

Video Presentation

Filipe Silva - CEO

Hi everyone and thank you for watching.

Q1 was a solid quarter, with robust cash generation.

Upstream production was 120 kboepd, supported by better-than-guidance efficiency in Brazil, and the ramp-up of Coral FLNG in Mozambique. Angolan volumes are not included here, even if the completion of the transaction is only expected for later this year. Therefore, Upstream Ebitda was down to €548 m, also reflecting lower oil & gas prices, and Coral FLNG commissioning costs.

In Renewables, Ebitda was €35 m, with power generation continuing to increase gradually. Our portfolio of operating assets has consistently delivered competitive returns over the quarters.

Industrial & Midstream Ebitda was €235 m. Refining margin was healthy, given the strong international cracks and the lower gas prices which are a key input for the refinery. We completed, during the quarter, safely and on-time, one of the biggest turnarounds our Sines hydrocracker has ever seen, with over 2,000 people on the ground. Operating costs were up to \$5/boe, which reflects the turnaround costs. I have to say that, since the end of Q1, the refining environment has deteriorated, with margins at only around \$4/boe currently.

On Midstream, the gas trading business is now delivering a very good contribution, after a difficult few quarters.

Commercial Ebitda was €71 m, with visible demand recovery in B2B, and now with aviation volumes close to pre-pandemic levels. We continue with our B2C transformation journey, accelerating the roll-out of our convenience and lower carbon solutions.

Below the Ebitda line, we have relatively high taxes, given windfall taxation in Iberia and the Brazilian export tax. We had an implicit tax rate of c.57% and this does not include the extraordinary taxes on the energy sector (CESE) in Portugal, which we book as a special item, nor the royalties on production which we include within Ebitda.

Clarifying taxation matters is important to us before we FID our new projects in Portugal. Here, we have seen some progress with a recent decision, in our favour, from the Constitutional Court in relation to part of the extraordinary taxes on the energy sector (CESE). Let's see.

OCF was €363 m in the quarter, affected by a high concentration of income taxes paid in Brazil. This was mostly a phasing effect.

Net capex was pretty light in the quarter and benefitted from the initial proceeds from the Angola upstream divestment.

With all this, net debt was further reduced, now to only €1.3 bn, but this was a quarter without dividend outflows. So we are keeping our guidance for the full year unchanged for now.

With this week's Annual General Shareholder Meeting (AGM), we have welcomed new team members. A special word of gratitude to the departing Exco members Teresa and Thore: thank you very much to both of you for all your contributions and dedication.

We welcome Maria João as the new CFO. Maria João has a long experience in the financial sector and, before that, with McKinsey.

We also welcome Ronald who joins us from Shell, where he was until recently the General Manager of their large petrochemical complex in Singapore. Ronald is Dutch and will lead our Industrial division, with the decarbonization of Sines as one of his big priorities.

We also have two internal hires into the Exco, who some of you have already met.

Rodrigo Vilanova will continue to run our re-energised Energy Management business, now as a member of the Exco team considering how strategic these integrated activities have become. Rodrigo is Brazilian, joined Galp a couple of years ago from BP, and before that he was with Cheniere and Petrobras.

Last but not least, João Diogo, who is our first Galp graduate out of university, to make his way all the way to the Exco. João will run our Commercial division, where he has been the head of B2C and country manager for Spain.

Upstream will fall under my watch at the Exco level. As you know, Galp is mostly a non-operator, and we have developed a strong organization over time. I will be supported by a senior and highly experienced team, which was recently reinforced, and who will lead our activities in Brazil and in Africa.

The whole team looks forward to meeting you very soon. Thank you.

Q&A session

Q&A Introduction

Otelo Ruivo - Director of IR

Hello everyone and welcome to the Results Analyst Q&A session to review Galp's first quarter 2023 results. Early this morning, the team released and distributed to all the materials related with the results, together with the short video where Filipe covered the key highlights for the quarter. Therefore, this session will follow the format used over our last earnings publications, going straight to Q&A after just some initial words.

