FY 2023
QUARTERLY REPORT

March 8th, 2024

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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FY 2023

1. RESULTS HIGHLIGHTS & STRATEGY UPDATE

Cepsa reports Clean CCS EBITDA of €1.4bn in 2023 as it accelerates its transformation

- In 2023, Cepsa accelerated its ambitious Positive Motion strategy to transform from a traditional oil and gas company to become a European leader in the production of green molecules this decade with the sale of 50% of its Upstream portfolio, and posted a **Clean CCS EBITDA of €1,402m**
- **2023 CCS Net Income was €278m**, also reflecting the sale of the Company's Upstream assets in Abu Dhabi
- **Cepsa's cash flow from operations of €1,126m for 2023 showed the resilience of its cash generation** even with lower Upstream production and the impact of Spain's extraordinary tax on energy companies, as the Energy and Chemicals segments performed within expectations in the period
- **Cepsa's total tax contribution in the year reached €5,529m, of which 75% or €4,150m was paid in Spain.** This figure includes the payment of €323m corresponding to the extraordinary tax imposed on energy companies based on 2022 revenues
- **Cepsa ended the year with net debt of €2,291m, a meaningful reduction compared with 2022, on the back of a strong Free Cash Flow generation**. The Company retains a **significant liquidity position of €4,359m**, allowing sufficient headroom to fund its Positive Motion strategy and covering debt maturities until the end of 2028
- **Capex spend for 2023 was €732m, with sustainable capex accounting for almost 40% of the total** as the Company continued to deliver on its Positive Motion strategy
- In February 2024, a key Positive Motion milestone was reached when Cepsa **broke ground on the construction of the largest second-generation biofuels plant in southern Europe, kicking off the start of a new chapter** for the Company. The plant, due to begin production in 2026, will be built with joint venture partner Bio-Oils, entailing a total 1.2-billion-euro investment and the ability to flexibly produce 500,000 tons of sustainable aviation fuel and renewable diesel annually, helping to position Spain as a leading provider of decarbonization solutions for land, sea and air transport
- **Cepsa made significant progress on its ESG commitments**, including achieving a 28% reduction in Scope 1 and 2 and a 21% reduction of freshwater withdrawal, both vs. 2019 baseline, and reached 28.9% of women in leadership positions
- **Cepsa received top ESG ratings in its sector from international agencies such as S&P Global, Moody's and Sustainalytics** in recognition of the Company's ESG commitments and achievements

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

1. RESULTS HIGHLIGHTS & STRATEGY UPDATE

Maarten Wetselaar, Cepsa CEO

"In 2023 we laid the groundwork for our Positive Motion strategy to become a leading European provider of sustainable energy and mobility solutions this decade. Our financial results over the year reflect the strategic repositioning of our global portfolio towards more sustainable areas with the sale of our Upstream portfolio in Abu Dhabi and were furthermore negatively impacted by the poorly designed Spanish extraordinary windfall tax on energy companies. Nevertheless, Cepsa's robust financial framework provides a solid foundation to fund our transformation and continue building on the significant progress made to date.

We kicked off 2024 with the final investment decision and start of construction on our second-generation biofuels plant in Huelva as part of a joint venture with Bio-Oils. The plant, the largest of its kind in southern Europe, will facilitate the immediate decarbonization of heavy transport like aviation and forms an integral part of the green molecules projects that we are developing alongside partners within the Andalusian Green Hydrogen Valley. For our Hydrogen investments we will continue to work with the Spanish government to generate the regulatory clarity and allocation of subsidies that are crucial to unlocking the potential of Cepsa and Spain to lead this industry in Europe. I am confident that the strength of our company and our supportive shareholders, together with the right regulatory support, will unlock a new era of clean energy and high-quality employment for the benefit of all."

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

1. RESULTS HIGHLIGHTS & STRATEGY UPDATE

Major Events

During this financial year, Cepsa has continued to deliver on its **2030 Positive Motion strategy**, through which it has committed to reduce its Scope 1 and 2 emissions by 55% and its carbon intensity index by 15-20% by 2030, representing some of the most ambitious targets in the sector.

Throughout 2023, Cepsa strengthened its **Biofuels portfolio** with multiple offtake agreements to supply 2G biofuels to maritime and aviation customers. Among its new SAF partnerships, it reached an alliance with Air Europa to supply 14.4 tons of SAF to the airline for one year to cover the first monthly Madrid-Havana flight. It also ran successful trials of second-generation biofuels on passenger ferries and freight trains, supplied 2G biofuels in the Port of Barcelona and started the supply of 100% renewable diesel (HVO) to professional customers. Cepsa also started its activity in the development of biomethane production from agricultural and livestock wastes, reaching an agreement with Kira Ventures to develop up to 15 biomethane plants in Spain over this decade

Among other **Green Hydrogen** partnerships, Cepsa reached an agreement to supply green ammonia to ACE Terminal in the Port of Rotterdam for conversion into green hydrogen for multiple industries in northern Europe or direct use in shipping. It also 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 **New Mobility**, Cepsa launched an updated loyalty program for retail customers, Cepsa GOW, offering savings options for customers on their service station purchases as well as their day-to-day shopping, and equipped more than 500 of its service stations with photovoltaic panels supplying renewable energy. Cepsa also reached an agreement to acquire Ballenoil's service station network, comprising more than 220 low-cost establishments in Spain. The agreement, which is pending regulatory approval, will widen Cepsa's service station network to around 2,000 establishments and allow the Company to have a low-cost, sustainable segment alongside its premium network of multi-energy service stations with ultra convenience food and shopping options.

