Unaudited Quarterly Report

Q2 2022

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Cepsa reports Net Income of €463m in H1 2022

- **CCS Net Income reached €463m in the first half of the year** versus €183m in H1'21 and the loss of €8m in H1'20 in the context of continued volatility in global energy markets, higher crude prices, and an uncertain regulatory situation in Spain. IFRS Net Income rose to €841m in H1'22, up from €338m in H1'21 and offsetting the €842m net loss registered in H1'20.

- **CCS EBITDA was €1,742m** in H1'22 versus €842m in H1'21, of which 55% was generated outside of Spain and 45% domestically. The improvement was driven by a better Upstream performance and the increase in market refining margins as a result of lower product flows from Russia, combined with a reduction of refining capacity in Europe over the last decade.

- **Cash flow from operations** before working capital **stood at €826m** versus €763m in H1'21, although impacted by higher tax payments, especially in Upstream. Cash flow from operations after working capital was €434m, affected by the increase in commodity prices.

- **Cepsa contributed €2,232m in taxes** in Spain (€1,685m in H1'21), of which €1,153m were borne and €1,079m collected on behalf of the Spanish tax authorities (mainly related to the hydrocarbons excise duties).

- Cepsa continued to delever, **with Net Debt to EBITDA ratio** standing at **1.1x** driven by stronger EBITDA. **Liquidity** remains solid at **€3,909m**, covering 4.2 years of debt maturities.

- Since April, Cepsa has been offerering **special fuel discounts**. Currently, customers can receive **up to €50 cts/l**, of which €20 cts/l are covered by the Government of Spain and an additional €30 cts/l can be obtained through Cepsa's discounts, allowing customers to save up to €25 on an average 50-litre tank. These discounts, which will remain in force until the end of the year, had a negative impact on the company's service stations business, translating into a lack of profit in the quarter.

- **Cepsa's Energy Parks** in Spain continued to **prove their value to the company and the country** by contributing to energy security and autonomy. **The company has invested** more than **€1.7b over the past five years** in their maintenance and for their transformation into key assets for Spain's energy transition, in spite of challenged profitability in the last decade.

- As part of its "Positive Motion" strategy, Cepsa set a target of **reducing freshwater capture in hydric-stressed areas by 20% by 2025,** one of the most ambitious in the international energy sector, which will save more than 3 million cubic meters of fresh water per year.

Maarten Wetselaar, Cepsa CEO

"Cepsa has delivered a solid set of financial results in the first half of 2022 in the context of a volatile international energy market and an uncertain regulatory situation. In Spain, regulatory pressure impacted our business in the second quarter and will likely impact it going forward.

These results will finance investments of up to 8 billion euros that we have committed to promote the energy transition and the fight against climate change. Through our 2030 Strategy, Positive Motion, Cepsa aims to become a leader in green hydrogen, biofuels and sustainable mobility in Spain and Portugal.

These investments represent decisive steps to decarbonize our business and that of our clients, thereby reinforcing the European Agenda for energy transition. This objective is more important today than ever, because it will facilitate not only cleaner and cheaper energy in the future, but also Europe's energy independence to guarantee its supply. Governments and companies must work together to facilitate and accelerate this goal.

We are focused on remaining close to our customers, much as we were during the height of the pandemic and promote measures that can help in the short term. As such and given the exceptional market environment we introduced a special discount on fuels in April which will remain in place till the end of the year."

Major Events

In May, Cepsa announced that it will invest up to €5 billion in Andalusia by 2030, representing nearly 60% of its total investment planned for this decade. The investment will generate 17,000 direct, indirect and induced jobs in the region during the construction and operation of these projects. The Company is focusing on Andalusia as a strategic location to lead the production of green hydrogen and biofuels, in order to decarbonize the industry and specifically sectors such as aviation, heavy transport or maritime.

Also in May, Cepsa began the dismantling of its non-operational Santa Cruz de Tenerife refinery, the oldest in Spain, another important milestone demonstrating its commitment to lead the energy transition in Europe. The Company remains committed to the Canary Islands, where it announced plans to invest €400 million to ensure security of supply, lead electric mobility and promote decarbonization through an alliance signed in June with the rental car company CICAR for electric rental vehicles.

Also during the quarter, Cepsa launched a program called "Sumamos Energías" to promote the integration of renewable energy projects in conjunction with local municipalities. The program involves collaboration with local government authorities and citizens, as well as the creation of a local sustainable development fund aimed at fostering job creation, training and environmental protection in each area.

During Q2, Cepsa completed its strategic review of options for its Chemicals division. Following the announcement in November 2021 that the division would have greater operational autonomy, Cepsa Chemicals is delivering a solid operational and financial performance. The shareholders of Cepsa have therefore concluded that the best way forward for the business is for it to remain within the Cepsa Group.

Cepsa and Vueling signed an agreement in June to accelerate the decarbonization of air transport by researching and producing sustainable aviation fuels (SAF). Both companies are prioritizing the development of these sustainable fuels as a tool to further reduce the carbon footprint of air transport and contribute to the goals of the 2030 Agenda and the fight against climate change. The partnership will also work on the development of new energy alternatives such as renewable hydrogen and the electrification of Vueling's ground fleets, which includes supply vehicles, baggage loading and unloading operations and aircraft assistance.

