



# Unaudited Quarterly Report

## Q1 2022

*Published on the 26<sup>th</sup> April 2022*

## Results Highlights

**Robust EBITDA thanks to solid and improved results in all segments**

# Cepsa reports a strong first quarter, following the announcement of its new 2030 strategy, 'Positive Motion'

- **CCS EBITDA** was **€605m** in Q1'22 versus €324m in Q1'21, driven by higher crude prices, increased Upstream production and sustained solid Chemicals results, despite high energy costs
- **CCS Net Income** was **€58m** (IFRS Net Income €265m), an improvement versus €53m in Q1'21 (IFRS Net Income €75m)
- **Cash flow from operations** before working capital reached **€205m**, below Q1'21 figure of €309m, as a result of increased taxes in Upstream compared to tax credits in Q1'21
- Continued deleveraging, with **Net Debt to EBITDA ratio** decreasing to **1.5x** driven by stronger EBITDA performance
- **Strong liquidity position** of **€3.4bn**, covering 4.5 years of debt maturities
- Solid results underpin the **new 2030 Strategy 'Positive Motion'** announced at the end of March to become a leader in sustainable mobility and energy in Spain and Portugal and a benchmark in the energy transition
- Cepsa signed a series of **strategic alliances** to decarbonize air transport on a large scale, including the Iberia Group, Binter and Air Nostrum, through the development, production, and supply of sustainable aviation biofuels (SAF)
- As of April 1, Cepsa is offering **special discounts** of up to €25 cts/l on top of the €20 cts/l offered by the Government of Spain, to ensure that all its customers can fill-up their tank with fuel prices similar to those seen in 2021. The discounts to help mitigate the impact of current extraordinarily high energy prices, will remain in force until June 30

**Maarten Wetselaar, Cepsa CEO:**

*"This is another solid quarter for Cepsa, with good delivery across all of our financial metrics. The performance follows the announcement of our 2030 Strategy 'Positive Motion' which outlines an ambitious journey for Cepsa to become a leader in green hydrogen, biofuels and e-mobility.*

*There is no question that these are uncertain times, particularly across the energy markets, and we continue to remain flexible to react to ongoing developments as required."*

## Cepsa's 2030 Strategy – 'Positive Motion'

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**55%**

Reduction in scope  
1 & 2 by 2030

**15-20%**

Reduction in  
Carbon Intensity  
Index by 2030

**€7-8bn**

Investment this  
decade

**>60%**

Allocated to  
sustainable  
businesses

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Cepsa presented its new 2030 Strategy, 'Positive Motion' on 30 March with the aim of becoming a leader in sustainable mobility and energy in Spain and Portugal, and a benchmark in the energy transition.

By 2030, Cepsa will reduce its CO<sub>2</sub> emissions (Scope 1 and 2) by 55% compared to 2019 and become carbon neutral before 2050. As for Scope 3, the company will reduce its carbon intensity index between 15% and 20% by 2030.

Under the plan, Cepsa will invest between €7bn and €8bn this decade, of which more than 60% will be allocated to sustainable businesses as of 2023. This will translate into a greater contribution of sustainable businesses to account for more than half of EBITDA by 2030.

## Presentation of Results

### Market Indicators

Market Indicators	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
Dated Brent oil price (\$/bbl)	101.4	79.7	60.9	67%	27%	70.7
Refining margin (\$/bbl)	2.5	3.8	1.9	33%	(34)%	3.7
Dutch TTF Natural gas price (€/MWh)	95.6	92.2	18.5	417%	4%	45.7
Spanish pool price (€/MWh)	229.4	211.0	45.2	407%	9%	111.9
Average EUR/USD FX	1.12	1.14	1.20	(7)%	(2)%	1.18
Spanish fuel demand (m <sup>3</sup> )	9,435	10,286	8,768	8%	(8)%	38,113

Cepsa Refining margin indicator has been amended to reflect corporate group allocations, including variable energy costs.

### Financial Summary

Financial Summary - € million (unless otherwise stated)	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
Energy	143	108	89	62%	32%	570
Chemicals	110	106	100	10%	4%	461
Upstream	384	290	171	124%	32%	905
Corporation	(32)	(34)	(35)	(10)%	(6)%	(121)
<b>CCS EBITDA (a)</b>	<b>605</b>	<b>470</b>	<b>324</b>	<b>87%</b>	<b>29%</b>	<b>1,815</b>
CCS EBIT (a)	406	254	155	161%	60%	1,054
CCS Net Income (a)	58	15	53	9%	287%	310
IFRS Net Income	265	163	75	251%	63%	661
<b>Cash flow from operations before WC</b>	<b>205</b>	<b>300</b>	<b>309</b>	<b>(34)%</b>	<b>(32)%</b>	<b>1,456</b>
<b>Cash flow from operations</b>	<b>56</b>	<b>11</b>	<b>79</b>	<b>(29)%</b>	<b>420%</b>	<b>1,306</b>
<b>Accounting Capex</b>	<b>(89)</b>	<b>(163)</b>	<b>(104)</b>	<b>(14)%</b>	<b>(45)%</b>	<b>(473)</b>
Sustainable	(15)	(46)	(21)	(28)%	(67)%	(119)
Growth / Discretionary	(46)	(48)	(46)	(0)%	(4)%	(175)
Maintenance & HSE	(28)	(69)	(37)	(24)%	(60)%	(179)
<b>Free cash flow before WC</b>	<b>60</b>	<b>286</b>	<b>136</b>	<b>(55)%</b>	<b>(79)%</b>	<b>1,065</b>
<b>Free cash flow</b>	<b>(89)</b>	<b>(4)</b>	<b>(95)</b>	<b>6%</b>	<b>n.m.</b>	<b>915</b>
<b>Net debt (b)</b>	<b>2,918</b>	<b>2,759</b>	<b>3,032</b>	<b>(4)%</b>	<b>6%</b>	<b>2,759</b>
<b>Net debt to LTM CCS EBITDA (b)</b>	<b>1.5x</b>	<b>1.6x</b>	<b>3.3x</b>	<b>(55)%</b>	<b>(9)%</b>	<b>1.6x</b>
<b>Liquidity (c)</b>	<b>3,362</b>	<b>3,476</b>	<b>4,485</b>	<b>(25)%</b>	<b>(3)%</b>	<b>3,476</b>

