1Q22 RESULTS

May 2022

REGENERATING THE FUTURE
Disclaimer

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Financial information by business segment is reported in accordance with the Galp’s management reporting policies and shows internal segment information that is used to manage and measure the Group’s performance. In addition to IFRS measures, certain alternative performance measures are presented, such as performance measures adjusted for special items (adjusted operational cash flow, adjusted earnings before interest, taxes, depreciation and amortisation, adjusted earnings before interest and taxes, and adjusted net income), return on equity (ROE), return on average capital employed (ROACE), investment return rate (IRR), equity investment return rate (eIRR), gearing ratio, cash flow from operations and free cash flow. These indicators are meant to facilitate the analysis of the financial performance of Galp and comparison of results and cash flow among periods. In addition, the results are also measured in accordance with the replacement cost method, adjusted for special items. This method is used to assess the performance of each business segment and facilitate the comparability of the segments’ performance with those of its competitors. This document also contains non-financial performance indicators, according to applicable legislation, including a carbon intensity indicator for energy products sold by Galp, that measures the amount of greenhouse gas emissions of those products, from their production to their end use, per unit of energy delivered. This indicator covers the direct GHG emissions of production and processing facilities (scope 1) and their indirect emissions associated with energy purchased (scope 2), as well as the emissions associated with the use of products by Galp’s customers (scope 3). The same emissions are considered for products purchased from third parties and sold or transformed by Galp. For a complete definition of scopes 1, 2 and 3 and the methodology used by Galp for this indicator please refer to Galp’s website at galp.com. This document may include data and information from sources that are publicly available. Such data and information should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by those third parties in writing. To the fullest extent permitted by law, those third parties accept no responsibility for your use of such data and information except as specified in a written agreement you may have entered into with those third parties for the provision of such data and information.

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Recent developments
1Q22 overview
**Prompt response to the Russia – Ukraine war**

Galp deplores the Russian acts of aggression against the people of Ukraine

<table>
<thead>
<tr>
<th>Business continuity</th>
<th>Social response</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ First Integrated Energy Company announcing elimination of direct or indirect exposure to Russian crudes and petroleum products</td>
<td>✓ Donation of fuel and related costs for humanitarian flights to Portugal</td>
</tr>
<tr>
<td>✓ No joint ventures with any Russian entities</td>
<td>✓ Partnerships for the supply of energy and goods to refugee centres</td>
</tr>
<tr>
<td>✓ Ensuring no impacts on the supply of gas and fuels to the Portuguese market</td>
<td>✓ Trainee program designed for Ukrainian refugees</td>
</tr>
</tbody>
</table>

**€6.5m**

Total donation for humanitarian support
### 1Q22 highlights

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCA Ebitda</td>
<td>€869 m</td>
<td>+74%</td>
</tr>
<tr>
<td>Adj. OCF(^1)</td>
<td>€638 m</td>
<td>+43%</td>
</tr>
<tr>
<td>Net capex</td>
<td>€122 m</td>
<td></td>
</tr>
<tr>
<td>Net debt</td>
<td>€2.4 bn</td>
<td></td>
</tr>
<tr>
<td>Excl. margin accounts</td>
<td>€30 m</td>
<td></td>
</tr>
<tr>
<td>FCF</td>
<td>€254 m</td>
<td></td>
</tr>
<tr>
<td>Net debt to RCA Ebitda</td>
<td>0.96 x</td>
<td></td>
</tr>
<tr>
<td>Net debt flat vs YE21</td>
<td>0.62 x</td>
<td></td>
</tr>
</tbody>
</table>

**Strong performance** supported by macro conditions and operational improvement.

**Robust operational results**, with upside limited by pricing lag effects and working capital build (macro and margin accounts).

Net debt flat vs YE21 with **leverage ratio under 1x** and expected to decrease.

