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Jurado/a de inglés, nombrado/a por el Ministerio de Asuntos Exteriores y de  
Cooperación**

Traducción Jurada

**ANNUAL ACCOUNTS  
CEPSA FINANCE, S.A.U.**

Corresponding to Fiscal Year 2022



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**CEPSA FINANCE, S.A.****BALANCE SHEET AS OF DECEMBER 31, 2022**

Euros

<b>Assets</b>	<b>Notes to the Report</b>	<b>12/31/2022</b>	<b>12/31/2022</b>
<b>Non-current assets</b>			
		1,389,190,000	1,489,090,000
Long-term investments in group and associated companies	Note 5.1 and 10.2	1,389,190,000	1,489,090,000
<b>Current assets</b>			
		22,567,005	21,143,837
Short-term investments in group and associated companies	Note 5.2 and 10.2	22,567,005	21,143,837
<b>Total Assets</b>		<b>1,411,757,005</b>	<b>1,510,233,837</b>

Euros

<b>Shareholders' equity and liabilities</b>	<b>Notes from the Annual Report</b>	<b>12/31/2022</b>	<b>12/31/2022</b>
<b>Equity</b>			
		186,294	1,567,035
<b>Shareholders' equity</b>		<b>186,294</b>	<b>1,567,035</b>
Share Capital			
Registered capital	Note 6.1	100,000	100,000
Reserves			
Legal and statutory reserves	Note 6.2	20,000	20,000
Other reserves		0	140,961
Result of the Financial Year	Note 3	12,057,926	1,306,074
Interim dividend		(11,991,632)	0
<b>Non-current liabilities</b>			
		1,393,376,257	1,490,922,592
<b>Long-term debt</b>	<b>Note 7.1</b>	<b>1,392,937,301</b>	<b>1,489,936,464</b>
<b>Long-term accruals</b>	<b>Note 7.1 and 10.2</b>	<b>438,956</b>	<b>986,128</b>
<b>Current liabilities</b>			
		18,194,454	17,744,210
<b>Short-term debt</b>	<b>Note 7.2</b>	<b>16,921,208</b>	<b>17,582,192</b>
<b>Short-term debts with group and associated companies</b>	<b>Note 7.2 and 10.2</b>	<b>1,261,233</b>	<b>160,868</b>
<b>Trade and other payables</b>		<b>12,013</b>	<b>1,150</b>
EG Suppliers		0	1,138
Sundry creditors		13	12
Other debts with Public Administrations	Note 8.1	12,000	0
<b>Total Equity and Liabilities</b>		<b>1,411,757,005</b>	<b>1,510,233,837</b>

The accompanying Notes 1 to 14 are an integral part of the Balance Sheet for the year 2022.

**CEPSA FINANCE, S.A.**
**INCOME STATEMENT FOR THE YEAR 2022**

Euros

	<b>Notes from the Annual Report</b>	<b>12/31/2022</b>	<b>12/31/2021</b>
<b>Continuing Operations</b>			
<b>Net amount of turnover</b>	<b>Note 9.1</b>	<b>24,065,174</b>	<b>23,981,037</b>
Financial income of interests from Holding companies		24,065,174	23,981,037
<b>Other operating expenses</b>	<b>Note 9.2</b>	<b>(339,056)</b>	<b>(46,841)</b>
External services		(334,541)	(43,352)
Taxes		(4,515)	(3,489)
<b>Operating income</b>		<b>23,726,118</b>	<b>23,934,196</b>
<b>Financial expenses</b>	<b>Note 9.3</b>	<b>(22,633,884)</b>	<b>(22,192,764)</b>
For debts with group companies and associates		(5,181)	(3,497)
For debts with third parties		(22,628,703)	(22,188,521)
Exchange rate differences		0	(746)
<b>Impairment and gain or loss on disposal of financial instruments</b>	<b>Note 9.4</b>	<b>14,985,000</b>	<b>0</b>
Results of sale of Financial Investments		14,985,000	0
<b>Financial Results</b>		<b>(7,648,884)</b>	<b>(22,192,764)</b>
<b>Income before taxes</b>		<b>16,077,234</b>	<b>1,741,432</b>
<b>Taxes on profits</b>	<b>Note 8</b>	<b>(4,019,308)</b>	<b>(435,358)</b>
<b>Income for the year</b>		<b>12,057,926</b>	<b>1,306,074</b>

The accompanying Notes 1 to 14 are an integral part of the income statement for the year 2022.

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**STATEMENT OF RECOGNIZED INCOME AND EXPENSES OF 2023 FISCAL YEAR**

	<i>Euros</i>	
	<i>Fiscal Year 2022</i>	<i>Fiscal Year 2021</i>
<i>Result of the profit and loss account (I)</i>	<i>12,057,926</i>	<i>1,306,074</i>
<b>Total recognized income and expenses (I+II+III)</b>	<b>12,057,926</b>	<b>1,306,074</b>

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR 2022**

*Euros*

	Share Capital	Reserves	Result of the Financial Year	Interim dividend	Total
<i>Balance at the beginning of 2021</i>	<i>100,000</i>	<i>3,292</i>	<i>827,669</i>	<i>(670,000)</i>	<i>260,961</i>
<i>Total recognized revenues and expenses</i>			<i>1,306,074</i>		<i>1,306,074</i>
<i>Transactions with shareholders</i>					-
Dividend distribution					-
<i>Other changes in equity</i>		<i>157,669</i>	<i>(827,669)</i>	<i>670,000</i>	-
<b>FINAL BALANCE FOR THE FINANCIAL YEAR 2021</b>	<b>100,000</b>	<b>160,961</b>	<b>1,306,074</b>	<b>-</b>	<b>1,567,035</b>
<i>Balance at the beginning of the 2022 financial year</i>	<i>100,000</i>	<i>160,961</i>	<i>1,306,074</i>	<i>-</i>	<i>1,567,035</i>
<i>Total recognized revenues and expenses</i>			<i>12,057,926</i>		<i>12,057,926</i>
<i>Transactions with shareholders</i>				<i>(11,991,632)</i>	<i>(11,991,632)</i>
Dividend distribution				<i>(11,991,632)</i>	<i>(11,991,632)</i>
<i>Other changes in equity</i>	-	<i>140,961</i>	<i>(1,306,074)</i>		<i>(1,447,035)</i>
<b>2022 YEAR-END BALANCE</b>	<b>100,000</b>	<b>20,000</b>	<b>12,057,926</b>	<b>(11,991,632)</b>	<b>186,294</b>