Presentation of Results

Market Indicators

Market Indicators	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Dated Brent oil price ($/bbl)	113.8	101.4	68.8	*65%*	*12%*	107.6	64.9
Refining margin ($/bbl)	19.1	2.3	4.5	*323%*	*728%*	10.9	3.3
Dutch TTF Natural gas price (€/MWh)	95.6	95.6	24.8	*286%*	*0%*	95.6	21.6
Spanish pool price (€/MWh)	182.8	229.4	71.8	*155%*	*(20)%*	206.0	58.6
Average EUR/USD FX	1.06	1.12	1.21	*(12)%*	*(5)%*	1.09	1.21

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

Financial Summary

Financial Summary - € million (unless otherwise stated)	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Energy	620	143	190	*227%*	*334%*	763	278
Chemicals	106	110	132	*(19)%*	*(3)%*	216	231
Upstream	438	384	217	*102%*	*14%*	822	388
Corporation	(28)	(32)	(20)	*36%*	*(13)%*	(60)	(56)
CCS EBITDA (a)	**1,137**	**605**	**518**	***120%***	***88%***	**1,742**	**842**
CCS EBIT (a)	910	406	317	*187%*	*124%*	1,316	472
CCS Net Income (a)	405	58	130	*212%*	*599%*	463	183
IFRS Net Income	576	265	262	*120%*	*117%*	841	338
Cash flow from operations before WC	**621**	**205**	**454**	***37%***	***203%***	**826**	**763**
Cash flow from operations	**378**	**56**	**746**	***(49)%***	***578%***	**434**	**825**
Accounting Capex	**(129)**	**(89)**	**(109)**	***19%***	***45%***	**(218)**	**(212)**
Sustainable	*(30)*	*(15)*	*(32)*	*n.a*	*100%*	*(45)*	*(55)*
Growth / Discretionary	*(57)*	*(46)*	*(45)*	*29%*	*25%*	*(102)*	*(88)*
Maintenance & HSE	*(42)*	*(28)*	*(32)*	*28%*	*49%*	*(71)*	*(69)*
Free cash flow	**256**	**(89)**	**644**	***(60)%***	***387%***	**167**	**549**
Free cash flow before wc movements	**498**	**60**	**353**	***41%***	***730%***	**559**	**488**
Net debt (b)	**2,758**	**2,918**	**2,412**	***14%***	***(5)%***	**2,758**	**2,412**
Net debt to LTM CCS EBITDA (b)	**1.1x**	**1.5x**	**1.9x**	***(43)%***	***(28)%***	**1.1x**	**1.9x**
Liquidity (c)	**3,909**	**3,362**	**4,495**	***(13)%***	***16%***	**3,909**	**4,495**

(a) On a Clean CCS basis
(b) Excluding IFRS16 liabilities.
(c) Cash on balance sheet and available committed credit facilities.

Operational KPIs

Operational Overview	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Refining output (mton)	5.4	5.1	5.2	*3%*	*5%*	10.5	9.4
Refining utilization (%)	90%	83%	81%	*11%*	*8%*	87%	74%
Bios installed capacity (kt/y)	578	578	578	-	-	578	578
Commercial product sales (mton)	4.4	4.1	3.8	*16%*	*8%*	8.5	7.4
Electricity production (GWh)	746	724	573	*30%*	*3%*	1,470	1,043
Natural gas sales (GWh)	5,331	6,756	7,639	*(30)%*	*(21)%*	12,087	16,133
Installed renewable power capacity (MW)	28.9	28.9	28.9	-	-	28.9	28.9
Chemical product sales (kton)	619	720	732	*(16)%*	*(14)%*	1,338	1,447
Working interest crude production (kbopd)	81.3	81.5	72.8	*12%*	*(0)%*	81.3	72.4
Realized crude price($/bbl)	105.3	86.5	65.5	*61%*	*22%*	95.1	62.8

Consolidated Financial Results

Income Statement (CCS)

CCS - € millions (unless otherwise stated)	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Revenues	11,365	8,707	5,636	*102%*	*31%*	20,072	10,362
Cost of supply	(9,919)	(7,825)	(4,931)	*(101)%*	*(27%)*	(17,744)	(9,089)
Gross margin over variable costs	**1,446**	**882**	**705**	***105%***	***64%***	**2,328**	**1,273**
Other operating income	49	52	26	*88%*	*(6%)*	101	73
Fixed operating expenses	(320)	(322)	(248)	*(29%)*	*1%*	(642)	(540)
Other	(38)	(7)	35	*(210%)*	*(441%)*	(45)	36
Clean CCS EBITDA	**1,137**	**605**	**518**	***120%***	***88%***	**1,742**	**842**
Amortizations and impairments	(194)	(167)	(163)	*(19%)*	*(16%)*	(361)	(320)
Capital subsidies transferred to income	0	1	1	*(49%)*	*(54%)*	1	2
Operating leases amortization	(38)	(34)	(32)	*(18%)*	*(12%)*	(72)	(56)
Clean CCS Operating income	**905**	**405**	**323**	***180%***	***124%***	**1,310**	**468**
Other companies carried by equity method	30	25	13	*127%*	*19%*	55	21
Other	(25)	(24)	(20)	*(27%)*	*(3%)*	(49)	(16)
Clean CCS EBIT	**910**	**406**	**317**	***187%***	***124%***	**1,316**	**473**
Net debt expenses	(25)	(29)	(17)	*(49%)*	*13%*	(54)	(47)
Clean CCS Income before taxes	**885**	**377**	**300**	***195%***	***135%***	**1,262**	**425**
Minority interest	(40)	(74)	(5)	*(754%)*	*46%*	(114)	(8)
Income taxes	(440)	(245)	(166)	*(166%)*	*(80%)*	(685)	(234)
Clean CCS Net income	**405**	**58**	**130**	***212%***	***599%***	**463**	**183**
NIAT Reconciliation							
Clean CCS Net income	**405**	**58**	**130**	***212%***	***599%***	**463**	**183**
CCS adjustment (replacement cost valuation)	184	214	146	*26%*	*(14%)*	398	173
Non-recurring items	(13)	(7)	(14)	*8%*	*(84%)*	(20)	(18)
Net income (IFRS)	**576**	**265**	**262**	***120%***	***117%***	**841**	**338**

Q2 2022

Cepsa registered EBITDA of €1,137m during the quarter, driven by improved Upstream performance and the increase in market refining margins as a result of lower product flows from Russia, combined with a reduction of refining capacity in Europe over the last decade. These results were counterbalanced by high natural gas prices which impacted the profitability of the refining and chemicals businesses.

