PRESS **RELEASE**

16 March 2022

Cepsa will unveil its new strategic plan on 30 March

Cepsa reports 53% increase in EBITDA to €1.8bn in 2021

- **2021 Clean CCS EBITDA was €1,815m** versus €1,187m in 2020, **an increase of 53%** driven by improved market conditions, as the effects of the Covid-19 pandemic diminished, and optimization initiatives that continued to contribute to **improved performance** in all businesses and functional areas.

- **2021 CCS Net Income was €310m** (IFRS €661m), a significant improvement versus €1m in 2020 (IFRS €919m net loss), underpinned by a recovery in demand and higher crude prices.

- **Free cash flow generation** before working capital for the year stood at **€1,065m**, a nine-fold increase when compared to 2020, as a result of improved market conditions and the optimization and efficiency program aimed at improving gross margin, capturing sustainable cost efficiencies and rationalizing capex.

- **Significant reduction in leverage ratio** from 2.7x Net debt to EBITDA at the end of 2020, **to 1.6x at the end of 2021**.

- As of the end of 2021, Cepsa continued to hold a **strong liquidity position of €3.5bn**, covering more than the next 4.5 years of debt maturities.

Strategic update

- Cepsa will communicate its **new strategic plan on 30 March**. This strategy will address the opportunities the company will pursue in the energy transition and mark an inflection point in Cepsa's long-term vision.

- The **company's transformation** is **already underway**. Cepsa's **strong commitment to ESG** resulted in several strategic alliances to advance in the decarbonization of its customers, either though the provision of green molecules in its network of service stations, or through the development of sustainable aviation biofuels (SAF).

- **Recent partnerships** announced include one with Endesa in eMobility; with Iberia, Iberia Express and Binter in Sustainable Aviation Fuel (SAF); and with Redexis to create the first global network of service stations generating renewable energy in Europe.

- As a result of the **company's ambitious decarbonization plan**, which was intensified during 2021, Cepsa has been recognized as **top performer** by ESG rating agencies such as **Sustainalytics**, being **ranked as the #1** independent O&G company globally, and **S&P CSA (Corporate Sustainability Assessment)**, as **first quartile** in the energy space.

Ukraine conflict

- Cepsa ceased buying Russian crude, natural gas and oil products on the day the war started and the company does not see this position changing in the foreseeable future. Cepsa has traditionally had very limited sales activity into Russia and has now stopped selling.

- The company is collaborating with various NGOs such as ACNUR to support the impacted civilian population.

Maarten Wetselaar, Cepsa CEO:

"We are pleased to report a strong performance for 2021, putting the company on solid footing for our sustainable energy transition plans. I am looking forward to sharing our new strategy with our stakeholders at the end of this month, which leverages our new organizational structure and puts the customer at the heart of our decarbonization drive. We are determined to accelerate our journey to become a leading company in renewable energy solutions and enhance Europe's energy independence.

Meanwhile, we are closely watching developments in Ukraine. All those in harm's way are in our thoughts."

For further information on Q4 2021 results, please refer to the Quarterly Report available at www.cepsa.com/investors

Market Indicators

Market Indicators	Q4'21	Q3'21	Q4'20	Variation vs. Q4'20	Variation vs. Q3'21	FY 2021	FY 2020
Dated Brent oil price ($/bbl)	79.7	73.5	44.2	*80%*	*9%*	70.7	41.7
Refining margin ($/bbl)	3.8	4.2	1.8	*111%*	*(10)%*	3.7	2.6
Dutch TTF Natural gas price (€/MWh)	92.2	47.4	14.3	*545%*	*94%*	45.7	9.3
Spanish pool price (€/MWh)	211.0	117.8	40.1	*426%*	*79%*	111.9	34.0
Average EUR/USD FX	1.14	1.18	1.19	*(4)%*	*(3)%*	1.18	1.14
Spanish fuel demand (mt)	10,286	9,911	9,058	*14%*	*4%*	38,113	33,921