**STATEMENT OF CASH FLOWS OF FINANCIAL YEAR 2022**

	<b>2022</b>	<b>Euros 2021</b>
<b>Cash flows from operating activities (I)</b>	<b>(1,088,570)</b>	<b>-</b>
<i>Income for the financial year before taxes</i>	<i>16,077,234</i>	<i>1,741,432</i>
<b>Result adjustments</b>	<b>(16,416,290)</b>	<b>(1,788,274)</b>
Results for write-offs and disposal of financial instruments	(14,985,000)	-
Financial income	(24,065,174)	(23,981,037)
Financial expenses	22,633,884	22,192,764
<b>Changes in the current capital</b>	<b>(518,414)</b>	<b>(926,783)</b>
<b>Other cash flows from operating activities</b>	<b>(231,100)</b>	<b>973,624</b>
Interest payments	(19,999,999)	(17,568,721)
Interest collections	23,788,208	18,818,235
Collections (payments) for income taxes	(4,019,309)	(275,890)
<b>Cash flows from investing activities (II)</b>	<b>99,900,000</b>	<b>-</b>
<b>Divestment collections</b>	<b>99,900,000</b>	<b>-</b>
Group and associated companies	99,900,000	-
<b>Cash flows from financing activities (III)</b>	<b>(98,811,429)</b>	<b>-</b>
<b>Receivables and payments for financial liability instruments</b>	<b>(85,372,762)</b>	<b>-</b>
Repayment and amortization of other debts	(85,372,762)	-
<b>Payments for dividends and remuneration of other equity instruments</b>	<b>(13,438,667)</b>	<b>-</b>
Dividends	(13,438,667)	-
<b>Effect of exchange rate variations (IV)</b>	<b>-</b>	<b>-</b>
<b>Net increase/decrease in cash or cash equivalents (I+II+III+IV)</b>	<b>-</b>	<b>-</b>
Cash or cash equivalents at the beginning of the year	-	-
Cash or cash equivalents at end of year	-	-



## **Annual Report corresponding to the Financial Year ended December 31, 2022 CEPSA FINANCE S.A.U.**

### **1. Company Activity**

CEPSA FINANCE, S.A.U. (hereinafter, the Company) was incorporated, for an indefinite period, in Madrid on September 27, 2018, before the Notary Public of Madrid, Mr. Carlos Solis Villa, according to deed of incorporation No. 1,709 of his protocol and registered in the Mercantile Registry of Madrid, in volume 38,084, section 8 of the Companies Book, folio 141, Sheet number M-677920, entry 1, with Tax Identification Number A-88202015. The Company was incorporated through a cash contribution.

The Company has its registered office at Torre Cepsa, Paseo de la Castellana 259-A. 28046-Madrid.

The Company's corporate purpose is to carry out the following activities:

- Incorporate or participate in any way in the management and/or supervision of businesses and companies, including businesses and companies with which it forms a business group.
- Finance companies and/or company projects or businesses, including companies with which it forms a business group.
- Borrow and/or lend amounts in cash and obtain funds through the issuance of any financial instruments, including debt of any type, for placement in both domestic and international markets.
- Advise and provide professional financial advisory services to companies and undertakings with which the Company forms a group and to third parties.
- Provide guarantees, binding and obliging the Company, and pledge or mortgage its assets to secure the Company's obligations and the obligations of third parties, including the companies with which it forms a group of companies.
- Acquire, dispose of, manage and operate registered goods and property in general.
- Trade in currencies, securities, and property in general.
- Develop and commercialize patents, trademarks, licenses, know-how, and other industrial property rights.
- Carry out any activities of a financial nature related to the activities described above for which the Company is duly authorized and authorized.



The activities included in the corporate purpose may be carried out by the Company, indirectly in whole or in part, through the acquisition or holding of shares, securities, or participations in companies with an identical or analogous purpose, including the incorporation, holding, and management of capital companies, temporary groupings or other legal entities, or through any other formula permitted by Law.

The Company is integrated into the CEPSA Group whose parent company and parent company of the Group is Compañía Española de Petróleos, SA (CEPSA), with registered office at Torre Cepsa, Paseo de la Castellana, nº 259-A 28046-Madrid, this company being the one that prepares the Consolidated Financial Statements.

The consolidated Annual Accounts of the CEPSA Group for the financial year 2021 were prepared by the Directors at a meeting of its Board of Directors held on March 15, 2022, approved by the General Shareholders' Meeting on March 16, 2022, and deposited in the Mercantile Registry of Madrid.

For its part, the consolidated Annual Accounts of the CEPSA Group for the financial year 2022 were prepared by the Directors on March 2, 2023, and approved without modifications by the General Meeting of Shareholders.

## **2. Basis of Presentation of the Financial Statements**

### **2.1 Financial Reporting Standards Framework applicable to the Company**

These Annual Accounts have been prepared by the Joint and Several Directors following the regulatory financial reporting framework applicable to the Company, which is outlined in:

- a) The Capital Companies Law, Code of Commerce, and other mercantile legislation.
- b) The General Accounting Plan approved by Royal Decree 1514/2007, which has been amended by Royal Decree 602/2016 and by Royal Decree 1/2021 and its sectorial adaptations.
- c) The mandatory rules approved by the Instituto de Contabilidad y Auditoría de Cuentas developing the General Accounting Plan and its complementary rules.
- d) All other applicable Spanish accounting regulations.

### **2.2 Faithful Image**

The attached Annual Accounts have been obtained from the Company's accounting records and are presented following the regulatory financial reporting framework applicable to the Company and, in particular, the accounting principles and criteria contained therein, to present fairly the Company's equity,





financial position, results of operations, and cash flows for the year. The said financial statements are expressed in euros unless otherwise stated.