(a) On a Clean CCS basis

(b) Excluding IFRS16 liabilities.

(c) Cash on balance sheet and available committed credit facilities.

### Operational KPIs

Operational Overview	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
Refining output (mton)	5.1	5.4	4.2	21%	(6)%	20.3
Refining utilization (%)	83%	87%	67%	23%	(4)%	81%
Bios installed capacity (kt/y)	578	578	578	-	-	578
Commercial product sales (mton)*	4.1	4.5	3.6	14%	(8)%	16.2
Electricity production (GWh)	724	842	470	54%	(14)%	2,719
Natural gas sales (GWh)	6,756	8,039	8,488	(20)%	(16)%	34,374
Chemical product sales (kton)	720	738	715	1%	(2)%	2,943
Working interest crude production (kbopd)	81.5	74.2	71.9	13%	10%	73.9
Realized crude price(\$/bbl)	86.5	75.3	59.7	45%	15%	68.2
Upstream opex (\$/boe)	9.2	10.3	9.1	2%	(11)%	9.2

\*Includes Bunker and Commercial sales

## Consolidated Financial Results

### Income Statement (CCS)

CCS - € millions (unless otherwise stated)	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
Revenues	8,707	7,239	4,726	84%	20%	24,532
Cost of supply	(7,825)	(6,590)	(4,158)	(88)%	(19)%	(21,865)
<b>Gross margin over variable costs</b>	<b>882</b>	<b>648</b>	<b>568</b>	<b>55%</b>	<b>36%</b>	<b>2,667</b>
Other operating income	52	50	47	11%	3%	166
Fixed operating expenses	(322)	(306)	(292)	(10)%	(5)%	(1,127)
Other	(7)	76	2	(564)%	(109)%	110
<b>CCS EBITDA (a)</b>	<b>605</b>	<b>470</b>	<b>324</b>	<b>87%</b>	<b>29%</b>	<b>1,815</b>
Amortizations and impairments	(167)	(238)	(157)	(6)%	30%	(728)
Capital subsidies transferred to income	1	1	1	34%	7%	3
Operating leases amortization	(34)	(36)	(24)	(42)%	4%	(118)
<b>CCS Operating income (a)</b>	<b>405</b>	<b>197</b>	<b>144</b>	<b>181%</b>	<b>105%</b>	<b>972</b>
Other companies carried by equity method	25	12	8	229%	111%	51
Other	(24)	46	4	(784)%	(153)%	31
<b>CCS EBIT (a)</b>	<b>406</b>	<b>254</b>	<b>155</b>	<b>162%</b>	<b>60%</b>	<b>1,054</b>
Net debt expenses	(29)	(22)	(30)	4%	(33)%	(112)
<b>CCS Income before taxes (a)</b>	<b>377</b>	<b>232</b>	<b>125</b>	<b>202%</b>	<b>63%</b>	<b>942</b>
Minority interest	(74)	(33)	(3)	(2164)%	(125)%	(59)
Income taxes	(245)	(185)	(68)	(258)%	(33)%	(573)
<b>CCS Net income (a)</b>	<b>58</b>	<b>15</b>	<b>53</b>	<b>9%</b>	<b>284%</b>	<b>310</b>
<b>NIAT Reconciliation</b>						
<b>CCS Net income (a)</b>	<b>58</b>	<b>15</b>	<b>53</b>	<b>9%</b>	<b>284%</b>	<b>310</b>
CCS adjustment (replacement cost valuation)	214	101	26	723%	113%	351
Non-recurring items	(7)	48	(4)	(75)%	(115)%	1
<b>Net income (IFRS)</b>	<b>265</b>	<b>163</b>	<b>75</b>	<b>252%</b>	<b>62%</b>	<b>661</b>

(a) On a Clean CCS basis

During the quarter Cepsa registered CCS EBITDA of €605m (+87% vs Q1'21 and +29% vs Q4'21) driven by higher crude oil prices, increased production, sustained solid Chemicals results and improvement in Energy Solutions performance.

Cepsa's Upstream business showed a material improvement in results, with CCS EBITDA of €384m (€171m in Q1'21 and €290m in Q4'21), on the back of higher crude prices (+67% vs Q1'21 and +27% vs Q4'21) and increased production compared with the previous quarter.

CCS EBITDA for the Energy Solutions segment during Q1 stood at €143m (€89m in Q1'21 and €108m in Q4'21), mainly as a consequence of the improvement in Refining segment results.

