allows the beneficiaries of those programs (among which the Executive Directors and the members of the Corporate Committee are included) to invest in Repsol, S.A. shares up to 50% of the gross amount of the long-term incentive received. In case the beneficiary maintains the shares during a three-year period since the initial investment ("Consolidation Period") and fulfil the other conditions of the Plan, the Company will deliver one additional share ("Additional Shares") for every three shares initially acquired.
- JUN. 2020** On June 2, Repsol, S.A. informed about the upcoming launch of an invitation to holders of the €1,000,000,000 6 Year Non-Call Perpetual Securities (ISIN: XS1207054666), guaranteed by Repsol, S.A. (the Securities) to tender their Securities for purchase by Repsol International Finance B.V. for cash subject to the satisfaction (or waiver) of the offer conditions.
- JUN. 2020** On June 2, Repsol International Finance B.V., a wholly-owned subsidiary of Repsol, S.A., agreed the pricing and the terms and conditions of two subordinated bond issuances for a total amount of 1,500 million euro, with the subordinated guarantee of Repsol, S.A.
- A 750 million euro undated and subordinated bond (EURO 6-Year Non-Call Undated Deeply Subordinated Securities) at 100 per cent of its face value. The securities will

bear interest on their principal amount from (and including) the issue date to 10 June 2026 at a rate of 3.750 per cent per annum, payable annually in arrears commencing on 11 June 2021; and from (and including) 11 June 2026, at the applicable 5 year Swap Rate plus (i) 4.000 per cent per year up to 10 June 2031; (ii) 4.250 per cent per year from (and including) 11 June 2031 up to 10 June 2046; and (iii) 5.000 per cent per year as from (and including) 11 June 2046.

A 750 million euro undated and subordinated bond (EURO 8.5-Year Non-Call Undated Deeply Subordinated Securities) at 100 per cent of its face value. The securities will bear interest on their principal amount from (and including) the issue date to 10 December 2028 at a rate of 4.247 per cent per annum, payable annually in arrears commencing on 11 December 2020; and from (and including) 11 December 2028, at the applicable 5 year Swap Rate plus (i) 4.409 per cent per year up to 10 December 2033; (ii) 4.659 per cent per year from (and including) 10 December 2033 up to 10 December 2048; and (iii) 5.409 per cent per year as from (and including) 11 December 2048.

JUN. 2020 On June 10, Repsol, S.A. informed of the results of the invitation to holders of €1,000,000,000 6 Year Non-Call Perpetual Securities (ISIN: XS1207054666), guaranteed by Repsol, S.A. (the “Securities”), to tender their Securities for purchase by Repsol International Finance B.V. for cash. As a result of the offer, €593,723,000 in aggregate principal amount of the Securities were purchased and cancelled.

JUN. 2020 On June 10, Repsol disclosed the Informative Document in connection with the paid-up capital increase approved by the 2020 Annual Shareholders’ Meeting under item six on the Agenda, as part of the shareholder remuneration program “Repsol Flexible Dividend” (scrip dividend).

JUL. 2020 On July 7, Repsol’s “Trading Statement” was published, which provides provisional information for the second quarter of 2020, including data on the economic environment as well as operational indicators during the period.

JUL. 2020 On July 8, Repsol announced the end, on June 6, 2020, of the trading period of the free allocation rights corresponding to the paid up capital increase implementing the “Repsol Flexible Dividend” shareholders’ remuneration program.

Holders of 69.35% of free allocation rights (a total of 1,086,032,520 rights) opted to receive new shares of Repsol. Therefore, the final number of shares of one (1) euro par value issued in the capital increase is 60,335,140, where the nominal amount of the increase is 60,335,140 euros, representing an increase of approximately 3.85% of Repsol’s share capital before the capital increase.

Moreover, during the period established for that purpose, holders of 30.65% of free allocation rights accepted the irrevocable commitment to purchase rights taken by Repsol. Consequently, Repsol acquired 480,011,345 rights for a total amount of 236,165,581.740 euros. Repsol has waived the shares corresponding to the free allocation rights acquired by virtue of the mentioned commitment.

