2Q22 RESULTS

REGENERATING THE FUTURE

July 25, 2022
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Financial information by business segment is reported in accordance with the Galp’s management reporting policies and shows internal segment information that is used to manage and measure the Group’s performance. In addition to IFRS measures, certain alternative performance measures are presented, such as performance measures adjusted for special items (adjusted operational cash flow, adjusted earnings before interest, taxes, depreciation and amortisation, adjusted earnings before interest and taxes, and adjusted net income), return on equity (ROE), return on average capital employed (ROACE), investment return rate (IRR), equity investment return rate (eIRR), gearing ratio, cash flow from operations and free cash flow. These indicators are meant to facilitate the analysis of the financial performance of Galp and comparison of results and cash flow among periods. In addition, the results are also measured in accordance with the replacement cost method, adjusted for special items. This method is used to assess the performance of each business segment and facilitate the comparability of the segments’ performance with those of its competitors. This document also contains non-financial performance indicators, according to applicable legislation, including a carbon intensity indicator for energy products sold by Galp, that measures the amount of greenhouse gas emissions of those products, from their production to their end use, per unit of energy delivered. This indicator covers the direct GHG emissions of production and processing facilities (scope 1) and their indirect emissions associated with energy purchased (scope 2), as well as the emissions associated with the use of products by Galp’s customers (scope 3). The same emissions are considered for products purchased from third parties and sold or transformed by Galp. For a complete definition of scopes 1, 2 and 3 and the methodology used by Galp for this indicator please refer to Galp’s website at galp.com. This document may include data and information from sources that are publicly available. Such data and information should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by those third parties in writing. To the fullest extent permitted by law, those third parties accept no responsibility for your use of such data and information except as specified in a written agreement you may have entered into with those third parties for the provision of such data and information.

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Recent developments

2Q22 overview
## 2Q22 highlights

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>RCA Ebitda</td>
<td>€1,244 m</td>
</tr>
<tr>
<td>FCF</td>
<td>€488 m</td>
</tr>
<tr>
<td>Adj. OCF¹</td>
<td>€964 m</td>
</tr>
<tr>
<td>Net debt</td>
<td>€2.2 bn</td>
</tr>
<tr>
<td>Net debt to RCA Ebitda</td>
<td>0.7 x</td>
</tr>
<tr>
<td>Excl. margin accounts</td>
<td>0.5 x</td>
</tr>
<tr>
<td>Net debt decrease</td>
<td>€1.5 bn</td>
</tr>
<tr>
<td>Net capex</td>
<td>€244 m</td>
</tr>
</tbody>
</table>

### Strong performance from successful capture of current market environment

### Significant OCF growth across all business segments

Working capital build (macro) partially offset by reversal of gas hedges

Net debt decrease with leverage ratio < 1x

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¹ Adjusted operating cash flow.
## 2Q22: Upstream
Robust contribution despite increased maintenance activities

### Quarter highlights

- **Production** reflecting higher concentration of maintenance
- **Coral Sul FLNG** sequential start up of process units with first cargo expected in 4Q22
- **São Tome and Principe:** Safely drilled Jaca well and analysing acquired data

### 120 kboepd
WI Production  -7% YoY

### 111$/bbl
Oil realisations

### 52$/boe
Gas realisations

### Ebitda (€m)
<table>
<thead>
<tr>
<th>2Q21</th>
<th>2Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td>467</td>
<td>878</td>
</tr>
</tbody>
</table>

### Outlook

- Keeping FY22 production guidance
- **Namibia PEL83** targeting first well in 2023/24
- Rig secured for **Bacalhau North appraisal** and expand drilling capacity

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¹ Overall Oil + Gas realisations with $9.3/boe implicit discount to Brent in 2Q22.
2Q22: Commercial
Ongoing recovery trend despite price environment

**Quarter highlights**

- **Oil volumes sold** supported by demand gradual recovery
- **Increasing discount campaigns** to reduce impact of price environment on clients
- **Convenience** contribution up >25% YoY

**Outlook**

- 3Q22 volumes to continue to benefit from seasonal effects although pressured by high commodity prices
- Expanding EV charging network, targeting 2k points by YE22
- Establishing partnerships for SAF supply to Portuguese airports

**1.9 mton**
Oil products sales

**+22% YoY**

**1.5 k**
EV charging points

**+27% YTD**

**Ebitda (€m)**

<table>
<thead>
<tr>
<th>2Q21</th>
<th>2Q22</th>
</tr>
</thead>
<tbody>
<tr>
<td>73</td>
<td>97</td>
</tr>
</tbody>
</table>
2Q22: Industrial & Energy Management

Refining performance driving increased contribution

22.3 $/boe

Refining margin (inc. energy and CO₂ costs)

