H1 2023
QUARTERLY REPORT

July 28th, 2023

BASIS OF PREPARATION

This report is based on the unaudited consolidated financial statements of Compañía Española de Petróleos S.A. (Cepsa, or the Company), prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and with all the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB applicable at the date of closing provided that they have been endorsed at that date by the European Union, with the exception of those applied in advance, if any. For any matter of interpretation over the applied rule, please take the reference of the last Audited Cepsa Group Consolidated Financial Statements, as publicly available on https://www.Cepsa.com/en/investors.

For a clearer Management Discussion & Analysis and consistent with industry practice, the IFRS Profit & Loss Statement is adjusted as follows to obtain a CCS Profit & Loss Statement:

1) Inventories: IFRS Cepsa Group Consolidated P&L measures crude oil, oil derivatives and petrochemical products, acquired as raw materials, at the lower of historical weighted average cost (12 months) and net realizable value. For the MD&A, we consider the replacement cost presents a more accurate view of the current operations, considering therefore the stock variation in P&L at Current Cost of Supply (CCS), which values the manufacturing consumption at the month´s average cost. The adjustment necessarily eliminates also the crude & products hedging valuation and the inventories impairment, if any.

2) Clean adjustments: Those income or costs that are not directly related to the Group activities are considered as non-recurring items and, therefore, excluded. Generally, these are incomes or costs that occur atypically, are of a material amount and with minimal probability of recurrence. Regarding the KPIs presented, for a better comprehension and to allow the accurate calculation of different ratios, figures are always consolidated and adjusted to the associated financials by:

   a. Elimination of intercompany transactions.

   b. Considering JVs as third parties: As their financial information is only presented in the Equity Method line and no Capital Employed is incorporated apart from the Financial Investment, we also do not consider any contribution to the Group’s KPIs, with the sole exception of the Reserves and Production of the Upstream JVs (Cosmo Abu Dhabi at the date of issuance of this report), which are added to the BU KPIs following the Reserves Audit criteria.

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1. RESULTS HIGHLIGHTS & STRATEGY UPDATE

Cepsa reports Clean CCS EBITDA of €742m in H1 2023 following Abu Dhabi assets divestment

- **Clean CCS EBITDA was €742m in H1'23** versus €1,742m in H1'22, driven by lower Upstream volumes following the sale of the Group's Abu Dhabi assets and lower crude prices. Refining margins remained healthy, although below those of H1'22
- **Clean CCS Net Income reached €145m** in the first half of the year
- **Cash flow from operations, excluding non-recurring items, stood at €580m** versus €434m in H1'22
- **Sustainable capex made up 39% of spending** for the first half of the year, with total capex increasing to €276m (€218m in H1'22), as Cepsa continues to execute on its *Positive Motion* strategy
- **Cepsa contributed €2,185m in taxes in Spain,** of which €1,265m were borne and €920 collected on behalf of the Spanish tax authorities
- **Cepsa's Net Debt was reduced to €2.5bn,** with leverage ratio increasing to 1.4x driven by lower EBITDA following the Abu Dhabi assets sale. **Liquidity remains solid at €4.1bn,** covering 4.3 years of debt maturities
- **Cepsa advanced with its *Positive Motion* strategy,** announcing **plans to build the largest green ammonia plant in Europe** with a €1bn gross investment and **sealing new alliances** such as with **Yara Clean Ammonia** of Norway and **Gasunie** of the Netherlands to connect southern and northern Europe with green hydrogen
- Since July, the company has made further progress with Positive Motion, initiating the **sale of sustainable aviation fuel (SAF)** at four of Spain's main airports and receiving recognition **by Moody's** as one of the top three in its sector in Europe with the best ESG (environment, social and governance) policies and performance

All figures reported on a Clean CCS basis, unless otherwise stated.

H1 2023

1. RESULTS HIGHLIGHTS & STRATEGY UPDATE

Maarten Wetselaar, Cepsa CEO

“Our results for the first half of the year are significantly impacted by poorly designed windfall taxes that depress our earnings and cash generation in Spain, where Cepsa is undertaking a deep transformation from a traditional oil and gas company to one at the forefront of the European energy transition. We have been making progress with our Positive Motion strategy, strengthening our position within key energy markets in Europe and forging new alliances to lay the foundation for our Company’s leadership in the fields of clean energy and e-mobility.

International recognition of Cepsa’s pioneering energy transition strategy encompassing the Andalusian Green Hydrogen Valley and the North-South green hydrogen corridor is clearly growing. We were honored to host Their Majesties King Felipe VI of Spain and King Willem-Alexander of the Netherlands in June in Algeciras, where we announced plans to build Europe’s largest green ammonia plant and agreements with Yara Clean Ammonia and Gasunie to make the green hydrogen corridor from southern Spain to Rotterdam a reality. Through alliances such as these, we are building the ecosystem we need to accelerate the roll out of green fuels for our customers across Europe and ensure clean and independent energy supply for the continent.”

All figures reported on a Clean CCS basis, unless otherwise stated.

1. RESULTS HIGHLIGHTS & STRATEGY UPDATE

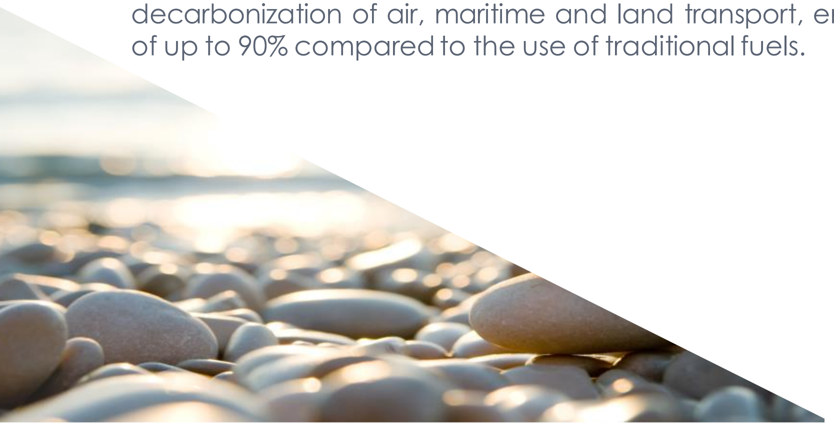
Major Events

The second quarter of 2023 saw Cepsa continue its significant progress towards delivering its Positive Motion strategy.