CCS EBITDA for the Energy segment in Q2 stood at €620m (€190m in Q2'21 and €143m in Q1'22), mainly as a consequence of the improved Refining results on the back of higher margins and production. Commercial volumes increased slightly versus Q1'22 thanks to the continued recovery trend of Spanish fuel demand, helped by the extraordinary discounts offered by Cepsa to its customers.

Chemicals continued to register resilient results, with EBITDA at €106m. This was 3% lower than Q1'22, mainly due to lower volumes sold.

Cepsa's Upstream business showed a continued, strong sequential improvement in results with EBITDA of €438m (+14% versus Q1'22), boosted mainly by higher crude prices (+12% vs Q2'21 and +65% vs Q1'22) and similar production compared with the previous quarter.

Net Income for the quarter stood at €405m, significantly above Q1'22 (€58m) on the back of overall improvement in market conditions, although affected by higher tax payments, mainly in the Upstream business.

IFRS Net Income in Q2 2022 was €576m, an increase of 117% compared to the previous quarter, due to the increase in commodity prices.

H1 2022

Cepsa registered a significant increase in EBITDA for H1 2022 to €1,742m versus €842m in the same period of 2021, due to improved market conditions, mainly during the second quarter, although volatility remains extremely high. Reduced Covid-19 pandemic effects and management-led optimization initiatives had also a positive effect across all businesses and functional areas.

- Energy EBITDA stood at €763m for H1 2022, up from €278m in 2021 (+174%), despite the material increase in natural gas prices negatively impacting the refining business. Enhanced utilization rates (+17% versus H1'21) and an improved refining margin environment (avg. of 10.9$/bbl in 2022 versus 3.3 $/bbl in H1'21), supported by improved mid distillates prices, partially offset the impact of the higher natural gas price environment. Product sales increased in the Commercial & Clean energies and Mobility & New Commerce segments (8.5mt sold in H1'22 vs 7.4mt in H1'21), thanks to improved demand and the overall recovery in Spanish fuel consumption.

- Chemicals continued to register positive results, with EBITDA at €216m during the first half of the year, slightly below H1'21 figure of €231m, mainly as a consequence of reduced volumes due to certain customer shutdowns and the scheduled maintenance turnaround of the Palos de la Frontera plant. Margins remain in a healthy range partially offsetting the decrease in volumes.

- Upstream EBITDA registered more than a twofold increase vs H1 2021 to €822m (+112%) mainly due to materially higher crude prices (+66%) on the back of demand recovery and geopolitical tensions.

CCS Net Income for H1'2022 was €463m, representing a significant improvement versus €183m registered in the same period 2021. IFRS Net Income was €841m, materially above the €338m registered in the same period of 2021, positively affected by increased commodity prices.

Cash Flow Statement (CCS)

CCS - € millions (unless otherwise stated)	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Clean CCS EBITDA	**1,137**	**605**	**518**	***120%***	***88%***	**1,742**	**842**
Dividends from associates	3	0	1	*164%*	*n.a*	3	1
Income tax paid	(363)	(200)	(55)	*(560%)*	*(82)%*	(563)	(57)
Other adjustments to EBITDA	(155)	(200)	(10)	*(1450%)*	*23%*	(355)	(23)
Cash flow from operations before wc	**621**	**205**	**454**	***37%***	***203%***	**826**	**763**
Changes in working capital (wc)	(242)	(149)	292	*(183%)*	*(62)%*	(392)	61
Cash flow from operations	**378**	**56**	**746**	***(49)%***	***578%***	**434**	**825**
Capex	(123)	(145)	(116)	*(6)%*	*15%*	(268)	(281)
Growth	*(61)*	*(69)*	*(63)*	*3%*	*12%*	(131)	*(158)*
Maintenance	*(62)*	*(76)*	*(53)*	*(17)%*	*18%*	(138)	*(123)*
Other cash flow from investments	(0)	1	14	*(102)%*	*(151)%*	1	6
Cash flow from investments	**(123)**	**(144)**	**(101)**	***(22)%***	***15%***	**(268)**	**(276)**
Free cash flow	**256**	**(89)**	**645**	***(60)%***	***387%***	**167**	**549**
Operating lease payments	(42)	(38)	(35)	*(19)%*	*(10)%*	(79)	(65)
Interest paid	(20)	(25)	(13)	*(57)%*	*17%*	(45)	(39)
Dividends paid to shareholders	0	0	0	*n.a*	*n.a*	0	0
Dividends paid to minority interests	0	(1)	0	*n.a*	*100%*	(1)	0
Net change in gross debt	186	240	(764)	*124%*	*(22)%*	426	(570)
Net change in cash	**380**	**87**	**(167)**	***327%***	***336%***	**467**	**(124)**

Q2 2022

Cash flow from operations before working capital stood at €621m, up by 203% compared to Q1 2022. The increase was mainly due to overall improved results, mainly coming from the Upstream and Energy segments. Working capital consumption during the quarter stood at €242m, as a result of the increase in commodity prices and activity levels.

Capex payments were similar to Q1 at €123m, laying the ground for the company's Positive Motion strategy.

Cepsa reported free cash flow of €256m during the quarter, well above the negative figure of Q1, despite the increase in working capital and higher tax payments, as outlined above.

H1 2022

Cash flow from operations before working capital improved to €826m, an increase of 8% over the same period of 2021, on the back of improved results but materially impacted by higher income taxes paid (as in 2021 the Group benefited from tax credits).

Capex payments were in line with 2021, delivering on sustainable investments and efficiency programs.

Free Cash Flow stood at €167m, a significant decrease versus H1'21 mainly due to higher taxes and working capital increase, as already mentioned.

No dividends were paid during the first half of the year.

Accounting Capex

Accounting Capex - € millions (unless otherwise stated)	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Sustainable	(30)	(15)	(32)	*(6)%*	*100%*	(45)	(55)
Growth / Discretionary	(57)	(46)	(45)	*29%*	*25%*	(102)	(88)
Maintenance & HSE	(42)	(28)	(32)	*28%*	*49%*	(71)	(69)
Total Accounting Capex	**(129)**	**(89)**	**(109)**	***18%***	***45%***	**(218)**	**(212)**

Q2 2022

Accounting capex in Q2'22 was €129m, an increase of 45% versus Q1'22 with the aim to accelerate the energy transition, boosting clean energy solutions and reducing carbon emissions. It is notable that sustainable Capex saw a twofold increase during the period.