These Annual Accounts have been prepared by the Joint and Several Directors of the Company and will be submitted for the approval of the Sole Shareholder, and it is considered that they will be approved without any modification. The Annual Financial Statements for 2021 were prepared by the Company's Joint and Several Directors on March 31, 2022, and approved by the Sole Shareholder by resolution of May 5, 2022.

### **2.3 Non-mandatory accounting principles applied**

Non-mandatory accounting principles have not been applied. In addition, the Joint and Several Administrators have prepared these Annual Accounts taking into consideration all the mandatory accounting principles and standards that have a significant effect on said Annual Accounts. There is no accounting principle that, being mandatory, has ceased to be applied.

### **2.4 Critical aspects of uncertainty valuation and estimation**

In preparing the attached Annual Accounts, estimates made by the Company's Joint and Several Administrators have been used to value certain of the assets, liabilities, income, expenses, and commitments recorded therein. Basically, these estimates refer to:

- Evaluation of possible impairment losses on certain assets (see note 4.1)
- The calculation of Corporate Tax (see note 4.2)

Although these estimates have been made based on the best information available at year-end 2022, future events may make it necessary to modify these estimates (upward or downward) in the coming years, which would be done prospectively, if necessary.

#### Ongoing concern principle

As of December 31, 2022, the Company has a positive operating fund in the amount of 4,372,551 euros (3,399,627 euros positive as of December 31, 2021).

The Company's Directors consider that there are no foreseeable uncertainties that would significantly impair the Company's ability to meet its legal and financial obligations in the immediate future over the foreseeable horizon and have prepared the Annual Accounts on an ongoing concern basis.



## **2.5 Comparison of information**

Under commercial legislation, for comparative purposes, in addition to the figures for the year 2022, the figures for the previous year are presented with each of the items of the balance sheet, the income statement, the statement of changes in equity, and the cash flow statement. The Annual Report also includes quantitative information for the previous financial year, except when an accounting standard specifically states that this is not necessary.

The application of the accounting criteria in financial years 2022 and 2021 has been uniform and, therefore, there are no operations or transactions that have been recorded following different accounting principles that could give rise to discrepancies in the interpretation of the comparative figures for both periods.

## **2.6 Item grouping**

Certain items of the Balance Sheet and the Income Statement are presented in group form to facilitate their understanding, although, to the extent that it is significant, the disaggregated information has been included in the corresponding notes of the Report.

## **2.7 Changes in accounting criteria**

During Financial Year 2022, there have been no changes in accounting criteria concerning the criteria applied in Financial Year 2021.

## **2.8 Correction of errors**

In the preparation of the accompanying Annual Accounts, no significant error has been detected that would have led to the restatement of the amounts included in the Annual Accounts for the year 2021.



### 3. Application of the result

The proposal for the application of the results of the Financial Year ended December 31, 2022, prepared by the Company's joint and several Directors, which will be submitted for approval by the Sole Shareholder, is as follows:

Basis of Distribution	Euros
Profit and loss	12,057,926

  

Application	Euros
To voluntary reserves	66,294
To interim dividends	11,991,632
<b>Total Applied</b>	<b>12,057,926</b>

In Fiscal Year 2022, from the total amount for dividends, interim dividend distributions totaling 11,991,632 euros were made. These interim dividend amounts were approved by the Sole Shareholder of CEP SA FINANCE, S.A.U., on December 19, 2022 and are recognized under "Interim Dividend" in equity in the balance sheet.

The provisional accounting statement prepared by the Joint and Several Directors of the Company, in accordance with the legal requirements established in Article 277 of Royal Legislative Decree 1/2010, of July 2, 2010, approving the consolidated text of the Capital Companies Law in force, which showed the existence of sufficient liquidity for the distribution of dividends, was as follows:

BALANCE SHEET AT 11.30.2022

CEPSA FINANCE S.A

BALANCE SHEET AT 30 DE NOVEMBER 2022

Assets	Euros 11/30/2022
<i>Non-current assets</i>	<i>1,389,199,000</i>
<i>Long-term investments in group companies and associates</i>	<i>1,389,190,000</i>
<i>Current assets</i>	<i>36,973,901</i>
<i>Short-term investments in group companies and associates</i>	<i>36,973,902</i>
<i>Total Assets</i>	<i>1,426,163,902</i>

*Euros 11 /30/2 022*

Equity and liabilities

CEPSA FINANCE, S.A.U.



<i>Equity</i>	<i>13,558,667</i>
<i>Own funds</i>	<i>13,558,667</i>
<i>Non-current liabilities</i>	<i>1,393,216,383</i>
<i>Long-term debts</i>	<i>1,392,763,723</i>
<i>Long-term accruals</i>	<i>452,660</i>
<i>Current liabilities</i>	<i>19,388,852</i>
<i>Short-term debts</i>	<i>15,286,213</i>
<i>Short-term debts with group companies and associates</i>	<i>4,089,550</i>
<i>Trade creditors and other accounts payable</i>	<i>13,089</i>
<i>Total equity and liabilities</i>	<i>1,426,163,902</i>



### **3.1. Limitations on the distribution of dividends**

The Company is obliged to allocate 10% of the year's profits to the legal reserve until it reaches at least 20% of the share capital. This reserve, as long as it does not exceed 20% of the share capital, is not distributable to shareholders.

After covering the expenses provided for by law or the bylaws, dividends may only be distributed out of the profit of the Fiscal Year, or out of unrestricted reserves, if the value of equity is not or, as a result of the distribution, does not turn out to be lower than the share capital. For these purposes, profits charged directly to shareholders' equity may not be distributed, either directly or indirectly. If there are losses from previous years that cause the value of the Company's equity to be less than the amount of the share capital, profits will be used to offset such losses.

Any distribution of profits is also prohibited unless the amount of available reserves is, at least, equal to the amount of research and development expenses shown on the assets side of the balance sheet

## **4. Recording and Valuation Standards**

The main recording and valuation standards used by the Company in the preparation of its Annual Accounts for Fiscal Year 2022, following those established by the Spanish General Accounting Plan, were as follows:

### **4.1. Financial instruments**

#### **4.1.1. Financial assets**

##### **Classification**

The financial assets held by the Company are classified in the following category:

Financial assets at amortized cost: includes financial assets, including those admitted to trading on an organized market, concerning which the Company maintains the investment to receive the cash flows resulting from the contract and the contractual conditions of the asset give rise, on specified dates, to cash flows that are only collections of principal and interest on the amount of the outstanding principal.

