Interim Management Report and Accounts 1H23

31 July, 2023

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Financial information by business segment is reported in accordance with the Galp 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.

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RESULTS HIGHLIGHTS

1. RESULTS HIGHLIGHTS

Second quarter 2023

Galp's 2Q23 results reflect a strong operating performance during the period, in a context of a less favourable oil, gas, power and refining environment. At the end of the period, Galp maintained a robust financial position, with net debt stable.

RCA Ebitda reached €916 m:

- Upstream: RCA Ebitda was €522 m, down YoY, reflecting the de-recognition of the Angolan upstream assets and a less favourable oil and gas prices environment.

  On a comparable basis, excluding Angolan assets, current portfolio working interest (WI) production was up 9% YoY, supported by the ramp-up of Coral Sul in Mozambique and improved efficiencies in the Brazilian producing portfolio.

- Renewables & New Businesses: RCA Ebitda was €33 m, on a seasonally high generation quarter, although reflecting a lower market price environment YoY.

- Industrial & Midstream: RCA Ebitda was €289 m, supported on a strong performance of the midstream businesses, with improved oil, gas and power supply and trading activities. The contribution from industrial activities was robust, despite the lower international oil products' cracks environment.

- Commercial: RCA Ebitda was €68 m, down YoY, impacted by a more pressured environment, namely in the B2B segment in Iberia and in the African marketing activities.

Group RCA Ebit was €643 m, a 30% decrease YoY, following RCA Ebitda.

Taxes amounted to €356 m, up YoY, including €49 m related to the temporary Brazilian levy on oil exports and €9 m from Iberian windfall taxes. RCA net income was €258 m and IFRS net income was €251 m, with an inventory effect of €-23 m and special items of €16 m.

Galp's adjusted operating cash flow (OCF) was strong at €702 m, reflecting the sound operating performance. Cash flow from operations (CFFO), including working capital and inventory effects, reached €733 m.

Net capex totalled €207 m, mostly directed towards Upstream projects under execution and development in the Brazilian pre-salt, namely Bacalhau and BM-S-11, as well as Coral Sul, in Mozambique.

First half 2023

Galp's RCA Ebitda was €1,781 m, while OCF was €1,065 m.

Net capex totalled €316 m, mostly directed towards Upstream's developments and considering €77 m of initial proceeds from the Angolan upstream assets disposal.

FCF amounted to €854 m, with robust cash generation driven by operating performance, although reflecting a high concentration of tax payments made in the first quarter (phasing effect) related to upstream activities in Brazil.

Net debt is down 12% compared to the end of last year, already considering dividends paid to shareholders of €209 m and the €235 m share repurchase programme executed throughout the period, as well as dividends to non-controlling interests of €87 m.

Short Term Outlook

Galp expected 2023 Ebitda and OCF is unchanged, supported by improved business performance and despite the lower than initially assumed commodity price environment.

Net capex at €0.4-0.6 bn, reflecting the lower investments execution registered in the first half and already including the 2023 proceeds from the Angolan upstream divestments.

Assumptions for 2023FY		Previous	Updated
Brent	$/bbl	c.85	c.75
Realised refining margin	$/boe	c.9	c.9
Iberian PVB natural gas price	€/MWh	c.60	c.40
Iberia solar capture price	€/MWh	c.120	c.80
Average exchange rate	EUR:USD	c.1.15	c.1.10
WI production	kboepd	>110	>115
Financial indicators for 2023FY			
RCA Ebitda	€ bn	3.2	3.2
OCF	€ bn	2.2	2.2
Net capex	€ bn	--	0.4 - 0.6

Financial data

€m (RCA, except otherwise stated)

Quarter					Half Year		
2Q22	1Q23	2Q23	% Var. YoY		2022	2023	% Var. YoY
1,244	**864**	**916**	**(26%)**	**RCA Ebitda**	**2,114**	**1,781**	**(16%)**
878	548	522	(41%)	Upstream	1,680	1,070	(36%)
(4)	35	33	n.m.	Renewables & New Businesses	(5)	67	n.m.
283	235	289	2%	Industrial & Midstream	285	524	84%
97	71	68	(30%)	Commercial	153	139	(9%)
(10)	(24)	5	n.m.	Others	(0)	(19)	n.m.
924	**674**	**643**	**(30%)**	**RCA Ebit**	**1,462**	**1,317**	**(10%)**
653	438	405	(38%)	Upstream	1,208	842	(30%)
(4)	23	23	n.m.	Renewables & New Businesses	(5)	46	n.m.
219	199	218	(1%)	Industrial & Midstream	168	417	n.m.
71	45	4	(95%)	Commercial	102	48	(53%)
(15)	(31)	(5)	(64%)	Others	(10)	(36)	n.m.
265	**250**	**258**	**(3%)**	**RCA Net income**	**420**	**508**	**21%**
269	192	16	(94%)	Special items	(51)	208	n.m.
192	(90)	(23)	n.m.	Inventory effect	344	(113)	n.m.
727	**352**	**251**	**(65%)**	**IFRS Net income**	**713**	**603**	**(15%)**
964	**363**	**702**	**(27%)**	**Adjusted operating cash flow (OCF)**	**1,603**	**1,065**	**(34%)**
597	74	326	(45%)	Upstream	1,173	400	(66%)
(4)	37	55	n.m.	Renewables & New Businesses	(5)	92	n.m.
288	235	248	(14%)	Industrial & Midstream	286	483	69%
91	42	43	(53%)	Commercial	146	85	(42%)
747	**500**	**733**	**(2%)**	**Cash flow from operations (CFFO)**	**940**	**1,233**	**31%**
(244)	**(109)**	**(207)**	**(15%)**	**Net Capex**	**(365)**	**(316)**	**(14%)**
488	**352**	**503**	**3%**	**Free cash flow (FCF)**	**517**	**854**	**65%**
(1)	**-**	**(87)**	**n.m.**	**Dividends paid to non-controlling interests**	**(111)**	**(87)**	**(22%)**
(207)	-	(209)	1%	**Dividends paid to Galp shareholders**	(207)	(209)	1%
(40)	(77)	(159)	n.m.	**Buyback**	(40)	(235)	n.m.
2,185	**1,341**	**1,363**	**(38%)**	**Net debt**	**2,185**	**1,363**	**(38%)**
0.7x	**0.4x**	**0.4x**	**(40%)**	**Net debt to RCA Ebitda[1]**	**0.7x**	**0.4x**	**(40%)**

[1] Ratio considers the LTM Ebitda RCA (€3,282 m), which includes the adjustment for the impact from the application of IFRS 16 (€233 m).

Operating data

Quarter					Half Year		
2Q22	1Q23	2Q23	% Var. YoY		2022	2023	% Var. YoY
119.0	120.3	117.1	(2%)	Working interest production (kboepd)	125.1	118.7	(5%)
117.6	120.1	116.9	(1%)	Net entitlement production (kboepd)	123.6	118.5	(4%)
110.6	75.5	73.5	(33%)	Upstream oil realisations indicator (USD/bbl)	105.8	74.5	(30%)
51.9	48.3	43.7	(16%)	Upstream gas realisations indicator (USD/boe)	47.5	46.0	(3%)
515	448	775	50%	Equity renewable power generation (GWh)	695	1,223	76%
151	109	64	(58%)	Renewables' realised sale price (EUR/MWh)	165	81	(51%)
22.9	19.6	21.7	(5%)	Raw materials processed in refinery (mboe)	44.7	41.2	(8%)
20.1	14.3	7.7	(62%)	Galp refining margin (USD/boe)	12.6	10.9	(14%)
4.1	3.6	3.9	(3%)	Oil products supply[1] (mton)	7.7	7.5	(2%)
14.0	10.7	12.7	(9%)	NG/LNG supply & trading volumes[1] (TWh)	28.8	23.4	(19%)
174	162	158	(9%)	Sales of electricity from cogeneration (GWh)	287	320	12%
1.9	1.7	1.8	(6%)	Oil Products - client sales (mton)	3.5	3.5	(2%)
5,006	3,722	3,282	(34%)	Natural gas - client sales (GWh)	10,596	7,004	(34%)
1,088	933	899	(17%)	Electricity - client sales (GWh)	2,228	1,831	(18%)

[1] Includes volumes sold to the Commercial segment.

Market indicators

Quarter					Half Year		
2Q22	1Q23	2Q23	% Var. YoY		2022	2023	% Var. YoY
1.06	1.07	1.09	2%	Exchange rate EUR:USD	1.09	1.08	(1%)
5.24	5.58	5.39	3%	Exchange rate EUR:BRL	5.56	5.48	(1%)
113.9	81.2	78.1	(31%)	Dated Brent price (USD/bbl)	107.9	79.7	(26%)
87.1	52.2	32.7	(62%)	Iberian MIBGAS natural gas price (EUR/MWh)	92.0	42.5	(54%)
97.9	54.1	35.1	(64%)	Dutch TTF natural gas price (EUR/MWh)	98.1	44.6	(55%)
87.4	52.7	34.3	(61%)	Japan/Korea Marker LNG price (EUR/MWh)	91.4	43.5	(52%)
182.8	96.4	80.3	(56%)	Iberian baseload pool price (EUR/MWh)	205.9	88.3	(57%)
163.0	84.4	60.7	(63%)	Iberian solar captured price (EUR/MWh)	187.4	69.7	(63%)
16.3	15.1	15.7	(4%)	Iberian oil market (mton)	31.1	30.8	(1%)
96.2	104.8	86.1	(10%)	Iberian natural gas market (TWh)	216.8	190.8	(12%)

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.

UPSTREAM

2.
UPSTREAM

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

Quarter					Half Year		
2Q22	1Q23	2Q23	% Var. YoY		2022	2023	% Var. YoY
119.0	**120.3**	**117.1**	**(2%)**	**Working interest production[1] (kboepd)**	**125.1**	**118.7**	**(5%)**
107.4	120.3	117.1	9%	Excluding Angola	113.4	118.7	5%
				By product			
107.3	101.5	98.8	(8%)	Oil production (kbpd)	112.5	100.2	(11%)
11.7	18.8	18.3	56%	Gas production (kboepd)	12.6	18.5	47%
				By country			
107.4	114.8	111.6	4%	Brazil	113.4	113.2	(0%)
-	5.4	5.5	n.m.	Mozambique	-	5.5	n.m.
11.6	-	-	n.m.	Angola	11.8	-	n.m.
117.6	**120.1**	**116.9**	**(1%)**	**Net entitlement production[1] (kboepd)**	**123.6**	**118.5**	**(4%)**
				Realisations indicators[2]			
110.6	75.6	73.5	(33%)	Oil (USD/bbl)	105.8	74.5	(30%)
51.9	48.8	43.7	(16%)	Gas (USD/boe)	47.5	46.0	(3%)
8.7	**6.7**	**6.4**	**(26%)**	**Royalties (USD/boe)**	**8.6**	**6.5**	**(24%)**
2.6	**3.3**	**1.8**	**(30%)**	**Production costs (USD/boe)**	**2.5**	**2.6**	**6%**
13.1	**11.0**	**12.0**	**(9%)**	**DD&A[3] (USD/boe)**	**12.9**	**11.5**	**(11%)**
878	**548**	**522**	**(41%)**	**RCA Ebitda**	**1,680**	**1,070**	**(36%)**
(225)	(110)	(117)	(48%)	Depreciation, Amortisation and Impairments[3]	(473)	(227)	(52%)
653	**438**	**405**	**(38%)**	**RCA Ebit**	**1,208**	**842**	**(30%)**
653	**481**	**480**	**(26%)**	**IFRS Ebit**	**1,208**	**961**	**(20%)**
597	**74**	**326**	**(45%)**	**Adjusted operating cash flow**	**1,173**	**400**	**(66%)**
133	**115**	**113**	**(15%)**	**Capex**	**262**	**227**	**(13%)**

[1] Includes natural gas exported; excludes natural gas used or reinjected.
[2] 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 from 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.
[3] Includes abandonment provisions. 6M22 unit figures exclude impairments of €212 m related with exploration and appraisal assets in Brazil.