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\(^1\) Adjusted operating cash flow.
1Q22 Results

1Q22: Upstream
Strong contribution benefiting from macro and operational improvement

**Quarter highlights**

**131 kboepd**

WI Production +5% YoY

**102 $/bbl**

Oil realisation indicator1 +70% YoY

**Ebitda (€m)**

<table>
<thead>
<tr>
<th>1Q21</th>
<th>1Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td>438</td>
<td>803</td>
</tr>
</tbody>
</table>

**Higher production** reflecting improved operational performance and lower maintenance levels

**Improved realisations** from oil trades and significant uplift from new gas contracts in Brazil (gas price indicator up c.4x QoQ)

**Outlook**

FY22 production guidance flat YoY and hedging c.6 mbbl at c.$80/bbl Brent

**Coral FLNG** ahead of plan and below budget with first gas expected in 2H22

**Jaca exploration well** (São Tomé and Príncipe) spud in April and reassessing PEL83 potential in Namibia

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1 Oil realisation indicator of $102.2/bbl in 1Q22, gas realisation indicator of $43.6/boe and average discount to Brent (including oil and gas) of $6.2/boe.
**1Q22: Commercial**

Recovery trend despite seasonal weaker contribution

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**Quarter highlights**

- **Oil volumes sold** following market recovery and increasing electricity and gas customer base

- **Pressured price environment** not passed through entirely to final clients

- **Reallocating costs** from new growth platforms and transformational projects

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**Outlook**

- Q2/Q3 to benefit from seasonal effects, namely in retail and aviation

- Continue **expanding new services**: non-fuel, EV network, mobility solutions

- **Maintaining guidance** for FY22 despite challenges from current price environment

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<table>
<thead>
<tr>
<th>1Q22</th>
<th>1Q21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil products sales</td>
<td>1.7 mton</td>
</tr>
<tr>
<td>EV charging points</td>
<td>1.3 k</td>
</tr>
<tr>
<td>Ebitda (€m)</td>
<td></td>
</tr>
</tbody>
</table>

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1 Contribution from platforms Galp Solar and Flow, developed by the New Business division migrated to Commercial division.
1Q22: Industrial & Energy Management
Strong refining performance offset by macro volatility led supply impacts

6.9 $/boe
Refining margin
(inc. energy and CO₂ costs)

>90 %
System availability

Ebitda (€m)
c.€90 m

Quarter highlights

Improving industrial operational and safety performance

Successfully capturing current refining environment, despite higher energy costs

Significant oil supply pricing lag impact following the commodities price hike

FID for 2 MW green hydrogen pilot to start in 2023/24

Outlook

Sines fully available expecting normal utilisation, despite potential VGO constraint

Strong refining margins from high distillates cracks, with Galp hedging part of its throughput

Potential restrictions in NG/LNG sourcing to persist

Advancing with HVO and green hydrogen projects in Sines

1 Galp’s current refining hedges of c.17 mboe at $8-9/boe for Apr. to Dec. 2022.
1Q22: Renewables & New Businesses
Strong renewables performance and advancing in exciting new opportunities

243 GWh
Ren. generation +27% YoY

1.2 GW
Capacity under operation

Quarter highlights
- New 50 MW solar PV project brought online in Spain
- Increased generation from improved operating availability and capacity build up
- Setúbal selected as location for the lithium conversion unit (Aurora JV)

Outlook
- 150 MW solar PV brought online in April
- Expecting to start operations >200 MW in 2H22 in Iberia, o.w. 144 MW in Portugal
- De-risking existing development portfolio
- Expanding and diversifying portfolio through early stage projects

1 Addition of 50 MW in March and 150 MW in April. 2 Pre-forma considers all renewables businesses as if they are consolidated according to Galp’s equity stakes.
Expanding solar and wind portfolio funnel
to support Galp renewables operational targets

Galp renewable funnel of 9.6 GW

- Operating: 8.1 GW
- Construction: 1.2 GW
- Development: 0.3 GW

Recent developments

- New agreements to acquire the rights of solar PV and wind projects in Brazil

Adding up to 4.6 GW Solar PV projects

- 216 MW Wind project

Early entry in attractive portfolio and deal terms

Starting to diversify into wind

Operating capacity

- Current: 1.2 GW
- 2022YE: 1.4 GW
- 2025: >4 GW
- 2030: 12 GW

Accessing material pipeline, to support growth and optionality

Evaluating organic moves in other geographies

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1 No material amounts related with the acquisition of the rights; aligned with capital allocation guidelines.
Executing our distinctive investment proposition
to thrive through the energy transition