JUL. 2020 On July 17, following the other relevant information registered with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores - CNMV) on July 8, 2020, Repsol informed that the share capital resulting from the paid-up capital increase, implementing the “Repsol Flexible Dividend” shareholders’ remuneration program, which

was recorded with the Commercial Registry of Madrid on July 14, 2020, has been set at 1,626,379,018 euros, corresponding to 1,626,379,018 shares of 1 euro of face value each, which grant a total of 1,626,379,018 voting rights (one per share).

JUL. 2020

On July 22, recognizing his great professional contribution, the Repsol Board of Directors, at the proposal of the Nomination Committee, agreed to re-elect Mr. Rene Dahan as Independent Director, and to keep him as a member of the Delegate Committee, after his formal resignation as Proprietary External Director.

Madrid, July 23, 2020

A conference call has been scheduled for research analysts and institutional investors for today, July 23, 2020 at 12:30 (CEST) to report on the Repsol Group's 2020 second quarter results. Shareholders and other interested parties can follow the call live through Repsol's corporate website (www.repsol.com). A full recording of the event will also be available to shareholders and investors and any other interested party at www.repsol.com for a period of no less than one month from the date of the live broadcast.



**APPENDIX I – METRICS BY
BUSINESS SEGMENTS**

2Q 2020

ADJUSTED NET INCOME BY BUSINESS SEGMENTS

(Unaudited figures)

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

€ Million	Q1 2020							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	161	-	(77)	6	90	-	(113)	(23)
Industrial	394	-	(104)	(2)	288	(784)	(28)	(524)
Commercial and Renewables	164	-	(40)	(3)	121	(6)	8	123
Corporate & Others	(56)	(11)	15	-	(52)	-	(11)	(63)
TOTAL	663	(11)	(206)	1	447	(790)	(144)	(487)
NET INCOME							(144)	(487)

€ Million	Q2 2019							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	612	-	(300)	11	323	-	41	364
Industrial	231	-	(56)	2	177	66	(47)	196
Commercial and Renewables	175	-	(44)	(3)	128	(6)	(9)	113
Corporate & Others	(41)	(131)	41	-	(131)	-	(17)	(148)
TOTAL	977	(131)	(359)	10	497	60	(32)	525
NET INCOME							(32)	525

€ Million	January - June 2020							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	(4)	-	(57)	10	(51)	-	(1,489)	(1,540)
Industrial	409	-	(109)	(4)	296	(1,066)	(32)	(802)
Commercial and Renewables	218	-	(52)	(3)	163	(22)	(12)	129
Corporate & Others	(129)	(136)	46	-	(219)	-	(52)	(271)
TOTAL	494	(136)	(172)	3	189	(1,088)	(1,585)	(2,484)
NET INCOME							(1,585)	(2,484)

€ Million	January - June 2019							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	1,174	-	(547)	19	646	-	75	721
Industrial	590	-	(140)	(2)	448	68	(67)	449
Commercial and Renewables	362	-	(90)	(7)	265	(5)	(21)	239
Corporate & Others	(124)	(228)	109	(1)	(244)	-	(32)	(276)
TOTAL	2,002	(228)	(668)	9	1,115	63	(45)	1,133
NET INCOME							(45)	1,133

OTHER FINANCIAL INFORMATION BY SEGMENT

(Unaudited figures)

