



# Interim Management Report and Accounts 1H22

**25 July, 2022**  
Limited review accounts



## Cautionary Statement

Following Article 29º F of the Portuguese Securities Code, this report is made available only in English. This document may include forward-looking statements, including, without limitation, regarding future results, namely cash flows, dividends, and shareholder returns; liquidity; capital and operating expenditures; performance levels, operational or environmental goals, targets or commitments and project plans, timing, and outcomes; production rates; developments of Galp's markets; and impacts of the COVID-19 pandemic on Galp's businesses and results; any of which may significantly differ depending on a number of factors, including supply and demand for oil, gas, petroleum products, power and other market factors affecting them; the outcome of government policies and actions, including actions taken to address COVID-19 and to maintain the functioning of national and international economies and markets; the impacts of the COVID-19 pandemic on people and economies; the impact of Galp's actions to protect the health and safety of its employees, customers, suppliers and communities; actions of Galp's competitors and commercial counterparties; the ability to access short- and long-term debt markets on a timely and affordable basis; the actions of consumers; other legal and political factors, including changes in law and regulations and obtaining necessary permits; unexpected operating events or technical difficulties; the outcome of commercial negotiations, including negotiations with governments and private entities; and other factors discussed in Galp's Management Report & Accounts filed with the Portuguese Securities Market Commission (CMVM) for the year ended December 31, 2021 and available on our website at galp.com. This document may also contain statements regarding the perspectives, objectives, and goals of Galp, namely concerning ESG (Environmental, Social & Governance) objectives, including with respect to energy transition, carbon intensity reduction or carbon neutrality. An ambition expresses an outcome desired or intended by Galp, it being specified that the means to be deployed may not depend solely on Galp. Galp's business plans and budgets include investments that will accelerate the decarbonization of the Company over the next decade. These business plans and budgets will evolve over time to reflect its progress towards the 2050 Net Zero Emissions target. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements express future expectations that are based on management's expectations and assumptions as of the date they are disclosed and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such those statements. Accordingly, neither Galp nor any other person can assure that its future results, performance or events will meet those expectations, nor assume any responsibility for the accuracy and completeness of the forward-looking statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Galp to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections, and assumptions. These forward-looking statements may generally be identified by the use of the future, gerund or conditional tense or the use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "consider", "could", "develop", "envision", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "potential", "probably", "project", "pursue", "risks", "schedule", "seek", "should", "target", "think", "will" or the negative of these terms and similar terminology.

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 costumers (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. This document may also include data and information provided by third parties, including Wood Mackenzie, Rystad and market analysts, which are not 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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## RESULTS HIGHLIGHTS

# 1. RESULTS HIGHLIGHTS

## Second quarter 2022

Galp's 2Q22 results reflect a robust operational performance, with the Company successfully capturing the favourable market conditions, namely in the Upstream, Refining and Renewables activities.

RCA Ebitda reached €1,244 m:

- Upstream: RCA Ebitda was strong at €878 m, reflecting increased oil and gas realisations, which benefited from the favourable macro environment. Working Interest (WI) production decreased 7% YoY reflecting a higher concentration of maintenance activities in the period.
- Commercial: RCA Ebitda was €97 m, supported by a gradual recovery on the demand of oil products, as well as a stronger performance from the B2B segment, namely on aviation and maritime bunkers activities.
- Industrial & Energy Management: RCA Ebitda was €283 m, with a robust contribution from the refining activities, partially offset by a negative lag in supply oil pricing formulas and persistent natural gas sourcing restrictions.
- Renewables & New Businesses: no relevant RCA Ebitda as most of the operations are not consolidated. The pro-forma Ebitda<sup>1</sup> of the Renewables operations reached €62 m in the period, reflecting increased generation from added capacity and higher availability, as well as stronger solar power prices in Iberia.

<sup>1</sup> Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes.

<sup>2</sup> Mark-to-market swings related with derivative hedges to cover client positions, namely in the natural gas trading segment, which have no direct translation into operating results, will continue to be considered as special items.

Group RCA Ebit was €924 m, including an impairment of €85 m in Upstream, related with exploration assets in Brazil, with no impact on the 2022-25 business plan production.

RCA net income was €265 m, also reflecting €-331 m in mark-to-market swings on Brent and refining margin hedges (c.€-230 m post-tax) related to the entire 1H22 (in 1Q22 booked as a special item).

IFRS net income<sup>2</sup> was €727 m, with an inventory effect of €192 m and special items of €269 m, which includes positive mark-to-market swings, mostly from derivatives to cover client positions in natural gas (€130 m related with 1Q22).

The strong operational performance led Galp's adjusted operating cash flow (OCF<sup>3</sup>) to €964 m. CFFO reached €747 m, including a working capital build resulting from the increased commodities prices during the period although partially offset by a €199 m roll off in natural gas derivatives exposure.

FCF was positive at €488 m. Net debt decreased €207 m, considering €247 m spending in shareholder distributions, of which €207 m in dividends and €40 m in the share buyback programme in place since May.

## First half 2022

Galp's RCA Ebitda was €2,114 m, while OCF was €1,603 m.

Net Capex totalled €365 m, mostly directed towards Upstream's developments and Renewables's portfolio execution.

FCF amounted to €517 m, with the strong cash generation supported by operational performance being partially offset by a working capital outflow.

Considering distributions of €247 m (cash dividends and buybacks) and dividends to non-controlling interests of €111 m, as well as other adjustments, net debt decreased €173 m, compared to the end of last year.

At the end of the period, net debt amounted to €2,185 m and net debt to RCA Ebitda was at 0.7x.

<sup>3</sup> Adjusted operating cash flow (OCF) indicator represents a proxy of Galp's operational performance excluding inventory effects, working capital changes and special items. The reconciliation of OCF with CFFO using IFRS is in chapter 6.3 Cash Flow.

## Other highlights

### Share buyback programme of €150 m related with 2021 shareholder distributions

On May 12, 2022, Galp started its €150 m share repurchase programme of Galp Energia SGPS, SA's ordinary shares with the purpose to reduce the issued share capital of the Company (Buyback Programme). The Buyback Programme is planned to be executed within 125 to 150 trading days, with all shares repurchased to be cancelled after its conclusion until the year end.

The Buyback Programme follows Galp's shareholder distribution guidelines for the 2021 fiscal year (announced on February 21, 2022), and the authorisations obtained at the last Annual General Shareholders Meeting (held on April 29, 2022) for the acquisition of own shares representing up to 9% of share capital for the execution of buyback programmes and for its cancellation.

On June 30, Galp had acquired 3,417,390 shares (equivalent to 0.43% of the share capital), for an aggregate amount of €40 m.

## Short Term Outlook

Galp is adjusting its key financial guidance for 2022 to reflect the 1H22 performance and a revised macro-outlook for the remaining of the year. The operational guidance remains unchanged.

### Assumptions for 2H22

Brent	\$/bbl	90
Realised refining margin	\$/boe	15
Iberia solar capture price	€/MWh	130
Average exchange rate	EUR:USD	1.06

### Operational indicators (no changes)

<b>Upstream</b>		
WI production	kboepd	Flat YoY
Upstream production costs	\$/boe	<3
<b>Commercial</b>		
Oil products sales to direct clients	mton	c.7.0
EV charging points	#	2k
<b>Industrial &amp; Energy Management</b>		
Sines refining throughput	mboe	c.90
Sines refining cash costs	\$/boe	c.2.0
<b>Renewables</b>		
Renewable generation capacity by YE (@100%)	GW	1.4
Renewable generation (@100%)	TWh	2.0

### Financial indicators

<b>RCA Ebitda</b>	<b>€ bn</b>	<b>c.4.0</b>
Upstream	€ bn	c.3.0
Commercial	€ m	c.300
Industrial & Energy Management	€ m	>700
Renewables & NB	€ m	c.60
<b>OCF</b>	<b>€ bn</b>	<b>c.2.9</b>
Upstream	€ bn	c.1.9
Commercial	€ m	c.230
Industrial & Energy Management	€ m	>700
Renewables & NB	€ m	c.50
<b>Net capex</b>	<b>€ bn</b>	<b>c.1.0</b>
Net debt to RCA Ebitda by YE	-	<1
<b>Total expected distributions</b>	<b>-</b>	<b>1/3 OCF</b>



## Financial data

€m (RCA, except otherwise stated)

Quarter						Half Year			
2Q21	1Q22	2Q22	Var. YoY	% Var. YoY		2021	2022	Var. YoY	% Var. YoY
<b>571</b>	<b>869</b>	<b>1,244</b>	<b>673</b>	<b>n.m.</b>	<b>RCA Ebitda</b>	<b>1,071</b>	<b>2,114</b>	<b>1,043</b>	<b>97%</b>
467	803	878	410	88%	Upstream	906	1,680	775	86%
73	56	97	24	34%	Commercial	142	153	11	8%
50	2	283	233	n.m.	Industrial & Energy Management	45	285	240	n.m.
(6)	(1)	(4)	(2)	(33%)	Renewables & New Businesses	(8)	(5)	(4)	(43%)
(13)	10	(10)	(3)	(25%)	Others	(13)	(0)	(13)	(99%)
<b>305</b>	<b>538</b>	<b>924</b>	<b>619</b>	<b>n.m.</b>	<b>RCA Ebit</b>	<b>588</b>	<b>1,462</b>	<b>874</b>	<b>n.m.</b>
290	555	653	363	n.m.	Upstream	603	1,208	604	n.m.
48	31	71	23	49%	Commercial	92	102	10	11%
(9)	(51)	219	228	n.m.	Industrial & Energy Management	(76)	168	244	n.m.
(5)	(1)	(4)	(1)	(13%)	Renewables & New Businesses	(8)	(5)	(2)	(31%)
(19)	5	(15)	(4)	(22%)	Others	(23)	(10)	(13)	(57%)
<b>140</b>	<b>155</b>	<b>265</b>	<b>125</b>	<b>90%</b>	<b>RCA Net income</b>	<b>166</b>	<b>420</b>	<b>254</b>	<b>n.m.</b>
(137)	(320)	269	406	n.m.	Special items	(103)	(51)	(52)	(50%)
68	152	192	124	n.m.	Inventory effect	169	344	175	n.m.
<b>71</b>	<b>(14)</b>	<b>727</b>	<b>656</b>	<b>n.m.</b>	<b>IFRS Net income</b>	<b>232</b>	<b>713</b>	<b>481</b>	<b>n.m.</b>
<b>470</b>	<b>638</b>	<b>964</b>	<b>495</b>	<b>n.m.</b>	<b>Adjusted operating cash flow (OCF)</b>	<b>914</b>	<b>1,603</b>	<b>688</b>	<b>75%</b>
346	576	597	251	73%	Upstream	736	1,173	437	59%
69	55	91	21	31%	Commercial	136	146	10	7%
64	(1)	288	223	n.m.	Industrial & Energy Management	55	286	231	n.m.
(2)	(1)	(4)	3	n.m.	Renewables & New Businesses	(4)	(5)	1	22%
<b>440</b>	<b>193</b>	<b>747</b>	<b>307</b>	<b>70%</b>	<b>Cash flow from operations (CFFO)</b>	<b>817</b>	<b>940</b>	<b>123</b>	<b>15%</b>
<b>(186)</b>	<b>(122)</b>	<b>(244)</b>	<b>57</b>	<b>31%</b>	<b>Net Capex</b>	<b>8</b>	<b>(365)</b>	<b>(374)</b>	<b>n.m.</b>
<b>228</b>	<b>30</b>	<b>488</b>	<b>259</b>	<b>n.m.</b>	<b>Free cash flow (FCF)</b>	<b>746</b>	<b>517</b>	<b>(229)</b>	<b>(31%)</b>
<b>(78)</b>	<b>(110)</b>	<b>(1)</b>	<b>(77)</b>	<b>(99%)</b>	<b>Dividends paid to non-controlling interests</b>	<b>(78)</b>	<b>(111)</b>	<b>33</b>	<b>42%</b>
<b>(290)</b>	<b>-</b>	<b>(247)</b>	<b>(43)</b>	<b>(15%)</b>	<b>Distributions to Galp shareholders</b>	<b>(290)</b>	<b>(247)</b>	<b>(43)</b>	<b>(15%)</b>
(290)	-	(207)	(83)	(29%)	Dividends paid	(290)	(207)	(83)	(29%)
-	-	(40)	(40)	n.m.	Buybacks <sup>1</sup>	-	(40)	(40)	n.m.
<b>1,711</b>	<b>2,392</b>	<b>2,185</b>	<b>473</b>	<b>28%</b>	<b>Net debt</b>	<b>1,711</b>	<b>2,185</b>	<b>473</b>	<b>28%</b>
<b>1.0x</b>	<b>1.0x</b>	<b>0.7x</b>	<b>-0.3x</b>	<b>-32%</b>	<b>Net debt to RCA Ebitda<sup>2</sup></b>	<b>1.0x</b>	<b>0.7x</b>	<b>-0.3x</b>	<b>-32%</b>

<sup>1</sup> Share repurchase amounts related to programmes for the sole purpose of the cancellation of own shares.

<sup>2</sup> Ratio considers the LTM Ebitda RCA (€3,166 m), which includes the adjustment for the impact from the application of IFRS 16 (€199 m).

## Operating data

Quarter						Half Year			
2Q21	1Q22	2Q22	Var. YoY	% Var. YoY		2021	2022	Var. YoY	% Var. YoY
128.4	131.1	119.6	(8.8)	(7%)	Working interest production (kboepd)	126.8	125.4	(1.4)	(1%)
126.6	129.5	118.1	(8.5)	(7%)	Net entitlement production (kboepd)	125.1	123.9	(1.2)	(1%)
-	102.2	110.6	n.m.	n.m.	Upstream oil realisations indicator (USD/bbl)	-	105.8	n.m.	n.m.
-	43.6	51.9	n.m.	n.m.	Upstream gas realisations indicator (USD/boe)	-	47.5	n.m.	n.m.
21.0	21.8	22.9	1.9	9%	Raw materials processed (mboe)	40.7	44.7	3.9	10%
2.4	6.9	22.3	20.0	n.m.	Galp refining margin (USD/boe)	2.1	14.8	12.7	n.m.
3.6	3.9	4.1	0.4	11%	Oil products supply <sup>1</sup> (mton)	7.2	7.7	0.5	7%
18.1	14.8	14.0	(4.1)	(23%)	NG/LNG supply & trading volumes <sup>1</sup> (TWh)	36	29	(7.6)	(21%)
269	113	174	(95)	(35%)	Sales of electricity from cogeneration (GWh)	0.6	0.3	(0.3)	(52%)
1.5	1.7	1.9	0.3	22%	Oil Products - client sales (mton)	2.9	3.5	0.7	24%
4,461	5,590	5,006	545	12%	Natural gas - client sales (GWh)	9,410	10,596	1,186	13%
1,020	1,139	1,088	68	7%	Electricity - client sales (GWh)	1,970	2,228	257	13%
475	243	687	212	45%	Gross renewable power generation (GWh)	667	931	264	40%
69.1	210.1	151.5	82.4	n.m.	Galp average solar generation sale price (EUR/MWh)	61.6	166.5	104.9	n.m.

<sup>1</sup> Includes volumes sold to the Commercial segment.

