DELIVERING

FOR LIFE

PART I
Integrated Management Report

galp

Index

Part I – Integrated Management Report

About the report

Galp's integrated report provides a global account of the activities from which we create economic value.

This report comprises five parts that together form the 2023 Integrated Report. They are as follows:

I. An Integrated Management Report (IMR), which includes key elements of Galp's strategic framework, together with the operational, financial and sustainability performance for 2023, as well as the main themes related to corporate governance and risk management;

II. A Sustainability Journey booklet, which provides a more detailed insight into our sustainability performance and practices;

III. The Corporate Governance Report, which details Galp's governance model and practices;

IV. The Consolidated and Individual Financial Statements of Galp Energia, SGPS, SA;

V. Appendices.

2023 Integrated Report				
Part I	Part II	Part III	Part IV	Part V
Integrated Management Report	Sustainability Journey	Corporate Governance Report	Consolidated and Individual Financial Statements	Appendices

Reporting standards and guidelines

This report has been prepared according to the applicable standards and internationally recognised guidelines, namely:

- International Financial Reporting Standards (IFRS);
- Guidelines of the Portuguese Commercial Companies Code (CSC) relating to the content of the management report, including those pertaining to reporting non-financial information introduced by Decree-Law no. 89/2017 of 28 July;
- Model for reporting non-financial information by issuers of securities listed on a regulated market recommended by the Portuguese Securities Market Commission (CMVM);
- Provisions of the Portuguese Securities Market Code (CVM) and of the Portuguese Securities Market Commission (CMVM) Regulation no. 4/2013 referring to annual corporate governance reporting and taking into account the Corporate Governance Code of the Portuguese Institute of Corporate Governance;
- Provisions of the CVM for reporting payments made to public administrations;
- Value Reporting Foundation (VRF) guidelines for integrated reporting;
- Global Reporting Initiative (GRI) guidelines, GRI Standards 2023 version, in the "reference to the GRI Standards" option, including the GRI 11 Oil & Gas sector standard (link here);
- Sustainability Accounting Standards Board (SASB) for Oil and Gas, including Exploration & Production, Midstream and Refining and Marketing Standards (link here);
- Recommendations from the Task Force on Climate-related Financial Disclosure (TCFD) of the Financial Stability Board (FSB) concerning disclosure of climate-related financial risks (link here);
- United Nations Global Compact (UNGC) principles (link here);
- World Economic Forum, Measuring Stakeholder Capitalism metrics and disclosure (link here);
- Sustainable Development Goals (link here);
- Principles of inclusion, materiality, responsiveness and impact set out in the AA1000 Accountability Principles Standard (AA1000AP 2018) relating to sustainability information.

Non-Financial Reporting Directive	Value Reporting Foundation	Global Reporting Initiative	United Nations Global Compact	Sustainability Accounting Standards Board	Task Force on Climate related Financial Disclosure	WEF Measuring Stakeholder Capitalism

Galp's financial statements were prepared in accordance with IFRS standards, with the cost of goods sold and raw materials used valued at Weighted Average Cost (WAC).

When prices of commodities and raw materials fluctuate, the use of this valuation method may lead to volatility in results through gains or losses in inventories, without reflecting the actual operating performance of the Company during the period. This effect is called the inventory effect. Other factors which may influence results are special items, such as gains or losses from the sale of assets, extraordinary taxation and mark-to-market of financial hedges, as well as non-recurring events, which may not reflect the Company's true performance.

To provide a better assessment of the Company's operating performance excluding the aforementioned effects, Galp also discloses its consolidated results on a Replacement Cost Adjusted (RCA) basis, excluding special items and the inventory effect, the latter item due to the fact that the cost of goods sold and raw materials consumed was determined using the Replacement Cost (RC) valuation method. Galp's IFRS results are audited. RC results are reviewed by the auditor, while RCA results are neither audited nor reviewed.

Regarding non-financial information, the information consolidation and reporting methodology covers all activities in which Galp has an interest of 50% or more and when it has operational control. Where relevant, this report also includes information on non-controlled activities in which Galp holds a minority interest.

Galp submits the contents of this report to an external, independent and certified assessment. The scope of work of Galp's Statutory Auditor/Certified Accounting Entity, Ernst & Young Audit & Associados, SROC, S.A., for the Integrated Report is as follows:

Financial statements	Non-financial information	Corporate governance information	Other information
Statutory and auditor's report on the audit of the consolidated and individual financial statements	Verification of the inclusion of non-financial information required under Decree-Law no.º 89/2017 of 28 July	Verification of the inclusion of the elements of the corporate governance report referred to in article 29º-H of the CVM	Verification of the consistency of the management report with the financial statements

With regard to the non-financial information disclosed in this Report, on our website and in the Global Reporting Initiative (GRI) Standards and TCFD Recommendations (link here), the independent assurance report is issued by PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda., which provides reasonable assurance on the Carbon Footprint (Scopes 1 and 2) 2023, and limited assurance on the remaining non-financial information. Galp also publishes additional and detailed non-financial information on its corporate website (link here).

Galp intends to establish constant and inclusive dialogue with its stakeholders. You may send your opinion on this report and pose any questions to the Investor Relations team using the following contact details:

Galp Energia, SGPS, S.A.
Investor Relations
Tel.: +351 217 240 866
E-mail: investor.relations@galp.com

Message from the Board of Directors

Paula Amorim

Chairman

During 2023, the geopolitical landscape became even more complex and fragmented. Europe was still engulfed in war and there was an escalating conflict in the Middle East. Inflation in the West remains elevated, leading to sticky interest rates at levels too high for indebted economies and households.

Energy security remains a priority in this challenging environment. While gradual decarbonisation of our economies is of paramount importance, we need to work together as a society to create the right environment to supply our population with affordable energy as we accelerate investment in renewable technologies.

In their ever-evolving business dynamics, companies must remain nimble, and quick to adjust their strategies and capital allocations, whilst keeping their portfolios resilient and balance sheets strong.

At Galp, we remain focused on maximising value throughout our integrated value chain. Our competitive and long-life upstream portfolio has now been reinforced by exciting exploration opportunities. Upstream will continue to play a key role in funding the transformation of our downstream portfolio to sustainably deliver energy to our customers and respond to the medium and longer term needs of the communities we serve.

Our current investment plan underpins this direction of travel, enabling Galp to continue to grow while delivering the credible transformation and decarbonisation of our industrial assets and energy supplies.

Filipe, who has played a key role in Galp's trajectory over the past decade, has now successfully completed his first full year as CEO. The Board of Directors was also reinforced with experienced executives at the last Annual General Shareholders' Meeting. The strategic oversight and strong capabilities and collaboration of Galp's leadership are our Company's core strengths and will be fundamental to the successful implementation of our ambitious plan.

Galp's outlook for 2024 and beyond remains encouraging. It is supported by our unique portfolio, which offers plenty of value opportunities to be de-risked and developed. As always, our responsible and rigorous financial management will be part of that journey. Improved operational efficiencies provide us with the resources to continue to invest in growth and transformation while ensuring competitive rewards for our shareholders.

The Board will propose to the Annual General Meeting a dividend of €0.54 per share relating to the 2023 fiscal year, in line with our growing dividend policy. In addition, as defined by our capital allocation guidelines, a share buyback program of €350 m was recently launched for execution during 2024.

Confidence radiates from our sound strategic decisions, the discipline that has got us to where we are today, as well as from the opportunities we see ahead. Our collective achievements are essential in order to create lasting value for society and shareholders.

I would like to express my gratitude to all my Galp colleagues and congratulate them for their tireless efforts to continue transforming the Company to embrace the future.

I also wish to extend a special appreciation to our valued customers and collaborative partners, and express my sincere gratitude to our shareholders for their continued trust and support.

Paula Amorim
Chairman

Message from the Board of Directors

Filipe Silva

CEO

We compete on a daily basis with the very best energy companies worldwide, almost all multiple times larger than Galp. Our success and our right to win depends on moving fast. To ensure this, we aim to hire and retain the best talent, serve our clients better, seek out the best partners, and focus on the most competitive assets worldwide.

We have to work harder and faster than our competitors, whilst operating under the strictest safety standards to ensure we can all go home safely and sound at the end of each day.

We will continue expanding our businesses across the energy value chain, and explore our competitive advantages as a small and agile company. Our portfolio decisions will continue to prioritise investment in higher return opportunities and those which consolidate our integrated business model.

We need more green electrons to feed our own industrial operations, our electrolysers, and to serve our power clients. Some of those electrons will be generated in-house, through our sizeable Iberian renewable platform. Our successful energy transition strategy relies on being able to decarbonise our own industrial assets and being ready to offer our clients ever-lower carbon molecules.

We are very proud of our growing upstream and downstream businesses. Upstream will continue to be our cash engine for many years to come and will support our ambitious investment plan. Remarkably low break-evens and carbon intensities will enable us to continue to grow based on projects already in-house. Bacalhau is one such project, and we are glad to see its execution now on track.

We recently confirmed the existence of a high-quality hydrocarbon system in Namibia, thus creating the basis for what could become another major growth avenue for Galp.

We took bold final investment decisions to proceed with a large industrial unit in the Sines refinery for the production of SAF and HVO, as well as for one of the largest electrolyser projects sanctioned until today in Europe for producing green hydrogen.

We are happy to see that our Commercial division's offer of new low carbon products and services has been a success. Also, our convenience offering and EV charging platforms have experienced rapid and profitable growth. With the full support of our Energy Management team, we are now delivering an integrated and competitive suite of energy products to our B2B clients.

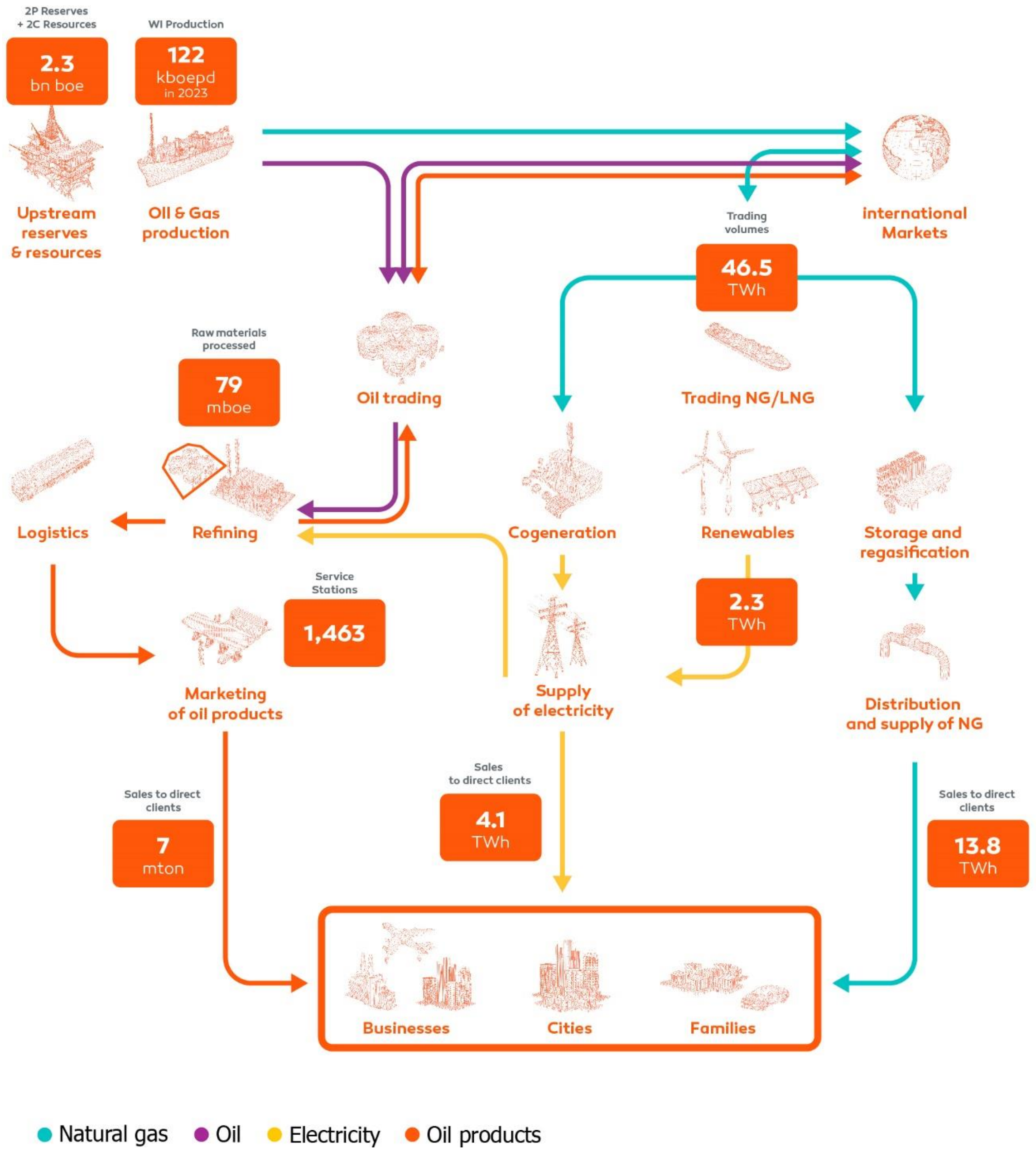
We have a great team and a supportive Board of Directors. I am confident that together we will create a more sustainable future and deliver the competitive energy our communities need.

Filipe Silva
Chief Executive Officer

DELIVERING ENERGY FOR A NEW WORLD

1. Galp world

1.1 **Galp's assets worldwide**



1. Portugal
2. Spain
3. Brazil
4. Mozambique
5. Angola
6. Cape Verde
7. Guinea-Bissau
8. S. Tomé and Príncipe
9. Namibia
10. Kingdom of Eswatini

Upstream · Industrial & Midstream · Commercial · Renewables & New Businesses

Upstream

Galp has 19 upstream projects in different phases of exploration, development, and production. Galp's development projects include two of the largest oil and natural gas discoveries of the last decades, located in the pre-salt of the Santos basin in Brazil, and in the Rovuma basin in Mozambique. Other exploration assets are located in Namibia and São Tomé and Príncipe.

Industrial & Midstream

The Industrial segment includes the refining, logistics, biofuels, and cogeneration activities in Iberia, as well as the upcoming transformational green hydrogen project. The Midstream segment comprises the supply & trading activities of oil, gas and electricity focused on value maximisation across the integration of the businesses and its value chains.

Commercial

Galp's Commercial business provides a complete, integrated and client-centric offer, ranging from oil products, gas and electricity to companies and retail customers in different geographies. This division also includes the electric mobility and decentralised solar businesses in Iberia.

Renewables & New Businesses

The Renewables & New Businesses unit includes under its Renewables segment the renewable energy generation portfolio, which is currently focused on Iberia; and a lithium conversion project under its New Businesses segment. In parallel, the unit continuously identifies, assesses, and develops new value creation business opportunities in the energy space.

1.2 Value creation

2023 Inputs

€14.6 bn cost of goods sold

€2.2 bn supply and services

€1.1 bn capital expenditure

€450 m salaries and benefits

9.1 million m³ raw water

1,506 TJ electricity purchased

25,382 TJ consumed primary energy

€31 m investment in energy-efficiency in refining

7,054 employees

3,195 women

52 nationalities

10 countries

392 hires

223,711 hours of training

117 relevant partnerships

3,574 suppliers

75% local purchases

98% local hiring

8,937 volunteer hours

€31 m innovation and R&D

Business segments

Upstream

4 countries with a core position in Brazil

19 projects

621 mboe 2P reserves

1,653 mboe 2C contigent resources

122 kboepd WI average production

Industrial & Midstream

226 kbpd refining capacity

79 mboe processed raw materials

14.8 mton oil products supply

91 MW cogeneration capacity

Commercial

7.1 mton total oil product sales

1,463 service stations

14.0 TWh total NG/LNG sales

4.1 TWh total electricity sales

Renewables & New Businesses

Key solar player in Iberia

2.4 TWh renewable energy generated

1.4 GW installed capacity for renewable generation

271 ktonCO_2 avoided emissions

2023 Outputs

€20.8 bn turnover

€3.6 bn RCA Ebitda

€2.3 bn Adjusted operating cash flow

0.4x Net debt / RCA Ebitda

€1.0 bn RCA Net income attributable to Galp shareholders

2.4 TRIR total recordable incident rate

1 fatality

76% engagement level

100% employees assessed

9.4% turnover

6.3% absenteeism

€9.3 ROI on human capital

6.1 million m³ waste water

5 containment losses that reached the environment

0.07 Tier 1
0.21 Tier 2
process safety events rate

74 million m³ (Flaring) – Upstream equity

29 kton waste generated

53% waste recovered

3.0 mton CO_2e – scope 1

0.01 mton CO_2e – scope 2

€34 m community investment

€2 m in relevant partnerships with sector entities and associations

107 R&D projects

94 clean R&D projects

54 whistle-blowing reports received

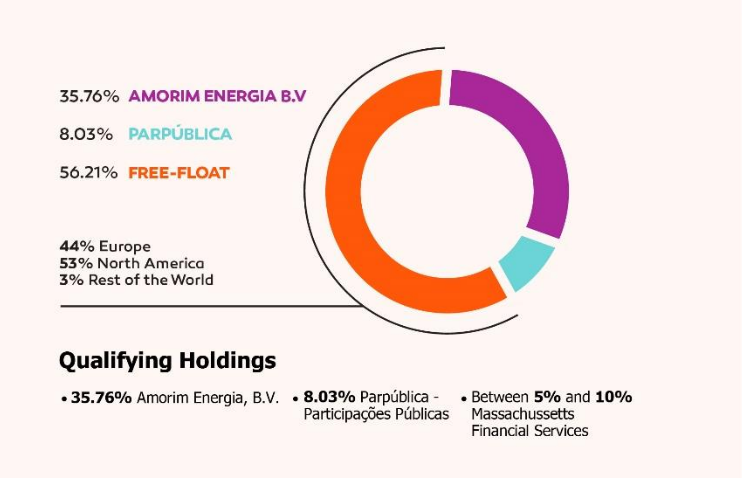
80% resolved

1.3 **Galp in the capital markets**

Shareholder structure

Galp has been listed on Euronext Lisbon since 23 October 2006.

At the end of 2023, Galp's share capital comprised 773,082,725 ordinary shares, of which c.92% are listed on Euronext Lisbon. The remaining 8% are unlisted and held indirectly by the Portuguese State through Parpública – Participações Públicas, SGPS, S.A. (Parpública).



All shares grant the same voting and economic rights. At the end of 2023, c.36% of the Company's share capital was held by Amorim Energia, B.V., while the remaining free float was held by institutional investors from 30 countries. For more details on the shareholder structure, please refer to Part III of this report – Corporate Governance Report, or our website (link here).

Galp share performance

At the close of 2023, Galp had a market capitalisation of around €10.31 bn, in line with 2022. The total shareholder return (TSR) during the year, considering the share price evolution and the dividends distributed, was 10.8%.

Galp's share performance 2023 (€/share)

Source: Bloomberg

Share price @ 31 December, 2022	€12.61
Share price @ 31 December, 2023	€13.34
Minimum share price during 2023	€9.71 @ 15 March
Maximum share price during 2023	€14.79 @ 18 October
Average daily shares traded[1] (all trading venues)	8.25 million shares
Average daily shares traded on Euronext Lisbon stock exchange	2.1 million shares

[1]Source: Bloomberg

Analysts' coverage

The Galp share is currently followed by 22 financial analysts, who produce their research analyses on the Company, as well as estimates for future results. As of 31 December 2023, the average price target of Galp share was €14.78, with 15% of the analysts recommending purchasing, 50% holding and 35% selling. All information related to Galp's stock recommendations and target prices issued by the various institutions can be consulted on our website (link here).

Dividends and share buybacks

Galp's Board of Directors will propose to the 2024 Annual General Shareholders Meeting (AGM), to be held on 10 May, a dividend of €0.54/share, paid in cash, related to the 2023 fiscal year. In addition, the Board is to execute a share buyback of €350 m, throughout 2024, for the purpose of reducing the issued share capital of the Company. During 2023, Galp executed a €500 m buyback programme. This took place between February and December and resulted in the repurchase and cancellation of 42,028,823 own-shares.

Participation in the 2023 Annual General Shareholders Meeting

The Galp 2023 Annual General Shareholder Meeting was held on 3 May and the main items on the agenda were: the election of the Board of Directors, Audit Board and Statutory Auditor for the four-year period (2023-26) and the election of Ana Perestrelo de Oliveira, José Costa Pinto and Sofia Leite Borges to the Board of the General Meeting for the four-year period (2023-26).

In addition, the integrated management report and consolidated accounts and other financial statements for the 2022 fiscal year were approved, as well as the proposal for the allocation of the 2022 results. The Board of Directors, the Audit Board and the Statutory External Auditor's performance during the 2022 fiscal year was also assessed.

The Remuneration Committee for the 2023-26 period was elected, and its respective remuneration and regulations approved. Moreover, a decision was taken on the Remuneration Committee's statement on the remuneration policy for the members of the corporate bodies, as well as on granting authorisation to the Board of Directors for the acquisition and sale of own shares and bonds or other own debt by the Company and its subsidiaries' instruments. The amendment of Article 10, paragraph 4 of the Company's By-Laws was also approved.

Finally, there was a resolution to reduce the Company's share capital to 9% of its current share capital by cancellation of own shares. 1,605 shareholders, representing 669,895,828 shares, or 82.18% of the Company's share capital attended or were represented at the General Meeting. All proposals submitted for deliberation were approved.

Information to the bondholder

Name	ISIN	Date of Issue	Maturity	Amount	Coupon	Yield at end of year (%)	Var. from pricing (bp)	Place of Translation
Galp 2.000% 01/2026	PTGALCOM0013	18/06/2020	15/01/2026	€500 m	2.000%	3.7	514	Euronext Dublin

1.4 **Our brand**

Galp is an integrated energy brand that strives to maintain credibility while also strengthening its role in innovation and energy transition.

Today, Galp has a strong global presence, with a brand value estimated at €1.9 bn.

Galp defined two major brand positioning pillars:

- Proximity to the communities in which it operates;
- Alignment with energy transition and the search for new ways to create value for both private and corporate clients.

Galp's brand is increasingly integrated, incorporating businesses such as solar and electric mobility.

Consolidating Galp as a reference brand in Iberia constituted a major goal in 2023. An ambitious plan that included renovating shops, improving customer experience and strengthening our sustainable offer has been implemented, together with a strong presence at various events.

In the Portuguese market, specifically, the brand strengthened its ties to communities by participating in events like Rock in Rio and continuing its support for the Portuguese National Team in the football World Cup.

To showcase the breadth of its business, the campaign "Thinking Outside the Car" illustrated the diversity of services within the Galp World, conveying a message of sustainable mobility and increasing awareness of the energy transition.

Innovation remained a key focus, highlighted by the introduction of the first Smart Store in Portugal, the launch of the new Pluma, and active participation in strategic events such as the Web Summit.

These initiatives successfully enhanced the Company's innovative and transformative positioning by fostering closer relationships with stakeholders:

- 81% of people in Portugal recognise Galp as one of the reference brands in the energy sector;
- Two-thirds of the Portuguese market consider Galp to be a trusted brand.

However, our strong presence within communities was not exclusively Iberian. In Brazil, we participated in the Rio Oil and Gas event. We also sponsored a festival for the first time in Africa - the Luju Standard Bank Food & Lifestyle Festival in Eswatini, and in Mozambique, we launched the new Frota Corporate card and a new website.

The brand's strength lies in its global vision of the future and its ability to innovate every day. A message Galp will continue to convey through its brand territories.

Building a powerful brand

Our commitment to excellence has woven a narrative that transcends day-to-day operations. It is a story of an enduring brand, partnerships, and shared aspirations, where the trust placed in us by our clients and business partners serves as the foundation for our success.

The Galp brand reflects an incessant search for quality, reliability and innovation that defines all of our efforts. It is the result of years spent creating products, services and experiences that respond to the needs of the customers and communities we serve and in whose lives we have a presence.

The recognition we garner as a brand is a testament to the unwavering dedication of our teams and our impact on the communities with which we engage.