Chemicals continued to register strong results with CCS EBITDA at €110m, (€100m in Q1'21 and €106 m in Q4'21) with similar volumes and sustained robust margins.

CCS Net Income at €58m affected by higher minority interests, lower refining margins and negative results in the G&P business derived from increased gas prices. Despite this, it increased by +9% compared to Q1'21 and +287% vs Q4'21.

Significant improvement in IFRS Net Income to €265m (€75m in Q1'21 and €163m in Q4'21) due to increase in EBITDA, partially offset by the increase of minority interest results and tax expense, especially in the Upstream business due to higher crude prices.

## Cash Flow Statement (CCS)

CCS - € millions (unless otherwise stated)	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
<b>CCS EBITDA (a)</b>	<b>605</b>	<b>470</b>	<b>324</b>	<b>87%</b>	<b>29%</b>	<b>1,815</b>
Dividends from associates	0	11	0	n.a	(100)%	15
Income tax paid and other adjustments to EBITDA	(400)	(180)	(15)	2566%	122%	(374)
<b>Cash flow from operations before wc</b>	<b>205</b>	<b>300</b>	<b>309</b>	<b>(34)%</b>	<b>(32)%</b>	<b>1,456</b>
Changes in working capital (wc)	(149)	(290)	(230)	35%	48%	(149)
<b>Cash flow from operations</b>	<b>56</b>	<b>11</b>	<b>79</b>	<b>(29)%</b>	<b>412%</b>	<b>1,306</b>
Capex	(145)	(113)	(165)	12%	(28)%	(501)
Sustainable	(25)	(32)	(33)	26%	23%	(126)
Growth / Discretionary	(75)	(33)	(73)	(2)%	(127)%	(185)
Maintenance	(45)	(48)	(58)	22%	5%	(189)
Other cash flow from investments	0	98	(9)	100%	(100)%	110
<b>Cash flow from investments</b>	<b>(145)</b>	<b>(15)</b>	<b>(174)</b>	<b>17%</b>	<b>(896)%</b>	<b>(391)</b>
<b>Free cash flow</b>	<b>(89)</b>	<b>(4)</b>	<b>(95)</b>	<b>6%</b>	<b>(2352)%</b>	<b>915</b>
Operating lease payments	(38)	(35)	(30)	(25)%	(8)%	(134)
Interest paid	(25)	(17)	(26)	6%	(46)%	(93)
Dividends paid to shareholders	0	(312)	0	n.a	100%	(523)
Dividends paid to minority interests	(1)	(5)	0	n.a	75%	(5)
Net change in gross debt	240	(115)	194	23%	308%	(870)
<b>Net change in cash</b>	<b>87</b>	<b>(488)</b>	<b>43</b>	<b>104%</b>	<b>118%</b>	<b>(710)</b>

(a) On a Clean CCS basis

Positive cash flow from operations before working capital variation of €205m, 32% below Q4'21 figure, as a consequence of the significant increase in income tax paid, especially when compared with Q1'21 figure, when the Group benefitted from tax credits. Other adjustments to EBITDA are mainly related to derivatives' margins calls.

Working capital consumption during the quarter of €149m compared to €230 in Q1'21 and €290m in Q4'21 reflecting higher commodity prices and inventories in Q1'22.

Lower capex payments in Q1'22 compared to Q1'21 (€145m in Q1'22 versus €174m in Q1'21) as a result of continued discipline in investments.

Negative Free Cash Flow mainly due to increased taxes related to higher sales and prices in Upstream.

## Accounting Capex

Accounting Capex - € millions (unless otherwise stated)	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
Sustainable	(15)	(46)	(21)	(28)%	(67)%	(119)
Growth / Discretionary	(46)	(48)	(46)	(0)%	(4)%	(175)
Maintenance & HSE	(28)	(69)	(37)	(24)%	(60)%	(179)
<b>Total Accounting Capex</b>	<b>(89)</b>	<b>(163)</b>	<b>(104)</b>	<b>(14)%</b>	<b>(46)%</b>	<b>(473)</b>

Continued management of investments in Q1'22 with reported capex of €89m compared to €104m in Q1'21 and €163m in Q4'21 as a consequence of rationalization initiatives implemented as part of the optimization and efficiency program, prioritizing high yielding investments.

A significant portion of growth Capex was earmarked for Upstream development (mainly related to Abu Dhabi investments) and exploration in Suriname. Key maintenance projects are related to workovers in Algerian fields and logistics assets enhancement in La Rábida refinery. It is remarkable that a 17% of Capex has been allocated towards sustainable projects, especially those related to electric chargers, biofuels capacity increase and the development of renewables portfolio.

## Debt Structure

€ millions (unless otherwise stated)	Q1'22	Q4'21	Q1'21
Non-current bank borrowings	1,713	1,776	2,798
Current bank borrowings	466	132	145
Bonds	1,493	1,508	1,491
Cash	(754)	(657)	(1,401)
<b>Net debt excluding IFRS16 liabilities</b>	<b>2,918</b>	<b>2,759</b>	<b>3,032</b>
IFRS16 liabilities	697	687	663
<b>Net debt including IFRS16 liabilities</b>	<b>3,615</b>	<b>3,446</b>	<b>3,695</b>
Net debt to LTM Clean CCS EBITDA (a)	1.5x	1.6x	3.3x
Liquidity (b)	3,362	3,476	4,485
Average maturity of drawn debt (years)	3.6	3.9	4.0
Equity	4,559	4,307	4,158
Capital employed(a)	7,477	7,066	7,190
Gearing ratio (%) (a)	39%	39%	42%
Return on capital employed (%)	7%	6%	1%

(a) Excluding IFRS 16 impact

(b) Defined as cash on balance sheet and available committed credit facilities.

