PRESS RELEASE

Cepsa increases H1 2024 EBITDA to €1.1bn

Financial highlights

€1,099m
Clean CCS EBITDA

€398m
Clean CCS Net Income

€735m
Cash flow from Operations

€545m
Cash Capex[1]

€2,077m
Taxes in Spain

- **CCS EBITDA** was **€1,099m** in H1'24 versus €742m in the same period of 2023, driven by a favorable market environment for the energy business and stronger sales in Cepsa's chemical business.
- **H1'24 CCS Net Income was positive at €398m** reflecting an improved performance vs. H1'23, where €145m net income was recorded.
- **Cepsa's cash flow from operations was €735m** for H1'24 versus €416m for H1'23 **showing a solid cash generation capacity** even after the divestment of its Abu Dhabi upstream assets in the previous year.
- **Stronger results allowed for an increase in total cash capex[1] to €545m,** with sustainable capex[2] making up 45% of organic capex in the first half of the year, as the Company continues to deliver on its Positive Motion strategy.
- **Cepsa contributed €2,077m in taxes in Spain during H1'24,** of which €1,199m were borne and €878m collected on behalf of the Spanish tax authorities. The total contribution includes a €122m cash payment for the first instalment of Spain's windfall tax on energy companies. The tax is calculated on sales revenues in 2023, a year when Cepsa did not report a profit but rather a net loss.
- **Net debt stood at €2,493m** in H1'24, slightly below the €2,522m at the end of H1'23. The Company maintains a strong **liquidity position of €5,412m**, bolstered by the €750m 7-year bond issuance in April, covering maturities for the coming years.
- **Continuing to deliver on its Positive Motion strategy**, Cepsa announced additional upstream divestments with an **agreement to sell its E&P assets in Peru.** This follows an agreement in April to sell its **E&P assets in Colombia,** both pending regulatory approval.
- Among other M&A activity, Cepsa **closed the acquisition of Ballenoil**, allowing the Company to broaden its range of offerings to customers in the low-cost segment, where it plans to gradually expand its services to include electric charging points and biofuels.
- **Cepsa signed a €285 million loan with the European Investment Bank for the construction of the largest second-generation biofuels plant in southern Europe,** highlighting support by key public financial institutions for its energy transition projects.
- Cepsa Chemicals also continues to expand its range of sustainable products with the start of construction of **the first chemical plant in Spain to produce the base for hydroalcoholic gels, capable of using sustainable raw materials.**
- Cepsa ranks as one of the **top companies in the energy sector worldwide in terms of its ESG (environmental, social and governance) commitments and performance**, including EcoVadis, a company specialized in assessing the sustainability of companies, which has recognized Cepsa with the gold medal, placing it among the top 3% of companies worldwide for the second consecutive year.

1. Including organic and inorganic capex
2. Sustainable Capex measured under Cepsa's internal criteria for the classification of sustainable activities.

Top 1% S&P Global Corporate Sustainability Assessment (CSA) Score 2023

ESG 2024 INDUSTRY TOP RATED

GOLD | Top 5% ecovadis Sustainability Rating JUN 2024

SUSTAINABLE DEVELOPMENT GOALS

Maarten Wetselaar, Cepsa CEO

"We are pleased to report a solid performance across our businesses, though Fuels Marketing in Spain was impacted by volume loss due to elevated levels of fraudulent volumes being sold in the market. Financials also continue to be negatively impacted by Spain's poorly designed extraordinary tax on energy companies. Nevertheless, the Company continues to progress its transformation strategy, as seen by the start of construction of our second-generation biofuels plant in Huelva, the ongoing detailed design of our ambitious green hydrogen project in Andalusia, and the continued roll-out of ultrafast EV chargers, soon also into the low-cost network of Ballenoil stations that was acquired in June. Our goal remains clear: to become a leading provider of green molecules this decade as we contribute to the realization of regulatory and fiscal frameworks that enable Spain to scale its potential as a source of clean energy."

Market Environment

During Q2’24, crude prices fluctuated within a 77.6 - 91.0 $/bbl range, averaging 84.9$/bbl (78.4$/bbl in Q2’23), mainly reflecting geopolitical tensions, the continuation of voluntary production cuts by OPEC+ and global demand and supply dynamics. This led to a slightly upward yet volatile trend in crude oil prices vs. the previous quarter.

Refining output was slightly above the same quarter last year at 5.3Mt (5.1Mt in Q2’23) with Cepsa’s average refining margin remaining solid at 7.7$/bbl (7.3$/bbl in Q2’23).

The price of PVB natural gas remained relatively stable compared to Q2’23 but increased by 17% when compared to Q1’24 (31.7 €/MWh in Q2’24 vs 27.2 €/MWh in Q1’24) mainly due to supply concerns as a result of the Middle East conflict and growing demand in Asia amid declining LNG supply to Europe in the period. In addition, slower storage builds and the definitive closure of the largest gas field in Europe added further upward pressure on prices.