The increase in brand value, from €1.7 bn to €1.9 bn, is a testimony to the recognition of our commitment to excellence and to our communities. It is a sign of our ability to adapt, evolve and lead in an ever-changing world.

DELIVERING ENERGY FOR CHANGE

2. Strategic framework

2.1 How we see the energy market evolving

Emerging from a period that was characterised by substantial supply chain disruptions and elevated price volatility, the energy industry continues to face challenging market dynamics and an uncertain macroeconomic environment. This is further intensified by recent geopolitical events.

Sustainable long term value creation and decarbonisation remain key imperatives. This requires credible strategies in a progressive and pragmatic manner, balancing continuous investments in low-carbon solutions whilst addressing concerns related to the security and affordability of energy supply.

Acknowledging this volatile and disruptive environment, Galp's energy beliefs continue to reflect Company-wide views on the future of the energy sector and provide the backdrop of our strategy:

- Challenging market dynamics place a sharper focus on the energy 'trilemma' - sustainability, security, and affordability – in terms of both the energy supply and the resilience of its respective supply chains.
- European oil and gas demand is forecast to peak over the current and the next decade, respectively, but both are still required to safeguard energy supply and affordability as the transition unfolds.
- Energy molecules are projected to continue playing a key role in energy supply, especially in non-electrifiable and harder to abate sectors, where oil products will be progressively replaced by sustainable fuels.
- The European refining system is expected to experience ongoing pressure following strict environmental regulation, decreasing oil demand and increasing carbon costs. This will lend urgency to its decarbonisation, transformation, and top of the class operational performance in order to ensure its critical role in regional supply.
- Global electrification is predicted to speed up and will be increasingly powered by large scale solar and wind renewable energies, backed by an expansion of the value chain of batteries. This is needed to foster the acceleration of electrified transportation and support the significant increase in demand required to develop large-scale low carbon industrial solutions.
- Biofuels, renewable hydrogen, and other low carbon fuels are gaining traction. Regulation is expected to drive this forward, with transportation and other hard to abate sectors acting as propellers of demand.
- Regulatory support, fiscal stability, capital availability, infrastructures and technological maturity, feedstock and rare materials accessibility, as well as supply chain reliability, are recognised as key enablers of ambitious action and the pace of transition.

2.2 **Creating sustainable value**

Galp is actively managing its portfolio to ensure superior competitiveness when addressing the evolving energy demand in the context of global concerns related to climate change and energy security.

Our strategy aims to maximise long-term value creation. To do so, Galp is developing a selection of high-quality, resilient energy projects and increasing integration across the entire value chain, while at the same time considering a progressive decarbonisation by incorporating low-to-no carbon solutions.

This strategy is already being executed: Galp currently has one of the most efficient and competitive integrated energy portfolios in the industry. It is growing a sector-leading lower carbon Upstream portfolio, advancing its downstream transformation, both on the industrial and commercial fields, and has the largest-scale relative integration of renewable generation among its peers.

Moving forward, the strategy will continue to be driven by a responsible approach, balancing the long-term risk profile and profitability associated with the activities and projects we invest in with environmental sustainability and their overall social impact.

To ensure that Galp maintains its sustainability principles and resilience throughout different commodity environments, this strategic implementation follows disciplined financial management principles based on focused capital allocation guidelines.

A transition aligned with market demand

We believe we have an important role to play in supporting and promoting a just energy transition and meeting the energy needs of the communities we serve.

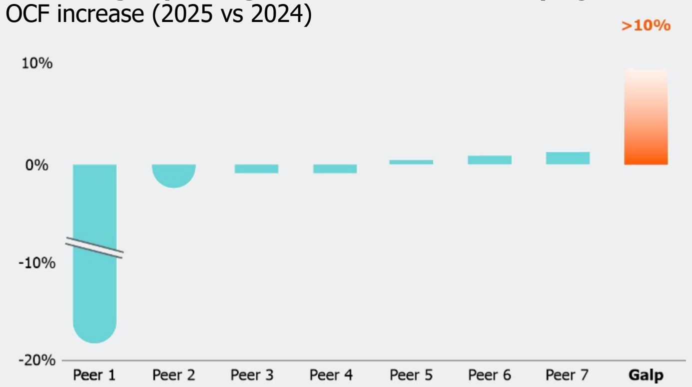
Galp will remain agile and adapt swiftly to evolving demand patterns and energy mix, while balancing this with our responsibilities towards society.

Galp is a key Iberian supplier. It operates the Sines refinery, the only plant of its kind in Portugal, relied upon to responsibly secure a safe energy supply in the region. The sustainability of this strategic site for the Company and for the region is being ensured by means of several initiatives and large-scale projects.

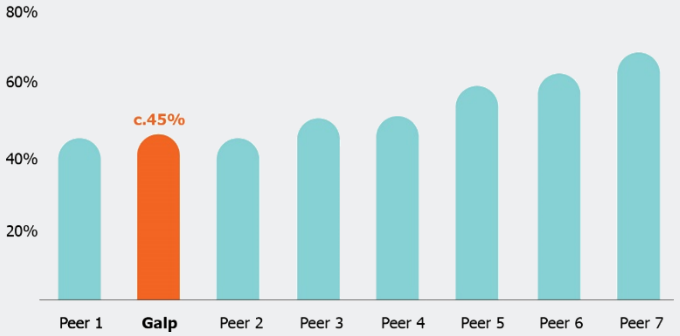
Given our regional scope, it is necessary to consider the different potential future energy demand profiles, namely in terms of the electrification rate and adoption of low carbon fuels.

Our commitment to decarbonise our portfolio will be contingent upon the rate of change in government policies, the evolution of the demand for traditional energy sources, shifts in consumer behaviour towards more sustainable options, and the capacity to secure the investment required to fuel the transition.

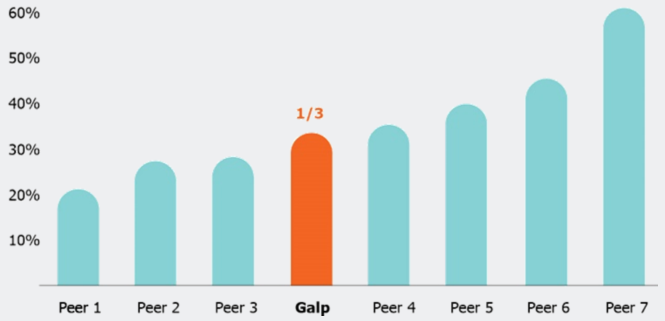
Delivering superior growth from sanctioned projects
OCF increase (2025 vs 2024)



Low capital-intensive and growth weighted plan
Net capex/OCF (avg. 2024-2025)



Driving competitive distributions
Distributions/OCF (avg. 2024-2025)



Source: Galp's view based on guidance. Sector estimates based on Visible Alpha consensus dated 7 February 2024.
Peer group considers BP, Eni, Equinor, OMV, Repsol, Shell and Total.

Disciplined growth and transformation

Successful implementation of key projects will be critical to ensure the growth and transformation of our portfolio.

We will strategically manage our Upstream business by selectively tapping new opportunities and consolidating a robust cash generator. This is fundamental to funding our transformation strategy. Galp aims to grow its upstream production through equity stakes in world-class projects to ensure high levels of competitiveness by replacing less competitive volumes while at the same time introducing the lowest possible carbon intensity oil barrels into the chain. Given the current long refining position, whereby Galp processes almost double the crude oil it produces in the upstream, this upstream growth may be fully integrated without increasing overall exposure to the hydrocarbon value chain.

We will gradually elevate the importance of our low-carbon businesses, which are expected to represent a substantial contribution by the end of this decade. This will primarily be achieved by transforming our industrial assets and reshaping our commercial businesses — which support the supplies and solutions delivered to our clients — as well as by integrating renewables.

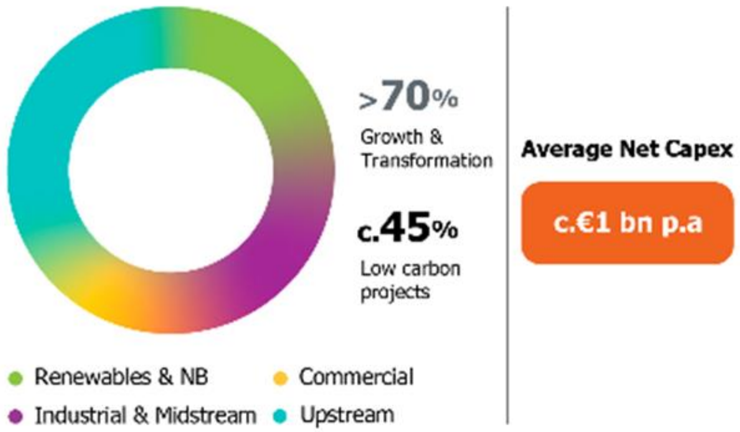
In our industrial activities, which make up the bulk of our carbon footprint, Galp aims to reduce its carbon footprint. The ongoing transformation is already delivering significant emission reductions. As part of this, Galp has taken important steps to reconfigure industrial activities and improve the energy efficiency of its operations, with relevant investments underway. These include integrating large-scale green hydrogen production and an advanced biofuels unit in Sines. Importantly, this transformation is intended to ensure our industrial long term competitiveness.

Galp's transformational journey is steered by strategic capital allocation and investment guidelines, and continuously reviewing its integrated portfolio with financial discipline and a strong focus on profitable growth. We are implementing risk reduction measures as we move forward in line with the European commitment to reach net zero emissions by 2050.

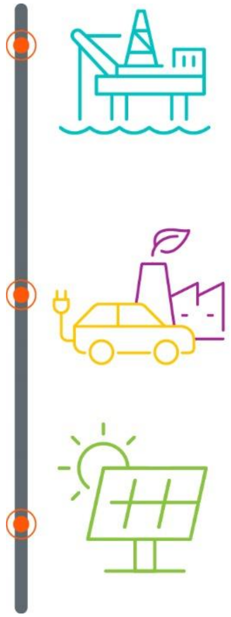
Over 70% of Galp's 2023-25 net capex plan is allocated to projects that will enable Galp to grow and transform — most of which have already been identified — and targeting competitive returns across the different business segments. In this plan approximately 45% of the total investments are estimated to be directed towards low-to-no carbon developments considered to be aligned with the energy transition.

It should be noted that, in addition to the categories eligible under the EU Taxonomy regulation, Galp also considers activities that may contribute significantly to mitigating climate change, such as investments in hydrogen, energy efficiency projects and the battery value chain.

Gross Capex 2023-25



Strategy implementation pillars



Focused upstream growth
Focusing on executing the full potential of our portfolio

Disciplined downstream transformation
Transforming and decarbonising our industrial and commercial positions to sustain long term value

Selective renewables integration
Developing a competitive platform prioritising integration and economic value

Focused upstream growth

While global oil demand is forecast to peak within this decade, it will remain a critical resource to ensure energy security and affordability whilst the transition evolves.

Galp holds a unique upstream portfolio with a set of operating projects which combine low breakeven (<$20/bbl), low carbon intensity (c.9 kgCO_2e/boe), and long life.

Our upstream strategy focuses on improving the efficiencies and recoverability of existing operating projects. We have identified projects to extract full potential from already discovered high quality resources. Our production is currently centred on the Brazilian pre-salt and the developments in the Rovuma basin in Mozambique. Working interest production is estimated to be stable at above 115 kboepd until 2026, when we expect to grow our production by 40 kboepd, based on the development of already approved projects.

In addition, Galp is de-risking the exciting exploration opportunities already in the portfolio. The Company will focus on the areas in Namibia and São Tomé and Príncipe, and act on high potential resources that may prove economically and sustainably feasible.

Overall, the upstream business remains a core pillar of Galp's strategy, both in its role as a growth and value accretive avenue and as an enabler of our portfolio transformation ambitions and overall decarbonisation journey.

Disciplined downstream transformation

Industrial & Midstream

Galp intends to continue its operations in its industrial site in Sines, transforming and decarbonising to reflect the needs of a lower carbon energy system and ensure longer-term viability.

Galp's commitment to ensure the energy supplies of the future is showcased by a recent Final Investment Decision (FID) on one of the biggest electrolyser projects in Europe for renewable hydrogen production, and on a large advanced biofuels plant to produce HVO and SAF. These projects will contribute significantly to the transformation and growth of the industrial sector in Portugal, and place Galp at the forefront of developing the low carbon solutions necessary for the energy transition. Successfully implementing these projects will be Galp's core focus, whilst continuing to explore additional opportunities within the sustainable fuels arena, supported by proven business cases.

This will run alongside ongoing transformation of the legacy refinery to decarbonise and increase our flexibility for different demand and macro environments, as well as a continued focus on operational performance, safety and reliability.

Midstream activities will assist Galp's transformation by adapting its supply and trading activities to support the needs of emerging value chains, integrating low carbon products, emissions offsets, and flow optimisation.

Commercial

Galp has a leading commercial position in the Iberian market. It covers all segments — from domestic to enterprise and industrial — with our offer catering to the evolving energy and decarbonisation needs of this broad customer base. Galp seeks to sustain and grow this position through ongoing commercial transformation. This focuses on transforming its network of service stations, electrification, decentralisation and digitalisation, and increasing the relevance of non-fuel businesses.

Galp aims to adapt its offer to the evolving energy landscape. By exploring non-fuel retail opportunities, Galp will be able to strengthen partnerships, introduce new services, and leverage digital features to enhance the customer journey. The goal is to reinforce its position as the market leader in Portugal, expand electric mobility networks to over 10k charging points across Iberia, and double the contribution from non-fuel and low-carbon activities by 2025, compared to 2021. Galp envisions an energy-connected ecosystem combining gas, power, and decentralised energy solutions.

Selective renewables integration

Already one of the largest producers of solar photovoltaic energy in Iberia, Galp continues to grow its renewables portfolio, prioritising returns over capacity build-up, and is pursuing the creation of a competitive platform to support integration across the value chain whilst meeting our envisaged portfolio returns.

Galp seeks opportunities to optimise its exposure to large scale solar. The Company sees wind hybridisation as a pivotal strategy to maximise the value derived from its renewable power portfolio and potentiate its industrial needs from a closer to baseload generation profile.

Ongoing decarbonisation path

Galp has in place an ambitious but pragmatic energy transition strategy.

The carbon intensity performance of Galp's current portfolio is already one of the lowest in the sector. Our upstream portfolio has a carbon intensity close to 50% lower than the industry average, according to International Association of Oil & Gas Producers (IOGP). Adding to this, the integration of renewables at Galp is currently over four times superior to the average of the peers, in relative terms based on hydrocarbons production.

Starting from this vantage point, Galp sought to guide its transition journey using independent metrics which will reflect its progress towards a lower carbon future, focused on the gradual decarbonisation of our industrial operations and of the energy that we produce and sell. 2017 has been set as a baseline, as it marks the start of the diversification of our portfolio and commitment to the development of a transition strategy.

2017

- Concentrating industrial operations in Sines
- Energy efficiency
- Renewable electricity
- Low carbon fuels
- New energies

2030

Absolute emissions (CO_2e)
Scope 1 and 2 (vs 2017)

-40% from operations

Carbon intensity (gCO_2e/MJ)
Scope 1, 2 and 3 (vs 2017)

-40% Production based approach

-20% Downstream sales based approach

2050

Net Zero Emissions in line with EU ambition

Key ESG ratings updated scores

Ultimately, Galp is committed to employing best practices across its businesses. Our commitment to sustainability is evident in our ongoing journey and Galp is consistently recognised as one of the most sustainable companies by some of the most distinguished entities.

B- ISS ESG
Prime

Top 3 (AAA) MSCI
Out of 22 Integrated O&G

Top Quartile SUSTAINALYTICS
Out of 60 Integrated O&G

B Climate — Above the global average (C)
B Water — Above the global average (C)
CDP DISCLOSER 2023

86% Bloomberg Gender-Equality Index 2023
Member since 2019
83% in 2022

2.3 Approach to ESG

Galp actively develops solutions aligned with the energy transition, aiming for a highly sustainable economic portfolio with a clear environmental and social agenda guided by effective governance oversight.

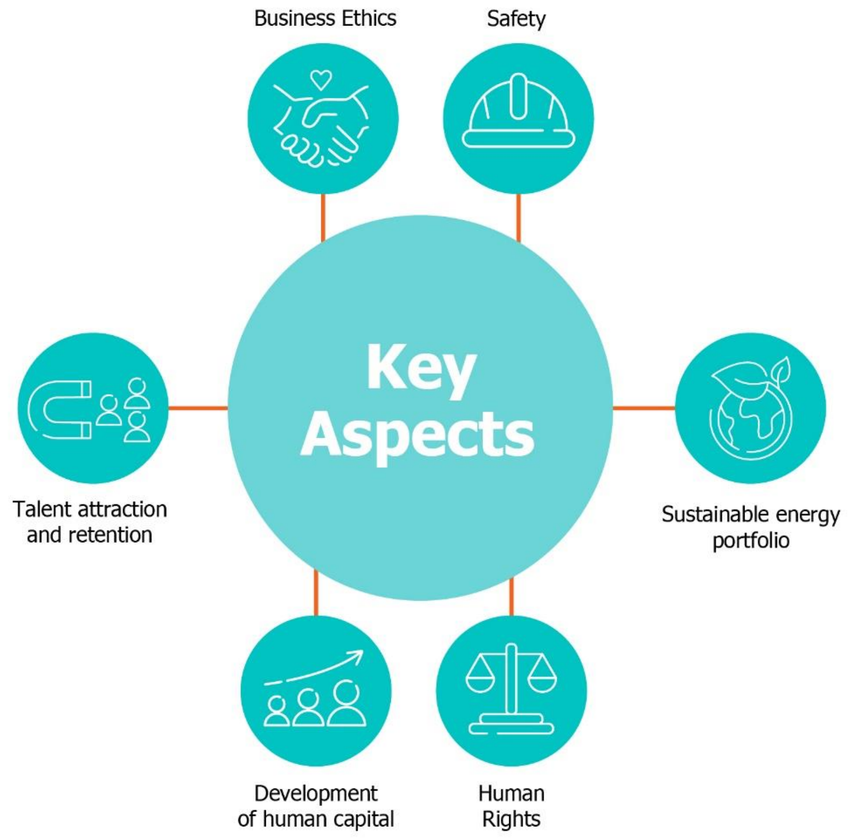
Our strategic direction includes sustainability as core principle. This is embedded in Galp's corporate culture, endorsed at the highest level by our Board of Directors, strategically led by our Executive Committee and top management, and developed every day by our people.

Acknowledging our responsibility in the energy transition, we have been actively forging partnerships and fostering dialogue with external stakeholders to accelerate fair transformation and progress.

Sustainability materiality assessment

We prioritise active communication with our stakeholders, with a crucial aspect being the ongoing materiality assessment process. Through this process, we identify the key sustainability concerns for our business by including the perspectives of our stakeholders. In 2023, we started a Double Materiality assessment process, incorporating the new EU Corporate Sustainability Reporting Directive (CSRD) requirements, for which we expect to have results by the second quarter of 2024.

For 2023, we considered the results of our latest materiality assessment where we identified six key aspects, all embedded in our Sustainability Roadmap and for which Galp has established goals and targets, with progress being monitored and publicly disclosed. More information can be found at the beginning of each chapter of Part II (Sustainability Journey) of this Annual Report.



Other relevant aspects

Corporate governance | Risk management | Research, technology and digitalisation | Product and service portfolio quality | Product and service innovation

Sustainable supply chain management | Tax strategy | Climate strategy | Circular economy | Operational eco-efficiency | Biodiversity and ecosystems

Water management | Security | Health | Work practices and conditions | Local community development | Citizenship and philanthropy

Sustainability Roadmap

In 2023, Galp continued implementing our Sustainability Roadmap. This roadmap, focused on five foundations, drives our principles and actions to realise our 2030 ambitions and is endorsed by our Sustainability and Executive Committees.

Sustainability as a Key Result

While revising our 2023-25 plan, we identified several initiatives to address relevant ESG issues across different businesses and teams, aligned with our key sustainability pillars.

The updated action plan is now integrated into a collaborative platform which is available to all Galp employees. This contributes to creating a workspace where each business unit can track progress in their Sustainability Roadmap initiatives.

From 2024 onwards, each business unit will have implementation of the Sustainability Roadmap as a Key Result. This clearly demonstrates the growing importance of these issues within the Organisation and for each business unit strategy.

For a comprehensive overview of each ambition, along with its associated targets, initiatives and our approach to sustainability, please see the Sustainability Journey chapter in Part II of this Annual Report.

2023 ESG Highlights

Environment

- Galp was able to cut its absolute emissions as energy markets' conditions stabilised. This enabled the Sines refinery to use natural gas, instead of the more energy intensive fuels used in 2022 as a value protective action, which had a negative impact on emissions. Coral FLNG also reached efficient operational emission levels as the commissioning phase was completed. The carbon intensity metrics also decreased YoY and in relation to their baseline, reflecting lower operational emissions, growing renewable energy production and sales.

- We took a significant step towards consolidating our nature conservation journey. We are developing the TNFD framework and piloting the LEAP risk assessment to gain a deeper understanding of the nature-related topics relevant to our activities and to take action. Moreover, we strengthened our position on biodiversity by approving the Group's Biodiversity Policy. We have also publicly communicated our commitments by joining the act4nature initiative led by BCSD Portugal.

- Galp launched a pilot project to develop a biodiversity action plan, outlining the measures and KPIs for achieving a Net Positive Impact.

- The performance in energy consumption and freshwater withdrawal demonstrates a consistent reduction over recent years, reflecting Galp's focus on implementing eco efficiency measures. On the other hand, the turnarounds at the Sines refinery and ongoing dismantling of the Matosinhos Industrial site significantly contributed to increased waste production and reduced processing of feedstock.

Social

- Galp has been developing a safety culture with increasing reporting across all businesses. Even though the overall safety performance decreased compared to 2022, having registered a fatality in Guinea Bissau as a result of road transport accident.

- We communicated our Diversity, Equity & Inclusion (DEI) strategy to the Organisation. This has four pillars: Gender, Youth, Social Impact and Disability. For each pillar, we established metrics and targets, which can be consulted in Part II – Sustainability Journey (3. Boost a just transition for all) of this report.

- Developing our employees' skills to prepare them for the energy transition challenges continued to be one of our top priorities. Galp provided more than 220,000 hours of training across all geographies and business units. This covered topics such as Safety, Environment, Human Rights, Digital & Innovation, Energy transition, Leadership, among others.

- Galp reached a significant milestone with the establishment of an internal team fully dedicated to the human rights' due diligence process. This strategic decision allows us to comply with the Company's human rights obligations across our operations and throughout the entire value chain.

Governance and Economics

- Our commitment to sustainability is reflected in our performance evaluation system, where ESG indicators influence variable remuneration for all employees. In 2023, safety and decarbonisation metrics comprised 25% of annual performance indicators for all employees and Executive Committee members.

  In addition, the implemented OKR (Objective Key Results) methodology had both the 2023 and proposed 2024 objectives focused on sustainability across safety, decarbonisation, renewables, cybersecurity, and employee engagement. This culminated in a new Key Result, from 2024 onwards, which reflects the Sustainability Roadmap implementation across all Galp business units.

- Ethics continued to be a key principle for Galp. We maintained the level of reporting through our Open Talk channel.

- To prepare for the upcoming EU CSRD requirements, Galp developed the Non-Financial Information (NFI) Improvement Plan to better manage sustainability-related information. This project, which will continue throughout 2024, delivered a Governance Model for NFI, an internal guide of all disclosures in line with EU CSRD, GRI, SASB and others, ensuring the implementation of an internal control framework for NFI and of a new IT system to monitor and control the reported sustainability information in an agile and auditable way.

- To ensure a resilient and transparent supply chain, we are conducting a program named "Sustainability4Supply". This project revolves around three primary objectives: enhancing our understanding of Galp's supply chain ecosystem, updating ESG criteria throughout the associated processes, and improving ESG supply chain assessment. This will be key to addressing the regulatory landscape, including the upcoming EU CSRD and the EU CSDDD proposal.