In general, the following are included in this category:

- i) Trade receivables: arising from the sale of goods or the rendering of services in connection with trade transactions with deferred payment, and



- ii) Non-trade receivables: arising from loans or credits granted by the Company for which collections are of a fixed or determinable amount.

### **Initial assessment**

Financial assets are initially recorded at the fair value of the consideration given plus directly attributable transaction costs.

### **Subsequent valuation**

Loans, receivables, and investments held to maturity are valued at their amortized cost, net of any loss in value experienced.

Concerning the valuation adjustments relating to trade and other receivables, CEPSA FINANCE, S.A.U. establishes the impairment of these accounts when their due date is over six months, when legal proceedings are initiated by the Company's Legal Department to proceed to the collection, or when the customer is under insolvency proceedings.

CEPSA FINANCE, S.A.U. derecognizes the financial asset when the rights to the cash flows of the corresponding financial asset expire or have been assigned and the risks and benefits inherent to its ownership have been substantially transferred, such as in sales of assets.

On the other hand, CEPSA FINANCE, S.A.U. does not de-recognize financial assets and recognizes a financial liability for an amount equal to the consideration received, in assignments of financial assets in which substantially all the risks and rewards of ownership are retained.

#### **4.1.2. Financial liabilities**

Financial liabilities assumed or incurred by the Company are classified in the following valuation category:

a) Financial liabilities at amortized cost: are those debits and payables held by the Company has and that have their origin in the purchase of goods and services for the company's traffic operations, or those that, without having a commercial origin, not being derivative instruments, come from loan or credit operations received by the Company.

These liabilities are initially measured at the fair value of the consideration received, adjusted for directly attributable transaction costs. These liabilities are subsequently measured at amortized cost.

Assets and liabilities are presented separately in the balance sheet only at their net amount, when the company has the enforceable right to offset the recognized amounts and, in addition, it is intended to settle the amounts for the net value or to realize the asset and cancel the liability simultaneously.



The Company cancels financial liabilities when the obligations that generated them are extinguished.

#### **4.2. Tax on profits**

Profit tax expense or income comprises the part relating to current tax expense or income and the part corresponding to deferred tax expense or income.

Current tax is the amount paid by the Company as a result of profit tax assessments for a fiscal year. Deductions and other advantages in the tax rate, excluding withholdings and payments on account, as well as tax loss carryforwards from previous years and effectively applied in the present one, give rise to a lower amount of current tax.

The deferred tax expense or income corresponds to the recognition and cancellation of deferred tax assets and liabilities. These include temporary differences that are identified as those amounts that are expected to be payable or recoverable derived from differences between the carrying amounts of assets and liabilities and their fiscal value, as well as negative tax bases pending compensation and credits for tax deductions not applied fiscally. These amounts are recorded by applying to the corresponding temporary difference or credit the tax rate at which they are expected to be recovered or settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except those arising from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit and is not a business combination.

Deferred tax assets are only recognized to the extent that it is considered probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities, originated from transactions involving direct charges or credits in equity accounts, are also accounted for as a counterpart in equity.

At each accounting closing, the recorded deferred tax assets are reconsidered, and the appropriate corrections are made to the extent that there are doubts about their future recovery. In addition, deferred tax assets not recorded on the balance sheet are assessed at each balance sheet date and are recognized to the extent that it becomes probable that they will be recovered with future tax benefits.

#### **4.3. Revenues and expenses**

Revenues and expenses are recognized on an accrual basis, i.e., when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Such revenues are measured at the fair value of the consideration received, net of discounts, returns, and taxes.



Revenue from the rendering of services is recognized by reference to the stage of completion of the transaction at the balance sheet date, provided that the outcome of the transaction can be estimated reliably.

Interest received from financial assets is recognized using the effective interest rate method, and dividends are recognized when the shareholder's right to receive them is declared. In any case, interest and dividends on financial assets accrued after the time of acquisition are recognized as income in the income statement.

In particular, the Net Amount of the Turnover may include dividends from subsidiaries as well as profits from the disposal of investments as the Company is a holding company whose purpose is the holding of shares in the capital of group companies, as well as financing activities of the activity of its subsidiaries, as indicated by the Institute of Accounting and Auditing (I.C.A.C.).

#### **4.4. Related party transactions**

CEPSA FINANCE, S.A.U. carries out all its operations with related parties at market values. In addition, the transfer prices are adequately supported, and therefore the Company's Joint and Several Administrators consider that there are no significant risks in this regard that could give rise to significant liabilities in the future.

#### **4.5. Current and non-current items**

The following are considered current assets:

- Those linked to the normal operating cycle, which is generally considered to be one year,
- Other assets whose maturity, disposal, or realization is expected to occur in the short-term from the year-end date,
- Financial assets held for trading, except for financial derivatives, whose settlement period is longer than one year, and
- cash and cash equivalents.

Assets that do not meet these requirements are classified as non-current.

Likewise, current liabilities are:

- Those linked to the normal operating cycle
- Financial liabilities held for trading, except for financial derivatives whose settlement term is longer than one year, and
- in general, all obligations whose maturity or extinction will occur in the short term.

Otherwise, they are classified as non-current.



#### 4.6. Statement of cash flows

The Company presents the information relating to the cash flows from operations following the "indirect method", according to which it begins by presenting the "Income before taxes" in the income statement for the period, a figure that is subsequently corrected by the effects of the accruals made in the period, as well as the profit and loss items associated with the cash flows from operations classified as investment or financing.