REVENUES	QUARTERLY DATA			JANUARY - JUNE	
€ Million	Q2 2020	Q1 2020	Q2 2019	2020	2019
UPSTREAM	773	1,377	1,875	2,150	3,514
INDUSTRIAL	4,635	8,168	10,086	12,803	19,777
COMMERCIAL AND RENEWABLES	2,844	5,022	6,074	7,866	11,677
CORPORATION & OTHERS	(1,871)	(3,435)	(4,529)	(5,306)	(8,667)
TOTAL	6,381	11,132	13,506	17,513	26,301
EBITDA	QUARTERLY DATA			JANUARY - JUNE	
€ Million	Q2 2020	Q1 2020	Q2 2019	2020	2019
UPSTREAM	331	657	1,150	988	2,213
INDUSTRIAL	(156)	(514)	521	(670)	1,075
COMMERCIAL AND RENEWABLES	118	242	250	360	502
CORPORATION & OTHERS	(53)	(36)	(19)	(89)	(78)
TOTAL	240	349	1,902	589	3,712
INVESTMENTS	QUARTERLY DATA			JANUARY - JUNE	
€ Million	Q2 2020	Q1 2020	Q2 2019	2020	2019
UPSTREAM	214	389	562	603	961
INDUSTRIAL	104	123	178	227	306
COMMERCIAL AND RENEWABLES	141	118	115	259	176
CORPORATION & OTHERS	20	4	15	24	25
TOTAL	479	634	870	1,113	1,468
CAPITAL EMPLOYED	CUMULATIVE DATA				
€ Million	Jun-20	Dic-19	Jun-20 with leases		
UPSTREAM	14,832	17,205	15,843		
INDUSTRIAL	8,104	10,717	10,038		
COMMERCIAL AND RENEWABLES	2,782	3,361	3,742		
CORPORATION & OTHERS	1,358	2,009	1,343		
TOTAL	27,076	33,292	30,966		
ROACE (%)	(8.4)	(9.7)			
ROACE (%) with leases (*)			(7.3)		

(*) 2Q20 ROACE CCS is -3.9%



**OPERATING
INDICATORS**

2Q 2020

OPERATING INDICATORS (I)

	Unit	Q1 2019	Q2 2019	Jan - Jun 2019	Q3 2019	Q4 2019	Jan - Dec 2019	Q1 2020	Q2 2020	Jan - Jun 2020	% Variation YTD20/YTD19
HYDROCARBON PRODUCTION	kboe/d	700	694	697	711	730	709	710	640	675	(3.2)
Liquids production	kboe/d	244	258	251	252	263	254	244	214	229	(8.8)
Europe & Africa	kboe/d	69	92	80	84	91	84	62	54	58	(28.0)
Latin America	kboe/d	100	97	99	97	94	97	94	76	85	(13.9)
North America	kboe/d	48	44	46	48	53	48	63	57	60	30.5
Asia, Russia & Rest of the world	kboe/d	27	26	26	23	25	25	26	28	27	0.6
Natural gas production	kboe/d	456	436	446	459	467	454	466	425	446	(0.0)
Europe & Africa	kboe/d	40	38	39	36	34	37	34	30	32	(18.1)
Latin America	kboe/d	246	223	235	239	235	236	226	203	215	(8.5)
North America	kboe/d	124	125	124	137	148	134	161	149	155	24.6
Asia, Russia & Rest of the world	kboe/d	47	50	48	46	50	48	45	43	44	(8.1)
Natural gas production	(Million scf/d)	2,561	2,446	2,504	2,576	2,622	2,552	2,617	2,388	2,503	(0.0)

OPERATING INDICATORS (I)