## Market indicators

Quarter						Half Year			
2Q21	1Q22	2Q22	Var. YoY	% Var. YoY		2021	2022	Var. YoY	% Var. YoY
1.21	1.12	1.06	(0.14)	-12%	Exchange rate EUR:USD	1.21	1.09	(0.11)	-9%
6.38	5.87	5.24	(1.14)	-18%	Exchange rate EUR:BRL	6.49	5.56	(0.93)	-14%
69.0	102.2	113.9	45.0	65%	Dated Brent price (USD/bbl)	65.0	107.9	43.0	66%
(2.0)	(12.3)	(35.0)	33.0	n.m.	Heavy-light crude price spread <sup>1</sup> (USD/bbl)	(1.3)	(23.7)	22.4	n.m.
25.0	96.9	87.1	62.2	n.m.	Iberian MIBGAS natural gas price (EUR/MWh)	22.8	92.0	69.2	n.m.
25.4	98.4	97.9	72.5	n.m.	Dutch TTF natural gas price (EUR/MWh)	21.9	98.1	76.3	n.m.
28.5	95.3	87.4	58.8	n.m.	Japan/Korea Marker LNG price (EUR/MWh)	28.3	91.4	63.1	n.m.
71.8	229.3	182.8	111.0	n.m.	Iberian baseload pool price (EUR/MWh)	58.6	205.9	147.4	n.m.
69.2	218.3	163.0	93.7	n.m.	Iberian solar captured price (EUR/MWh)	59.7	187.4	127.7	n.m.
13.7	14.8	16.3	2.6	19%	Iberian oil market (mton)	26.3	31.1	4.8	18%
96.8	120.6	96.2	(0.7)	(1%)	Iberian natural gas market (TWh)	211.2	216.8	5.6	3%

Source: Platts for commodities prices; MIBGAS for Iberian natural gas price; APETRO and CORES for Iberian oil market; REN and Enagás for Iberian natural gas market; OMIE and REE for Iberian pool price and solar captured price.

<sup>1</sup> Urals NWE dated for heavy crude; dated Brent for light crude.





**UPSTREAM**

## 2. UPSTREAM

€m (RCA, except otherwise stated; unit figures based on total net entitlement production)

Quarter						Half Year			
2Q21	1Q22	2Q22	Var. YoY	% Var. YoY		2021	2022	Var. YoY	% Var. YoY
<b>128.4</b>	<b>131.1</b>	<b>119.6</b>	<b>(8.8)</b>	<b>(7%)</b>	<b>Working interest production<sup>1</sup> (kboepd)</b>	<b>126.8</b>	<b>125.4</b>	<b>(1.4)</b>	<b>(1%)</b>
114.9	117.5	107.7	(7.2)	(6%)	Oil production (kbpd)	113.5	112.7	(0.9)	(1%)
13.5	13.5	11.9	(1.6)	(12%)	Gas production (kboepd)	13.3	12.7	(0.6)	(4%)
<b>126.6</b>	<b>129.5</b>	<b>118.1</b>	<b>(8.5)</b>	<b>(7%)</b>	<b>Net entitlement production<sup>1</sup> (kboepd)</b>	<b>125.1</b>	<b>123.9</b>	<b>(1.2)</b>	<b>(1%)</b>
					By product				
113.1	117.5	106.3	(6.9)	(6%)	Oil production (kbpd)	111.8	111.2	(0.6)	(1%)
13.5	13.5	11.9	(1.6)	(12%)	Gas production (kboepd)	13.3	12.7	(0.6)	(4%)
					By country				
11.6	10.3	10.1	(1.5)	(13%)	Angola	11.5	10.2	(1.2)	(11%)
115.0	119.2	108.0	(7.0)	(6%)	Brazil	113.6	113.6	0.0	0%
					<b>Realisations indicators<sup>2</sup></b>				
-	102.2	110.6	n.m.	n.m.	Oil (USD/bbl)	-	105.8	n.m.	n.m.
-	43.6	51.9	n.m.	n.m.	Gas (USD/boe)	-	47.5	n.m.	n.m.
<b>5.6</b>	<b>8.5</b>	<b>8.7</b>	<b>3.1</b>	<b>56%</b>	<b>Royalties (USD/boe)</b>	<b>5.2</b>	<b>8.6</b>	<b>3.4</b>	<b>65%</b>
<b>1.2</b>	<b>2.4</b>	<b>2.6</b>	<b>1.4</b>	<b>n.m.</b>	<b>Production costs (USD/boe)</b>	<b>1.5</b>	<b>2.5</b>	<b>1.0</b>	<b>65%</b>
<b>13.4</b>	<b>12.7</b>	<b>13.1</b>	<b>(0.2)</b>	<b>(2%)</b>	<b>DD&amp;A<sup>2</sup> (USD/boe)</b>	<b>13.5</b>	<b>12.9</b>	<b>(0.6)</b>	<b>(4%)</b>
<b>467</b>	<b>803</b>	<b>878</b>	<b>410</b>	<b>88%</b>	<b>RCA Ebitda</b>	<b>906</b>	<b>1,680</b>	<b>775</b>	<b>86%</b>
(177)	(248)	(225)	47	27%	Depreciation, Amortisation and Impairments <sup>3</sup>	(303)	(473)	169	56%
-	0	(0)	(0)	n.m.	Provisions	1	0	(1)	(96%)
<b>290</b>	<b>555</b>	<b>653</b>	<b>363</b>	<b>n.m.</b>	<b>RCA Ebit</b>	<b>603</b>	<b>1,208</b>	<b>604</b>	<b>n.m.</b>
<b>290</b>	<b>555</b>	<b>653</b>	<b>363</b>	<b>n.m.</b>	<b>IFRS Ebit</b>	<b>630</b>	<b>1,208</b>	<b>578</b>	<b>92%</b>
<b>346</b>	<b>576</b>	<b>597</b>	<b>251</b>	<b>73%</b>	<b>Adjusted operating cash flow</b>	<b>736</b>	<b>1,173</b>	<b>437</b>	<b>59%</b>
<b>135</b>	<b>129</b>	<b>133</b>	<b>(2)</b>	<b>(2%)</b>	<b>Capex</b>	<b>283</b>	<b>262</b>	<b>(22)</b>	<b>(8%)</b>

<sup>1</sup> Includes natural gas exported; excludes natural gas used or reinjected.

<sup>2</sup> Oil realisation indicator is estimated based on the differential to the average Brent price of the period when each of Galp's oil cargoes were negotiated, deducted of logistic costs associated with its delivery. Gas realisation indicator represents the revenues collected from the equity gas sold during the period net of all gas delivery and treatment costs.

<sup>3</sup> Includes abandonment provisions. 2Q21 and 1H22 unit figures exclude impairments of €48 m and €212 m, respectively, related with exploration and appraisal assets in Brazil.

## Second quarter 2022

### Operations

WI production was down 7% YoY, to 120 kboepd, reflecting the higher concentration of maintenance activities during the period. Natural gas accounted for 10% of WI production.

In Brazil, production decreased 6% YoY to 108 kboepd, following the increased planned and unplanned interventions performed on several FPSOs. Angola WI production decreased 13% YoY, to 12 kbpd.

The Group's net entitlement (NE) production followed the WI production decrease to 118 kboepd.

### Results

RCA Ebitda was €878 m, up YoY from €467 m, reflecting increased oil and gas realisations, which benefited from the favourable macro environment, which more than offset the lower production in the quarter. OCF was €597 m, compared to €346 m in 2Q21.

Production costs were €26 m, higher YoY reflecting the higher maintenance in the period. In unit terms, and on a net entitlement basis, production costs were \$2.6/boe. As per the application of IFRS 16, the production costs exclude the amounts related with IFRS16 leases, which accounted for €31 m during the period.

Upstream realised hedging operations covered 1.6 mbbl of Galp's oil production in the period, resulting in a €-47 m impact to RCA Ebitda.

Amortisation and depreciation charges (including abandonment provisions) were €225 m, which includes impairments of €85 m related with exploration assets in Brazil, with no impact on the 2022-25 business plan production. On a net entitlement basis, and excluding the impairments, DD&A was \$13.2/boe.

RCA Ebit was €653 m, up €363 m YoY. IFRS Ebit amounted to €653 m.

## First half 2022

### Operations

Average WI production during 1H22 was 125 kboepd, whilst NE production stood at 124 kboepd, flattish YoY, despite reflecting a natural decline in production from Angola.

### Results

OCF was €1,173 m, up from €736 m in 1H21, driven by the increased realisations in a higher oil and natural gas price environment.

Production costs were €51 m, excluding IFRS 16 leases of €64 m. In unit terms, and on a net entitlement basis, production costs were \$2.5/boe.

Realised hedging operations covered 2.9 mbbl of Galp's oil production in the period, resulting in a €-74 m contribution to RCA Ebitda.

Amortisation and depreciation charges (including abandonment provisions) amounted to €473 m, including the €212 m related with exploration and appraisal assets in Brazil, with no impact on the 2022-25 business plan production. On a net entitlement basis, and not considering the impacts from impairments, unit DD&A was \$12.9/boe.

RCA Ebit was €1,208 m, up €604 m YoY, and IFRS Ebit also amounted to €1,208 m.



## Other Highlights

### Introduction of hydrocarbons in Coral Sul FLNG (Mozambique)

In June 2022, Coral South FLNG project, in Area 4 offshore Mozambique, has safely achieved the introduction of hydrocarbons to the plant for commissioning and production ramp-up purposes. First commercial cargo is expected in 4Q22.



03

COMMERCIAL

### 3.

## COMMERCIAL

€m (RCA, except otherwise stated)

Quarter						Half Year			
2Q21	1Q22	2Q22	Var. YoY	% Var. YoY		2021	2022	Var. YoY	% Var. YoY
					<b>Commercial sales to clients</b>				
1.5	1.7	1.9	0.3	22%	Oil products (mton)	2.9	3.5	0.7	24%
4,461	5,590	5,006	545	12%	Natural Gas (GWh)	9,410	10,596	1,186	13%
1,020	1,139	1,088	68	7%	Electricity (GWh)	1,970	2,228	257.4	13%
<b>73</b>	<b>56</b>	<b>97</b>	<b>24</b>	<b>34%</b>	<b>RCA Ebitda</b>	<b>142</b>	<b>153</b>	<b>11</b>	<b>8%</b>
(25)	(25)	(26)	0	2%	Depreciation, Amortisation and Impairments	(50)	(51)	1	2%
1	(0)	-	(1)	n.m.	Provisions	(0)	(0)	(0)	(65%)
<b>48</b>	<b>31</b>	<b>71</b>	<b>23</b>	<b>49%</b>	<b>RCA Ebit</b>	<b>92</b>	<b>102</b>	<b>10</b>	<b>11%</b>
<b>49</b>	<b>31</b>	<b>93</b>	<b>44</b>	<b>90%</b>	<b>IFRS Ebit</b>	<b>94</b>	<b>124</b>	<b>30</b>	<b>32%</b>
<b>69</b>	<b>55</b>	<b>91</b>	<b>21</b>	<b>31%</b>	<b>Adjusted operating cash flow</b>	<b>136</b>	<b>146</b>	<b>10</b>	<b>7%</b>
<b>22</b>	<b>6</b>	<b>18</b>	<b>(4)</b>	<b>(18%)</b>	<b>Capex</b>	<b>26</b>	<b>24</b>	<b>(2)</b>	<b>(8%)</b>



## Second quarter 2022

### Operations

Oil products' sales increased 22% YoY to 1.9 mton, reflecting the gradual recovery in the demand of oil products, namely in B2B activities.

Natural gas volumes sold increased 12% YoY to 5.0 TWh, also as a result of higher volumes sold in B2B, while sales of electricity were 1.1 TWh, up 7% YoY.

At the end of the quarter, a total of 1,506 charging points were operating in Portugal and Spain.

### Results

RCA Ebitda was €97 m, 34% higher YoY, supported by a gradual recovery of demand, as well as a stronger performance from the B2B segment, namely on aviation and maritime activities, whilst the contribution from B2C activities, namely the retail segment, were pressured by discount campaigns to reduce the impact of the price environment on clients. OCF was €91 m, up from €69 m YoY.

RCA Ebit was €71 m, a 49% increase YoY, whilst IFRS Ebit was €93 m.

## First half 2022

### Operations

Total oil products' sales were 3.5 mton in 1H22, up 24% YoY, reflecting higher demand of oil products, both on B2B and B2C, following a post-pandemic gradual recovery.

Natural gas and electricity amounted to 10.6 TWh and 2.2 TWh, respectively, both up 13% YoY, driven by a considerable increase in contribution from the B2B segment.

### Results

RCA Ebitda increased 8% YoY to €153 m, reflecting the recovery on volumes sold during the period and despite the pressure from discount campaigns to reduce the impact of the price environment on clients. OCF was €146 m, up 7% YoY.

RCA Ebit was €102 m, up 11% YoY. IFRS Ebit was €124 m.



04

**INDUSTRIAL &  
ENERGY MANAGEMENT**

## 4. INDUSTRIAL & ENERGY MANAGEMENT

€m (RCA, except otherwise stated)

Quarter					Half Year				
2Q21	1Q22	2Q22	Var. YoY	% Var. YoY		2021	2022	Var. YoY	% Var. YoY
<b>21.0</b>	<b>21.8</b>	<b>22.9</b>	<b>1.9</b>	<b>9%</b>	<b>Raw materials processed (mboe)</b>	<b>40.7</b>	<b>44.7</b>	<b>3.9</b>	<b>10%</b>
18.6	17.7	19.6	0.9	5%	Crude processed (mbbl)	35.5	37.3	1.8	5%
<b>2.4</b>	<b>6.9</b>	<b>22.3</b>	<b>20.0</b>	<b>n.m.</b>	<b>Galp refining margin (USD/boe)</b>	<b>2.1</b>	<b>14.8</b>	<b>12.7</b>	<b>n.m.</b>
<b>1.5</b>	<b>2.0</b>	<b>1.5</b>	<b>(0.1)</b>	<b>(4%)</b>	<b>Refining cost (USD/boe)</b>	<b>1.7</b>	<b>1.8</b>	<b>0.1</b>	<b>6%</b>
<b>3.6</b>	<b>3.9</b>	<b>4.1</b>	<b>0.4</b>	<b>11%</b>	<b>Oil products supply<sup>1</sup> (mton)</b>	<b>7.2</b>	<b>7.7</b>	<b>0.5</b>	<b>7%</b>
<b>18.1</b>	<b>14.8</b>	<b>14.0</b>	<b>(4.1)</b>	<b>(23%)</b>	<b>NG/LNG supply &amp; trading volumes<sup>1</sup> (TWh)</b>	<b>36.4</b>	<b>28.8</b>	<b>(7.6)</b>	<b>(21%)</b>
9.1	6.1	6.0	(3.2)	(35%)	Trading (TWh)	17.4	12.1	(5.4)	(31%)
<b>269</b>	<b>113</b>	<b>174</b>	<b>(95)</b>	<b>(35%)</b>	<b>Sales of electricity from cogeneration (GWh)</b>	<b>600</b>	<b>287</b>	<b>(313)</b>	<b>(52%)</b>
<b>50</b>	<b>2</b>	<b>283</b>	<b>233</b>	<b>n.m.</b>	<b>RCA Ebitda</b>	<b>45</b>	<b>285</b>	<b>240</b>	<b>n.m.</b>
(60)	(50)	(65)	5	9%	Depreciation, Amortisation and Impairments	(120)	(116)	(5)	(4%)
0	(2)	1	1	n.m.	Provisions	(0)	(2)	1	n.m.
<b>(9)</b>	<b>(51)</b>	<b>219</b>	<b>228</b>	<b>n.m.</b>	<b>RCA Ebit</b>	<b>(76)</b>	<b>168</b>	<b>244</b>	<b>n.m.</b>
<b>61</b>	<b>124</b>	<b>480</b>	<b>419</b>	<b>n.m.</b>	<b>IFRS Ebit</b>	<b>110</b>	<b>604</b>	<b>494</b>	<b>n.m.</b>
<b>64</b>	<b>(1)</b>	<b>288</b>	<b>223</b>	<b>n.m.</b>	<b>Adjusted operating cash flow</b>	<b>55</b>	<b>286</b>	<b>231</b>	<b>n.m.</b>
<b>11</b>	<b>7</b>	<b>16</b>	<b>5</b>	<b>48%</b>	<b>Capex</b>	<b>18</b>	<b>23</b>	<b>5</b>	<b>30%</b>

<sup>1</sup> Includes volumes sold to the Commercial segment.