### 5. Financial assets

#### 5.1. Long-term financial assets

The book value by category and class of long-term financial assets at the closing of the financial years 2022 and 2021 is as follows:

Long-term financial assets	Euros			
	Loans / Derivatives / Other		Total	
	2022	2021	2022	2021
Financial assets at amortized cost	1,389,190,000	1,489,090,000	1,389,190,000	1,489,090,000
<b>Total</b>	<b>1,389,190,000</b>	<b>1,489,090,000</b>	<b>1,389,190,000</b>	<b>1,489,090,000</b>

This item relates entirely to "Long-term investments in group and associated companies", specifically to three credit agreements signed with the parent company (CEPSA) with maturity on February 17, 2025, February 12, 2026, and February 14, 2028 (see Note 10.2), amounting to 497,442 thousand euros, 395,370 thousand euros, and 496,378 thousand euros, respectively

#### 5.2. Short-term financial assets

The book value by category and class of short-term financial assets at the end of the financial years 2022 and 2021 is as follows:

term financial assets	Euros Short-			
	Loans / Derivatives / Other		Total	
	2022	2021	2022	2021
Financial assets at amortized cost	22,567,005	21,143,837	22,567,005	21,143,837
<b>Total</b>	<b>22,567,005</b>	<b>21,143,837</b>	<b>22,567,005</b>	<b>21,143,837</b>



The most relevant amount of these assets corresponds to the financial income accrued and not settled from the three credit contracts signed with the parent company (CEPSA), 20,538,229 euros in 2022 and 20,885,031 euros in 2021 (see note 10.2)

There have been no impairment losses during 2022 and 2021 associated with these items.

## **6. Equity and own funds**

### **6.1. Share-capital and issue premium**

At the end of 2022 and 2021 financial years, the share capital of the Company amounted to 100,000 euros, represented by 100,000 registered ordinary shares of a single class and series, represented by securities of a nominal value of 1 euro each, numbered consecutively from 1 to 100,000, both inclusive, being fully subscribed and paid up.

These shares are owned by Compañía Española de Petróleos, S.A.

The Company's shares are not listed on the Stock Exchange.

### **6.2. Legal Reserve**

Following the Capital Companies Law, an amount equal to 10% of the profits for the year must be transferred to the legal reserve until it reaches at least 20% of share capital. This reserve may be used to increase the share capital in the portion of the balance exceeding 10% of the already increased share capital. Except for the purpose mentioned above and as long as it does not exceed 20% of the share capital, this reserve may only be used to compensate for losses, and provided that there are no other reserves available sufficient for that purpose.

At 31 December 2022, the Company had fully constituted its legal reserve amounting to 20,000 euros.

### **6.3. Dividends**

On December 19, 2022, and through a Record of Statement of Decisions adopted by the Sole Shareholder, the distribution of an interim dividend out of the results of the 2022 financial year was approved, for an amount of 11,991,632 euros.

On the same previous date and through the same Record of Statement of Decisions adopted by the Sole Shareholder, the distribution of a dividend charged to freely available reserves was approved, for an amount of 1,447,035 euros.

## **7. Financial liabilities**

### **7.1. Long-term financial liabilities**

The book value by category and class of long-term financial liabilities at the end of the financial years 2022 and 2021 is as follows:



Long-term financial liabilities	Euros					
	Bank borrowings		Derivatives / Other			Total
	2022	2021	2022	2021	2022	2021
Bonds	1,392,937,301	1,489,936,464			1,392,937,301	1,489,936,464
Other financial liabilities at amortized cost			438,956	986,128	438,956	986,128
<b>Total</b>	<b>1,392,937,301</b>	<b>1,489,936,464</b>	<b>438,956</b>	<b>986,128</b>	<b>1,393,376,257</b>	<b>1,490,922,592</b>

The main item included in long-term financial liabilities corresponds to the three bonds issued by the Company, one in 2019 for an amount of 500 million euros, and two in 2020 for another 500 million euros each, whose annual coupons are 1.00%, 0.75%, and 2.25%, respectively. The respective maturities are February 16, 2025, February 12, 2028, and February 13, 2026, currently in the amounts of EUR 497,442 thousand, EUR 395,370 thousand, and EUR 496,378 thousand, respectively. All of them are listed on the Irish stock exchange.

In 2022, the second of the above-mentioned bonds was reduced by a partial repurchase for a nominal amount of 99,900 thousand euros.

The other item included in long-term financial liabilities includes interest collected in advance, amounting to 438,956 euros on December 31, 2022 (986,128 euros on December 31, 2021), relating to contracts signed with the Sole Shareholder, with the maturities indicated in the preceding paragraph (see note 10.2)

## 7.2. Short-term financial liabilities

The book value by category and class of short-term financial liabilities at the end of the financial years 2022 and 2021 is as follows:

Short-term financial liabilities	Euros					
	Debts with credit institutions		Derivatives / Other			Total
	2022	2021	2022	2021	2021	2022
Financial liabilities at						
Amortized cost	16,921,208	17,582,192	1,261,233	160,858	18,182,441	17,743,060
<b>Total</b>	<b>16,921,208</b>	<b>17,582,192</b>	<b>1,261,233</b>	<b>160,868</b>	<b>18,182,441</b>	<b>17,743,060</b>



As already mentioned above, the company issued bonds in 2019 and 2020, whose coupons are paid annually. The issue, rated investment grade by the three main international rating agencies –Moody's, S&P, and Fitch-, accrues an annual coupon of 1.00%, 0.75%, and 2.25% respectively.

### 7.3. Information on average supplier payment period

In accordance with the requirement established in the Third Additional Provision of Law 15/2010 of July 5, as amended in turn by Law 31/2014 of December 3, the new requirement established by Law 18/2022 of September 28 and by the Resolution of January 29, 2016 of the Spanish Accounting and Auditing Institute, on the information to be included in the Annual Accounts Report in relation to the average payment period to suppliers in commercial transactions, the data relating to payments made and payments pending, as well as the ratios related to these quantities are as follows:

	<b>Number of days</b>	
	<b>2022</b>	<b>2021</b>
Average supplier payment period	22,4	112,1
Ratio of paid operations	22,4	115,5
Ratio of transactions pending payment	21,6	11,8
	<b>Euros</b>	
	<b>2022</b>	<b>2021</b>
Total payments made	335,610	34,696
Total outstanding payments	11	1,150
Total payments made within a period less than the maximum	335,610	-
Percentage of total payments made	100%	-
	<b>Number of invoices</b>	
	<b>2022</b>	<b>2021</b>
Number of invoices paid within a period less than the maximum	27	-
Total number of invoices paid	27	-
Percentage of total number of invoices paid	100%	-

## 8. Public Administrations and Fiscal Situation

CEPSA FINANCE, S.A.U. pays corporate tax as a consolidated tax return, together with other companies, forming part of the 4/89 Group of which Compañía Española de Petróleos, S.A. is the parent company.