In Q1 '22, Cepsa's net debt excluding IFRS16 lease liabilities stood at €2.9bn, slightly above Q4'21, mainly as a consequence of the previously mentioned increased tax payments and derivatives margin calls.

Cepsa continued its deleveraging trend, boosted by increased EBITDA, with net debt slightly above previous quarter levels. Net debt to EBITDA ratio improved significantly, decreasing from 3.3x in Q1'21 and 1.6x in Q4'21 to 1.5x in Q1'22, already well inside the management target of 2.0x.

Cepsa follows a conservative financial policy, keeping enough liquidity in cash and undrawn committed credit lines to cover, at least, 24 months of debt maturities. As of March 2022, Cepsa showed a solid liquidity position of €3.4bn, in line with Q4'21 figures and sufficient to cover 4.5 years of maturities. Cepsa also continued to hold a long-dated maturity profile of 3.6 years.

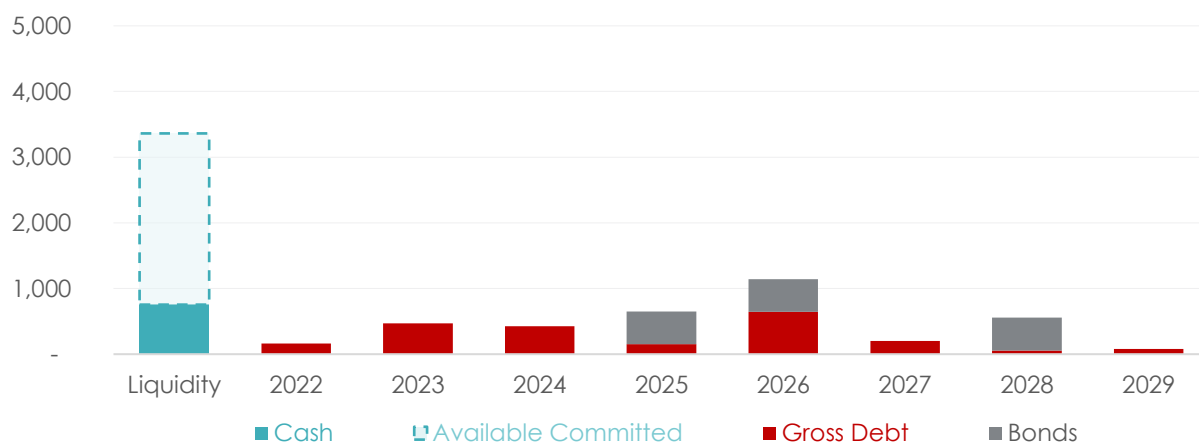
As has been customary since the signing of Cepsa's €2bn syndicated credit line in 2014, approval was received from the 18 issuing banks to extend the maturity by one more year. With this unanimous consent, the maturity was set at September 2026, notably improving Cepsa's liquidity position. No amounts had been drawn down on this syndicated credit line as at 31 March 2022.

Cepsa does not have any financial covenants nor maintenance ratios in its financing contracts.

### Debt Maturity Profile

Cepsa has an evenly distributed debt maturity profile, with no major maturities in a single year up to 2025. As of 31<sup>st</sup> March 2022, the company's liquidity position covered more than 4.5 years of debt maturities.

Figures in €m





## Consolidated Business Unit Results

### Energy

Energy Overview - € millions (unless otherwise stated)	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
Refining output (mton)	5.1	5.4	4.2	21%	(6)%	20.3
Crude oil distilled (million of barrels)	36.8	39.6	29.8	24%	(7)%	145.2
Refining utilization (%)	83%	87%	67%	23%	(4)%	81%
Bios installed capacity (kt/y)	578	578	578	0	-	578
Refining margin (\$/bbl)	2.5	3.8	1.9	33%	(34)%	3.7
Spanish pool price (€/MWh)	229.4	211.0	45.2	407%	9%	111.9
Dutch TTF Natural gas price (€/MWh)	95.6	92.2	18.5	417%	4%	45.7
Electricity production (GWh)	724	842	470	54%	(14)%	2,719
Natural Gas Sales (GWh)	6,756	8,039	8,488	(20)%	(16)%	34,374
Number of service stations	1,753	1,753	1,774	(1)%	-	1,753
Product sales (mton)	4.1	4.5	3.6	14%	(8)%	16.2
<b>CCS EBITDA (a)</b>	<b>143</b>	<b>108</b>	<b>89</b>	<b>62%</b>	<b>32%</b>	<b>570</b>
<b>Growth / Discretionary capex</b>	<b>(12)</b>	<b>(27)</b>	<b>(24)</b>	<b>(50)%</b>	<b>(57)%</b>	<b>(91)</b>
<b>Maintenance capex</b>	<b>(23)</b>	<b>(64)</b>	<b>(33)</b>	<b>(29)%</b>	<b>(64)%</b>	<b>(158)</b>

(a) On a Clean CCS basis

### Operations

Market refining margins decreased during the quarter, with Cepsa average margin during Q1'22 at 2.5 \$/bbl versus 3.8 \$/bbl in Q4'21 mainly due to high energy prices and increased freight costs. Conflict in Ukraine led to an increase in mid-distillates prices only at the end of the quarter, driven by reduction of imports from Russia (oil and products). This fact supported an increase of the margin in March, and likely will do in the next months. Compared with Q1'21, margin increase by 33%, due to the ease of Covid restrictions and recovery of demand.