Second quarter 2023

Operations

WI production was 117.1 kboepd, lower YoY, as result of the Angolan upstream assets exclusion. On a comparable basis, current portfolio (Brazil and Mozambique) production was 9% higher YoY, supported by the start-up of Coral Sul and a stronger performance in Brazil. Natural gas accounted for 16% of WI production.

In Brazil, production increased 4% YoY to 111.6 kboepd, following the lower impact from planned and unplanned interventions.

In Mozambique, Coral FLNG commissioning continued, with a planned stoppage performed during the quarter.

Group's net entitlement (NE) production followed WI production and amounted to 116.9 kboepd.

Results

RCA Ebitda was €522 m, down YoY, reflecting the exclusion of the Angolan upstream assets, the lower oil and gas price environment and the negative contribution from Coral Sul, in commissioning phase.

Production costs were €18 m, or $1.8/boe on a net entitlement basis, down YoY, benefiting from a reimbursement of previously booked costs in Brazil. IFRS 16 lease costs accounted for €33 m during the period.

Amortisation and depreciation charges (including abandonment provisions) were €117 m, down YoY, now also excluding Angolan assets. On a net entitlement basis, DD&A was $12.0/boe.

RCA Ebit followed Ebitda and was down YoY to €405 m. IFRS Ebit amounted to €480 m, with special items related to the Angolan upstream business (until completion of the sale in 2H23) and to contractual adjustments from Brazilian equity gas contracts.

First half 2023

Operations

Average WI production during 1H23 was 118.7 kboepd, lower YoY, as result of the Angolan upstream assets exclusion. On a comparable basis, current portfolio production is up 5% YoY, supported by Coral Sul in Mozambique.

NE production followed WI at 118.5 kboepd, with currently only Mozambique operating under a PSC regime.

Results

RCA Ebitda was €1,070 m, down from €1,680 m in 1H22, driven by the lower realisations in a weaker oil and natural gas price environment and excluding any contribution from Angolan upstream assets.

Production costs were €52 m, excluding IFRS 16 leases of €67 m. In unit terms, and on a net entitlement basis, production costs were $2.6/boe.

Amortisation and depreciation charges (including abandonment provisions) amounted to €227 m, down YoY, now excluding Angolan assets and as 1H22 included impairments of €212 m related with exploration and appraisal assets in Brazil. On a net entitlement basis, unit DD&A was $11.5/boe.

RCA Ebit was €842 m, down 30% YoY, while IFRS Ebit amounted to €961 m, with special items mostly related to the Angolan upstream assets, booked under "non-current assets held for sale" until completion of the transaction.

Other Highlights

In preparation to the upcoming Namibian PEL 83 exploration drilling campaign, Galp as operator of the license with 80% interest, has secured the key contracts to perform two wells with optional testing, with the first well planned for 4Q23.

An Integrated Well Services contract was signed covering logistics, well engineering, design, drilling, logging and drill-stem testing, while a semi-submersible rig was contracted.

RENEWABLES & NEW BUSINESSES

3. RENEWABLES & NEW BUSINESSES

€m (RCA, except otherwise stated)

Quarter					Half Year		
2Q22	1Q23	2Q23	% Var. YoY		2022	2023	% Var. YoY
				Renewable power generation (GWh)			
515	448	775	50%	Net to Galp	695	1,223	76%
151	**108**	**64**	**(58%)**	**Galp realised sale price (EUR/MWh)**	**165**	**81**	**(51%)**
				Consolidated Indicators			
(4)	35	33	n.m.	RCA Ebitda	(5)	67	n.m.
(4)	23	23	n.m.	RCA Ebit	(5)	46	n.m.
(4)	23	23	n.m.	IFRS Ebit	(5)	46	n.m.
(4)	**37**	**55**	**n.m.**	**Adjusted operating cash flow**[1]	**(5)**	**92**	**n.m.**
51	**32**	**31**	**(38%)**	**Capex**	**90**	**64**	**(29%)**
				Renewables pro-forma - equity to Galp[2]			
62	38	35	(44%)	Ebitda	93	72	(22%)
56	27	25	(56%)	Ebit	81	52	(36%)
62	38	34	(45%)	Adjusted operating cash flow	93	72	(23%)

[1] Includes dividends from vegetable oil business in Brazil (BBB).

[2] Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes and excludes other New Businesses. Titan Solar, which includes most of the operating portfolio in Spain, is 100% owned and consolidated since August 2022.

Second quarter 2023

Operations

Renewable installed capacity amounted to 1.4 GW by the end of the quarter, an 18% increase YoY.

Renewable energy generation, net to Galp, amounted to 775 GWh, a 50% increase YoY, supported by new capacity online.

Results

Galp's average solar generation sale price was €64/MWh during the quarter.

Renewables & New Businesses RCA Ebitda was €33 m and OCF was €55 m.

First half 2023

Operations

Renewable energy generation, net to Galp, amounted to 1,223 GWh, a 76% increase YoY, supported by the new capacity online.

Results

All renewable generation is exposed to merchant conditions. Galp's average solar generation sale price was €81/MWh during 1H23, down from €165/MWh in 1H22, driven by the lower Iberian wholesale market prices. During the period, the realised price was above market benchmark, leveraging on energy management short-term agreements to lock in prices.

Renewables & New Businesses RCA Ebitda was €67 m, now reflecting Titan Solar's portfolio entirely consolidated. The temporary Spanish clawback mechanism had an impact of €5 m in Ebitda.

OCF amounted to €92 m, including dividends of €23 m from BBB.

	In Operation	Under Construction	Under Development[1]	Total
Galp Renewable capacity (GW)	**1.4**	**0.3**	**7.2**	**8.8**
Spain	1.2	0.3	1.8	3.3
Portugal	0.2	0.0	0.4	0.6
Brazil	0.0	0.0	5.0	5.0

[1] Considers a portfolio of projects in very early stages of development and without significant commitments, with the development up to the construction phase dependent on the Company's assessment.

INDUSTRIAL & MIDSTREAM

4. INDUSTRIAL & MIDSTREAM

€m (RCA, except otherwise stated)

Quarter					Half Year		
2Q22	1Q23	2Q23	% Var. YoY		2022	2023	% Var. YoY
22.9	**19.6**	**21.7**	**(5%)**	**Raw materials processed (mboe)**	**44.7**	**41.2**	**(8%)**
19.6	18.2	18.5	(5%)	Crude processed (mbbl)	37.3	36.8	(1%)
20.1	**14.3**	**7.7**	**(62%)**	**Galp refining margin (USD/boe)**	**12.6**	**10.9**	**(14%)**
1.5	**5.1**	**2.9**	**95%**	**Refining cost (USD/boe)**	**1.8**	**3.9**	**n.m.**
4.1	**3.6**	**3.9**	**(3%)**	**Oil products supply[1] (mton)**	**7.7**	**7.5**	**(2%)**
14.0	**10.7**	**12.7**	**(9%)**	**NG/LNG supply & trading volumes[1] (TWh)**	**28.8**	**23.4**	**(19%)**
6.0	3.9	5.7	(4%)	Trading (TWh)	12.1	9.6	(20%)
174	**162**	**158**	**(9%)**	**Sales of electricity from cogeneration (GWh)**	**287**	**320**	**12%**
283	**235**	**289**	**2%**	**RCA Ebitda**	**285**	**524**	**84%**
(65)	(36)	(72)	10%	Depreciation, Amortisation and Impairments	(116)	(107)	(7%)
219	**199**	**218**	**(1%)**	**RCA Ebit**	**168**	**417**	**n.m.**
480	**69**	**174**	**(64%)**	**IFRS Ebit**	**604**	**243**	**(60%)**
288	**235**	**248**	**(14%)**	**Adjusted operating cash flow**	**286**	**483**	**69%**
16	**20**	**27**	**67%**	**Capex**	**23**	**46**	**n.m.**

[1] Includes volumes sold to the Commercial segment.

Second quarter 2023

Operations

Raw materials processed in the quarter were 21.7 mboe, lower 5% YoY, with the refinery operating close to full availability.

Total supply of oil products decreasing 3% YoY to 3.9 mton, reflecting the refinery utilisation in the period.

Supply & trading volumes of NG/LNG decreased 9% YoY to 12.7 TWh as per the overall optimisation of the portfolio.

Results

RCA Ebitda was €289 m, flat YoY, as result of the strong performance of the midstream businesses, with improved oil, gas and power supply and trading activities. The contribution from industrial activities was robust, despite the weaker international refining environment. OCF was €248 m.

Galp's refining margin was down YoY from $20.1/boe to $7.7/boe, following the more normalised international oil products' cracks environment, namely on middle distillates.

Refining costs were €57 m, or $2.9/boe in unit terms, up YoY as a result of increased demurrages and cost inflation. Refining hedging operations had a €-7 m impact to RCA Ebitda, covering 1.7 mboe during the period.

RCA Ebit was €218 m, with a €39 m impairment related to industrial assets, whilst IFRS Ebit was €174 m, with inventory effect of €-44 m.

First half 2023

Operations

Raw materials processed were 41.2 mboe during the period, 8% lower YoY, reflecting the planned maintenance activity performed on the hydrocracker during 1Q23.

Crude oil accounted for 85% of raw materials processed, of which 75% corresponded to medium and heavy crudes. All crudes processed were sweet grades.

Middle distillates (diesel, bio-diesel and jet) accounted for 43% of production, light distillates (gasolines and naphthas) accounted for 27% and fuel oil for 19%. Consumption and losses accounted for 9% of raw materials processed.

Total oil products supplied decreased 2% YoY to 7.5 mton, following the decrease in availability of the refinery, given the hydrocracker planned maintenance during Q1.

Supply & trading volumes of NG/LNG were 23.4 TWh, down 19% YoY, as per the overall optimisation of the portfolio and reflecting market demand conditions in Iberia.

Results

RCA Ebitda for Industrial & Midstream increased €239 m YoY, on the back of the improved contribution from the midstream activities, which more than offset the lower international refining cracks. OCF was €483 m.

Galp's refining margin was down YoY, to $10.9/boe, following the lower international cracks, namely on middle distillates. Refining unit cash costs increased YoY from $1.8/boe to $3.9/boe, also reflecting the relevant planned maintenance activities performed in Sines in 1Q23.

Midstream strong performance was mostly driven by the trading gas activities, supported on the higher portfolio flexibility, considering limited pre-sold and pre-hedged contracts in 2023, and despite reduced sourced volumes and lower European natural gas prices.

RCA Ebit was €417 m, also considering the impairment booked in 2Q23, and IFRS Ebit was €243 m.