- Galp is currently in the top 5% of companies within the Global Energy Sector in terms of its Cybersecurity posture, indicating that it moved further up the ranking compared to the previous year. Also, in 2023, and for another year, Galp had zero significant cybersecurity breaches, once again showcasing our cyber resilience.

Galp's alignment with the Sustainable Development Goals

The United Nations 2030 Agenda outlines 17 Sustainable Development Goals (SDGs) that serve as a global blueprint for sustainable development. Galp is committed to contributing to these goals and has conducted an assessment to evaluate how its strategy and business activities align with and impact the SDGs.

Our evaluation involved mapping the SDGs to which Galp has the greatest potential to make a difference, aligning them with each foundation outlined in the Sustainability Roadmap 2030, and also identifying the key targets associated with each goal. These goals are categorised into three blocks based on their relative position in our activities: material SDG, direct SDG, and indirect SDG.

- **Material SDG**. These are the SDGs that align with our materiality assessment and are of greater interest to our stakeholders.
- **Direct SDG**. We directly influence and are impacted by these SDGs. Consequently, we closely monitor and respond to the associated indicators, and consistently strive to enhance our performance.
- **Indirect SDG**. Although they are categorised as indirect, these SDGs serve as pillars for many others. We acknowledge their significance and seek to influence them indirectly through our actions, and ensure they are not overlooked.

17 Partnerships for the goals

- Member of the WBCSD, BCSD Portugal and CDP Supporter
- Commitment to the 10 Universal Principles of the UNGC, TCFD and Zero Routine Flaring Initiative

13 Climate action

- Reduction of 40% of absolute emissions from operations (scope 1 & 2) by 2030
- Reduction of 40% of the production carbon intensity and 20% of all downstream sales carbon intensity by 2030

12 Responsible consumption and production

- €30.9 m real investment in 2023 in energy-efficiency projects in refining
- Acquisition of 100% renewable electricity in our operations in Portugal in 2023
- 9% of reused water in refining

Material SDG	Direct SDG	Indirect SDG
7 | 8 | 9 | 12 | 13 | 17	3 | 6 | 11 | 14 | 15 | 16	1 | 2 | 4 | 5 | 10

7 Affordable and clean energy

- 132,577 ton of biodiesel produced
- 2,338 GWh of gross renewable energy produced
- 63% of marketed electricity from renewable sources

8 Decent work and economic growth

- 98% of local hiring
- 13% of employees with less than 30 years
- 95% of employees covered by health safety insurance

9 Industry, Innovation and Infrastructure

- More than €180 m of innovation and R&D investment planned until 2025
- €31.3 m invested in innovation and R&D
- Founder member of the Singularity University Portugal and partner of the Heriot-Watt University

2.4 How we manage risk

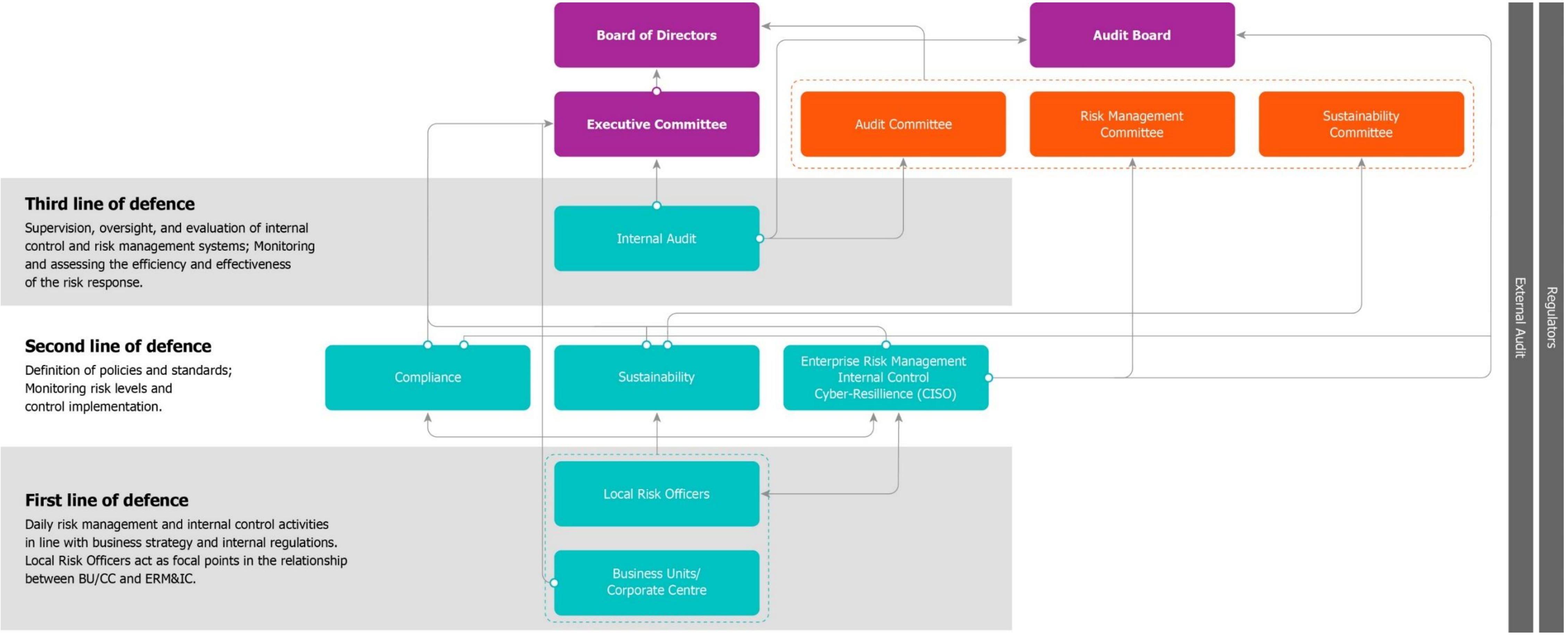
Risk Management Framework

Galp is exposed to a number of uncertainties in both the internal and external environments that are inherent to its activity, diversity, and the geographical dispersion of its businesses. This can trigger risks involving personal or process safety incidents, environmental impacts, damage to assets, damage to reputation, non-compliance failures, etc., which result in financial losses.

Implementing a risk management framework provides a holistic view of the main risks and opportunities faced by the Company. This makes it possible to manage them strategically in the context of its risk appetite, and increases the probability of achieving organisational objectives.

The management of these risks is based on a Risk Management model which follows internationally recognised standards and guidelines (ISO 31000 and COSO - Committee of Sponsoring Organisations of the Treadway Commission), and the three lines of defence risk governance model (represented in the figure). The aim is to promote integration between the Company's strategy, risk management, control implementation, and governance.

Risk management within Galp takes place according to a regulatory framework that encompasses a set of policies, standards, and procedures backed by the Risk Management Policy and the Risk Management Governance Model approved by the Board of Directors.



Galp's governance structure, procedures and systems support the Company in managing the risks to which it is exposed. Risk management is therefore an integral part of the decision-making processes.

The governance model is discussed in greater detail in Part III of this report - Corporate Governance Report.

Risk Management Process

Galp has developed a systematic and ongoing process for identifying, assessing, and managing risks and opportunities. This is carried out across the three lines of defence, and the aim is to provide reasonable assurance that the Company's objectives will be achieved, as well as creating and preserving value for stakeholders. This process encompasses the phases shown below:

The identification of risks and opportunities is based on an understanding of both the external and internal environments, assessing potential changes in these environments, and considering Galp's strategic and business objectives. It is conducted continuously in all businesses and activities, particularly when assessing a new investment project or business and in the Budget and Plan (B&P) risk analysis phase.

Based on the 2024 outlook, Galp conducted a risk assessment to identify risks that could impact the achievement of its strategic and business objectives for the year (presented in the table below and discussed in greater detail in Part III of this report - Corporate Governance Report).

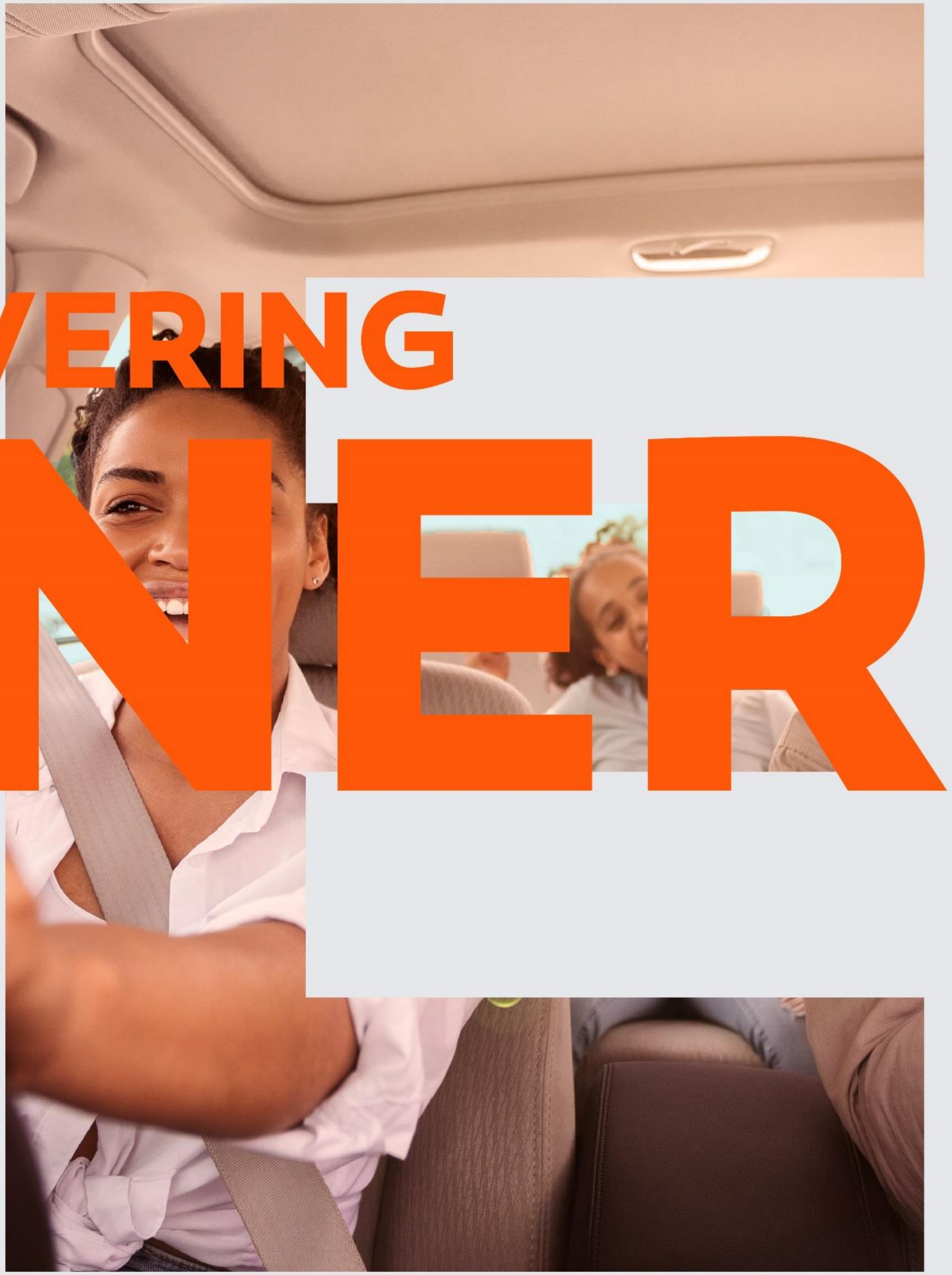
Following the risk identification, Galp defines its risk appetite and conducts an assessment of risks based on probability of their occurrence and potential impact (financial results, shareholder value, business continuity, environment, reputation, quality, health and safety, and human capital).

Top Risks

The risk levels presented correspond to inherent risk, which is the level of risk in the absence of controls or other response measures to reduce the probability of occurrence and/or impact of the risk.

More information on Galp's Risk Management Process can be found in Part III of this report – Corporate Governance Report.

	Risks	
Strategic	Climate Change	The physical risks (acute or chronic) associated with climate change may have a potential impact on Galp's activities and assets by causing damage or interruptions and delays in its operations. Transition risks (market, legal and regulatory, and technological risks) will lead to a change in consumer behaviour, reducing demand for O&G and potentially affecting their prices — which could jeopardise Galp's business model and require significant "green" investments to support the transition to lower-carbon businesses and avoid "stranded assets".
Strategic	Portfolio Performance and Valuation	Galp's sustainability depends on its ability to reshape its portfolio by focusing on opportunities to ensure a portfolio capable of creating long-term sustainable value, capitalising on the Company's existing competitive advantages (high quality assets), while diversifying and exploring adjacent synergies and opportunities aligned with market trends. This will enable it to meet its decarbonisation ambition at the pace demanded by the market.
Strategic	Reputation and Image	Actual or perceived governance failures (including money laundering, fraud, etc.) due to unethical behaviour by people, regulatory non-compliance, or lack of understanding of how Galp's operations affect communities and the environment, or how the Company is responding to expectations from customers, stakeholders, and society, namely, with regard to energy transition, could damage the Company's brand and reputation.
Strategic	Economic Context	Galp operates in a sector that is particularly exposed to the economic context, with supply and demand conditioned by the macro environment. This may harm its competitive position and financial performance, specifically if the Company is unable to respond adequately and in time to disruptive changes in the market. These include impacts of an adverse geopolitical context. Changes in exchange rates and uncertain path of inflation, which maintain pressure on interest rates, also pose a challenge to the liquidity of households and businesses.
Strategic	Innovation & Technology [emerging risk]	An inability to identify, capture and integrate new digital transformation trends, particularly in terms of automation and solving complex industrial challenges or developing new work practices that speed up processing times and reduce manual work, would affect Galp's efficiency, products and services time-to-market and its competitive position.
Financial	Commodity Price	Galp's business portfolio is exposed to volatility of the price of crude oil, natural gas, LNG, electricity, CO_2, and other raw materials. The variability of commodity and financial prices, resulting from macroeconomic, geopolitical, or technological factors that affect the dynamics of demand and supply, may have a material adverse effect on the value of Galp's assets, results and financial performance.
Operational	Sourcing and Supply	The significant increase of pressure on global and domestic supply chains, causing shortages of raw materials and labour, restrictions on production capacity and logistics, price increases, demand volatility, and a growing risk of cyber-attacks, may impact the fulfilment of supply commitments to its customers, and have a major impact on Galp's operations and its financial performance.
Operational	Hazards & Catastrophic Loss	The nature, technical complexity, and diversity of Galp's Upstream and Industrial operations expose the Company and its communities to a broad spectrum of disruptive and unpredictable health, safety, security and environmental risks.
Operational	Project Execution & Management	Implementation of Galp's projects is exposed to several risks (market, liquidity, political, legal, technical, commercial, climate and others) that may compromise compliance with budget, deadlines, defined specifications, and its operational reliability.
Legal & Compliance	Legal & Regulation	Galp is subject to a wide range of international laws and standards, either industry-specific or comprehensive, in the various countries where it operates. These regulations are changing at a rapid pace, and failing to meet national or international regulatory compliance requirements could impact the Company's reputation and financial performance. Additionally, part of Galp's activity is conducted in emerging or developing economies, with a relatively unstable legal and regulatory framework. This may lead to legislative and regulatory changes that can alter the business context in which Galp operates.
Information Technology	Cybersecurity	Most of Galp's processes rely heavily on digital systems and data. Any failure in the security of these systems, whether accidental (due to network, hardware or software failures), or resulting from intentional actions (cybercrime), or negligence (internal or due to service providers) may have severe negative impact in Galp's financials (through monetary fines and/or indemnities), operations, its customers and suppliers and on Galp's reputation.
People	Talent Attraction & Retention	Failure to monitor and measure critical points along employees' journey at Galp, or to ensure employee engagement and maximum productivity, while building a holistic culture around a new work model, could lead Galp to fail to attract and retain talent, compromise its ability to execute its strategy effectively and also impact its financial performance and reputation.



DELIVERING ENERGY FOR GROWTH

3. Business pillars

3.1 **2023 Highlights**

Angolan upstream assets sale

In early 2023, Galp signed an agreement with Etu Energias (formerly Somoil) for the sale of its upstream stakes in block 14 and block 32, in Angola, for a total consideration of $830 m. The transaction will be finalised in 2024 and allows Galp to crystalise value from mature upstream assets, supporting the high-grading of the portfolio and follows the Company´s transformation and decarbonisation strategic path.

Coral Sul FLNG reaches plateau

During the second half of 2023, the Coral Sul FLNG, deployed offshore Mozambique in Area 4, concluded commissioning and completed its ramp-up phase after start of production in late 2022. Now producing at plateau levels, the project is expected to continue to contribute approximately 9 kboepd net to Galp.

Bacalhau FPSO hull sail away and execution on track

Implementation of the Bacalhau phase I project remained on track across the various scopes. The project represents a large part of the upstream investments during 2023. In June 2023, the hull sailed away to Singapore for topsides integration. Subsea Umbilicals, Risers and Flowlines (SURF) and Drilling & Completion campaigns began in late 2022 and are well underway.

Spudding of exploratory campaign in Namibia

Throughout 2023, Galp prepared the current exploration campaign in PEL 83 offshore Namibia, securing key contracts and licences, and mobilising its forces to safely initiate a two back-to-back exploration wells campaign in November 2023. Already in 2024, the exploration activities in the two wells confirmed significant light oil columns and showcased evidence of positive reservoir characteristics in terms of porosity and permeability.

FID on two large scale projects to reduce the Industrial carbon footprint

Galp decided to move ahead with a 100 MW electrolyser project for the production of green hydrogen, one of the largest projects of its kind sanctioned in Europe so far, and a 270 ktpa advanced biofuels unit to produce HVO and SAF. These projects will make a significant contribution to the Portuguese industrial footprint and support Galp's transformational strategy to evolve its product offering in line with society's changing needs.

Largest planned turnaround of the past decade in the Sines refinery

During 2023, in line with the aim of improving security, efficiency, reliability, and to ensure the long-term value of its operations, Galp executed its largest planned turnaround of the past decade. The scope included all the key units, namely the Atmospheric Distillation unit, the Fluid Catalytic Cracking unit, and the Hydrocracker unit. The procedures were implemented safely.

Continuing the Commercial transformation journey

In 2023, Galp opened 27 new hubs and performed retrofitting activities in 143 c-stores, aimed at transforming the current service stations towards innovative, multi-energy and convenience concepts.

At the forefront of meeting tomorrow's energy needs

During 2023, Galp reinforced its position in electric mobility by more than doubling the number of installed charging points, reaching 4,827 points in Iberia. Currently, the Company owns the largest network in Portugal, with 3,954 points. These investments underpin Galp's commitment to deliver the energy of the future and respond to the evolving needs of our customers while leveraging the Company's convenience business.

Renewables portfolio diversification with wind & storage hybridisation

With 0.5 GW onshore wind hybridisation projects at an advanced stage of development, Galp has also taken the FID to install a utility-scale battery energy storage system pilot, both in line with our portfolio diversification strategy.

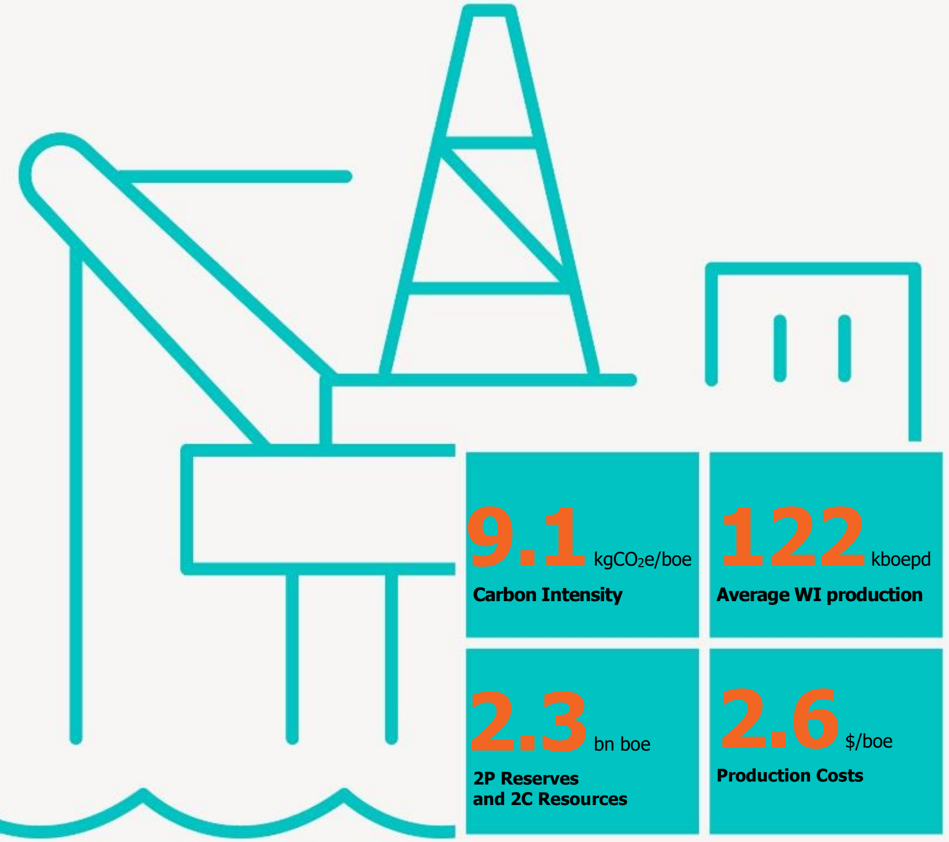
Assessing opportunities in the lithium value-chain

In 2023, Galp has signed a Memorandum of Understanding with TES for assessing the installation of lithium-ion battery recycling units in Iberia. This underscores our commitment to the development of new low-carbon solutions and overall alignment with the energy transition.

3.2 **Upstream**

2023 Highlights

- Working interest (WI) production was 122 kboepd, already reflecting the exclusion of the Angolan upstream assets, supported by the full ramp-up of Coral Sul FLNG and improved efficiencies, which sustained production levels in Brazil.



- In Brazil, Galp and its partners continued to progress the development of the Bacalhau project ahead of the expected start-up in 2025. The hull sailed away to Singapore for topside integration, while drilling and marine installation activities continue offshore Brazil.

- An RDA (Reservoir Data Acquisition) well drilling started in 2023 in the northern area of Bacalhau, with the results to support the definition of the phase II development concept of the field.

- In Mozambique, Coral Sul FLNG concluded its ramp-up and commissioning phase, reaching plateau production levels during the fourth quarter of 2023.

- The Area 4 partners worked towards lifting the "force majeure" status for the Rovuma onshore development and have the project progressing towards an FID for a modular 18 mtpa liquefaction capacity.

- In Namibia, Galp began the exploration campaign by spudding the Mopane prospect in November 2023, through two back-to-back exploratory wells. Early results indicate the presence of light oil and positive reservoir characteristics in terms of porosity and permeability.

- In early 2023, Galp signed an agreement with Somoil for the sale of block 14 and block 32 stakes in Angola for a total consideration of $830 m.

Main indicators

	2022	2023
Reserves 1P[1] (mboe)	367	342
Reserves 2P[1] (mboe)	668	621
Resources 1C[1] (mboe)	525	525
Resources 2C[1] (mboe)	1,653	1,653
Average working interest production[2] (kboepd)	127.1	122.3
Average net entitlement production[2] (kboepd)	125.5	122.0
Carbon intensity in Upstream[3] (kgCO_2e/boe)	10.1	9.1
Oil realisations indicator[4] ($/boe)	98.9	78.7
Gas realisations indicator[4] ($/boe)	52.7	44.1
Production costs ($/boe)	2.8	2.6
DD&A[5] ($/boe)	13.6	12.7
RCA Ebitda (€m)	3,083	2,263
RCA Ebit (€m)	2,229	1,739
OCF (€m)	2,022	1,179
Investment[6] (€m)	640	585

Note: unit values based on net entitlement production.
[1] Excludes all reserves and resources related to Angolan assets held for sale (as of 31 December 2023: 1P 12 mbbl, 2P 20 mmbl, 3P 29 mbbl, 1C 20 mbbl, 2C 67 mbbl, 3C 136 mbbl).
[2] Includes the production of exported natural gas, excludes consumed or injected natural gas. Production figures exclude Angolan assets.
[3] Considers 100% of emissions from oil and gas production from operated blocks and the working interest from non-operated blocks. In the case of the Coral FLNG only emissions from activities considered Upstream (gas production) are considered by this metric, while Midstream activities related to the primary intent of producing gas liquids for sale as liquefaction are considered out of scope (2023: 195 kton CO_2e).
[4] Excludes oil and gas realisations of Angolan assets.
[5] Includes provisions for relinquishment and excludes impairments related to exploration assets.
[6] Includes additions/decreases of investments, loans and capital subscription to other entities (ie associates and joint ventures).