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.

Among other developments, **the EIB granted two loans to Cepsa**, one for €150 million to foster electric mobility in Spain and Portugal, allowing more than 1,800 ultra-fast electric vehicle chargers to be rolled out across the Iberian Peninsula, and another for €80 million to support Cepsa's solar photovoltaic projects in Spain.

2. PRESENTATION OF RESULTS

2. PRESENTATION OF RESULTS

2.1 Market Indicators

Market Indicators	Q4'23	Q3'23	Q4'22	Variation vs. Q4'22	Variation vs. Q3'23	FY 2023	FY 2022	FY Variation
Dated Brent oil price ($/bbl)	84.0	86.8	88.7	(5)%	(3)%	82.6	101.2	(18)%
Refining margin ($/bbl)[1]	7.5	14.3	8.7	(14)%	(48)%	10.0	9.6	4%
Dutch TTF Natural gas price (€/MWh)	40.6	33.0	94.4	(57)%	23%	40.7	120.5	(66)%
Spanish pool price (€/MWh)	75.3	96.5	113.2	(33)%	(22)%	87.1	167.5	(48)%
Exchange average rate ($/€)	1.10	1.09	1.02	8%	1%	1.08	1.05	3%
Spanish fuel demand (1,000m3)	10,101	10,515	10,139	(0)%	(4)%	39,878	39,542	1%

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

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

2.2 Operational KPIs

Operational Overview	Q4'23	Q3'23	Q4'22	Variation vs. Q4'22	Variation vs. Q3'23	FY 2023	FY 2022	FY Variation
Refining output (mton)	5.1	5.3	4.9	4%	(4)%	20.3	20.7	(2)%
Refining utilization (%)	91%	94%	86%	6%	(3)%	90%	92%	(2)%
Bios installed capacity (kt/y)	733	685	705	4%	7%	733	705	4%
Commercial product sales (mton)	4.2	4.5	4.5	(7)%	(6)%	17.0	17.7	(4)%
Electricity production (GWh)	478	797	539	(11)%	(40)%	2,385	2,896	(18)%
Natural gas sales (GWh)	7,084	7,736	7,487	(5)%	(8)%	27,520	25,468	8%
Chemical product sales (kton)	570	544	567	1%	5%	2,125	2,490	(15)%
Working interest crude production (kbopd)	32.1	32.8	81.8	(61)%	(2)%	42.1	82.8	(49)%
Realized crude price($/bbl)	79.6	83.1	92.7	(14)%	(4)%	80.7	97.7	(17)%
Crude oil sales (million bbl)	1.1	1.3	5.8	(82)%	(19)%	8.3	22.3	(63)%

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

2. PRESENTATION OF RESULTS

2.3 Financial Summary

Financial Summary - € million (unless otherwise stated)	Q4'23	Q3'23	Q4'22	Variation vs. Q4'22	Variation vs. Q3'23	FY 2023	FY 2022	FY Variation
Energy	170	335	(53)	420%	(49)%	830	828	0%
Chemicals	47	52	70	(33)%	(9)%	223	382	(42)%
Upstream	51	73	471	(89)%	(30)%	493	1,868	(74)%
Corporation	(31)	(37)	(41)	23%	17%	(144)	(139)	(4)%
EBITDA[1]	**237**	**423**	**448**	***(47)%***	***(44)%***	**1,402**	**2,939**	***(52)%***
EBIT[1]	140	188	304	(54)%	(25)%	766	2,178	(65)%
Net Income[1]	26	107	256	(90)%	(76)%	278	790	(65)%
IFRS Net Income[2]	(117)	278	117	(200)%	(142)%	(233)	1,100	(121)%
Cash flow from operations before WC	**304**	**284**	**113**	***170%***	***7%***	**1,087**	**1,797**	***(39)%***
Cash flow from operations	**442**	**267**	**570**	***(22)%***	***66%***	**1,126**	**1,549**	***(27)%***
Accounting Capex	**(292)**	**(163)**	**(293)**	***(0)%***	***79%***	**(732)**	**(743)**	***(1)%***
Sustainable	*(115)*	*(66)*	*(100)*	*15%*	*74%*	*(289)*	*(185)*	*56%*
Growth / Discretionary	*(39)*	*(28)*	*(63)*	*(38)%*	*38%*	*(128)*	*(226)*	*(43)%*
Maintenance & HSE	*(138)*	*(69)*	*(130)*	*6%*	*100%*	*(315)*	*(231)*	*36%*
M&A	*0*	*0*	*0*	*n.a*	*n.a*	*0*	*(101)*	*(100)%*
Free Cash Flow[3]	**245**	**139**	**412**	***(40)%***	***76%***	**1,614**	**901**	***79%***
Free Cash Flow before WC movements[3]	**107**	**156**	**(45)**	***335%***	***(32)%***	**1,576**	**1,149**	***37%***
Net debt[4]	**2,291**	**2,488**	**2,756**	***(17)%***	***(8)%***	**2,291**	**2,756**	***(17)%***
Net debt to LTM EBITDA[4]	**1.9x**	**1.7x**	**1.0x**	***89%***	***8%***	**1.9x**	**1.0x**	***89%***
Liquidity[5]	**4,359**	**4,162**	**4,023**	***8%***	***5%***	**4,359**	**4,023**	***8%***