### 8.1. Current balances with Public Administration

At the end of the 2022 financial year, the Company had a current credit balance of 12,000 euros with the Public Administration, while at the end of the 2021 financial year, the Company had no balance with them.

### 8.2. Reconciliation between accounting results and taxable tax base

The reconciliation between income and expenses for the year and the taxable income for income tax purposes is as follows:

	Euros
<b>Year 2022</b>	
	<b>Total</b>
Accounting result after taxes	12,057,926
Corporate tax	4,019,308
<i>Fiscal tax base</i>	<i>16,077,234</i>

Euros

**Year 2021**

	Total
Accounting result after taxes	1,306,074
Corporate tax	435,358
<i>Fiscal tax base</i>	<i>1,741,432</i>

### 8.3. Reconciling accounting income and corporate tax expense

The reconciliation between the accounting income and the income tax expense is as follows:

	<b>2022</b>	<i>Euros</i> <b>2021</b>
Accounting income before taxes	16,077,234	1,741,432
Quota at 25%	4,019,308	435,358
<i>Total tax expense recognized in the account of profit and loss</i>	<i>4,019,308</i>	<i>435,358</i>



Since the company is taxed within the tax group 4/89, the outstanding fee has been registered with the parent company by including it in the item of debts with group companies and short-term associates.

#### **8.4 Fiscal years pending verification and inspection activities**

As established by current legislation, taxes cannot be considered to be definitively settled until the returns filed have been inspected by the tax authorities or the four-year statute of limitations has elapsed.

The tax audits for the review of 2013 to 2016 of corporate income tax, value added tax and withholdings on account of personal income tax and non-resident income tax of the CEPSA Tax Group concluded in July 2020 without any liabilities arising therefrom. Likewise, the 2017 and following years of the applicable taxes remain open for inspection.

The company is taxed by Corporation Tax under a consolidated return regime in the CEPSA group.

The Joint and Several Directors of the Company consider that the settlements of the Corporation Tax and other applicable taxes have been properly carried out, so that, even in case of discrepancies in the current regulatory interpretation due to the tax treatment of the operations, any resulting liabilities, if materialized, would not significantly affect the attached Annual Accounts.

#### **8.5 Transfer prices**

In the opinion of the Company's Joint Administrators and its tax advisors, transactions with related parties are carried out at market values, the transfer prices are adequately supported, and it is estimated that there are no significant risks in this regard that could give rise to significant liabilities for the Company in the future.

### **9 Revenues and expenses**

#### **9.1. Net revenues of turnover**

The Net Amount of the Turnover for the years 2022 and 2021, distributed by categories of activities and by geographical markets, is as follows:

<i>Activities</i>	<i>2022</i>	<i>2021</i>
Financial income, from interest, holding company	24,065,174	23,981,037

<i>Geographic markets</i>	<b>2022</b>	<i>Euros</i> <b>2021</b>
Spain	24,065,174	23,981,037

## 9.2. Other operating expenses

The composition of the balances of the item "Other operating expenses" of the Profit and Loss account for the years 2022 and 2021 corresponds mainly to contracted services and, to a lesser extent, to Taxes:

Operating expenses	<b>2022</b>	<i>Euros</i> <b>2021</b>
External services	(334,541)	(43,352)
Taxes	(4,515)	(3,489)
<b>Total operating expenses</b>	<b>(339,056)</b>	<b>(46,841)</b>

## 9.3. Financial expenses

The amount of financial expenses, calculated by applying the effective interest rate method has been as follows:

<i>Financial expenses</i>	<b>2022</b>	<i>Euros</i> <b>2021</b>
Application of the effective interest rate method	(22,633,884)	(22,192,018)
Exchange rate differences	-	(746)
<b>Total financial expenses</b>	<b>(22,633,884)</b>	<b>(22.192.764)</b>

## 9.4. Proceeds from disposal of financial instruments

The result presented under this item for 2022 amounting to 14,985 thousand euros, corresponds to the partial repurchase and cancellation of ordinary bonds corresponding to the second of the issues, which took place in September 2022, for a nominal amount of 99,900 thousand euros (see note 7.1)



Results Disposal of Financial Investments	<b>2022</b>	Euros <b>2021</b>
Results Disposal of Financial Investments	14,985,000	-

## **10 Transactions and balances with related parties**

### **10.1. Operations with group companies, associates and other related parties**

The Company carries out transactions with related parties under the general market conditions.

With regard to loans with group companies, the average annual interest rate applied to loans granted to subsidiary companies in 2022 and 2021 financial years was similar to the average cost of their external financing for the same type of operations.

The breakdown of transactions carried out with related parties during the financial years of 2022 and 2021 was as follows:

<b>2022</b>	Euros	
	<b>Controlling entity</b>	<b>Total</b>
Net amount of turnover	24,065,174	<b>24,065,174</b>
Financial expenses	(5,181)	<b>(5,181)</b>
<b>Total</b>	<b>24,059,993</b>	<b>24,059,993</b>

<b>2021</b>	Euros	
	<b>Controlling entity</b>	<b>Total</b>
Net amount of turnover	23,981,037	<b>23,981,037</b>
Financial expenses	(3,497)	<b>(3,497)</b>
<b>Total</b>	<b>23,977,540</b>	<b>23,977,540</b>

## 10.2. Balances with group companies, associates and other related parties

The amount of on-balance sheet balances with related parties during 2022 and 2021 is as follows:

	<i>Euros</i>	
<b>2022</b>	<b>Controlling entity</b>	<b>Total</b>
<b>Long-term investments</b>	<b>1,389,190,000</b>	<b>1,389,190,000</b>
Loans to companies	1,389,190,000	1,389,190,000
<b>Short-term investments</b>	<b>22,567,005</b>	<b>22,567,005</b>
Loans to companies	22,567,005	22,567,005
<b>Long-term accruals</b>	<b>(438,956)</b>	<b>(438,956)</b>
<b>Short-term debt</b>	<b>(1,261,233)</b>	<b>(1,261,233)</b>
<b>Total</b>	<b>1,410,056,814</b>	<b>1,410,056,815</b>