In the area of **green hydrogen**, Cepsa unveiled plans to build the largest green ammonia plant in Europe with a production capacity of 750,000 tons, entailing a gross €1 billion investment, and signed strategic partnerships with Yara Clean Ammonia and Gasunie to promote the first Green Hydrogen Maritime Corridor between southern and northern Europe. The plant and the partnerships were announced in the presence of the kings of Spain and the Netherlands, who showed their support for the green hydrogen corridor between the ports of Algeciras and Rotterdam to significantly decarbonize European industry and maritime transport.

Among other green hydrogen partnerships, the Company signed an agreement with GETEC, one of Europe's leading energy service providers and contracting specialists for industry and the real-estate sector with regional platforms in Germany, the BeNeLux, Switzerland and Italy, to supply green hydrogen and its derivatives for use by GETEC's industry clients.

In the realm of **biofuels**, Cepsa awarded the engineering contract for its 2G biofuels plant in Huelva, to be built as part of a joint venture with Bio-Oils (Apical's biofuels entity in Huelva). On completion, the facility will be the largest 2G biofuel plant in southern Europe producing 500,000 tons of renewable diesel and SAF annually to contribute to the decarbonization of air, maritime and land transport, enabling a CO2 emissions reduction of up to 90% compared to the use of traditional fuels.



Further strengthening Cepsa's position in the SAF market, the Company announced partnerships with Wizz Air and Volotea to accelerate the decarbonization of air transport and in July began selling SAF at four of Spain's main airports (Madrid, Barcelona, Palma de Mallorca and Seville) to all customers who request it, becoming the first company to offer biofuel for aviation on a permanent basis at those airports.

As part of the exciting advances in using biofuels in transport, Cepsa announced a partnership with Maersk and Renfe to carry out the first 2G biofuels test in Spanish rail transport. For three months, the companies will test renewable diesel produced at Cepsa's energy park in Palos de la Frontera (Huelva), as a fuel for one of Maersk's freight train customer's shipments, covering weekly round trips on the Algeciras-Cordoba segment of the Algeciras-Madrid route.

Regarding the supply of **renewable power**, Cepsa and Grupo Ibereólica Renovables signed an agreement that will enable Cepsa to support renewable electricity supply in the long term for its green hydrogen generation plants, located in the Company's Energy Parks in Andalusia, as well as for its network of service stations. This renewable energy will come from a portfolio of up to 5 GW projects, mainly wind, which are being developed by Grupo Ibereólica Renovables and are at an advanced stage of planning.

In Cepsa's **chemicals** business, the Company announced in June that it will build, in Huelva, the world's first plant for the sustainable production of isopropyl alcohol (IPA), a product used in hydroalcoholic gels as well as in other industries such as the medical-pharmaceutical, electronic and automotive industries. Production will be from renewable or circular materials, which will make it the most competitive, innovative, and environmentally friendly facility of its kind in the world.

Finally, according to the latest results of Moody's ESG (environment, social and governance) assessment, Cepsa was recognized as one of the top three companies in its sector at a European level with the best ESG policies and performance.

2. PRESENTATION OF RESULTS

2. PRESENTATION OF RESULTS

2.1 Market Indicators

Market Indicators	Q2'23	Q1'23	Q2'22	Variation vs. Q2'22	Variation vs. Q1'23	YTD 2023	YTD 2022	YTD Variation
Dated Brent oil price ($/bbl)	78.4	81.3	113.8	(31)%	(4)%	79.8	107.6	(26)%
Refining margin ($/bbl)	7.6	11.0	19.2	(60)%	(31)%	9.2	10.9	(15)%
Dutch TTF Natural gas price (€/MWh)	35.1	54.1	95.6	(63)%	(35)%	44.6	95.6	(53)%
Spanish pool price (€/MWh)	80.3	96.4	182.8	(56)%	(17)%	88.3	206.0	(57)%
Exchange average rate ($/€)	1.09	1.07	1.06	3%	1%	1.08	1.09	(1)%
Spanish fuel demand (m3)	10,025	9,216	9,687	3%	9%	19,241	19,030	1%

Note: Figures do not include Abu Dhabi assets from 15th March 2023 onwards.

2.2 Operational KPIs

Operational Overview	Q2'23	Q1'23	Q2'22	Variation vs. Q2'22	Variation vs. Q1'23	YTD 2023	YTD 2022	YTD Variation
Refining output (mton)	5.1	4.7	5.4	(5)%	9%	9.9	10.5	(6)%
Refining utilization (%)	91%	84%	96%	(5)%	8%	88%	94%	(7)%
Bios installed capacity (kt/y)	685	607	578	19%	13%	685	578	19%
Commercial product sales (mton)	4.3	4.1	4.4	(3)%	4%	8.4	8.5	(2)%
Electricity production (GWh)	512	598	746	(31)%	(14)%	1,110	1,470	(24)%
Natural gas sales (GWh)	6,006	6,691	5,327	13%	(10)%	12,698	12,082	5%
Chemical product sales (kton)	474	537	619	(23)%	(12)%	1,010	1,338	(25)%
Working interest crude production (kbopd)	32.4	71.8	81.3	(60)%	(55)%	52.0	81.3	(36)%
Realized crude price($/bbl)	73.0	82.3	105.3	(31)%	(11)%	80.4	95.1	(15)%
Crude oil sales (million bbl)	1.2	4.7	4.9	(75)%	(74)%	5.9	10.7	(45)%

Note: Figures do not include Abu Dhabi assets from 15th March 2023 onwards.