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 €233m in FY'23, mainly due to changes in stock valuations and the impact of the extraordinary tax imposed on energy companies in Spain

3. Before financing activities.

4. Excluding IFRS16 liabilities.

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

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

3. CONSOLIDATED FINANCIAL RESULTS

3.1 CONSOLIDATED FINANCIAL RESULTS – INCOME STATEMENT

FY 2023

Cepsa reported EBITDA of €1,402m during 2023 reflecting the resilient performance across all business segments following the strategic repositioning after the Abu Dhabi asset divestment. Management-led optimization initiatives continued to contribute to improved performance in all business and functional areas.

- Energy CCS EBITDA in 2023 was €830m with Cepsa's Energy Parks segment overperforming driven by solid refining margins at 10$/bbl and strong refining utilization at 90%. Steady commercial sales also supported Energy segment results.

- Chemicals CCS EBITDA stood at €223m during the year, decreasing by 42% compared to 2022 mainly due to lower volumes. In addition, the slowdown in the economy caused a decrease in prices that lowered overall spreads. However, since the second half of 2023, there has been a recovery in demand that has partially offset these effects.

- As a consequence of the change of perimeter and the decline in crude oil prices, Upstream segment registered a CCS EBITDA of €493m having divested Cepsa's production in Abu Dhabi in Q1 2023. However, Cepsa maintains a low breakeven and an enhanced cash conversion portfolio after the divestment.

Clean CCS Net Income reached €278m and IFRS Net Income was significantly impacted by changes in inventories valuation and the charge of €323m related to the extraordinary tax imposed to energy companies in Spain.

Income Statement

€ millions (unless otherwise stated)	Q4'23	Q3'23	Q4'22	Variation vs.		FY		FY
				Q4'22	Q3'23	2023	2022	Variation
Revenues	5,903	6,581	3,315	*78%*	*(10)%*	25,159	33,446	*(25)%*
EBITDA (a)	**237**	**423**	**448**	***(47%)***	***(44%)***	**1,402**	**2,939**	***(52%)***
EBIT (a)	**140**	**188**	**304**	***(54%)***	***(25%)***	**766**	**2,178**	***(65%)***
Net debt expenses	(42)	(39)	(32)	*(29%)*	*(6%)*	(162)	(140)	*16%*
Income before taxes (a)	**99**	**148**	**272**	***(64%)***	***(33%)***	**604**	**2,038**	***(70%)***
Minority interest	2	14	56	*(96%)*	*(84%)*	13	(32)	*141%*
Income taxes	(75)	(56)	(72)	*(4%)*	*(35%)*	(339)	(1,216)	*(72%)*
Net income (a)	**26**	**107**	**256**	***(90%)***	***(76%)***	**278**	**790**	***(65%)***
NIAT Reconciliation								
Net income (a)	**26**	**107**	**256**	***(90%)***	***(76%)***	**278**	**790**	***(65%)***
CCS adjustment (replacement cost valuation)	(175)	147	(64)	*(173%)*	*(219%)*	(276)	357	*(177%)*
Non-recurring items	32	23	(74)	*144%*	*38%*	(235)	(47)	*(399%)*
Net income (IFRS)	**(117)**	**278**	**117**	***(200%)***	***(142%)***	**(233)**	**1,100**	***(121%)***

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

FY 2023

Cash flow from operations after working capital amounted to €1,126m, a 27% decrease from 2022 due to lower results impacted by the extraordinary tax payment.