## Second quarter 2022

### Operations

Raw materials processed in the quarter were 22.9 mboe, higher 9% YoY, reflecting the full availability of the refining system during the period.

Total supply of oil products increased 11% YoY to 4.1 mton, following the gradual increase in demand.

Supply & trading volumes of NG/LNG decreased 23% YoY to 14.0 TWh, still limited by natural gas sourcing restrictions and the challenging European natural gas environment.

### Results

RCA Ebitda was €283 m, increasing €233 m YoY, considering a robust contribution from refining activities, partially offset by a negative lag in oil products supply pricing formulas and restricted natural gas trading activities. OCF was €290 m.

Galp's refining margin was up YoY from \$2.4/boe to \$22.3/boe, with the refining activities capturing the increase in international oil products' cracks, namely on middle distillates and gasoline, and despite the higher energy and CO<sub>2</sub> emissions costs.

Refining costs were €32 m, or \$1.5/boe in unit terms, down 4% YoY, benefiting from an insurance receivable related with the upset on the atmospheric distillation unit in 4Q21. Realised refining margin hedging operations had a €-100 m impact to RCA Ebitda, covering 5.6 mboe during the period.

Energy Management contribution was impacted by a negative lag in oil pricing formulas of €50 m, during a period of increased commodities prices, and by the persistent restrictions on natural gas sourcing within the trading activities.

RCA Ebit was €219 m, whilst IFRS Ebit was €480 m, with inventory effect of €274 m.

## First half 2022

### Operations

Raw materials processed were 44.7 mboe during the period, 10% higher YoY, reflecting the full availability of the refining system during the first half of the period.

Crude oil accounted for 82% of raw materials processed, of which 84% corresponded to medium and heavy crudes. All crudes processed were sweet grades.

Middle distillates (diesel and jet) accounted for 46% of production, gasoline for 24% and fuel oil for 19%. Consumption and losses accounted for 9% of raw materials processed.

Total oil products supplied increased 7% YoY to 7.7 mton, driven by increased market demand in Iberia.

Supply & trading volumes of NG/LNG were 28.8 TWh, down 21% YoY, limited by natural gas sourcing restrictions and the international high prices.

### Results

RCA Ebitda for Industrial & Energy Management increased €240 m YoY, following the increased contribution from the refining activities and despite a negative impact from the lag in pricing formulas for oil products' supply. OCF was €289 m.

Galp's refining margin was up YoY, to \$14.8/boe, following the strong improvement in the international refining environment. Refining unit cash costs slightly increased YoY from \$1.7/boe to \$1.8/boe, while the system operated with full availability. Industrial results followed the improved performance of the refining activities.

Energy Management contribution decreased YoY, given a €-138 m negative impact from the lag in oil pricing formulas during the period and the still restricted natural gas trading activities.

RCA Ebit was €168 m and IFRS Ebit was €604 m.



05

**RENEWABLES &  
NEW BUSINESSES**

## 5. RENEWABLES & NEW BUSINESSES

€m (RCA, except otherwise stated)

Quarter						Half Year			
2Q21	1Q22	2Q22	Var. YoY	% Var. YoY		2021	2022	Var. YoY	% Var. YoY
<b>Renewable power generation (GWh)</b>									
475	243	687	212	45%	Gross	667	931	264	40%
355	180	515	160	45%	Net to Galp	496	695	199	40%
<b>69.1</b>	<b>210.1</b>	<b>151.5</b>	82.4	<b>n.m.</b>	<b>Galp average solar generation sale price (EUR/MWh)</b>	<b>61.6</b>	<b>166.5</b>	<b>104.9</b>	<b>n.m.</b>
(6)	(1)	(4)	(2)	(33%)	RCA Ebitda	(8)	(5)	(4)	(43%)
(5)	(1)	(4)	(1)	(13%)	RCA Ebit	(8)	(5)	(2)	(31%)
(5)	(1)	(4)	(1)	(13%)	IFRS Ebit	(8)	(5)	(2)	(31%)
<b>(2)</b>	<b>(1)</b>	<b>(4)</b>	<b>3</b>	<b>n.m.</b>	<b>Adjusted operating cash flow</b>	<b>(4)</b>	<b>(5)</b>	<b>1</b>	<b>22%</b>
<b>51</b>	<b>39</b>	<b>51</b>	<b>(0)</b>	<b>(0%)</b>	<b>Capex</b>	<b>66</b>	<b>90</b>	<b>24</b>	<b>37%</b>
<b>Renewables pro-forma - equity to Galp<sup>1</sup></b>									
17	31	62	46	n.m.	Ebitda	19	93	74	n.m.
11	24	56	45	n.m.	Ebit	8	81	73	n.m.
<b>17</b>	<b>31</b>	<b>62</b>	<b>46</b>	<b>n.m.</b>	<b>Renewables pro-forma adjusted operating cash flow</b>	<b>19</b>	<b>93</b>	<b>74</b>	<b>n.m.</b>

<sup>1</sup> Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes.



## Second quarter 2022

### Operations

Renewable installed capacity, on a 100% basis, increased to 1,162 MW during the quarter, after the start-up in April of 150 MW of new solar capacity in Spain, from the Titan portfolio.

Renewable energy generation, on a 100% basis, amounted to 687 GWh, a 45% increase YoY, driven by the new capacity online and the overall improvement on operational performance.

### Results

Galp's average solar generation sale price was €152/MWh during the quarter, following the YoY increase registered in the Iberian wholesale market prices.

Renewables & New Businesses RCA Ebitda was €-4 m in 2Q22, as it mostly includes G&A and corporate expenses, given that all renewables' projects in operation are not consolidated into Galp's accounts.

Renewables pro-forma Ebitda, which considers all renewable projects as if they were consolidated according to Galp's equity stakes, was €62 m, reflecting increased generation from new added capacity and higher equipment's availability, as well as stronger solar power prices in Iberia. Of the total installed capacity, c.0.3 GW is subject to the application of the Spanish government's temporary clawback mechanism, with an impact on pro-forma Ebitda of €8 m.

Pro-forma OCF was €62 m.

## First half 2022

### Operations

Renewable energy generation, on a 100% basis, amounted to 931 GWh, a 40% increase YoY, reflecting the new capacity brought online and the overall improvement in the operational performance.

### Results

All renewable generation is exposed to merchant conditions. Galp's average solar generation sale price was €167/MWh during 1H22, up from €62/MWh in 1H21, driven by the higher Iberian wholesale market prices.

Renewables & New Businesses RCA Ebitda was €-5 m in 1H22, mostly including G&A and corporate expenses, as all the renewables' projects operating are not consolidated.

Renewables pro-forma Ebitda, was €93 m, supported by higher power prices in Iberia and increased renewable power generation. The temporary Spanish clawback mechanism had an impact of €10 m in pro-forma Ebitda.

Pro-forma OCF was €93 m.

	In Operation	Under Contruction	Under Development	Total
<b>Galp Renewable capacity (MW)</b>	<b>1,162</b>	<b>421</b>	<b>7,817</b>	<b>9,401</b>
Spain	1,150	277	2,052	3,480
Portugal	12	144	351	507
Brazil	-	-	5,414	5,414

## Other highlights

### Galp takes full ownership of Titan solar

Galp has acquired the 24.99% it did not already own in Titan 2020 S.A. (Titan), the company created in September 2020 as a joint venture with the ACS Group.

The stake was acquired from Cobra, which had taken the position from ACS, for a total consideration of €140 m.

Titan's portfolio includes 1.15 GW of solar photovoltaic (PV) plants in operation and several projects at different stages of development with about 1.6 GW of additional capacity expected to be online by 2024, all located in Spain.

Galp will start to fully consolidate Titan in its financial statements. Titan's net debt currently stands at c.€220 m and the last twelve months Ebitda was c.€200 m.

Galp renewable power generation ambition is to have over 4 GW of gross operating capacity by 2025 and 12 GW by 2030.



 **FINANCIAL DATA**



## 6. FINANCIAL DATA

### 6.1 Income Statement

€m (RCA, except otherwise stated)

Quarter						Half Year			
2Q21	1Q22	2Q22	Var. YoY	% Var. YoY		2021	2022	Var. YoY	% Var. YoY
3,636	5,661	7,229	3,593	99%	Turnover	6,974	12,890	5,917	85%
(2,695)	(4,326)	(5,590)	2,896	n.m.	Cost of goods sold	(5,106)	(9,917)	4,811	94%
(352)	(458)	(449)	97	28%	Supply & Services	(708)	(906)	198	28%
(68)	(81)	(76)	8	11%	Personnel costs	(138)	(156)	18	13%
53	79	130	78	n.m.	Other operating revenues (expenses)	52	209	157	n.m.
(3)	(6)	(0)	(3)	(87%)	Impairments on accounts receivable	(3)	(7)	4	n.m.
<b>571</b>	<b>869</b>	<b>1,244</b>	<b>673</b>	<b>n.m.</b>	<b>RCA Ebitda</b>	<b>1,071</b>	<b>2,114</b>	<b>1,043</b>	<b>97%</b>
<b>644</b>	<b>1,048</b>	<b>1,549</b>	<b>905</b>	<b>n.m.</b>	<b>IFRS Ebitda</b>	<b>1,287</b>	<b>2,597</b>	<b>1,310</b>	<b>n.m.</b>
(266)	(329)	(322)	56	21%	Depreciation, Amortisation and Impairments	(482)	(651)	169	35%
(0)	(2)	2	2	n.m.	Provisions	(0)	(1)	0	n.m.
<b>305</b>	<b>538</b>	<b>924</b>	<b>619</b>	<b>n.m.</b>	<b>RCA Ebit</b>	<b>588</b>	<b>1,462</b>	<b>874</b>	<b>n.m.</b>
<b>376</b>	<b>709</b>	<b>1,211</b>	<b>835</b>	<b>n.m.</b>	<b>IFRS Ebit</b>	<b>803</b>	<b>1,920</b>	<b>1,117</b>	<b>n.m.</b>
26	26	62	35	n.m.	Net income from associates	26	87	61	n.m.
(4)	(31)	(346)	342	n.m.	Financial results	(59)	(377)	317	n.m.
(7)	(8)	(5)	(2)	(27%)	Net interests	(16)	(13)	(3)	(18%)
4	4	4	0	10%	Capitalised interest	7	9	2	28%
8	1	2	(6)	(80%)	Exchange gain (loss)	(9)	3	12	n.m.
(0)	-	(331)	331	n.m.	Mark-to-market of derivatives	(0)	(331)	331	n.m.
(18)	(19)	(20)	2	10%	Interest on leases (IFRS 16)	(37)	(39)	2	6%
10	(10)	4	(6)	(57%)	Other financial costs/income	(5)	(6)	1	24%
<b>327</b>	<b>532</b>	<b>640</b>	<b>313</b>	<b>96%</b>	<b>RCA Net income before taxes and minority interests</b>	<b>555</b>	<b>1,172</b>	<b>617</b>	<b>n.m.</b>
(153)	(330)	(295)	142	93%	Taxes	(334)	(625)	291	87%
(142)	(222)	(198)	56	39%	Taxes on oil and natural gas production <sup>1</sup>	(250)	(420)	169	68%
(34)	(48)	(79)	45	n.m.	Non-controlling interests	(56)	(127)	72	n.m.
<b>140</b>	<b>155</b>	<b>265</b>	<b>125</b>	<b>90%</b>	<b>RCA Net income</b>	<b>166</b>	<b>420</b>	<b>254</b>	<b>n.m.</b>
(137)	(320)	269	406	n.m.	Special items	(103)	(51)	(52)	(50%)
<b>3</b>	<b>(165)</b>	<b>534</b>	<b>532</b>	<b>n.m.</b>	<b>RC Net income</b>	<b>63</b>	<b>369</b>	<b>306</b>	<b>n.m.</b>
68	152	192	124	n.m.	Inventory effect	169	344	175	n.m.
<b>71</b>	<b>(14)</b>	<b>727</b>	<b>656</b>	<b>n.m.</b>	<b>IFRS Net income</b>	<b>232</b>	<b>713</b>	<b>481</b>	<b>n.m.</b>

<sup>1</sup> Includes income taxes and taxes on oil and natural gas production, such as SPT payable in Brazil and IRP payable in Angola.

## Second quarter 2022

RCA Ebitda increased €673 m YoY to €1,549 m, reflecting a robust operational performance, with the Company successfully capturing the favourable market conditions, namely in the Upstream, Refining and Renewables activities. IFRS Ebitda amounted to €1,549 m, considering €-301 m of inventory effect and €4 m of special items.

Group RCA Ebit was €924 m, including an impairment of €85 m in Upstream, related with exploration assets in Brazil. IFRS Ebit was €1,211 m.

Income from associated companies was €62 m, up YoY, reflecting the increased contribution of the Renewables' Titan joint venture.

Financial results were €-346 m, which include €-331 m in mark-to-market swings on Brent and refining margin hedges (c.€-230 m post-tax) related to the entire 1H22 (in 1Q22 booked as a special item). Mark-to-market swings related with derivative hedges to cover client positions, namely in the natural gas trading segment, which have no direct translation into operating results, are registered as special items.

RCA taxes increased YoY, from €153 m to €295 m, following the increased operational results, namely on the Upstream and Industrial segments.

Non-controlling interests of €-79 m are mostly attributed to Sinopec's stake in Petrogal Brasil.

RCA net income was €265 m. IFRS net income was €727 m, with an inventory effect of €192 m and special items of €269 m, which includes positive mark-to-market swings, mostly from derivatives to cover client positions in the natural gas trading activities (as mentioned above), but also €130 m related with 1Q22 which were booked in 2Q22 RCA financial results.

## First half 2022

RCA Ebitda of €2,114 m was 97% higher YoY, driven by the stronger operational performance, supported by the improved market conditions during the period.

Following RCA Ebitda, the RCA Ebit was €1,462 m, up YoY from €588 m, also reflecting impairments in Upstream of €212 m related with exploration and appraisal assets in Brazil.

Financial results were €-377 m, mainly reflecting mark-to-market swings related with the fair value accounting of commodity derivatives in the Upstream and Refining segments.

RCA taxes increased YoY from €334 m to €625 m, following the increased operational results.

Non-controlling interests of €-127 m are related with Sinopec's stake in Petrogal Brasil.

RCA net income was €420 m, while IFRS net income was €713 m, considering an inventory effect of €344 m and special items of €-51 m.