COMMERCIAL

5. COMMERCIAL

€m (RCA, except otherwise stated)

Quarter					Half Year		
2Q22	1Q23	2Q23	% Var. YoY		2022	2023	% Var. YoY
				Commercial sales to clients			
1.9	1.7	1.8	(6%)	Oil products (mton)	3.5	3.5	(2%)
5,006	3,722	3,282	(34%)	Natural Gas (GWh)	10,596	7,004	(34%)
1,088	933	899	(17%)	Electricity (GWh)	2,228	1,831	(18%)
97	**71**	**68**	**(30%)**	**RCA Ebitda**	**153**	**139**	**(9%)**
(26)	(26)	(64)	n.m.	Depreciation, Amortisation and Impairments	(51)	(91)	78%
71	**45**	**4**	**(95%)**	**RCA Ebit**	**102**	**48**	**(53%)**
93	**52**	**(6)**	**n.m.**	**IFRS Ebit**	**124**	**46**	**(63%)**
91	**42**	**43**	**(53%)**	**Adjusted operating cash flow**	**146**	**85**	**(42%)**
18	**(2)**	**22**	**24%**	**Capex**	**24**	**20**	**(17%)**

Second quarter 2023

Operations

Oil products' sales decreased 6% YoY to 1.8 mton, a more pressured environment in some B2B segments in Iberia and in Africa.

Natural gas and electricity sales mostly reflecting lower Iberian demand and volumes sold in the B2B segment.

Results

RCA Ebitda was €68 m, 30% lower YoY, considering a tighter market environment in Iberia, namely in the B2B segment, as well as a reduced contribution from marketing activities in Africa. OCF was €43 m.

RCA Ebit was €4 m, lower YoY, including impairments of €38 m, mostly related to marketing activities' goodwill, whilst IFRS Ebit was €19 m.

First half 2023

Operations

Total oil products' sales were flat YoY, at 3.5 mton, with some recovery observed in demand for oil products in the retail segments, offset by the decrease in B2B demand.

Natural gas and electricity amounted to 7.0 TWh and 1.8 TWh, respectively, representing a decrease of 34% and 18% compared to the previous year, given the lower demand in Iberia and a reduction of sales in the B2B segment.

At the end of the quarter, a total of 2,796 charging points were operating in Portugal and Spain, up 19% from year-end 2022.

Galp Solar, the decentralised energy subsidiary, reached c.15.2 k cumulative installations by the end of the period, an addition of c.4.5 k installations compared to the end of 2022.

Results

RCA Ebitda decreased 9% YoY to €139 m, reflecting the decrease on volumes sold, as well as the lower contribution from some B2B segments in Iberia and Africa. The retail segment maintained its robust performance, with Convenience contribution margin increasing 12% YoY to €37 m. OCF was €85 m.

RCA Ebit was €48 m, down 28% YoY, also including the impairment registered in 2Q23. IFRS Ebit was €46 m.

FINANCIAL DATA

6. FINANCIAL DATA

6.1 Income Statement

€m (RCA, except otherwise stated)

Quarter					Half Year		
2Q22	1Q23	2Q23	% Var. YoY		2022	2023	% Var. YoY
7,229	5,146	5,014	(31%)	Turnover	12,890	10,160	(21%)
(5,590)	(3,571)	(3,462)	(38%)	Cost of goods sold	(9,917)	(7,033)	(29%)
(449)	(569)	(474)	6%	Supply & Services	(906)	(1,044)	15%
(76)	(98)	(103)	36%	Personnel costs	(156)	(200)	28%
130	(10)	(56)	n.m.	Other operating revenues (expenses)	209	(66)	n.m.
(0)	(34)	(3)	n.m.	Impairments on accounts receivable	(7)	(37)	n.m.
1,244	**864**	**916**	**(26%)**	**RCA Ebitda**	**2,114**	**1,781**	**(16%)**
1,549	**790**	**938**	**(39%)**	**IFRS Ebitda**	**2,597**	**1,728**	**(33%)**
(322)	(190)	(270)	(16%)	Depreciation, Amortisation and Impairments	(651)	(460)	(29%)
2	0	(3)	n.m.	Provisions	(1)	(3)	n.m.
924	**674**	**643**	**(30%)**	**RCA Ebit**	**1,462**	**1,317**	**(10%)**
1,211	**596**	**665**	**(45%)**	**IFRS Ebit**	**1,920**	**1,261**	**(34%)**
62	23	0	(100%)	Net income from associates	87	23	(74%)
(346)	(7)	17	n.m.	Financial results	(377)	10	n.m.
(5)	(2)	(4)	(23%)	Net interests	(13)	(6)	(51%)
4	11	18	n.m.	Capitalised interest	9	29	n.m.
2	18	35	n.m.	Exchange gain (loss)	3	53	n.m.
(331)	-	-	n.m.	Mark-to-market of derivatives	(331)	-	n.m.
(20)	(22)	(22)	10%	Interest on leases (IFRS 16)	(39)	(44)	13%
4	(12)	(10)	n.m.	Other financial charges/income	(6)	(21)	n.m.
640	**689**	**660**	**3%**	**RCA Net income before taxes and minority interests**	**1,172**	**1,350**	**15%**
(295)	(389)	(356)	21%	Taxes	(625)	(745)	19%
(198)	(150)	(152)	(23%)	Taxes on oil and natural gas production[1]	(420)	(302)	(28%)
(79)	(50)	(46)	(42%)	Non-controlling interests	(127)	(97)	(24%)
265	**250**	**258**	**(3%)**	**RCA Net income**	**420**	**508**	**21%**
269	192	16	n.m.	Special items	(51)	208	n.m.
534	**442**	**274**	**(49%)**	**RC Net income**	**369**	**716**	**94%**
192	(90)	(23)	n.m.	Inventory effect	344	(113)	n.m.
727	**352**	**251**	**(65%)**	**IFRS Net income**	**713**	**603**	**(15%)**

[1] Includes taxes on oil and natural gas production, such as SPT payable in Brazil (also IRP payable in Angola until 2022).

Second quarter 2023

RCA Ebitda decreased 26% YoY, to €916 m, following the decrease of commodity prices and despite the robust operating performance, namely in the Upstream, Refining and Midstream segments. IFRS Ebitda amounted to €938 m, considering €-53 m of inventory effect and €75 m of special items.

Group RCA Ebit was €643 m, including impairments of €38 m within Commercial activities and €39 m related to Industrial activities. IFRS Ebit was €665 m.

Income from associated companies was neutral, given the Titan Solar full consolidation from August 2022 onwards.

Financial results[1] were positive at €17 m, driven by exchange gains from the Brazilian real appreciation against the Euro.

RCA taxes increased YoY, from €295 m to €356 m, despite the weaker macro environment, reflecting €49 m related to the temporary Brazilian levy on oil exports and Iberian windfall taxes of €9 m.

Non-controlling interests of €-46 m, attributed to Sinopec's stake in Petrogal Brasil.

RCA net income was €258 m. IFRS net income was €251 m, with an inventory effect of €-23 m and special items of €16 m.

[1] All mark-to-market swings related with derivative hedges, including refining, are now registered as special items.

First half 2023

RCA Ebitda of €1,781 m was 16% lower YoY, driven by the softer market conditions during the period, as well as the exclusion of the Angolan upstream business. Following RCA Ebitda, RCA Ebit was €1,317 m.

Financial results were €10 m, with net interests being offset by exchange gains.

RCA taxes increased YoY from €625 m to €754 m, reflecting €64 m related to the temporary Brazilian levy on oil exports, a €14 m contribution in Spain for the Fondo Nacional de Eficiencia Energética (FNEE) and Iberian windfall taxes of €54 m.

Non-controlling interests of €-97 m, related with Sinopec's stake in Petrogal Brasil.

RCA net income was €508 m, while IFRS net income was €603 m, considering an inventory effect of €-113 m and special items of €208 m.

6.2 Capital Expenditure

€m

Quarter						Half Year			
2Q22	1Q23	2Q23	Var. YoY	% Var. YoY		2022	2023	Var. YoY	% Var. YoY
133	115	113	(20)	(15%)	Upstream	262	227	(34)	(13%)
51	32	31	(20)	(38%)	Renewables & New Businesses	90	64	(26)	(29%)
16	20	27	11	67%	Industrial & Midstream	23	46	23	n.m.
18	(2)	22	4	24%	Commercial	24	20	(4)	(17%)
7	7	6	(1)	(13%)	Others	14	13	(1)	(5%)
224	**172**	**199**	**(25)**	**(11%)**	**Capex (economic)[1]**	**412**	**371**	**(42)**	**(10%)**

[1] Capex figures based in change in assets during the period.

Second quarter 2023

Capex totalled €199 m during the quarter.

Investments in the Upstream were directed towards Bacalhau and BM-S-11, in Brazil, as well as Coral Sul, in Mozambique.

Commercial capex was mostly allocated to the transformation of the retail business, both in Portugal and Spain, including the transformation of sites, development of new convenience stores and offer and innovative LPG solutions. Industrial & Midstream capex was directed to initiatives to improve the efficiency of Sines' industrial complex.

Investments within the Renewables & New Businesses segment were mostly deployed towards the continued development and execution of the solar capacity build-up in Iberia.

First half 2023

Capex totalled €371 m, with Upstream accounting for 61% of total investments, whilst the downstream activities represented 18% and Renewables & New Businesses 17%.

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

Commercial investments were allocated to business transformation. Industrial & Midstream investments were directed to initiatives to improve the efficiency of the refining system and the execution of maintenance activities.

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

During the first half of 2023, capex directed to developments in the low-to-no carbon energy space accounted for more than 20% of total investments.

6.3 Cash Flow

€m (IFRS figures)

Quarter				Half Year	
2Q22	1Q23	2Q23		2022	2023
1,244	864	916	RCA Ebitda	2,114	1,781
9	3	25	Dividends from associates	(9)	28
(289)	(504)	(239)	Taxes paid	(520)	(743)
964	**363**	**702**	**Adjusted operating cash flow**	**1,603**	**1,065**
4	(16)	24	Special items	(5)	8
301	(122)	(53)	Inventory effect	489	(175)
(522)	275	61	Changes in working capital	(1,146)	336
747	**500**	**733**	**Cash flow from operations**	**940**	**1,233**
(244)	(109)	(207)	Net capex	(365)	(316)
(7)	77	-	o.w. Divestments[1]	(7)	77
5	(17)	(2)	Net financial expenses	(18)	(19)
(21)	(22)	(22)	IFRS 16 leases interest	(39)	(44)
488	**352**	**503**	**Free cash flow**	**517**	**854**
(1)	-	(87)	Dividends paid to non-controlling interest[2]	(111)	(87)
(207)	-	(209)	Dividends paid to Galp shareholders	(207)	(209)
(40)	(77)	(159)	Buybacks[3]	(40)	(235)
(34)	(36)	(36)	Reimbursement of IFRS 16 leases principal	(61)	(72)
1	(24)	(35)	Others	74	(60)
(207)	**(214)**	**22**	**Change in net debt**	**(173)**	**(192)**

[1] 2023 includes proceeds from the Angolan upstream assets' sale

[2] Mainly dividends paid to Sinopec.

[3] Related to the 2022 fiscal year, a share repurchase programme of €500 m started in February 2023 and is currently ongoing. As of June 30, Galp had acquired the equivalent to 2.7% of the current share capital. All shares repurchased with the sole purpose of cancellation.