Today in the room we have Filipe, our CEO; Georgios, who continues to lead renewables at the Exco; and Rodrigo, who was just appointed to our executive team as responsible for Energy Management activities. We also have with us some of our leadership team members, namely Cristina, responsible for our Sines refinery, and Daniel, our upstream country manager in Brazil. We are all happy to take your questions.

Now, the usual disclaimer. We would like to remind you that we may make forward-looking statements that refer to our estimates and actual results may differ due to a number of different factors as per indicated in the cautionary statement included in our materials, which we advise you to read. Filipe, do you want to say a few words before we start the Q&A?

Filipe Silva - CEO

Thank you, Otelo.

Hi, everyone. I'd just like to say first how thrilled I am with this new team and how well aligned we are with our growth and decarbonisation strategy. Strategy-wise, we are making progress according to plan. The upstream projects, the ramping up of our renewable power generation capacity, and transforming our commercial footprint. The industrial activities, i.e. refining, successfully captured the stronger international refining environment, even with a very significant planned maintenance during the quarter. And Midstream's contribution returned to positive contribution in Q1, as expected.

And as a firm, you'll see that OCF is a lot less concentrated in upstream. We now start to see a healthier balance of OCF distribution across the business units, be it Renewables, Midstream, Refining, and these typically command higher multiples.

Capex in the quarter was pretty light, as first quarters often are, but cash taxes were very high, and both capex and cash taxes had phasing issues here. You should not extrapolate this for the rest of the year. So, the full-year guidance remains unchanged from what we have guided you to only a couple of months ago. With that, I'm happy to take your questions.

Questions & Answers Session

Biraj Borkhataria - RBC

Hi there. Thanks for taking my questions. The first one is on your gas strategy. Obviously, you've had good momentum there, but you had signed a sales and purchase agreement from Venture Global for Calcasieu in the US, and it's 1 mtpa, so it's quite material. So could you just confirm whether you started lifting as part of that contract or whether that's in the 2023 guidance, and just some colour around that would be helpful.

And secondly, on refining, obviously we've seen refining margins fall considerably from the highs. Can you just update us on whether you have any hedges in place for 2023/24? Thank you.

Filipe Silva - CEO

Hi, Biraj. I'll take the second one, Rodrigo will cover the gas. On refining, we have very limited hedges. I think it's 7% or 8% of our volumes. Ironically, they're well in the money. But they will be maturing during the course of this year. So not expecting any, certainly not negative impacts. This should be positive but not significant. Rodrigo.

Rodrigo Vilanova – EVP Energy Management

Thank you, Filipe, and thank you, Biraj, for the question. Regarding the Venture Global contract, the plant is still under commissioning. We do expect the plant to reach commercial operation date by the end of the year. So, it's too early to give any more specifics. We will update you accordingly. Thank you.

Oswald Clint - Bernstein

Good afternoon, thank you very much. Filipe, in the context of the decarbonisation strategy, I wanted to talk about Mozambique. There's obviously a lot more positive commentary here, getting back to work potentially, and just get your thoughts on how you feel about that asset in the portfolio at this stage. And obviously, the pretty large capital call that will be coming across the medium term if you move ahead there? That's the first one.

Secondly, good to see the strong liquids production in Brazil this quarter. I think in your video you mentioned it's supported by better-than-guidance efficiency. So, it'd be great if you could expand on that and what specifically is driving that better outcome? Thank you.

Filipe Silva - CEO

Hi, Oswald. I'll cover the first one and Daniel will cover the second one. You know how excited we are about Mozambique: the resource in place, the competitiveness of the molecules, the

location of Mozambique. It ticks all the boxes. The quality of the of the molecules themselves. We've had obviously force majeure for some time. We, at Galp, have been advocating with the consortium for quite some time what the concept and the development concept should be on the onshore projects: mega-train versus multiple smaller modular trains. We have used the time of the force majeure to work with the consortium, and as you may have seen, there is a request for interest out there in the market for up to 18 mton of much smaller trains, which we think are better suited for Mozambique. This is what the consortium is working on.

We're still far away from significant capex disbursements, so we're working on pre-FEED and FEED will come next, and then FID sometime, I would say, next year or the year after. So, for now, Galp is in de-risking mode. We want to advance the project as much as possible so that we have a project that is very viable, better than what it was before, bankable and it is fully de-risked. We will then assess our options at that stage. Daniel.