Focused upstream growth

Galp's upstream portfolio is considered unique across the industry as it is characterised by high competitiveness and a reduced carbon footprint: production costs of c.$3/boe, a carbon intensity at almost half of the industry average and a leading breakeven on operating assets below $20/bbl.

Premium geographies, top class projects and a medium-term production growth of 30% by 2026 elevate Galp's portfolio within the industry and ultimately convert into superior cash flows.

With over 60% of divisional Capex allocated to growth, Galp's portfolio also includes other high quality potential opportunities, such as the large gas resources found in Mozambique and the exciting exploration assets in the promising regions of Namibia and São Tomé and Príncipe.

The high quality and large base of Galp's reserves and resources allows it to focus on projects that generate competitive returns and add value to its portfolio within the existing operating licences.

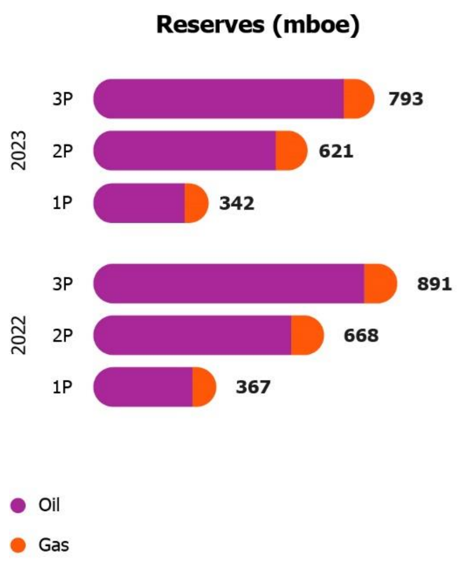
Development of reserves and resources

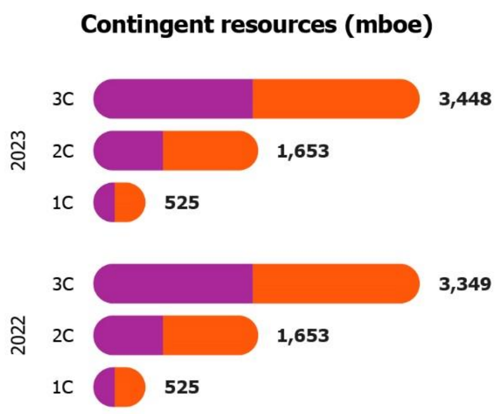
Reserves 1P were reduced by 7% YoY to 342 mboe, already considering the exclusion of the Angola reserves, with a net entitlement production during the year of 44 mboe, although this was partially offset by an upward revision of reserves.

Proven and probable reserves (2P) followed suit, decreasing 7% YoY to 621 mboe, of which natural gas represents 15%.

2C contingent resources remained flat YoY at 1,653 mboe, with no new additions during the year. Natural gas accounts for 57% of current 2C resources, mainly attributable to Mozambique.

Galp's reserves and resources are subject to an independent assessment by DeGolyer and MacNaughton (DeMac). Effects from the ongoing exploration campaign in Namibia are excluded from the estimated figures.





Note: Reserves on a net entitlement basis. Contingent resources and prospective resources on a working interest basis.
All Angolan reserves and resources are excluded both in 2023 and 2022.
Values exclude reserves and resources related to Angolan assets held for sale (@31 December 2023: 1P 12 mbbl, 2P 20 mmbl, 3P 29 mbbl, 1C 20 mbbl, 2C 67 mbbl, 3C 136 mbbl).

Production overview in 2023

WI production was 122 kboepd, lower relative to 2022 due to the impact of the sale of upstream Angolan assets. On a comparable basis (Brazil and Mozambique), production was up 6% following the full ramp up of the Coral Sul FLNG in Mozambique and stronger performances from the units in Brazil, all of which have reached plateau production in recent years.

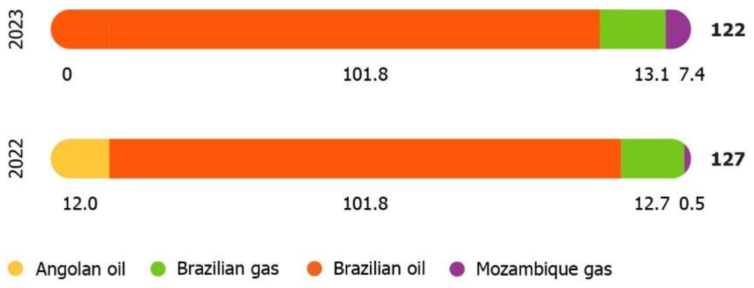
In Brazil, WI production was 115 kboepd, flattish compared to 2022. Planned maintenance activities were performed across the units (as well as a small backlog of activities, resulting from the pandemic, that was cleared). Unplanned events had a lower impact during 2023, improving overall efficiency of the units.

In Mozambique, WI production was over 7 kboepd, with the Coral Sul FLNG reaching record daily production in May and maintaining sustained plateau levels since the fourth quarter of 2023.

Plateau production should translate into roughly 48 LNG and four condensate cargoes each year on a 100% basis.

WI Production is expected to remain above 115 kboepd until Bacalhau starts up, contributing c.40 kboepd net to Galp once at plateau. This represents a key driver of growth to the Company in the future.

Working interest production (kboepd)



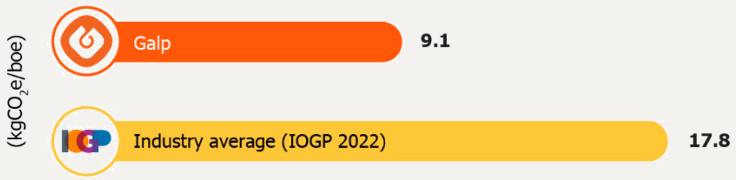
Galp will continue to focus on optimising its portfolio, enhance development plans, manage declines and implement the necessary steps to ensure all value extraction initiatives are executed.

Galp's Upstream portfolio

In early 2023, Galp signed an agreement for the sale of its Angolan upstream assets in blocks 14 and 32. This deal enabled Galp to crystallise value from mature projects and to high-grade its overall portfolio and is expected to be completed in 2024.

Following the sale of the Angolan portfolio, Galp currently has 19 upstream projects at different states of maturity. These range from exploration to production and are located entirely in deep and ultra-deep waters. The most relevant projects include the development of the BM-S-11 block in the Brazilian Santos basin, where one of the world's largest oil discoveries in recent decades is located, the major natural gas discoveries in the Rovuma basin in Mozambique, and promising exploratory assets in Namibia and São Tomé and Príncipe.

Carbon Intensity in Upstream[1]



Galp's growth profile is based on a distinct upstream portfolio, with resources with low production costs and less carbon intensity, when compared to the industry. The competitiveness of these developments enables a carbon intensity of 9.1 kgCO_2e/boe, well below the industry average of 17.8 kgCO_2e/boe (source: International Association of Oil and Gas Producers (IOGP) 2022).

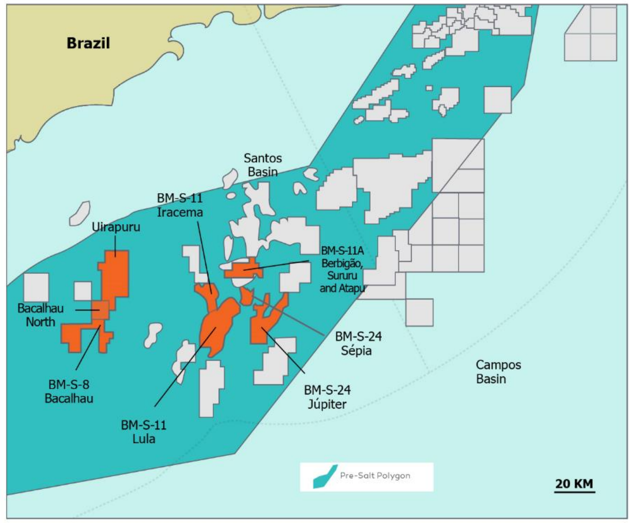
Ultra-deepwater projects are expected to continue to be fundamental to global production and energy security. Thanks to the high level of investment, expertise, technology and innovation, the deepwater projects can be developed safely and are able to produce one of the lowest carbon-intensive barrels of oil compared to other projects. In addition to stricter regulation on venting and flaring, where Brazil is a benchmark for best practices, new FPSOs include advanced technologies that will help to reduce their carbon footprint further. For example, the Bacalhau FPSO will use combined cycle gas turbines capable of reducing CO_2 emissions by c.110 ktpa.

[1] Considers 100% of emissions from oil and gas production from operated blocks and the working interest from non-operated blocks. In the case of the Coral FLNG only emissions from activities considered Upstream (gas production) are considered by this metric, while Midstream activities related to the primary intent of producing gas liquids for sale as liquefaction are considered out of scope (2023: 195 kton CO2e).

Brazil

Galp's portfolio in Brazil is entirely offshore and mainly focused on the pre-salt polygon, where the Company has been present since the exploration and assessment phases of the first prospects back in 2001. The Brazilian pre-salt is a reference in the industry, mainly due to the size and quality of its resources. Along with the advanced technology used in the development concepts, this places these projects among the most competitive and sustainable worldwide.

Galp currently holds several projects in Brazil in the pre-salt of the Santos and Campos basins that are in the appraisal, development and production phases. This makes it one of the key players in Brazil, currently the fourth largest producer in the country.



Producing units in the pre-salt in the Santos basin

Galp started production in the pre-salt in 2010, through the FPSO Cidade Angra dos Reis allocated to the area of Tupi Pilot. By the end of 2023, Galp had 12 operating FPSOs, seven of which in the Tupi accumulation, two in Iracema, one developing the Berbigão & Sururu accumulations, another in the Atapu field and finally one allocated to the Sépia project.

Unit	Designation	Location	Oil | Natural Gas Capacity	Production Start	Galp's stake
FPSO #1	Cidade Angra dos Reis	Tupi Pilot	100 kbpd | 5 mm^3/d	Oct. 2010	9.20%
FPSO #2	Cidade de Paraty	Tupi North East	120 kbpd | 5 mm^3/d	Jun. 2013	9.20%
FPSO #3	Cidade de Mangaratiba	Iracema South	150 kbpd | 8 mm^3/d	Oct. 2014	10.00%
FPSO #4	Cidade de Itaguaí	Iracema North	150 kbpd | 8 mm^3/d	Jul. 2015	10.00%
FPSO #5	Cidade de Maricá	Tupi Alto	150 kbpd | 6 mm^3/d	Feb. 2016	9.20%
FPSO #6	Cidade de Saquarema	Tupi Central	150 kbpd | 6 mm^3/d	Jul. 2016	9.20%
FPSO #7	P-66	Tupi South	150 kbpd | 6 mm^3/d	May 2017	9.20%
FPSO #8	P-69	Tupi Extreme South	150 kbpd | 6 mm^3/d	Oct. 2018	9.20%
FPSO #9	P-67	Tupi North	150 kbpd | 6 mm^3/d	Feb. 2019	9.20%
FPSO #10	P-68	Berbigão and Sururu	150 kbpd | 6 mm^3/d	Nov. 2019	10.0%[1]
FPSO #11	P-70	Atapu	150 kbpd | 6 mm^3/d	Jun. 2020	1.70%
FPSO #12	Carioca	Sépia	180 kbpd | 6 mm^3/d	Aug. 2021	2.40%

[1] The accounting implications of the unitisation were reflected in our statements in the third quarter of 2022, when the Company began to be in a net payable position.

Tupi and Iracema

In the BM-S-11 licence, the Tupi and Iracema projects started production in 2010 in the Tupi Pilot area, making the largest contribution to Galp's production. Between 2010 and 2021, nine production units were installed in these accumulations, with a combined capacity to process up to 1.3 mbbl of oil and 56 million m^3 of natural gas per day, having delivered more than 3.1 bn boe of accumulated production to date.

By the end of 2023, 139 wells (77 producers and 62 injectors) had been drilled, out of the 151 wells planned. Currently, 128 wells are connected to the installed FPSO units.

The partners are committed to maximise the value extraction from these assets, optimising operations and increasing the recoverability of the discovered resources. Following this principle, a well infill campaign is set to start, which will provide further support to production against a natural decline that remains resiliently below 5%.

In late 2021, together with its partners, Galp submitted an updated Plan of Development (PoD) for the Tupi field to the regulator in Brazil (ANP - Brazilian National Agency of Petroleum, Natural Gas and Biofuels). This submission includes a set of identified actions aimed at maximising value creation from the Tupi field by identifying additional resources to be developed at low breakeven prices. In addition to this, the updated plan includes a 20-year field life extension request, until 2057, which will be crucial to further potentiate maximum recoverability from these fields.

The updated PoD is still subject to ANP approval. Regulator queries are being answered promptly and the process is expected to be completed in 2024.

This new PoD is another relevant milestone in the implementation of Galp's Upstream strategy, and is fully aligned with the Company's capital allocation guidelines.

Berbigão, Sururu and Atapu

Through the BM-S-11A consortium, Galp holds stakes in Berbigão, Sururu and Atapu, three accumulations located in the central pre-salt area of the Santos basin, northeast of the Tupi and Iracema fields.

The Berbigão and the western flank of the Sururu accumulations are under development through FPSO P-68, which reached plateau at the end of 2022 and has maintained high production levels since then. The unit has 10 producing wells connected, as planned. It also has six injector wells connected, out of the seven planned.

The FPSO P-70, in the Atapu accumulation reached plateau in 2021, and, by the end of 2023, had six producing wells connected, out of a total of eight planned.

The drilling campaign in the three accumulations is proceeding according to plan, with 17 producing wells and 12 injection wells already drilled by the end of 2023, out of the 34 wells planned.

In the Sururu area, Galp and its partners continued to study the subsurface of the accumulation to develop the central area of the field. Based on data from the EWT (Extended Well Test), which is producing through P-68 since June 2021 and the RDA well drilled in 2020, the consortium is adjusting the development concept and is already liaising with ANP.

The Berbigão and Sururu accumulations extend beyond the limits of block BM-S-11A towards a Transfer of Rights (ToR) area, and will be subject to unitisation with the surrounding areas. Regarding the ToR area, in 2018, the members of the consortium, along with Petrobras, submitted the Production Individualisation Agreements (AIP) to ANP and are awaiting the agency's approval. As a result of the unitisation agreement, once it is approved, Galp will marginally reduce its working interest in the project, which will then include a larger reserves pool. The accounting implications of the unitisation were reflected in our statements in the third quarter of 2022, when the Company began to be in a net payable position.

In late 2021, ANP hosted the second bid round for the surplus volumes of the ToR (Transfer of Rights) of Sépia and Atapu areas, having awarded the Atapu rights to the consortium composed of Petrobras, Shell and TotalEnergies. Galp's stake in the project remained unchanged at 1.7%.

The partners have been working on a second phase concept, with a development plan submitted for ANP approval in the end of 2022. The concept envisions a new FPSO, P-84, with a 225 kbpd oil capacity. An FID is expected to be reached in 2024, together with the award of the EPC contracts, and first oil is expected late in the decade.

Sépia

The Sépia project, which started production in August 2021 through FPSO Carioca, is located approximately 200 km off the coast of the state of Rio de Janeiro with a water depth of 2,200 m. The unit, chartered from Modec, has a processing capacity of up to 180 kbpd and 6 mm^3 of natural gas, and is the largest operating unit in the Santos Basin.

The drilling campaign produced seven producing wells and four injection wells by the end of 2023, out of a total of 15 planned wells. The unit is now fully ramped up, and reached plateau production in May 2022. Currently, four producer wells and three injectors are connected to the FPSO, with the additional wells to be installed from 2025 onwards to support production at plateau levels.

In late 2021, ANP hosted the second bid round for the surplus volumes of the ToR (transfer of rights) of the Sépia and Atapu areas, and awarded the Sépia rights to the consortium composed of Petrobras, TotalEnergies, Petronas and Qatar Petroleum. Galp's stake in the project remained unchanged at 2.4%.

A development plan for a new phase was submitted to ANP in late 2022. This covers the installation of an additional FPSO of 225 kbpd oil capacity, P-85, tendered jointly with Atapu's new unit. Similarly to

Atapu's new unit, FID is expected to be reached in 2024, together with the award of EPC contracts, and first oil is expected late in the decade.

Júpiter

The Júpiter discovery, located entirely within block BM-S-24, is a large-scale accumulation. It is still under appraisal in view of the challenges to the development concept posed by the elevated CO_2 content within the reservoir.

The results from the Drill Stem Test (DST) performed in 2020 reinforced the potential of the Júpiter reservoir, with a high added value condensate sample, and Galp and its partners are to continuing to perform development studies of the discovery.

During 2023, the partners continued the technological development studies and an analysis of additional assessment activities in order to support the project's conceptual solution.

Bacalhau

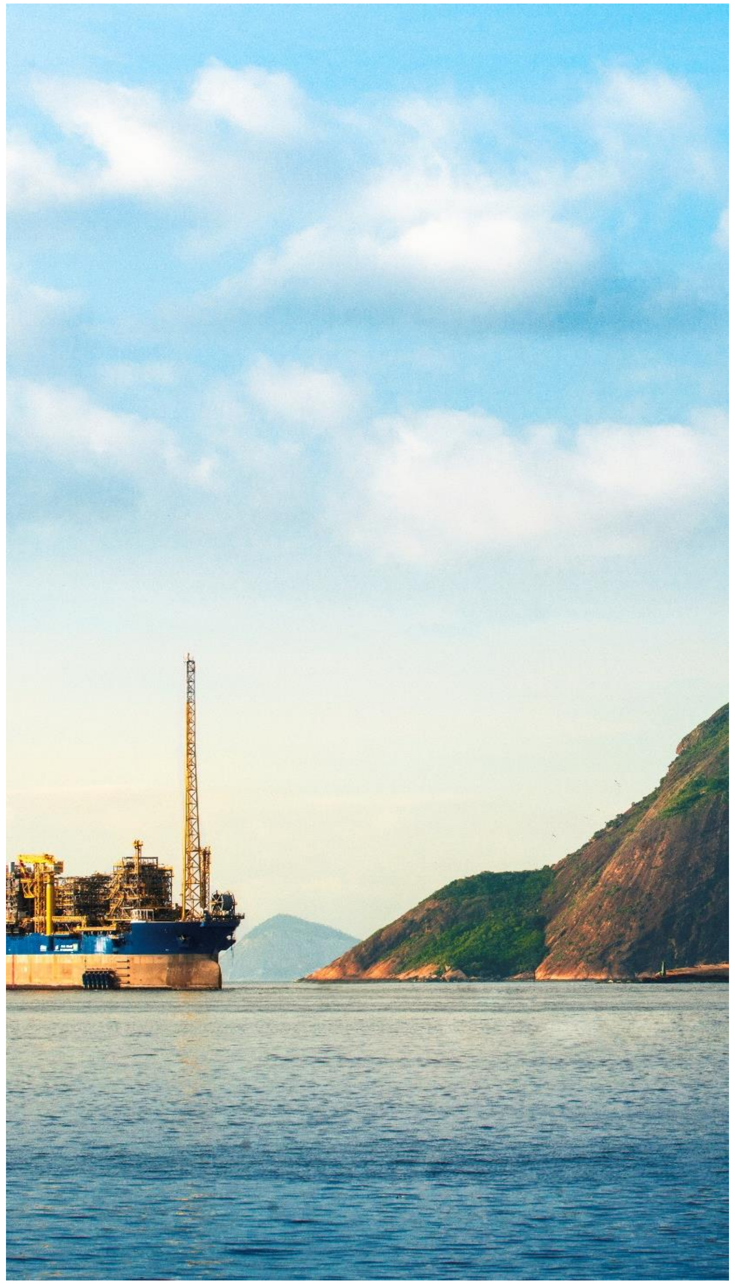
The Bacalhau project extends through blocks BM-S-8 and Bacalhau North and is one of the most competitive developments underway worldwide.

In 2021, Galp and its partners made the FID to develop phase I of the Bacalhau field. The total full life cycle investment for this first phase is estimated at approximately $8 bn. In 2023, the consortium focused on the execution of the hull construction in China, with its completion and sail away to Singapore for topside integration. In Brazil, drilling and maritime campaigns are progressing according to plan, backed by 2 drilling rigs and 8 support vessels.

The Bacalhau project is considered one of the most promising assets in the pre-salt of the Santos basin due to the high-pressure conditions of the reservoir and its high-quality resources. It is a highly competitive project, both in economic and environmental terms, with phase I having an estimated NPV_{10} Brent breakeven well below $35/bbl (upon FID) and a carbon intensity estimated at c.9 $kgCO_2e/bbl$.

The development of phase I will consist of 19 subsea wells tied back to an FPSO located at the field. This will be one of the largest and most technologically advanced FPSOs in Brazil, with a production capacity of 220 kbpd and 2 mbbl in storage capacity. The stabilised oil will be offloaded to shuttle tankers and all the gas will be re-injected into the reservoir.

In Bacalhau North area, where additional recoverable volumes were identified, an RDA well has been completed in early 2024. The results of this well will help support the definition of further developments in Bacalhau.



Bacalhau: executing a world class project

1. Final Investment Decision

On 1 June 2021, FID on Bacalhau phase I development was announced. Bacalhau is the first greenfield development by an international operator in the Brazilian pre-salt and spreads across two licenses: BM-S-8 and Bacalhau North.

The FPSO will be the largest unit installed offshore Brazil to date, with a gross production capacity of 220 kbpd and 2 mbbl in storage. Reservoir characteristics and technological advancements, such as the Combined Cycle Gas Turbine (CCGT) system for energy and heat production, enables Bacalhau´s CO_2 intensity to be less than 9 $kgCO_2e$/boe and its breakeven to be well below $35/bbl.

2. Hull Construction

Modec was awarded the Front-End Engineering Design (FEED) and the Engineering, Procurement, Construction and Installation (EPCI) contracts. It has been the first application of the "M350 Hull", a next generation full double hull design for FPSOs, developed to accommodate larger topside and larger storage capacity than conventional VLCC tankers, leading to longer design service life.

The hull is about 364x64x33 meters and has a deck area of c.18,000 m^2, equivalent to three standard football fields.

3. Hull Sail Away

Despite the challenges imposed by the pandemic during its construction, on 12 June 2023, the hull sailed away towards Singapore for topsides integration at Seatrium yard. Since the first steel cut in 2020, there have been almost 8,000 workers involved in the FPSO Bacalhau´s hull and living quarters construction.

4. Topsides Integration

Topsides integration is a complex process involving the assembly and interconnection of various modules, transforming the hull into an oil & gas production unit. These include oil & gas separators, compressors, water treatment units, CCGT for energy production and control and safety systems.

Over 20 modules were lifted and integrated to the hull, these have been fabricated in China (BOMESC) and Thailand (Aibel). The remaining scope of integration and commissioning work of topsides is now underway, lasting until the FPSO´s expected sail-away in the second half of 2024.

5. SURF fabrication and offshore installation

Meanwhile, 185 km offshore Brazil, the Subsea Umbilicals, Risers and Flowlines (SURF) campaign began in early 2023, executed by the EPCI contract winner Subsea Integration Alliance.

This campaign involves the fabrication, preparation and installation of the subsea infrastructures that will connect the wells to the FPSO. Mooring piles, gas lifts manifolds, anodes and a kilometer of seabed pipelines and risers are being installed by 4 specialized support vessels.