Second quarter 2023

OCF was €702 m, reflecting strong operating performance during the period. CFFO reached €733 m, including an inventory effect of €-53 m and a €61 m working capital release, driven by the decrease in commodities prices and reduced inventories. Dividends from associated companies were of €25 m, mostly from the vegetable oil production activities in Brazil.

FCF was positive at €503 m. Net debt was stable during the period, with €209 m and €87 m paid in dividends to shareholders and minorities/partners, respectively, and €159 m invested in the share buyback programme.

First half 2023

Galp's OCF was €1,065 m, considering the robust business performance, despite the high concentration of tax payments in 1Q23 (phasing effect) related to upstream activities in Brazil. CFFO amounted to €1,233 m, including a working capital release from the decrease in commodities price environment during the period.

FCF amounted to €854 m. Considering dividends to shareholders and minorities and €235 m in the share buyback programme, as well as other adjustments, net debt decreased €192 m, compared to the end of last year.

6.4 Condensed Financial Position

€m (IFRS figures)

	31 Dec. 2022	31 Mar. 2023	30 Jun. 2023	Var. vs 31 Dec. 2022	Var. vs 31 Mar. 2023
Net fixed assets	6,876	6,957	6,979	103	22
Rights of use (IFRS 16)	1,116	1,149	1,134	18	(15)
Working capital	1,632	1,357	1,296	(336)	(61)
Other assets/liabilities	(2,089)	(1,856)	(1,947)	143	(91)
Assets held for sale	413	419	359	(54)	(60)
Capital employed	**7,948**	**8,026**	**7,821**	**(127)**	**(204)**
Short term debt	800	242	351	(449)	108
Medium-Long term debt	3,187	3,134	3,005	(182)	(128)
Total debt	**3,987**	**3,376**	**3,356**	**(631)**	**(20)**
Cash and equivalents	2,432	2,035	1,993	(439)	(42)
Net debt	**1,555**	**1,341**	**1,363**	**(192)**	**22**
Leases (IFRS 16)	1,277	1,310	1,268	(8)	(41)
Equity	5,117	5,375	5,190	73	(185)
Equity, net debt and leases	**7,948**	**8,026**	**7,821**	**(127)**	**(204)**

On June 30, 2023, net fixed assets were €6,979 m, including work-in-progress of €2.2 bn, mostly related to the Upstream business. Assets/liabilities held for sale are entirely related to the net position of the Angola upstream portfolio.

By quarter end, capital employed amounted to €7.8 bn, of which c.€1.2 bn associated with renewables businesses.

Other assets / liabilities increased €143 m compared to 2022 year-end, mostly reflecting impacts from the mark-to-market of derivatives and deferred taxes. Equity was up €73 m, supported by the IFRS net income and results attributed to minorities in the period, although partially offset by dividends to shareholders and minorities, and the ongoing buyback programme.

6.5 Financial Debt

€m (except otherwise stated)

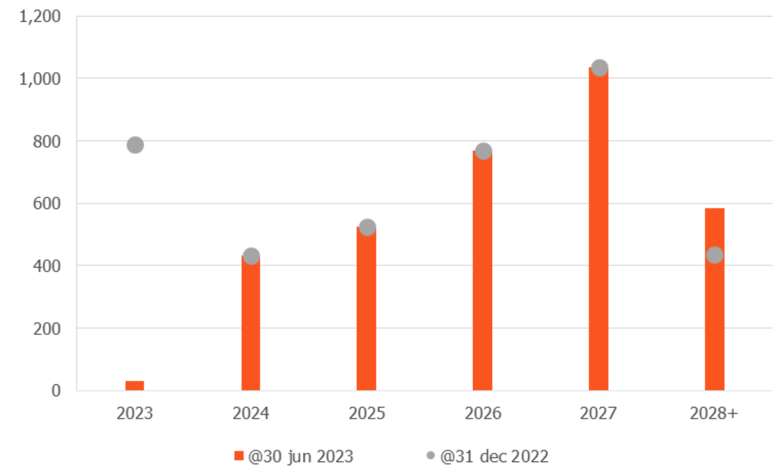
	31 Dec. 2022	31 Mar. 2023	30 Jun. 2023	Var. vs 31 Dec. 2022	Var. vs 31 Mar. 2023
Cash and equivalents	2,432	2,035	1,993	(439)	(42)
Undrawn credit facilities	1,484	1,584	1,595	111	11
Bonds	2,467	1,865	1,866	(601)	1
Bank loans and other debt	1,520	1,511	1,490	(30)	(21)
Net debt	1,555	1,341	1,363	(192)	22
Leases (IFRS 16)	1,277	1,310	1,268	(8)	(41)
Net debt to RCA Ebitda[1]	0.4x	0.4x	0.4x	0.0x	0.0x

[1] Ratio considers the LTM Ebitda RCA (€3,309 m), which includes the adjustment for the impact from the application of IFRS 16 (€233 m).

On June 30, 2023, net debt was €1,363 m, down €192 m from year-end 2022. Net debt to RCA Ebitda stands at 0.4x.

At the end of the period, cash and equivalents reached €1,993 m, whilst unused credit lines were c.€1.6 bn, of which c.85% were contractually guaranteed. The average cost of funding for the period, including charges for credit lines, was 3.1%.

Debt maturity profile (€ m)



6.7 Reconciliation of IFRS and RCA Figures

Ebitda by segment

€m

2Q23						1H23				
Ebitda IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda		Ebitda IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda
938	**53**	**992**	**(75)**	**916**	Galp	**1,728**	**175**	**1,903**	**(123)**	**1,781**
597	-	597	(75)	522	Upstream	1,193	-	1,193	(123)	1,070
33	-	33	-	33	Renewables & New Businesses	67	-	67	-	67
246	44	289	-	289	Industrial & Midstream	351	173	524	-	524
58	10	68	-	68	Commercial	137	2	139	-	139
5	(0)	5	-	5	Others	(19)	(0)	(19)	-	(19)

Ebit by segment

€m

2Q23						1H23				
Ebit IFRS	Inventory effect	RC Ebit	Special items	RCA Ebit		Ebit IFRS	Inventory effect	RC Ebit	Special items	RCA Ebit
665	**53**	**718**	**(75)**	**643**	Galp	**1,261**	**175**	**1,436**	**(119)**	**1,317**
480	-	480	(75)	405	Upstream	961	-	961	(119)	842
23	-	23	-	23	Renewables & New Businesses	46	-	46	-	46
174	44	218	-	218	Industrial & Midstream	243	173	417	-	417
(6)	10	4	-	4	Commercial	46	2	48	-	48
(5)	(0)	(5)	-	(5)	Others	(36)	(0)	(36)	-	(36)

6.8 Special Items

€m

Quarter				Half Year	
2Q22	1Q23	2Q23		2022	2023
(4)	**(48)**	**(75)**	**Items impacting Ebitda**	**5**	**(123)**
(4)	-	-	Matosinhos Refinery	5	-
-	(48)	(49)	Ebitda - Assets/liabilities held for sale (Angola)	-	(96)
-	-	(27)	Compensation from Brazilian equity gas contracts	-	(27)
17	**4**	**(0)**	**Items impacting non-cash costs**	**26**	**4**
17	-	-	Matosinhos Refinery	26	-
-	4	(0)	DD&A-Assets/liabilities held for sale (Angola)	-	4
(354)	**(161)**	**42**	**Items impacting financial results**	**67**	**(119)**
7	(44)	(3)	Gains/losses on financial investments (GGND)	7	(47)
-	(42)	2	Gains/losses on financial investments (Coral)[1]	-	(40)
-	-	(1)	Financial costs - Others	-	(1)
(315)	(76)	45	Mark-to-Market of derivatives	105	(31)
(47)	0	(0)	FX differences from natural gas derivatives	(46)	0
69	**(3)**	**14**	**Items impacting taxes**	**(67)**	**11**
73	39	2	Taxes on special items	(20)	41
(10)	(54)	6	BRL/USD FX impact on deferred taxes in Brazil	(66)	(48)
6	12	6	Energy sector contribution taxes	18	18
3	**16**	**3**	**Non-controlling interests** (Compensations from equity gas contracts and FX on deferred taxes in Brazil)	**20**	**20**
(269)	**(192)**	**(16)**	**Total special items**	**51**	**(208)**

[1] Impact from transition to IFRS 16.

6.9 IFRS Consolidated Income Statement

€m

Quarter				Half Year	
2Q22	1Q23	2Q23		2022	2023
7,153	5,072	4,944	Sales	12,700	10,016
76	74	69	Services rendered	190	143
139	110	98	Other operating income	278	208
7,368	**5,256**	**5,112**	**Operating income**	**13,168**	**10,368**
(5,281)	(3,688)	(3,515)	Inventories consumed and sold	(9,423)	(7,204)
(453)	(583)	(489)	Materials and services consumed	(913)	(1,072)
(77)	(98)	(103)	Personnel costs	(159)	(200)
(0)	(34)	(3)	Impairments on accounts receivable	(7)	(37)
(8)	(64)	(63)	Other operating costs	(69)	(127)
(5,819)	**(4,466)**	**(4,174)**	**Operating costs**	**(10,571)**	**(8,640)**
1,549	**790**	**938**	**Ebitda**	**2,597**	**1,728**
(340)	(194)	(270)	Depreciation, Amortisation and Impairments	(677)	(464)
2	0	(3)	Provisions	(0)	(3)
1,211	**596**	**665**	**Ebit**	**1,920**	**1,261**
54	109	2	Net income from associates	80	110
16	68	(26)	Financial results	(437)	42
11	25	26	Interest income	18	50
(16)	(27)	(30)	Interest expenses	(31)	(57)
4	11	18	Capitalised interest	9	29
(20)	(22)	(22)	Interest on leases (IFRS 16)	(39)	(44)
48	18	35	Exchange gain (loss)	49	53
(15)	76	(45)	Mark-to-market of derivatives	(436)	31
4	(11)	(8)	Other financial charges/income	(6)	(20)
1,281	**773**	**640**	**Income before taxes**	**1,563**	**1,413**
(470)	(269)	(275)	Taxes[1]	(681)	(544)
-	(60)	(58)	Windfall Taxes	-	(118)
(3)	(26)	(6)	Energy sector contribution taxes[2]	(22)	(32)
809	**418**	**301**	**Income before non-controlling interests**	**860**	**719**
(82)	(66)	(50)	Income attributable to non-controlling interests	(147)	(116)
726	**352**	**251**	**Net income**	**713**	**603**

[1] Includes SPT payable in Brazil and IRP payable in Angola.
[2] Includes €8 m and €10 m related to CESE I and CESE II, respectively, during 2023.

6.10 Consolidated Financial Position

€m

	31 Dec. 2022	31 Mar. 2023	30 Jun. 2023
Assets			
Tangible fixed assets	5,700	5,657	5,727
Goodwill	70	69	45
Other intangible fixed assets	672	689	694
Rights of use (IFRS 16)	1,116	1,149	1,134
Investments in associates	417	478	476
Receivables	263	277	298
Deferred tax assets	559	468	589
Financial investments	256	218	164
Total non-current assets	**9,055**	**9,007**	**9,128**
Inventories[1]	1,361	1,239	1,195
Trade receivables	1,464	1,456	1,403
Other receivables	942	913	685
Financial investments	339	225	185
Current Income tax recoverable	3	0	0
Cash and equivalents	2,432	2,035	1,993
Non-current assets held for sale	500	512	507
Total current assets	**7,041**	**6,380**	**5,968**
Total assets	**16,096**	**15,387**	**15,096**

[1] Includes €29 m of inventories made on behalf of third parties as of 30 June 2023.

