

3Q22 Trading Update

The information below aims to provide the key macroeconomic, operational and trading conditions experienced by Galp during the third quarter of 2022. All data referred to below is currently provisional and may differ from the final figures which will be reported on October 24, 2022.

Galp's 3Q22 results will be published on October 24, before the opening of Euronext Lisbon, together with a management presentation. On that day, the Company will hold an analysts' conference call at 14:00 (Lisbon/London time). Further details can be found at the end of this release.

Consolidated earnings and financial position

- Robust operational cash flow (OCF) generation and a working capital release, which includes the reduction in margin account balances (natural gas hedging positions roll-off, as expected).
- Net debt expected to be reduced to c.€2.1 bn at the end of quarter, despite the stake acquisition and consolidation of Titan, distributions to shareholders and to minority partners.

Upstream

	3Q21	2Q22	3Q22	Var. YoY	Var. QoQ
Working interest production (kboepd)	128.2	119.6	127.6	(0%)	7%
Oil production (kbpd)	117.5	107.7	114.8	(2%)	7%
Net entitlement production (kboepd)	126.6	118.1	126.0	(0%)	7%
Angola (kbpd)	10.9	10.1	10.3	(5%)	2%
Brazil (kboepd)	115.7	108.0	115.7	0%	7%

- Working interest production higher QoQ, reflecting reduced planned maintenance and higher efficiency across the units.
- The quarter ended with a higher number of cargoes in transit when compared to end of 2Q22. Also, as previously highlighted, oil hedges covered 1.6 mbbbl during 3Q22 (13% of production).
- 3Q22 financial statements to include the impacts from the unitisation agreement related with Berbigão / Sururu, in BM-S-11A Brazil (c.-€140 m in RCA Ebitda). Net equalisation payable position is estimated at c.€40 m, as of September 30, 2022.
- 3Q22 RCA Ebit to include an impairment of c.€30 m related with the exploration well in São Tomé and Príncipe (no evidence of a commercial discovery).

Commercial

	3Q21	2Q22	3Q22	Var. YoY	Var. QoQ
Oil products - client sales (mton)	1.8	1.9	2.0	12%	6%
Natural gas sales - client sales (GWh)	4,363	5,006	4,180	(4%)	(16%)
Electricity - client sales (GWh)	1,086	1,088	979	(10%)	(10%)

- Oil products B2C sales supported by seasonality, whilst volumes in B2B continue to be driven by a recovery in marine and aviation sectors.
- Natural gas and electricity sales starting to be impacted by activity reduction, especially in B2B segments.

Industrial & Energy Management

	3Q21	2Q22	3Q22	Var. YoY	Var. QoQ
Raw materials processed (mboe)	22.5	22.9	22.9	1%	(0%)
Galp refining margin (USD/boe)	4.0	22.3	7.7	92%	(65%)
Oil products supply ¹ (mton)	3.9	4.1	4.3	12%	7%
NG/LNG supply & trading volumes ¹ (TWh)	16.6	14.0	12.9	(22%)	(8%)
Trading (TWh)	7.5	6.0	5.4	(28%)	(9%)
Sales of electricity from cogeneration (GWh)	261	174	177	(32%)	1%

¹ Includes volumes sold to the Commercial segment.

- Refining margin lower QoQ, with lower gasoline cracks. Galp refining margin from 3Q22 calculated with natural gas costs valued at Iberian spot market conditions.
- Refining margin hedges covered 5.6 mboe during 3Q22 (24% of throughput), with an expected impact of c.€70 m at the Ebitda level.
- All 2022 costs with the Matosinhos' site transformation project to be booked as recurring (mostly provisions, with c.€95 m in RCA Ebit).
- NG/LNG supply & trading still impacted by sourcing restrictions.

Renewables & New Businesses

	3Q21	2Q22	3Q22	Var. YoY	Var. QoQ
Renewable installed capacity ¹ (MW)					
Gross (100%)	927	1,162	1,268	37%	9%
Equity to Galp	692	875	1,268	83%	45%
Renewable generation (GWh)					
Gross (100%)	408	687	693	70%	1%
Equity to Galp	304	515	627	n.m.	22%
Galp average solar generation sale price (EUR/MWh)	111	152	126	14%	(17%)

¹ Installed capacity at the end of the period.

- Commercial start-up of 106 MW on Galp's first solar generation project in Portugal.
- Gross renewable energy generation in line QoQ, as the contribution from the new solar capacity installed later in 3Q22 was offset by lower irradiation. Generation equity to Galp benefiting from the consolidation of 100% of Titan from August onwards, following the transaction announced on July 21, 2022 (see [here](#)).

Market Indicators

	3Q21	2Q22	3Q22	Var. YoY	Var. QoQ
Exchange rate (EUR/USD)	1.18	1.06	1.01	(15%)	(5%)
Dated Brent price (USD/bbl)	73.4	113.9	100.8	37%	(11%)
Japan/Korea Marker LNG price (EUR/MWh)	53.9	86.6	152.3	n.m.	76%
Dutch TTF natural gas price (EUR/MWh)	47.4	95.6	196.2	n.m.	n.m.
Iberian MIBGAS natural gas price (EUR/MWh)	48.7	87.1	138.5	n.m.	59%
Iberian power baseload price ¹ (EUR/MWh)	117.8	182.8	146.3	24%	(20%)

Source: Platts/MIBGAS/Bloomberg/OMIE/REE.

¹ The Iberian power price is based on the Spanish power pool price published by the Iberian Energy Market Operator (OMIE)

3Q22 Consensus | Results Presentation Details

Company collected consensus

The Company's collected consensus for quarterly earnings is scheduled to be opened for submission between October 12 and 18 and will be published by October 19.

Results presentation details

Galp's 3Q22 results, will be published on October 24, before the opening of Euronext Lisbon.

The Company will hold an analysts' conference call on October 24, at 14:00 (Lisbon/London time). The conference call details are provided below:

Webcast

- <https://edge.media-server.com/mmc/p/vpseiipy>

Conference call registration

- <https://register.vevent.com/register/B1ff55b35372d64be2b15159c1fcbc459d>

Please dial in 10 minutes before the scheduled time to ensure your participation.

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