2024

6. Offshore drilling

In November 2022, the West Saturn drilling rig spudded the first out of 19 planned wells offshore Brazil, in 2,000 m water depths. During 3Q23 a second rig, Valaris DS-17, was mobilized to appraise the northern part of the field, after that it will accelerate the drilling of producers and injectors wells that will support the ramp up of the Bacalhau FPSO until first oil, expected for mid-2025, and beyond.

Mozambique

Galp regards natural gas as a key component in the transition to a lower-carbon global economy. The discoveries in the Rovuma basin in Mozambique will enable the country to become one of the world's leading natural gas suppliers.

Area 4 is estimated to hold 85 trillion cubic feet (tcf) of high-quality gas volumes in place. The development of Area 4, in the Rovuma basin thus far includes the Coral South offshore project located in the Coral field and the Rovuma LNG onshore project to develop the large Mamba field.

Coral

The Coral discovery, located entirely on the Area 4 concession, is defined by a reservoir with approximately 16 tcf of gas in place.

After being sanctioned in 2017, the Coral South project is the first development to tap the large-scale natural gas resources of Area 4. The project consists in a FLNG unit connected to the southern area of the Coral discovery, with a processing capacity of about 3.4 mtpa of LNG.

Construction of the FLNG started in 2018, with a controlled execution which led to the unit sail away from South Korea in November 2021, as per plan and budget and despite the pandemic. The FLNG arrived in Mozambique in January 2022 and, following mooring and hooking up procedures, started producing in late 2022.

In 2023, the unit gradually ramped-up LNG production and reached sustained plateau in November.

The unit is designed to keep, extract and liquify natural gas at high levels of utilisation and without significant maintenance in the early years in operation.

The partners are also considering a potential second FLNG to further develop the resources in Coral, which would conceptually be a replica of the Coral Sul FLNG unit. The economic feasibility of this project will be assessed during 2024.

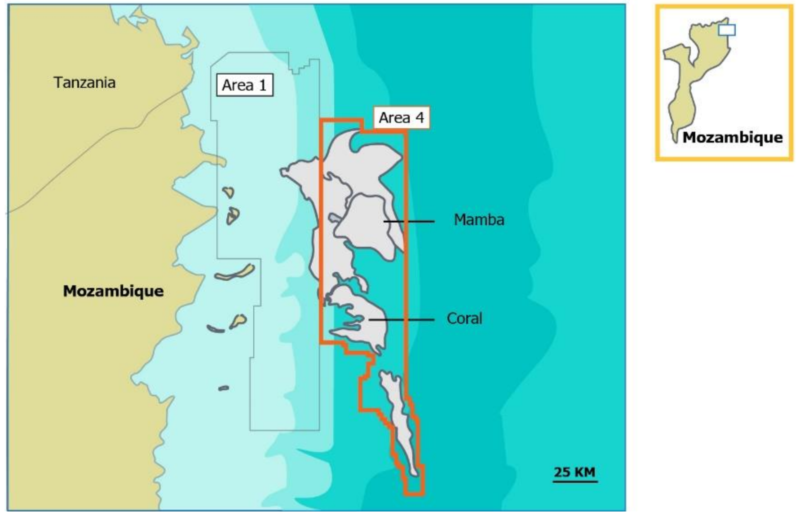
Rovuma LNG

The onshore developments of the Rovuma basin could be seen as some of the most competitive natural gas green field projects in the world, benefiting from Mozambique's privileged geographical position, the quality of the gas in place and the proximity of the discoveries to shore.

As a result of the tensions within the country, which intensified in 2021/22, the Area 4 JV decided to call "force majeure" and evacuated its people to ensure their safety and put a temporary halt to the project. In 2023, the partners focused on optimising the development concept and evaluating options to ensure the project's economic and sustainable robustness.

The partners are now maturing a development concept of 12 modular trains of approximately 1.5 mtpa of liquefaction capacity each, for a total of 18 mtpa for the first phase of the project. Expression of interest (EOI) tenders for FEED works have been launched, both for the modular onshore design as well as the subsea infrastructure.

The consortium is also evaluating potential synergies with adjacent development areas and continues to closely monitor the in-country security situation.



Namibia

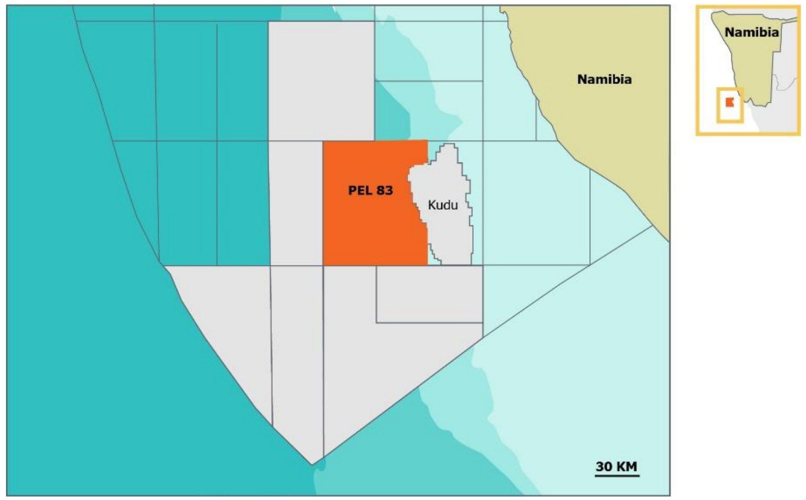
Galp's exploration assets in Namibia consist of Petroleum Exploration Licence No 83 (PEL 83), which covers an area of almost 10,000 km^2 in the Orange Basin, located in the southern part of Namibia's offshore waters near to the border with South Africa. The Company holds an 80% working interest in the Licence along with the Namibian State Oil Company, Namcor (10%), and the local Namibian Independent Oil Company, Custos Energy (10%).

Throughout 2023 Galp has obtained the necessary licences, and prepared and de-risked the exploration campaign, which commenced in November 2023. It represented the Company's return to drilling in Namibia for the first time since 2013.

The exploration campaign envisioned two back-to-back exploratory wells and one contingent DST. The identified prospect, Mopane, is an upper-cretaceous play 200 km offshore Namibia, at a water depth of approximately 1,900 m. The distance between the two wells is approximately 8 km.

Already in 2024, drilling and logging activities in the first exploration well, Mopane-1X, confirmed the discovery of two significant columns of light oil in reservoir-bearing sands of high quality.

The rig was then relocated to the second exploration well location, Mopane-2X, which confirmed the lateral extension of the discovery made on the Mopane-1X well, also revealing light oil in other targeted reservoirs. A Drill Stem Test (DST) will be performed on the first well.

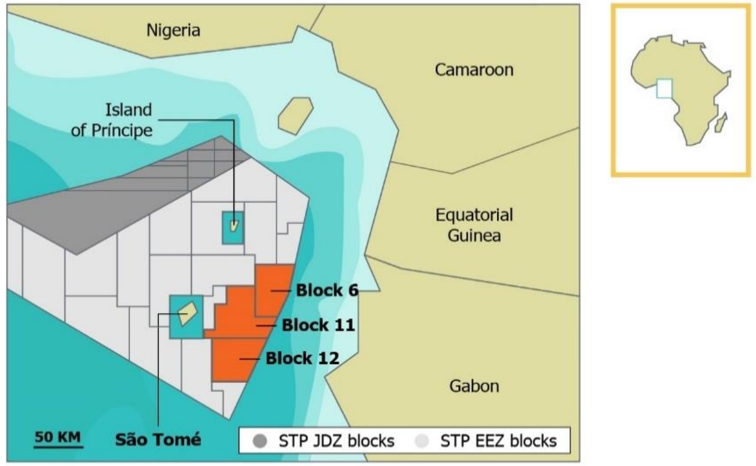


São Tomé and Príncipe

Galp's exploration portfolio in São Tomé and Príncipe currently includes positions in three offshore blocks, namely blocks 6 and 12, where Galp is the operator, and block 11, in which the Company is not the operator.

Following geological and geophysical studies carried out on block 6, Galp drilled an exploratory well in 2022. The well, known as Jaca, showed no evidence of a commercial discovery, although it underlined an active petroleum system and allowed Galp to acquire a large set of valuable data which, throughout 2023, was analysed and integrated for a better understanding of the area.

Galp continues to work towards identifying, maturing and de-risking potential prospects worth drilling together with its partners and 2024 will be important for planning the next exploratory steps in the region.



Current Upstream project portfolio

Block(s)	Basin	Type	# Projects	Main Projects	Oil Properties API (º)	Oil Properties Sulphur (%wt)	Phase	Partners
Brazil (via Petrogal Brazil, except Barreirinhas)								
BM-S-11	Santos	Offshore	1	Tupi	27-34	<0.5	Development & Production	Galp 9.2% | Petrobras 67.2% (op.) Shell 23.0% | PPSA 0.6%
BM-S-11	Santos	Offshore	1	Iracema	28-32	<0.5	Development & Production	Galp 10% | Petrobras 65% (op.) Shell 25%
BM-S-11A	Santos	Offshore	1	Berbigão	25-28	<0.5	Development & Production	Galp 10% | Petrobras 42.5% (op.) Shell 25% | TotalEnergies 22.5%
BM-S-11A	Santos	Offshore	1	Sururu	24-29	<0.5	Development & Production	Galp 10% | Petrobras 42.5% (op.) Shell 25% | TotalEnergies 22.5%
BM-S-11A	Santos	Offshore	1	Atapu	27-29	<0.5	Development & Production	Galp 1.7% | Petrobras 65.7% (op.) Shell 16.7% | TotalEnergies 15.0% | PPSA 1.0%
BM-S-8	Santos	Offshore	1	Bacalhau	30-32	<0.5	Development	Galp 20% | Equinor 40% (op.) ExxonMobil 40%
Uirapuru	Santos	Offshore	1				Exploration	Galp 14% | Petrobras 30% (op.) Equinor 28% | ExxonMobil 28%
Sépia	Santos	Offshore	1	Sépia	26-30	<0.5	Development & Production	Galp 2.4% | Petrobras 55.3% (op.) TotalEnergies 16.9% | Petronas 12.7% QP 12.7%
BM-S-24	Santos	Offshore	1	Júpiter			Appraisal	Galp 20% Petrobras 80% (op.)
BAR-M-300/ 342/344/388	Barreirinhas	Offshore	4				Exploration	Galp 10% | Shell 50% (op.) Petrobras 40%
Mozambique								
Area 4	Rovuma	Offshore	2	Coral Sul Rovuma LNG			Development & Production	Galp 10% | Eni 25% (op.) ExxonMobil 25% (op.) | CNPC 20% Kogas 10% | ENH 10%
Namibia								
PEL 83	Orange	Offshore	1				Exploration	Galp 80% (op.) | NAMCOR 10% Custos 10%
S. Tomé and Príncipe								
Block 6	Rio Muni	Offshore	1				Exploration	Galp 45%(op.) | KE 25% | Shell 20% ANP 10%
Block 11	Rio Muni	Offshore	1				Exploration	Galp 20% | KE 35% (op.) Shell 30% | ANP 15%
Block 12	Rio Muni	Offshore	1				Exploration	Galp 41.2% (op.) | Equator 46.3% ANP 12.5%

3.3 **Industrial & Midstream**

2023 Highlights

- Sines operated close to full availability during the year, outside periods of planned turnarounds, capturing the supportive international environment with a robust refining margin of $11.0/boe.

- Galp successfully completed a general turnaround in its Sines refinery, the largest in the past decade. This is in line with its objective of improving operational security and efficiency.
- Galp has taken FID on two large scale projects to reduce the carbon footprint of the Sines refinery and its products, namely a 270 ktpa advanced biofuel unit and a 100 MW electrolyser project for the production of green hydrogen.
- Galp maintained a relevant position in the Iberian biofuels space, through the integration of approximately 300 ktons in diesel (biodiesel and HVO) and gasoline (bioethanol), avoiding approximately 1,000 ktons of CO_2 emissions on a life cycle basis, compared to a fossil equivalent.
- Galp maintained its ambition of a 50% reduction of its refining operating emissions (scope 1 & 2) by 2030 (vs. 2017) and continued to take the necessary steps to implement its decarbonisation roadmap.
- Energy Management effectively increased value capture from integration, contributing >€500 m to Galp's operating results (RCA Ebitda). Improved performance across commodities, most notably in trading gas activities, supported by the higher portfolio flexibility.
- Expansion of the footprint in Brazilian's liberalised natural gas market continued, contributing approximately 4 TWh of NG/LNG volumes in 2023, up 105% YoY.

Main indicators

	2022	2023
Raw materials processed (mboe)	88.0	78.9
Galp refining margin ($/boe)	11.6	11.0
Refining costs[1] ($/boe)	2.2	4.5
Oil products supply (mton)	15.8	14.8
NG/LNG supply & trading volumes (TWh)	54.6	46.5
of which Trading (TWh)	23.2	18.4
Direct GHG emissions (ktonCO₂e)	2,664	2,360
Total water consumption per treated feedstock[2] (m^3/ton)	0.56	0.60
Percentage of water reutilised[2]	10%	9%
RCA Ebitda (€m)	451	929
RCA Ebit (€m)	66	693
OCF (€m)	459	764
Investment[3] (€m)	72	196

[1]Excluding refining margin hedging impact.
[2] In Sines refinery.
[3] Includes additions/decreases of investments, loans and capital subscription to other entities (ie associates and joint ventures).

Industrial

An Industrial stepping stone for the development of Low Carbon energy solutions in Iberia

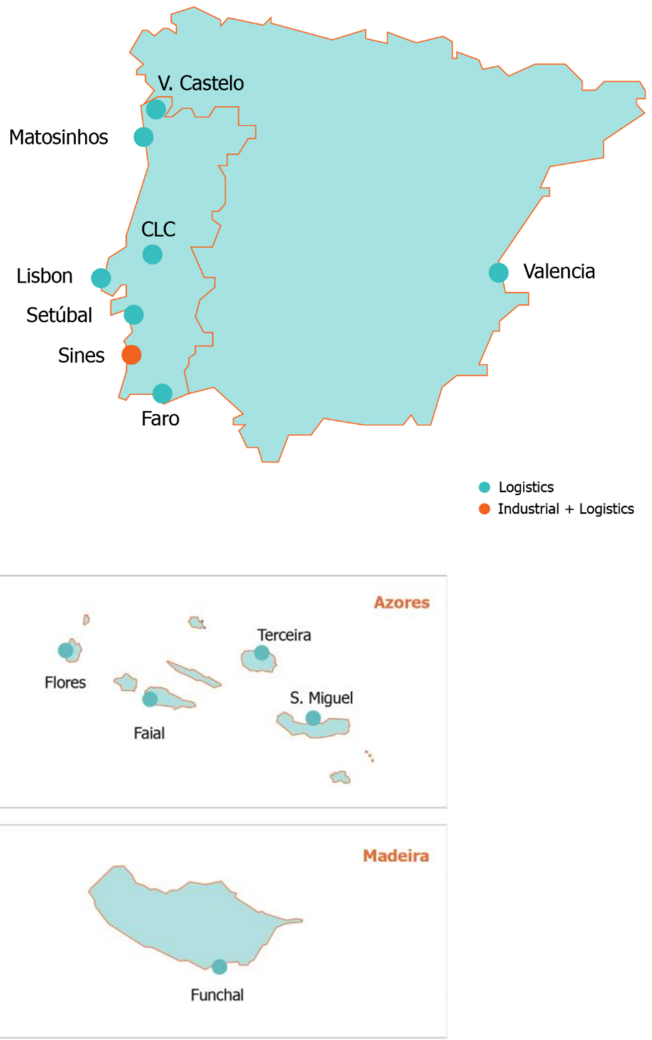
Galp is strategically steering the Sines industrial complex, home to Portugal's only refinery, towards lasting competitiveness with a focus on value and sustainability. Our ambitions go beyond conventional operations, with a dedication to substantially reduce the carbon footprint of both our system and products, to ensure the long-term value of the assets. This strategy is important for our integrated industrial approach, which consists of improvements to the energy efficiency of our refining operations and the progressive incorporation of renewable products, including green hydrogen and advanced biofuels.

Our strategy is a direct response to opportunities for both growth and transformation. Galp is actively shaping the long-term sustainability of Portugal's liquid energy supply. We aim to reduce 50% our operating carbon emissions by 2030, which reinforces our proactive stance on preparing our system for the rapidly transforming energy landscape.

Galp's industrial activities include the refining, logistics and cogeneration operations. The Company continues to focus on maximising value creation in this segment, increasing the efficiency of its operations, and adapting its portfolio to future demand patterns and the progressive decarbonisation of its operations.

All of Galp's current industrial activities are located in Iberia. The Company owns the only refinery in operation in Portugal, located in Sines, where it also operates maritime terminals and storage parks. Galp's industrial activities in Sines are central to the country's economy, directly employing over 500 people.

Industrial & logistic assets in Iberia



Safety

Safety is a foundational pillar of the Industrial unit's performance and one that is always a priority for the team. The business unit is responsible for the three main areas of risk: personal safety, process safety and transport safety. In 2023, there were no fatalities related to Industrial's activity, and the Process Safety Incident Rate improved over previous years. During the year, the team did register personal injuries with a lower impact, and these were duly scrutinised. The lessons learned throughout the year will support the ongoing improvement of Galp's safety performance.

Two 2023 initiatives to highlight:

- Continuous focus on promoting a Safety and Leadership Culture, with the Galp Safety Leaders Way program reaching c.2,900 persons since its inception in 2022, getting both our people and our contractors on board;
- Road Transport Safety – full implementation in 2023 of a uniformized roadmap to improve risk management across all our fuel transportation contracts.

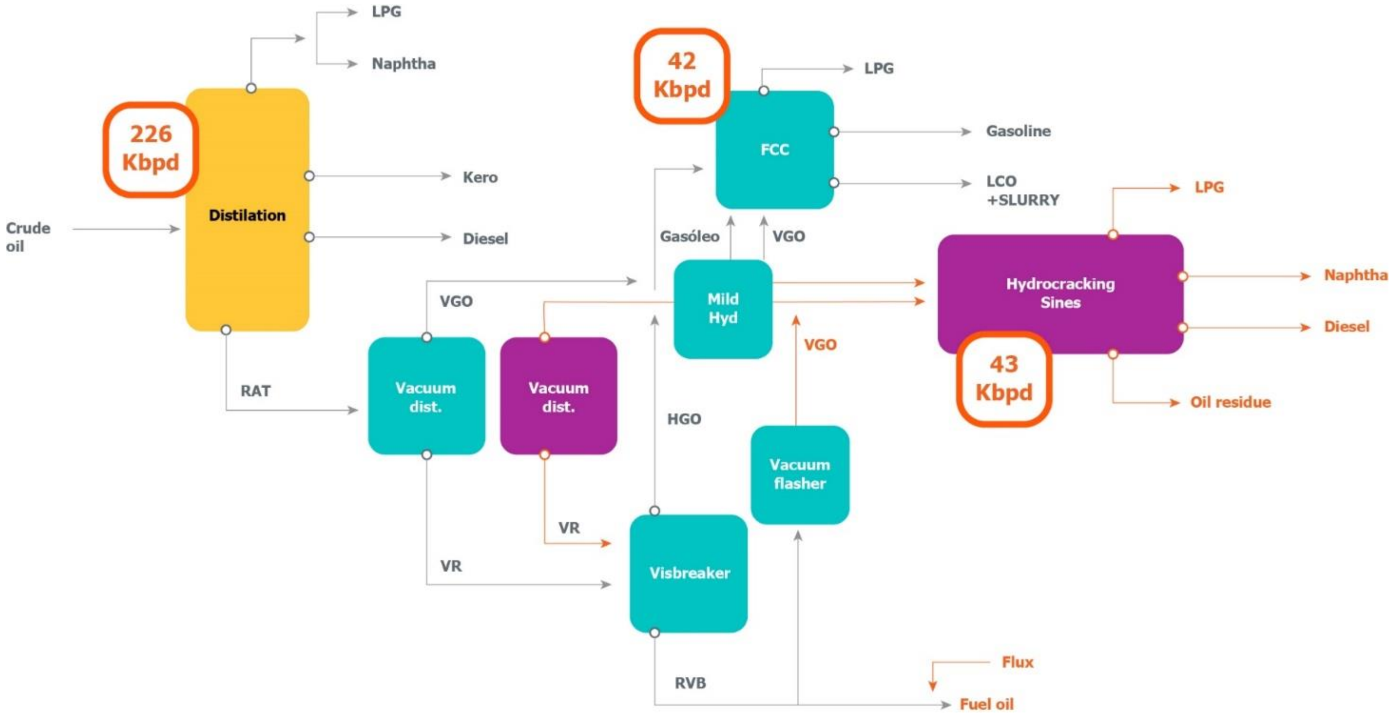
Sines refinery

The Sines refinery is one of the largest in Iberia, and the only plant of its kind in Portugal. It is accountable for responsibly securing safe energy supply in the region. The refinery has a distillation capacity of approximately 226 kbpd and is capable of processing a varied array of crude grades. The process starts in the atmospheric distillation unit, with the production of valuable products such as diesel. The residue is then processed in vacuum distillation units and separated into other valuable output streams. According to their characteristics, these serve as feedstock to fluid catalytic cracking (FCC), hydrocracking or visbreaker units, optimising conversion and the targeted yields in order to maximise value.

The Sines refinery capacity and conversion complexity, as well as the strategic advantage due to its coastal location and the deep-water port infrastructure at the site, both for the supply of crude oil and exporting products, make this refinery highly competitive and well positioned to thrive despite the challenges faced by the sector in future.

A cogeneration unit supports Galp's power activity in Portugal, with 91 MW installed in the Sines refinery. This unit is highly efficient, as it combines heat and electricity generation, and it is a significant supplier of steam to the refinery operations.

In 2023, a total of 1,984 GWh were produced from cogeneration activities, down 5% YoY on a comparable basis.



Operational performance in 2023

Galp continues to focus on improving the competitiveness of its Sines refinery, in an increasingly demanding regulatory environment and a challenging oil product market.

In 2023, raw materials processed totalled 78.9 mboe, down 10% YoY, reflecting the planned maintenance activities performed on the refinery.

During the year, and following a more normalised natural gas market and overall supply, the refinery resumed regular consumption of natural gas, reverting from the more pronounced consumption of naphtha in 2022. This supported the reduction in Scope 1 & 2 emissions YoY by 11%.

Galp's refining margin was down YoY, from $11.6/boe to $11.0/boe, but still reflects a supportive international oil products' crack, namely on gasoline, and it benefited from the more normalised costs of energy.