€m

	31 Dec. 2022	31 Mar. 2023	30 Jun. 2023
Equity			
Share capital	815	815	815
Treasury Stocks	-	(77)	(235)
Share premium	82	82	-
Reserves	1,562	1,573	1,681
Retained earnings	226	1,625	1,376
Net income	1,475	352	603
Total equity attributable to equity holders of the parent	**4,161**	**4,370**	**4,239**
Non-controlling interests	956	1,005	951
Total equity	**5,117**	**5,375**	**5,190**
Liabilities			-
Bank loans and overdrafts	1,470	1,361	1,332
Bonds	1,717	1,773	1,674
Leases (IFRS 16)	1,095	1,112	1,127
Other payables	99	124	109
Retirement and other benefit obligations	252	243	238
Deferred tax liabilities	555	380	502
Other financial instruments	48	29	30
Provisions	1,430	1,345	1,375
Total non-current liabilities	**6,666**	**6,367**	**6,386**
Bank loans and overdrafts	50	150	159
Bonds	750	92	192
Leases (IFRS 16)	182	198	142
Trade payables	1,005	935	976
Other payables	1,505	1,738	1,515
Other financial instruments	373	172	102
Income tax payable	361	266	286
Liabilities related to non-current assets held for sale	87	93	149
Total current liabilities	**4,313**	**3,644**	**3,520**
Total liabilities	**10,979**	**10,012**	9,906
Total equity and liabilities	**16,096**	**15,387**	**15,096**

07

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 December 31, 2022, and June 30, 2023.

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.

All mark-to-market swings related with derivatives are registered as special items (starting from January 1, 2023).

With regards to risks and uncertainties, please read Part II – C. III Internal control and risk management (page 34) of Corporate Governance Report 2022, here.

Chairperson:

Paula Amorim

Vice-chairman and Lead Independent Director:

Adolfo Mesquita Nunes

Vice-chairman:

Filipe Silva

Members:

Georgios Papadimitriou

Maria João Carioca

Ronald Doesburg

Rodrigo Vilanova

João Diogo Silva

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Jorge Seabra de Freitas

Rui Paulo Gonçalves

Diogo Mendonça Tavares

Cristina Neves Fonseca

Javier Cavada Camino

Cláudia Almeida e Silva

Fedra Ribeiro

Ana Zambelli

Accountant:

Cátia Cardoso

28 July 2023

Interim Consolidated Financial Statements

8. Interim Consolidated Financial Statements

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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 2023 and 31 December 2022

(Amounts stated in million Euros - € m)

Assets	Notes	June 2023	December 2022
Non-current assets:			
Tangible assets	**4**	5,727	5,700
Goodwill and intangible assets	**5**	739	742
Right-of-use of assets	**6**	1,134	1,116
Investments in associates and joint ventures	**7**	476	417
Deferred tax assets	**14.1**	589	559
Other receivables	**9.2**	298	263
Other financial assets	**10**	164	256
Total non-current assets:		**9,128**	**9,055**
Current assets:			
Inventories	**8**	1,195	1,361
Other financial assets	**10**	185	339
Current income tax receivable		0	3
Trade receivables	**9.1**	1,403	1,464
Other receivables	**9.2**	685	942
Cash and cash equivalents	**11**	1,993	2,432
Non-current assets held for sale	**2.3**	507	500
Total current assets:		**5,968**	**7,041**
Total assets:		**15,096**	**16,096**

Equity and Liabilities	Notes	June 2023	December 2022
Equity:			
Share capital and share premium		815	897
Own shares		(235)	-
Reserves		1,681	1,562
Retained earnings		1,978	1,703
Total equity attributable to shareholders:		**4,239**	**4,161**
Non-controlling interests	**18**	951	956
Total equity:		**5,190**	**5,117**
Liabilities:			
Non-current liabilities:			
Financial debt	**12**	3,005	3,187
Lease liabilities	**6**	1,127	1,095
Other payables	**13**	109	99
Post-employment and other employee benefit liabilities	**15**	238	252
Deferred tax liabilities	**14.1**	502	555
Other financial instruments	**17**	30	48
Provisions	**16**	1,375	1,430
Total non-current liabilities:		**6,386**	**6,666**
Current liabilities:			
Financial debt	**12**	351	800
Lease liabilities	**6**	142	182
Trade payables	**13**	976	1,005
Other payables	**13**	1,515	1,505
Other financial instruments	**17**	102	373
Current income tax payable		286	361
Liabilitiies directly associated with non-current assets held for sale	**2.3**	149	87
Total current liabilities:		**3,520**	**4,313**
Total liabilities:		**9,906**	**10,979**
Total equity and liabilities:		**15,096**	**16,096**

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 2023 and 30 June 2022

(Amounts stated in million Euros - € m)

	Notes	June 2023	June 2022
Sales	19	10,016	12,700
Services rendered	19	143	190
Other operating income	19	208	278
Financial income	21	88	33
Earnings from associates and joint ventures	7/19	110	78
Total revenues and income:		**10,566**	**13,278**
Cost of sales	20	(7,204)	(9,423)
Supplies and external services	20	(1,072)	(913)
Employee costs	20	(200)	(159)
Amortisation, depreciation and impairment	20	(464)	(677)
Provisions and impairment losses on receivables	20	(40)	(7)
Other operating costs	20	(127)	(69)
Financial expenses	21	(46)	(467)
Total costs and expenses:		**(9,153)**	**(11,715)**
Profit/(Loss) before taxes and other contributions:		**1,413**	**1,563**
Taxes and SPT	14.1	(544)	(681)
Energy sector extraordinary contribution	14.2	(32)	(22)
Windfall tax	14.2	(118)	-
Consolidated net profit/(loss) for the period		**719**	**860**
Attributable to:			
Galp Energia, SGPS, S.A. Shareholders		**603**	**713**
Non-controlling interests	18	116	147
Basic and Diluted Earnings per share (in Euros)		**0.76**	**0.86**

Consolidated net profit/(loss) for the period	**719**	**860**
Items which will not be recycled in the future through net income:		
Remeasurements	6	4
Income taxes related to remeasurements	-	-
Items which may be recycled in the future through net income:		-
Currency translation adjustments	(98)	421
Hedging reserves	(15)	(5)
Income taxes related to the above item	3	1
Total Comprehensive income for the period, attributable to:	**616**	**1,281**
Galp Energia, SGPS, S.A. Shareholders	**523**	**1,057**
Non-controlling interests	**93**	**224**

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 2023 and 30 June 2022
(Amounts stated in million Euros - € m)

	Share Capital and Share Premium			Reserves						
	Share Capital	Share Premium	Own shares	Currency Translation Reserves	Hedging Reserves	Other Reserves	Retained earnings	Sub-Total	Non-controlling interests	Total
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)	(348)
Repurchases of shares	-	-	(40)	-	-	-	-	(40)	-	(40)
Decrease in reserves	-	-	-	-	-	-	-	-	-	-
As at 30 June 2022	**829**	**82**	**(40)**	**139**	**20**	**1,535**	**1,296**	**3,863**	**1,001**	**4,863**
	-	-	-	-	-	-	-	-	-	-
Balance as at 1 January 2023	**815**	**82**	**-**	**13**	**14**	**1,535**	**1,701**	**4,161**	**956**	**5,117**
Consolidated net profit for the period	-	-	-	-	-	-	603	603	116	719
Other gains and losses recognised in equity	-	-	-	(74)	(11)	-	6	(80)	(23)	(103)
Comprehensive income for the period	**-**	**-**	**-**	**(74)**	**(11)**	**-**	**608**	**523**	**93**	**616**
Dividends distributed	-	-	-	-	-	-	(208)	(208)	(98)	(306)
Repurchases of shares	-	-	(235)	-	-	235	(235)	(235)	-	(235)
Increase/decrease in reserves	-	(82)	-	-	-	(30)	112	-	-	-
Cummulative income as at 30 June 2023 - CTR with Non current Asset classified as held for sale	-	-	-	151	-	-	-	151	-	151
Cummulative loss at 30 June 2023 - Other CTR's	-	-	-	(212)	-	-	-	(212)	-	(212)
Balance as at 30 June 2023	**815**	**-**	**(235)**	**(61)**	**3**	**1,740**	**1,978**	**4,239**	**951**	**5,190**

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.

Consolidated Statement of Cash Flow for the period ended 30 June 2023 and 30 June 2022
(Amounts stated in million Euros - €m)

	Notes	June 2023	June 2022
Income/(Loss) before taxation for the period		**1,413**	**1,563**
Adjustments for:			
Amortization, depreciation and impairment losses	20	464	677
Provisions	20	3	-
Adjustments to net realisable value of inventories	21	(65)	12
Mark-to-market of derivatives	21	(31)	436
Other financial costs/income		(11)	(2)
Underlifting and/or Overlifting		42	(147)
Share of profit/(loss) of joint ventures and associates		(110)	(78)
Others		17	(1)
Increase / decrease in assets and liabilities:			
(Increase)/decrease in inventories		232	(1,011)
(Increase)/decrease in current receivables		62	(1,035)
(Decrease)/increase in current payables		(64)	1,186
(Increase)/decrease in other receivables, net		17	(150)
Dividends from associates and joint ventures		28	9
Taxes paid		(762)	(520)
Cash flow from operating activities		**1,233**	**940**
Capital expenditure in tangible and intangible assets		(392)	(289)
Investments in associates and joint ventures, net		77	-
Other investment cash outflows, net		-	(76)
Cash flow from investing activities		**(316)**	**(365)**
Loans obtained	12	701	2,244
Loans repaid	12	(1,342)	(2,197)
Interest paid		(19)	(18)
Leases repaid	6	(72)	(61)
Interest on leases paid	6	(44)	(39)
Dividends paid to Galp shareholders		(209)	(207)
Dividends paid to non-controlling interests		(87)	(111)
Acquisition of own stocks		(235)	(40)
Cash flow from financing activities		**(1,307)**	**(429)**
(Decrease)/increase in cash and cash equivalents		(389)	146
Currency translation differences in cash and cash equivalents		(57)	96
Cash and cash equivalents at the beginning of the period	11	2,421	1,811
Cash and cash equivalents at the end of the period	**11**	**1,975**	**2,053**

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 2023 were prepared in accordance with IAS 34 - Interim Financial Reporting.

The Galp Group has prepared the condensed consolidated 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 condensed consolidated 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 2022.

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 during the first semester of 2023.

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 2022.

We have not identified impairment indicators that lead us to a detailed impairment analysis as at 30 June 2023, except for certain retail assets (goodwill) as detailed in note 5.

2.3. Non-current assets held for sale

Resulting from the agreement reached for the sale of the assets and liabilities of the Angolan upstream companies, the assets and liabilities of these companies were classified as non-current assets and liabilities held for sale until the Angolan government approves the agreement's conclusion. In 2023, the Group has received €77m of initial proceeds from the Angolan upstream assets disposal (which is accounted in "Other deferred income" caption in note 13).