## 6.2 Capital Expenditure

€m

Quarter						Half Year			
2Q21	1Q22	2Q22	Var. YoY	% Var. YoY		2021	2022	Var. YoY	% Var. YoY
135	129	133	(2)	(2%)	Upstream	283	262	(22)	(8%)
22	6	18	(4)	(18%)	Commercial	26	24	(2)	(8%)
11	7	16	5	48%	Industrial & Energy Management	18	23	5	30%
51	39	51	(0)	(0%)	Renewables & New Businesses	66	90	24	37%
5	7	7	2	31%	Others	9	14	5	61%
<b>224</b>	<b>188</b>	<b>224</b>	<b>0</b>	<b>0%</b>	<b>Capex (economic)<sup>1</sup></b>	<b>402</b>	<b>412</b>	<b>11</b>	<b>3%</b>

<sup>1</sup> Capex figures based in change in assets during the period.

### Second quarter 2022

Capex totalled €224 m during the quarter.

Investments in the Upstream were mostly directed to projects under development in the Brazilian pre-salt, namely Bacalhau and BM-S-11.

Commercial capex was mostly allocated to the transformation of the retail business, both in Portugal and Spain. Industrial & Energy Management capex was directed to initiatives to improve the efficiency of the refining system.

Investments within the Renewables & New Businesses segment, which are net of project finance contributions, were mostly deployed towards the continued execution of the solar portfolio.

### First half 2022

Capex totalled €412 m, with Upstream accounting for 63% of total investments, whilst the downstream activities represented 11% and Renewables & New Businesses 22%.

Upstream investments were mainly directed to Brazil, namely Bacalhau and BM-S-11.

Commercial investments were allocated to business transformation. Industrial & Energy Management investments were allocated to refining activities.

Investments within the Renewables & New Businesses segment supported the continued execution of the solar projects.

## 6.3 Cash Flow

€m (IFRS figures)

Quarter			Half Year	
2Q21	1Q22	2Q22	2021	2022
571	869	1,244	1,071	2,114
42	-	9	90	(9)
(144)	(231)	(289)	(246)	(520)
<b>470</b>	<b>638</b>	<b>964</b>	<b>914</b>	<b>1,603</b>
(20)	(9)	4	(9)	(5)
92	188	301	225	489
(102)	(625)	(522)	(314)	(1,146)
(98)	(224)	199	(71)	(25)
<b>440</b>	<b>193</b>	<b>747</b>	<b>817</b>	<b>940</b>
(186)	(122)	(244)	8	(365)
(7)	(23)	5	(43)	(18)
(18)	(18)	(21)	(37)	(39)
<b>228</b>	<b>30</b>	<b>488</b>	<b>746</b>	<b>517</b>
(78)	(110)	(1)	(78)	(111)
(290)	-	(247)	(290)	(247)
(290)	-	(207)	(290)	(207)
-	-	(40)	-	(40)
(28)	(27)	(34)	(54)	(61)
9	73	1	31	74
<b>159</b>	<b>35</b>	<b>(207)</b>	<b>(354)</b>	<b>(173)</b>

<sup>1</sup> 2021 includes the proceeds from the GGND stake sale of €343 m.

<sup>2</sup> Mainly dividends paid to Sinopec.

<sup>3</sup> Share repurchase amounts related to programmes for the sole purpose of the cancellation of own shares.



## Second quarter 2022

CFFO reached €747 m, including a working capital build resulting from the increased commodities prices during the period although partially offset by a €199 m roll off in natural gas derivatives exposure.

FCF was positive at €488 m. Net debt decreased €207 m, already considering a €247 m spending in shareholder distributions, of which €207 m in dividends and €40 m in the share buyback programme in place since May.

## First half 2022

Galp's OCF<sup>1</sup> was €1,603 m, capturing the favourable market conditions, while CFFO amounted to €940 m, including a material working capital build from the increased commodities price environment during the period.

FCF amounted to €517 m. Considering distributions to shareholders of €247 m (cash dividends and buybacks) and dividends to non-controlling interests of €111 m, as well as other adjustments, net debt decreased €173 m, compared to the end of last year.

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<sup>1</sup>The OCF indicator represents a proxy of Galp's operational performance excluding inventory effects, working capital changes and special items. The reconciliation of this indicator with CFFO using IFRS is in chapter 6.3 Cash Flow.

## 6.4 Condensed Financial Position

€m (IFRS figures)

	31 Dec. 2021	31 Mar. 2022	30 Jun. 2022	Var. vs 31 Dec. 2021	Var. vs 31 Mar. 2022
Net fixed assets	6,667	6,718	6,625	(41)	(93)
Rights of use (IFRS 16)	1,079	1,064	1,088	10	24
Working capital	1,879	2,504	3,026	1,146	522
Other assets/liabilities	(2,119)	(2,693)	(2,490)	(370)	203
<b>Capital employed</b>	<b>7,506</b>	<b>7,594</b>	<b>8,250</b>	<b>744</b>	<b>656</b>
Short term debt	1,305	2,374	1,531	227	(843)
Medium-Long term debt	2,995	2,655	2,718	(276)	63
<b>Total debt</b>	<b>4,300</b>	<b>5,030</b>	<b>4,250</b>	<b>(50)</b>	<b>(780)</b>
Cash and equivalents	1,942	2,638	2,065	123	(573)
<b>Net debt</b>	<b>2,357</b>	<b>2,392</b>	<b>2,185</b>	<b>(173)</b>	<b>(207)</b>
Leases (IFRS 16)	1,179	1,166	1,202	24	36
Equity	3,970	4,036	4,863	893	827
<b>Equity, net debt and leases</b>	<b>7,506</b>	<b>7,594</b>	<b>8,250</b>	<b>744</b>	<b>656</b>

On June 30, 2022, net fixed assets were €6,625 m, including work-in-progress of €2,116 m, mostly related to the Upstream business.

Other assets / liabilities increased €370 m compared to year-end 2021, mostly reflecting impacts from the mark-to-market of derivatives. Equity was up €893 m, supported by the IFRS net income in the period and the USD appreciation against the Euro, although partially offset by distributions to shareholders and dividends to minorities.

## 6.5 Financial Debt

€m (except otherwise stated)

	31 Dec. 2021	31 Mar. 2022	30 Jun. 2022	Var. vs 31 Dec. 2021	Var. vs 31 Mar. 2022
Cash and equivalents	1,942	2,638	2,065	123	(573)
Undrawn credit facilities	816	949	1,760	945	811
Bonds	2,421	2,801	2,814	394	13
Bank loans and other debt	1,879	2,228	1,436	(443)	(793)
Net debt	2,357	2,392	2,185	(173)	(207)
Leases (IFRS 16)	1,179	1,166	1,202	24	36
Net debt to RCA Ebitda <sup>2</sup>	1.1x	1.0x	0.7x	-0.4x	-0.3x

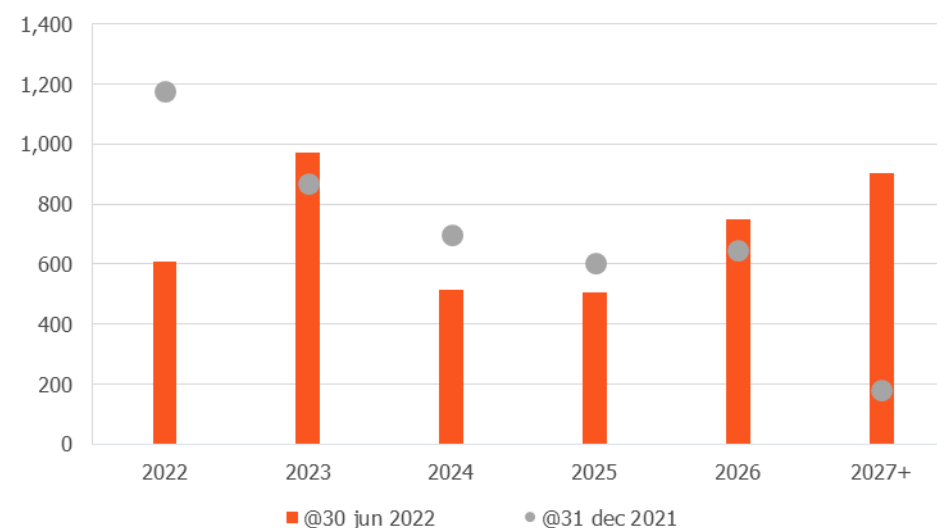
<sup>1</sup> Ratio considers the LTM Ebitda RCA (€3,166 m), which includes the adjustment for the impact from the application of IFRS 16 (€199 m).

On June 30, 2022, net debt was €2,185 m, down €173 m from year-end 2021. Net debt to RCA Ebitda stands at 0.7x. Excluding temporary impacts on working capital, related with margin accounts, net debt to RCA Ebitda at quarter end would have been c.0.5x.

At the end of the period, cash and equivalents reached €2.1 bn, whilst unused credit lines were c.€1.8 bn, of which c.82% were contractually guaranteed. The average cost of funding for the period, including charges for credit lines, was 1.44%.

During the period, Galp decided to exercise the call option with respect to the total outstanding amount of the notes representing the bond issue "EUR 150 M. FLOATING RATE NOTES DUE 2024" (CVM Code: GALDOM) ("Notes"). The redemption of the Notes made at principal amount thereof plus accrued interest and will occur on the 29 of July 2022 (payment date of the current Interest Period). Cancellation of the Notes will follow.

### Debt maturity profile (€ m)



## 6.6 Share Repurchase Programme

	Programme Amount	Start Date	Duration	Status	Amount Spent	Total Shares Bought
2021 Fiscal Year	€150 m	12/05/2022	120 to 150 days	Ongoing	€40 m	3,417,390

### Framework

The shareholder's remuneration framework considers a progressive base cash dividend, growing at 4% per year. The base dividend related to 2022 is therefore expected to be €0.52/sh, growing at the same rate over the subsequent years. This base dividend is expected to be paid semi-annually.

Additional supplementary distributions are planned to be made through buybacks, whenever Galp's Net Debt to RCA Ebitda remains below 1x. Total distributions to shareholders (cash dividend + buyback) are limited at 1/3 of the adjusted operational cash flows (OCF).

### Buyback Programmes

Related to the 2021 fiscal year, a supplementary distribution of €150 m was decided to be executed through a buyback, which started in May 2022 and is currently ongoing.

On June 30, Galp had acquired 3,417,390 shares (equivalent to 0.43% of the share capital), for an aggregate amount of €40 m.



## 6.7 Reconciliation of IFRS and RCA figures

### Ebitda by segment

€m

Second Quarter					First Half					
Ebitda IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda		Ebitda IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda
1,549	(301)	1,248	(4)	1,244	Galp	2,597	(489)	2,108	5	2,114
878	-	878	-	878	Upstream	1,680	-	1,680	-	1,680
119	(22)	97	-	97	Commercial	175	(22)	153	-	153
561	(274)	287	(4)	283	Ind. & Energy Management	747	(467)	279	5	285
(4)	-	(4)	-	(4)	Renewables & New Businesses	(5)	-	(5)	-	(5)
(5)	(5)	(10)	-	(10)	Others	(0)	(0)	(0)	-	(0)

### Ebit by segment

€m

Second Quarter					First Half					
Ebit IFRS	Inventory effect	RC Ebit	Special items	RCA Ebit		Ebit IFRS	Inventory effect	RC Ebit	Special items	RCA Ebit
1,211	(301)	910	13	924	Galp	1,920	(489)	1,431	31	1,462
653	-	653	-	653	Upstream	1,208	-	1,208	-	1,208
93	(22)	71	-	71	Commercial	124	(22)	102	-	102
480	(274)	205	13	219	Ind. & Energy Management	604	(467)	136	31	168
(4)	-	(4)	-	(4)	Renewables & New Businesses	(5)	-	(5)	-	(5)
(10)	(5)	(15)	-	(15)	Others	(10)	(0)	(10)	-	(10)

## 6.8 Special Items

€m

Quarter			Half Year	
2Q21	1Q22	2Q22	2021	2022
<b>20</b>	<b>9</b>	<b>(4)</b>	<b>9</b>	<b>5</b>
<b>Items impacting Ebitda</b>				
0	-	-	(26)	-
20	9	(4)	35	5
<b>1</b>	<b>9</b>	<b>17</b>	<b>2</b>	<b>26</b>
<b>Items impacting non-cash costs</b>				
1	9	18	2	26
<b>184</b>	<b>421</b>	<b>(354)</b>	<b>123</b>	<b>67</b>
<b>Items impacting financial results</b>				
1	-	7	11	7
185	421	(315)	148	105
(2)	1	(47)	(35)	(46)
<b>(75)</b>	<b>(136)</b>	<b>69</b>	<b>(44)</b>	<b>(67)</b>
<b>Items impacting taxes</b>				
(62)	(93)	73	(37)	(20)
(22)	(56)	(10)	(25)	(66)
8	13	6	18	18
7	17	3	12	20
<b>137</b>	<b>320</b>	<b>(269)</b>	<b>103</b>	<b>51</b>
<b>Total special items</b>				

## 6.9 IFRS Consolidated Income Statement

€m

Quarter			Half Year	
2Q21	1Q22	2Q22	2021	2022
3,520	5,548	7,153	6,734	12,700
117	114	76	240	190
55	139	139	123	278
<b>3,691</b>	<b>5,800</b>	<b>7,368</b>	<b>7,097</b>	<b>13,168</b>
(2,609)	(4,142)	(5,281)	(4,889)	(9,423)
(358)	(460)	(453)	(720)	(913)
(73)	(82)	(77)	(151)	(159)
(3)	(6)	(0)	(3)	(7)
(4)	(61)	(8)	(46)	(69)
<b>(3,047)</b>	<b>(4,752)</b>	<b>(5,819)</b>	<b>(5,809)</b>	<b>(10,571)</b>
<b>644</b>	<b>1,048</b>	<b>1,549</b>	<b>1,287</b>	<b>2,597</b>
(267)	(338)	(340)	(484)	(677)
(0)	(2)	2	(0)	(0)
<b>376</b>	<b>709</b>	<b>1,211</b>	<b>803</b>	<b>1,920</b>
25	26	54	16	80
(188)	(453)	16	(172)	(437)
4	7	11	8	18
(11)	(15)	(16)	(24)	(31)
4	4	4	7	9
(18)	(19)	(20)	(37)	(39)
9	1	48	27	49
(185)	(421)	(15)	(148)	(436)
10	(10)	4	(5)	(6)
<b>213</b>	<b>282</b>	<b>1,281</b>	<b>646</b>	<b>1,563</b>
(94)	(211)	(470)	(319)	(681)
(8)	(19)	(3)	(27)	(22)
<b>111</b>	<b>52</b>	<b>809</b>	<b>300</b>	<b>860</b>
(41)	(65)	(82)	(68)	(147)
<b>71</b>	<b>(13)</b>	<b>726</b>	<b>232</b>	<b>713</b>

<sup>1</sup> Includes SPT payable in Brazil and IRP payable in Angola.<sup>2</sup> Includes €9 m, €9 m and €4 m related to CESE I, CESE II and FNEE, respectively, during 2022.

