



Cepsa and PreZero Spain seal major partnership to recover waste for the production of biomethane and other biofuels

- **The agreement provides for the joint development of plants for biomethane produced from organic waste. The first plant, with an expected capacity of up to 100 GWh, will be located at Cepsa's facilities in Huelva and will be used to produce renewable energy for the Andalusian Green Hydrogen Valley and the Company's new second generation biofuels plant**
- **Under this agreement, Cepsa and PreZero Spain will collaborate in developing initiatives to recover waste and convert it into raw material to produce 2G biofuels and circular chemical products**
- **The partnership also includes the analysis of solutions designed to decarbonize PreZero Spain's private land fleet of more than 750 vehicles**

Cepsa and PreZero Spain have signed a strategic partnership that will enable both companies to advance in their decarbonization objectives. Under the agreement, PreZero Spain will supply biomethane from some of its projects to Cepsa, and the two companies will jointly develop biomethane plants. Furthermore, Cepsa and PreZero Spain will work on the recovery of waste to produce second-generation biofuels and circular chemical products and to decarbonize the land fleet operated by PreZero in Spain and Portugal.

Carlos Barrasa, Executive Vice President of Commercial & Clean Energies at Cepsa, said: "This alliance with PreZero will allow us to expand access to circular raw materials to produce alternative energies that will facilitate the energy transition, such as green hydrogen and second-generation biofuels. Together we will develop a sustainable alternative for urban and industrial waste processing, recovering this waste for the production of renewable energy and thus promoting a circular and decarbonized economy."

Gonzalo Cañete, CEO of PreZero in Spain and Portugal, added: "This agreement stems from the enormous potential in Spain for the development of biomethane as a renewably-sourced natural gas, as well as from the need to align ourselves with other EU countries in meeting circular economy and decarbonization objectives. To this end, together with public-private collaboration, we must enhance cooperation between private companies, as demonstrated by this promising partnership that we are announcing today."

Both companies are already making progress in the development of a biomethane plant in the province of Huelva. This new facility with an annual capacity of up to 100 GWh,



which would cover the heating needs of around 20,000 homes, will be one of the largest installations of this renewable energy in Spain and will be used to produce green hydrogen and renewable fuels. The plant will be built at Cepsa's facilities in Palos de la Frontera, where the company has an Energy Park and is already building the largest 2G biofuels plant in southern Europe to produce sustainable aviation fuel (SAF) and renewable diesel. It also plans to develop a green hydrogen plant with a 1 GW capacity, as part of the Andalusian Green Hydrogen Valley, at the Energy Park, where it also has a chemical plant.

In addition, PreZero—which in 2023 produced 75% of all biomethane generated in Spain—will provide Cepsa with this renewable gas, on a preferential basis, in the projects that PreZero and Cepsa identify as strategic for both parties, allowing the energy company and its customers to decarbonize their industrial processes. During its lifecycle, this renewable gas can reduce CO₂ emissions by up to 90% compared to natural gas and has the same characteristics as the latter, which means that it can be stored or fed into the current gas transport network without the need to develop new infrastructure. The agreement will also allow Cepsa to obtain biogenic CO₂ from PreZero Spain's biomethane plants to produce synthetic fuels.

As part of this partnership, PreZero will recover other organic waste or used cooking oils for Cepsa to use in producing second-generation biofuels, which will facilitate the immediate decarbonization of sectors that are difficult to electrify, such as heavy road, maritime or air transport. PreZero will also treat plastic waste, including from single-use plastics, to supply Cepsa with the raw material which the energy company can then use to develop circular chemical products. Both companies will analyze the joint development of pyrolysis plants to process this type of non-recyclable plastic waste.

In addition, Cepsa will research solutions designed to decarbonize PreZero's private fleet by supplying biofuels or electric recharging, among other initiatives.