Cepsa refineries' average utilization stood at 83% in Q1'22, lower than realized in Q4'21 by 4% due to crude unit turnaround occurred in GSSR during this quarter.

Refining output continued at similar levels versus the previous quarter, but materially increasing by 21% versus to the same quarter of 2021, when two of the La Rábida refinery units (Fuel 1 and Vacuum 2) remained under maintenance turnaround.

Spanish pool prices significantly increased versus Q1'21 and continues to grow from the levels of the last quarter of 2021 to an average of 229 €/MWh (+407% versus Q1'21 and +9% versus Q4'21).

In comparison to Q1'21, Mobility & New Commerce sales have been higher, as beginning of 2021 demand was still hugely affected by Covid-19. This effect has mainly been driven by gasoline sale increase.

Market conditions remain highly complex in Commercial and Clean Energies. Domestic general activity continuous its recovery versus Q1'21, especially in Aviation and Asphalts. Negative effects such as energetic price crisis and transport strike in March, have had significant effects, mainly in wholesales during March although Q1'22 remains above 2021's figures.

Spanish fuel demand has decreased approximately 8% in comparison to Q4'21, led by the normal market decrease of the beginning of the year, together with the high oil prices and transport strike taking place mostly in March.

## Results

CCS EBITDA of €143m, 62% higher compared to Q1'21 and 32% versus previous quarter. Improved results in the business unit were mainly driven by the Refining segment.

Despite softer margins and lower sale volumes as a consequence of the transport strike and high oil prices mostly affecting end of Q1 2022, International Mobility businesses, mainly Portugal, impacted positively overall EBITDA, with a strong increase, mostly driven by Network and Asphalts, due to higher sales and margins.

Commercial businesses remain sound and robust compared to Q1'21. Biofuels segment is taking advantage of specific market opportunities, as well as wholesale, catching-up from the difficulties during the first two months.

Aviation is recovering fast in the Canary Islands; Asphalts presents strong performance during the quarter both in terms of activity and margin; and Lubricants reached solid results versus the same quarter of the previous year.

## Chemicals

Chemicals Overview - € millions (unless otherwise stated)	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
Product sales (kton)	720	738	715	1%	(2)%	2,943
LAB / LABSA	174	164	163	7%	6%	671
Phenol / Acetone	371	415	414	(10)%	(11)%	1,613
Solvents	174	159	138	26%	10%	659
<b>CCS EBITDA (a)</b>	<b>110</b>	<b>106</b>	<b>100</b>	<b>10%</b>	<b>4%</b>	<b>461</b>
<b>Growth / Discretionary capex</b>	<b>0</b>	<b>(8)</b>	<b>(3)</b>	<b>(109)%</b>	<b>(103)%</b>	<b>(19)</b>
<b>Maintenance capex</b>	<b>(5)</b>	<b>(17)</b>	<b>(8)</b>	<b>(39)%</b>	<b>(71)%</b>	<b>(42)</b>

(a) On a Clean CCS basis

## Operations

Chemical products sales at similar levels of Q1'21. Surfactant's segment continues with strong performance in Home and Personal Care with volume growth by 7% against same period of 2021 and previous quarter.

Intermediates segment (Phenol & Solvents' business) behaves similarly in Q1'22 than in the previous quarter, despite higher energy costs that impacted sales, with a reduction in volume of 5% versus Q4'21 and also slightly below Q1'21, which were extraordinary due to the high demand of acetone for COVID related applications.

Total product sales grew 1% compared to Q1'21.

## Results

Strong performance in Chemicals resulting in a CCS EBITDA of €110m in Q1'22 thanks to sustained solid margin and similar volumes. This is in line with the results achieved in Q4'21 and 10% higher than Q1'21.

## Upstream

Upstream Overview - € millions (unless otherwise stated)	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
Dated Brent oil price (\$/bbl)	101.4	79.7	60.9	67%	27%	70.7
Realized oil price (\$/bbl)	86.5	75.3	59.7	45%	15%	68.2
Crude Oil Sales (million bbl)	5.8	5.4	4.3	35%	8%	18.7
Upstream opex (\$/boe)	9.2	10.3	9.1	2%	(11)%	9.2
Net entitlement Crude Oil prod. (kbopd)	67.4	63.0	58.9	14%	7%	61.3
<b>Working interest crude production (kbopd)</b>	<b>81.5</b>	<b>74.2</b>	<b>71.9</b>	<b>13%</b>	<b>10%</b>	<b>73.9</b>
MENA	74.0	66.0	63.5	17%	12%	65.9
LatAm	7.5	8.2	8.4	(11)%	(9)%	8.0
Other	0.0	0.0	0.0	n.a	n.a	0.0
<b>CCS EBITDA (a)</b>	<b>384</b>	<b>290</b>	<b>171</b>	<b>124%</b>	<b>32%</b>	<b>905</b>
<b>Growth / Discretionary capex</b>	<b>(40)</b>	<b>(28)</b>	<b>(28)</b>	<b>41%</b>	<b>41%</b>	<b>(116)</b>
<b>Maintenance capex</b>	<b>(6)</b>	<b>(8)</b>	<b>(5)</b>	<b>30%</b>	<b>(14)%</b>	<b>(24)</b>

(a) On a Clean CCS basis

## Operations

WI Production increased by 13% versus Q1'21 and 10% compared to Q4'21 mainly boosted by lower OPEC+ quota restrictions, ramp-up production in Abu Dhabi and operational improvements in the fields to reduce natural declining.