## 6.10 Consolidated Financial Position

€m

	31 Dec. 2021	31 Mar. 2022	30 Jun. 2022
<b>Assets</b>			
Tangible fixed assets	5,169	5,155	5,430
Goodwill	85	88	89
Other intangible fixed assets	645	605	545
Rights of use (IFRS 16)	1,079	1,064	1,088
Investments in associates	389	451	524
Receivables	294	273	259
Deferred tax assets	485	449	473
Financial investments	559	774	456
<b>Total non-current assets</b>	<b>8,703</b>	<b>8,860</b>	<b>8,865</b>
Inventories <sup>1</sup>	1,007	1,296	1,965
Trade receivables	1,381	1,775	2,279
Other receivables	885	1,108	1,217
Financial investments	992	1,598	1,849
Current Income tax recoverable	139	107	14
Cash and equivalents	1,942	2,638	2,065
<b>Total current assets</b>	<b>6,346</b>	<b>8,521</b>	<b>9,389</b>
<b>Total assets</b>	<b>15,050</b>	<b>17,381</b>	<b>18,254</b>



€m

	31 Dec. 2021	31 Mar. 2022	30 Jun. 2022
<b>Equity</b>			
Share capital	829	829	829
Buybacks	-	-	(40)
Share premium	82	82	82
Reserves	1,327	1,429	1,695
Retained earnings	810	813	582
Net income	4	(14)	713
<b>Total equity attributable to equity holders of the parent</b>	<b>3,052</b>	<b>3,140</b>	<b>3,862</b>
Non-controlling interests	918	896	1,001
<b>Total equity</b>	<b>3,970</b>	<b>4,036</b>	<b>4,863</b>
<b>Liabilities</b>			-
Bank loans and overdrafts	824	804	854
Bonds	2,171	1,851	1,864
Leases (IFRS 16)	1,015	1,009	1,036
Other payables	95	99	105
Retirement and other benefit obligations	300	293	286
Deferred tax liabilities	653	494	550
Other financial instruments	136	260	305
Provisions	1,209	1,272	1,312
<b>Total non-current liabilities</b>	<b>6,403</b>	<b>6,083</b>	<b>6,312</b>
Bank loans and overdrafts	1,055	1,424	581
Bonds	250	950	950
Leases (IFRS 16)	164	157	166
Trade payables	811	1,472	2,059
Other payables	1,328	1,313	1,318
Other financial instruments	1,069	1,946	1,923
Income tax payable	-	-	80
<b>Total current liabilities</b>	<b>4,677</b>	<b>7,263</b>	<b>7,079</b>
<b>Total liabilities</b>	<b>11,080</b>	<b>13,345</b>	<b>13,391</b>
<b>Total equity and liabilities</b>	<b>15,050</b>	<b>17,381</b>	<b>18,254</b>



## BASIS OF REPORTING

## 7. BASIS OF REPORTING

Galp's consolidated financial statements have been prepared in accordance with IFRS. The financial information in the consolidated income statement and in the consolidated financial position is reported for the quarters ended on June 30 and March 31, 2022 and 2021, and December 31 2021.

Galp's financial statements are prepared in accordance with IFRS, and the cost of goods sold is valued at weighted-average cost. When goods and commodity prices fluctuate, the use of this valuation method may cause volatility in results through gains or losses in inventories, which do not reflect the Company's operating performance. This is called the inventory effect.

Other factors that may affect the Company's results, without being an indicator of its true performance, are set as special items.

For the purpose of evaluating Galp's operating performance, RCA profitability measures exclude special items and the inventory effect, the latter because the cost of goods sold and materials consumed has been calculated according to the Replacement Cost (RC) valuation method.

Mark-to-market swings related with derivative hedges to cover client positions, which have no direct translation into operating results, are registered as special items.

Following the decision to discontinue the Matosinhos refinery, the Company is now booking all Matosinhos related activities as a special item, in order to provide a better proxy of Galp's refining operations going forward.

With regards to risks and uncertainties, please read Part II – C. III Internal control and risk management (page 45) of Corporate Governance Report 2021, [here](#).

Chairperson:

Paula Amorim

Vice-chairman and Lead  
Independent Director:

Miguel Athayde Marques

Vice-chairman:

Andy Brown

Members:

Filipe Silva

Thore Kristiansen

Teresa Abecasis

Georgios Papadimitriou

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Luís Todo Bom

Jorge Seabra

Rui Paulo Gonçalves

Diogo Tavares

Edmar de Almeida

Cristina Fonseca

Adolfo Mesquita Nunes

Javier Cavada Camino

Claúdia Almeida e Silva





08

 **APPENDIX**

## 8. APPENDIX

### 8.1 Governing bodies

The composition of the governing bodies of Galp Energia, SGPS, S.A. as of 30 June 2022 is as follows:

#### Board of Directors

##### Chairman:

Paula Fernanda Ramos Amorim

##### Vice-Chairman and Lead Independent Director:

Miguel Athayde Marques

##### Vice-Chairman:

Andrew Richard Dingley Brown

##### Members:

Filipe Quintin Crisóstomo Silva  
Thore Ernst Kristiansen  
Teresa Alexandra Pires Marques Leitão Abecasis  
Georgios Papadimitriou  
Marta Claudia Ramos Amorim Barroca de Oliveira  
Francisco Vahia de Castro Teixeira Rêgo  
Carlos Eduardo de Ferraz Carvalho Pinto  
Luís Manuel Pêgo Todo Bom  
Jorge Manuel Seabra de Freitas  
Diogo Mendonça Rodrigues Tavares  
Rui Paulo da Costa Cunha e Silva Gonçalves

Edmar Luiz Fagundes de Almeida

Cristina Neves Fonseca

Adolfo Miguel Baptista Mesquita Nunes

Javier Cavada Camino

Claudia Filipa Henriques de Almeida e Silva de Matos Sequeira

#### Executive Committee

##### Chairman:

Andrew Richard Dingley Brown (CEO)

##### Members:

Filipe Crisóstomo Silva (CFO)

Thore Ernst Kristiansen

Teresa Alexandra Pires Marques Leitão Abecasis

Georgios Papadimitriou

#### Audit Board

##### Chairman:

José Pereira Alves

##### Members:

Maria de Fátima Castanheira Cortês Damásio Geadá

Pedro Antunes de Almeida

**Alternate:**

Amável Alberto Freixo Calhau

**Statutory Auditor****Standing:**

Ernst & Young Audit & Associados, SROC, S.A., represented by Rui Abel Serra Martins

**Alternate:**

Manuel Ladeiro de Carvalho Coelho da Mota

**General Shareholders Meeting Board****Chairman:**

Ana Paz Ferreira da Câmara Perestrelo de Oliveira

**Vice-Chairman:**

Rafael de Almeida Garrett Lucas Pires

**Secretary:**

Sofia Leite Borges

**Company Secretary****Standing:**

Nuno Moraes Bastos

**Alternate:**

Rita Picão Fernandes

## 8.2 Statement of compliance of information presented

### Statement of compliance of the Board of Directors

According to article 29-J, paragraph 1. c) of the Portuguese Securities Code, each of the members of the Board of Directors of Galp indicated below declares that, to the best of their knowledge, the information provided for in the financial statements concerning the first half of the financial year 2022 was prepared in accordance with the applicable accounting standards and provide a true and a fair view of Galp's assets and liabilities, financial position and results as well as the companies included in the consolidation as a whole, and that the interim management report for the first half of 2022 faithfully describes the main events that occurred during the period and the respective impact on the financial statements, as well as a description of the main risks and uncertainties faced in the remaining six months.

Lisbon, 22 July 2022.

### The Board of Directors

**Chairperson:** Paula Amorim

Francisco Teixeira Rêgo

**Vice-Chairman and Lead Independent Director:** Miguel Athayde Marques

Carlos Pinto

Luis Todo Bom

**Vice-Chairman:** Andy Brown

Jorge Seabra de Freitas

### Members:

Diogo Tavares

Filipe Silva

Rui Paulo Gonçalves

Thore Kristiansen

Edmar de Almeida

Teresa Abecasis

Cristina Fonseca

Georgios Papadimitriou

Adolfo Mesquita Nunes

Marta Amorim

Javier Cavada Camino

Cláudia Almeida e Silva



### Statement of compliance of the Audit Board

According to article 420, paragraph 6 of the Companies Code, each of the members of the Audit Board of Galp mentioned below declares that, to the best of their knowledge, the information provided for in the financial statements concerning the first half of the financial year 2022 was prepared in accordance with the applicable accounting standards and provide a true and a fair view of Galp's assets and liabilities, financial position and results as well as the companies included in the consolidation as a whole, and that the interim management report for the first half of 2022 faithfully describes the main events that occurred during the period and the respective impact on the financial statements, as well as a description of the main risks and uncertainties faced in the remaining six months, for what it deserves our agreement.

Lisbon, 22 July 2022.

### The Board of Directors

#### Chairman:

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José Pereira Alves

#### Members:

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Maria de Fátima Geadá

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Pedro Antunes de Almeida

## 8.3 Condensed Consolidated Financial Statements for the period ended 30 June 2022 – Limited review

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## Interim Condensed Consolidated Statement of Financial Position

## Galp Energia, SGPS, S.A.

## Condensed Consolidated Statement of Financial Position as of 30 June 2022 and 31 December 2021

(Amounts stated in million Euros - € m)

Assets	Notes	June 2022	December 2021
<b>Non-current assets:</b>			
Tangible assets	4	5,430	5,169
Goodwill and intangible assets	5	635	730
Right-of-use of assets	6	1,088	1,079
Investments in associates and joint ventures	7	524	389
Deferred tax assets	14.1	473	485
Other receivables	9.2	259	293
Other financial assets	10	456	560
<b>Total non-current assets:</b>		<b>8,865</b>	<b>8,703</b>
<b>Current assets:</b>			
Inventories	8	1,965	1,007
Other financial assets	10	1,849	992
Current income tax receivable		14	139
Trade receivables	9.1	2,279	1,243
Other receivables	9.2	1,217	885
Cash and cash equivalents	11	2,065	1,942
<b>Total current assets:</b>		<b>9,389</b>	<b>6,208</b>
<b>Total assets:</b>		<b>18,254</b>	<b>14,912</b>

Equity and Liabilities	Notes	June 2022	December 2021
<b>Equity:</b>			
Share capital and share premium		911	911
Own shares		(40)	-
Reserves		1,695	1,327
Retained earnings		1,295	813
<b>Total equity attributable to shareholders:</b>		<b>3,862</b>	<b>3,052</b>
Non-controlling interests	<b>18</b>	1,001	918
<b>Total equity:</b>		<b>4,863</b>	<b>3,970</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Financial debt	<b>12</b>	2,718	2,995
Lease liabilities	<b>6</b>	1,036	1,015
Other payables	<b>13</b>	105	95
Post-employment and other employee benefit liabilities	<b>15</b>	286	300
Deferred tax liabilities	<b>14.1</b>	550	653
Other financial instruments	<b>17</b>	305	136
Provisions	<b>16</b>	1,312	1,209
<b>Total non-current liabilities:</b>		<b>6,312</b>	<b>6,403</b>
<b>Current liabilities:</b>			
Financial debt	<b>12</b>	1,531	1,305
Lease liabilities	<b>6</b>	166	164
Trade payables	<b>13</b>	2,059	811
Other payables	<b>13</b>	1,318	1,190
Other financial instruments	<b>17</b>	1,923	1,069
Current income tax payable		80	-
<b>Total current liabilities:</b>		<b>7,079</b>	<b>4,539</b>
<b>Total liabilities:</b>		<b>13,391</b>	<b>10,942</b>
<b>Total equity and liabilities:</b>		<b>18,254</b>	<b>14,912</b>

The accompanying notes form an integral part of the condensed consolidated statement of financial position and should be read in conjunction.



## Interim Condensed Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Galp Energia, SGPS, S.A.

Condensed Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the six-month periods ended 30 June 2022 and 30 June 2021

(Amounts stated in million Euros - € m)

	Notes	June 2022	June 2021
Sales	19	12,700	6,734
Services rendered	19	190	240
Other operating income	19	278	123
Financial income	21	33	11
Earnings from associates and joint ventures	7/19	78	16
<b>Total revenues and income:</b>		<b>13,278</b>	<b>7,124</b>
Cost of sales	20	(9,423)	(4,889)
Supplies and external services	20	(913)	(720)
Employee costs	20	(159)	(151)
Amortisation and depreciation of fixed assets	20	(677)	(434)
Impairment losses on fixed assets	20	-	(50)
Provisions and impairment losses on receivables	20	(7)	(3)
Other operating costs	20	(69)	(46)
Financial expenses	21	(467)	(184)
<b>Total costs and expenses:</b>		<b>(11,715)</b>	<b>(6,478)</b>
<b>Profit/(Loss) before taxes and other contributions:</b>		<b>1,563</b>	<b>646</b>
Taxes and SPT	14.1	(681)	(319)
Energy sector extraordinary contribution	14.2	(22)	(27)
<b>Consolidated net profit/(loss) for the period</b>		<b>860</b>	<b>300</b>
<b>Attributable to:</b>			
Galp Energia, SGPS, S.A. Shareholders		713	232
Non-controlling interests	18	147	68
<b>Basic and Diluted Earnings per share (in Euros)</b>		<b>0.86</b>	<b>0.28</b>
<b>Consolidated net profit/(loss) for the period</b>		<b>860</b>	<b>300</b>
<b>Items which will not be recycled in the future through net income:</b>			
Remeasurements		4	5
Income taxes related to remeasurements		(0)	-
<b>Items which may be recycled in the future through net income:</b>			
Currency translation adjustments		421	179
Hedging reserves		(5)	28
Income taxes related to the above item		1	(7)
<b>Total Comprehensive income for the period, attributable to:</b>		<b>1,281</b>	<b>506</b>
Galp Energia, SGPS, S.A. Shareholders		1,057	404
Non-controlling interests		224	102

The accompanying notes form an integral part of the condensed consolidated income statement and consolidated statement of comprehensive income and should be read in conjunction.

## Interim Condensed Consolidated Statement of Changes in Equity

## Galp Energia, SGPS, S.A

Condensed Consolidated Statement of changes in equity for the six-month periods ended 30 June 2022 and 30 June 2021

(Amounts stated in million Euros - € m)

	Share Capital and Share Premium			Reserves			Retained earnings	Sub-Total	Non- controlling interests	Total
	Share Capital	Share Premium	Own shares	Currency Translation Reserves	Hedging Reserves	Other Reserves				
As at 1 January 2021	829	82	-	(570)	3	1,535	1,281	3,160	940	4,100
Consolidated net profit for the period	-	-	-	-	-	-	232	232	68	300
Other gains and losses recognised in equity	-	-	-	146	21	-	5	172	34	205
Comprehensive income for the period	-	-	-	146	21	-	236	404	102	506
Dividends distributed	-	-	-	-	-	-	(290)	(290)	(44)	(334)
Decrease in reserves	-	-	-	-	-	-	-	-	(47)	(47)
As at 30 June 2021	829	82	-	(424)	24	1,535	1,227	3,273	952	4,225
	-	-	-	-	-	-	-	-	-	-
Balance as at 1 January 2022	829	82	-	(232)	24	1,535	813	3,052	918	3,970
Consolidated net profit for the period	-	-	-	-	-	-	713	713	147	860
Other gains and losses recognised in equity	-	-	-	371	(4)	-	(23)	344	78	422
Comprehensive income for the period	-	-	-	371	(4)	-	690	1,057	224	1,281
Dividends distributed	-	-	-	-	-	-	(207)	(207)	(141)	(349)
Repurchases of shares	-	-	(40)	-	-	-	-	(40)	-	(40)
Increase/decrease in reserves	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2022	829	82	(40)	139	20	1,535	1,295	3,863	1,001	4,863

The accompanying notes form an integral part of the condensed consolidated statement of changes in equity and should be read in conjunction.

## Interim Condensed Consolidated Statement of Cash Flow

Galp Energia, SGPS, S.A.