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

Financial Summary

Financial Summary - € million (unless otherwise stated)	Q4'21	Q3'21	Q4'20	Variation vs. Q4'20	Variation vs. Q3'21	FY 2021	FY 2020
Upstream	290	227	122	*139%*	*28%*	905	458
Refining	(24)	30	(24)	*1%*	*(181)%*	93	10
Commercial	132	155	92	*43%*	*(15)%*	478	400
Chemicals	106	123	101	*5%*	*(14)%*	461	357
Corporation	(34)	(31)	(14)	*144%*	*10%*	(121)	(39)
Clean CCS EBITDA	**470**	**504**	**277**	***70%***	***(7)%***	**1,815**	**1,187**
Clean CCS EBIT	254	327	52	*389%*	*(22)%*	1,054	383
Clean CCS Net Income	15	112	(29)	*154%*	*(86)%*	310	1
IFRS Net Income	163	161	(108)	*251%*	*1%*	661	(919)
Cash flow from operations before WC	**300**	**392**	**218**	***38%***	***(23)%***	**1,456**	**881**
Cash flow from operations	**11**	**471**	**374**	***(97)%***	***(98)%***	**1,306**	**1,019**
Accounting Capex	**(163)**	**(97)**	**(188)**	***(13)%***	***68%***	**(473)**	**(652)**
Growth	*(68)*	*(48)*	*(106)*	*(35)%*	*42%*	*(236)*	*(423)*
Maintenance & HSE	*(95)*	*(49)*	*(82)*	*16%*	*93%*	*(237)*	*(229)*
Free cash flow	**(4)**	**369**	**205**	***(102)%***	***(101)%***	**915**	**260**
Free cash flow before WC	**286**	**290**	**49**	***482%***	***(1)%***	**1,065**	**122**
Net debt (a)	**2,759**	**2,348**	**2,825**	***(2)%***	***17%***	**2,759**	**2,825**
Net debt to LTM CCS EBITDA (a)	**1.6x**	**1.6x**	**2.7x**	***(39)%***	***4%***	**1.6x**	**2.7x**
Liquidity (b)	**3,476**	**4,119**	**4,550**	***(24)%***	***(16)%***	**3,476**	**4,550**

(a) Excluding IFRS16 liabilities.
(b) Cash on balance sheet and available committed credit facilities.

Operational KPIs

Operational Overview	Q4'21	Q3'21	Q4'20	Variation vs. Q4'20	Variation vs. Q3'21	FY 2021	FY 2020
Working interest crude production (kbopd)	74.2	76.5	68.4	*8%*	*(3)%*	73.9	71.5
Realized crude price($/bbl)	75.3	70.6	44.1	*71%*	*7%*	68.2	41.6
Upstream opex ($/boe)	10.3	8.5	10.9	*(5)%*	*22%*	9.2	10.2
Refining output (mton)	5.4	5.5	4.5	*19%*	*(2)%*	20.3	19.3
Refining utilization (%)	87%	88%	71%	*22%*	*(1)%*	81%	78%
Commercial product sales (mton)	4.5	4.3	3.6	*24%*	*5%*	16.2	14.8
Chemical product sales (kton)	738	758	687	*7%*	*(3)%*	2,943	2,795
Electricity production (GWh)	842	833	547	*54%*	*1%*	2,719	2,799
Natural gas sales (GWh)	8,039	10,202	8,707	*(8)%*	*(21)%*	34,374	30,918
Installed renewable power capacity (MW)	28.9	28.9	28.9	-	-	28.9	28.9

Management discussion FY 2021

Clean CCS EBITDA for 2021 was €1,815m versus €1,187m in 2020, an increase of 53% driven by improved market conditions as the Covid-19 pandemic effects diminished and management-led optimization initiatives continued to have a positive effect across all businesses and functional areas. Key highlights by business unit:

- In *Upstream*, Clean CCS EBITDA nearly doubled to €905m (+97%) mainly due to materially higher crude prices vs 2020 (+70%) on the back of demand recovery.