Daniel Elias – Upstream Brazil Country Manager

Thank you, Filipe. Thank you, Oswald. Indeed, a very good start of the year in Brazil. We, in this first quarter, had less maintenance activities than we usually have over a regular year. And also, we have proven that the reservoir quality remains intact. And this is also positive news for us going forward. Going forward, we have given guidance of above 110 kboepd for 2023 and 2024, and we remain confident on that guidance. Thank you.

Sasikanth Chilukuru - Morgan Stanley

Hi. Thanks for taking my questions. I have two, please. The first one was regarding any potential acquisitions in the renewable space. A few weeks back there was an article that highlighted Galp was looking to buy some wind assets for around €650 m. I was just wondering if you could comment on that and more specifically on your approach towards inorganic expansion in the renewable space. What criteria or parameters would you look for if you were to pursue that route? Also, if an acquisition of the magnitude of €650 m were to be performed, would it require you to sell more assets in order to meet your €1 bn per annum capex guidance in order to maintain that?

The second one was a clarification on windfall taxes. So far, it appears that you have taken around €100 m charges of windfall taxes over the last couple of quarters. I was just wondering if those represented the overall windfall taxes for 2022? Also, if you could clarify on the cash payment schedule for these charges and if you had any guidance for 2023 windfall taxes. Thanks.

Filipe Silva - CEO

Thank you, Sasi. We don't really comment on M&A and speculation. The guidance we have given is 4 GW installed by 2025, be it organic or inorganic, and €1 bn net capex over the 2023–2025 period. It's a net amount, so we can play with the nominator and the denominator, whether we buy more and sell more, or we don't buy anything else and we don't sell anything else. So, it is within the €1 bn overall guidance that we will remain disciplined on.

On windfall taxation, you will have seen that we have put this very visible under the RCA numbers. I guess some of the pressure on our stock price today is the taxation line on the P&L. This does not necessarily mean cash disbursement. It is a provision.

If you look back starting in 2014, we had something called the Portuguese extraordinary tax on the energy sector, which we have always challenged. We're now in 2023 and we still haven't disbursed but we're starting to get positive recognition of our claims. Hence, when we thought in 2014 it was extraordinary, year after year, we kept asking, is this really a special item, or should we put this as a recurring item? So, we're glad to see that it's becoming deemed, as really extraordinary. Windfall tax is a European law and we're still looking at our options, but we want to make sure it is in the P&L. This does not mean there is necessarily a full disbursement in 2023. Very likely there will be a partial disbursement in 2023. Thank you.

Jason Kenney - Santander

Thanks for the opportunity. Following up on the taxation question, what kind of risk do you place on an extension of the Brazil levy beyond June 2023? I think you've still got €36 m to take in the second quarter for the current amount, but have you had a think about how any extension of that might impact Galp?

Secondly, I'm just trying to think simply about the renewables business, and you're indicating an Ebitda of €180 m for 1.6 GW installed. If I were to double that by 2025, is it as simple as doubling the Ebitda contribution? Is that the way I should be thinking about this? Thanks very much.

Filipe Silva - CEO

Thank you, Jason. The minister of finance of Brazil has made it public that this 9% levy on exports will end at its envisaged term of end of June. So, what you see in our Q1 numbers is March only, which was month number one of this four-month tax, and with our direct discussions with the Brazilian we are highly confident it will indeed end in June. This levy is tax deductible in Brazil, and we have 70% of Brazil. However, the impact to Galp is related with credibility issues with Brazil, which was the real damage of this tax, a country that needs

to attract so much capital to develop its resources. For us and for the capital markets the credibility of Brazil, was more important than the financial impact.

On renewables, we are 100% merchant exposed. So, the answer is it depends on merchant power prices and solar power prices in particular. In Q1, you will have seen that we have a very good realisation price of our solar electrons because we had partially hedged some of the volumes, short-term hedges. So, Energy Management, and Rodrigo will continue to try to lock in opportunistically some of these electrons in the market. So no, it is not double megawatt, double Ebitda. It's highly, highly dependent on power prices. Thank you.