	Unit	Q1 2019	Q2 2019	Jan - Jun 2019	Q3 2019	Q4 2019	Jan - Dec 2019	Q1 2020	Q2 2020	Jan - Jun 2020	% Variation YTD20/YTD19
PROCESSED CRUDE OIL	Mtoe	11.5	10.6	22.1	11.2	10.7	44.0	10.1	8.3	18.5	(16.5)
Europe	Mtoe	10.3	9.6	19.8	10.1	9.7	39.6	9.2	7.8	17.0	(14.5)
Rest of the world	Mtoe	1.2	1.1	2.3	1.1	1.0	4.4	0.9	0.6	1.5	(34.2)
SALES OF OIL PRODUCTS	kt	12,341	11,910	24,251	13,121	12,560	49,932	10,958	9,899	20,857	(14.0)
Europe Sales	kt	10,690	10,642	21,332	11,557	11,118	44,007	9,799	9,207	19,006	(10.9)
Own network	kt	5,098	5,271	10,369	5,725	5,274	21,368	4,520	3,252	7,772	(25.0)
Light products	kt	4,185	4,369	8,554	4,752	4,486	17,792	3,776	2,424	6,200	(27.5)
Other Products	kt	913	902	1,815	973	788	3,576	744	828	1,572	(13.4)
Other Sales to Domestic Market	kt	2,170	2,265	4,435	2,211	2,218	8,864	2,194	1,527	3,721	(16.1)
Light products	kt	2,130	2,223	4,353	2,170	2,189	8,712	2,166	1,499	3,665	(15.8)
Other Products	kt	40	42	82	41	29	152	28	28	56	(31.7)
Exports	kt	3,422	3,106	6,528	3,621	3,626	13,775	3,085	4,428	7,513	15.1
Light products	kt	1,319	1,401	2,720	1,585	1,328	5,633	880	2,375	3,255	19.7
Other Products	kt	2,103	1,705	3,808	2,036	2,298	8,142	2,205	2,053	4,258	11.8
Rest of the world sales	kt	1,651	1,268	2,919	1,564	1,442	5,925	1,159	692	1,851	(36.6)
Own network	kt	825	672	1,497	807	872	3,176	757	407	1,164	(22.2)
Light products	kt	789	624	1,413	766	818	2,997	723	381	1,104	(21.9)
Other Products	kt	36	48	84	41	54	179	34	26	60	(28.6)
Other Sales to Domestic Market	kt	329	318	647	341	375	1,363	176	153	329	(49.1)
Light products	kt	222	226	448	266	302	1,016	142	147	289	(35.5)
Other Products	kt	107	92	199	75	73	347	34	6	40	(79.9)
Exports	kt	497	278	775	416	195	1,386	226	132	358	(53.8)
Light products	kt	40	45	85	63	93	241	20	3	23	(72.9)
Other Products	kt	457	233	690	353	102	1,145	206	129	335	(51.4)
CHEMICALS											
Sales of petrochemical products	kt	755	703	1,458	678	652	2,787	557	740	1,297	(11.0)
Europe	kt	588	604	1,192	565	532	2,289	440	559	999	(16.2)
Base	kt	190	191	381	226	174	781	98	203	301	(21.1)
Derivative	kt	399	412	811	339	358	1,509	342	356	698	(13.9)
Rest of the world	kt	166	100	266	112	119	498	117	181	298	12.2
Base	kt	40	4	44	1	3	48	16	65	81	84.5
Derivative	kt	127	95	222	112	116	450	101	116	217	(2.2)
LPG											
LPG sales	kt	394	305	699	226	328	1,253	380	221	601	(14.0)
Europe	kt	386	298	684	219	321	1,225	374	219	593	(13.3)
Rest of the world	kt	8	7	15	7	7	29	6	2	8	(44.7)

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

Exports: expressed from the country of origin



**APPENDIX II – REPSOL'S
REPORTING MODEL**

2Q 2020

STATEMENT OF FINANCIAL POSITION

(Unaudited figures) (€ millions)

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

	JUNE	DECEMBER
	2020	2019
NON-CURRENT ASSETS		
Goodwill	1,869	2,234
Other intangible assets	2,246	2,419
Property, plant and equipment	28,442	29,691
Investment property	66	66
Investments accounted for using the equity method	266	259
Non-current financial assets	63	308
Deferred tax assets	4,438	4,354
Other non-current assets	563	1,145
CURRENT ASSETS		
Non-current assets held for sale	13	13
Inventories	3,420	4,776
Trade and other receivables	6,527	8,477
Other current assets	755	214
Other current financial assets	1,090	2,663
Cash and cash equivalents	5,517	3,218
TOTAL ASSETS	55,275	59,837
TOTAL EQUITY		
Attributable to equity holders of the parent company	22,692	24,928
Attributable to minority interests	248	281
NON-CURRENT LIABILITIES		
Non-current provisions	5,363	5,417
Non-current financial liabilities	10,349	8,700
Deferred tax liabilities and others	3,030	3,111
Other non-current liabilities	453	386
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	0	0
Current provisions	738	976
Current financial liabilities	4,657	5,811
Trade and other payables	7,745	10,227
TOTAL LIABILITIES	55,275	59,837

INCOME STATEMENT

(Unaudited figures) (€ millions)