Crude prices in Q1 increased significantly, averaging 101.4 \$/bbl during the quarter, (60.9 \$/bbl in Q1'21 and 79.7 \$/bbl in Q4'21). The invasion of Ukraine by Russia, which started on February 25<sup>th</sup>, has caused a spike on the crude oil prices and unprecedented volatility on energy markets.

## Results

Cepsa's Upstream business showed a strong increase in EBITDA reaching €384m, above Q1'21 and Q4'21 figures (+124% compared to Q1'21 and +32% versus Q4'21) pushed up by improved prices (Brent +67% versus Q1'21 and +27% versus Q4'21), and higher production.

Most of growth capex corresponds to Upstream assets development, mainly in Abu Dhabi, as well as Exploration in Suriname.

The drilling of Suriname exploration wells and the ramp-up of Sarb-Umm Lulu fields drives a 41% increase in Growth capex versus Q4'21. Maintenance capex slightly lower compared to Q4'21 driven by reduced requirements from Algeria and Colombia fields.

## Major Events

Cepsa signed a series of strategic alliances in during the quarter to decarbonize air transport on a large scale, including with the Iberia Group, Canary Island airline Binter and Valencia-based Air Nostrum, through the development, production, and supply of sustainable aviation biofuels (SAF) from waste, recycled used oils and other sustainable plant-based feedstocks. The agreements contemplate other alternative energy sources such as renewable hydrogen and electricity to promote sustainable mobility in aircraft and ground fleets.

The company began dismantling its refinery in Tenerife, part of a strategic commitment between Cepsa and the Government of the Canary Islands to promote sustainability and energy transition by transforming the land into green areas for the city.

As of April 1, Cepsa is offering special discounts of up to €25 cts/l on top of the €20 cts/l offered by the Government of Spain, to ensure that all its customers can fill-up their tank with fuel prices similar to those seen in 2021. The discounts to help mitigate the impact of current extraordinarily high energy prices, will remain in force until June 30.

## Appendix

### Consolidated Balance Sheet– IFRS

Assets - € millions	Q1'22	Q4'21	Q1'21
Intangible assets including goodwill	937	525	768
Property, plant and equipment	5,547	5,568	5,675
Right of use assets	677	662	647
Investments in associates and joint ventures	319	290	244
Non-current financial assets	190	121	137
Deferred tax assets	976	943	938
<b>Total non-current assets</b>	<b>8,646</b>	<b>8,109</b>	<b>8,409</b>
Inventories	4,375	3,025	1,594
Trade and other receivables	3,063	2,294	1,729
Other current financial assets	356	231	126
Other current assets	193	174	166
Cash and cash equivalents	754	657	1,401
Assets held for sale and discontinued operations	227	160	0
<b>Total current assets</b>	<b>8,968</b>	<b>6,541</b>	<b>5,016</b>
<b>Total assets</b>	<b>17,614</b>	<b>14,650</b>	<b>13,425</b>
Equity & Liabilities - € millions	Q1'22	Q4'21	Q1'21
<b>Total equity attributable to shareholds of the parent</b>	<b>4,350</b>	<b>4,170</b>	<b>4,068</b>
Non-controlling interest	209	138	90
<b>Total equity</b>	<b>4,559</b>	<b>4,307</b>	<b>4,158</b>
Bonds, obligations and similar issuances	1,490	1,490	1,488
Bank borrowings	1,713	1,776	3,347
Long-term lease	549	552	0
Other non-current financial liabilities	507	493	46
Deferred tax liabilities	636	639	538
Other non-current liabilities	752	478	576
<b>Total non-current liabilities</b>	<b>5,647</b>	<b>5,428</b>	<b>5,995</b>
Bonds, obligations and similar issuances	3	18	3
Bank borrowings	466	132	258
Short-term lease	148	135	0
Trade and other payables	3,967	2,820	2,206
Other current liabilities	2,646	1,684	805
Liabilities held for sale and discontinued operations	178	126	0
<b>Total current liabilities</b>	<b>7,408</b>	<b>4,914</b>	<b>3,272</b>
<b>Total equity and liabilities</b>	<b>17,614</b>	<b>14,650</b>	<b>13,425</b>