Spanish electricity pool prices decreased significantly compared to Q1’24 and the previous year period to an average of 33.4 €/MWh, reflecting stabilization after winter peaks and influenced by an increase in renewable energy generation and reduced natural gas prices across Europe.

Results Breakdown Q2 2024

Cepsa's three businesses performed resiliently in Q2, posting higher financial and operational results than the same period last year against a backdrop of stable market and operational indicators. Clean CCS EBITDA for the period stood at €515m, significantly higher than €186m in Q2'23. CCS Net income was also strong in the quarter at €172m for Q2'24, on the back of favourable market conditions and solid output figures from most of the business segments, reflecting a significant improvement on the €31m net loss in Q2'23.

By division:

Energy. (Energy Parks, Commercial & Clean Energies, Mobility & New Commerce and Trading). CCS EBITDA for the Energy business stood at €399m during the period (€114m in Q2'23) mainly driven by healthy refining margins at $7.7/bbl and stable refining output production, which stood at 5.3 (5.1 Mt in Q2'23). Refining utilization was high at 94% (91% in Q2'23), which contributed significantly to this solid performance. Lower energy costs also underpinned the business performance in the quarter. Commercial sales were virtually unchanged, reaching 4.3 Mt in Q2'24 (4.3 Mt in Q2'23), with volumes penalized by widespread fraudulent practices occurring in the Spanish market.

Chemicals. CCS EBITDA for the Chemicals division increased to €76m in Q2'24 (€60m in Q2'23), positively impacted by strong volumes recovery in Europe (LAB, Phenol and Solvents) and lower natural gas prices. Sales were strong in the period at 620kton, a notable 31% increase from the 474kton of chemical sales in Q2'23.

Upstream. Cepsa's Upstream CCS EBITDA in Q2'24 was €83m (€58m in Q2'23), reflecting stable production of 34.4kbopd and healthy crude prices in the period. RKF production coming back onstream early this year after maintenance turnaround also helped Q2'24 production figures and overall financial performance.

Major Events

Cepsa made significant progress towards delivering its Positive Motion strategy over the first half of the year, delivering a number of key milestones.

In **biofuels**, Cepsa signed a €285 million loan agreement with the European Investment Bank (EIB) for the construction of the largest second-generation biofuels plant in southern Europe. The plant, which Cepsa is building together with Bio-Oils, entails a €1.2 billion total investment and is scheduled to start up in 2026 and will feature flexible annual production of 500,000 tons of sustainable aviation fuel (SAF) and renewable diesel (HVO) annually from organic waste, providing an immediate, circular economy solution to decarbonize land, sea, and air transport.

In **green hydrogen**, Cepsa selected thyssenkrupp nucera and Siemens Energy to supply 400-megawatts (MW) of electrolyzers for the first phase of its Andalusian Green Hydrogen Valley project in southern Spain. thyssenkrupp nucera was chosen to provide a basic engineering design package for the 400-MW project, supplying a 300-MW portion with 15 units of its 20-MW alkaline Scalum electrolysers. Siemens' Proton Exchange Membrane (PEM) technology will make up the remaining 100-MW. The project forms part of Cepsa's wider plans to develop 2 gigawatts of green hydrogen capacity in southern Spain by 2030. The Company also signed an agreement with Evos, a leading liquid energy and chemical storage company with hubs in strategic locations across Europe, to allow the storage of Cepsa's green methanol at Evos' facilities in Algeciras and Rotterdam.

In the **chemicals** business, Cepsa began construction of a new isopropyl alcohol (IPA) plant in Palos de la Frontera (Huelva) for the production of hydroalcoholic gels, as well as household and industrial cleaning products, the first of its kind in Spain to use green hydrogen and capable of replacing fossil-based raw materials in the production of IPA with sustainable alternatives.

Reinforcing its commitment to facilitating the energy transition in Europe Cepsa launched "Cepsa Light Up," a new startup accelerator aimed at fostering the development of emerging technologies, with a focus on clean tech, deep science, and deep tech sectors, to propel innovation in the production of green hydrogen, biofuels, and sustainable mobility.

Market Indicators

Market Indicators	Q2'24	Q1'24	Q2'23	Variation vs. Q2'23	Variation vs. Q1'24	YTD 2024	YTD 2023	YTD Variation
Dated Brent oil price ($/bbl)	84.9	83.2	78.4	8%	2%	84.1	79.8	5%
Refining margin ($/bbl)[1]	7.7	10.7	7.3	5%	(28)%	9.3	9.0	3%
PVB price in €/MWh	31.7	27.2	31.9	(1)%	17%	29.5	41.5	(29)%
Spanish pool price (€/MWh)	33.4	44.9	80.3	(58)%	(26)%	39.1	88.3	(56)%
Exchange average rate ($/€)	1.08	1.09	1.09	(1)%	(0)%	1.08	1.08	(0)%
Spanish fuel demand (1,000m3)[2]	10,730	9,845	10,025	7%	9%	20,575	19,261	7%

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. Source: Exolum. Relates to gasoline, diesel A, diesel B, diesel C and Jet.