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

	QUARTERLY DATA			JANUARY - JUNE	
	Q2 2020	Q1 2020	Q2 2019	2020	2019
Revenue	6,381	11,132	13,506	17,513	26,301
Operating income	(169)	663	977	494	2,002
Financial result	(125)	(11)	(131)	(136)	(228)
Income from equity affiliates	2	5	11	7	17
Net income before tax	(292)	657	857	365	1,791
Income tax	34	(206)	(359)	(172)	(668)
Net income	(258)	451	498	193	1,123
Net income from non-controlling interest	0	(4)	(1)	(4)	(8)
ADJUSTED NET INCOME	(258)	447	497	189	1,115

CASH FLOW STATEMENT

(Unaudited figures) (€ millions)

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

	JANUARY - JUNE	
	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES		
EBITDA CCS	2,096	3,622
Changes in working capital ⁽¹⁾	(1,048)	(569)
Dividends received	19	17
Income taxes received/ (paid)	(10)	(463)
Other proceeds from/ (payments for) operating activities	(193)	(77)
	864	2,530
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities	(1,207)	(1,503)
Organic investments	(1,156)	(1,440)
Inorganic investments	(51)	(63)
Proceeds from divestments	515	66
	(692)	(1,437)
FREE CASH FLOW (I. + II.)	172	1,093
Payments for dividends and payments on other equity instruments	(128)	(201)
Net interests	(253)	(287)
Treasury shares	(150)	(729)
CASH GENERATED IN THE PERIOD	(359)	(124)
Financing activities and others	2,658	(343)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,299	(467)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,218	5,021
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,517	4,554

⁽¹⁾ Adjusted by the pretax inventory effect of €-1,507 and €-401 million in the first half and second quarter of 2020 respectively.



**APPENDIX III – IFRS
CONSOLIDATED FINANCIAL
STATEMENTS**

2Q 2020

STATEMENT OF FINANCIAL POSITION

(Unaudited figures) (€ millions)

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

	JUNE	DECEMBER
	2020	2019
NON-CURRENT ASSETS		
Goodwill	1,806	2,172
Other intangible assets	2,145	2,298
Property, plant and equipment	22,971	23,145
Investment property	65	66
Investments accounted for using the equity method	6,345	7,237
Non-current financial assets	922	1,125
Deferred tax assets	4,083	4,050
Other non-current assets	738	1,315
CURRENT ASSETS		
Non-current assets held for sale	4	5
Inventories	3,246	4,597
Trade and other receivables	4,022	5,911
Other current assets	734	195
Other current financial assets	1,227	2,800
Cash and cash equivalents	5,285	2,979
TOTAL ASSETS	53,593	57,895
TOTAL EQUITY		
Attributable to equity holders of the parent company	22,692	24,928
Attributable to minority interests	248	281
NON-CURRENT LIABILITIES		
Non-current provisions	3,876	3,912
Non-current financial liabilities	12,734	10,929
Deferred tax liabilities and others	2,121	2,375
Other non-current liabilities	452	385
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	0	0
Current provisions	674	865
Current financial liabilities	5,418	6,538
Trade and other payables	5,378	7,682
TOTAL LIABILITIES	53,593	57,895

INCOME STATEMENT

(Unaudited figures) (€ millions)