All figures reported on a Clean CCS basis, unless otherwise stated.

2. PRESENTATION OF RESULTS

2.3 Financial Summary

Financial Summary - € million (unless otherwise stated)	Q2'23	Q1'23	Q2'22	Variation vs. Q2'22	Variation vs. Q1'23	YTD 2023	YTD 2022	YTD Variation
Energy	114	211	620	(82)%	(46)%	326	763	(57)%
Chemicals	60	64	106	(44)%	(6)%	123	216	(43)%
Upstream	58	310	438	(87)%	(81)%	368	822	(55)%
Corporation	(46)	(29)	(28)	63%	57%	(75)	(60)	25%
EBITDA[1]	**186**	**556**	**1,137**	**(84)%**	**(67)%**	**742**	**1,742**	**(57)%**
EBIT[1]	2	436	910	(100)%	(100)%	438	1,316	(67)%
Net Income[1]	(31)	176	405	(108)%	(118)%	145	463	(69)%
IFRS Net Income[2]	(96)	(297)	576	(117)%	68%	(393)	841	(147)%
Cash flow from operations before WC[3]	**214**	**450**	**621**	**(66)%**	**(53)%**	**663**	**826**	**(20)%**
Cash flow from operations[3]	**142**	**439**	**378**	**(62)%**	**(68)%**	**580**	**434**	**34%**
Accounting Capex	**(162)**	**(114)**	**(129)**	**25%**	**42%**	**(276)**	**(218)**	**27%**
Sustainable	(72)	(34)	(30)	138%	108%	(106)	(45)	135%
Growth / Discretionary	(28)	(34)	(61)	(54)%	(16)%	(62)	(106)	(42)%
Maintenance & HSE	(62)	(46)	(38)	61%	34%	(108)	(66)	63%
M&A	-	-	-	-	-	-	-	-
Organic Free Cash Flow[3,4,5]	**(8)**	**242**	**256**	**(103)%**	**(103)%**	**233**	**165**	**41%**
Organic Free Cash Flow before WC movements[3,4,5]	**64**	**253**	**498**	**(87)%**	**(75)%**	**316**	**558**	**(43)%**
Net debt[6]	**2,522**	**2,270**	**2,758**	**(9)%**	**11%**	**2,522**	**2,758**	**(9)%**
Net debt to LTM EBITDA[6]	**1.4x**	**0.8x**	**1.1x**	**29%**	**72%**	**1.4x**	**1.1x**	**32%**
Liquidity[7]	**4,069**	**4,283**	**3,909**	**4%**	**(5)%**	**4,069**	**3,909**	**4%**

Note: Figures do not include Abu Dhabi assets from 15th March 2023 onwards.

1. On a Clean CCS basis (excluding the effect of extraordinary items and inventories)

2. IFRS Net Loss of €393m in H1'23, mainly due to changes in stock valuations and the impact of the extraordinary tax imposed on energy companies in Spain

3. Excluding 164m€ paid related to the extraordinary tax imposed on Spanish energy companies.

4. Excluding M&A activities.

5. Before financing activities.

6. Excluding IFRS16 liabilities.

7. Defined as cash on balance sheet and undrawn committed and uncommitted lines.

3. CONSOLIDATED FINANCIAL RESULTS

3.1 CONSOLIDATED FINANCIAL RESULTS – INCOME STATEMENT

H1 2023

Clean CCS EBITDA of €742m in H1 2023, 57% lower versus the same period of last year, due to the exceptional market conditions in H1 2022 which boosted the results and also the sale of the Group's Abu Dhabi assets.

- Energy CCS EBITDA stood at €326m in the first half of 2023, compared with €763m in H1 2022 (-57%). Energy Parks business performed slightly weaker compared to the same period of last year due to lower margins. In addition, within M&NC segment, Network was impacted in H1 2023 by the new discount format (10+2 ct/l) maintained until 31st March. However, Wholesales continue to deliver solid margins while shifting available volume to more profitable segments.

- Chemicals registered a CCS EBITDA of €123m in H1 2023 (vs. €216m in H1 2022) as a result of lower volumes. Despite global demand cooled due to higher inflation rates, margins remained resilient on the back of a decline in energy prices.

- Cepsa's Upstream business showed a CCS EBITDA of €368m, compared to €822m in H1 2022. As already expected, results and operations naturally declined in H1 2023 due to the change of perimeter as a consequence of the Abu Dhabi divestment. In addition, lower crude prices, and the scheduled maintenance turnaround in Algeria also impacted Upstream results. However, Cepsa maintains a low breakeven and enhanced cash conversion portfolio after the divestment.

Clean CCS Net Income reached €145m. IFRS Net Loss in H1 2023 of €393m, mainly due to the charge of €323m related to the extraordinary tax imposed to energy companies in Spain and changes in inventories valuation.