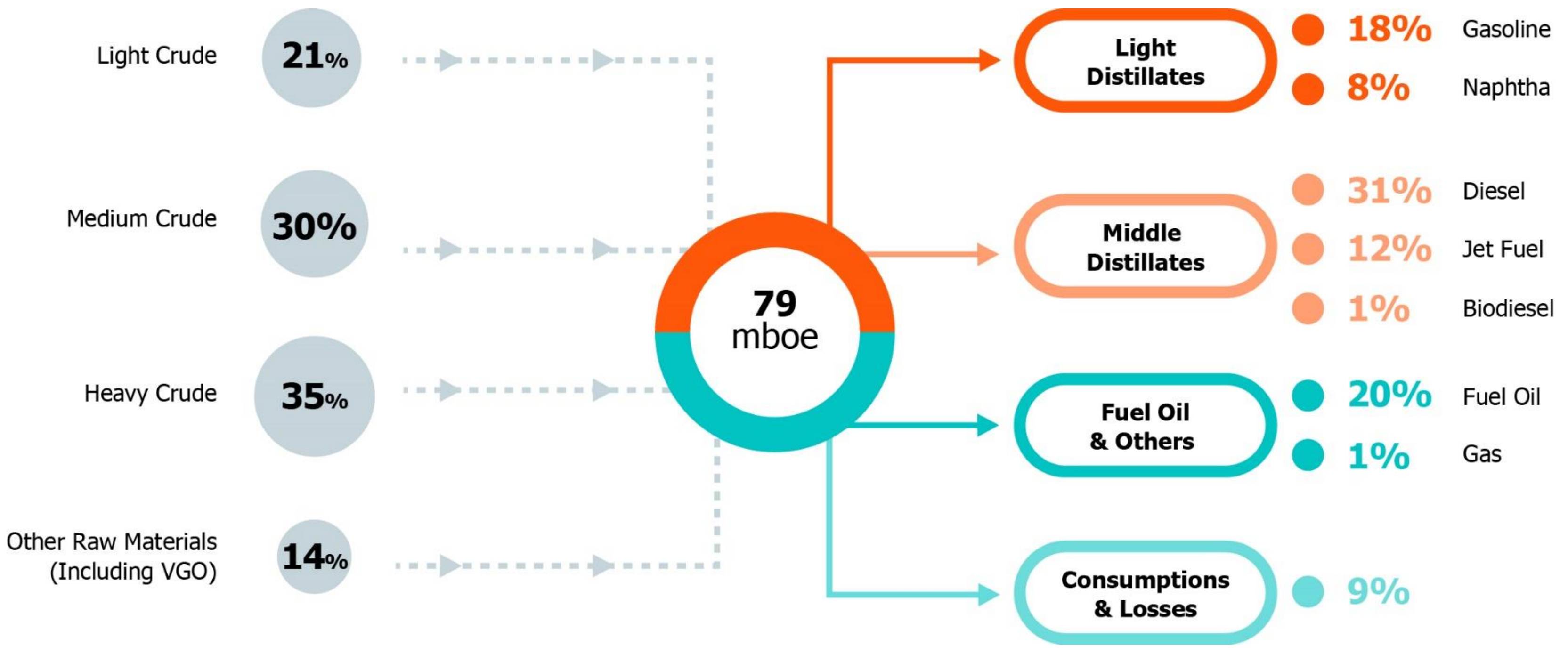
Crude oil accounted for 85% of raw materials processed, 75% of which corresponded to medium and heavy crudes. The crude processed was exclusively of sweet grades.

Diesel and gasoline were the most relevant products in Galp's production mix. The entire fuel oil production was of Very Low Sulphur Fuel Oil (VLSFO).

Industrial transformation

Galp is reconfiguring its industrial segment, concentrating its refining activities in Sines, and improving the energy efficiency of its operations, as well as progressively replacing fossil with renewable feedstocks through the integration of green hydrogen and the development of low carbon fuels. From 2017 to 2030, we aim to reduce the operating carbon emissions from industrial activities by 50%.

Sines refinery 2023 inputs/outputs



In 2023, Galp took a FID on two large scale projects to reduce the carbon footprint of the Sines refinery and its products. The projects include a 270 ktpa advanced biofuels unit, in partnership with Mitsui, and 100 MW of electrolysers for the production of green hydrogen. Both units are expected to have their initial startup during 2025.

Additionally, throughout 2023, considerable investments to improve the energy efficiency of the refinery were made, including a technological upgrade of several heat exchanger bundles in the crude unit and hydrocracker, the execution of a hot feed project on the diesel desulphurisation unit and installing a new and more efficient flue gas heat recovery boiler on the fluid catalytic cracking unit. These projects are intended to contribute to reducing the refinery direct emissions by 53 $ktCO_2/y$. Additionally, a site-wide energy assessment project was completed to support the preparation of the refinery decarbonisation roadmap.

Sines' transformation aligned with EU ambitions and regulation

The market for alternative fuels in the EU is largely driven by regulation.

In alignment with its decarbonisation ambitions, EU members states should have a mandatory target of 55% emission reduction by 2030. Within the larger Fit For 55 package, the EU establishes clear targets for carbon intensity reduction in the transportation sector, including a joint mandate for the incorporation of advanced biofuels and renewable fuels of non-biological origin (RFNBO) of 5.5% (with a minimum binding mandate of 1% for RFNBOs, such as renewable hydrogen).

These decarbonisation efforts and the regulation backing them are expected to drive a substantial demand increase for both biofuel types and reinforces the strategic fit of Galp's transformational projects in Sines.

Renewable fuels

Galp and Mitsui joined forces to produce and market advanced biofuels from Sines by creating a 75/25 joint venture and investing in a large scale 270 ktpa unit adjacent to the Sines refinery, which expected to have its initial startup during 2025. Total investments in this new plant are estimated at approximately €400 m, with Galp acting as its operator.

The unit will produce renewable diesel (hydrotreated vegetable oil - HVO) and sustainable aviation fuel (SAF), thus making it possible to avoid approximately 800 ktpa of greenhouse gas emissions compared to its fossil fuels alternatives.

This partnership brings together the vast industrial expertise of both companies as it combines Galp's market and operational synergies with Mitsui's global presence, while also supporting the procurement of the plant's feedstock needs.

The sourcing strategy for the project reflects the emerging circular economy trend, which advocates using waste residues, such as waste oils and biomass, as well as used cooking oils and waste animal fats as feedstocks.

Galp is actively working on offtake agreements to ensure flexibility and to mitigate the supply risk. New supply chains are also being developed to optimise sourcing from diversified geographies. The Company is already producing renewable diesel (HVO) in a hydrogenation unit at its Sines refinery.

The co-processing of vegetable oil with diesel produces a biofuel with characteristics similar to mineral diesel. In 2023, this unit's production reached approximately 108 kton, equivalent to an avoidance of 360 kton of CO_2 emissions.

Galp also owns Enerfuel, an industrial unit in Sines producing Fatty Acid Methyl Ester (FAME) biodiesel. This product is made 100% from the processing of animal fats and used cooking oils, which leverage Galp's trading experience in the market. In 2023, and in compliance with the European Union's Renewable Energy Directive (RED), Galp incorporated 11.5% biofuels into its energy content in Portugal, and 10.5% in Spain. In total, the Company produced over 132.6 kton of biofuels in Iberia, of which almost 25 kton is second-generation biodiesel produced by Enerfuel.

Green hydrogen

Galp considers hydrogen produced through electrolysis powered by renewable electricity (green hydrogen) as an important lever for the energy transition, namely for the decarbonisation of hard to abate sectors, such as heavy-duty transport, maritime, aviation and high energy intensive industrial processes.

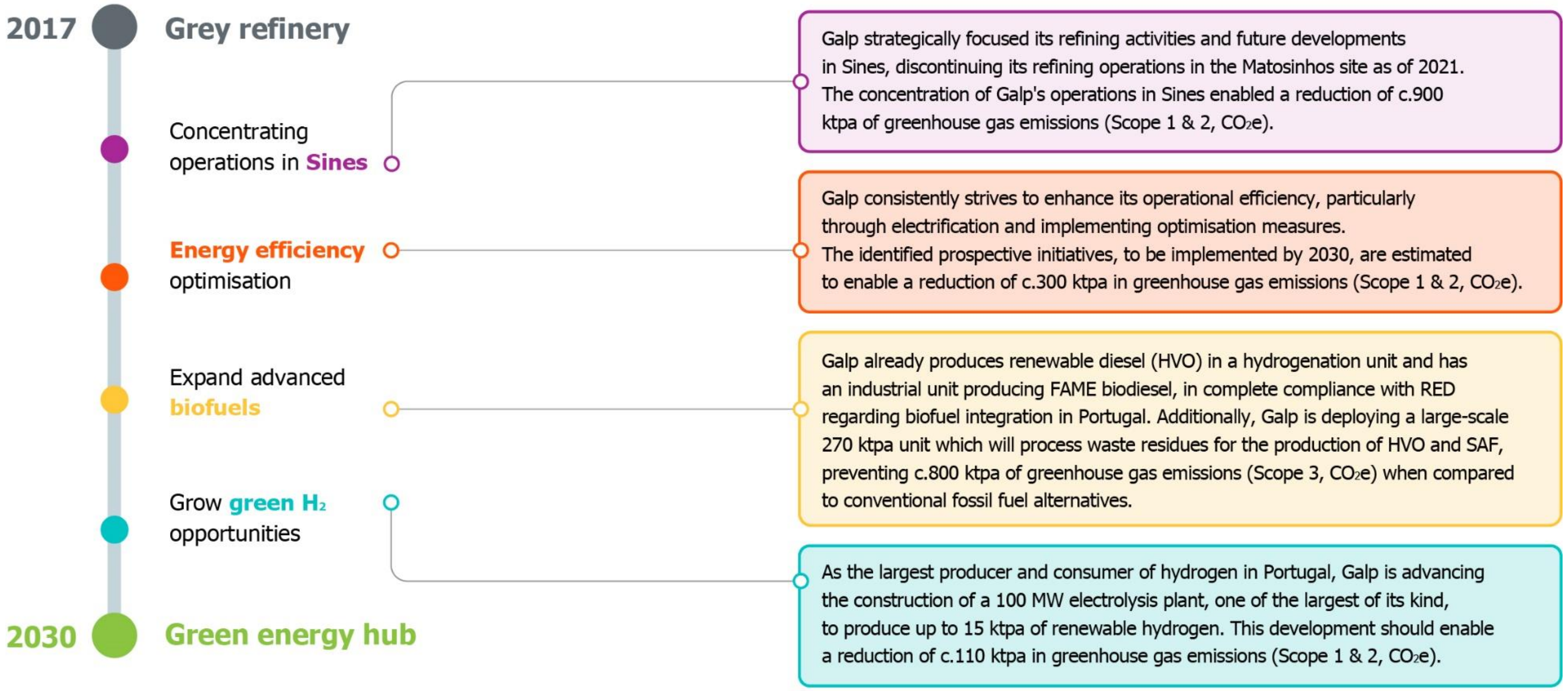
Galp is currently the biggest producer and consumer in Portugal of hydrogen, which today entirely originates from natural gas. In order to decarbonise its Industrial activities, it is important to integrate new technological solutions such as the integration of green hydrogen. If one adds to this a set of competitive advantages that Portugal enjoys — and specifically the Sines complex — in terms of renewable energy sources, infrastructure and strategic location, it is clear that Galp is in a privileged position to develop green hydrogen solutions in the country.

In 2023, Galp made the final investment decision to invest in the construction of a 100 MW electrolysis plant, capable of producing up to 15 ktpa of green hydrogen. This large-scale project will make it possible to replace approximately 20% of the existing grey hydrogen production at the Sines refinery and may lead to a greenhouse gas emissions reduction of c.110 ktpa (Scope 1 & 2, CO_2e). The total investment requirement for this green hydrogen project is estimated at c.€250 m.

The electrolysers will be supplied by renewable power originating from long-term supply agreements and Galp's own renewable power asset base. The unit will use industrial recycled water, with expected annual consumption representing less than 3% of the average annual needs of the refinery.

Plug Power was awarded the order for the 100 MW proton exchange membrane (PEM) electrolysers, whilst Technip Energies will be the main EPCM provider.

Galp aims to continue deploying projects to replace its grey hydrogen production by green production and continuously decarbonise its industrial operations whilst securing an early presence in the hydrogen value chain, which has the potential to be a key stepping stone for a cleaner energy system in the future.



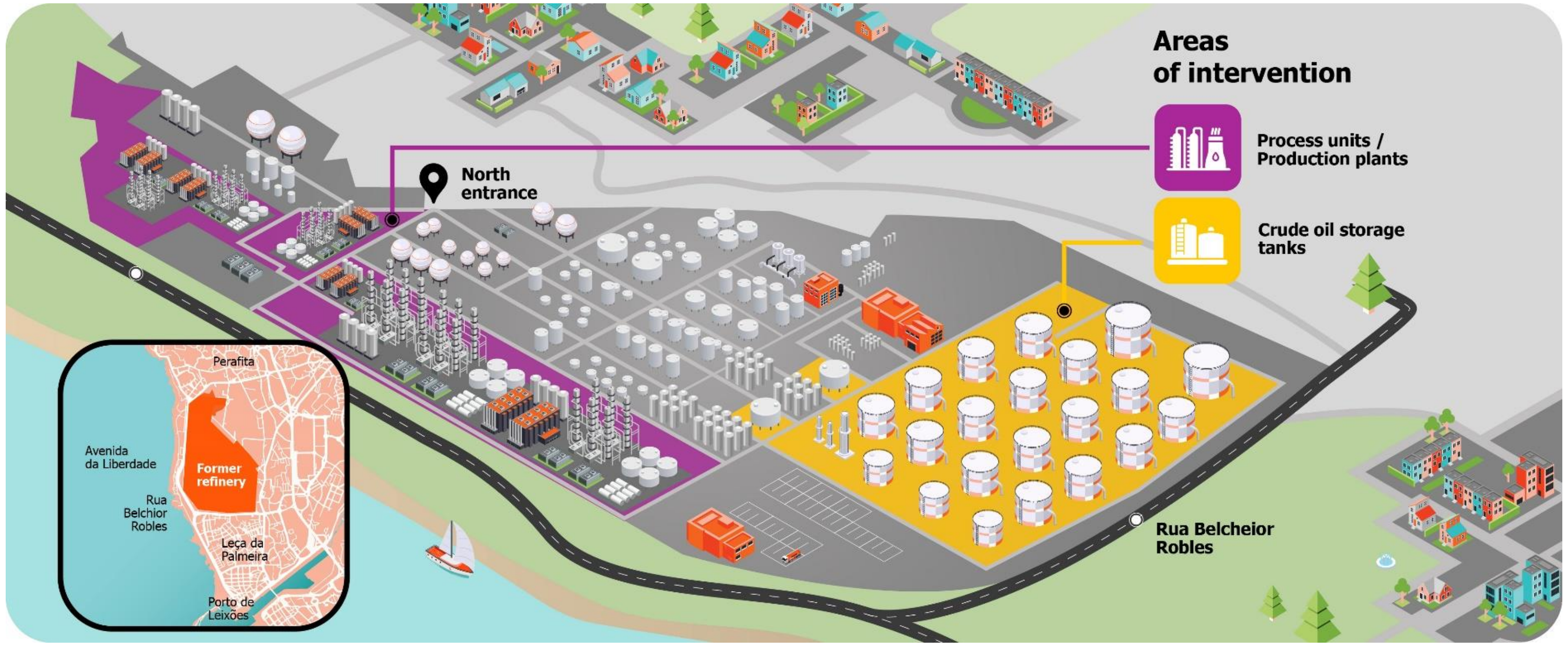
Matosinhos

After a rigorous assessment of alternatives, Galp decided to concentrate its refining activities and future developments in the Sines industrial complex and to discontinue refining operations in Matosinhos from 2021 onwards.

With the aim of promoting the economic, social and environmental context of the northern region, Galp, together with the Matosinhos City Council and the North Regional Coordination and Development Commission, is studying the reconversion of the site into an Innovation District, which could also hold an university campus.

The decommissioning activities of the refinery progressed during 2023, and demolition works started last October. The overall duration of this phase is estimated to be around two and a half years. This represents an important milestone for the decommissioning and dismantling of the refinery, which started approximately two years ago. Throughout this period, a wide range of preparatory operations were implemented, including the safe shutdown of the process units, cleaning and degassing process units, equipment, and pipes to ensure the elimination of hydrocarbons and related products.

Once dismantling is complete, the environmental soil rehabilitation phase will follow to enable the reconversion of the site.



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3.3 Industrial & Midstream
3. Business pillars

Energy Management to enhance integrated value across the value chain

In Midstream, Energy Management has been developing a pivotal position, delivering enhanced value across the integrated value chain of Galp's businesses. The team is adeptly maximising the integrated margin, whilst delivering safe navigation through the energy market dynamics and risk management. It actively captures trading opportunities to add value beyond Galp's equity position.

Internal capabilities have been strengthened, fostering increased synergies and seeking to limit impacts from volatile market conditions. This ongoing process ensures a competitive supply to the core business and allows access to new value levers. The successful entry into the Brazilian natural gas market and increased contributions from both biofuels and renewable power operations showcase the impact of this upgraded process. Energy Management is a key contributor to Galp's long-term integrated value creation, leveraging portfolio flexibility and resilience across the value chains.

Midstream, part of Energy Management activities, encompass supply, trading and shipping activities of crude oil, oil products, biofuels, natural gas, electricity and environmental products — from both equity and third-party origination. Galp captures trading opportunities and maximises management of the integrated margin by optimising supply-to-sourcing and taking advantage of energy market dynamics and risk management.

During 2023, Midstream natural gas supply and trading activities continued to cope with sourcing restrictions from Galp's long-term suppliers at a time of persistent volatility on the European natural gas market. Focused on continuously enhancing internal capabilities, the team managed to improve performance across oil, natural gas and power operations. Most notably, the overall natural gas supply and trading performance was improved, supported by higher portfolio flexibility considering limited pre-sold and pre-hedged contracts, and despite reduced sourced volumes and lower European natural gas prices.

Supply & Trading of Oil and Oil Products

Galp engages in trading oil and its products. The Company participates in Midstream activities throughout the value chain, with a considerable role in the daily operations of the Upstream, Industrial and Commercial activities.

Equity Oil

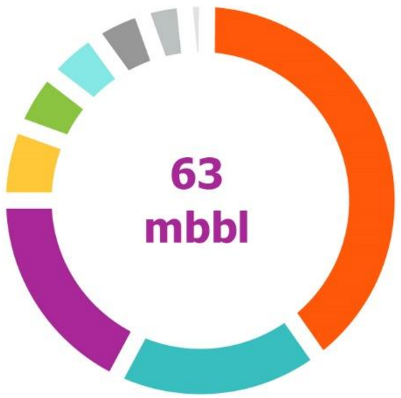
The Energy Management division is responsible for the placement of Galp's equity crude oil production, which now originates entirely from Brazil. The aim is to maximise overall realisations and adjust worldwide outlets according to market conditions. In 2023, in a challenging demand environment, the team placed its equity production efficiently, despite continued pressure from higher logistic costs and the stressed market for Brazilian grades throughout most of the year.

Throughout 2023, volumes sold totalled 36.5 mbbl, of which 91% were placed in China, which maintained its position as the main outlet for Galp's oil production. The other two main markets were Europe and North America, representing 8% and 1%, respectively.

Raw materials and oil products

Energy Management also manages the procurement of crude oil and other raw materials to optimise the refining system and maximise the margin captured. It follows a strategy of supply diversification and of extracting value from the existing asset base.

Crude sources in 2023



In 2023, Galp imported crude from 9 different countries, with medium and heavy crude oils accounting for 75%. Crude sourcing was almost exclusively of a lower sulphur content and Galp's own equity production accounted for only 5% of the crude oil procured. No raw materials were imported from Russia, and most of the 8.5 mbbl of VGO procured throughout the year originated from the Middle East.

The oil products resulting from our refining and trading activities are channelled into Galp's Commercial business, and externally to other operators and exports. In 2023, volumes sold totalled 14.8 mton. This reflected the reduced availability of the refinery due to planned maintenance, and overall pressure in the market, namely in Spain. Of these volumes, 7.1 mton were sold to Commercial, 3.4 mton to other operators and 3.7 mton were exported.

The US, particularly the East Coast, remained one of the most relevant destinations for the export of heavy gasoline components, thus successfully capturing the upside from its placement across the Atlantic. Fuel oil, gasoline and diesel were the main products exported, and accounted for 31%, 22% and 12% respectively of total exports, mostly to the U.S., Spain and Gibraltar.

Exports per product in 2023

Supply & Trading of Natural Gas

Galp has an active NG/LNG supply and trading business. The Company engages in long-term sourcing activities, from which Midstream supplies its Commercial and trading activities, self-consumption in Industrial operations, and directly electroproducers. Additionally, Galp has an active presence in the Brazilian market, where, in 2022, it started to place third party and own equity associated gas production.

Galp's NG and LNG supplies are mainly sourced through long-term contracts with Sonatrach in Algeria and NLNG in Nigeria. These represented about 89% of the Company's natural gas sourcing for Iberia in 2023. In parallel, Galp also explores other sources of supply, namely the Portuguese, Spanish and French wholesale markets.

NLNG is currently Galp's biggest long-term supplier of natural gas. Galp has secured, up until 2027, the delivery of up to around 3.4 bcm (c.41 TWh) of LNG per annum. From 2027 until 2031, only one contract with NLNG will remain, for the supply of 1 mtpa (c.16 TWh) of LNG.

Regarding the agreement with Sonatrach, Galp will continue to source natural gas from Algeria, via the Medgas pipeline to Iberia. Through this contract, Galp has secured 1 bcm (c.12 TWh) per year for a 5-year period, starting in 2021.

Galp has managed to diversify its natural gas sourcing basket through signing agreements with both Venture Global and NextDecade.

In 2018, Galp signed an agreement with Venture Global LNG for the acquisition of 1 mtpa (c.16 TWh) from the LNG export terminal in Calcasieu Pass, Louisiana in the US over a period of 20 years, although the contract is still due to start.

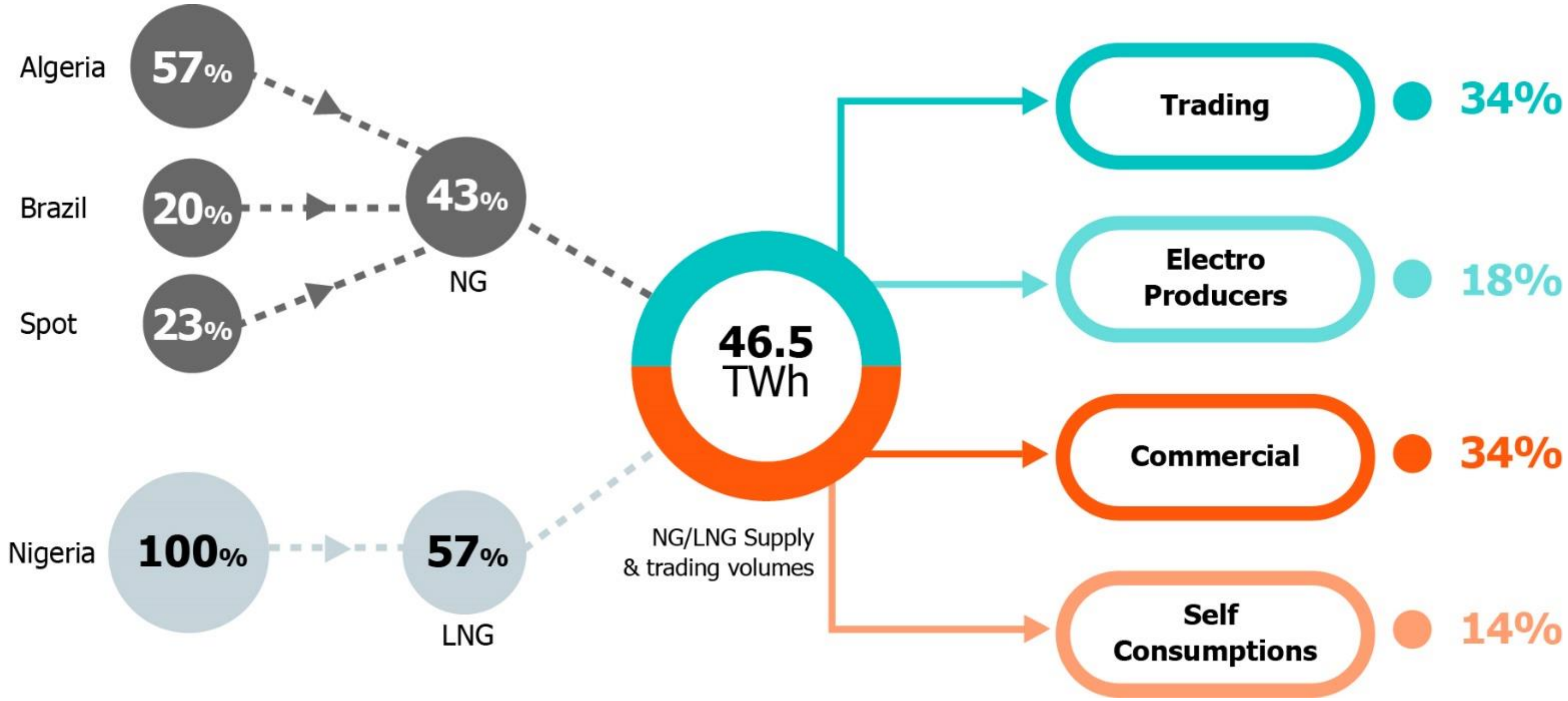
Galp has already agreed to hire an LNG transport vessel from Pan Ocean Co., Ltd for an initial period of 5 years to transport LNG from Venture Global LNG.