During the year, Cepsa optimized its investments by managing its capex to preserve strong cash flow, while driving sustainable investments. Cash capex payments amounted at €702m, representing a significant increase of 28% compared to the same period in 2022, with sustainable investments growing by 122%. The notable rise in cash capex payments is primarily attributed to sustainable investments, which accounted for nearly 40% of the total cash capex. During 2023, the company has reallocated capital towards investments in the energy transition, such as beginning construction of Europe's second-largest 2G biofuels plant or announcing plans to build the largest green methanol plant in Europe, among other important investments. This underscores Cepsa's commitment to advancing it's "Positive Motion" strategy.

Growth capex for the year decreased by 34% versus 2022. Maintenance and HSE capex increased from €219m in 2022 to €290m in 2023, boosted by efficiency projects in the Energy Parks and scheduled turnarounds throughout the year.

Cepsa reported a robust free cash flow of €426m for the year, which includes increased investments versus previous year, aimed at effectively executing our "Positive Motion" strategy.

Cash Flow Statement

€ millions (unless otherwise stated)	Q4'23	Q3'23	Q4'22	Variation vs. Q4'22	Variation vs. Q3'23	FY 2023	FY 2022	FY Variation
EBITDA (a)	**237**	**423**	**448**	***(47)%***	***(44)%***	**1,402**	**2,939**	***(52)%***
Dividends from associates	8	1	17	*(53%)*	*715%*	14	23	*(38)%*
Income tax paid	28	(66)	(475)	*106%*	*143%*	(366)	(1,419)	*74%*
Other adjustments to EBITDA	31	(74)	123	*(75%)*	*142%*	37	254	*(85)%*
Cash flow from operations before wc	**304**	**284**	**113**	***170%***	***7%***	**1,087**	**1,797**	***(39)%***
Changes in working capital (wc)	138	(17)	457	*(70%)*	*890%*	38	(248)	*115%*
Cash flow from operations	**442**	**267**	**570**	***(22)%***	***66%***	**1,126**	**1,549**	***(27)%***
Cash Capex	**(196)**	**(159)**	**(157)**	***(25)%***	***(23)%***	**(702)**	**(549)**	***(28)%***
Sustainable	*(62)*	*(71)*	*(46)*	*(35)%*	*12%*	*(277)*	*(125)*	*(122)%*
Growth	*(33)*	*(33)*	*(29)*	*(12)%*	*(1)%*	*(135)*	*(206)*	*34%*
Maintenance	*(101)*	*(56)*	*(82)*	*(24)%*	*(81)%*	*(290)*	*(219)*	*(32)%*
Other cash flow from investments	(1)	31	(1)	*0%*	*(103)%*	1,190	(99)	*1302%*
Cash flow from investments	**(197)**	**(128)**	**(158)**	***(25)%***	***(54)%***	**488**	**(648)**	***175%***
Free cash flow	**245**	**139**	**412**	***(40)%***	***76%***	**1,614**	**901**	***79%***
Operating lease payments	(46)	(45)	(41)	*(14)%*	*(3)%*	(177)	(159)	*(12)%*
Interest paid	(30)	(41)	(27)	*(9)%*	*28%*	(142)	(121)	*(17)%*
Free cash flow after financing activities	**169**	**53**	**344**	***(51)%***	***221%***	**1,295**	**621**	***109%***
Dividends paid to shareholders	0	0	(333)	*100%*	*n.a*	(850)	(583)	*(46)%*
Dividends paid to minority interests	(4)	0	(4)	*5%*	*n.a*	(19)	(5)	*(270)%*
Free cash flow after dividends	**166**	**53**	**7**	***21X***	***214%***	**426**	**33**	***12X***

(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.

3.3 CONSOLIDATED FINANCIAL RESULTS – ACCOUNTING CAPEX

Accounting Capex

FY 2023

In 2023, accounting Capex stood at €734m, in line with the investments recorded in 2022 (€743m), with sustainable investments growing by 56%.

As we mentioned, sustainable investments constituted nearly 40% of the overall Capex and were allocated towards clean energies initiatives, co-processing, biofuels production, CO_2 emissions reduction projects, hydrogen and deployment of EV chargers to expand our infrastructure across our service station network. This evidences that Cepsa's dedication towards sustainable businesses underscores its long-term vision for responsible growth and environmental stewardship.

Higher Maintenance and HSE Capex compared to 2022 (+37%) mainly due to several scheduled turnarounds throughout the year.

Accounting Capex - € millions (unless otherwise stated)	Q4'23	Q3'23	Q4'22	Variation vs. Q4'22	Variation vs. Q3'23	FY 2023	FY 2022	FY Variation
Sustainable	(115)	(66)	(100)	*15%*	*74%*	(289)	(185)	*56%*
Growth / Discretionary	(39)	(28)	(63)	*(38)%*	*38%*	(128)	(226)	*(43%)*
Maintenance & HSE	(138)	(69)	(130)	*6%*	*100%*	(315)	(231)	*36%*
M&A	0	0	0	*n.a*	*n.a*	0	(101)	*(100)%*
Total Accounting Capex	**(292)**	**(163)**	**(293)**	***(0%)***	***79%***	**(732)**	**(743)**	***(1%)***

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 December 2023, Cepsa's net debt excluding IFRS16 lease liabilities stood at €2.3bn with a leverage ratio of 1.9x, as, following the divestment, Cepsa has not had Abu Dhabi EBITDA contribution during most part of the period.