Income Statement

€ millions (unless otherwise stated)	Q2'23	Q1'23	Q2'22	Variation vs. Q2'22	Variation vs. Q1'23	YTD 2023	YTD 2022	YTD Variation
Revenues	5,249	7,426	11,365	*(54)%*	*(29)%*	12,675	20,072	*(37)%*
EBITDA (a)	**186**	**556**	**1,137**	***(84%)***	***(67%)***	**742**	**1,742**	***(57%)***
EBIT (a)	**2**	**436**	**910**	***(100%)***	***(100%)***	**438**	**1,316**	***(67%)***
Net debt expenses	(42)	(39)	(25)	*(65%)*	*(7%)*	(81)	(54)	*(49%)*
Income before taxes (a)	**(40)**	**397**	**885**	***(105%)***	***(110%)***	**357**	**1,262**	***(72%)***
Minority interest	6	(9)	(40)	*116%*	*167%*	(3)	(114)	*97%*
Income taxes	3	(212)	(440)	*101%*	*101%*	(209)	(685)	*69%*
Net income (a)	**(31)**	**176**	**405**	***(108%)***	***(118%)***	**145**	**463**	***(69%)***
NIAT Reconciliation								
Net income	**(31)**	**176**	**405**	***(108%)***	***(118%)***	**145**	**463**	***(69%)***
CCS adjustment (replacement cost valuation)	(115)	(133)	184	*(162%)*	*14%*	(248)	398	*(162%)*
Non-recurring items	49	(340)	(13)	*484%*	*115%*	(291)	(20)	*(x14)*
Net income (IFRS)	**(96)**	**(297)**	**576**	***(117%)***	***68%***	**(393)**	**841**	***(147%)***

Note: Figures do not include Abu Dhabi assets from 15th March 2023 onwards.

(a) On a Clean CCS basis (excluding the effect of extraordinary items and inventories)

All figures reported on a Clean CCS basis, unless otherwise stated.

3.2 CONSOLIDATED FINANCIAL RESULTS – CASH FLOW STATEMENT

H1 2023

On a normalized basis, excluding the extraordinary impact of the windfall tax that obviously does not reflect the performance of the business, cash flow from operations was €580m, well above H1 2022 figure, evidencing the ability of the Company to generate operating cash, and the low cash conversion of disposed assets.

It is worth mentioning that, even if we consider the payment of the extraordinary tax (€164m) in H1 2023, the cash flow from operations would be €416m, in line with H1 2022 figure (€434m).

Organic capex payments significantly increased versus H1 2022 mainly related to sustainable investments (+165% vs H1 2022). Cepsa continues to focus on the execution of its Positive Motion strategy, with 42% of investments payments devoted to sustainable projects in H1 2023.

Maintenance capex payments also increased in H1 2023, mainly as a consequence of the scheduled turnarounds at our energy parks during the first quarter of the year.

In H1 2023, Cepsa reported an organic free cash flow before dividends of €76m.

Cash Flow Statement

€ millions (unless otherwise stated)	Q2'23	Q1'23	Q2'22	Variation vs. Q2'22	Variation vs. Q1'23	YTD 2023	YTD 2022	YTD Variation
EBITDA[1]	**186**	**556**	**1,137**	***(84)%***	***(67)%***	**742**	**1,742**	***(57)%***
Dividends from associates	1	4	3	*(76%)*	*(85)%*	5	3	*89%*
Taxes	(108)	(220)	(363)	*70%*	*51%*	(328)	(563)	*42%*
Other non-cash items	135	110	(155)	*187%*	*23%*	244	(355)	*123%*
Cash flow from operations before WC[2]	**214**	**450**	**621**	***(66)%***	***(53)%***	**663**	**826**	***(40)%***
Changes in working capital (wc)	(72)	(11)	(242)	*70%*	*(555)%*	(83)	(392)	*79%*
Cash flow from operations	**142**	**439**	**378**	***(62%)***	***(68)%***	**580**	**434**	***(4)%***
Organic Capex [3]	**(150)**	**(197)**	**(123)**	***(22%)***	***24%***	**(347)**	**(269)**	***(29)%***
Sustainable	*(68)*	*(77)*	*(23)*	*(191%)*	*13%*	*(145)*	*(55)*	*(165)%*
Growth	*(18)*	*(54)*	*(52)*	*66%*	*67%*	*(71)*	*(106)*	*33%*
Maintenance	*(65)*	*(66)*	*(48)*	*(36%)*	*1%*	*(131)*	*(108)*	*(21)%*
Organic Free Cash Flow before financing	**(8)**	**242**	**256**	***(103%)***	***(103)%***	**233**	**165**	***(58)%***
Operating lease payments	(43)	(43)	(42)	*(4%)*	*(0)%*	(86)	(79)	*(8)%*
Interest paid	(37)	(34)	(20)	*(79%)*	*(7)%*	(71)	(45)	*(58)%*
Organic Free Cash Flow [4]	**(87)**	**165**	**194**	***(145)%***	***(153)%***	**76**	**41**	***(314)%***

Note: Figures do not include Abu Dhabi assets from 15th March 2023 onwards.

1. On a Clean CCS basis (excluding the effect of extraordinary items and inventories)

2. Excluding 164m€ paid related to the extraordinary tax imposed on Spanish energy companies.

3. Excluding M&A activites

4.Organic free cash flow before dividends and after financing activities

All figures reported on a Clean CCS basis, unless otherwise stated.