Growth capex during the period stood at €57m, mainly related to investments in the development of Upstream assets in the UAE and Algeria. Maintenance and HSE capex was higher versus Q1'22, mainly comprising optimization projects in the Refining business unit.

H1 2022

During the first half of the year, Cepsa continued to optimise investments by prioritising the selection of sustainable and value generative projects in line with the Group's strategy. As such, during the year, Cepsa continued to closely manage its investments to preserve cash flow, while boosting sustainable capex. Investments totalled €218m, slightly above that of 2021.

Growth capex for the year increased by 16% versus 2021, while maintenance capex remained in line with H1'21.

Debt Structure

€ millions (unless otherwise stated)	Q2'22	Q1'22	Q2'21
Non-current bank borrowings	1,970	1,713	2,029
Current bank borrowings	431	466	127
Bonds	1,499	1,493	1,496
Cash	(1,142)	(754)	(1,240)
Net debt excluding IFRS16 liabilities	**2,758**	**2,918**	**2,412**
IFRS16 liabilities	713	697	651
Net debt including IFRS16 liabilities	**3,471**	**3,615**	**3,063**
Net debt to LTM Clean CCS EBITDA (a)	1.1x	1.5x	1.9x
Liquidity (b)	3,909	3,362	4,495
Average maturity of drawn debt (years)	3.4	3.6	4.1
Equity	5,082	4,559	4,430
Capital employed(a)	7,840	7,477	6,842
Gearing ratio (%) (a)	35%	39%	35%
Return on capital employed (%)	11%	7%	4%

(a) Excluding IFRS 16 impact

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

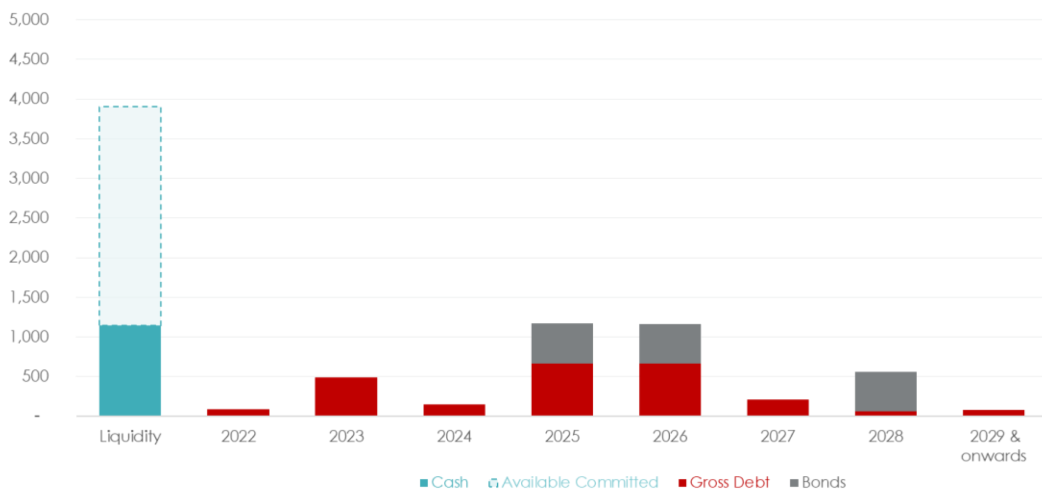
As of June 2022, Cepsa's net debt excluding IFRS16 lease liabilities stood at €2.8bn, below the €2.9bn figure of Q1'22 thanks to solid cash flow generation during Q2.

Cepsa has achieved a very meaningful improvement in its leverage ratios since 2021, due to both a reduction in net debt figures as well as a material improvement in EBITDA. The net debt to EBITDA ratio has improved from 1.6x in Q4'21 to 1.1x in Q2'22, already well inside the management target of 2.0x.

Cepsa follows a conservative financial policy, keeping sufficient liquidity in the form of cash and undrawn committed credit lines to cover, at least, 24 months of debt maturities. As of June 2022, Cepsa continued to hold a strong liquidity position of €3.9bn (of which €1.1bn was held in cash).

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

Debt Maturity Profile



Cepsa has an evenly distributed debt maturity profile, with no major maturities in a single year up to 2025. As of 30th June 2022, the company's liquidity position covered more than 4.2 years of debt maturities.

Consolidated Business Unit Results

Energy

The Energy business includes Refining, Commercial & Clean Energies, Mobility & New Commerce and Trading

Energy Overview - € millions (unless otherwise stated)	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Refining output (mton)	5.4	5.1	5.2	*3%*	*5%*	10.5	9.4
Crude oil distilled (million of barrels)	40.1	36.8	36.1	*11%*	*9%*	76.9	65.9
Refining utilization (%)	90%	83%	81%	*11%*	*8%*	87%	74%
Bios installed capacity (kt/y)	578	578	578	-	-	578	578
Refining margin ($/bbl)	19.1	2.3	4.5	*323%*	*728%*	10.9	3.3
Spanish pool price (€/MWh)	182.8	229.4	71.8	*155%*	*(20)%*	206	58.6
Dutch TTF Natural gas price (€/MWh)	95.6	95.6	24.8	*286%*	*0%*	96	21.6
Electricity production (GWh)	746	724	573	*30%*	*3%*	1,470	1,043
Natural Gas Sales (GWh)	5,331	6,756	7,639	*(30)%*	*(21)%*	12,087	16,133
Number of service stations	1,748	1,753	1,762	*(1)%*	*(0)%*	1,748	1,762
Commercial Product sales (mton)	4.4	4.1	3.8	*16%*	*8%*	8.5	7.4
Installed renewable power capacity (MW)	28.9	28.9	28.9	-	-	28.9	28.9
Clean CCS EBITDA	**620**	**143**	**190**	*227%*	*334%*	**763**	**278**
Growth capex	**(23)**	**(12)**	**(29)**	*(21)%*	*96%*	**(35)**	**(53)**
Mainenance capex	**(35)**	**(23)**	**(32)**	*13%*	*53%*	**(59)**	**(64)**

Operations

Q2 2022

Market refining margins increased during the quarter, with Cepsa's average margin during Q2'22 at 19.1 $/bbl versus 2.3 $/bbl in Q1'22 and despite high energy prices, recovery of global demand and lower stocks pushed distillates prices to historical maximums improving refining margins.