## Consolidated Income Statement– IFRS

Profit or loss - € millions	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
Sales of goods and rendering of services	8,175	6,675	4,238	93%	22%	22,335
Excise tax on oil and gas charged on sales	532	563	488	9%	(6)%	2,197
<b>Revenue from contracts with customers</b>	<b>8,707</b>	<b>7,239</b>	<b>4,726</b>	<b>84%</b>	<b>20%</b>	<b>24,532</b>
Changes in inventories of finished goods and work in progress	(255)	324	21	(1314)%	(179)%	257
In-house work on non-current assets	5	15	3	67%	(67)%	38
Procurements	(6,352)	(5,790)	(3,420)	(86)%	(10)%	(18,122)
Other operating income	5	38	2	150%	(87)%	48
Staff costs	(176)	(176)	(150)	(17)%	-	(615)
Changes in operating allowances	(3)	9	44	(107)%	(133)%	52
Other operating costs:			0			
Excise tax on oil and gas	(533)	(563)	(489)	(9)%	5%	(2,198)
Others operating costs	(598)	(666)	(405)	(48)%	10%	(2,037)
Amortization charge	(200)	(205)	(181)	(10)%	2%	(774)
Allocation to profit or loss of grants related to non-Finance assets and other grants	86	28	24	258%	207%	107
Impairment and gains or losses on disposals of non-current assets	(21)	165	(7)	(200)%	(113)%	172
<b>Operating profit</b>	<b>665</b>	<b>417</b>	<b>168</b>	<b>296%</b>	<b>59%</b>	<b>1,460</b>
Share of results of equity accounted investees	29	18	8	263%	61%	58
Finance income	63	44	16	294%	43%	204
Finance costs	(115)	(85)	(39)	(195)%	(35)%	(344)
Impairment and gains or losses on disposals of financial instruments	0	(8)	0	n.a	100%	(7)
<b>Consolidated profit before tax</b>	<b>642</b>	<b>387</b>	<b>153</b>	<b>320%</b>	<b>66%</b>	<b>1,370</b>
Income tax	(312)	(195)	(73)	(327)%	(60)%	(648)
<b>Consolidated profit for the year from continuing operations</b>	<b>330</b>	<b>191</b>	<b>80</b>	<b>313%</b>	<b>73%</b>	<b>723</b>
<b>Consolidated profit for the year</b>	<b>330</b>	<b>191</b>	<b>80</b>	<b>313%</b>	<b>73%</b>	<b>723</b>
Non-controlling interests	65	29	5	1200%	124%	62
<b>Consolidated profit for the year attributable to equity holder of the Parent</b>	<b>265</b>	<b>163</b>	<b>75</b>	<b>253%</b>	<b>63%</b>	<b>661</b>

## Consolidated Statement of Cash Flows – IFRS

Cash Flow - € millions	Q1'22	Q4'21	Q1'21	Variation vs.		FY 2021
				Q1'21	Q4'21	
<b>Cash Flows from operating activities</b>						
Profit before tax from continuing operations	642	386	153	320%	66%	1,370
Depreciation and amortisation charge and impairment losses	200	62	185	8%	223%	621
Change in operating allowances	2	4	(45)	104%	(50)%	(40)
Finance income and costs	55	43	27	104%	28%	150
Other changes	(88)	145	(22)	(300)%	(161)%	137
<b>CF from operating activities before changes in operating wc</b>	<b>811</b>	<b>640</b>	<b>298</b>	<b>172%</b>	<b>27%</b>	<b>2,238</b>
<b>Changes in operating working capital</b>	<b>(555)</b>	<b>(425)</b>	<b>(217)</b>	<b>(156)%</b>	<b>(31)%</b>	<b>(575)</b>
Dividends received	0	11	0 n.a		(100)%	15
Income tax paid	(200)	(216)	(2)	(9900)%	7%	(372)
<b>Other cash flows used in operating activities</b>	<b>(200)</b>	<b>(204)</b>	<b>(2)</b>	<b>(9900)%</b>	<b>2%</b>	<b>(357)</b>
<b>Total cash flows generated from operating activities</b>	<b>56</b>	<b>11</b>	<b>79</b>	<b>(29)%</b>	<b>409%</b>	<b>1,306</b>
<b>Cash Flows used in investing activities</b>						
Intangible assets	(18)	(28)	(8)	(125)%	36%	(57)
Property, plant and equipment	(128)	(87)	(167)	23%	(47)%	(441)
Finance assets	0	1	0 n.a		(100)%	(7)
Grants received and acquisition of subsidiary, net of cash acquired	1	1	1	-	7%	3
<b>Total payments</b>	<b>(145)</b>	<b>(113)</b>	<b>(174)</b>	<b>17%</b>	<b>(28)%</b>	<b>(501)</b>
<b>Total collections</b>	<b>0</b>	<b>98</b>	<b>0 n.a</b>		<b>(100)%</b>	<b>110</b>
<b>Total cash flows used in investing activities</b>	<b>(145)</b>	<b>(15)</b>	<b>(174)</b>	<b>17%</b>	<b>(867)%</b>	<b>(391)</b>
<b>Cash Flows from financing activities</b>						
<b>Total dividends paid</b>	<b>(1)</b>	<b>(316)</b>	<b>0</b>	<b>n.a</b>	<b>100%</b>	<b>(528)</b>
Proceeds from borrowings	10	238	100	(90)%	(96)%	430
Repayment of borrowings	230	(354)	92	150%	165%	(1,300)
Interest paid	(25)	(16)	(26)	4%	(56)%	(93)
IFRS16 Debt payments	(38)	(35)	(30)	(27)%	(9)%	(134)
Total cash flows from bank borrowings	177	(166)	136	30%	207%	(1,097)
<b>Total cash flows from financing activities</b>	<b>176</b>	<b>(482)</b>	<b>136</b>	<b>29%</b>	<b>137%</b>	<b>(1,624)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>87</b>	<b>(488)</b>	<b>41</b>	<b>112%</b>	<b>118%</b>	<b>(710)</b>
Effect of exchange rate changes	9	3	2	350%	200%	8
<b>Cash and cash equivalents at beginning of the period</b>	<b>657</b>	<b>1,141</b>	<b>1,358</b>	<b>(52)%</b>	<b>(42)%</b>	<b>1,358</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>754</b>	<b>657</b>	<b>1,401</b>	<b>(46)%</b>	<b>15%</b>	<b>657</b>