**Growth from established businesses**
Bacalhau and Coral projects being executed on-time and on-budget
Successively progressing on Industrial and Commercial transformation

**Growth from low carbon businesses**
Deploying new renewable solar capacity and expanding portfolio
Advancing with green hydrogen and battery value chain projects

**Competitive shareholder distribution**
2021 final interim dividend to be paid in May (€0.25/sh)
Share buyback authorisation granted by AGM and €150 m programme to start in mid-May up to Nov/Dec
Financial overview

1Q22 results
1Q22: Strong performance
supported by macro conditions and operational improvement

**Upstream**
High cash contribution from improved performance and macro

- **€803 m** RCA Ebitda
- **€576 m** OCF
- **€129 m** Net capex

**Commercial**
Contribution impacted by seasonality and price pressure, especially on gas & power

- **€56 m** RCA Ebitda
- **€55 m** OCF
- **€6 m** Net capex

**Industrial & EM**
Strong refining performance, offset by c. €90 m negative lag in oil supply pricing formulas

- **€2 m** RCA Ebitda
- **-€1 m** OCF
- **€7 m** Net capex

**Renewables pro-forma**
Strong results benefiting from merchant exposure and increased generation

- **€30 m** RCA Ebitda
- **€30 m** OCF
- **€39 m** Net capex

1 Capex net of divestments, economic perspective. 2 Pro-forma considers all renewable projects as if they were consolidated according to Galp’s equity stakes.
1Q22: RCA Ebitda of €869 m

Strong operating income

**Ebit** reflecting non-cash impairment in Upstream of €120 m related with exploration and appraisal assets in Brazil

**Associates** up YoY reflecting the increasing contribution from renewables

**RCA net income** of €155 m, with IFRS net income reflecting special items of -€320 m, mostly related with mark-to-market NG derivatives
**Adjusted operating cash flow of €638 m**

with cash conversion limited by temporary working capital effects

### 1Q22 Cash flow (€ m)

<table>
<thead>
<tr>
<th>Description</th>
<th>1Q22</th>
<th>1Q21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adj. operating cash flow</td>
<td>638</td>
<td>445</td>
</tr>
<tr>
<td>Special items + Inventory effect</td>
<td>179</td>
<td>144</td>
</tr>
<tr>
<td>Changes in working capital</td>
<td>(625)</td>
<td>(212)</td>
</tr>
<tr>
<td>CFFO</td>
<td>193</td>
<td>377</td>
</tr>
<tr>
<td>Net capex</td>
<td>(122)</td>
<td>195</td>
</tr>
<tr>
<td>Net financial expenses and IFRS 16 interest</td>
<td>(41)</td>
<td>(54)</td>
</tr>
<tr>
<td>FCF</td>
<td>30</td>
<td>518</td>
</tr>
<tr>
<td>Change in net debt</td>
<td>(35)</td>
<td>513</td>
</tr>
</tbody>
</table>

Includes €224 m from derivatives margin accounts

€254 m if excl. margin accounts

**High OCF supported by Upstream and Industrial contributions**

**CFFO** reflecting a WC build from the spike in the commodities prices and gas derivatives margin accounts (to be reversed throughout 2022)

**FCF** of €30 m, or **€254 m** if excluding the temporary margin accounts effects

**Net debt** up to €2.4 bn reflecting the WC build and distributions to minorities

**Net debt to RCA Ebitda** at 0.96x (or 0.62x if excluding the margin accounts effects)
**2022 outlook**
Capturing supportive environment while reshaping portfolio

**Plan’s assumptions**
Brent $75/bbl | Refining margin $4-5/boe |
Solar captured price €150/MWh

**Upstream**
FY22 production guidance unchanged with operational contribution driven by strong oil price environment

**Commercial**
Maintaining FY22 guidance, despite pressured by price environment

**Industrial & EM**
Expecting strong refining performance, while Energy Management still limited by trading gas and commodities prices volatility