Geopolitical situation in Ukraine led to an increase in mid-distillates prices, driven by the reduction of imports from Russia (oil and products) and by constraints and tensions in natural gas markets increasing both natural gas and electricity prices to levels never seen before. Strong demand from the USA helped light distillates. These facts supported an increase of the margin in the quarter.

Regarding to Energy Parks, compared with Q2'21, margins increased by 323%, due to the ease of Covid restrictions and recovery of demand. Cepsa's refineries' average utilization stood at 90% in Q2'22, higher than realized in Q1'22 by 8% due to higher distillates prices. Refining output were at higher levels than the previous quarter by 5% and increased by 3% versus the same quarter of 2021.

In Cepsa's Mobility & New Commerce segment, compared to Q2 2021, sales were 11% higher, as at the beginning of 2021 demand was still significantly affected by Covid-19. This effect has mainly been driven by diesel sale increases (+27%).

Cepsa's market share has increased around +1,6%, as a result of the increase of sales coming from the 30c€/l extraordinary discount period.

Spanish pool prices significantly increased versus Q2'21 (+155%). In the last month of Q2/22 due to the new RDL10/22 which temporarily established a production cost adjustment mechanism to reduce the price of electricity in the wholesale market, Spanish pool prices have been negatively affected causing a 20% of reduction in Q2'22 prices compared with Q1'22, and a reduction of 13% versus the levels seen in Q4'21.

H1 2022

The Refining business was positively impacted by the significant improvement in refining margins versus 2021, especially towards the end of the first half of the year. This wasmainly led by increased mid-distillates prices as a consequence of lower import flows from Russia and increased demand. Refining margins for H1'22 stood at 10.9$/bbl versus the 3.3$/bbl seen in the same period of 2021.

Refining operations during the period also improved, with crude oil distillation averaging 87% of installed capacity, an increase of 17% over H1'21. Last year's average utilization was undermined by the closure of the La Rábida Refinery until April 2021. In H1'22, 10.5 million tonnes of petroleum products were produced, 11% up on H1'21 due primarily to increased demand and optimized utilization.

Volumes sold across the commercial segments increased during H1'22, on the back of improved Spanish fuel demand, with sales totalling 8.5mt in H1'22 vs 7.4mt in H1'21, up 15%. Fuel demand is reaching pre-covid levels and is expected to increase towards the summer season.

Spanish pool prices posted almost a four-fold increase in H1'22 when compared with the same period of last year, averaging 206€/MWh vs 58.6€/MWh in H1'21. Power production increased meaningfully to 1,470GWh, up 41% compared with H1'21.

Results

Q2 2022

The Energy segment posted an EBITDA of €620m during the quarter, materially above the €143m of Q1'22.

Energy Parks' EBITDA reached €459m mainly driven by higher refining margins, up by 531% from the Q2'21.

In the Mobility & New Commerce segment, in comparison with Q2'21, EBITDA (without international) has decreased -58%, from €62m to €26m. This difference was mainly driven by the extraordinary discounts accounted in Q2 2021, despite healthy gross margins.

Cepsa's international business, mainly Portugal, positively affected overall EBITDA, with an increase of 29% compared to Q2'21, mostly driven by Network and Direct Sales, due to higher sales and margins.

Commercial & Clean Energies businesses continue delivering solid results above Q2'21 levels. Biofuels and Wholesales business units are taking advantage of specific market opportunities with the aviation market recovering from the Covid-19 pandemic faster than expected. In aviation, Cepsa performed favourably here, especially in the Canary Islands, with positive impacts both in the jet and the aeroplanes businesses. LPG is coming into the warmer period of the year, Asphalt is maintaining good levels of activity although the effects of the energy crisis is severely affecting the civil-work market. Converesely, in Q2 Lubricants suffered from the tremendous increase of prices of bases and additives, freights and carburants.

Capex increased during the quarter, with Growth capex accounting mainly for Bios and EV charging projects, as well as CO2 abatement investments, in line with Cepsa's Positive Motion Strategy. Maintenance investments were mainly related to HSE projects in Energy Parks.

H1 2022

EBITDA for Cepsa's Energy segment stood at €763m during H1'22, a meaningful increase of 174% compared with the €278m of H1'21, mainly driven by the Energy Parks segment, in sync with demand and margin recovery.

Mobility & New Commerce segment was impacted by the extraordinary discounts offered by Cepsa, with constrained margins, especially by the end of the semester, although volumes were higher than H1'21.

Commercial & Clean Energies performance improved during H1'22, with healthy margins and higher volumes compared with the same period of 2021.

Capex decreased during H1'22 when compared with 2021, mainly as a consequence of lower investments in Q1, as certain projects such as Bios and EV Charging, were on a development phase, with capex being deployed during H2.

It is worth highlighting at this point thar Cepsa successfully completed the industrial test of bio jet production during the first half of the year.

Chemicals

Chemicals Overview - € millions (unless otherwise stated)	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Product sales (kton)	619	720	732	(16)%	(14)%	1,338	1,447
LAB / LABSA	*177*	*174*	*170*	*4%*	*1%*	*351*	*332*
Phenol / Acetone	*333*	*371*	*385*	*(14)%*	*(10)%*	*704*	*799*
Solvents	*109*	*174*	*177*	*(39)%*	*(37)%*	*283*	*315*
Clean CCS EBITDA	**106**	**110**	**132**	**(19)%**	**(3)%**	**216**	**231**
Growth capex	**(1)**	**0**	**(3)**	**(77)%**	**364%**	**(1)**	**(6)**
Mainenance capex	**(12)**	**(5)**	**(8)**	**51%**	**149%**	**(17)**	**(16)**

Operations

Q2 2022

In the period, demand in Chemicals showed resiliency, especially in Surfactants.