- *Refining* Clean CCS EBITDA grew ninefold to €93m for 2021, up from €10m in 2020, despite a negative impact from higher natural gas prices, especially in Q4. Higher utilization rates (+3 p.p. vs 2020) and an improved refining margin environment (avg. of 3.7$/bbl in 2021 vs 2.6 $/bbl in 2020) supported by improved light and heavy distillates prices partially offset by higher gas prices.

- Higher sales volumes (+10% vs 2020) in *Commercial*, in line with domestic fuel demand recovery, resulted in a 19% increase in Commercial Clean CCS EBITDA to €478m for 2021 versus €400m in 2020, showing the resilience of this business, even as demand remained below pre-pandemic levels.

- *Chemicals* continued to register very solid results, with Clean CCS EBITDA up 29% versus 2020 to €461m, underpinned by higher volumes (+5%) and improved margins and prices. Cepsa Química has introduced renewable and recycled raw materials into the production of its main industrial products, taking a further step towards strengthening its commitment to sustainable development and to meeting its customers' environmental goals.

CCS Net Income for the year was €310m, representing a significant improvement versus €1m registered in 2020, positively affected by the increased commodity prices. IFRS Net Income was €661m, positively impacted by lower inventories valuation (LTM average cost vs replacement cost), and materially above the net loss of €919m registered in the same period of 2020.

During the year, Cepsa continued to closely manage investments to preserve cash flow generation, with Capex amounting to €473m, a 27% decrease versus 2020.

Free cash flow before working capital in 2021 recovered materially to €1,065m vs €122m in 2020, due to better results and optimization and efficiency initiatives put in place to improve the business profile and preserve cash flow generation.

Management discussion Q4 2021

Cepsa posted Clean CCS EBITDA of €470m during the quarter vs €504m in Q3 2021, a decrease of 7%, mainly due to the rise in natural gas prices, which affected refining margins. This was partially offset by stronger Upstream results due to sustained high crude prices and full delivery of planned optimization and efficiency measures.

Crude prices in Q4 continued to increase, averaging 79.7 $/bbl during the quarter, despite a decrease in December derived from concerns over the impact of the Omicron Covid strain on overall economic growth.

Market refining margins decreased during the quarter, with Cepsa's average margin during Q4 averaging 3.8 $/bbl versus 4.2 $/bbl in Q3 2021. This was mainly due to the increase in European natural gas prices, which registered a peak of 132.9 €/MWh in December.

Electricity prices also experienced a significant increase, especially towards the end of the quarter. The Spanish pool price rose to an average of 211 €/MWh, up 79% vs Q3 and four times higher than Q4 2020.

Spanish fuel demand continued to show signs of improvement, increasing by 4% versus Q3 and by 14% versus Q4 2020.

Highlights by business unit:

- *Upstream* showed a continued, strong sequential improvement in results, with Clean CCS EBITDA reaching €290m (+28% vs Q3), boosted mainly by higher crude prices (+9%) and lower production costs. Production was similar to the previous quarter.

- *Refining* produced negative Clean CCS EBITDA during Q4, mainly as a result of the significant increase in natural gas prices which negatively impacted margins (3.8 $/bbl vs 4.2 $/bbl in Q3) and in particular the gas and power business. Refinery utilization was stable versus Q3 at 87% in Q4.

- *Commercial* volumes continued to increase in Q4 (+5% vs Q3 and +24% vs Q4 2020) but remained somewhat below pre-Covid levels. Clean CCS EBITDA registered a slight decrease vs Q3 to €132m due to softer margins.

- *Chemicals* continued to register robust results, with Clean CCS EBITDA at €106m. This was 14% lower than Q3, mainly due to lower volumes sold to specific customers as part of an overall margin optimization strategy, although margins remained stable.