The assets, liabilities and accumulated conversion reserves in equity that make up the amounts presented in the financial statements on 30 June 2023 are as follows:

	Unid: € m
	June 2023
Assets	**507**
Intangible assets	7
Tangible assets	469
Right of use	1
Inventories	8
Other receivables	22
Liabilities	**(148)**
Deferred tax liabilities	(3)
Provisions	(72)
Current income tax payable	(3)
Other payables	(70)
Equity – Accumulated conversion reserves	**(151)**

2.4. Changes to the consolidation perimeter

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

Legal Entity	Country	% Acquired	Transaction	Consolidation Method
Solar companies (8 companies)	Brazil	100%	Establishment	Full consolidation

All entities in the table above were established in 2023.

2.5. Acquisition of owns 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.

Galp has initiated on 15 February 2023 a programme to repurchase Galp Energia SGPS, S.A. own shares in the amount of €500 m.

Galp entered into as instruction to Morgan Sanley Europe SE, which will act as riskless principal for the execution of the share's buyback.

Until 30 June 2023, 22,192,166 shares were acquired at an average price of €10.6077/share, totalizing €235 m.

2.6. Changes to IFRS not yet adoted

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

2.7. Commitments

During first half of 2023, Galp Energia SGPS, S.A. provided Parent Company Guarantees amounting to € 760 m in connection with commercial agreements entered into by its subsidiaries.

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 & Midstream; (iii) Commercial and (iv) Renewables & 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 and Mozambique.

The Industrial & Midstream segment incorporates the refining and logistics business, as well as the Group's oil, CO_2, 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, electric mobility, 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 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 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 2023 and 2022, is as follows:

Unit: € m

	Consolidated		Upstream		Industrial & Energy Management		Commercial		Renewables and New businesses		Others		Consolidation adjustments	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sales and services rendered	**10,160**	**12,890**	**1,842**	**1,883**	**4,166**	**5,409**	**5,051**	**6,280**	**81**	**58**	**125**	**114**	**(1,106)**	**(854)**
Cost of sales	**(7,028)**	**(9,912)**	**(101)**	**93**	**(3,279)**	**(4,635)**	**(4,643)**	**(5,820)**	**18**	**(48)**	**4**	**(11)**	**972**	**509**
of which Variation of Production	(166)	261	16	(1)	(182)	(61)	-	326	-	(2)	-	-	-	-
Other revenue & expenses	**(1,228)**	**(870)**	**(549)**	**(296)**	**(363)**	**(495)**	**(270)**	**(306)**	**(32)**	**(14)**	**(148)**	**(104)**	**134**	**344**
of which Under & Overlifting	(42)	147	(42)	147	-	-	-	-	-	-	-	-	-	-
EBITDA at Replacement Cost	**1,903**	**2,108**	**1,193**	**1,680**	**524**	**279**	**139**	**153**	**67**	**(5)**	**(19)**	**-**	**-**	**-**
Amortisation, depreciation and impairment losses	**(464)**	**(677)**	**(231)**	**(473)**	**(107)**	**(142)**	**(91)**	**(51)**	**(22)**	**(0)**	**(13)**	**(11)**	**-**	**-**
Provisions (net)	**(3)**	**-**	**-**	**-**	**-**	**(1)**	**-**	**-**	**-**	**-**	**(3)**	**1**	**-**	**-**
EBIT at Replacement Cost	**1,436**	**1,431**	**961**	**1,208**	**417**	**136**	**48**	**102**	**46**	**(5)**	**(36)**	**(10)**	**-**	**-**
Earnings from associates and joint ventures	**110**	**80**	**38**	**4**	**51**	**(6)**	**3**	**3**	**17**	**77**	**-**	**2**	**-**	**-**
Financial results	**42**	**(437)**												
Taxes at Replacement Cost	**(606)**	**(536)**												
Energy Sector Extraordinary Contribution	**(32)**	**(22)**	**-**	**-**	**(11)**	**(10)**	**(14)**	**(4)**	**-**	**-**	**(7)**	**(8)**	**-**	**-**
Windfall tax	**(118)**	**-**	**(64)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(54)**	**-**	**-**	**-**
Consolidated net income at Replacement Cost, of which:	**832**	**516**												
Attributable to non-controlling interests	**116**	**147**												
Attributable to shareholders of Galp Energia SGPS SA	**716**	**369**												
OTHER INFORMATION														
Segment Assets (1)														
Financial investments (2)	476	417	344	283	11	18	31	35	85	81	5	-	-	-
Other assets	14,620	15,679	7,478	7,540	2,757	3,263	2,510	2,889	1,812	2,061	3,729	2,537	(3,666)	(2,611)
Segment Assets	**15,096**	**16,096**	**7,823**	**7,823**	**2,768**	**3,281**	**2,541**	**2,924**	**1,897**	**2,142**	**3,734**	**2,537**	**(3,666)**	**(2,611)**
of which Rights of use of assets	1,134	1,116	648	702	237	165	165	167	73	70	11	12	-	-
Investment in Tangible and Intangible Assets	**384**	**417**	**232**	**266**	**46**	**17**	**33**	**32**	**60**	**90**	**13**	**13**	**-**	**-**

1) Net amount

2) 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 [1]		Tangible and intangible assests		Financial investments	
	2023	2022	2023	2022	2023	2022
	10,160	**12,890**	**6,466**	**6,442**	**476**	**416**
Europe	8,573	10,177	2,535	2,514	37	39
Latin America	1,228	2,376	3,232	3,218	81	77
Africa	359	337	700	710	358	300

[1] Net consolidation operation

The reconciliation between the segment reporting and the Condensed Consolidated Income Statement for the periods ended 30 June 2023 and 2022 was as follows:

Unit: € m

	2023	2022
Sales and services rendered	10,160	12,890
Cost of sales	(7,204)	(9,423)
Replacement cost adjustments (1)	175	(489)
Cost of sales at Replacement Cost	(7,028)	(9,912)
Other revenue and expenses	(1,228)	(870)
Depreciation and amortisation	(464)	(677)
Provisions (net)	(3)	-
Earnings from associates and joint ventures	110	80
Financial results	42	(437)
Profit before taxes and other contributions at Replacement Cost	**1,588**	**1,074**
Replacement Cost adjustments	(175)	489
Profit before taxes and other contributions at IFRS	**1,413**	**1,563**
Income tax	(544)	(681)
Income tax on Replacement Cost Adjustment (2)	(62)	145
Energy Sector Extraordinary Contribution	(32)	(22)
Windfall tax	(118)	-
Consolidated net income for the period at Replacement Cost	**832**	**516**
Replacement Cost (1) +(2)	(113)	344
Consolidated net income for the period based on IFRS	**719**	**860**

4. Tangible assets

Unit: € m

	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
As at 30 June 2023					
Acquisition cost	1,303	11,178	517	2,461	15,459
Impairment	(39)	(223)	(3)	(335)	(599)
Accumulated depreciation and depletion	(808)	(7,876)	(448)	-	(9,132)
Net Value	**456**	**3,079**	**66**	**2,126**	**5,727**
Balance as at 1 January 2023	**459**	**3,267**	**64**	**1,910**	**5,700**
Additions	-	16	-	348	364
Depreciation, depletion and impairment	(10)	(261)	(19)	(46)	(336)
Disposals/Write-offs	(1)	-	-	-	(1)
Transfers	9	99	12	(120)	-
Currency exchange differences and other adjustments	-	(41)	9	34	1
Balance as at 30 June 2023	**456**	**3,079**	**66**	**2,126**	**5,727**

During the six-month period under review the Group has made Upstream investments in the amount of €247 m, essentially related to projects in Brazil (€229 m) and Mozambique (€12 m) and in the businesses units Industrial & Midstream (€46 m), Renewables (€62 m) and Commercial (€33 m). The additions to tangible assets for the six-month period ended 30 June 2023 also include the capitalisation of financial charges amounting to €29 m (Note 21) and abandonment provisions of €16m (note: not considered as Investment in Operating segment). Galp has recognized an impairment charge related to assets under construction in Industrial and Commercial units of €29 m and €12, respectively.

5. Goodwill and intangible assets

Unit: € m

	Industrial properties and other rights	Intangible assets in progress	Goodwill	Total
As at 30 June 2023				
Acquisition cost	1,315	98	88	1,500
Impairment	(155)	(23)	(43)	(221)
Accumulated amortisation	(539)	-	-	(539)
Net Value	**620**	**75**	**45**	**739**
Balance as at 1 January 2023	**571**	**102**	**70**	**743**
Additions	35	2	-	37
Amortisation and impairment	(21)	-	(25)	(46)
Write-offs/Disposals	(1)	-	-	(1)
Transfers	36	(36)	-	-
Currency exchange differences and other adjustments	-	7	-	7
Balance as at 30 June 2023	**620**	**75**	**45**	**739**

The impairment charged in the period in the amount of €25 m resulted from management analysis of the recoverable amount of its cash-generating unit's related to African commercial business (retail assets).

6. Leases

Right-of-use assets

Unit: € m

	FPSO's[1]	Buildings	Service stations	Vessels	Other usage rights	Total
As at 30 June 2023						
Acquisition cost	727	36	306	306	260	1,635
Accumulated amortisation	(207)	(23)	(60)	(105)	(73)	(468)
Impairment	-	-	(33)	-	-	(33)
Net Value	**520**	**13**	**213**	**201**	**186**	**1,134**
As at 1 January 2023	**510**	**16**	**215**	**151**	**224**	**1,116**
Additions	-	-	16	82	10	108
Amortisation	(23)	(2)	(17)	(30)	(9)	(82)
Write-offs/Disposals	-	-	-	-	-	-
Currency exchange differences and other adjustments	33	-	-	(3)	(38)	(8)
Balance as at 30 June 2023	**520**	**13**	**213**	**201**	**186**	**1,134**

[1] Floating, production, storage and offloading unit.

The €82 m increase in vessel leasing is due to a new long term charter agreement for a LNG carrier whose operations have initiated in January 2023. This leasing agreement has a minimum duration of 5 years and can be extended up to 11 years.

Lease liabilities

Unit: € m

	June 2023	December 2022
Maturity analysis – contractual undiscounted cash flow	**1,826**	**1,835**
Less than one year	224	209
One to five years	731	697
More than five years	871	929
Lease liabilities included in the statement of financial position	**1,268**	**1,277**
Non current	1,127	1,095
Current	142	182

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

Unit: € m

	June 2023	June 2022
	368	**249**
Interest on lease liabilities	44	39
Expenses related to short term, low value and variable payments of operating leases [1]	324	210

[1] Includes variable payments and short term leases recognised under the heading of transport of goods.

The increase in expenses with short-term leases is essentially due to short-term charters resulting from the increase in activity verified in the transport of goods.