Cepsa's Surfactant segment continued its strong performance with healthy demand in Home and Personal Care applications. This saw continuous volume growth by 6% against the same period of 2021 and a 1% increase against the previous quarter.

Cepsa's Intermediates segment (Phenol & Solvents' business) experienced lower volumes in Q2'22 than in the previous quarter, affected by Palos de la Frontera plant maintenance turnaround, combined with certain customer scheduled shutdowns also for maintenance reasons, that impacted sales, with a reduction in volume of 19% versus Q1'22 and 21% versus Q2'21, against a backdrop of high demand of phenol and acetone (for COVID related applications).

Total product sales declined 16% compared to Q2'21.

It is worth highlighting that Cepsa Química has supplied consumer goods leader Unilever with NextLab linear alkylbenzene (LAB), a new range of sustainable products which include renewable and recycled raw materials. This sets a new milestone for circular chemistry, as NextLab linear alkybenzene (LAB) is made using "green carbon" derived from biomass instead of the fossil fuels the industry has employed until now to make cleaning and laundry products.

H1 2022

Cepsa saw demand dynamics in H1'22 in line with the ones seen in the quarter, with acute resiliency in Surfactants, where volumes grew 6% compared the same period of 2021.

The intermediates segment posted a reduction in volume of 11% versus H1'21, mainly due to the abovementioned reasons.

Total product sales declined 8% compared to H1'21.

Results

Q2 2022

Healthy performance in Chemicals resulted in a CCS EBITDA of €106 in Q2'22 thanks to sustained solid margins against the lower volumes seen in Intermediates. Surfactants saw a 22% CCS EBITDA increase against same period in 2021 and a 7% increase against the previous quarter.

Capex increased in Q2'22 in comparison with Q1'22, mainly due to maintenance turnarounds in Palos. Growth Capex was in line with previous quarters, mainly related to optimization investments in Shanghai and Deten.

H1 2022

The segment EBITDA stood at €216 in H1'22, slightly below the €231m of H1'21, on the back of sustained solid margins despite the lower volumes sold in Intermediates.

With regards to Capex in H1'22, both maintenance and growth were in line with the same period of last year, with HSE, turnarounds and environmental projects the most relevant for the period.

Upstream

Upstream Overview - € millions (unless otherwise stated)	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Dated Brent oil price ($/bbl)	113.8	101.4	68.8	65%	12%	107.6	64.9
Realized oil price ($/bbl)	105.3	86.5	65.5	61%	22%	95.1	62.8
Crude Oil Sales (million bbl)	4.9	5.8	4.7	4%	(16)%	10.7	9.1
Net entitlement Crude Oil prod. (kbopd)	67.7	67.4	63.9	6%	0%	67.6	59.3
Working interest crude production (kbopd)	**81.3**	**81.5**	**72.8**	**12%**	**(0)%**	**81.3**	**72.4**
MENA	74.2	74.0	65.2	14%	0%	74.0	64.4
LatAm	7.0	7.5	7.6	(7)%	(6)%	7.3	8.0
Other	0.0	0.0	0.0	n.a	-	0.0	0.0
Clean CCS EBITDA	**438**	**384**	**217**	**102%**	**14%**	**822**	**388**
Growth capex	**(50)**	**(40)**	**(29)**	**74%**	**26%**	**(89)**	**(57)**
Mainenance capex	**(5)**	**(6)**	**(4)**	**20%**	**(23)%**	**(11)**	**(10)**

Operations

Q2 2022

WI production increased by 12% versus Q2’21 mainly due to lower OPEC production restrictions in MENA (both Algeria and Abu Dhabi) and operational improvements. WI production decreased by 0.3% versus Q1’22 mainly due to the RKF shutdown for integrity maintenance purposes and the natural decline in Latam fields.

Crude prices in Q2’22 increased significantly, averaging 113.8 $/bbl during the quarter (68.8 $/bbl in Q2’21 and 101.4 $/bbl in Q1’22). The geopolitical situation between Ukraine and Russia, which started on February 24th, has caused a spike in the crude oil prices and unprecedented volatility across energy markets.

H1 2022

During the first half of the year, WI production rose to 81.3 kbopd, a meaningful increase of 12% versus the 72.4kbopd of H1’21, benefitting from lower OPEC+ quota restrictions, ramp-up production in Abu Dhabi and operational improvements in the fields to reduce natural declining.

Crude prices YTD have increased 66% to $107.6 /bbl in H1’22) compared with $64.9 /bbl in H1’21), mainly due to the increase in demand for oil products and reduced flows from Russia.

Results

Q2 2022

Cepsa’s Upstream business showed a strong increase in EBITDA reaching €438m, higher than Q2'21 and Q1'22 figures (+102% compared to Q2’21 and +14% versus Q1’22), pushed up by improved prices (Brent +65% versus Q2’21 and +12% versus Q1’22) and higher WI production (+12% versus Q2’21)

Growth capex was significantly higher than Q2’21 (+74%) and Q1’22 (+26%) mainly due to the development of Abu Dhabi and Algerian fields. Maintenance capex was 17% lower compared to Q2’21 and 44% lower compared to Q1’22 driven by lower workover activity in Cepsa’s Algerian fields.

H1 2022

The significant improvement in EBITDA to €822m (+112%) was mainly due to materially higher crude prices versus the same period of 2021 (+66%) in sync with demand recovery and increased WI production.

Maintenance capex for H1'22 stood in line with the figure for H1'21, amounting to €11m versus €10m. Growth investments for the first half of the year grew significantly to €89m (versus €57m in H1'21) mainly related to the development of Abu Dhabi and algerian fields.