In 2022, Galp signed a 20-year sales and purchase agreement with NextDecade to access an additional 1 mtpa (c.16 TWh) of LNG from the US. Commercial deliveries from Next Decade´s Rio Grande LNG (RGLNG) project in Texas are expected to start in 2027.

NG/LNG Supply & trading volumes in 2023

Galp is developing its NG/LNG trading activity in the international market and has also been consolidating its position in natural gas markets in European hubs, namely Spain, France and the Netherlands, through the NG network trading activity.Galp continued to expand its natural gas activities in Brazil, mostly supported on the sale of its associated gas produced in the Upstream operations.

Capturing marketing opportunities in the country, the Company expanded its presence along the natural gas value chain, targeting new clients and creating new business opportunities that contribute to improved realisations of the Upstream associated gas sales.



Galp also entered into third party supply agreements to secure additional volumes in the region. During the year we continued to expand our footprint in the market beyond the equity position, contributing approximately 4 TWh of NG/LNG volumes in 2023, up 105% YoY.

Galp has agreements with Petrobras and local transportation companies to ensure direct access to the processing and transportation infrastructures.

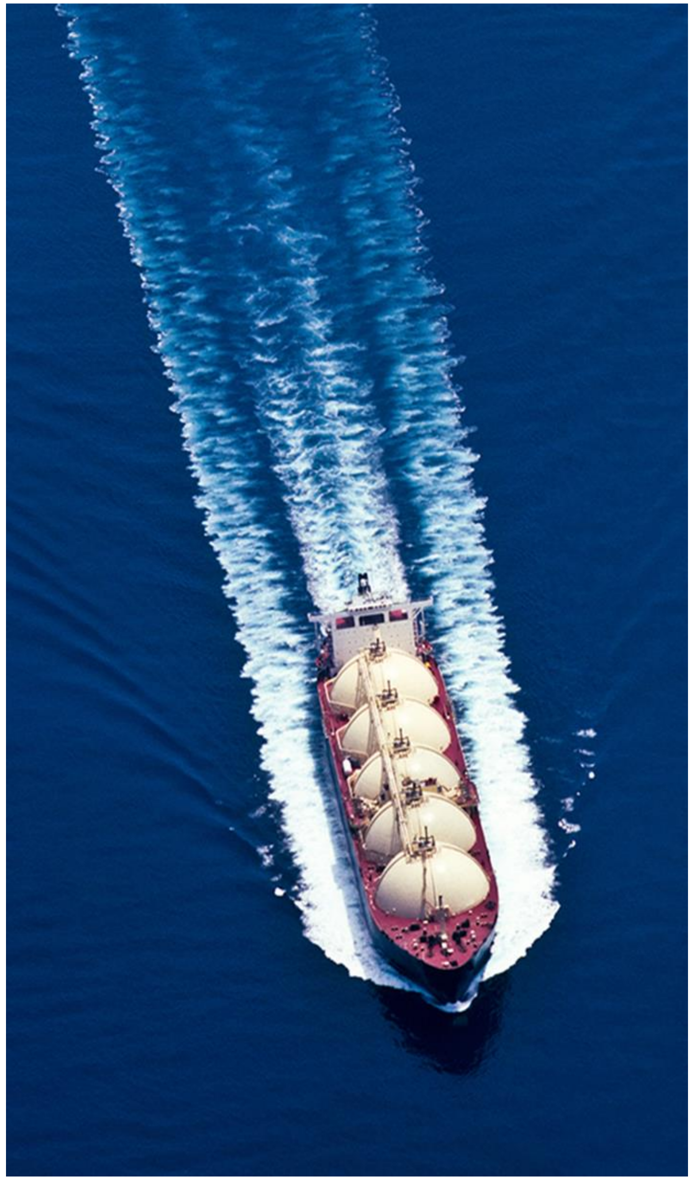
Supply & Trading of Power

In the Iberian Electricity Market (MIBEL), Galp has a presence on the spot market (OMIE) and the forward market (OMIP). The main aim being to optimise Galp's sourcing and renewables production to guarantee the needs of the Commercial business and enable value creation through trading.

Galp currently has long-term contracts for the purchase of renewable energy from solar power plants for a total of approximately 500 GWh per year. This is part of its strategy to ensure a competitive supply of efficient and environmentally sustainable energy solutions.

During the year, the Company entered into several bilateral agreements, mainly with Iberian cogenerations, to perform route-to-market services and ancillaries services.

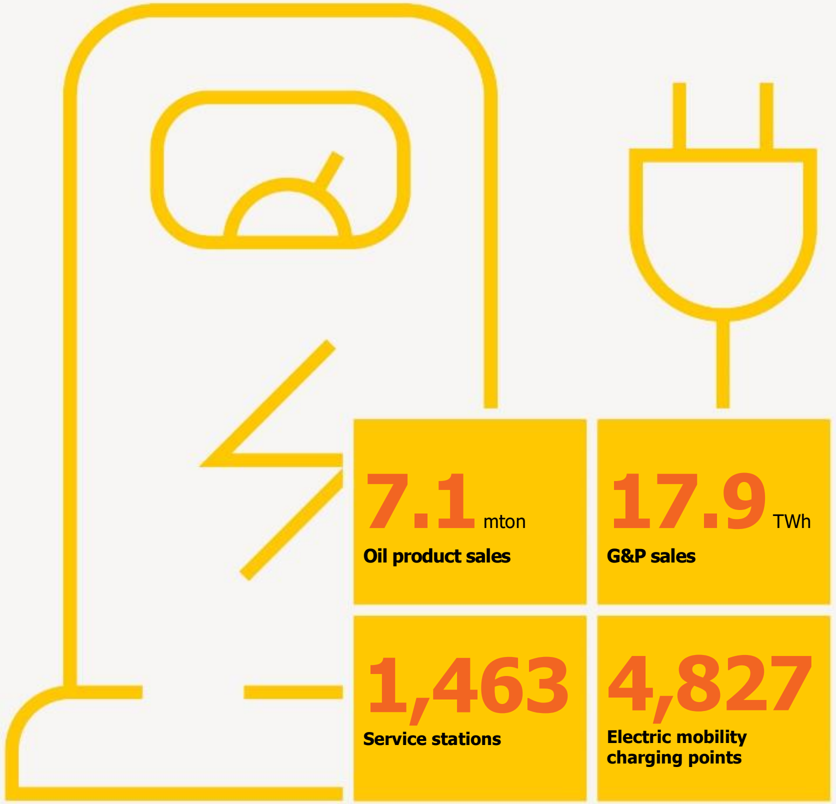
The Company also established a Brazilian Power trading desk at the end of 2022, which focuses on establishing a profitable portfolio in this growing market.



3.4 **Commercial**

2023 Highlights

- Sales of oil products reached 7.1 mton, as a pressured environment in Spain's Enterprise segment was partially offset by improved demand in Portugal, notably in the B2C segment.
- Natural gas and electricity sales reached 13.8 TWh and 4.1 TWh, respectively. This mainly reflects weaker demand in the Iberian Residential and Enterprise segments. Galp reinforced its industrial clients' portfolio, which will make a substantial contribution to natural gas and electricity sales in the years to come.
- In collaboration with Bosch and TJA, Galp launched an innovative 100% renewable fuel and aims to make such solutions available to corporate customers and logistics operators.
- Galp once again confirmed its leadership in electric mobility as its charging network surpasses 4,800 points installed in Iberia.
- Galp continued to expand its customer experience, with 26 new hubs and 169 c-stores retrofitted. Aiming to transform the current service stations in innovative, multi-energy and convenience concepts, the c-store developments enabled an increased contribution of convenience to the Commercial operating results.
- Solar solutions continued to grow in B2C and B2B segments, with a total of 4,847 installations in Portugal and 1,323 in Spain, closing the year with 6,170 cumulative installations, which corresponds to an equivalent installed capacity of c.23 MW.



Main indicators

	2022	2023
Sales of oil products to direct costumers (mton)	7.4	7.1
Natural gas sales to direct costumers (TWh)	19.0	13.8
Electricity sales to direct costumers (TWh)	4.1	4.1
Number of service stations	1,475	1,463
Number of convenience stores	860	852
Number of electric mobility charging points	2,382	4,827
RCA Ebitda (€m)	298	303
RCA Ebit (€m)	75	145
OCF (€m)	290	218
Investment[1] (€m)	113	111

[1] Includes additions/decreases of investments, loans and capital subscription to other entities (ie associates and joint ventures).

Commercial

Delivering the energy of today and the solutions of tomorrow

As a leading energy provider in Portugal and with an established position in Spain, Galp is undertaking a structural transformation of its Commercial business. This entails rapidly adapting its offer and products to meet emerging demand trends and reshaping its footprint towards innovative and digitally enhanced multi-energy propositions focused on convenience, non-fuel offerings and an increasingly relevant offer of low carbon products and services in both the B2C and B2B segments.

Galp is at the forefront of supplying tomorrow's energy needs as it is top provider of electric vehicle charging points in Portugal and is rapidly expanding its network in Iberia. It aims to have 10,000 installations by 2025 and is also positioned to exploit the fast-growing decentralized energy market in Iberia.

Galp's Commercial business provides a complete and transversal offer to its direct clients. This ranges from oil products, natural gas, and electricity, as well as other convenience services and multi-energy solutions, such as decentralised solar energy and electric vehicles charging points. Maintaining a customer-centric approach, the Commercial business offers solutions for companies and customers in different geographies while leveraging Galp's strong brand in Iberia and its position in a number of African countries.

Galp's Commercial business is tailored to meet the needs of different clients in the following segments:

- **Mobility** - energy solutions (oil products, electric mobility, and new energies) and retail convenience, supported by a large network of service stations and being a recognised brand in the Iberian market;
- **Residential -** providing natural gas, electricity, and energy efficiency solutions to households. These include liquefied petroleum gas (LPG), complemented by an increasingly relevant offer in the solar and electric-mobility categories;
- **Enterprise -** offering energy solutions to B2B clients across oil products, natural gas and electricity, as well as diversified multi-energy to support clients pave the way for transition to low carbon energies;
- **International** - operating in a selection of African countries, where Galp distributes oil products and LPG through a network of service stations, dealers, and resellers.

Galp is actively adapting to new consumption patterns by offering products and services that are more sustainable and digitally enhanced.

Operational performance in 2023

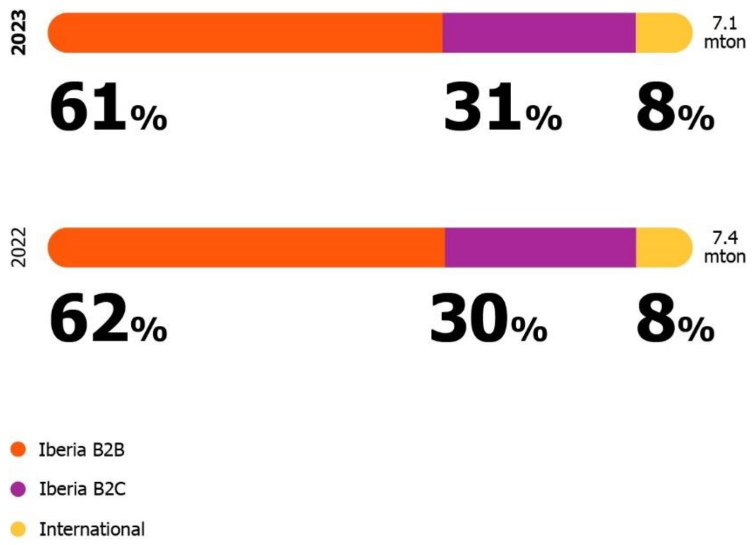
During 2023, Galp continued transforming its retail network to better serve future consumption patterns based on emerging needs. Over 170 convenience stores were revamped in Iberia, with 27 new hub concepts deployed in selected premium locations. This resulted in an increased non-fuel & low-carbon contribution.

In parallel, Galp continued to increase its EV charging network, with 4,827 charging points installed by year end, and to expand its distributed solar footprint, with 6,170 new solar panels installed in Portugal and Spain during 2023.

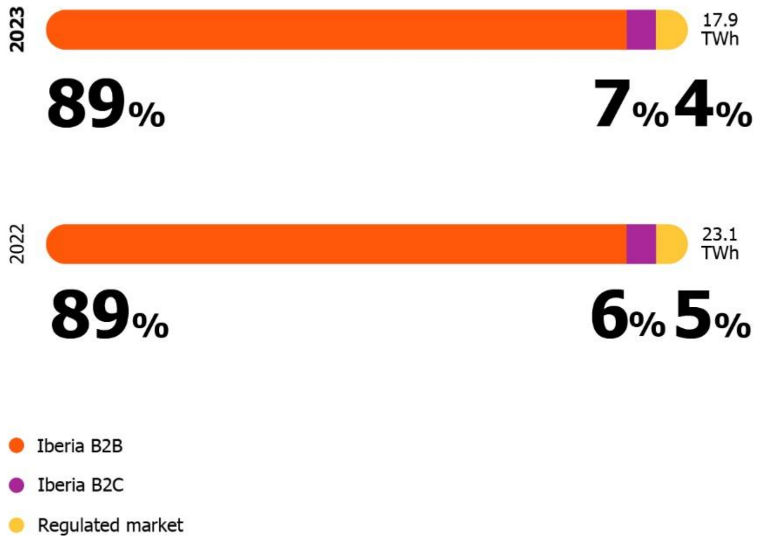
Oil volumes sold to direct customers decreased 4% YoY, to 7.1 mton, reflecting better performance in the B2C segment in Portugal during the period. Although this was offset by the more pressured demand environment in some Enterprise segments in Spain.

Sales of natural gas to direct customers amounted to 13.8 TWh, a decrease of 5.2 TWh YoY. This reflected weaker demand in Iberia. Electricity sales were flattish YoY, at 4.1 TWh, with the demand deterioration in Portugal´s Enterprise segment offset by material growth in electricity sales in Spain.

Oil product sales



Gas & Power sales



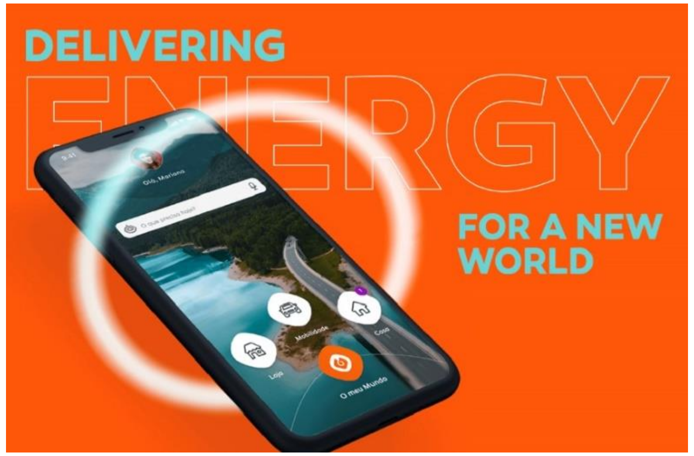
Mobility

Galp is the market leader in Portugal with one of the most recognised and trusted brands and also a relevant operator in Spain. It provides energy and services to its mobility customers through oil products, electric mobility, new energies, non-fuels, and convenience products/services.

At the end of 2023, Galp's retail network consisted of a total of 1,257 service stations in Iberia, 697 of which were in Portugal. During the year, Galp consolidated its position in the Portuguese market and maintained a relevant position in Spain, reaching a market share of c.26% and c.4%, respectively.

Galp has 341 convenience stores in Portugal and 371 in Spain and has been renovating and enhancing its network, also offering differentiated products and services and optimising the customer experience. Galp wants to convert all its current retail network within this decade, with digitalisation being the key for simplifying and elevating the customer journey.

To capture further market opportunities, Galp has also been exploring new solutions. These include tapping the electric mobility market, expanding its EV charger network in Iberia to 10,000 installations by 2025. At the end of 2023, it had 4,827 charging points in operation.



Transformation of the store concept

Galp continues to expand the customer experience, aiming to transform existing fuel stations into innovative, multi-energy and convenience concepts by modernising and digitalising them, and also expanding the range of products and services.

Strong partnership opportunities remain part of the commercial strategy in order to extend cross-selling and differentiate Galp's brand as a service provider and diversified retail player. In 2023, Galp partnered with Padaria Portuguesa, a well-established Portuguese food retail brand to provide a tailored bakery & cafeteria offer in some stores. Additionally, through partnership with Amazon, Inpost and CTT (the latter only in Portugal), a pickup point service has also been deployed in Galp's service station network.

Mundo Galp

Mundo Galp (Galp World) is the retail network loyalty program, launched in 2021 and designed to be used via a mobile application and web (https://mundo.galp.com).

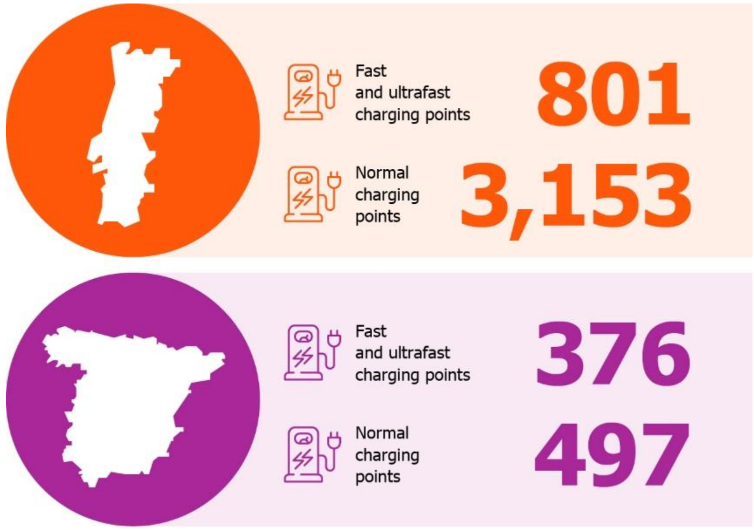
There were more than 1.9 million registrations to Mundo Galp in Iberia, more than double the platform's base in 2022. In partnership with the largest food retail group in Portugal, Sonae, Galp intends to continue growing the relevance of Mundo Galp as a loyalty instrument, and establish it as a key platform to market and deliver meaningful value propositions to clients.

Electric mobility

Galp is a key player in the electric mobility industry in Iberia, operating as a CPO (Charging Point Operator), an energy retailer and a provider of charging solutions. In 2023, Galp reached an electricity volume share of around 17% in Portugal, the main market in which it operates.

In 2023, Galp had 4,827 charging points in Iberia. The Company currently owns the largest network in Portugal, with 3,954 charging points in operation, of which more than 800 are fast and ultra-fast charging points. Galp is also developing its network structure in Spain, with 873 charging points already installed.

During the year, Galp supplied 17.2 GWh of electricity through its charging infrastructure, an increase of 8.3 GWh compared to the previous year.



In 2023, Galp and IKEA joined forces to create the largest network of charging points in private spaces for electric vehicles in Portugal. The agreement foresees the installation of c.280 Galp charging points in the parking lots of IKEA stores.

Galp will continue to focus on expanding its network of charging points in Iberia on its own service station network. It will also identify additional locations in both public and private locations. The Company expects to have 10,000 charging points installed in Iberia by the end of 2025, with this business playing a relevant role in Galp's commercial portfolio transformation to lower-carbon offers.

Residential

Galp serves its residential customers through the integrated offer of natural gas, electricity, and LPG in Iberia. It also provides services aimed at ensuring safety, efficiency, and comfort, as well as supporting the clients with adopting new energy solutions like solar PVs and electric mobility charging points.

In the LPG business, sales of the new Pluma bottle continued to increase. Pluma, the first smart bottle in the world, launched in 2022, allows the customer to check the gas level in real-time via the Mundo Galp app.

Galp supplies natural gas and electricity to more than 355,000 customers in Iberia and is one of the key players in this market. In Portugal it holds a market share of approximately 21% in the natural gas market and approximately 4% in the electricity market.

In Spain, Galp has a presence in the gas and electricity market through a 25% stake in a digital supplier, PODO, which currently has 53,000 customers on a platform that allows a more agile combined supply of gas, electricity, and services.

Galp Solar – distributed energy solutions

Galp has developed a distributed renewable energy production solution, Galp Solar, based on small scale solar power generation systems and services. This aims to maximise energy consumption and efficiency for both B2C and B2B clients.

Galp Solar uses advanced technologies, such as satellite image analysis, artificial intelligence algorithms and big data, to optimise the acquisition and installation costs of distributed solar panels and offers the solution best suited to the customer's needs.

By the end of 2023, Galp had carried out 4,847 installations in Portugal and 1,323 in Spain. At the ending of the year there were 6,170 installations in total, which corresponds to an installed capacity of approximately 23 MW.

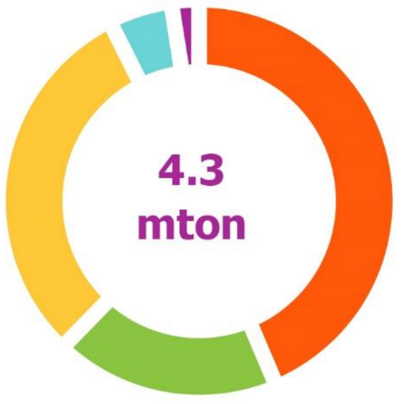
Going forward, the Company will seek to develop new products and services, such as batteries, EV chargers, and home solutions, to capture the high market potential in Iberia.

Enterprise

Galp's offer in the B2B segment in Iberia covers the entire portfolio, including oil products such as fuels, chemicals, and lubricants, as well as natural gas, electricity, new energies, and services. Galp is able to provide a truly integrated multi-energy offer, covering the multiple needs of companies and supporting its clients' journey towards a low-carbon future.

In this segment, the Company serves thousands of customers across Iberia in a variety of sectors including the transportation, marine, aviation, industry, services and public sectors.

2023 Iberian oil product sales in B2B segment



The Company promotes energy efficiency solutions and low carbon products, as well as technical services aimed at optimising and reducing energy consumption by installing more efficient equipment.

After being the first supplier in Portugal to provide SAF and Marine fuels (HVO) during 2023, Galp unveiled a new 100% renewable diesel fuel in partnership with Bosch and TJA. Galp's new 100% renewable diesel is a low-carbon biofuel derived from residual or advanced raw materials, such as used cooking oils and animal fat residues. This allows for a reduction of CO_2 emissions of up to 90% (product lifecycle) compared to fossil diesel. Its use in vehicles with internal combustion diesel engines is identical to that of conventional diesel.

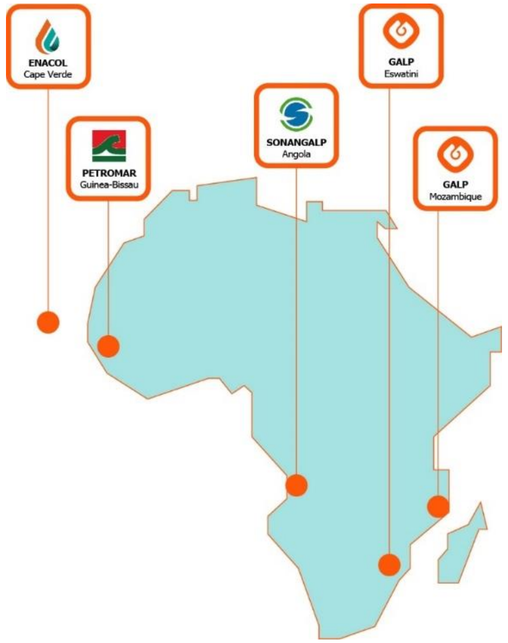
In the enterprise segment, Galp's offer also includes auditing, training, and energy efficiency certification, as well as technical services to optimise and reduce energy consumption by installing more efficient equipment, such as lighting, charging stations and solar panels, among others.

International

Galp currently operates in Africa through its stakes in five companies. It is the market leader in Cape Verde and Guinea and has a relevant position on the other countries where it operates. Each company focuses on a specific country, allowing brands to adjust their marketing and operations to different market scenarios and maximise value for customers in each region.