Alastair Syme - Citi

Hello. Thanks for the opportunity. I wanted to ask about renewables as well. The European Union's made a lot of comments and bluster about sort of reducing planning constraints. I'm interested to see if that is translated into anything on the ground in terms of approvals.

Then secondly, obviously the refining margin environment is a bit tougher, but gas prices have come down as well. How's your refining system responding to the signals you're seeing out there today on pricing? Thank you.

Filipe Silva - CEO

Hi, Alastair. The refining margin is about \$14/boe in Q1, however earlier this week, we had a big dip, it's at around \$6/boe as we speak. Very volatile, hard to see. We do see significant Russian molecules in the market directly or indirectly, coming from countries that have no sanctions but find a way to bring the molecules into our markets. It's very hard to have a view on longer-term refining margins and if you look at the futures curve, it looks much stronger than what it is today.

The kit is operating exceptionally well, and we had very good turnaround at the hydrocracker. So, it is firing on all pistons ahead of the expected turnaround of the FCC and the distillation unit in Q4 this year.

Georgios Papadimitriou – EVP Renewables & New Businesses

Thanks, Alastair. We have seen improvement in Portugal, not so much in Spain where the backlog remains huge. There's a lot of inertia in the authorisation regimes since there are regional governments and central governments that have to take care of lot of gigawatts. So, we haven't yet seen on the ground any improvement in Spain. We expect to see it, but it will take its time. I wouldn't say before a year or so. Thanks.

Henri Patricot - UBS

Hello everyone, thank you for the update. I have two questions, please. The first one, a follow-up on the question on refining. You mentioned what you're seeing on the supply side. I was hoping you could share some comments of what you're seeing on the demand side in your markets, if you're still seeing robust demand or maybe a bit of softness at the moment, which could partly explain the weaker refining margins.

And then secondly, just on the upstream and about cost inflation, we're seeing unit costs a little bit lower QoQ. What should we expect for the rest of the year? Thank you.

Filipe Silva - CEO

Thank you Henri. So, on the demand side, we see – outside of the seasonal effect, of course – we see B2C relatively flat, but B2B quite strong. And a lot of this is driven by aviation, a bit of marine, but aviation is really what is moving the needle from a volume point of view. The margins are not anywhere close, you know aviation margins are very low. So it's good for volumes, but it doesn't really make a huge difference into the bottom line.

On the upstream inflation, yes we are seeing significant inflation in some areas. It is not having any material impact to Galp and that is because our biggest project, Bacalhau, has been sanctioned a while ago and the vast majority of the capex is locked in. Thank you.

Raphaël Dubois - Société Générale

Hello. Thank you for taking my questions. The first one is about the net capex. I was wondering if maybe you could give us a guidance range that will help us to better understand what is at stake for the next six or seven months. We are almost at half year. So, I guess you should have a better feel for how much money you are going to spend after having spent only €109 m net capex in 1Q23, it seems pretty obvious you will not spend anywhere close to €1 bn. But I was wondering how much is that dependent on FID-ing the industrial projects in Sines, the HVO project and the hydrogen project. It would be great if you could update us on these projects.

And the second question is about the oil price realisation in Brazil. It will seem that it has come off a little bit and I was wondering if you could give us some guidance for the rest of the year. Thank you.

Filipe Silva - CEO

Thank you, Raphaël. Again, I would not extrapolate Q1. Q1 is a very low capex realisation quarter - actually across the industry - I guess people scramble in Q4 and send the invoices quickly before year-end and then they go on holidays during Q1. Q1 is net of the down

payment for the Angolan divestments, so it's a very low number. The guidance is actually €3 bn of net capex over the three years. So we're not even saying it's €1 bn per year. So, you should look across the cycle between investments and divestments about, on average, net capex of a €1 bn. That's the only guidance we're giving at this stage.

For the Sines project, we are ready to go. So, we have the people, we have the suppliers, we have pretty much the project all lined up. But as you know, these are important projects, hundreds of millions per project that would be at stake. There are regulation issues which are being ironed out and also the tax regimes in Portugal, which we need to clarify with the local authorities. Galp is being taxed at 64% in Portugal. Projects don't fly at anywhere close to this taxation, and as shareholders, you know what I mean. So, we need to have an environment that is conducive to take such big decisions.