3.3 CONSOLIDATED FINANCIAL RESULTS – ACCOUNTING CAPEX

Accounting Capex

H1 2023

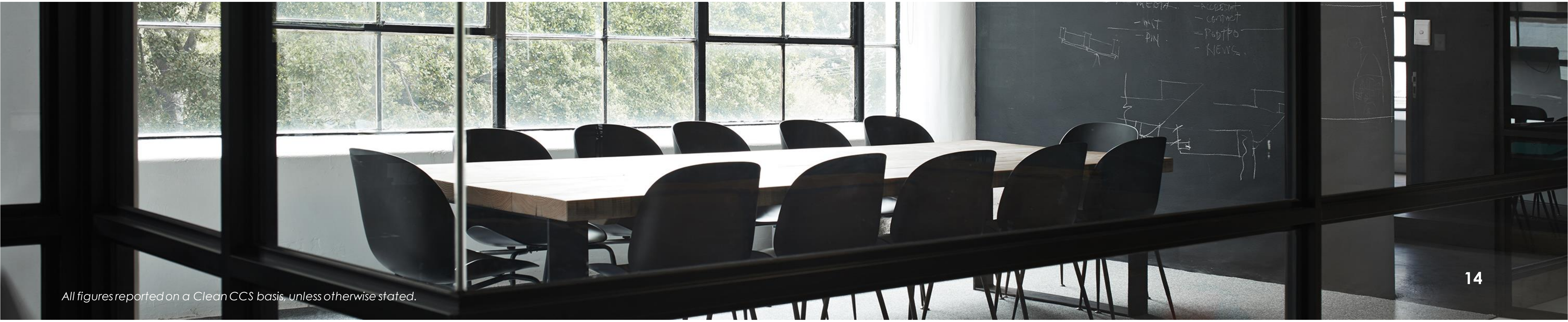
Accounting Capex in H1 2023 was €276m, an increase of 27% versus the same period of last year, with sustainable investments growing by 135%.

A 39% of capex was allocated to sustainable projects mainly in the Energy Parks and C&CE businesses, such as those related to co-processing and biofuels production, CO_2 emissions reduction projects, hydrogen and deployment of EV chargers.

Maintenance and HSE Capex also increased compared to H1 2022 (+63%) off the back of scheduled turnarounds during the first quarter.

Accounting Capex - € millions				Variation vs.		YTD		YTD
(unless otherwise stated)	Q2'23	Q1'23	Q2'22	Q2'22	Q1'23	2023	2022	Variation
Sustainable	(72)	(34)	(30)	*138%*	*108%*	(106)	(45)	*135%*
Growth / Discretionary	(28)	(34)	(61)	*(54)%*	*(16%)*	(62)	(106)	*(42%)*
Maintenance & HSE	(62)	(46)	(38)	*61%*	*34%*	(108)	(66)	*63%*
M&A	-	-	-	-	-	-	-	-
Total Accounting Capex	**(162)**	**(114)**	**(129)**	**25%**	**42%**	**(276)**	**(218)**	**27%**

Note: Figures do not include Abu Dhabi assets from 15th March 2023 onwards.



All figures reported on a Clean CCS basis, unless otherwise stated.

3.4 CONSOLIDATED FINANCIAL RESULTS – DEBT STRUCTURE

As of June 2023, Cepsa's net debt excluding IFRS16 lease liabilities was reduced to €2.5bn on the back of positive free cash flow generation in the period, evidencing the ability of the group to preserve its cash and solid balance sheet.

In H1 2023, Cepsa's leverage ratio naturally increased to 1.4x as a consequence of lower EBITDA coming from UAE assets, although it remains inside the management target of 2.0x.

Cepsa follows a conservative financial policy, maintaining a solid liquidity position in cash and undrawn credit lines. By the end of June 2023, the Company held a liquidity position of €4.1bn, enough to cover debt maturities until the end of 2027 without facing any refinancing risk. As of 30th June 2023, the company had an average maturity of its Net Debt of 3.2 years. Cepsa does not have any financial covenants nor maintenance ratios in its financing contracts.

Cepsa's bonds are rated "Investment Grade" by the three main international rating agencies Moody's, S&P and Fitch. All three rating agencies reaffirmed Cepsa's IG rating following reviews in March 2023, underpinning the Group Strategy and reflecting the commitment of the company and its shareholders with a conservative financial policy and investment grade credit profile.

Debt Structure

€ millions (unless otherwise stated)	Q2'23	Q1'23	Q2'22
Non-current bank borrowings	1,773	1,789	1,970
Current bank borrowings	312	279	431
Bonds	1,401	1,395	1,499
Cash	(964)	(1,194)	(1,142)
Net debt excluding IFRS16 liabilities	**2,522**	**2,270**	**2,758**
IFRS16 liabilities	683	692	713
Net debt including IFRS16 liabilities	**3,205**	**2,962**	**3,471**
Net debt to LTM Clean CCS EBITDA (a)	1.4x	0.8x	1.1x
Liquidity (b)	4,069	4,283	3,909
Average maturity of drawn debt (years)	3.2	3.6	3.4
Equity	3,546	3,990	5,082
Capital employed(a)	6,068	6,259	7,840
Gearing ratio (%) (a)	42%	36%	35%
Return on capital employed (%)	7%	13%	11%

(a) Excluding IFRS 16 impact

(b) Defined as cash on balance sheet and undrawn committed and uncommitted lines.

All figures reported on a Clean CCS basis, unless otherwise stated.

4. CONSOLIDATED BUSINESS UNIT RESULTS

4.1 CONSOLIDATED BUSINESS UNIT RESULTS

ENERGY

4.1 CONSOLIDATED BUSINESS UNIT RESULTS - ENERGY

Energy

H1 2023

Operations

Market refining margins slightly declined during H1 2023 with Cepsa's average margin at 9.2$/bbl versus 10.9$/bbl in H1 2022, difference mainly driven by the extraordinary market conditions of last year. Nevertheless, H1 2023 refining margin stood at healthy range, well above historical averages. As the supply-demand balance for Natural Gas in Europe stabilized in second quarter, energy costs normalized while distillates cracks remained at robust levels, helping to support margins across Europe during the first half of the year.

Cepsa Energy Parks' average utilization decreased compared to the same period of the previous year (88% in H1 2023 vs 94% in H1 2022) mainly due to some scheduled turnarounds in both sites during the first quarter of 2023.

Commercial product sales were in line with H1 2022. The seasonality of the fuel demand during the second quarter of 2023 and the launch of the new loyalty program "Cepsa GOW" in April 2023, supported volumes.