Condensed Consolidated Statement of Cash Flow for the six-month periods ended 30 June 2022 and 30 June 2021

(Amounts stated in million Euros - €m)

	Notes	June 2022	June 2021
<b>Income/(Loss) before taxation for the period</b>		<b>1,563</b>	<b>646</b>
<b>Adjustments for:</b>			
Depreciation, depletion and amortisation	20	677	484
Adjustments to net realisable value of inventories	20	12	12
Interest Expense, net	21	434	172
Underlifting and/or Overlifting	19;20	(147)	11
Share of profit/(loss) of joint ventures and associates	19	(78)	(16)
Others		(1)	1
<b>Increase / decrease in assets and liabilities:</b>			
(Increase) in inventories		(1,011)	(156)
(Increase)/decrease in current receivables		(1,035)	(288)
(Decrease)/increase in current payables		1,186	197
(Increase)/decrease in other receivables, net		(150)	(90)
Derivatives		(49)	(94)
Other (Increase)/decrease in other receivables, net		(101)	5
Dividends from associates		9	90
Taxes paid		(520)	(246)
<b>Cash flow from operating activities</b>		<b>940</b>	<b>817</b>
Capital expenditure in tangible and intangible assets		(289)	(396)
Investments in associates and joint ventures, net		0	460
Other investment cash outflows, net		(76)	(57)
<b>Cash flow from investing activities</b>		<b>(365)</b>	<b>7</b>
Loans obtained		2,244	2.533
Loans repaid		(2,197)	(3.046)
Interest paid		(18)	(43)
Leases repaid		(61)	(54)
Interest on leases paid		(39)	(37)
Change in non-controlling interest		0	(46)
Acquisition of own stocks		(40)	0
Dividends paid to Galp shareholders		(207)	(290)
Dividendos paid to non-controlling interests		(111)	(32)
<b>Cash flow from financing activities</b>		<b>(429)</b>	<b>(1.015)</b>
(Decrease)/increase in cash and cash equivalents		146	(191)
Currency translation differences in cash and cash equivalents		96	37
Cash and cash equivalents at the beginning of the period		1,811	1.675
<b>Cash and cash equivalents at the end of the period</b>		<b>2,053</b>	<b>2,053</b>

The accompanying notes form an integral part of the condensed consolidated statement of Cash Flow and should be read in conjunction.

## Notes to the Condensed Consolidated Financial Statements

### 1. Corporate information

Galp Energia SGPS, S.A. (the Company) has its Head Office in Lisbon, Portugal and its shares are listed on Euronext Lisbon.

### 2. Basis for preparation, changes to the Group's accounting policies and matters related to the condensed consolidated financial statements

#### 2.1. Basis for preparation

The condensed consolidated financial statements for the six-month period ended 30 June 2022 were prepared in accordance with IAS 34 - Interim Financial Reporting.

The Galp Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Board of Directors considers that there are no material uncertainties that may cast doubt over this assumption. The Board has formed a judgement that there is a reasonable expectation that the Galp Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

These financial statements do not include all of the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the consolidated financial statements of the Galp Group for the year ended as of 31 December 2021.

The condensed consolidated financial statements have been prepared in millions of Euros, except where expressly indicated otherwise. Due to the effects of rounding, the totals and sub-totals of tables may not be equal to the sum of the individual figures presented.

#### 2.2. Key accounting estimates and judgments

Future long-term commodity price assumptions and management's view on the future development of refining margins represent a significant estimate. Future long-term commodity price assumptions were not subject to change in the second quarter 2022.

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2021.

We have not identified impairment indicators that lead us to a detailed impairment analysis as at 30 June 2022, except for certain exploration assets as detailed in note 4.

#### 2.3. Changes to IFRS not yet adopted

IFRS 17 Insurance contracts was issued in 2017, with amendments published in 2020 and 2021, and is to be adopted for annual reporting periods beginning on or after January 1, 2023. No significant impact of adoption of the standard is expected.

Several amendments apply for the first time in 2022, but do not have an impact on the interim condensed consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

## 2.4. Macroeconomic event and financial derivatives

During Q2 2022 we have continued to witness major volatility in prices of all oil, gas and electricity products with increased tendency of market prices, due to decreased Russian supply partially driven by the sanctions imposed by several countries.

Given the high volatility in energy prices verified in international markets the mark-to-market of financial derivatives held by Galp impacted Galp's suffered volatility of Mark-to-Market in Financial results, mostly related to refining margin, Brent and natural gas. Some of the derivatives require margin deposits which temporarily affect Galp's cash position. As at 30 June 2022, Galp's working capital includes €638 m related to gas derivatives margin accounts.

## 2.5. Profit or Loss comparables

Profit or Loss of June 2022 compared to June 2021 showed significant fluctuations suffered high volatility in some captions. This results from an increase of economic activity was observed against a prior period affected by the Covid-19 economic slowdown as well as from an increase of commodity prices due to the war in Ukraine.

## 2.6. Changes to the consolidation perimeter

During the six-month period Galp has acquired the following entities:

Legal Entity	Country	% Acquired	Transaction	Consolidation Method
Aurora Lith, S.A.	Portugal	50,00%	Acquisition of Joint control	Equity Method
Cascudo Solar Energia, Ltda.	Brazil	100%	Acquisition of Control	Full consolidation
Enercapital Power Italia, S.A.	Italy	100%	Acquisition of Control	Full consolidation
Hytantic, S.A.	Portugal	28,50%	Acquisition of significant influence	Equity Method
Ventinveste, S.A.	Portugal	remaining 50%	Acquisition of control	Full consolidation

All entities in the table above were incorporated, except for the acquisition of the remaining 50% in Ventinveste, which was acquired by an amount of €6.4m.

## 2.7. Acquisition of own shares

Own equity instruments that are reacquired (own shares or treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised as share premium.

Galp Shareholders approved the acquisition of own shares up to 9% of its Share capital. As such, Galp has initiated on the 12 May a programme to repurchase Galp Energia SGPS, S.A. own shares in the amount of €150m. After the conclusion of the programme, and until year-end 2022, the shares bought back will be canceled.

Galp has instructed Morgan Stanley Europe SE to act as a principal without risk for the execution of the programme to repurchase the shares on Euronext Lisbon.

Until 30 June 2022 3,417,390 shares were acquired at an average price of €11,62/shares, totalling €39,7m.



3. Segment reporting

The Group operates across four different operating segments based on the types of products sold and services rendered: (i) Upstream, (ii) Industrial & Energy Management; (iii) Commercial and (iv) Renewables and New Businesses.

The Upstream segment represents Galp’s presence in the upstream sector of the oil and gas industry, which involves the management of all activities relating to the exploration, development and production of hydrocarbons, mainly focused in Brazil, Mozambique and Angola.

The Industrial & Energy Management segment incorporates the refining and logistics business, as well as the Group’s oil, gas and power supply and trading activities. This segment also includes co-generation.

The Commercial segment integrates the entire offering to Galp’s clients - business to business (B2B) and business to consumer (B2C), of oil, gas, power and non-fuel products. This commercial activity is focused in Iberia but also extends to certain countries in Africa.

The Renewables & New Businesses segment encompasses renewables power generation, mobility and new businesses.

Besides these four business segments, the Group has also included within the category “Others” the holding company Galp Energia, SGPS, S.A. and companies with various other activities including Tagus Re, S.A. and Galp Energia, S.A., a reinsurance company and a provider of shared services at the corporate level, respectively.

Segmented reporting is presented on a replacement cost (RC) basis, which is the earnings metric used by the Chief Operating Decision Maker to make decisions regarding the allocation of resources and to assess performance. Based on the RC method, the current cost of sales measured under IFRS (the weighted average cost) is replaced by the crude reference price (i.e. Brent-dated) as at the balance sheet date, as though the cost of sales had been measured at the replacement cost of the inventory sold.

The replacement cost financial information for the segments identified above, for the six-month periods ended 30 June 2022 and 2021, is as follows:

[illegible]

### OTHER INFORMATION

### Segment Assets (1)

Financial investments <sup>(2)</sup>	524	389	251	200	9	24	14	22	234	145	16	4	-	(6)
Other assets	17,730	14,523	7,841	6,553	4,647	3,606	3,290	2,693	584	500	2,042	2,285	(674)	(1,114)
<b>Segment Assets</b>	<b>18,254</b>	<b>14,911</b>	<b>8,092</b>	<b>6,753</b>	<b>4,656</b>	<b>3,629</b>	<b>3,304</b>	<b>2,714</b>	<b>818</b>	<b>646</b>	<b>2,058</b>	<b>2,289</b>	<b>(674)</b>	<b>(1,120)</b>
of which Rights of use of assets	1,088	1,079	640	587	169	184	206	179	7	0	67	72	-	56

### Investment in Tangible and Intangible Assets

1) Net amount

<sup>2)</sup> Accounted for based on the equity method of accounting

The details of sales and services rendered, tangible and intangible assets and financial investments for each geographical region in which Galp operates were as follow:

Unit: € m								
	Sales and services rendered <sup>1</sup>		EBITDA RC		Tangible and intangible assets		Financial investments	
	2022	2021	2022	2021	2022	2021	2022	2021
	<b>12,890</b>	<b>6,974</b>	<b>2,108</b>	<b>1,062</b>	<b>2,108</b>	<b>5,899</b>	<b>6,064</b>	<b>388</b>
Europe	10,177	6,102	253	(716)	253	1,574	1,545	130
Latin America	2,376	699	1,657	1,781	1,657	3,204	3,317	42
Africa	337	174	198	(3)	198	1,121	1,203	216

<sup>1</sup> Net consolidation operation

The reconciliation between the segment reporting and the Condensed Consolidated Income Statement for the periods ended 30 June 2022 and 30 June 2021 was as follows:

Unit: € m		
	2022	2021
<b>Sales and services rendered</b>	12,890	6,974
<b>Cost of sales</b>	(9,423)	(4,889)
Replacement cost adjustments (1)	(489)	(225)
<b>Cost of sales at Replacement Cost</b>	(9,912)	(5,114)
<b>Other revenue and expenses</b>	(870)	(797)
<b>Depreciation and amortisation</b>	(677)	(484)
<b>Provisions (net)</b>	(0)	(0)
<b>Earnings from associates and joint ventures</b>	80	16
<b>Financial results</b>	(437)	(172)
<b>Profit before taxes and other contributions at Replacement Cost</b>	<b>1,074</b>	<b>421</b>
Replacement Cost adjustments	489	225
<b>Profit before taxes and other contributions at IFRS</b>	<b>1,563</b>	<b>646</b>
Income tax	(681)	(319)
Income tax on Replacement Cost Adjustment (2)	145	57
Energy Sector Extraordinary Contribution	(22)	(27)
<b>Consolidated net income for the period at Replacement Cost</b>	<b>516</b>	<b>131</b>
Replacement Cost (1) +(2)	344	169
<b>Consolidated net income for the period based on IFRS</b>	<b>860</b>	<b>300</b>

#### 4. Tangible assets

	Unit: € m				
	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
<i>As at 30 June 2022</i>					
Acquisition cost	1,278	12,160	502	2,307	16,247
Impairment	(77)	(1,549)	(6)	(247)	(1,879)
Accumulated depreciation and depletion	(743)	(7,745)	(450)	-	(8,938)
<b>Net Value</b>	<b>458</b>	<b>2,866</b>	<b>46</b>	<b>2,060</b>	<b>5,430</b>
<b>Balance as at 1 January 2022</b>	<b>462</b>	<b>2,866</b>	<b>46</b>	<b>1,794</b>	<b>5,169</b>
Additions	0	2	0	322	325
Depreciation, depletion and impairment	(10)	(338)	(31)	(100)	(479)
Disposals/Write-offs	(0)	(8)	(1)	0	(10)
Transfers	4	118	7	(129)	-
Currency exchange differences and other adjustments	2	226	25	173	426
<b>Balance as at 30 June 2022</b>	<b>458</b>	<b>2,866</b>	<b>46</b>	<b>2,059</b>	<b>5,430</b>

During the six-month period under review the Group has made Upstream investments in the amount of €241 m, essentially related to projects in Brazil (€210 m), Angola (€18 m) and Mozambique (€3 m) and in the businesses units Industrial & Energy Management (€39 m), Renewables (€32 m) and Commercial (€3 m). The additions to tangible assets for the six-month period ended 30 June 2022 also include the capitalisation of financial charges amounting to €9 m (Note 21).

An analysis on Exploration and Appraisal of Brazilian assets was conducted during Q2 in relation to the economic and technical viability of potential oil resources, thus was determined an impairment of €212m of tangible assets (€102m) and intangible assets (€110m) (note 5).

#### 5. Goodwill and intangible assets

	Unit: € m			
	Industrial properties and other rights	Intangible assets in progress	Goodwill	Total
<i>As at 30 June 2022</i>				
Acquisition cost	1,145	80	91	1,316
Impairment	(137)	(25)	(2)	(163)
Accumulated amortisation	(519)	-	-	(519)
<b>Net Value</b>	<b>489</b>	<b>56</b>	<b>89</b>	<b>635</b>
<b>Balance as at 1 January 2022</b>	<b>595</b>	<b>50</b>	<b>84</b>	<b>729</b>
Additions	0	12	-	12
Amortisation and impairment	(128)	-	-	(128)
Write-offs/Disposals	(0)	-	-	(0)
Transfers	7	(9)	2	-
Currency exchange differences and other adjustments	17	2	3	22
<b>Balance as at 30 June 2022</b>	<b>488</b>	<b>55</b>	<b>89</b>	<b>635</b>

## 6. Leases

Right-of-use assets

	Unit: € m					
	FPSO's <sup>1</sup>	Buildings	Service stations	Vessels	Other usage rights	Total
<i>As at 30 June 2022</i>						
Acquisition cost	760	91	273	158	211	1,494
Accumulated amortisation	(168)	(16)	(71)	(103)	(48)	(405)
<b>Net Value</b>	<b>592</b>	<b>76</b>	<b>202</b>	<b>55</b>	<b>164</b>	<b>1,088</b>
<b>As at 1 January 2022</b>	<b>565</b>	<b>75</b>	<b>212</b>	<b>59</b>	<b>168</b>	<b>1,079</b>
Additions	-	0	15	11	2	29
Amortisation	(23)	(3)	(16)	(20)	(7)	(69)
Write-offs/Disposals	-	(0)	(6)	-	(0)	(6)
Currency exchange differences and other adjustments	50	4	(2)	4	1	57
<b>Balance as at 30 June 2022</b>	<b>592</b>	<b>76</b>	<b>202</b>	<b>55</b>	<b>164</b>	<b>1,088</b>

<sup>1</sup> Floating, production, storage and offloading unit.

Lease liabilities

	Unit: € m	
	June 2022	December 2021
<b>Maturity analysis – contractual undiscounted cash flow</b>	<b>1,809</b>	<b>1,696</b>
Less than one year	183	174
One to five years	614	573
More than five years	1,012	949
<b>Lease liabilities included in the statement of financial position</b>	<b>1,202</b>	<b>1,179</b>
Non current	1,036	1,015
Current	166	164

The amounts recognised in consolidated profit or loss were as follows:

	Unit: € m	
	June 2022	June 2021
	<b>249</b>	<b>184</b>
Interest on lease liabilities	39	37
Expenses related to short term, low value and variable payments of operating leases <sup>1</sup>	210	147

<sup>1</sup> Includes variable payments and short term leases recognised under the heading of transport of goods.