23 mboe ~100 %

Raw materials processed High conversion utilisation

Ebitda¹ (€m)

Quarter highlights

Continually improving operational and safety performance

System 1st quartile availability maximising refinery contribution

LNG sourcing restrictions limiting gas trading contribution

Oil supply pricing time lag impact given continued commodities price hike

Outlook

High products’ cracks environment likely to persist during the summer

FY22 refining throughput at c.90 mboe despite planned maintenance in 4Q22

Progress on maturing HVO project

Advancing on 100 MW electrolyser project

¹ Includes c. €-100 m of realised refining hedges impacts and c. €-50 m of time lag effects in oil supply pricing formulas. For 2H22, Galp’s has refining hedges to cover c.11 mboe at $8-9/boe.
2Q22: Renewables & New Businesses
Strong performance supported by increased renewable installed capacity

687 GWh
Renewable generation +45% YoY

1.2 GW
Capacity under operation +25% YoY

Pro-forma Ebitda$^1$(€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Pro-forma</th>
<th>100% owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>2Q21</td>
<td>17</td>
<td>62</td>
</tr>
<tr>
<td>2Q22</td>
<td>62</td>
<td>24</td>
</tr>
</tbody>
</table>

Quarter highlights

- **Strong generation increase QoQ** mostly supported by seasonality
- **Installed capacity** increased by 150 MWp (Spain) and high operational availability
- **Progressing pipeline capacity** towards Ready to Build (RTB) status

Outlook

- Keeping **1.4 GW installed capacity target at YE22** with new projects online by 4Q22
- **Licencing** and development permits still slow
- Continuing to develop **battery value chain opportunities**

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$^1$ Pro-forma considers all renewables businesses as if they are consolidated according to Galp’s equity stakes.
Acquiring full ownership of solar Titan JV to further support growth and value enhancement options

**Acquisition** of Cobra’s 25% stake in Titan JV for €140 m

**Adjusting pipeline** by selectively targeting higher return solar PV projects

Revisiting EPC scope to **optimise design and performance**

Enabling asset and energy management **additional flexibility**

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**Titan key data**

1.15 GW
Operating solar capacity

1.6 GW
Under development

€220 m
Net debt

€200 m
LTM Ebitda

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**Galp’s total renewable portfolio**

1.2 GW
Operating

0.4 GW
Construction

7.8 GW
Development

9.4 GW
Under development

4 GW
On track towards >4 GW installed capacity by 2025
Executing our distinctive investment proposition
to thrive through the energy transition

**Growth from established businesses**
- Delivering on Coral start-up and executing Bacalhau I project
- Successfully progressing on Industrial, Commercial and Digital transformation

**Growth from low carbon businesses**
- Ensuring operating capacity build up whilst expanding portfolio
- Advancing with green hydrogen and battery value chain projects

**Competitive shareholder distribution**
- Share buyback €150 m programme related to 2021 started in May, to be completed by YE
- 2022 interim dividend expected in September (€0.26/sh)
2Q22 results

Financial overview
## 2Q22 Results

### 2Q22: Strong operational results across all business units

<table>
<thead>
<tr>
<th>Business Unit</th>
<th>RCA Ebitda</th>
<th>OCF</th>
<th>Net capex</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Upstream</strong></td>
<td>€878 m</td>
<td>€597 m</td>
<td>€133 m</td>
</tr>
<tr>
<td></td>
<td>High cash contribution from increased oil &amp; gas realisations and despite higher maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td>€97 m</td>
<td>€91 m</td>
<td>€18 m</td>
</tr>
<tr>
<td></td>
<td>Contribution reflecting seasonal demand and gradual recovery</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Industrial &amp; EM</strong></td>
<td>€283 m</td>
<td>€288 m</td>
<td>€16 m</td>
</tr>
<tr>
<td></td>
<td>Strong refining performance, partially offset by hedging, sourcing restrictions and lag in oil supply pricing formulas</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Renewables pro-forma</strong></td>
<td>€62 m</td>
<td>€62 m</td>
<td>€51 m</td>
</tr>
<tr>
<td></td>
<td>Strong results benefiting from seasonality and new capacity online</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Includes c.€-50 m in Brent hedges.
2. Capex net of divestments, economic perspective.
3. Includes c.€-100 m in realised refining margin hedges.
4. Pro-forma considers all renewable projects as if they were consolidated according to Galp’s equity stakes.
2Q22: RCA Ebitda of €1.2 bn
driven by favourable macro conditions

RCA Ebit reflecting non-cash impairment of €85 m related with exploration assets in Brazil

Associates up YoY reflecting higher contribution from renewables

Mark-to-market\(^1\) of €-331 m including Q1 related with Upstream and Refining derivatives

1 Replacement Cost Adjusted figures include mark-to-market swings related with the fair value accounting of Upstream and Refining derivatives. 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.
Strong operational cash generation
supporting deleverage