On Brazil realisations, you have a couple of issues that worked against us. One is a lot of Russian molecules finding their way into China. Russia has lost some of their western clients, so a lot of volumes are going east. We are competing, we have a big competitor delivered in China. The premiums we used to have, have reduced and we have much higher logistics costs. Now, as you know, the sanctions have rerouted a lot of these tanking capacity: routes are much longer, supply and demand for tankage capacity has gone up, so prices have gone up. We are also excluding the Angolan barrels from our numbers and Angola typically commanded a higher premium to Brent than Brazil. So, the mix now is entirely Brazil without the benefit of the Angolan volumes. Thank you.

Giacomo Romeo - Jefferies

Thank you for taking my questions, two from me. The first one is on the cash tax payments you made in Brazil this quarter that affected your OCF. Just wondering how we should think about the reversal through the year of that.

The second question is on Namibia: there has been news that they have secured a rig there. I just wanted to get an update on sort of what's the timing and whether you are still happy to go with your 80% interest there.

Filipe Silva - CEO

Thank you, Giacomo. I think there's a number close to €200 m that is front-loaded in our Q1 numbers related to income taxes in Brazil. So, there's no reversal, there's just much lower payments for the next three quarters. So that is a front-loading. Again, no change in guidance and OCF post tax, of course. No change in guidance from what we provided you back in February.

Yes, Namibia, it's in the news this morning. We have secured the rig. The plan is to drill in Q4. We still have 80% of this block. It's a bit like Mozambique, we need to de-risk this project much further and we will take a decision at some stage. It is clear that we will not be the owner of 80% of this block if it is a successful discovery, because the magnitude looks very significant and we need to share risk and make sure that capex guidance is met. Thank you.

Matt Lofting – J.P. Morgan

Thanks for taking the questions. Two, if I could, please. First, just coming back on Brazil tax. I guess it was half way through the four-months duration on the temporary export duty. Could you share the nature of engagement Galp and the industry has been undertaking with the Brazil state through the last few weeks and any risk Galp sees that the export tax indeed proves temporary, but is ultimately replaced by an alternate or watered-down additional tax take?

And then secondly, on the Midstream gas and power business, good to see the inflection in profitability in Q1. Could you share how much of that is gas trading related and the extent to which that performance is seen as repeatable or specific to a trading conducive Q1? Thanks.

Daniel Elias – Upstream Brazil Country Manager

Thank you, Matt, for the question. This is Daniel here from the Brazil team. We have been very active since day one, together with other partners of the industry, other IOCs and also via IBP, where we are also a member. Since the first moment that we heard about this temporary 9.2% tax levy on crude oil exports, we have expressed that this would put at risk the credibility of Brazil as an investment geography. Since then, as Filipe mentioned, we have seen a positive follow-up on this lately with the Brazil Finance Minister, Fernando Haddad, making public that this would not be pursued longer than the end of June, which is the validity of this temporary tax.

Rodrigo Vilanova – EVP Energy Management

Thank you, Matt. This is Rodrigo Vilanova here. Regarding the gas trading business within Midstream. The (Midstream) results were circa €90 m, of which (gas trading business represented) around two thirds of the total Midstream number. Thank you.

Ignacio Domenech - JB Capital Markets

Good afternoon. Thank you for taking my questions. The first question is on Upstream. If you could elaborate more on the increase in production costs during the quarter, namely on the higher maintenance you were describing.

And the second question, still on Upstream, if you could give us some visibility of where production sits during the month of April and also on the maintenance schedule in Brazil. What is this looking like in the upcoming months? Thank you.

Filipe Silva - CEO

Ignacio, can you. Can you speak *despacito*, please. Thank you.

Ignacio Domenech - JB Capital Markets

Yes. So, my first question on upstream, if you could elaborate on the increase in production cost during the quarter. And then my second question, still in Upstream, if you could provide us some visibility on production during the month of April and also on the maintenance schedule in Brazil over the next month. Thank you.