Operational KPIs

Operational Overview	Q2'24	Q1'24	Q2'23	Variation vs. Q2'23	Variation vs. Q1'24	YTD 2024	YTD 2023	YTD Variation
Refining output (mton)	5.3	5.5	5.1	3%	(4)%	10.8	9.9	9%
Refining utilization (%)	94%	99%	91%	3%	(5)%	96%	88%	9%
Bios installed capacity (kt/y)	1,320	1,320	685	93%	-	1,320	685	93%
Commercial product sales (mton)	4.3	4.0	4.3	1%	6%	8.3	8.4	(1)%
Electricity production (GWh)	428	429	512	(16)%	(0)%	857	1,110	(23)%
Natural gas sales (GWh)	6,202	6,691	6,006	3%	(7)%	12,893	12,698	2%
Chemical product sales (kton)	620	613	474	31%	1%	1,233	1,010	22%
Working interest crude production (kbopd)	34.4	35.6	32.4	6%	(3)%	35.0	52.0	(33)%
Realized crude price($/bbl)	81.8	79.4	73.0	12%	3%	80.7	80.4	0%
Crude oil sales (million bbl)	1.4	1.2	1.2	18%	23%	2.6	5.9	(57)%

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

Financial Summary

Financial Summary - € million (unless otherwise stated)	Q2'24	Q1'24	Q2'23	Variation vs. Q2'23	Variation vs. Q1'24	YTD 2024	YTD 2023	YTD Variation
Energy	399	477	114	249%	(16)%	875	326	169%
Chemicals	76	70	60	28%	10%	146	123	18%
Upstream	83	73	58	44%	14%	156	368	(58)%
Corporation	(43)	(36)	(46)	7%	(19)%	(79)	(75)	(5)%
EBITDA[1]	**515**	**583**	**186**	***177%***	***(12)%***	**1,099**	**742**	***48%***
EBIT[1]	319	379	2	x16	(16)%	698	438	59%
Net Income[1]	172	226	(31)	656%	(24)%	398	145	175%
IFRS Net Income[2]	175	(8)	(96)	282%	x24	168	(393)	143%
Cash flow from operations before WC	**372**	**391**	**214**	***74%***	***(5)%***	**764**	**499**	***53%***
Cash flow from operations	**417**	**318**	**142**	***194%***	***31%***	**735**	**416**	***77%***
Cash flow from investments[3]	**(327)**	**(217)**	**(150)**	***(118)%***	***(51)%***	**(545)**	**813**	***(167)%***
Sustainable[4]	*(91)*	*(99)*	*(68)*	*(33)%*	*9%*	*(190)*	*(145)*	*(31)%*
Growth	*(152)*	*(22)*	*(18)*	*(747)%*	*(593)%*	*(175)*	*1,089*	*(116)%*
Maintenance & HSE	*(84)*	*(96)*	*(64)*	*(32)%*	*12%*	*(180)*	*(131)*	*(38)%*
Free Cash Flow[5]	**90**	**100**	**(8)**	***x12***	***(10)%***	**190**	**1,229**	***(85)%***
Free Cash Flow before WC movements[5]	**45**	**173**	**64**	***(30)%***	***(74)%***	**218**	**1,312**	***(83)%***
Net debt[6]	**2,493**	**2,344**	**2,522**	***(1)%***	***6%***	**2,493**	**2,522**	***(1)%***
Net debt to LTM EBITDA[6]	**1.6x**	**1.9x**	**1.4x**	***12%***	***(16)%***	**1.6x**	**1.4x**	***12%***
Liquidity[7]	**5,412**	**4,565**	**4,069**	***33%***	***19%***	**5,412**	**4,069**	***33%***

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

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

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

3. Including organic and inorganic capex

4. Sustainable Capex measured under Cepsa's internal criteria for the classification of sustainable activities

5. Before financing activities and dividends. Total dividends paid (shareholders + minorities) in the second quarter of 2024 accounted for €185m and €195m in the first half of 2024

6. Excluding IFRS16 liabilities.

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

PRESS **RELEASE**

Cepsa is a leading international company committed to sustainable mobility and energy with a solid technical experience after more than 90 years of activity. The company also has a world-leading chemicals business with increasingly sustainable operations.

Under its *Positive Motion* strategic plan for 2030, Cepsa aims to be a leader in sustainable mobility, biofuels, and green hydrogen in Spain and Portugal, and to become a benchmark in the energy transition. The company places customers at the heart of its business and will work with them to help them achieve their decarbonization objectives.

ESG criteria inspire everything Cepsa does as it advances toward its net positive objective. Over the course of this decade, it will reduce Scope 1 and 2 CO_2 emissions by 55% and the carbon intensity index of energy products sold by 15-20% versus 2019, with the goal of achieving net zero emissions by 2050.

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