Energy Overview - € millions (unless otherwise stated)	Q2'23	Q1'23	Q2'22	Variation vs. Q2'22	Variation vs. Q1'23	YTD 2023	YTD 2022	YTD Variation
Refining output (mton)	5.1	4.7	5.4	(4)%	9%	9.9	10.5	(6)%
Crude oil distilled (million of barrels)	37.3	33.7	40.0	(7)%	11%	71.0	76.9	(8)%
Refining utilization (%)	91%	84%	96%	(5)%	8%	88%	94%	(7)%
Refining margin ($/bbl)	7.6	11.0	19.2	(60)%	(31)%	9.2	10.9	(15)%
Spanish pool price (€/MWh)	80.3	96.4	182.8	(56)%	(17)%	88.3	206.0	(57)%
Dutch TTF Natural gas price (€/MWh)	35.1	54.1	95.6	(63)%	(35)%	44.6	95.6	(53)%
Electricity production (GWh)	512	598	746	(31)%	(14)%	1,110	1,470	(24)%
Natural Gas Sales (GWh)	6,006	6,691	5,327	13%	(10)%	12,698	12,082	5%
Number of service stations	1,769	1,766	1,748	1%	0%	1,769	1,748	1%
Commercial product sales (mton)	4.3	4.1	4.4	(3)%	4%	8.4	8.5	(2)%
EBITDA (a)	**114**	**211**	**620**	**(82)%**	**(46)%**	**326**	**763**	**(57)%**
Conventional-Growth Capex	**(13)**	**(7)**	**(10)**	**27%**	**80%**	**(20)**	**(15)**	**30%**
Conventional-Maintenance Capex	**(57)**	**(42)**	**(32)**	**79%**	**36%**	**(100)**	**(52)**	**91%**
Sustainable Capex	**(57)**	**(29)**	**(17)**	**239%**	**98%**	**(86)**	**(26)**	**225%**

(a) On a Clean CCS basis (excluding the effect of extraordinary items and inventories)

Results

Energy CCS EBITDA stood at €326m in the first half of 2023, compared with €763m in H1 2022 (-57%). Energy Parks business performed slightly weaker compared to the same period of last year due to lower margins. In addition, within M&NC segment, Network was impacted in H1 2023 by the new discount format (10+2 cts/l) until 31st March. However, Wholesales continue to deliver solid margins shifting available volume to more profitable segments.

Energy capex was €205m in H1 2023, a significant increase of 119% compared to H1 2022 mainly due to engineering executions in the Energy Parks and Commercial businesses, maintenance turnarounds, assets replacement and restyling of gas stations, among other important investments.
Sustainable investments were significantly higher compared to H1 2022 (+225%) boosted by coprocessing investments and renewable and biofuels new projects.

All figures reported on a Clean CCS basis, unless otherwise stated.

4.2 CONSOLIDATED BUSINESS UNIT RESULTS

CHEMICALS

4.2 CONSOLIDATED BUSINESS UNIT RESULTS - CHEMICALS

Chemicals

H1 2023

Operations

In Chemicals, despite lower overall volumes due to the global slowdown in demand, high inflation and rising interest rates, the segment continued to perform above expectations, showing resilient results mainly due to enhanced margins on the back of reduced energy costs.

Surfactant's segment showed a decrease in volumes compared to H1 2022 mainly as a consequence of destocking and Intermediates segment (Phenol & Solvent's business) volumes also decreased by 28% versus H1 2022.
Within Intermediates segment, Phenol volumes stood at 494kton, 30% less than the same period of last year, driven by Cepsa Chemical Shanghai revamping shutdown from May 2023 and Solvents volumes decreased by 22% (from 283kton in H1 2022 vs 220kton in H1 2023).

Chemicals Overview - € millions (unless otherwise stated)	Q2'23	Q1'23	Q2'22	Variation vs. Q2'22	Variation vs. Q1'23	YTD 2023	YTD 2022	YTD Variation
Product sales (kton)	474	537	619	(23)%	(12)%	1,010	1,338	(25)%
LAB / LABSA	*148*	*148*	*177*	*(16)%*	*0%*	*296*	*351*	*(16)%*
Phenol / Acetone	*217*	*277*	*333*	*(35)%*	*(22)%*	*494*	*704*	*(30)%*
Solvents	*108*	*112*	*109*	*(1)%*	*(3)%*	*220*	*283*	*(22)%*
EBITDA(a)	**60**	**64**	**106**	**(44)%**	**(6)%**	**123**	**216**	**(43)%**
Conventional-Growth Capex	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Conventional-Maintenance Capex	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sustainable Capex	**(12)**	**(4)**	**(13)**	**(3)%**	**189%**	**(17)**	**(18)**	**(7)%**

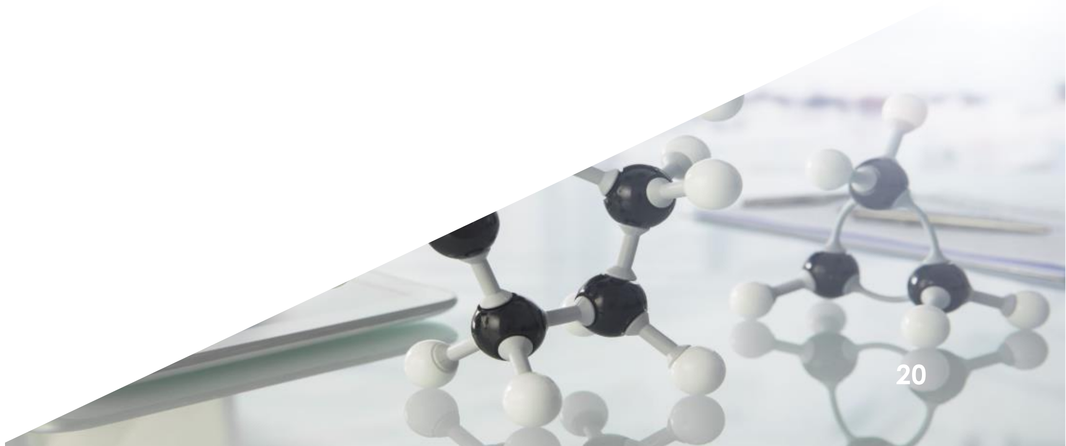
(a) On a Clean CCS basis (excluding the effect of extraordinary items and inventories)

Results

The segment EBITDA stood at €123m in H1 2023, below the €216m of H1 2022 driven by lower overall sales volumes and the difficult environment, although partially offset by higher margins boosted by the lower energy costs seen in the period.