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

	IFRS		IFRS	
	2Q	2Q	JUNE	JUNE
	2020	2019	2020	2019
Sales	6,013	12,731	16,488	24,783
Income from services rendered	93	79	175	150
Changes in inventories of finished goods and work in progress	(316)	259	(500)	335
Other operating income	(117)	142	279	404
Procurements	(4,054)	(10,002)	(12,863)	(19,178)
Amortization and depreciation of non-current assets	(566)	(595)	(1,146)	(1,146)
(Provision for)/Reversal of provisions for impairment	(575)	49	(577)	13
Personnel expenses	(484)	(511)	(935)	(969)
Transport and freights	(334)	(275)	(757)	(613)
Supplies	(66)	(107)	(203)	(231)
Gains/(Losses) on disposal of assets	3	69	69	81
Other operating expenses	(770)	(997)	(1,700)	(1,997)
OPERATING NET INCOME	(1,173)	842	(1,670)	1,632
Net interest	(65)	(58)	(127)	(124)
Change in fair value of financial instruments	(75)	(24)	128	80
Exchange gains/(losses)	93	35	(24)	(21)
Impairment of financial instruments	(21)	20	(25)	14
Other financial income and expenses	(67)	(61)	(117)	(118)
FINANCIAL RESULT	(135)	(88)	(165)	(169)
NET INCOME FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	(941)	105	(978)	237
NET INCOME BEFORE TAX	(2,249)	859	(2,813)	1,700
Income tax	249	(331)	296	(555)
NET INCOME	(2,000)	528	(2,517)	1,145
NET INCOME FROM OPERATIONS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	3	(3)	33	(12)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	(1,997)	525	(2,484)	1,133
EARNINGS PER SHARE ATTRIBUTABLE TO THE PARENT	€/share	€/share	€/share	€/share
Basic	(1.32)	0.32	(1.63)	0.68
Diluted	(1.32)	0.32	(1.63)	0.68

CASH FLOW STATEMENT

(Unaudited figures) (€ millions)

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

	JANUARY - JUNE	
	2020	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxes	(2,813)	1,700
Adjustments to net income		
Depreciation and amortisation of non current assets	1,146	1,146
Other adjustments to results (net)	1,758	(79)
EBITDA	91	2,767
Changes in working capital	665	(580)
Dividends received	56	164
Income taxes received/ (paid)	(9)	(416)
Other proceeds from/ (payments for) operating activities	(186)	(63)
Other cash flows from/ (used in) operating activities	(139)	(315)
	617	1,872
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities		
Companies of the Group, equity affiliates and business units	(56)	(71)
Fixed assets, intangible assets and real estate investments	(944)	(1,133)
Other financial assets	(1,073)	(968)
Payments for investment activities	(2,073)	(2,172)
Proceeds from divestments		
Companies of the Group, equity affiliates and business units	469	2
Fixed assets, intangible assets and real estate investments	17	51
Other financial assets	2,663	1,007
Proceeds from divestments	3,149	1,060
Other cashflow	40	47
	1,116	(1,065)
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Issuance of own capital instruments	886	0
Proceeds from/(payments for) equity instruments	(150)	(729)
Proceeds from issue of financial liabilities	6,000	7,842
Payments for financial liabilities	(5,757)	(8,048)
Payments for dividends and payments on other equity instruments	(128)	(201)
Interest payments	(209)	(267)
Other proceeds from/(payments for) financing activities	(55)	90
	587	(1,313)
Effect of changes in exchange rates from continued operations	(14)	22
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,306	(484)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2,979	4,786
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,285	4,302

RECOGNIZED INCOME AND EXPENSE STATEMENT

(Unaudited figures) (€ millions)

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

	2020	2019
Net Income	(2,517)	1,145
Other comprehensive income. (Items not reclassifiable to net income)	(20)	(14)
Due to actuarial gains and losses	(6)	(7)
Investments accounted for using the equity method	(14)	(6)
Equity instruments with changes through other comprehensive income	0	(3)
Tax effect	0	2
Other comprehensive income. (Items reclassifiable to net income)	(193)	90
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)
Share of investments in joint ventures and associates:	0	0
Valuation gains / (losses)	0	0
Amounts transferred to the income statement	0	0
Tax effect	36	9
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

STATEMENT OF CHANGES IN EQUITY

(Unaudited figures) (€ millions)