Cepsa follows a conservative financial policy, keeping a robust solid liquidity position of €4.4 billion by the end of December 2023. This level of liquidity ensures maturity coverage until 2028. In addition, the company has an average maturity of its Net Debt of 3.1 years.

Cepsa's bonds are rated "Investment Grade" by the three main international rating agencies Moody's, S&P and Fitch. All three rating agencies confirmed 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)	Q4'23	Q3'23	Q4'22
Non-current bank borrowings	1,340	1,543	1,285
Current bank borrowings	198	242	537
Bonds	1,412	1,407	1,410
Cash	(659)	(705)	(476)
Net debt excluding IFRS16 liabilities	**2,291**	**2,488**	**2,756**
IFRS16 liabilities	690	683	695
Net debt including IFRS16 liabilities	**2,981**	**3,171**	**3,451**
Net debt to LTM Clean CCS EBITDA (a)	1.9x	1.7x	1.0x
Liquidity (b)	4,359	4,162	4,023
Average maturity of drawn debt (years)	3.1	3.1	3.5
Equity	3,587	3,799	4,832
Capital employed(a)	5,879	6,287	7,588
Gearing ratio (%) (a)	39%	40%	36%
Return on capital employed (%)	5%	7%	12%

(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

FY 2023

Operations

In 2023, refining margins stood at 10.0$/bbl, a 4% increase compared to 2022 (9.6$/bbl), as a result of the less volatile crude markets seen in 2023 with refining margins initially increasing to near-record levels but later correcting downward due to slumping gasoline and fuel oil cracks.

Cepsa Energy Parks' average utilization rate remained consistent with 2022, standing at 90% in 2023 compared to 92% in 2022. This stability was slightly impacted by several scheduled maintenance turnarounds during the period, along with a final scheduled maintenance shutdown in Huelva towards the end of the year.

Commercial products experienced a decline (-4%) compared to 2022, led by the instability in oil prices, and the fact that 2022 sales volume was favored by discounts offered from April onwards. Inflation in 2023 also affected the B2B and B2C segments.

Energy Overview - € millions				Variation vs.		FY		FY
(unless otherwise stated)	Q4'23	Q3'23	Q4'22	Q4'22	Q3'23	2023	2022	Variation
Refining output (mton)	5.1	5.3	4.9	4%	(4)%	20.3	20.7	(2)%
Crude oil distilled (million of barrels)	37.0	38.2	35.1	5%	(3)%	146.3	151.1	(3)%
Refining utilization (%)	91%	94%	86%	6%	(3)%	90%	92%	(2)%
Refining margin ($/bbl)	7.5	14.3	8.7	(14)%	(48)%	10.0	9.6	4%
Spanish pool price (€/MWh)	75.3	96.5	113.2	(33)%	(22)%	87.1	167.5	(48)%
Dutch TTF Natural gas price (€/MWh)	40.6	33.0	94.4	(57)%	23%	40.7	120.5	(66)%
Electricity production (GWh)	478	797	539	(11)%	(40)%	2,385	2,896	(18)%
Natural Gas Sales (GWh)	7,084	7,739	7,487	(5)%	(8)%	27,520	25,468	8%
Number of service stations	1,790	1,792	1,760	2%	(0)%	1,790	1,760	2%
Commercial product sales (mton)	4.2	4.5	4.5	(7)%	(6)%	17.0	17.7	(4)%
EBITDA (a)	**170**	**335**	**(53)**	**420%**	**(49)%**	**830**	**828**	**0%**
Conventional-Growth Capex	**(28)**	**(22)**	**(27)**	**3%**	**29%**	**(69)**	**(49)**	**42%**
Conventional-Maintenance Capex	**(125)**	**(60)**	**(116)**	**8%**	**109%**	**(284)**	**(205)**	**38%**
Sustainable Capex	**(68)**	**(46)**	**(61)**	**12%**	**47%**	**(201)**	**(111)**	**80%**

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

Results

Energy CCS EBITDA stood at €830m in 2023, supported by all business lines. The Energy Parks segment notably contributed to the Energy results primarily driven by robust refining margins throughout the period. Moreover, the M&NC segment also boosted Energy's results, as it significantly exceeded those of 2022 due to the extraordinary discounts extended to all clients last year.

Strong increase in Energy capex, mainly in sustainable investments. Over the course of 2023 year, total capex amounted to €554 million, compared to €365 million in 2022, marking a 52% increase. Sustainable investments increased by 80% versus 2022, predominantly allocated towards engineering executions in the Energy Parks and Commercial businesses, co-processing investments, biofuels production, hydrogen development, renewable projects, and expansion of EV-charging infrastructure.