Clean CCS Net Income of €15m during the fourth quarter was lower than the €112m posted in Q3, mainly due to the impact of lower refining margins, particularly in the months of November and December.

Cepsa continued to closely manage its investments, with Capex in the quarter amounting to €163m.

Positive free cash flow before working capital of €286m was similar to Q3 (€290m), in line with EBITDA evolution.

Structural and Management Changes

As announced in October 2021, Maarten Wetselaar assumed his role as CEO of Cepsa on January 1st, 2022. Mr. Wetselaar joined from Royal Dutch Shell where he served on the Executive Committee for the last 6 years as the Director for Integrated Gas, Renewables and Energy Solutions.

In January 2022 Cepsa's new CEO reorganized the company's structure by defining two new energy customer-facing business areas, "Mobility & New Commerce" and "Commercial & Clean Energies". In addition, the refining business became "Energy Parks", alongside the existing areas of Upstream, Chemicals, and Trading. With this new structure, the company set the grounds to accelerate its transformation to become an energy transition leader.

In December 2021 and January 2022, Cepsa announced several senior management changes with the appointment of Carmen de Pablo as CFO, formerly CFO of Spanish auto-parts maker Gestamp, who will also lead strategy, M&A and ESG; Carlos Barrasa, formerly Executive Chairman of BP Spain, joining as Director of the new Commercial & Clean Energies business; and Savvas Manousos, coming from Maersk Oil Trading to join as Director of Trading. The Management Committee has therefore been strengthened with these three new executives with extensive international experience.

As a testimony of the focus and steps that Cepsa is taking towards ESG and in particular human capital, the company was recognized in the "Financial Times Diversity Leaders" ranking as the leading company in the Spanish energy sector and tenth in Europe, and for the seventh consecutive year as one of the best places to work in Spain by the Top Employers Institute. Cepsa is very proud of its people, and these recognitions underpin the company's drive in this regard.

Partnerships and customer focus

In December 2021 Cepsa announced an alliance with Endesa which enables electric vehicle customers in Spain and Portugal to use both the public grid that Endesa X has already built and the new ultra-fast charging network that Cepsa will begin to deploy this year. Both companies are working to develop what will be the largest ultra-fast on-the-go charging network in Spain and Portugal.

Furthermore, Cepsa reached an agreement with Redexis to create the first global network of service stations generating renewable energy in Europe. Both companies' plan is to complete the installation of photovoltaic panels throughout Cepsa's service station network in Spain and Portugal by 2023. To carry out this project, more than 40,000 high-tech photovoltaic panels will be used with a production capacity of more than 32,800 MWh per year, equivalent to the annual energy consumption of 11,000 homes. As of the end of 2021, panels had already been installed in 80 Cepsa service stations.

In addition, in January 2022 Cepsa and the Iberia Group sealed a strategic alliance to decarbonize air transport on a large scale. The initiative involves developing and producing sustainable aviation biofuels (SAF) from waste, recycled used oils and other sustainable plant-based feedstocks. The agreement, which also includes Iberia Express, contemplates other alternative energy sources such as renewable hydrogen and electricity to promote sustainable mobility in aircraft and ground fleets. In February, Cepsa signed a similar deal with Canary Islands airline Binter.

These examples are evidence of Cepsa’s strong focus on customer partnerships and as the company looks to the future, there is significant opportunity to work with customers and help them decarbonize and develop products which will support the path to net zero.

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Cepsa is a global energy and chemical company operating end-to-end in every stage of the energy value chain. Cepsa also manufactures products from raw materials of plant origin and is active in the renewable energy sector. Cepsa has 90 years of experience and a team of around 10,000 employees, combining technical excellence, adaptability and top human capital. Cepsa's operations are present on five continents.

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Cepsa – Communications
medios@cepsa.com
www.cepsa.com
Tel: (+34) 91 337 60 00