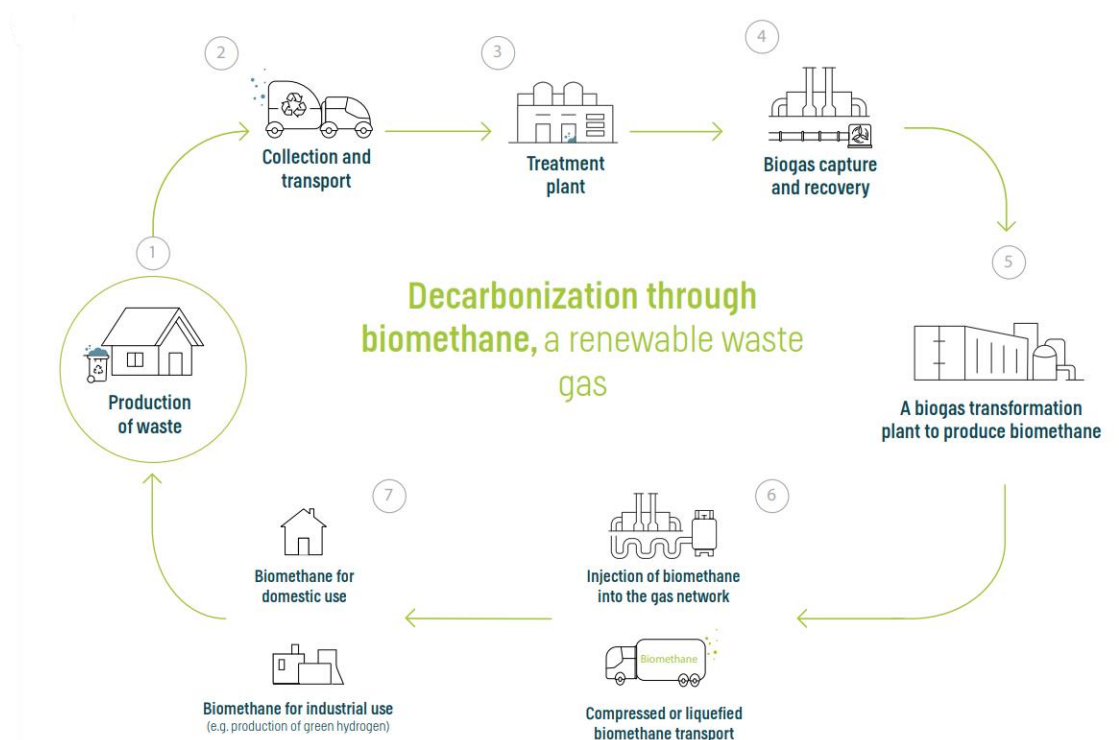
Commitment to decarbonization and circularity

The production of renewable fuels is in line with the REPowerEU initiative to reduce CO₂ emissions and dependence on fossil fuels, as well as contribute to several of the Sustainable Development Goals of the 2030 Agenda: SDG 7 (Affordable and clean energy), SDG 8 (Decent work and economic growth), SDG 12 (Responsible consumption and production), and SDG 13 (Climate action).

As part of its 2030 strategy, Positive Motion, Cepsa is developing an ecosystem to accelerate the decarbonization of its business and that of its customers through the production of green molecules such as renewable hydrogen and its derivatives as well as 2G biofuels including biomethane, PBS or 100% renewable diesel.

Meanwhile, PreZero Spain, which currently generates more energy than it uses, aims to be carbon neutral by 2050, reducing greenhouse gas emissions in all its operations. To this end, it has defined a sustainability strategy based on using recycled raw materials,

producing green energy, optimizing waste collection routes and loads, and implementing energy efficiency measures, among other actions.



About Cepsa

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 CO₂ 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.

About PreZero

PreZero is Europe's leading company in providing environmental services and developing circular economy solutions for waste reduction, reuse, and recycling. It is the environmental division of the Schwarz Group, which also includes the companies Lidl, Kaufland, Schwarz Produktion, and Schwarz Digits.

With more than 15,000 employees throughout the Iberian Peninsula, the company provides urban and waste treatment services to more than 12 million people in approximately 1,000 municipalities, while leading the industrial waste management and treatment market with circular economy solutions for more than 8,000



customers in Spain and Portugal. It is part of PreZero International, which has 30,000 employees in 11 European countries and the USA.

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