Amounts recognised in the consolidated statement of cash flow were as follows:

	Unit: € m	
	June 2022	June 2021
<b>Financing activities</b>	<b>100</b>	<b>91</b>
(Payments) relating to leasing (IFRS 16)	61	54
(Payments) relating to leasing (IFRS 16) interests	39	37

## 7. Investments in associates and joint ventures

	Unit: € m	
	June 2022	December 2021
	<b>524</b>	<b>389</b>
Joint ventures	429	311
Associates	95	78

### 7.1 Investments in joint ventures

	Unit: € m					
	As at 31 December 2021	Share capital increase/ decrease	Equity Method	Other adjustments	Dividends	As at 30 June 2022
	<b>311</b>	<b>48</b>	<b>77</b>	<b>(6)</b>	<b>-</b>	<b>429</b>
Titan 2020, SA	88	-	71	1	-	160
Coral FLNG, S.A.	201	42	-	6	-	249
Other joint ventures	22	6	6	(13)	-	20

### 7.2 Investments in associates

	Unit: € m					
	As at 31 December 2021	Share capital increase/ decrease	Equity Method	Other adjustments	Dividends	As at 30 June 2022
	<b>78</b>	<b>(10)</b>	<b>9</b>	<b>18</b>	<b>-</b>	<b>95</b>
Tauá Brasil Palma, S.A.	43	-	7	11	-	61
Sonangalp - Sociedade Distribuição e Comercialização de Combustíveis, Lda.	9	1	-	(1)	-	9
Galp Gás Natural Distribuição	8	-	-	-	-	8
Geo Alternativa, S.L.	4	3	-	-	-	7
Other associates	14	(13)	1	7	-	9

In the caption of Earnings from associates and joint ventures in the Condensed Consolidated Income Statement is a result of €8 m. The amount reflected the obligation assumed by Galp with the Galp Gás Natural Distribuição, S.A.(GGND) shareholders in relation to the CESE I liability (€7 m).

## 8. Inventories

	Unit: € m	
	June 2022	December 2021
	<b>1,965</b>	<b>1,007</b>
<b>Raw, subsidiary and consumable materials</b>	<b>422</b>	<b>184</b>
Crude oil	286	105
Other raw materials	136	79
Raw materials in transit	207	-
<b>Finished and semi-finished products</b>	<b>830</b>	<b>592</b>
<b>Goods</b>	<b>541</b>	<b>277</b>
<b>Adjustments to net realisable value</b>	<b>(35)</b>	<b>(46)</b>

The movements in the adjustments to net realisable value balance for the six-month period ended 30 June 2022 were as follows:

	Unit: € m				
	Raw, subsidiary and consumable materials	Finished and semi-finished products	Goods	Adjustments	Total
<b>Adjustments to net realisable value at 1 January 2022</b>	<b>16</b>	<b>11</b>	<b>18</b>	<b>-</b>	<b>46</b>
Net reductions	15	(7)	(18)	(2)	(12)
Other adjustments	-	-	-	1	1
<b>Adjustments to net realisable value at 30 June 2022</b>	<b>31</b>	<b>4</b>	<b>-</b>	<b>(1)</b>	<b>35</b>

The reduction of €12m was recognised in the caption cost of sales being part of the consolidated Profit or Loss. This reduction, which resulted on the application on the Net realizable Value (NRV), was caused by the price fluctuation in the markets during the period under analysis.

## 9. Trade and other receivables

### 9.1. Trade receivables

Unit: € m			
	Notes	June 2022	December 2021
		Current	Current
		<b>2,279</b>	<b>1,243</b>
Trade receivables		2,418	1,379
Impairments	9.3	(139)	(136)

### 9.2. Other receivables

Unit: € m				
Notes	June 2022		December 2021	
	Current	Non-current	Current	Non-current
	1,217	259	885	293
State and other Public Entities	60	0	25	7
Other debtors	555	135	303	132
Non-operated oil blocks	93	-	86	-
Underlifting	198	-	46	-
Other receivables	264	135	171	132
Related Parties	(2)	-	2	0
Contract Assets	531	64	447	67
Sales and services rendered but not yet invoiced	361	-	111	-
Adjustments to tariff deviations - "pass through"	26	-	24	-
Other accrued income	143	64	312	67
Deferred charges	78	60	113	87
Energy sector extraordinary contribution (CESE II)	14.2	9	10	25
Deferred charges for services	8	13	4	14
Other deferred charges	60	26	98	49
Impairment of other receivables	9.3	(5)	(5)	

The balance of €198 m recorded in "Other debtors – Underlifting" corresponds to the amounts receivable by the Group as a result of the lifting of barrels of crude oil below the production quota, and is valued at the lower of the market price as at the sale date and the market price as at 30 June 2022.

Other deferred charges (non-current) include the amount of €25 m relating to post-employment benefits (Note 15).

### 9.3. Impairment of Trade Receivables and Other Receivables

The movements in the impairment of trade receivables and other receivables, for the six-month period ended 30 June 2022, were as follow:

	Unit: € m					
	Opening balance	Increase	Decrease	Utilisation	Others	Closing balance
	<b>141</b>	<b>8</b>	<b>(1)</b>	<b>-</b>	<b>(4)</b>	<b>144</b>
Trade receivables	136	5	(1)	-	(1)	139
Other receivables	5	3	-	-	(3)	5

### 10. Other financial assets

As at 30 June 2022 and 31 December 2021 Other financial assets were as follow:

		Unit: € m			
	Notes	June 2022		December 2021	
		Current	Non-current	Current	Non-current
		<b>1,849</b>	<b>456</b>	<b>992</b>	<b>560</b>
Financial Assets at fair value through profit & loss	17	1,461	295	992	114
Financial Assets at fair value through comprehensive income		-	3	-	7
Financial Assets not measured at fair value - Loans and Capital subscription		388	102	-	411
Others		-	56	-	27

The balance in the current portion is predominantly related to a shareholder loan to Group Titan 2020, S.A., of €364m.

Financial assets at fair value through profit or loss refer to financial derivatives (note 17). Increase is mainly related to the high volatility observed in commodity prices, that impacts Mark-to-Market.

### 11. Cash and cash equivalents

		Unit: € m	
	Notes	June 2022	December 2021
		<b>2,053</b>	<b>1,811</b>
Cash at bank		2,065	1,942
Bank overdrafts	12	(12)	(131)

## 12. Financial debt

Notes	Unit: € m			
	June 2022		December 2021	
	Current	Non-current	Current	Non-current
<b>Bank loans</b>	<b>1,531</b>	<b>2,718</b>	<b>1,305</b>	<b>2,995</b>
Origination fees	581	854	1,055	824
Loans and commercial paper	-	-	-	-
Bank overdrafts	569	854	924	824
	12	-	131	-
<b>Bonds and notes</b>	<b>950</b>	<b>1,864</b>	<b>250</b>	<b>2,171</b>
Origination fees	-	(8)	-	(6)
Bonds	450	1,373	250	1,177
Notes	500	500	-	1,000

Changes in financial debt during the period from 31 December 2021 to 30 June 2022 were as follows:

	Unit: € m					
	Opening balance	Loans obtained	Principal Repayment	Changes in Overdrafts	Foreign exchange rate differences and others	Closing balance
<b>Bank Loans:</b>	<b>4,300</b>	<b>2,244</b>	<b>(2,197)</b>	<b>(118)</b>	<b>21</b>	<b>4,250</b>
Origination fees	1,879	1,564	(1,897)	(118)	8	1,436
Loans and commercial papers	(0)	-	-	-	-	-
Bank overdrafts	1,748	1,564	(1,897)	-	8	1,423
	131	-	-	(118)	(0)	12
<b>Bond and Notes:</b>	<b>2,421</b>	<b>680</b>	<b>(300)</b>	<b>-</b>	<b>14</b>	<b>2,814</b>
Origination fees	(6)	-	-	-	(2)	(8)
Bonds	1,427	680	(300)	-	16	1,823
Notes	1,000	-	-	-	-	1,000

The average cost of financial debt for the period under review, including charges for credit lines, amounted to 1.44%.

Financial debt, excluding origination fees and bank overdrafts, had the following repayment plan as at 30 June 2022:



Maturity	Unit: € m		
	Loans		
	Total	Current	Non-current
	<b>4,246</b>	<b>1,519</b>	<b>2,727</b>
2022	559	559	-
2023	970	960	10
2024	513	-	513
2025	505	-	505
2026	748	-	748
2027 and following	951	-	951

Galp decided to exercise the call option with respect to the total outstanding amount of the notes representing the bond issue "EUR 150 M. FLOATING RATE NOTES DUE 2024" (CVM Code: GALDOM) ("Notes"). The redemption of the Notes will be made at principal amount thereof plus accrued interest and will occur on the 29th of July 2022 (payment date of the current Interest Period). Cancellation of the Notes will follow.

### 13. Trade payables and other payables

	Unit: € m			
	June 2022		December 2021	
	Current	Non-current	Current	Non-current
<b>Trade payables</b>	<b>2,059</b>	<b>-</b>	<b>811</b>	<b>-</b>
<b>Other payables</b>	<b>1,318</b>	<b>105</b>	<b>1,191</b>	<b>95</b>
<b>State and other public entities</b>	<b>448</b>	<b>-</b>	<b>475</b>	<b>-</b>
Payable VAT	345	-	237	-
Tax on oil products (ISP)	55	-	196	-
Other taxes	48	-	42	-
<b>Other payables</b>	<b>227</b>	<b>45</b>	<b>235</b>	<b>50</b>
Suppliers of tangible and intangible assets	98	45	166	50
Advances on sales	-	-	-	-
Overlifting	-	-	-	-
Other Creditors	129	-	69	-
<b>Related parties</b>	<b>29</b>	<b>-</b>	<b>4</b>	<b>-</b>
<b>Other accounts payable</b>	<b>23</b>	<b>8</b>	<b>38</b>	<b>7</b>
<b>Accrued costs</b>	<b>541</b>	<b>43</b>	<b>409</b>	<b>29</b>
External supplies and services	385	-	242	-
Holiday, holiday subsidy and corresponding contributions	38	4	58	4
Other accrued costs	118	38	108	24
<b>Contract liabilities</b>	<b>48</b>	<b>-</b>	<b>28</b>	<b>-</b>
<b>Other deferred income</b>	<b>1</b>	<b>10</b>	<b>2</b>	<b>11</b>

## 14. Taxes and other contributions

### 14.1. Taxes and Special Participation Tax (SPT)

The Group operations take place in several regions and are carried out by various legal entities, subject to locally established income tax rates, varying between 25% in Spain and the Netherlands, 31.5% in Portugal, and 34% for companies based in Brazil.

Group companies headquartered in Portugal in which the Group has an interest equal to or greater than 75%, if such participation grants voting rights of more than 50%, are taxed in accordance with the special regime for the taxation of groups of companies, with the taxable income being determined at the level of Galp Energia, SGPS, S.A..

Spanish tax resident companies, in which the percentage held by the Group exceeds 75%, are taxed on a consolidated basis in Spain since 2005. Currently, fiscal consolidation in Spain is performed by Galp Energia España S.A..

The Company and its subsidiaries' income tax estimates are recorded based on the taxable income.

Taxes and SPT recognised in the condensed consolidated income statement for the six-month periods ended 30 June 2022 and 30 June 2021 were as follows:

	June 2022			June 2021		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
<b>Taxes for the period</b>	<b>746</b>	<b>(65)</b>	<b>681</b>	<b>301</b>	<b>17</b>	<b>319</b>
Current income tax	323	(62)	261	48	20	68
Oil income Tax (IRP)	20	(3)	16	14	(3)	11
Special Participation Tax (SPT)	403	-	403	239	-	239

As at 30 June 2022, the movements in deferred tax assets and liabilities were as follows:

	As at 31 December 2021	Impact on the income statement	Impact on equity	Foreign exchange rate changes	As at 30 June 2022
<b>Deferred Taxes – Assets</b>	<b>485</b>	<b>(31)</b>	<b>1</b>	<b>17</b>	<b>473</b>
Adjustments to tangible and intangible assets	44	29	-	6	78
Retirement benefits and other benefits	87	(4)	-	-	83
Tax losses carried forward	80	(52)	-	( )	27
Regulated revenue	7	-	-	-	7
Temporarily non-deductible provisions	194	(5)	-	6	194
Potential foreign exchange rate differences in Brazil	40	(40)	-	-	-
Others	33	42	1	5	82
<b>Deferred Taxes – Liabilities</b>	<b>(654)</b>	<b>96</b>	<b>-</b>	<b>7</b>	<b>(550)</b>
Adjustments to tangible and intangible assets	(616)	84	-	7	(524)
Adjustments to the fair value of tangible and intangible assets	(10)	10	-	-	-
Regulated revenue	(13)	-	-	-	(13)
Potential foreign exchange rate differences in Brazil	-	-	-	-	-
Others	(15)	2	-	-	(12)

**14.2. Energy Sector Extraordinary Contribution**

Unit: € m

	Statement of financial position				Income statement
	Provisions (Note 16)		"CESE II" Deferred Charges (Note 9.2)		Energy Sector Extraordinary Contribution
	CESE I	CESE II	Current	Non-current	
<b>As at 1 January 2022</b>	<b>(125)</b>	<b>(238)</b>	<b>10</b>	<b>25</b>	<b>-</b>
"CESE I" Increase	(9)	-	-	-	9
"CESE II" Increase	-	(4)	(1)	(4)	9
Fondo Nacional de Eficiencia Energética (FNEE)	-	-	-	-	4
<b>As at 30 June 2022</b>	<b>(134)</b>	<b>(242)</b>	<b>9</b>	<b>21</b>	<b>22</b>

**15. Post-employment benefits**

On 30 June 2022 and 31 December 2021, the assets of the Pension Funds, valued at fair value, were as follows, in accordance with the report presented by the pension plan management company:

Unit: € m

	June 2022	December 2021
<b>Total</b>	<b>217</b>	<b>248</b>
Shares	45	58
Bonds	124	145
Real Estate	44	43
Liquidity	2	2
Others	2	1

As at 30 June 2022 and 31 December 2021, the details of post employment benefits were as follow:

Unit: € m

	June 2022	December 2021
Assets under the heading "Other Receivables"	25	48
Liabilities	(286)	(300)
<b>Net responsibilities</b>	<b>(262)</b>	<b>(252)</b>
<b>Liabilities, of which:</b>	<b>(478)</b>	<b>(500)</b>
Past service liabilities covered by the pension fund	(193)	(200)
Other employee benefit liabilities	(286)	(300)
<b>Assets</b>	<b>217</b>	<b>248</b>

During the six-month period ended 30 June 2022, the movements in Provisions were as follows:

## 17. Other financial instruments

The accounting impacts of gains and losses on derivative financial instruments on the income statement and comprehensive income as at 30 June 2022 and 2021 are presented below:

	June 2022				June 2021				Unit: € m
	Income statement			Equity	Income statement			Equity	
	MTM	Realised	MTM + Realised		MTM	Realised	MTM + Realised		
	(422)	(154)	(577)	(6)	(113)	89	(23)	20	
Commodities	(436)	(176)	(612)	(6)	(148)	98	(50)	20	
Swaps	(477)	54	(423)	7	(13)	101	88	1	
Swaps - Fair value hedge	(2)	-	(2)	-	(14)	-	(14)	-	
Options	1	(2)	(1)	-	(17)	(18)	(35)	-	
Futures	42	(228)	(186)	(14)	(105)	16	(89)	19	
Currency	14	22	35	-	35	(9)	26	-	
Forwards	14	22	35	-	35	(9)	26	-	

The table above includes a positive MTM of Swaps derivatives (€54 m) related to Synthetic Power Purchase Agreements of solar projects in Spain, for which the fair value valuations were not based on observable market data (level 3). The derivatives commencement date occurred during 2020 and have a life span of approximate 12 years. With these Synthetic Power Purchase Agreements a fixed quantity of Guarantees of Origin will be transferred from the solar projects to Galp during the same time frame.