Chemical capex in H1 2023 was €17m, in line with H1 2022 figure. The whole capex of Chemicals' business is sustainable, evidencing the commitment of the company with the energy transition and the key role of the Chemical's segment in this sense.

It is worth highlighting that Cepsa Química will build the world's first plant in Huelva for the sustainable production of isopropyl alcohol (IPA), a product used in hydroalcoholic gels as well as in other industries such as the medical-pharmaceutical, electronic and automotive industries. In addition, fully sustainable IPA will be offered to the customers using renewable or circular raw materials. This sets a new milestone as it reinforces Cepsa's new 'Positive Motion' strategy to become a benchmark in the energy transition and consolidate Cepsa Química as the global leader in sustainable chemical solutions.



All figures reported on a Clean CCS basis, unless otherwise stated.

4.3 CONSOLIDATED BUSINESS UNIT RESULTS

UPSTREAM

4.3 CONSOLIDATED BUSINESS UNIT RESULTS - UPSTREAM

Upstream

H1 2023

Operations

Crude oil prices in H1 2023 decreased by 26% compared with H1 2022 mainly due to the persistent doubts on the global oil demand recovery, as OPEC+ reactive cuts to its production quotas have so far failed to increase prices substantially. In addition, the decrease is also a consequence of the concerns about inflation in Europe and the uncertainty of the financial markets.

WI production decreased by 36% in H1 2023 compared to H1 2022, mainly due to the change of perimeter in the second quarter of 2023 following the Abu Dhabi assets sale, which naturally impacted the upstream production with an expected decline. This decrease was also a consequence of scheduled maintenance turnarounds in Algeria.

Upstream Overview - € millions				Variation vs.		YTD		YTD
(unless otherwise stated)	Q2'23	Q1'23	Q2'22	Q2'22	Q1'23	2023	2022	Variation
Dated Brent oil price ($/bbl)	78.4	81.3	113.8	(31)%	(4)%	79.8	107.6	(26)%
Realized oil price ($/bbl)	73.0	82.3	105.3	(31)%	(11)%	80.4	95.1	(16)%
Crude Oil Sales (million bbl)	1.2	4.7	4.9	(75)%	(74)%	5.9	10.7	(45)%
Net entitlement Crude Oil prod. (kbopd)	22.6	60.6	67.7	(67)%	(63)%	41.5	67.6	(39)%
Working interest crude production (kbopd)	**32.4**	**71.8**	**81.3**	**(60)%**	**(55)%**	**52.0**	**81.3**	**(36)%**
MENA	26.2	65.6	74.2	(65)%	(60)%	45.8	74.0	(38)%
LatAm	6.2	6.1	7.0	(12)%	1%	6.2	7.3	(15)%
EBITDA (a)	**58**	**310**	**438**	**(87)%**	**(81)%**	**368**	**822**	**(55)%**
Conventional-Growth Capex	**(14)**	**(25)**	**(50)**	**(73)%**	**(47)%**	**(15)**	**(89)**	**(83)%**
Conventional-Maintenance Capex	**(2)**	**(1)**	**(5)**	**(55)%**	**66%**	**(28)**	**(11)**	**141%**
Sustainable Capex	-	-	-	-	-	-	-	-

Note: Figures do not include Abu Dhabi assets from 15th March 2023 onwards.

(a) On a Clean CCS basis (excluding the effect of extraordinary items and inventories)

Results

Cepsa's Upstream business registered an EBITDA of €368m in H1 2023, a decrease versus the same period of the last year as a consequence of the abovementioned reasons. In addition, lower crude prices, and the scheduled maintenance turnaround in Algeria also impacted Upstream results. However, Cepsa maintains a low breakeven and enhanced cash conversion portfolio after the divestment.

All figures reported on a Clean CCS basis, unless otherwise stated.

5. APPENDIX

5.1 APPENDIX - CONSOLIDATED BALANCE SHEET – IFRS

Consolidated Balance Sheet– IFRS

Assets - € millions	Q2'23	Q1'23	Q2'22
Intangible assets including goodwill	802	1,136	766
Property, plant and equipment	4,139	4,135	5,635
Right of use assets	657	668	690
Investments in associates and joint ventures	282	307	357
Non-current financial assets	120	131	179
Deferred tax assets	1,618	1,417	1,049
Total non-current assets	**7,617**	**7,794**	**8,676**
Inventories	2,662	3,177	5,037
Trade and other receivables	2,092	2,350	4,004
Other current financial assets	118	156	352
Other current assets	463	435	273
Cash and cash equivalents	964	1,194	1,142
Assets held for sale and discontinued operations	0	66	172
Total current assets	**6,299**	**7,379**	**10,980**
Total assets	**13,916**	**15,172**	**19,656**