	<i>Euros</i>	
<b>2021</b>	<b>Controlling entity</b>	<b>Total</b>
<b>Long-term investments</b>	<b>1,489,090,000</b>	<b>1,489,090,000</b>
Loans to companies	1,489,090,000	1,489,090,000
<b>Short-term investments</b>	<b>21,143,837</b>	<b>21,143,837</b>
Loans to companies	21,143,837	21,143,837
<b>Long-term accruals</b>	<b>(986,128)</b>	<b>(986,128)</b>
<b>Short-term debt</b>	<b>(160,868)</b>	<b>(160,868)</b>
<b>Total</b>	<b>1,509,086,841</b>	<b>1,509,086,841</b>

The item "Loans to companies", which includes long-term investments in group and associated companies, included in the accompanying balance sheet, comprises credit account contracts with the Parent Company.



The item "Short-term debts" comprising debts with group companies and short-term associates, included in the attached Balance Sheet, corresponds to the credit account contract with the Sole Shareholder, and the outstanding amount of the corporate tax registered with the parent company (see note 8.3).

### **10.3. Directors' compensation**

The Joint and Several Directors of CEPSA FINANCE, S.A.U. have not received or accrued any remuneration of any kind in fiscal years 2022 and 2021, nor do they have any type of credit or debit with the Company for any other concept.

Since the Company is a wholly-owned subsidiary of CEPSA, there are no senior management personnel, as this figure exists exclusively at Compañía Española de Petróleos, S.A. (CEPSA).

The directors' and officers' liability insurance contracted for the CEPSA Group was renewed on December 14, 2022 for 12 months with a net annual premium of 147 thousand euros for the entire Group.

### **10.4. Information regarding conflict of interest situations on the part of Directors**

Neither at the close of fiscal year 2022 nor at the date of preparation of these Financial Statements have any of the Company's Joint and Several Directors reported any situation of conflict, direct or indirect, that they or persons related to them may have with the Company's interest in accordance with the provisions of the Capital Companies Act.

### **10.5 Contracts with the Sole Shareholder**

The Company has several contracts with its Sole Shareholder, Compañía Española de Petróleos, S.A., which are summarized as follows:

- A Credit Policy, with a maximum limit of 5,000,000 euros, being drawn down at December 31, 2022 by the Sole Shareholder in the amount of 2,028,775 euros. The purpose of this policy is the financing of the Company's working capital, which may result in either a debit or credit balance. This policy is due on October 31, 2023, with an agreed interest rate of 1.75% + Euribor 1 month for both debit and credit balances.
- A Credit Policy, with a balance and maximum limit of 497,442,500 euros, being drawn down at December 31, 2022 by the Sole Shareholder for the full amount thereof. The purpose of this policy is the management of the Company's financing, which may only result in a debit balance for the Company. This policy is due on February 17, 2025, with an agreed interest rate of 1.2827%.
- A Credit Policy, with a balance and maximum limit of 395,370,000 euros, being drawn down at December 31, 2022 by the Sole Shareholder for the full amount thereof. The purpose of this policy



is the management of the Company's financing, which may only result in a debit balance for the Company. This policy is due on February 12, 2028, with an agreed interest rate of 0.9720%.

- A Credit Policy, with a balance and maximum limit of 496,377,500 euros, being drawn down at December 31, 2022 by the Sole Shareholder for the full amount thereof. The purpose of this policy is the management of the Company's financing, which may only result in a debit balance for the Company. This policy is due on February 16, 2026, with an agreed interest rate of 2.5309%.

## **11 Environmental information**

Given the activities in which the Company engages, it has no environmental liabilities, expenses, assets, provisions, or contingencies that could be significant in relation to its equity, financial position and results. For this reason, specific breakdowns are not included in this report.

## **12 Other information**

### **12.1. Staff**

CEPSA FINANCE, S.A.U. had no employees during financial years 2022 and 2021.

### **12. Audit fees**

During the 2022 Financial Year, the amount for agreed fees related to account auditing services by the auditor of the company DELOITTE amounts to 6,339 euros.

## **13 Management of risks associated with the Company's activity**

### **13.1. Main risks associated with the Company's business activity**

The Company's activities are carried out in environments in which there are a number of external factors whose evolution may affect the way in which operations are carried out and the results obtained from them.

Specifically, the Company is exposed to the following risks arising from the use of financial instruments:

- Credit risk
- Liquidity risk



- Market risk

This note presents information on the exposure to each of the aforementioned risks, the objects, policies and processes of risk measurement and management and capital management. Additional quantitative breakdowns are detailed below.

### **13.2 Risk management model**

In the CEPSA Group, the Audit Committee, the Risk Committee, other specific Committees and the General Managers of the respective Areas, periodically supervise and control the risks, adapting, if appropriate, their profile depending on the circumstances. .

i. Credit risk

Credit risk is defined as the possibility that one of the counterparties will not comply with the obligations resulting from a financial instrument and this results in a financial loss. The Company is exposed to credit risk in its financing activities.

The carrying value of the financial assets included in the Balance Sheet as of December 31, 2022 represents the maximum exposure to credit risk.

In order to mitigate the credit risk arising from cash and financial debt positions, the Company only works with highly solvent financial institutions of recognized national and international prestige.

ii. Liquidity risk

Liquidity risk refers to the Company's ability to obtain financing at reasonable market prices, as well as to cover the financial needs required for the proper development of its business.

The Company continuously monitors its financial position, preparing short-term cash flow forecasts, as well as carrying out long-term financial planning contained in both the budget and the strategic plan.

The Company recurrently evaluates the concentration of risk in connection with the refinancing of its debt and has concluded that it is low.



iii. Market risk

The risk that the fair value of future cash flows of a financial instrument may fluctuate due to changes in market prices. The Company is exposed to market risk from interest rates, which affect financial results.

Exposure to interest rate risk is mainly related to variable rate loans.