## EBITDA Reconciliation

€ millions (unless otherwise stated) Q1'22	IFRS EBITDA	Inventory Effect	Non-Recurring Items	CCS EBITDA (a)
Upstream	384	0	0	384
Chemicals	139	29	0	110
Energy	389	246	0	143
Corporation	(47)	0	(15)	(32)
<b>CEPSA - Consolidated</b>	<b>865</b>	<b>275</b>	<b>(15)</b>	<b>605</b>

(a) On a Clean CCS basis

The column "Inventory Effect" relates to changes in the valuation of inventories. "Inventory Effect" in Q1 2022 was €275m mainly due to the higher costs for inventory consumption (valued higher in CCS compared to LTM average cost) mainly impacting in Refining and Chemicals boosted by higher crude and refined product prices.

Lower CCS EBITDA was a result of the rising commodity prices during the quarter, which translates into the Current Cost of Supply (CCS) valuation being higher than the Last Twelve Months average (valuation method used under IFRS reporting) and consequently, reflecting higher inventory costs consumption and therefore, lower IFRS EBITDA.



## Affiliates and Minority Interests

EBITDA from Affiliates and Minority interests - € million CCS figures, considering Cepsa's share	Cepsa Share	Q1'22	Q4'21	Q1'21	Variation vs.	
					Q1'21	Q4'21
<b>EBITDA from equity accounted affiliates (Cepsa share)</b>		<b>14.0</b>	<b>19.1</b>	<b>18.7</b>	<b>(25)%</b>	<b>(27)%</b>
Abu Dhabi Oil CO, Ltd (ADOC)	12.9%	1.9	5.1	6.3	(70)%	(63)%
Asfaltos Españoles, S.A. (ASESA)	50.0%	0.9	1.7	1.0	(9)%	(47)%
Sinarmas Cepsa Pte, Ltd	50.0%	6.3	10.5	5.2	21%	(40)%
SIL Chemical, Ltd	30.0%	2.1	(4.5)	1.9	11%	147%
CS Chem Limited	30.0%	0.6	2.8	0.6	8%	(79)%
Nueva Generadora del Sur, S.A.	50.0%	0.4	0.3	0.4	3%	33%
Atlas Nord Hidrocarbures, S.A.S.	50.0%	0.2	0.3	0.2	10%	(33)%
Cepsa Gibraltar	50.0%	(0.1)	0.5	(0.1)	-	(120)%
Cepsa Belgium	100.0%	0.4	0.4	0.3	33%	-
Cepsa Netherlands	100.0%	0.2	0.1	0.3	(33)%	100%
Sorex	40.0%	0.3	1.2	0.2	39%	(75)%
Bitulife	40.0%	0.8	0.7	2.5	(68)%	14%
<b>EBITDA attributable to minority interests</b>		<b>10.7</b>	<b>41.1</b>	<b>6.9</b>	<b>55%</b>	<b>(74)%</b>
C.M.D. Aeropuertos Canarias, S.L.	60.0%	(0.1)	1.4	(0.1)	(47)%	(107)%
Coastal Energy KBM Sdn. Bhd.	70.0%	0.0	0.1	(0.0)	100%	(100)%
Cepsa Chemical (Shanghai) CO. LTD	75.0%	0.0	2.7	2.9	(100)%	(100)%
Deten Quimica, S.A.	71.4%	4.2	5.3	4.2	(1)%	(21)%
Generación Eléctrica Peninsular, S.A.	70.0%	5.3	14.0	1.3	319%	(62)%
Cepsa Gas Comercializadora, S.A.	70.0%	1.3	17.6	(1.4)	193%	(93)%
<b>Dividends received from affiliates (Cepsa share)</b>		<b>0.0</b>	<b>12.3</b>	<b>0.0</b>	<b>n.a</b>	<b>(100)%</b>
Abu Dhabi Oil CO, Ltd (ADOC)	12.9%	0.0	0.0	0.0	n.a	n.a
Nueva Generadora del Sur, S.A.	50.0%	0.0	0.5	0.0	n.a	(100)%
SIL Chemical, Ltd	30.0%	0.0	3.5	0.0	n.a	(100)%
CS Chem Limited	30.0%	0.0	8.3	0.0	n.a	(100)%
Cepsa Gibraltar	50.0%	0.0	0.0	0.0	n.a	n.a
Sorex	40.0%	0.0	1.1	0.0	n.a	(100)%
Bitulife	40.0%	0.0	0.6	0.0	n.a	(100)%

EBITDA contribution (net to Cepsa) from equity accounted affiliates in Q1'22 amounted to €14m and mainly came from the contribution of Cepsa's investments in Sinarmas (€6.3m). The contribution from Cepsa Gibraltar has decreased to negative €0.1m.

EBITDA attributable to minority interests in the quarter amounted to €10.7m, mainly related to Deten Quimica (€4.2m) and Generación Eléctrica Peninsular (€5.3m).

No dividends have been received from affiliates during Q1'22.

## 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.