**2Q22 Cash flow (€ m)**

- OCF: 964
- Special Items + Inventory Effect: 305
- Working capital: (522)
- CFFO: 747
- Net capex: (244)
- Net financials and IFRS 16 interest: (16)
- FCF: 488
- Change in net debt: 207

**Strong OCF** supported by Upstream and Refining activities

Macro led working capital build partially offset by c. €200 m roll off in natural gas derivatives exposure

**Strong FCF generation of €488 m** enabling net debt reduction considering distributions of €247 m

- Net debt to RCA Ebitda at 0.7x (0.5x if excluding margin accounts effects)

<table>
<thead>
<tr>
<th></th>
<th>2Q21</th>
<th>1Q22</th>
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<tr>
<td>OCF</td>
<td>470</td>
<td>638</td>
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<td>72</td>
<td>(102)</td>
<td>179</td>
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<td>(122)</td>
<td>(186)</td>
<td>(522)</td>
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<td>(25)</td>
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<td>(41)</td>
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<td>207</td>
<td>228</td>
<td>30</td>
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<tr>
<td>(159)</td>
<td>(159)</td>
<td>(35)</td>
</tr>
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</table>

1 €207 m cash dividend + €40 m buybacks
2022 full year outlook
Adjusting guidance to reflect 1H22 performance and macro outlook

Upstream
Ebitda of c.€3 bn, with FY22 WI production guidance unchanged

Commercial
Keeping guidance of c.€300 m Ebitda, despite price environment pressure

Industrial & EM
Ebitda >€700 m, from stronger refining, although limited by gas sourcing restrictions and lag in oil pricing formulas

Renewables & New Businesses
Ebitda of c.€60 m (considering Titan consolidation from 21 July)

Expected distributions related to 2022 fiscal year

1/3 OCF
Total distributions
(Base dividend + Buybacks)

Net Debt to Ebitda YE22 well below 1x

€0.52/sh
Base dividend
(+4% YoY)

+ 

>€0.5 bn
Buybacks
(based on c.€2.9 bn OCF)

2H22 assumptions
Brent c.$90/bbl | Refining margin c.$15/boe |
Solar captured price c.€130/MWh | EUR:USD 1.06
# Macro assumptions and sensitivities

## Macro assumptions

<table>
<thead>
<tr>
<th>Macro assumptions</th>
<th>2H22</th>
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<tbody>
<tr>
<td>Brent price</td>
<td>c.$90/bbl</td>
</tr>
<tr>
<td>Galp refining margin</td>
<td>c.$15/boe</td>
</tr>
<tr>
<td>Solar captured price</td>
<td>c.130</td>
</tr>
<tr>
<td>EUR:USD</td>
<td>c.1.06</td>
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</table>

## 2022 sensitivities (€ m)

<table>
<thead>
<tr>
<th></th>
<th>Change</th>
<th>Ebitda</th>
<th>OCF</th>
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<tbody>
<tr>
<td>Brent price</td>
<td>$5/bbl</td>
<td>160</td>
<td>90</td>
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<tr>
<td>Galp refining margin</td>
<td>$1/boe</td>
<td>75</td>
<td>65</td>
</tr>
<tr>
<td>EUR:USD</td>
<td>0.05</td>
<td>90</td>
<td>60</td>
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## Key guidance for 2022

### Operational indicators (no changes)

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

<table>
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<tr>
<th>Section</th>
<th>€ bn</th>
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<tbody>
<tr>
<td><strong>RCA Ebitda</strong></td>
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<tr>
<td>Upstream</td>
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<tr>
<td>Commercial</td>
<td>€ m</td>
<td>c.300</td>
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<tr>
<td>Industrial &amp; Energy Management</td>
<td>€ m</td>
<td>&gt;700</td>
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<td>Renewables</td>
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<td>c.60</td>
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<tr>
<td><strong>OCF</strong></td>
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<tr>
<td>Upstream</td>
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<td>c.1.9</td>
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<tr>
<td>Commercial</td>
<td>€ m</td>
<td>c.230</td>
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<td>Industrial &amp; Energy Management</td>
<td>€ m</td>
<td>&gt;700</td>
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<td>c.50</td>
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<td><strong>Net capex</strong></td>
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<tr>
<td></td>
<td>€ bn</td>
<td>c.1.0</td>
</tr>
</tbody>
</table>

### Note
- Macro assumptions 2H22 Brent c.$90/bbl | Refining margin c.$15/boe | Solar captured price c.€130/MWh | FX EUR:USD 1.06.
- In Upstream, c.6 mbbl are hedged in 2022 at c.$80/bbl Brent. In refining, c.17 mboe at $8-9/boe for Apr. to Dec. 2022.
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Q&A