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

Unit: € m

	June 2023	June 2022
Financing activities	**116**	**100**
(Payments) relating to leasing (IFRS 16)	72	61
(Payments) relating to leasing (IFRS 16) interests	44	39

7. Investments in associates and joint ventures

Unit: € m

	June 2023	December 2022
	476	**417**
Joint ventures	356	292
Associates	120	125

7.1. Investments in joint ventures

Unit: € m

	As at 31 December 2022	Share capital increase/ decrease	Equity Method	Other adjustments	Dividends	As at 30 June 2023
	292	**3**	**41**	**24**	**(4)**	**356**
Coral FLNG, S.A.	279	-	39	22	-	340
Other joint ventures	13	3	2	2	(4)	15

7.2. Investments in associates

Unit: € m

	As at 31 December 2022	Share capital increase/ decrease	Equity Method	Other adjustments	Dividends	As at 30 June 2023
	125	**(30)**	**27**	**3**	**(5)**	**120**
Belém Bioenergia Brasil, S.A.	73	(19)	22	5	(4)	77
Sonangalp – Sociedade Distribuição e Comercialização de Combustíveis, Lda.	11	-	3	(7)	(1)	6
Floene Energias, S.A.	8	-	1	-	-	9
Geo Alternativa, S.L.	5	-	-	(1)	-	5
Other associates	28	(11)	1	6	-	24

8. Inventories

Unit: € m

	June 2023	December 2022
	1,195	**1,361**
Raw, subsidiary and consumable materials	**309**	**275**
Crude oil	21	103
Gas	2	-
Other raw materials	54	126
Raw materials in transit	231	46
Finished and semi-finished products	**584**	**811**
Finished and semi-finished products in transit	**26**	**-**
Goods	**315**	**390**
Adjustments to net realisable value	**(40)**	**(115)**

The movements in the adjustments to net realisable value balance for the six-month period ended 30 June 2023 were as follows:

Unit: € m

	Raw, subsidiary and consumable materials	Finished and semi-finished products	Goods	Adjustments	Total
Adjustments to net realisable value at 1 January 2023	**43**	**57**	**14**	**-**	**115**
Net reductions	(20)	(41)	(14)	9	(65)
Other adjustments	-	-	-	(10)	(10)
Adjustments to net realisable value at 30 June 2023	**23**	**16**	**-**	**-**	**40**

The reduction of €65 m 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.

9. Trade and other receivables

9.1. Trade receivables

Unit: € m

	Notes	June 2023 Current	December 2022 Current
		1,403	**1,464**
Trade receivables		1,564	1,595
Impairments	9.3	(161)	(131)

9.2. Other receivables

Unit: € m

	Notes	June 2023		December 2022	
		Current	Non-current	Current	Non-current
		685	**298**	**942**	**263**
State and other Public Entities		**23**	**-**	**82**	**-**
Other debtors		**236**	**202**	**320**	**167**
Non-operated oil blocks		(19)	-	65	-
Underlifting		117	-	90	-
Other receivables		138	202	165	167
Related Parties		**2**	**-**	**2**	**-**
Contract Assets		**335**	**62**	**401**	**64**
Sales and services rendered but not yet invoiced		219	-	323	-
Adjustments to tariff deviations - "pass through"		26	-	27	-
Other accrued income		90	62	51	64
Deferred charges		**99**	**34**	**147**	**32**
Energy sector extraordinary contribution (CESE II)	**14.2**	7	14	8	16
Deferred charges for services		9	12	4	13
Other deferred charges		83	9	134	3
Impairment of other receivables	**9.3**	**(10)**	**-**	**(10)**	**-**

Other debtors/Other non-current receivables include an amount of €199 m relating to court deposits regarding the lawsuit between BM-S-11 consortium and the ANP. The ANP claims that the oil fields of Tupi and Iracema, which are located within the BM-S-11, should be unified for Special Participation Tax purposes. However, the consortium has a different understanding. Thus the judicial deposit represents part of the difference between the two criateria under discussion.

Other deferred charges (current) include the amount of €2 m (2022:€85 m) relating to the remaining CO2 licences after satisfying the legal obligation regarding CO2 emissions occurring in April 2023. These remaining licences will be used to satisfy the CO2 emissions regarding the year 2023 to be fulfilled in April 2024.

Other accrued income (current) includes mainly accruals regarding other operating revenue while non-current includes natural gas tariffs deviations from regulated market.

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 2023, were as follow:

Unit: € m

	Opening balance	Increase	Decrease	Utilisation	Others	Closing balance
	141	**39**	**(3)**	**(4)**	**(2)**	**171**
Trade receivables	131	39	(3)	(4)	(2)	161
Other receivables	10	-	-	-	-	10

10. Other financial assets

As of 30 June 2023 and 31 December 2022 Other financial assets were as follow:

Unit: € m

	Notes	June 2023		December 2022	
		Current	Non-current	Current	Non-current
		185	**164**	**339**	**256**
Financial Assets at fair value through profit & loss	17	142	61	304	110
Financial Assets at fair value through comprehensive income		-	1	-	3
Financial Assets not measured at fair value - Loans and Capital subscription		43	65	34	102
Others		1	37	1	42

Financial assets at fair value through profit or loss refer to financial derivatives (note 17). The volume of financial derivatives has decreased from 2022 to 2023 which led to a reduction in Mark-to-Market.

11. Cash and cash equivalents

Unit: € m

	Notes	June 2023	December 2022
		1,975	**2,421**
Cash at bank		1,993	2,432
Bank overdrafts	12	(18)	(11)

12. Financial debt

Unit: € m

		June 2023		December 2022	
	Notes	Current	Non-current	Current	Non-current
		351	**3,005**	**800**	**3,187**
Bank loans		**159**	**1,332**	**50**	**1,470**
Origination fees		-	(3)	-	(6)
Loans and commercial paper		141	1,335	39	1,476
Bank overdrafts	12	18	-	11	-
Bonds and notes		**192**	**1,674**	**750**	**1,717**
Origination fees		-	(6)	-	(7)
Bonds		192	1,180	250	1,224
Notes		-	500	500	500

Changes in financial debt during the period from 31 December 2022 to 30 June 2023 were as follows:

Unit: € m

	Opening balance	Loans obtained	Principal Repayment	Changes in Overdrafts	Foreign exchange rate differences and others	Closing balance
	3,987	**701**	**(1,342)**	**7**	**4**	**3,356**
Bank Loans:	**1,520**	**551**	**(592)**	**7**	**5**	**1,490**
Origination fees	(6)	-	-	-	3	(3)
Loans and commercial papers	1,515	551	(592)	-	2	1,476
Bank overdrafts	11	-	-	7	-	18
Bond and Notes:	**2,467**	**150**	**(750)**	**-**	**(1)**	**1,866**
Origination fees	(7)	-	-	-	1	(6)
Bonds	1,474	150	(250)	-	(2)	1,372
Notes	1,000	-	(500)	-	-	500

The average cost of financial debt for the period under review, including charges for credit lines, amounted to 3.06%.

Financial debt, excluding origination fees and bank overdrafts, had the following repayment plan as at 30 June 2023:

Unit: € m

Maturity	Loans		
	Total	Current	Non-current
	3,348	**333**	**3,015**
2023	20	20	-
2024	434	313	121
2025	526	-	526
2026	769	-	769
2027	1,037	-	1,037
2028 and following	562	-	562

13. Trade payables and other payables

Unit: € m

	June 2023		December 2022	
	Current	Non-current	Current	Non-current
Trade payables	**976**	**-**	**1,005**	**-**
Other payables	**1,515**	**109**	**1,506**	**99**
State and other public entities	**422**		**346**	**-**
Payable VAT	178	-	246	-
Tax on oil products (ISP)	101	-	88	-
Other taxes	143		12	-
Other payables	**166**	**42**	**331**	**44**
Suppliers of tangible and intangible assets	117	42	196	44
Other Creditors	49	-	135	-
Related parties	**27**	**(3)**	**20**	**-**
Other accounts payable	**86**	**14**	**88**	**10**
Accrued costs	**691**	**39**	**701**	**36**
External supplies and services	561	-	515	-
Holiday, holiday subsidy and corresponding contributions	46	6	83	6
Other accrued costs	84	33	103	30
Contract liabilities	**46**	**-**	**17**	**-**
Other deferred income	**78**	**17**	**4**	**10**

"State and other public entities – other taxes" includes an amount of €82 m referring to estimated amounts payable related to windfall taxes and €26 m referring to amounts payable on crude oil exports (Brazil).

"Other deferred income" includes €77 m referring to the receipt of a down payment provided by the company Somoil for the purchase of Angolan companies in the upstream business.

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, 25.8% in Netherlands, 31.5% in Portugal (before Energy sector extraordinary contribution and Windfall tax), and 34% 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 2023 and 2022 were as follows:

Unit: € m

	June 2023			June 2022		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Taxes for the period	**627**	**(83)**	**544**	**746**	**(65)**	**681**
Current income tax	308	(80)	228	323	(62)	261
Oil income Tax (IRP)	17	(3)	14	20	(3)	16
Special Participation Tax (SPT)	302	-	302	403	-	403

As of 30 June 2023, the movements in deferred tax assets and liabilities were as follows:

Unit: € m

	As at 31 December 2022	Impact on the income statement	Impact on equity	Foreign exchange rate changes	As at 30 June 2023
Deferred Taxes – Assets	**559**	**22**	**3**	**5**	**589**
Adjustments to tangible and intangible assets	126	(6)	-	2	122
Retirement benefits and other benefits	73	(4)	-	-	69
Tax losses carried forward	36	13	-	-	49
Regulated revenue	8	-	-	-	8
Temporarily non-deductible provisions	246	6	-	1	253
Others	70	13	3	1	87
Deferred Taxes – Liabilities	**(555)**	**61**	**-**	**(8)**	**(502)**
Adjustments to tangible and intangible assets	(540)	62	-	(8)	(486)
Adjustments to the fair value of tangible and intangible assets	-	-	-	-	-
Regulated revenue	(14)	-	-	-	(14)
Others	(1)	(1)	-	-	(2)

14.2. Energy sector extraordinary contribution

Unit: € m

	Statement of financial position						Income statement	
	State and other public entities		Provisions (Note 16)		"CESE II" Deferred Charges (Note 9.2)			
	Other taxes	Windfall tax	CESE I	CESE II	Current	Non-current	Energy Sector Extraordinary Contribution	Windfall tax
As at 1 January 2023	**-**	**(53)**	**(133)**	**(247)**	**8**	**16**	**-**	**-**
Increase	(118)	-	(7)	(6)	-	-	32	118
Decrease	60	-	-	-	(1)	(3)	-	-
Utilisation	-	-	17	-	-	-	-	-
Other adjustments	(53)	53	-	-	-	-	-	-
As at 30 June 2023	**(111)**	**-**	**(123)**	**(252)**	**7**	**14**	**32**	**118**

In the caption "Windfall tax" the other adjustments are regarding to a reclassification to the caption "State and other public entities – Other taxes".

During the period a cost of €118 m was recognised as "Windfall tax" (€55m of Iberian windfall tax and €64m of Brazilian windfall tax - temporary levy on export of oil products) , which was reflected in the statement of financial position in the caption "State and other public entities – Other taxes". During the period an amount of €60 m was paid.

Additionally, a cost of €32 m was recognised as "Energy Sector Extraordinary Contribution".

The Caption "State and other public entities – Other taxes" of the table above is refering only to Windfall tax.