Daniel Elias – Upstream Brazil Country Manager

Ignacio, this is Daniel again. Thank you for the question. On production costs, we are about \$3/boe, which is a magnificent unit cost for production. We have incentives on performance in our fleet. So, you will see sometimes positive news in increased performance and potentially some increased costs associated with rewards embedded in those incentives.

Regarding April and the maintenance in Q2. So, the activity that we are performing in this second quarter, that is already ongoing, it's aligned with our overall guidance, and we prefer not to make any specific statements in the quarter that is ongoing.

As I mentioned before, we had a very good start of the year, and we are very confident that we will meet the guidance for 2023/24. And of course, in 2025 we have that fantastic date, which will be the entry of Bacalhau, which will generate up to 40 kboepd to Galp, which will be a fantastic milestone to us in a low carbon, low breakeven project.

Pedro Alves – Caixabank BPI

Hi. Thank you for taking my questions. Two, if I may. The first one in Midstream. There is clearly a good sequential recovery here. I remember that you mentioned in the past call that you were expecting Midstream Ebitda to be over €250 m. Just wanted to understand if you feel you are on track to reach this level or eventually surpass, and if you think this is something sustainable because on one hand, you are benefiting from eventually volatile gas prices that may be inflating your trading results, but on the other hand, you have more flexibility and source gas to play with.

And then secondly, related to the Constitutional Court's partial decision to the extraordinary taxes on the energy sector in Portugal. If you think this could be somehow retroactive, because you still have a relevant amount of provisions related to this. Thank you very much.

Filipe Silva - CEO

One for you, Rodrigo.

Rodrigo Vilanova – EVP Energy Management

Hi, Pedro. This is Rodrigo. Thank you for the question and for the statement. At this stage, we're not changing the guidance just yet for the year. It's too early for that. But indeed, our portfolio this year is much more resilient than in the previous years. And despite the recurring sourcing restrictions and the low-price environment, we are very confident that we will keep a strong positive result throughout the year. So, no changes in guidance at this stage. Thank you.

Filipe Silva - CEO

Question number two was about CESE taxation. The decision of the court is actually retroactive. It's retroactive to 2018. So, it stops the continuity from 2023 onwards and it goes back to 2018. In our balance sheet, we have up to €0.5 bn of provisions related to this. And over time, as these processes evolve, yes, these would be unwound. Thank you.

Alessandro Pozzi – Mediobanca

Thank you for taking my questions. And the first one is on Commercial. You had a fairly strong start of the year there as well. And I was wondering if you can maybe give us some colour on how you expect the rest of the year to play out. And also, just going back to the medium- to long-term guidance. And I think the latest one was pointing to a €450 m Ebitda in 2025, which seems to be a fairly large step-up from the €300 m of 2023. And I was wondering whether that €450 m is still valid.

And on Mozambique, just to clarify, we've seen potential news flow of a second floating LNG. And I was wondering whether that might fall into the capex plan that you have. Thank you.

Filipe Silva - CEO

Thank you, Alessandro. On Commercial, the guidance for this year is €300 m at the Ebitda level. It looks like something that is achievable comfortably, if things can be extrapolated. Volumes are picking up in B2B, B2C is relatively flat. Today is not the day to give longer-term guidance on Commercial. But when we did give that guidance at the CMD, well first the world

was a different one. Two, bear in mind that we have within commercial two loss-making businesses which in our plan will turn around, they are turning around. Be it EV charging which is fast paced, you need to occupy the real estate quickly, so you need to launch those businesses very quickly. It's fine to be cash-flow negative and even Ebitda negative because you're building a very long-term footprint in our key geographies. Same with rooftop solar. So, we're rolling out that business very quickly.

And when you swing from negative to positive, it has a material impact on the Commercial business given that it's a run rate, €300 m. If two businesses start going from negative to positive, it makes a big difference.

I'll also highlight the phenomenal work the teams are doing on convenience. If you drive around Iberia and stop at a Galp station, you'll see what a wonderful job we're doing in the offering and convenience we're giving to our clients. So, I'm sure you will stop by after you hear this. It's a fast growth business and the margins are okay.

Second FLNG has never been in our business plan. It's not in our budget. It is a discussion that is ongoing, but too early to tell. We're very, very focussed on the key onshore developments and we really like the small train concept that Exxon is proposing. Thank you.