In addition, Growth and Maintenance Capex also rose during the year mainly driven by digital advancements, maintenance turnarounds, assets replacement and restyling of gas stations.

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

FY 2023

Operations

In Chemicals, despite lower overall volumes attributed to the global slowdown in demand, economic uncertainties, inflationary pressures, and elevated interest rates, Cepsa has demonstrated resilient performance on the back of the alleviation in energy costs, which effectively mitigated the impact of reduced sales.

Lower volumes in Surfactants segment in 2023 compared to previous year as a consequence of destocking and the decrease in demand. To offset this decline, Cepsa pursued new opportunities in markets such as India and the Middle East.

Within Intermediates segment, Phenol volumes experienced a significant decrease compared to 2022 due to the collapse in demand in Europe that forced customers to slow down operations or even stop them temporarily. However, there has been a gradual recovery of this situation since the beginning of H2 2023. In Solvents, volumes decreased by 17% primarily driven by heightened market competition in prices across Europe and the closure of the Phthalic plant in Energy Parks.

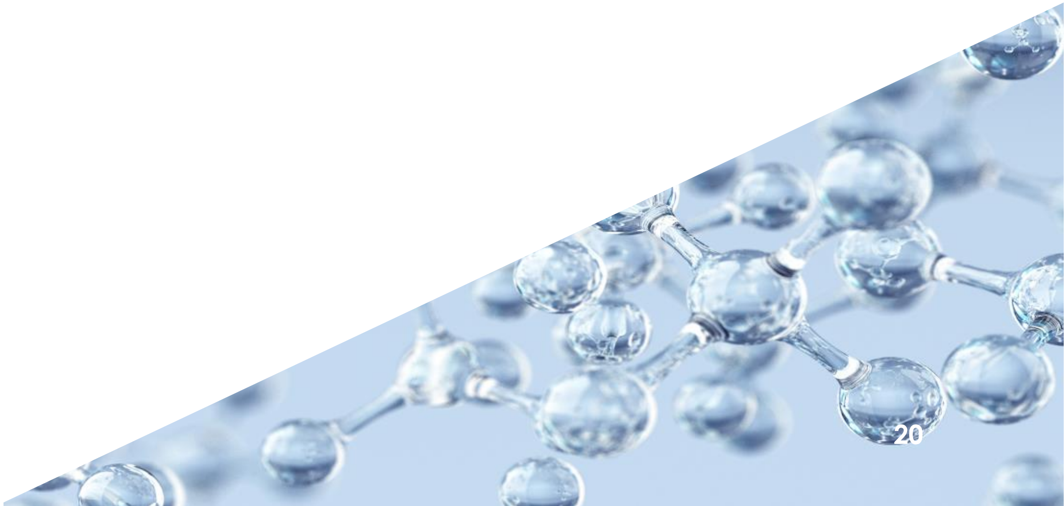
Chemicals Overview - € millions (unless otherwise stated)	Q4'23	Q3'23	Q4'22	Variation vs. Q4'22	Variation vs. Q3'23	FY 2023	FY 2022	FY Variation
Product sales (kton)	570	544	567	1%	5%	2,125	2,490	(15)%
LAB / LABSA	*155*	*160*	*162*	*(5)%*	*(3)%*	*611*	*663*	*(8)%*
Phenol / Acetone	*302*	*287*	*287*	*5%*	*5%*	*1,083*	*1,307*	*(17)%*
Solvents	*113*	*97*	*118*	*(4)%*	*16%*	*430*	*521*	*(17)%*
EBITDA(a)	**47**	**52**	**70**	**(33)%**	**(9)%**	**223**	**382**	**(42)%**
Conventional-Growth Capex	**0**	**0**	**0**	**n.a**	**n.a**	**0**	**(101)**	**100%**
Conventional-Maintenance Capex	**0**	**0**	**0**	**n.a**	**n.a**	**0**	**0**	**n.a**
Sustainable Capex	**(42)**	**(19)**	**(37)**	**13%**	**120%**	**(78)**	**(68)**	**15%**

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

Results

Chemicals CCS EBITDA stood at €223m in 2023 compared the €382m in 2022 driven by lower overall sales volumes and the difficult environment.

Chemical capex for 2023 increased by 15% compared to 2022, as a consequence of the acceleration of certain projects, such as the decarbonization project and the re-design of CQPM or the industrial painting structure recovery in Deten. In 2023 investments were also allocated to the Cepsa Chemical Shanghai revamping, the studying of several green projects and the diversification of the product portfolio.



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

FY 2023

Operations

Crude oil prices during 2023 continue to decline compared to the previous year, decreasing by 18% due to the slowdown in the Chinese economy, the underlying uncertainty of global economy and financial markets and the unsuccessful OPEC's attempts to increase prices by cutting production.