In order to manage and mitigate this risk, the Company has obtained its financing through the issuance of fixed-rate bonds.

#### **14. Post-closing events**

As of the date of preparation of these Annual Accounts, there have been no significant events or subsequent events that should be mentioned in this section.



## Management Report of Cepsa Finance, S.A.U. for the year ended December 31, 2022.

The comments relating to the external framework in which the different businesses have evolved, as well as those relating to the activities of Cepsa Finance, S.A.U. in its different areas of activity and the risks associated with the activity, are described in the Cepsa Group's Management Report.

In the same way, the aspects mentioned in this Report regarding the relevant events that occurred after the end of the financial year and the foreseeable evolution of the consolidated Group are, in their entirety, extendable to Cepsa Finance, S.A.U.

### **Situation of the company and evolution of the business**

The company Cepsa Finance, S.A.U. (hereinafter, the Company) was incorporated, for an indefinite period of time, in Madrid on September 27, 2018, before the notary public of Madrid, Mr. Carlos Solis Villa, according to deed of incorporation, No. 1,709 of his protocol and registered in the Mercantile Registry of Madrid in volume 38,084 of section 8 of the Companies Book, folio 141, Sheet number M-677920, entry 1, with tax identification number A-88202015. The Company was incorporated by means of a cash contribution.

The Company's corporate purpose is to carry out the following activities:

- Incorporate or participate in any way in the management and/or supervision of businesses and companies, including businesses and companies with which it forms a business group.
- Finance companies and/or company projects or businesses, including companies with which it forms a business group.
- Borrowing and/or lending amounts in cash and obtaining funds through the issuance of any financial instruments including debt issues of any kind, for placement in both domestic and international markets.
- Advise and provide professional financial advisory services to companies and undertakings with which the Company forms a group and to third parties.
- Provide guarantees, binding and obliging the Company, and pledge or mortgage its assets to secure the Company's obligations and the obligations of third parties, including the companies with which it forms a group of companies.
- Acquire, dispose of, manage and operate registered goods and property in general.
- Trade in currencies, securities, and property in general.
- Develop and commercialize patents, trademarks, licenses, know-how, and other industrial property rights.
- Carry out any activities of a financial nature related to the activities described above for which the Company is duly authorized and authorized.

The activities included in the corporate purpose may be carried out by the Company, indirectly in whole or in part, through the acquisition or holding of shares, securities, or participations in companies with an identical or analogous purpose, including the incorporation, holding, and management of capital companies, temporary groupings or other legal entities, or through any other formula permitted by Law.

The Company's balance sheet reflects a significant debt to bondholders that it invests in a credit policy to its sole shareholder. Since both are referenced to the same market benchmark, we



estimate that the Company's performance, both currently and in the coming year 2022, will be positive.

## **Results**

Net turnover as of December 31, 2022 amounted to 24,065,174 euros.

Profit before tax for 2022 amounted to €16,077,234. After deducting the corporate tax expense, the after-tax profit amounted to 12,057,926 euros.

## **Financial and equity position**

The total assets of Cepsa Finance, S.A.U. amounted to EUR 1,411,757,005 at 31 December 2022, of which EUR 1,389,190,000 corresponded to the net value of non-current assets. The net assets amounted to 186,294 euros, 0.01% of the total assets.

As of December 31, 2022, the Company presents a positive operating fund in the amount of 4,372,551 euros (3,399,627 euros positive as of December 31, 2021).

## **Capital structure and shareholdings**

At the end of 2022 and 2021, the share capital of the Company amounted to 100,000 euros, represented by 100,000 registered ordinary shares of a single class and series, represented by securities of a nominal value of 1 euro each, numbered consecutively from 1 to 100,000, both inclusive, being fully subscribed and paid up.

These shares are owned by Compañía Española de Petróleos, S.A.

The Company's shares are not listed on the Stock Exchange.

## **Treasury stock**

The Company does not hold any treasury stock as of December 31, 2022, nor has it carried out any transactions with treasury stock during that year.

## **Research and development**

The company has not carried out any research and development activities during the year.

## **Average supplier payment period**

The average payment period to suppliers during the year was 22.4 days, within the maximum legal limit of 60 days established by Law 15/2010 of July 5, 2010, which establishes measures to combat late payment in commercial transactions (see note 7.3 of the notes to the financial statements).

## **Subsequent events**

Events subsequent to year-end are detailed in note 14 to the Annual Report.





**Preparation of the Annual Accounts and Management Report for the year 2022  
Of  
CEPSA FINANCE, S.A.U**

The Annual Accounts, Income Statement, Statement of Changes in Shareholders' Equity, Cash Flow Statement and Notes to the Financial Statements- and Management Report of **CEPSA FINANCE, S.A.U.** for the 2022 financial year, which are contained in this document, have been prepared by the Joint and Several Directors of the Company on the date hereof and are signed below as proof of conformity by all the Directors, in compliance with Article 253 of the Consolidated Text of the Spanish Capital Companies Law.

To the best of our knowledge, the Annual Accounts are prepared in accordance with generally applicable accounting principles give a true and fair view of the Company's equity, financial position and results of operations, and the Management Report includes a fair review of the Company's business performance and results and of its position, together with a description of the principal risks and uncertainties that it faces.

In Madrid, on March 27, 2023

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Mr. Carlos Luis Villanueva Girón  
Joint and Several Director

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Mr Gonzalo Saenz Muñoz  
Joint and Several Director

**Don/Doña MARÍA CASANI FERNÁNDEZ DE NAVARRETE, Traductor/a-Intérprete Jurado/a de inglés, nombrado/a por el Ministerio de Asuntos Exteriores y de Cooperación, CERTIFICA que lo que antecede es traducción fiel y completa al inglés de un documento redactado en español.**

**Mr/Ms. MARÍA CASANI FERNÁNDEZ DE NAVARRETE, Official English Translator/Interpreter of English, appointed by the Spanish Ministry of Foreign Affairs and Cooperation, HEREBY CERTIFIES that the foregoing is an accurate and complete translation to English of the original document, written in Spanish.  
En Madrid a diecinueve de marzo de dos mil veinticuatro**