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

Million euros	Equity attributable to the parent and other equity instrument holders							
	Shareholders' equity					Other cumulative comprehensive income	Non-controlling interests	Equity
	Share capital	Share premium and reserves	Treasury shares and own equity investments	Net income for the period attributable to the parent	Other equity instruments			
Closing balance at 12/31/2018	1,559	25,894	(350)	2,341	1,024	160	286	30,914
Impact of new standards	0	(162)	0	0	0	0	0	(162)
Adjusted opening balance	1,559	25,732	(350)	2,341	1,024	160	286	30,752
Total recognized income/(expenses)	0	(11)	0	1,133	0	86	13	1,221
Transactions with partners or owners	40	(222)	(811)	0	0	4	(26)	(1,015)
Share capital increase/(reduction)	40	(40)	0	0	0	0	0	0
Dividends and shareholder remuneration	0	(223)	0	0	0	0	(1)	(224)
Transactions with treasury shares and own equity investments (net)	0	20	(811)	0	0	0	0	(791)
Increases/(reductions) due to changes in scope	0	21	0	0	0	4	(25)	0
Other transactions with partners and owners	0	0	0	0	0	0	0	0
Other equity variations	0	2,333	0	(2,341)	(19)	(3)	(1)	(31)
Transfers between equity-line items	0	2,341	0	(2,341)	0	0	0	0
Subordinated perpetual obligations	0	(15)	0	0	(19)	0	0	(34)
Other variations	0	7	0	0	0	(3)	(1)	3
Closing balance at 30/06/2019	1,599	27,832	(1,161)	1,133	1,005	247	272	30,927
Total recognized income/(expenses)	0	4	0	(4,949)	0	346	15	(4,584)
Transactions with partners or owners	(33)	(1,097)	(9)	0	0	0	(6)	(1,145)
Share capital increase/(reduction)	38	(38)	0	0	0	0	0	0
Dividends and shareholder remuneration	0	(107)	0	0	0	0	(6)	(113)
Transactions with treasury shares and own equity investments (net)	(71)	(952)	(9)	0	0	0	0	(1,032)
Increases/(reductions) due to changes in scope	0	0	0	0	0	0	0	0
Other transactions with partners and owners	0	0	0	0	0	0	0	0
Other equity variations	0	(8)	0	0	19	0	0	11
Transfers between equity-line items	0	0	0	0	0	0	0	0
Subordinated perpetual obligations	0	(14)	0	0	19	0	0	5
Other variations	0	6	0	0	0	0	0	6
Closing balance at 31/12/2019	1,566	26,731	(1,170)	(3,816)	1,024	593	281	25,209
Impact of new standards	0	0	0	0	0	0	0	0
Adjusted opening balance	1,566	26,731	(1,170)	(3,816)	1,024	593	281	25,209
Total recognized income/(expenses)	0	(20)	0	(2,484)	0	(193)	(33)	(2,730)
Transactions with partners or owners	60	(301)	(156)	0	0	0	0	(397)
Share capital increase/(reduction)	60	(60)	0	0	0	0	0	0
Dividends and shareholder remuneration	0	(236)	0	0	0	0	0	(236)
Transactions with treasury shares and own equity investments (net)	0	(5)	(156)	0	0	0	0	(161)
Increases/(reductions) due to changes in scope	0	0	0	0	0	0	0	0
Other transactions with partners and owners	0	0	0	0	0	0	0	0
Other equity variations	0	(3,846)	0	3,816	888	0	0	858
Transfers between equity-line items	0	(3,816)	0	3,816	0	0	0	0
Subordinated perpetual obligations	0	(25)	0	0	884	0	0	859
Other variations	0	(5)	0	0	4	0	0	(1)
Closing balance at 30/06/2020	1,626	22,564	(1,326)	(2,484)	1,912	400	248	22,940



APPENDIX IV – BASIS OF PRESENTATION

2Q 2020

BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

Financial information:

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 1H 2020 interim Management Report and are updated with the quarterly information available on the Repsol website.

Operating segments:

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

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

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

In the second quarter and first half financial information these business segments scheme has already been adopted and, to facilitate the monitoring and comparability of the information, the information from 2019 has been restated.

COVID-19:

On March 11, 2020, the World Health Organization upgraded the public health crisis posed by the SARS-CoV-2 virus (widely known as coronavirus or COVID-19) to international pandemic status. The virus was quick to spread, causing an unprecedented health, social and economic crisis on a truly global scale (see section 1.3 Impacts of Covid-19 of the 1H 2020 Interim Management Report).

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, as explained in this report.

It is also difficult to predict to what extent and for how long the pandemic will continue to impact Repsol's businesses as we move forward. The reduced global demand for crude oil, gas and oil products in response to the slump in economic activity, especially the mobility 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.

DISCLAIMER

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

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

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

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

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

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