15. Post-employment benefits

On 30 June 2023 and 31 December 2022, the assets of the Pension Funds of Petrogal, S.A. and Sacor Maritima, S.A., valued at fair value, were as follows, in accordance with the information provided by the pension plan management entity:

Unit: € m

	June 2023	December 2022
Total	**203**	**203**
Shares	38	37
Bonds	115	118
Real Estate	45	44
Liquidity	1	1
Others	4	3

As at 30 June 2023 and 31 December 2022, the details of post employment benefits were as follow:

Unit: € m

	June 2023	December 2022
Assets under the heading "Other Receivables"	7	1
Liabilities	(238)	(252)
Net responsibilities	**(231)**	**(250)**
Liabilities, of which:	**(434)**	**(453)**
Past service liabilities covered by the pension fund	(196)	(202)
Other employee benefit liabilities	(238)	(251)
Assets	**203**	**203**

16. Provisions

During the six-month period ended 30 June 2023, the movements in Provisions were as follows:

Unit: € m

	June 2023					December 2022
	Decomissioning/ environmental provisions	CESE (I and II)	Windfall tax	Other provisions	Total	
At the beginning of the period	**715**	**380**	**53**	**282**	**1,430**	**1,208**
Additional provisions and increases to existing provisions	21	13	-	41	75	219
Decreases of existing provisions	-	-	-	(45)	(45)	(2)
Amount used during the period	(6)	(18)	-	(2)	(26)	(30)
Adjustments during the period	(7)	-	(53)	1	(59)	35
At the end of the period	**723**	**375**	**-**	**277**	**1,375**	**1,430**

"Other provisions" amount of €277 m includes a €213 m provision relating to a dispute between the ANP and the BM-S-11 consortium, as explained in Note 9 and a €28 m provision related to the commitment to reimburse CESE I to the shareholders of Floene (former GGND) according to the agreement between the parties. During the six-month period ended 30 June 2023, a partial reversal of the obligation was carried out, in the amount of €44 m (note 19) resulting from the favourable decision of the constitutional court to an entity belonging to Floene Energias, S.A. Group regarding to the existing dispute with the tax authority.

In the caption "Windfall tax" the value in "Adjustments during the period" relates to a reclassification to the caption "State and other public entities – Other taxes".

17. Other financial instruments

Unit: € m

	June 2023					December 2022				
	Assets (Note 10)		Liabilities		Equity	Assets (Note 10)		Liabilities		Equity
	Current	Non current	Current	Non current		Current	Non current	Current	Non current	
	142	**61**	**(102)**	**(30)**	**-**	**304**	**110**	**(373)**	**(48)**	**18**
Commodity swaps	81	22	(102)	(30)	-	247	67	(370)	(48)	-
Commodity futures	61	-	-	-	-	53	-	-	-	15
IRS	-	39	-	-	-	-	43	-	-	3
Currency Forwards	-	-	-	-	-	4	-	(3)	-	-

The accounting impacts of gains and losses on derivative financial instruments on the income statement and comprehensive income as at 30 June 2023 and 2022 are presented below:

Unit: € m

	June 2023				June 2022			
	Income statement			Equity	Income statement			Equity
	MTM	Realised	MTM + Realised		MTM	Realised	MTM + Realised	
	30	**32**	**63**	**(15)**	**(422)**	**(154)**	**(577)**	**(6)**
Commodities	**35**	**32**	**67**	**(15)**	**(436)**	**(176)**	**(612)**	**(6)**
Swaps	69	(28)	41	-	(477)	54	(423)	7
Swaps - Fair value hedge	-	-	-	-	(2)	-	(2)	-
Options	-	-	-	-	1	(2)	(1)	-
Futures	(34)	60	26	(15)	42	(228)	(186)	(14)
Currency	**-**	**-**	**-**	**-**	**14**	**22**	**35**	**-**
Forwards	-	-	-	-	14	22	35	-
Interest Rate	**(4)**	**-**	**(4)**	**-**	**-**	**-**	**-**	**-**
IRS	(4)	-	(4)	-	-	-	-	-

The variation registered in MTM is related to a reduction in the number of existing derivatives, as they reached their maturities during the year 2022. The realised results of derivative financial instruments are mainly recognised as part of the cost of sales (Note 21), financial income or expenses.

Also, the table above excludes the MTM, as well as the realised gains and losses on currency forwards which are registered in the exchange differences caption.

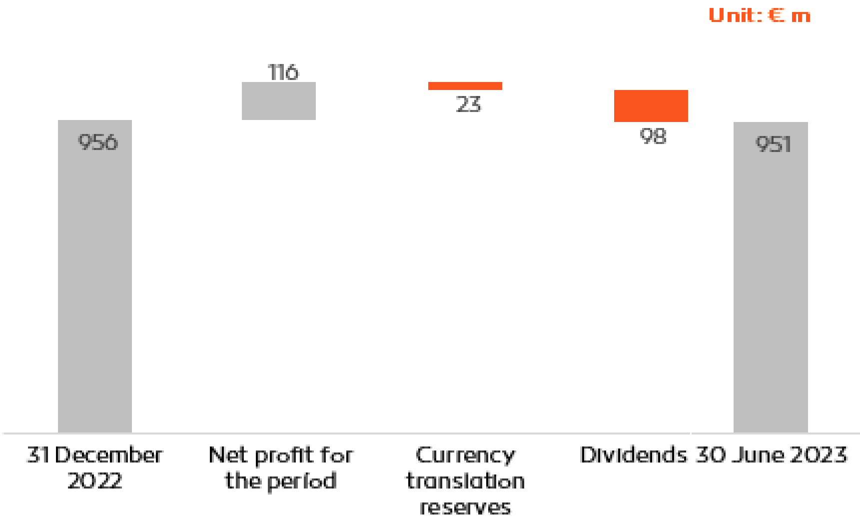
The breakdown of the financial results related to derivative financial instruments (Note 21) is as follows:

Unit: € m

	June 2023	June 2022
	31	**(436)**
Commodity Swaps	69	(479)
Options	-	1
Commodity Futures	(34)	42
IRS	(4)	-
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



19. Revenue and income

The details of revenue and income for the six-month periods ended 30 June 2023 and 2022 were as follow:

Unit: € m

	Notes	June 2023	June 2022
		10,566	**13,278**
Total sales		**10,016**	**12,700**
Goods		5,013	7,112
Products		5,003	5,588
Services rendered		**143**	**190**
Other operating income		**208**	**278**
Underlifting income			147
Others		208	131
Earnings from associates and joint ventures	**7**	**110**	**78**
Financial income	**21**	**89**	**33**

In the caption of Earnings from associates and joint ventures in the Condensed Consolidated Income Statement is a result of €44 m (note 16), resulting from a partial reversion of the liability of CESE I assumed by Galp in relation to Floene Energias, S.A.. This reversion is a result of the decision of the constitutional court regarding an entity of that Group. Additionally, this caption includes a positive adjustment of €3m regarding the sale price of Galp Gás Natural Distribuição, S.A. in accordance with the agreement previously signed with Allianz. Furthermore, a participation cost of €5m was also recognized in this caption in relation to a minority interest.

20. Costs and expenses

The details of costs and expenses, for the six-month periods ended 30 June 2023 and 2022 were as follow:

Unit: € m

	Notes	June 2023	June 2022
Total costs and expenditure:		**9,153**	**11,715**
Cost of sales		**7,204**	**9,423**
Raw and subsidiary materials		1,534	2,029
Goods		4,397	6,228
Tax on oil products		1,161	1,228
Variations in production		166	(261)
Write downs on inventories	8	(65)	(12)
Costs related to CO_2 emissions		44	35
Financial derivatives	17	(32)	176
External supplies and services		**1,072**	**913**
Subcontracts - network use		21	123
Transportation of goods		178	101
E&P - production costs		195	72
E&P - exploration costs		6	23
Royalties		131	176
Other costs		541	418
Employee costs		**200**	**159**
Amortisation, depreciation and impairment losses on fixed assets	**4/ 5/ 6**	**464**	**677**
Provision and impairment losses on receivables	**9,3 / 16**	**40**	**7**
Other costs		**127**	**69**
Other taxes		22	12
Overlifting costs		42	-
Other operating costs		63	57
Financial expenses	**21**	**46**	**467**

21. Financial results

The details of financial income and costs for the six-month periods ended 30 June 2023 and 2022 were as follow:

Unit: € m

	Notes	June 2023	June 2022
		43	**(434)**
Financial income		**89**	**33**
Interest on bank deposits		50	19
Interest and other income from related companies		5	7
Other financial income		1	7
Derivative financial instruments	17	31	-
Financial expenses		**(46)**	**(467)**
Interest on bank loans, bonds, overdrafts and others		(53)	(27)
Interest from related parties		-	(1)
Interest capitalised within fixed assets	4	29	9
Interest on lease liabilities	6	(44)	(39)
Derivative financial instruments	17	-	(436)
Exchange gains/(losses)		53	49
Other financial costs		(31)	(22)

22. Related party transactions

The Group had the following transactions with related parties:

Unit: € m

	June 2023		December 2022	
	Current	Non-current	Current	Non-current
Assets:	**64**	**1**	**53**	**29**
Associates	61	1	48	29
Joint ventures	1	0	3	-
Other related entities	2	-	2	-

Unit: € m

	June 2023		December 2022	
	Current	Non-current	Current	Non-current
Liabilities:	**(82)**	**(9)**	**(68)**	**(53)**
Associates	(4)	(9)	(3)	(53)
Joint Ventures	(51)	-	(44)	-
Winland International Petroleum, S.A.R.L.	(27)	-	(20)	-
Other related entities	-	-	(1)	-

Unit: € m

	June 2023			June 2022		
	Purchases	Operating cost/income	Financial costs/income	Purchases	Operating cost/income	Financial costs/income
Transactions:	**(0)**	**(11)**	**3**	**(21)**	**(24)**	**7**
Associates	(0)	(12)	3	-	(23)	-
Joint Ventures	-	(8)	-	(21)	(14)	4
Other related entities	-	9	-	-	13	3

23. Subsequent Events

No subsequent events that impact financial statements to disclose.

24. Approval of the financial statements

The consolidated financial statements were approved by the Board of Directors on 28 July 2023.

Chairperson:

Paula Amorim

Vice-chairman and Lead Independent Director:

Adolfo Mesquita Nunes

Vice-chairman:

Filipe Silva

Members:

Georgios Papadimitriou

Maria João Carioca

Ronald Doesburg

Rodrigo Vilanova

João Diogo Silva

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Jorge Seabra de Freitas

Rui Paulo Gonçalves

Diogo Mendonça Tavares

Cristina Neves Fonseca

Javier Cavada Camino

Cláudia Almeida e Silva

Fedra Ribeiro

Ana Zambelli

Accountant:

Cátia Cardoso

Building a better working world

Ernst & Young
Audit & Associados - SROC, S.A.
Avenida da República, 90-6º
1600-206 Lisboa
Portugal

Tel: +351 217 912 000
www.ey.com

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, 2023 (showing a total of 15,096 million euros and a shareholder's equity total of 5,190 million euros, including a consolidated net profit of 719 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 the 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).

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, 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, 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, 2023, are not 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, 28 July 2023

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

Rui Abel Serra Martins - ROC n.º 1119
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DEFINITIONS

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 derivatives hedges, contributions from assets held for sale, capital gains or losses on the disposal of assets, 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 Construccion 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_2: 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 Produtos 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 Eficiência 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 & Midstream
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
mm³: 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 (RCA Ebitda + dividends associates – taxes paid)
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.
Investor Relations

Otelo Ruivo, Director
João G. Pereira
Teresa Toscano
Tommaso Fornaciari
César Teixeira

Contacts:
+351 21 724 08 66

Address:
Rua Tomás da Fonseca, Torre A, 1600-209 Lisbon
Portugal

Website: www.galp.com/corp/en/investors
Email: investor.relations@galp.com

Reuters: GALP.LS
Bloomberg: GALP PL