Appendix

Consolidated Balance Sheet– IFRS

Assets - € millions	Q2'22	Q1'22	Q2'21
Intangible assets including goodwill	766	937	658
Property, plant and equipment	5,635	5,547	5,608
Right of use assets	690	677	632
Investments in associates and joint ventures	357	319	259
Non-current financial assets	179	190	95
Deferred tax assets	1,049	976	921
Total non-current assets	**8,676**	**8,646**	**8,173**
Inventories	5,037	4,375	1,834
Trade and other receivables	4,004	3,063	2,059
Other current financial assets	352	356	167
Other current assets	273	193	189
Cash and cash equivalents	1,142	754	1,240
Assets held for sale and discontinued operations	172	227	0
Total current assets	**10,980**	**8,968**	**5,489**
Total assets	**19,656**	**17,614**	**13,662**

Equity & Liabilities - € millions	Q2'22	Q1'22	Q2'21
Total equity attributable to shareholds of the parent	**4,834**	**4,350**	**4,332**
Non-controlling interest	248	209	98
Total equity	**5,082**	**4,559**	**4,430**
Bonds, obligations and similar issuances	1,491	1,490	1,489
Bank borrowings	1,970	1,713	2,029
Long-term lease	561	549	544
Deferred tax liabilities	714	636	549
Provisions and other obligations	528	475	396
Other non-current liabilities	1,004	784	284
Total non-current liabilities	**6,268**	**5,647**	**5,291**
Bonds, obligations and similar issuances	8	3	8
Bank borrowings	431	466	234
Short-term lease	152	148	0
Trade and other payables	4,639	3,967	2,665
Other current liabilities	2,907	2,646	1,034
Liabilities held for sale and discontinued operations	169	178	0
Total current liabilities	**8,306**	**7,408**	**3,941**
Total equity and liabilities	**19,656**	**17,614**	**13,662**

Consolidated Income Statement– IFRS

Profit or loss - € millions	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Sales of goods and rendering of services	10,810	8,175	5,101	112%	32%	18,985	9,339
Excise tax on oil and gas charged on sales	555	532	535	4%	4%	1,087	1,023
Revenue from contracts with customers	**11,365**	**8,707**	**5,636**	102%	31%	**20,072**	**10,362**
Changes in inventories of finished goods and work in progress	725	(255)	(41)	1868%	384%	470	(20)
In-house work on non-current assets	9	5	8	13%	80%	14	11
Procurements	(9,434)	(6,352)	(3,836)	(146)%	(49)%	(15,786)	(7,256)
Other operating income	4	5	6	(33)%	(20)%	9	8
Staff costs	(172)	(176)	(131)	(31)%	2%	(348)	(281)
Changes in operating allowances	(9)	(3)	(1)	(800)%	(200)%	(12)	43
Other operating costs:							
Excise tax on oil and gas	(555)	(533)	(535)	(4)%	(4)%	(1,088)	(1,024)
Others operating costs	(630)	(598)	(460)	(37)%	(5)%	(1,228)	(866)
Amortization charge	(234)	(200)	(194)	(21)%	(17)%	(434)	(375)
Allocation to profit or loss of grants related to non-Finance assets and other grants	57	86	25	128%	(34)%	143	49
Impairment and gains or losses on disposals of non-current assets	(1)	(21)	26	(104)%	95%	(22)	19
Operating profit	**1,125**	**665**	**503**	124%	69%	**1,790**	**671**
Share of results of equity accounted investees	31	29	14	121%	7%	60	22
Finance income	103	63	81	27%	63%	166	97
Finance costs	(151)	(115)	(118)	(28)%	(31)%	(266)	(156)
Impairment and gains or losses on disposals of financial instruments	1	0	1	-	n.a	1	1
Consolidated profit before tax	**1,109**	**642**	**481**	131%	73%	**1,751**	**634**
Income tax	(494)	(312)	(210)	(135)%	(58)%	(806)	(283)
Consolidated profit for the year from continuing operations	**615**	**330**	**271**	127%	86%	**945**	**351**
Consolidated profit for the year	**615**	**330**	**271**	127%	86%	**945**	**351**
Non-controlling interests	39	65	9	333%	(40)%	104	14
Consolidated profit for the year attributable to equity holder of the Parent	**576**	**265**	**262**	**120%**	**117%**	**841**	**338**

Consolidated Statement of Cash Flows – IFRS

Cash Flow - € millions	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22	YTD 2022	YTD 2021
Cash Flows from operating activities							
Profit before tax from continuing operations	1,109	642	481	131%	73%	1,751	634
Depreciation and amortisation charge and impairment losses	234	200	167	40%	17%	434	352
Change in operating allowances	8	2	1	700%	300%	10	(44)
Finance income and costs	51	55	37	38%	(7)%	106	64
Other changes	(188)	(88)	23	(916)%	(113)%	(276)	1
CF from operating activities before changes in operating wc	**1,214**	**811**	**709**	71%	50%	**2,025**	**1,007**
Changes in operating working capital	**(475)**	**(555)**	**91**	**(622)%**	**14%**	**(1,030)**	**(126)**
Dividends received	3	0	1	200%	n.a	3	1
Income tax paid	(363)	(200)	(55)	(560)%	(82)%	(563)	(58)
Other cash flows used in operating activities	**(360)**	**(200)**	**(54)**	(567)%	(80)%	**(560)**	**(57)**
Total cash flows generated from operating activities	***379***	***56***	***746***	*(49)%*	*577%*	***434***	***825***
Cash Flows used in investing activities							
Intangible assets	(23)	(18)	(14)	(64)%	(28)%	(41)	(22)
Property, plant and equipment	(93)	(128)	(94)	1%	27%	(221)	(262)
Finance assets	(6)	0	0	n.a	n.a	(6)	0
Grants received and acquisition of subsidiary, net of cash acquired	0	1	1	(54)%	(54)%	1	2
Total payments	**(123)**	**(145)**	**(107)**	(15)%	15%	**(268)**	**(282)**
Total collections	**0**	**0**	**6**	(100)%	n.a	**0**	**6**
Total cash flows used in investing activities	***(123)***	***(145)***	***(101)***	*(22)%*	*15%*	***(268)***	***(276)***
Cash Flows from financing activities							
Total dividends paid	**0**	**(1)**	**0**	n.a	100%	**(1)**	**0**
Proceeds from borrowings	490	10	88	457%	4800%	500	190
Repayment of borrowings	(304)	230	(851)	64%	(232)%	(74)	(759)
Interest paid	(20)	(25)	(13)	(54)%	20%	(45)	(39)
IFRS16 Debt payments	(41)	(38)	(35)	(17)%	(8)%	(79)	(65)
Total cash flows from bank borrowings	125	177	(811)	115%	(29)%	302	(673)
Total cash flows from financing activities	***125***	***176***	***(811)***	*115%*	*(29)%*	***301***	***(673)***
Net increase (decrease) in cash and cash equivalents	**380**	**87**	**(166)**	329%	337%	**467**	**(125)**
Effect of exchange rate changes	9	9	6	50%	-	18	6
Cash and cash equivalents at beginning of the period	**754**	**657**	**1,401**	(46)%	15%	**657**	**1,358**
Cash and cash equivalents at the end of the period	**1,142**	**754**	**1,240**	(8)%	51%	**1,142**	**1,240**