Equity & Liabilities - € millions	Q2'23	Q1'23	Q2'22
Total equity attributable to shareholds of the parent	**3,449**	**3,865**	**4,834**
Non-controlling interest	97	125	248
Total equity	**3,546**	**3,990**	**5,082**
Bonds, obligations and similar issuances	1,394	1,393	1,491
Bank borrowings	1,773	1,789	1,970
Long-term lease	523	531	561
Deferred tax liabilities	619	461	528
Provisions and other obligations	399	408	714
Other non-current liabilities	357	421	1,004
Total non-current liabilities	**5,065**	**5,004**	**6,268**
Bonds, obligations and similar issuances	7	2	8
Bank borrowings	312	279	431
Short-term lease	160	161	152
Trade and other payables	3,136	3,449	4,639
Other current liabilities	1,690	2,286	2,907
Liabilities held for sale and discontinued operations	0	0	169
Total current liabilities	**5,305**	**6,178**	**8,306**
Total equity and liabilities	**13,916**	**15,172**	**19,656**

All figures reported on a Clean CCS basis, unless otherwise stated.

5.2 APPENDIX - CONSOLIDATED INCOME STATEMENT – IFRS

Consolidated Income Statement– IFRS

Profit or loss - € millions	Q2'23	Q1'23	Q2'22	Variation vs. Q2'22	Variation vs. Q1'23	YTD 2023	YTD 2022
Revenue from contracts with customers (includes excise tax on oil&gas)	**5,249**	**7,426**	**11,365**	**(54)%**	**(29)%**	**12,675**	**20,072**
Changes in inventories of finished goods and work in progress	124	(134)	725	(83)%	193%	(10)	470
Procurements	(4,110)	(5,684)	(9,434)	56%	28%	(9,794)	(15,786)
Staff costs	(196)	(205)	(172)	(14)%	4%	(401)	(348)
Amortization charge	(177)	(170)	(234)	24%	(4)%	(347)	(434)
Impairment and gains or losses on disposals of non-current assets	(6)	(4)	(1)	(500)%	(50)%	(10)	(22)
Other operating income/expenses (includes excise tax on oil&gas)	(1,042)	(1,383)	(1,124)	7%	25%	(2,426)	(2,162)
Operating profit	**(158)**	**(154)**	**1,125**	**(114)%**	**(3)%**	**(312)**	**1,790**
Share of results of equity accounted investees	(2)	9	31	(106)%	(122)%	7	60
Net financial results	(44)	3	(48)	8%	(1567)%	(40)	(100)
Impairment and gains or losses on disposals of financial instruments	52	0	1	5100%	n.a	52	1
Consolidated profit before tax	**(152)**	**(142)**	**1,109**	**(114)%**	**(7)%**	**(294)**	**1,751**
Income tax	44	(156)	(494)	109%	128%	(112)	(806)
Consolidated profit for the year from continuing operations	**(108)**	**(297)**	**615**	**(118)%**	**64%**	**(405)**	**945**
Consolidated profit for the year	**(108)**	**(297)**	**615**	**(118)%**	**64%**	**(405)**	**945**
Non-controlling interests	(12)	0	39	(131)%	n.a	(12)	104
Consolidated profit for the year attributable to equity holder of the Parent	**(96)**	**(297)**	**576**	**(117)%**	**68%**	**(393)**	**841**

All figures reported on a Clean CCS basis, unless otherwise stated.

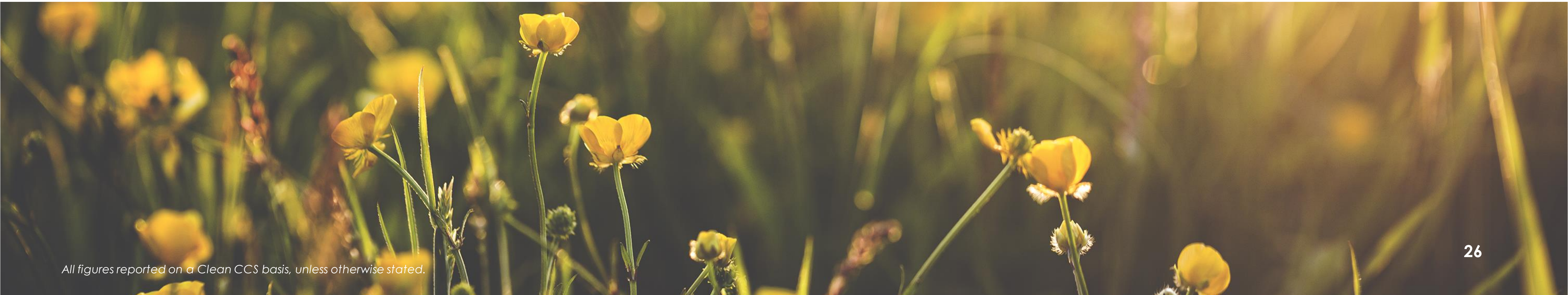
5.4 APPENDIX - EBITDA RECONCILIATION

EBITDA Reconciliation

The column "Inventory Effect" relates to changes in the valuation of inventories. "Inventory Effect" in Q2 2023 was (€156m) mainly due to the lower crude prices during the quarter.

Higher Clean CCS EBITDA compared to IFRS EBITDA was a result of the significant volatility of commodity prices during Q2 2023, which translates into the Current Cost of Supply (CCS) valuation higher than the Last Twelve Months average (valuation method used under IFRS reporting).

€ millions (unless otherwise stated) Q2'23	IFRS EBITDA	Inventory Effect	Non-Recurring Items	Clean CCS EBITDA
Energy Solutions	(9)	(123)	(0)	114
Chemicals	26	(33)	0	60
Upstream	52	0	(6)	58
Corporation	(46)	0	0	(46)
Extraordinary tax	0	0	0	0
CEPSA - Consolidated	**24**	**(156)**	**(6)**	**186**



All figures reported on a Clean CCS basis, unless otherwise stated.

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