During Q2, high volatility in energy prices was observed which led to high variation in MTM compared with the prior period (Note 2.4.).

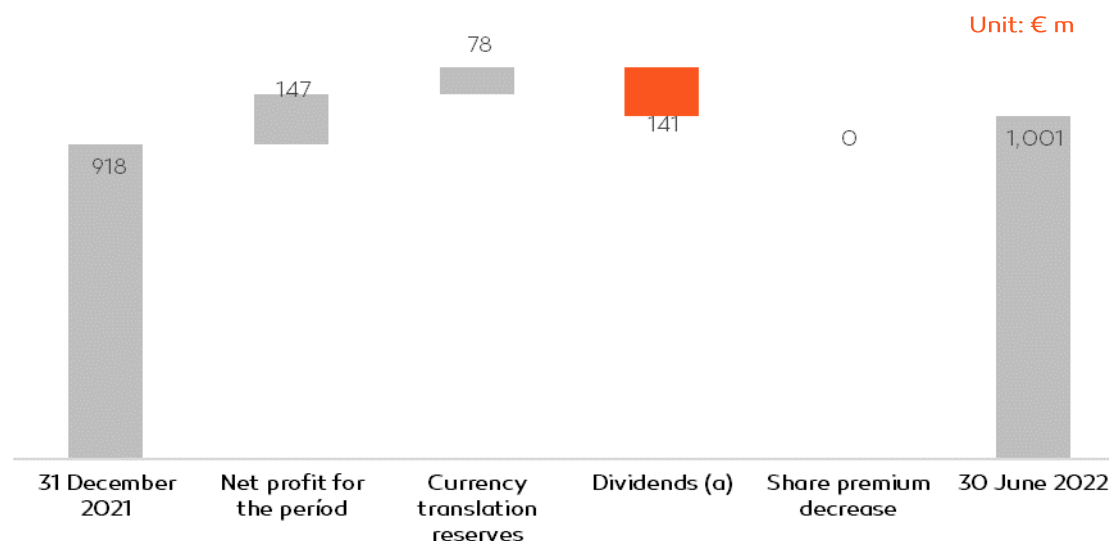
The realised results of derivative financial instruments are mainly recognised as part of the cost of sales (Note 21), financial income or expenses.

The breakdown of the financial results related to derivative financial instruments (Note 21) is as follows:

	Unit: € m	
	June 2022	June 2021
	(436)	(149)
Commodity Swaps	(479)	(27)
Options	1	(17)
Commodity Futures	42	(105)
Other trading operations	-	-

The table above excludes MTM and gains or losses on FX Forwards which are reflected in the caption of Foreign exchange gains/losses.

## 18. Non-controlling interests



(a) Non-controlling interest dividends in the amount of €141 m were declared during the period, of which €111 m were already paid.



## 19. Revenue and income

The details of revenue and income for the six-month periods ended 30 June 2022 and 30 June 2021 were as follow:

		Unit: € m	
	Notes	June 2022	June 2021
<b>Total sales</b>		<b>13,278</b>	<b>7,124</b>
<b>Total sales</b>		<b>12,700</b>	<b>6,734</b>
Goods		7,112	2,939
Products		5,588	3,792
Exchange differences			2
<b>Services rendered</b>		<b>190</b>	<b>240</b>
<b>Other operating income</b>		<b>278</b>	<b>123</b>
Underlifting income		147	
Others		131	123
<b>Earnings from associates and joint ventures</b>	<b>7</b>	<b>78</b>	<b>16</b>
<b>Financial income</b>	<b>21</b>	<b>33</b>	<b>11</b>

## 20. Costs and expenses

The details of costs and expenses, for the six-month periods ended 30 June 2022 and 30 June 2021 were as follow:

		Unit: € m	
	Notes	June 2022	June 2021
<b>Total costs and expenditure:</b>		<b>11,715</b>	<b>6,478</b>
<b>Cost of sales</b>		<b>9,423</b>	<b>4,889</b>
Raw and subsidiary materials		2,029	2,841
Goods		6,228	1,050
Tax on oil products		1,228	1,166
Variations in production		(261)	(118)
Write downs on inventories	8	(12)	12
Financial derivatives	17	176	(61)
Exchange differences		0	
Costs related to CO <sub>2</sub> emissions		35	
<b>External supplies and services</b>		<b>913</b>	<b>720</b>
Subcontracts - network use		123	177
Transportation of goods		101	112
E&P - production costs		72	51
E&P - exploration costs		23	13
Royalties		176	98
Other costs		418	269
<b>Employee costs</b>		<b>159</b>	<b>151</b>
<b>Amortisation, depreciation and impairment losses on fixed assets</b>	<b>4/ 5/ 6</b>	<b>677</b>	<b>484</b>
<b>Provision and impairment losses on receivables</b>	<b>9,3 / 16</b>	<b>7</b>	<b>3</b>

<b>Other costs</b>	<b>69</b>	<b>46</b>
Other taxes	12	10
Overlifting costs	-	11
Other operating costs	57	25
<b>Financial expenses</b>	<b>21</b>	<b>467</b>
		<b>184</b>

## 21. Financial results

The details of financial income and costs for the six-month periods ended 30 June 2022 and 30 June 2021 were as follow:

		Unit: € m	
	Notes	June 2022	June 2021
		<b>(434)</b>	<b>(172)</b>
<b>Financial income</b>		<b>33</b>	<b>11</b>
Interest on bank deposits		19	3
Interest and other income from related companies		7	5
Other financial income		7	3
Derivative financial instruments	17	-	-
Premium options		-	-
<b>Financial expenses</b>		<b>(467)</b>	<b>(184)</b>
Interest on bank loans, bonds, overdrafts and others		(27)	(24)
Interest from related parties		(1)	-
Interest capitalised within fixed assets	4	9	7
Interest on lease liabilities	6	(39)	(37)
Derivative financial instruments	17	(436)	(148)
Exchange gains/(losses)		49	27
Other financial costs		(22)	(8)

## 22. Related party transactions

The Group had the following transactions with related parties:

	June 2022		December 2021	
	Current	Non-current	Current	Non-current
<b>Assets:</b>	<b>431</b>	<b>47</b>	<b>44</b>	<b>411</b>
Associates	32	47	3	65
Joint ventures	396	-	31	346
Other related entities	3	-	10	-

Unit: € m					
	June 2022			December 2021	
	Current	Non-current		Current	Non-current
Liabilities:	(82)	(65)		(61)	(84)
Associates	(1)	(65)		(4)	(84)
Joint Ventures	(51)	-		(54)	-
Winland International Petroleum, S.A.R.L.	(29)	-		(4)	-
Other related entities	-	-		-	-

Unit: € m						
June 2022				June 2021		
	Purchases	Operating cost/income	Financial costs/income	Purchases	Operating cost/income	Financial costs/income
Transactions:	(21)	(24)	7	(8)	(33)	1
Associates	-	(23)	-	(1)	(43)	1
Joint Ventures	(21)	(14)	4	-	(5)	-
Other related entities	-	13	3	(7)	15	-

<sup>1</sup> Energy purchases from Joint Venture Titan 2020, S.A..

## 23. Subsequent Events

Galp acquired on July 21 2022 the 24.99% it did not already own in Titan 2020 S.A. (Titan), the company created in September 2020 as a joint venture with the ACS Group. The stake was acquired for a total consideration of €140 m paid to Cobra, which had since acquired the position from ACS.

Galp will start to fully consolidate Titan in its financial statements.

24. Approval of the financial statements

The consolidated financial statements were approved by the Board of Directors on 22 July 2022.

Chairperson:

\_\_\_\_\_  
Paula Amorim

Vice-chairman and Lead  
Independent Director:

\_\_\_\_\_  
Miguel Athayde Marques

Vice-chairman:

\_\_\_\_\_  
Andy Brown

Members:

\_\_\_\_\_  
Filipe Silva

\_\_\_\_\_  
Thore Kristiansen

\_\_\_\_\_  
Teresa Abecasis

\_\_\_\_\_  
Georgios Papadimitriou

\_\_\_\_\_  
Marta Amorim

\_\_\_\_\_  
Francisco Teixeira Rêgo

\_\_\_\_\_  
Carlos Pinto

\_\_\_\_\_  
Luís Todo Bom

\_\_\_\_\_  
Jorge Seabra

\_\_\_\_\_  
Rui Paulo Gonçalves

\_\_\_\_\_  
Diogo Tavares

\_\_\_\_\_  
Edmar de Almeida

\_\_\_\_\_  
Cristina Fonseca

\_\_\_\_\_  
Adolfo Mesquita Nunes

\_\_\_\_\_  
Javier Cavada Camino

\_\_\_\_\_  
Claúdia Almeida e Silva

Accountant:

\_\_\_\_\_  
Cátia Cardoso



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## Limited review report on the condensed consolidated financial statements

### Introduction

We have performed a limited review on the interim condensed consolidated financial statements of Galp Energia, SGPS, S.A. (the Group), which comprise the Interim Condensed Consolidated Statement of Financial Position as at June 30, 2022 (showing a total of 18,254 million euros and a shareholder's equity total of 4,863 million euros, including a consolidated net profit of 860 million euros), the Interim Condensed Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Interim Condensed Consolidated Statement of Changes in Equity and the Interim Condensed Consolidated Statement of Cash Flow for the six month period then ended, and the Notes to the interim condensed consolidated financial statements which includes a summary of significant accounting policies.

### Board of Directors responsibilities

The Board of Directors is responsible for the preparation of the interim condensed consolidated financial statements in accordance with the International Financial Reporting Standards as endorsed by the European Union for Interim Financial Reporting (IAS 34), and for the design and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements which are free from material misstatement due to fraud or error.

### Auditor's Responsibilities

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, and other rules and technical and ethical requirements issued by the Institute of Statutory Auditors. Those standards require that our work is performed in order to conclude that nothing has come to our attention that causes us to believe that the condensed consolidated financial statements have not been prepared in all material respects in accordance with the International Financial Reporting Standards as endorsed by the European Union for Interim Financial Reporting (IAS 34).

Sociedade Anónima - Capital Social 1.335.000 euros - Inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161480 na Comissão do Mercado de Valores Mobiliários  
Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número  
A member firm of Ernst & Young Global Limited

A review of financial statements is a limited assurance engagement. The procedures performed consisted primarily of making inquiries of management and others within the Entity and its subsidiaries, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated financial statements.

### Conclusion

Based on our review procedures, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Galp Energia, SGPS, S.A., as at June 30, 2022, have not been prepared, in all material respects, in accordance with the International Financial Reporting Standards as endorsed by the European Union for Interim Financial Reporting (IAS 34).

Lisbon, 22 July de 2022

Ernst & Young Audit & Associados – SROC, S.A.  
Sociedade de Revisores Oficiais de Contas  
Represented by:

Assinado por: **RUI ABEL SERRA MARTINS**  
Num. de Identificação: 09133435  
Data: 2022.07.22 17:25:40+01'00'

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Registered with the Portuguese Securities Market Commission under license nr.20160731

## 9. Definitions

### Replacement cost (RC)

According to this method of valuing inventories, the cost of goods sold is valued at the cost of replacement, i.e. at the average cost of raw materials of the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost Method is not accepted by the IFRS and is consequently not adopted for valuing inventories. This method does not reflect the cost of replacing other assets.

### Replacement cost adjusted (RCA)

In addition to using the replacement cost method, RCA items exclude special items such as mark-to-market of natural gas derivatives hedges, capital gains or losses on the disposal of assets, extraordinary taxes, impairment or reinstatement of fixed assets and environmental or restructuring charges which may affect the analysis of the Company's P&L metrics and do not reflect its operational performance.

### Acronyms

**%**: Percentage

**ACS**: Actividades de Construcción Y Servicios SA

**APETRO**: Associação Portuguesa de Empresas Petrolíferas (Portuguese association of oil companies)

**B2B**: Business to business

**B2C**: Business to consumer

**bbl**: barrel of oil

**bn**: billion

**boe**: barrels of oil equivalent

**BRL**: Brazilian real

**c.**: circa

**CO<sub>2</sub>**: Carbon dioxide

**COD**: Commercial Operation Date

**Capex**: Capital expenditure

**CESE**: Contribuição Extraordinária sobre o Sector Energético (Portuguese Extraordinary Energy Sector Contribution)

**CFFO**: Cash flow from operations

**COD**: Commercial Operation Date

**COFINS**: Contribution for the Financing of Social Security

**CMVM**: Portuguese Securities Market Commission

**CORES**: Corporación de Reservas Estratégicas de Productos Petrolíferos (Spain)

**d**: day

**DD&A**: Depreciation, Depletion and Amortisation

**Ebit**: Earnings before interest and taxes

**Ebitda**: Ebit plus depreciation, amortisation and provisions

**EMPL**: Europe Magreb Pipeline, Ltd

**EUR/€**: Euro

**FCC**: Fluid Catalytic Cracker

**FCF**: Free Cash Flow

**FID**: Final Investment Decision

**FLNG**: Floating liquified natural gas

**FNEE**: Fondo Nacional de Eficiencia Energética (Spain)

**FPSO**: Floating, production, storage and offloading unit

**Galp, Company or Group**: Galp Energia, SGPS, S.A., subsidiaries and participated companies

**GGND**: Galp Gás Natural Distribuição, S.A.

**GSBV**: Galp Sinopec Brazil Services

**GW**: Gigawatt

**GWh**: Gigawatt hour

**I&EM**: Industrial & Energy Management

**IAS**: International Accounting Standards

**IRC**: Income tax

**IFRS**: International Financial Reporting Standards

**IRP**: Oil income tax (Oil tax payable in Angola)

**ISP**: Payments relating to tax on oil products

**kboepd**: thousands of barrels of oil equivalent per day

**kbpd**: thousands of barrels of oil per day

**LNG**: liquefied natural gas

**LTM**: last twelve months

**m**: million

**MIBGAS**: Iberian Market of Natural Gas

**mbbl**: million barrels of oil



**mboe:** million barrels of oil equivalent  
**mbtu:** million British thermal units  
**mm<sup>3</sup>:** million cubic metres  
**MTM:** Mark-to-Market  
**mton:** million tonnes  
**MW:** Megawatt  
**MWh:** Megawatt-hour  
**NE:** Net entitlement  
**NG:** natural gas  
**n.m.:** not meaningful  
**NWE:** Northwestern Europe  
**OCF:** Adjusted Operating Cash Flow  
**PV:** photovoltaic  
**p.p.:** percentage point  
**Q:** Quarter  
**QoQ:** Quarter-on-quarter

**R&NB:** Renewables & New Businesses  
**REN:** Rede Eléctrica Nacional  
**RC:** Replacement Cost  
**RCA:** Replacement Cost Adjusted  
**SPA:** Sale and purchase agreement  
**SPT:** Special participation tax  
**ton:** tonnes  
**TTF:** Title transfer facility  
**TWh:** Terawatt-hour  
**UA:** Unitisation Agreements  
**U.S.:** United States  
**UOP:** Units of production  
**USD/\$:** Dollar of the United States of America  
**Var.:** Variation  
**WI:** working interest  
**YoY:** year-on-year





**Galp Energia, SGPS, S.A.**  
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