EBITDA Reconciliation

€ millions (unless otherwise stated) Q2'22	IFRS EBITDA	Inventory Effect	Non-Recurring Items	Clean CCS EBITDA
Upstream	437	0	(1)	438
Chemicals	164	62	(4)	106
Energy	789	173	(5)	620
Corporation	(28)	0	0	(28)
CEPSA - Consolidated	**1,362**	**235**	**(10)**	**1,137**

The column "Inventory Effect" relates to changes in the valuation of inventories. "Inventory Effect" in Q2 2022 was €235m mainly due to the higher crude and refined product prices.

Lower Clean CCS EBITDA was a result of the rising commodity prices during 2022, which translates into the Current Cost of Supply (CCS) valuation being higher than the Last Twelve Months average (valuation method used under IFRS reporting) and consequently, reflecting higher inventory costs consumption and therefore, lower IFRS EBITDA.

Affiliates and Minority Interests

EBITDA from Affiliates and Minority interests - € millions CCS figures, considering Cepsa's share	Cepsa Share	Q2'22	Q1'22	Q2'21	Variation vs. Q2'21	Variation vs. Q1'22
EBITDA from equity accounted affiliates (Cepsa share)		**42.0**	**28.8**	**18.8**	**124%**	**46%**
Abu Dhabi Oil CO, Ltd (ADOC)	12.9%	5.9	5.1	1.2	391%	16%
Asfaltos Españoles, S.A. (ASESA)	50.0%	1.0	0.7	0.9	16%	48%
Sinarmas Cepsa Pte, Ltd	50.0%	23.2	16.3	8.5	173%	42%
SIL Chemical, Ltd	30.0%	7.6	1.7	4.8	59%	345%
CS Chem Limited	30.0%	1.2	2.1	0.0	n.a	(45)%
Nueva Generadora del Sur, S.A.	50.0%	0.4	0.3	0.3	28%	15%
Atlas Nord Hidrocarbures, S.A.S.	50.0%	0.8	(0.0)	0.8	(3)%	3018%
Cepsa Gibraltar	50.0%	0.4	(0.1)	0.0	1358%	653%
Cepsa Belgium	100.0%	0.4	0.4	0.5	(21)%	(5)%
Cepsa Netherlands	100.0%	0.1	0.2	0.2	(60)%	(37)%
Sorexi	40.0%	0.8	1.5	1.1	(30)%	(48)%
Bitulife	40.0%	0.3	0.5	0.4	(27)%	(44)%
EBITDA attributable to minority interests		**50.2**	**92.4**	**7.4**	**579%**	**(46)%**
C.M.D. Aeropuertos Canarios, S.L.	60.0%	1.3	1.3	0.1	1159%	(2)%
Coastal Energy KBM Sdn. Bhd.	70.0%	0.0	0.0	(0.0)	100%	n.a
Cepsa Chemical (Shanghai) CO. LTD	75.0%	0.6	1.5	1.1	(48)%	(62)%
Deten Quimica, S.A.	71.4%	7.0	7.5	4.7	49%	(6)%
Generación Eléctrica Peninsular, S.A.	70.0%	(1.6)	7.9	1.7	(196)%	(121)%
Cepsa Gas Comercializadora, S.A.	70.0%	43.0	74.2	(0.2)	21577%	(42)%
Dividends received from affiliates (Cepsa share)		**2.4**	**0.0**	**1.5**	**62%**	**n.a**
Abu Dhabi Oil CO, Ltd (ADOC)	12.9%	2.4	0.0	1.5	62%	n.a
Nueva Generadora del Sur, S.A.	50.0%	0.0	0.0	0.0	n.a	n.a
SIL Chemical, Ltd	30.0%	0.0	0.0	0.0	n.a	n.a
CS Chem Limited	30.0%	0.0	0.0	0.0	n.a	n.a
Cepsa Gibraltar	50.0%	0.0	0.0	0.0	n.a	n.a
Sorexi	40.0%	0.0	0.0	0.0	n.a	n.a
Bitulife	40.0%	0.0	0.0	0.0	n.a	n.a

EBITDA contribution (net to Cepsa) from equity accounted affiliates in Q2 2022 amounted to €42.0m and mainly came from the contribution of Cepsa's investments in Sinarmas (€23.2m) and SIL Chemical (Nigeria).

EBITDA attributable to minority interests in the quarter amounted to €50.2m, mainly related to Cepsa Gas Comercializadora (€43.0m) and Deten Química S.A (€7m).

€2.4m euros were received as dividends from affiliates in Q2 mainly from Cepsa's share in ADOC.

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.