**Renewables & New Businesses**
Capturing favourable environment and monitoring power prices potential regulations

### Sensitivities (€m)

<table>
<thead>
<tr>
<th>Sensitivities</th>
<th>Brent price</th>
<th>Galp ref. margin</th>
<th>EUR:USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Δ Ebitda</td>
<td>$5/bbl</td>
<td>$1/boe</td>
<td>0.05</td>
</tr>
<tr>
<td>OCF</td>
<td>160</td>
<td>75</td>
<td>90</td>
</tr>
</tbody>
</table>

1 Sensitivities exclude Upstream and refining margin hedging effects.

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**Total distributions**
(Base dividend + Buybacks)

**2022 expected distributions**

- **Base dividend**
  - €0.52/sh (+4 YoY)
- **Full 1/3 OCF**
# Key guidance for 2022

## Operational indicators

<table>
<thead>
<tr>
<th>Category</th>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upstream</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WI production</td>
<td>kboepd</td>
<td>Flat YoY (2021: 127)</td>
</tr>
<tr>
<td>Upstream production costs</td>
<td>$/boe</td>
<td>&lt;3</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil products sales to direct clients</td>
<td>mton</td>
<td>c.7.0</td>
</tr>
<tr>
<td>EV charging points growth vs 2021</td>
<td></td>
<td>&gt;2x</td>
</tr>
<tr>
<td>(2021: c. 1k)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Industrial &amp; Energy Management</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sines refining throughput</td>
<td>mboe</td>
<td>c.90</td>
</tr>
<tr>
<td>Sines refining cash costs</td>
<td>$/boe</td>
<td>c.2.0</td>
</tr>
<tr>
<td><strong>Renewables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewable generation capacity by YE (@100%)</td>
<td>GW</td>
<td>1.4</td>
</tr>
<tr>
<td>Renewable generation (@100%)</td>
<td>TWh</td>
<td>&gt;2.0</td>
</tr>
</tbody>
</table>

## Financial indicators (consolidated, except otherwise stated)

<table>
<thead>
<tr>
<th>Category</th>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RCA Ebitda</strong></td>
<td>€ bn</td>
<td>c.2.7</td>
</tr>
<tr>
<td>Upstream</td>
<td>€ bn</td>
<td>c.2.2</td>
</tr>
<tr>
<td>Commercial</td>
<td>€ m</td>
<td>c.300</td>
</tr>
<tr>
<td>Industrial &amp; Energy Management</td>
<td>€ m</td>
<td>200 - 250</td>
</tr>
<tr>
<td>Renewables pro-forma</td>
<td>€ m</td>
<td>180 - 200</td>
</tr>
<tr>
<td><strong>OCF</strong></td>
<td>€ bn</td>
<td>c.2.0</td>
</tr>
<tr>
<td>Upstream</td>
<td>€ bn</td>
<td>&gt;1.5</td>
</tr>
<tr>
<td>Commercial</td>
<td>€ m</td>
<td>c.230</td>
</tr>
<tr>
<td>Industrial &amp; Energy Management</td>
<td>€ m</td>
<td>200-250</td>
</tr>
<tr>
<td>Renewables pro-forma</td>
<td>€ m</td>
<td>&gt;140</td>
</tr>
<tr>
<td><strong>Net capex</strong></td>
<td>€ bn</td>
<td>c.1.0</td>
</tr>
<tr>
<td>Net debt to RCA Ebitda by YE</td>
<td>-</td>
<td>&lt;1x</td>
</tr>
<tr>
<td><strong>Total expected distributions to shareholders</strong></td>
<td>€ m</td>
<td>1/3 OCF</td>
</tr>
</tbody>
</table>

**Note:** Macro assumptions Brent $75/bbl | Refining margin $4–5/boe | Solar captured price €150/MWh.
In Upstream, c.6 mbbl are hedged in 2022 at c.$80/bbl Brent. In refining, c.17 mboe at $8–9/boe for Apr. to Dec. 2022.