Working Interest production for the year decreased to 42.1 kbopd. This decline reflects the impact of the change in the perimeter, which naturally impacted the Upstream production. Additionally, the reduction was a result of scheduled maintenance turnarounds in Algeria and the shutdown of Los Angeles field in Peru until June 2023. RKF and Los Angeles fields shutdowns also impacted crude oil sales which decreased by 63% during the year.

Upstream Overview - € millions (unless otherwise stated)	Q4'23	Q3'23	Q4'22	Variation vs. Q4'22	Variation vs. Q3'23	FY 2023	FY 2022	FY Variation
Dated Brent oil price ($/bbl)	84.0	86.8	88.7	(5)%	(3)%	82.6	101.2	(18)%
Realized oil price ($/bbl)	79.6	83.1	92.7	(14)%	(4)%	80.7	97.7	(17)%
Crude Oil Sales (million bbl)	1.1	1.3	5.8	(82)%	(19)%	8.3	22.3	(63)%
Net entitlement Crude Oil prod. (kbopd)	20.7	22.1	69.7	(70)%	(6)%	31.4	69.6	(55)%
Working interest crude production (kbopd)	**32.1**	**32.8**	**81.8**	**(61)%**	**(2)%**	**42.1**	**82.8**	**(49)%**
MENA	25.7	26.3	74.9	(66)%	(2)%	35.8	75.7	(53)%
LatAm	6.4	6.5	6.9	(8)%	(2)%	6.3	7.1	(11)%
EBITDA (a)	**51**	**73**	**471**	**(89)%**	**(30)%**	**493**	**1,868**	**(74)%**
Conventional-Growth Capex	**(5)**	**(5)**	**(32)**	**(84)%**	**3%**	**(49)**	**(171)**	**(71)%**
Conventional-Maintenance Capex	**(5)**	**(2)**	**(6)**	**(12)%**	**198%**	**(11)**	**(12)**	**(8)%**
Sustainable Capex	**0**	**0**	**0**	**-**	**-**	**0**	**0**	**-**

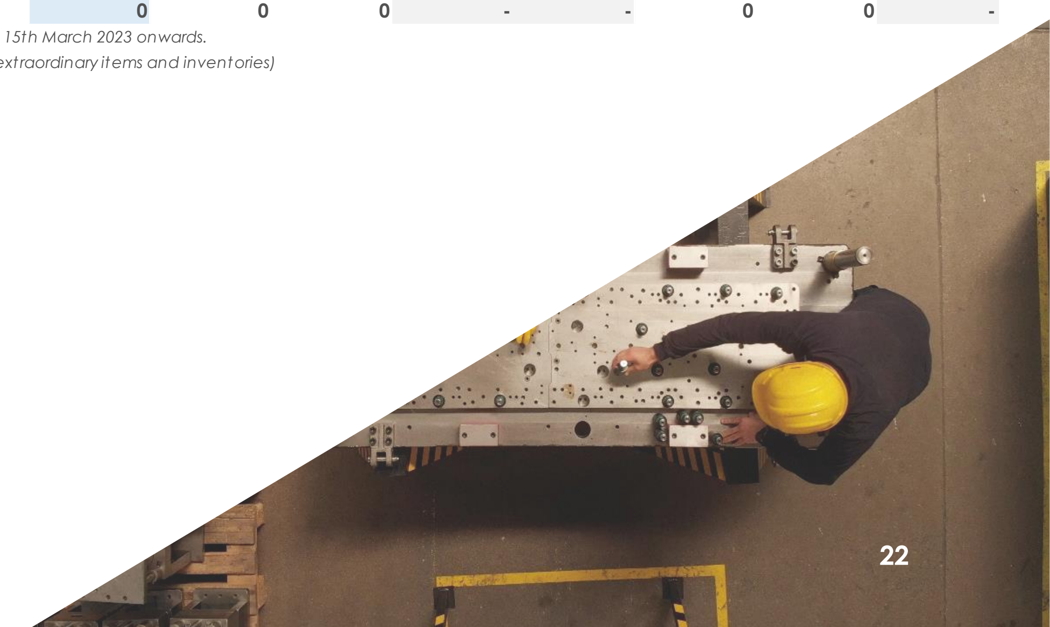
Note: Figures do not include Abu Dhabi assets from 15th March 2023 onwards.

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

Results

Cepsa's Upstream business recorded a CCS EBITDA of €493 million in 2023, which was lower than the previous year. This decline can be attributed to the absence of EBITDA and production contributions from the Abu Dhabi asset since the month of March. In addition, lower crude prices, several scheduled maintenance turnarounds and some shutdowns also impacted Upstream results. However, Cepsa maintains a low breakeven and an enhanced cash conversion portfolio after the divestment.

Investments totaled €60m during the period, representing a decrease compared to the previous year mainly due to the exploration campaign in Suriname'22, smaller costs in Timimmoun Development, the absence of WOs, lower wells abandonment in Colombia, less maintenance in RKF, also due to a decline in major inspections in ORD.



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

5.1 APPENDIX - CONSOLIDATED BALANCE SHEET – IFRS

Consolidated Balance Sheet– IFRS

Assets - € millions	Q4'23	Q3'23	Q4'22
Intangible assets including goodwill	814	801	765
Property, plant and equipment	4,205	4,171	4,183
Right of use assets	662	660	667
Investments in associates and joint ventures	266	281	305
Non-current financial assets	83	88	165
Deferred tax assets	1,537	1,608	1,332
Total non-current assets	**7,568**	**7,608**	**7,417**
Inventories	2,239	3,135	4,076
Trade and other receivables	2,526	2,491	2,588
Other current financial assets	107	149	193
Other current assets	165	300	366
Cash and cash equivalents	659	705	476
Assets held for sale and discontinued operations	114	0	1,757
Total current assets	**5,810**	**6,779**	**9,456**
Total assets	**13,377**	**14,387**	**16,873**

Equity & Liabilities - € millions	Q4'23	Q3'23	Q4'22
Total equity attributable to shareholds of the parent	**3,526**	**3,713**	**4,706**
Non-controlling interest	62	85	126
Total equity	**3,587**	**3,799**	**4,832**
Bonds, obligations and similar issuances	1,395	1,394	1,393
Bank borrowings	1,340	1,543	1,285
Long-term lease	528	532	532
Deferred tax liabilities	611	621	459
Provisions and other obligations	388	402	408
Other non-current liabilities	177	307	297
Total non-current liabilities	**4,440**	**4,800**	**4,374**
Bonds, obligations and similar issuances	17	12	17
Bank borrowings	198	242	537
Short-term lease	162	151	163
Trade and other payables	3,724	3,862	3,828
Other current liabilities	1,200	1,520	2,467
Liabilities held for sale and discontinued operations	49	0	656
Total current liabilities	**5,350**	**5,788**	**7,667**
Total equity and liabilities	**13,377**	**14,387**	**16,873**

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	Q4'23	Q3'23	Q4'22	Variation vs.		FY	
				Q4'22	Q3'23	2023	2022
Revenue from contracts with customers (includes excise tax on oil&gas)	**5,903**	**6,581**	**3,315**	**78%**	**(10)%**	**25,159**	**33,446**
Changes in inventories of finished goods and work in progress	(205)	(105)	(171)	(20)%	(95)%	(320)	459
Procurements	(4,649)	(4,842)	(1,614)	(188)%	4%	(19,285)	(25,332)
Staff costs	(243)	(189)	(293)	17%	(28)%	(833)	(836)
Amortization charge	(187)	(176)	(187)	(0)%	(6)%	(710)	(842)
Impairment and gains or losses on disposals of non-current assets	(16)	(7)	6	(366)%	(130)%	(33)	(43)
Other operating income/expenses (includes excise tax on oil&gas)	(824)	(816)	(993)	17%	(1)%	(4,066)	(4,435)
Operating profit	**(221)**	**445**	**62**	**(456)%**	**(150)%**	**(89)**	**2,418**
Share of results of equity accounted investees	4	1	14	(73)%	241%	12	98
Net financial results	44	(99)	(9)	585%	144%	(95)	(173)
Impairment and gains or losses on disposals of financial instruments	0	21	6	(94)%	(98)%	74	47
Consolidated profit before tax	**(173)**	**369**	**73**	**(337)%**	**(147)%**	**(98)**	**2,389**
Income tax	47	(103)	(23)	303%	145%	(168)	(1,257)
Consolidated profit for the year from continuing operations	**(126)**	**266**	**50**	**(353)%**	**(147)%**	**(266)**	**1,132**
Consolidated profit for the year	**(126)**	**266**	**50**	**(353)%**	**(147)%**	**(266)**	**1,132**
Non-controlling interests	(9)	(12)	(67)	86%	25%	(33)	32
Consolidated profit for the year attributable to equity holder of the Parent	**(117)**	**278**	**117**	**(200)%**	**(142)%**	**(233)**	**1,100**

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 Q4 2023 was (€234m) mainly due to lower crude prices during the quarter.

Higher Clean CCS EBITDA as a result of the decrease commodity prices during Q4 2023, which translates into the Current Cost of Supply (CCS) valuation being higher than the Last Twelve Months average (valuation method used under IFRS reporting).

€ millions (unless otherwise stated) Q4'23	IFRS EBITDA	Inventory Effect	Non-Recurring Items	Clean CCS EBITDA
Energy Solutions	(78)	(233)	(13)	170
Chemicals	48	(1)	2	47
Upstream	36	0	(15)	51
Corporation	(40)	0	(9)	(31)
Extraordinary tax	0	0	0	0
CEPSA - Consolidated	**(33)**	**(234)**	**(35)**	**237**

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

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