The Company has been consolidating its position in a selected group of African countries, where significant market growth is anticipated. The quality of the products, as well as the geographical location and synergies with the existing logistic and business capacities, serve as key competitive advantages that contribute to the development of Galp's presence in these countries.

During the year, the Company increased its network to a total of 206 service stations and 140 convenience stores spread across the five African countries.



Daloop

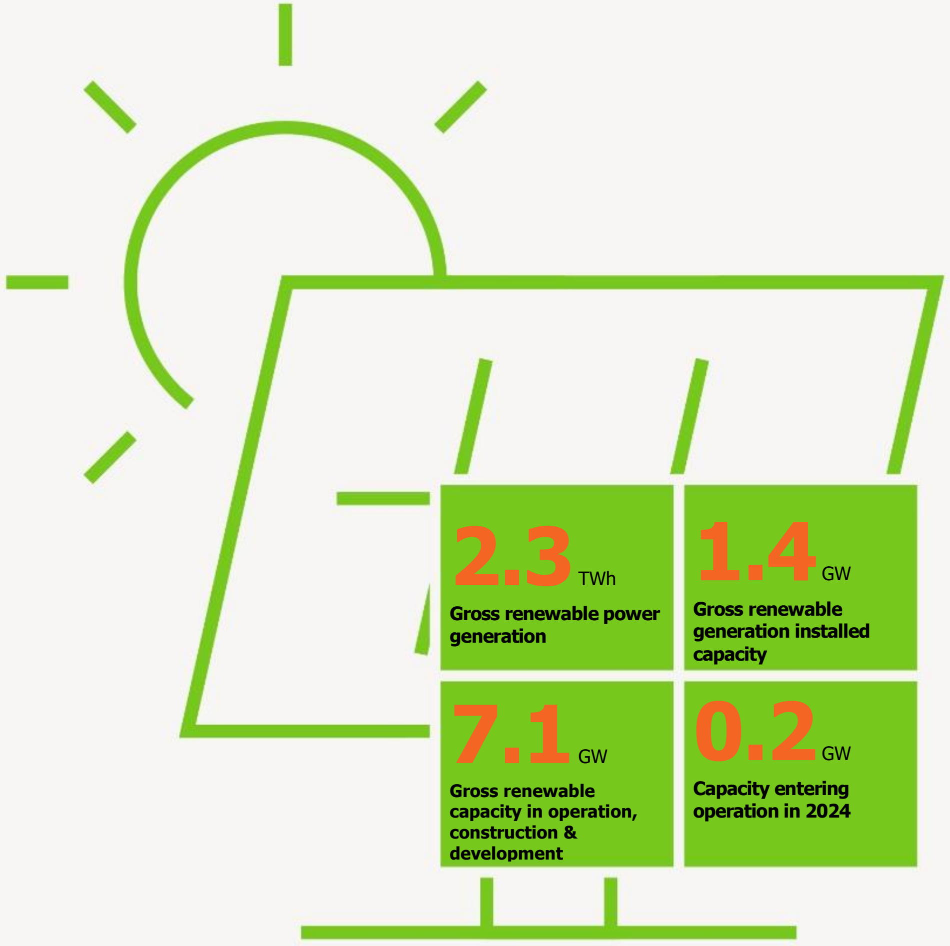
Daloop offers a Software as Service (SaaS) platform for managing EV charging infrastructure and fleets. Daloop provides this platform to various entities such as charge point operators, mobility service providers, utilities, and facilities. It offers them the necessary tools to securely expand and implement solutions for the fast-growing EV ecosystem.

In 2023, Daloop provided strategic solutions to support Galp's Electric Mobility business unit and secured relevant international customers Daloop will continue to play an important strategic role in the development of Galp's digital capabilities across its different businesses and operations while expanding its SaaS solutions to international markets.

3.5 **Renewables & New Businesses**

2023 Highlights

- Renewable power generation was up 21% YoY on a comparable basis, mostly on the back of increased installed capacity.
- Galp's first integrated solar park in Portugal was inaugurated with a total installed capacity of >140 MWp.
- Galp pushed forward its hybridisation and storage projects, namely through a 0.5 GW onshore wind plant and taking a FID on a storage pilot.
- A Memorandum of Understanding was signed with TES to assess installation of lithium-ion battery recycling units in Iberia.
- Aurora project engineering progressed with a Detailed Engineering Study due to be completed in 1Q24.
- Corporate Venture Capital invested $5 m in Verdagy's ground-breaking electrolyser technology for green hydrogen production.



Main indicators

	2022	2023
Renewable installed capacity[1] (GW)	1.4	1.4
Renewable power generation[1] (GWh)	1,930	2,338
Avoided CO_2e emissions (ktonCO_2e)	309	271
RCA Ebitda (€m)	50	131
Pro-forma Renewables RCA Ebitda[2] (€m)	180	143
Pro-forma Renewables RCA Ebit[2] (€m)	148	35
Pro-forma Renewables OCF[2] (€m)	168	129
Investment[3] (€m)	402	142

[1] Corresponds, on a 100% basis, to the installed capacity of renewable electricity generation projects at the end of the year.
[2] Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes.
[3] Includes additions/decreases of investments, loans and capital subscription to other entities (ie associates and joint ventures).

Developing a competitive platform to support integration across the value chain

The Renewables & New Businesses unit targets the development of a sustainable and diversified portfolio of renewable energy generation solutions. This is leveraged by exploring synergies with the Company's other businesses. Galp explores different growth opportunities in the markets where it is present, yielding a unique portfolio that is a key part of Galp's energy transition trajectory and ambitions to reduce its carbon footprint. In addition, the Company identifies, assesses, and develops new business opportunities in the energy space and seeks to add new value pools to current businesses.

Renewables

As part of its low carbon strategy, Galp's Renewables & New Businesses unit has already successfully deployed a relevant portfolio and established itself as one of the largest solar photovoltaic energy producers in Iberia.

In 2023, compared to 2022, Galp increased its global renewable energy generation from 1.9 TWh to 2.3 TWh. Solar generation makes up almost all of Galp's renewables production.

The Company's solar portfolio includes projects in operation, under construction and at earlier stages of development, in Spain, Portugal and Brazil.

During 2023, Galp streamlined its projects pipeline, applying a disciplined and selective investment criterion to ensure adequate returns from its projects. The Company aims to continue growing its renewables position, while focusing on safe and timely execution of its pipeline. The expansion plan is selective and focused on the existing pipeline, whilst at the same time de-risking and pursuing diversification options that are a strategic fit with the current portfolio.

Galp's renewable strategy involves balancing its presence in its core markets, where integration can represent a competitive advantage, in order to secure a long-term sustainable portfolio adjusted to the natural market profile. It is actively pursuing energy management projects, capital structure optimisation and asset rotation by leveraging the Company's integrated business model.

Diversifying technologies is important for building a more resilient low-carbon business, including exploring hybridisation and storage opportunities. Galp already has 0.5 GW onshore wind hybridisation projects at an advanced stage of development and has taken the FID to install a utility-scale battery energy storage system pilot, both of which will determine our portfolio diversification strategy.

Developing and increasing renewables will be increasingly important for Galp's integration across the energy value chain, as power needs from industrial assets and commercial clients are expected to continue increasing.

Renewables portfolio

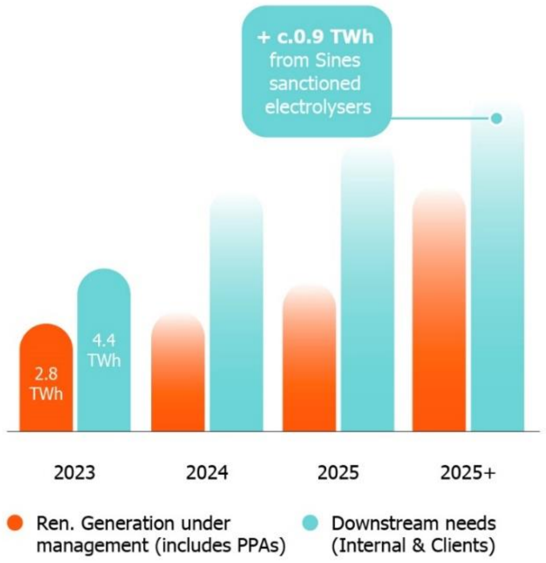
Galp Renewable capacity (GW)	In Operation	Under Construction	Under Development	Total
Gross	**1.4**	**0.2**	**5.5**	**7.1**
Spain	1.3	0.2	2.0	3.5
Portugal	0.2	0.0	0.8	1.0
Brazil	0.0	0.0	2.6	2.6

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.

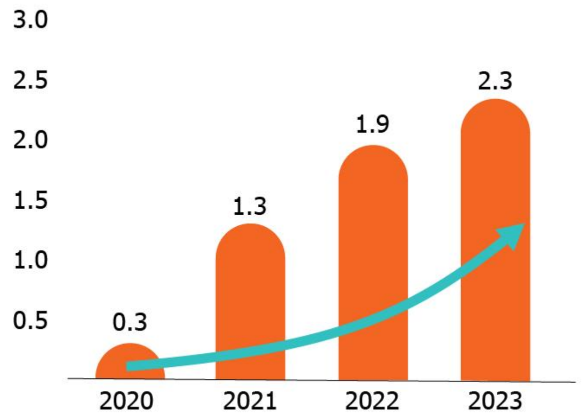
Project	Country	Region	Capacity (MW)	Status
Projects in operation and under construction				
Alcazar	Spain	Castile la Mancha	190	In operation
Alcazar I, II, III	Spain	Castile la Mancha	150	In operation
Almaraz	Spain	Caceres	50	Under construction
Aragón	Spain	Aragon	725	In operation
Ictio Solar	Spain	Castile la Mancha	50	In operation
Logro	Spain	Aragon	50	In operation
Manzanares	Spain	Castile la Mancha	36	In operation
Perea & Vegon	Spain	Castile la Mancha	100	Under construction
Pitarco	Spain	Aragon	62	In operation
Toledo & Ahin	Spain	Castile la Mancha	65	Under construction
Alco	Portugal	Algarve	144	In operation
Vale Grande (wind)	Portugal	Coimbra	12	In operation

In 2023, Galp managed 2.8 TWh, including c.0.5 TWh from 3rd party PPAs, while its power needs amounted to 4.4 TWh.

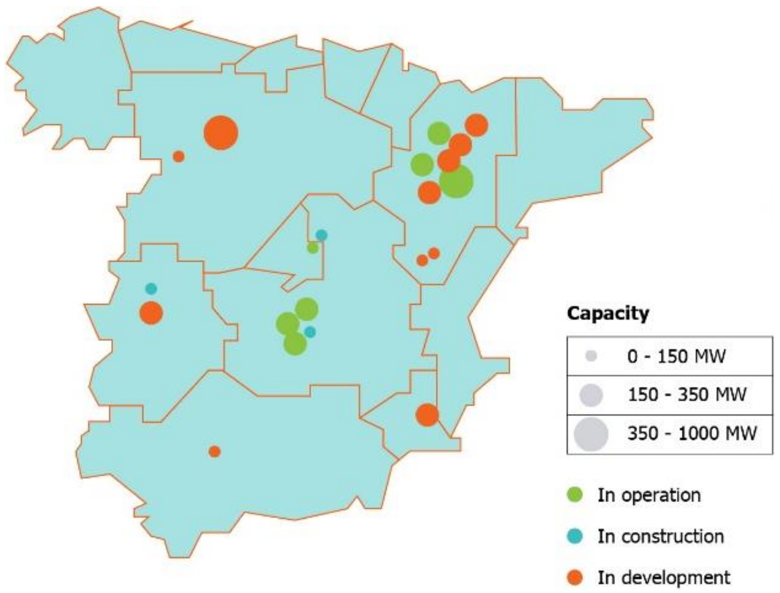
Organic portfolio build-up



Renewable electricity generation (TWh)

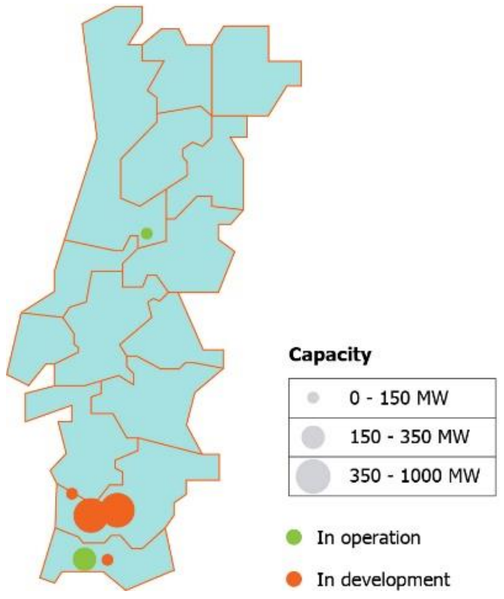


Spain



Galp's Spanish renewable pipeline is entirely solar with 3.5 GWp, 1.3 GWp of which are installed and in operation. During 2023, persistent licensing delays continued to impact the installation of new capacity and the start of construction. Galp successfully added 50 MWp to its total installed capacity and, in 2023, total solar energy generation in Spain amounted to 2.1 TWh, a 12% increase compared to 2022.

Portugal



In Portugal, Galp's solar PV portfolio includes a >140 MWp plant in Alcoutim, Galp's first solar project in the country, where the first battery storage project pilot will also be deployed. The Portuguese solar pipeline also includes c.430 MWp in Ourique and 10 MWp in Odemira, both in Alentejo, which are in different stages of development. On top of the solar portfolio in Portugal, Galp also owns an approximately 10 MW wind farm operating in Arganil.

In 2023, Galp's first full year of solar generation in Portugal, renewables production amounted to c.260 GWh.

New Businesses

Galp is actively identifying and developing new business opportunities with the potential to drive growth and profitability in areas related to sustainability, energy transition, transportation, infrastructure and production.

Battery Value Chain (BVC)

Energy storage technologies will play a fundamental role in paving the way for a sustainable transition, as the EU aims to become active in lithium-ion battery production and electric mobility. Europe’s path to net zero requires a major push to electrify industries, with the transportation and e-mobility areas having been identified as those where the greatest benefits can be achieved.

Portugal has the potential to develop an integrated value chain around batteries, given the availability of endogenous renewable resources, lithium spodumene, nearby automotive capacity and its infrastructure and geographic position. Galp is in a privileged position to participate in the development of a local and integrated value chain due to its experience of operating large-scale industrial businesses and chemical processes, raw material sourcing and trading, renewable energies expertise and highly skilled workforce.

Galp has taken a significant first step towards being one of the first to exploit the lithium processing segment of the battery value chain. Galp and Northvolt set up the joint venture Aurora to build and operate a lithium processing facility in Portugal. This has the capacity to produce up to 35 kton of lithium hydroxide a year, sufficient for 50 GWh of battery production per year (approximately 700 k electric vehicles per year).

The project will use a proven conversion process and leverage recent process improvements and technologies to increase sustainability and efficiency. The Aurora JV is seeking to enable the use of green energy to power the conversion process, thereby minimising reliance on the conventional natural-gas-powered approach. The project is moving ahead, with a focus on developing a solid engineering blueprint to ensure project execution quality. The definitive feasibility study is expected to be complete in the first half of 2024.

In addition to lithium processing, Galp is actively assessing entering other parts of the battery value chain. In 2023, the Company signed a Memorandum of Understanding with Singapore-based battery recycling company TES, to jointly evaluate the feasibility of launching lithium-ion battery recycling operations in Iberia.

Galp continues to explore other business opportunities in the growing battery value chain, leveraging the expertise and strong network it acquired whilst developing the Aurora project and also the current social, political and financial support for projects that enable the energy transition.

Corporate Venture Capital and Other Businesses

Galp's first venture capital commitment to the European fund of the US-based firm Energy Impact Partners in 2020, was followed, in 2022, by its first direct investment in 6K, Inc., an advanced materials producer, and 2023 saw Galp secure its second venture capital direct investment.

Galp invested $5 m in Verdagy to accelerate the development and commercialisation of an electrolyser module less dependent on raw materials than other electrolysis technologies. The technology is expected to significantly lower the capex and opex of an electrolyser.

After validating the technology, 6K Inc. has now broken new ground with its first industrial facility to produce clean and low cost battery materials at scale in Tennessee, USA, with the start of operations expected for 2025. This unit aims to be the first in a series of plants, and provides a blueprint for expedited replication.

Throughout the year, Galp continued to monitor and assess investment opportunities targeting areas of high strategic relevance for the Company’s ambitions for energy transition. In addition to the financial attractiveness of Galp's venture capital investments, exposure to the entrepreneurial and innovation ecosystem has resulted in several commercial collaborations with disruptive start-ups as well as relevant leads for the development of new business opportunities.

Innovation

The Innovation team's mission is to create opportunities to support the business units with innovative solutions for cleaner energy and faster decarbonisation. By testing new ideas and collaborating with the innovation community, Galp aims to test and validate solutions that could have the potential to generate new profit streams.

Through its Innovation team, Galp also strengthens its partnerships with customers, suppliers, research centres and universities to accelerate the energy transition and offer efficient energy solutions.

Our innovation projects prioritise optimising processes, promoting circularity and sustainability while smartly integrating resources and materials.

In 2023, Galp's innovation model successfully completed 12 impact innovative projects. It collaborated with over 55 startups and more than 100 research institutions, and 5 innovation projects were scaled projects that open up promising business opportunities.

Over half of the new projects in 2023 focused on reducing carbon emissions.

DELIVERING ENERGY FOR BALANCE

4. Financial performance

4.1 **2023 highlights**

Galp's RCA Ebitda was €3,558 m, reflecting robust operating performance across all business units, whilst OCF amounted to €2,269 m.

Economic capex was €1,076 m, mostly directed towards upstream growth, downstream transformation and building renewables capacity. Investments in Portugal represented 1/3 of total spending, most allocated to the FID of two world-class projects in Sines, namely 100 MW electrolysers for green hydrogen and an advanced biofuels unit (HVO/SAF), growing electric mobility and modernising the retail network.

Net capex totalled €859 m, considering €209 m of downpayment and other inflows related to the ongoing disposal of Angolan upstream assets.

Free Cash Flow amounted to €1,373 m, covering dividends to non-controlling interests of €169 m, dividends paid to shareholders of €422 m and €500 m of share buybacks.

Net debt was reduced to €1.4 bn, further strengthening Galp's financial position whilst executing an ambitious growth and transformational investment plan. At the end of the period, net debt to RCA Ebitda was 0.4x.

Ebitda and Ebit by business segment in 2023

€m

	IFRS Ebitda	Inventory effect	RC Ebitda	Special items	RCA Ebitda
Galp	3,710	59	3,769	(211)	3,558
Upstream	2,488	-	2,488	(225)	2,263
Industrial & Midstream	886	43	929	-	929
Commercial	275	15	290	13	303
Renewables & New Businesses	131	-	131	-	131
Others	(69)	(0)	(69)	-	(69)

€m

	IFRS Ebit	Inventory effect	RC Ebit	Special items	RCA Ebit
Galp	2,618	59	2,676	(207)	2,469
Upstream	1,960	-	1,960	(221)	1,739
Industrial & Midstream	650	43	693	-	693
Commercial	117	15	132	13	145
Renewables & New Businesses	18	-	18	-	18
Others	(126)	(0)	(126)	-	(126)

4.2 **Operating performance**

Upstream

RCA Ebitda was €2,263 m, down 27% YoY after the exclusion of any contribution from Angolan upstream assets and also reflecting the lower oil and gas pricing context.

Production costs were €105 m, excluding IFRS 16 leases, or $2.6/boe on a net entitlement basis. IFRS 16 leases during the period amounted to €158 m.

Amortisation and depreciation charges (including right-of-use of assets) amounted to €524 m, lower YoY, following the classification of the Angolan assets as held for sale, and considering the exploration and appraisal impairments booked throughout 2022. On a net entitlement basis, unit DD&A was $12.7/boe.

RCA Ebit was €1,739 m, down 22% YoY, while IFRS Ebit amounted to €1,960 m, with special items mostly related to the Angolan upstream assets, booked under "non-current assets held for sale" until completion of the transaction.

Industrial & Midstream

RCA Ebitda for Industrial & Midstream was €929 m, €478 m higher YoY, mostly reflecting the improved contribution from Midstream trading activities. OCF was €764 m.

Galp's refining margin was down 5% YoY, to $11.0/boe, as the less supportive international oil products cracks were partially offset by the normalisation of energy costs. Refining unit cash costs increased YoY to $4.5/boe, reflecting the planned maintenance activities performed in Sines during 1Q23 and 4Q23, and impacted by inflation.

Midstream was supported by the robust performance of natural gas trading activities after significant unplanned impacts driven by the gas market context in 2022, as well as by the positive contribution from the supply and trading of oil and power.

RCA Ebit was €693 m, although this included impairments and provisions of €116 m during the year. IFRS Ebit was €650 m.

Commercial

RCA Ebitda increased 2% YoY to €303 m, driven by the increased contribution of non-fuel and lower carbon businesses, already representing 33% of the Commercial Ebitda, and benefiting from a record high performance in segments such as convenience, gas and power.

RCA Ebit was €145 m, up 94% YoY, considering the impairments registered in 4Q22. IFRS Ebit was €117 m.

Renewables & New Businesses

Renewables & New Businesses RCA Ebitda was €131 m. During the period, Galp's realised sale price was €80/MWh, down from €143/MWh in 2022, mostly reflecting the lower Iberian market wholesale prices.

RCA Ebit was €18 m, including €59 m of impairments related to the renewables portfolio under development in Brazil in the light of the challenging market conditions in the country.

OCF amounted to €138 m. On a last 12 months basis, a 14% return was achieved on €0.9 bn of invested capital (on operating assets as of 31 December 2023).

4.3 **Consolidated income**

Consolidated income (RCA, except otherwise stated)

€m

	2022	2023	% Var
Turnover	26,840	20,769	(23%)
Cost of goods sold	(20,956)	(14,523)	(31%)
Supply & services	(1,888)	(2,167)	15%
Personnel costs	(370)	(449)	22%
Other operating revenues (expenses)	232	(30)	n.m.
Impairments on accounts receivable	(9)	(43)	n.m.
RCA Ebitda	**3,849**	**3,558**	**(8%)**
IFRS Ebitda	**3,885**	**3,710**	**(4%)**
Depreciation, amortisation and impairments	(1,380)	(983)	(29%)
Provisions	(124)	(105)	(15%)
RCA Ebit	**2,345**	**2,469**	**5%**
IFRS Ebit	**2,381**	**2,618**	**10%**
Net income from associates	166	2	(99%)
Financial results	(154)	(62)	(60%)
Net interests	(16)	6	n.m.
Capitalised interest	30	49	62%
Exchange gain (loss)	10	30	n.m.
Mark-to-market of derivatives	(80)	-	n.m.
Lease interest (IFRS 16)	(85)	(102)	21%
Other financial costs/income	(13)	(44)	n.m.
RCA Net income before taxes and minority interests	**2,358**	**2,409**	**2%**
Taxes	(1,254)	(1,227)	(2%)
Taxes on oil and natural gas production[1]	(843)	(615)	(27%)
Non-controlling interests	(223)	(180)	(19%)
RCA Net income	**881**	**1,002**	**14%**
Non-recurring items	560	278	(50%)
RC Net income	**1,440**	**1,280**	**(11%)**
Inventory effect	35	(38)	n.m.
IFRS Net income	**1,475**	**1,242**	**(16%)**

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

RCA Ebitda of €3,558 m, down 8% YoY, with continued strong operating performance in a softer commodity price environment, as well as the effects of the exclusion of the Angolan upstream contribution.

Following RCA Ebitda, RCA Ebit was €2,469 m, although this included €265 m in impairments and provisions.

Financial results were €-62 m, with interest on leases being partially offset by exchange gains.

RCA taxes were €1,227 m, reflecting extraordinary taxes of €75 m applicable to Iberian activities (windfall, CESE and FNEE), as well as €64 m related to the temporary Brazilian levy on oil exports which was applicable from March to the end of June.

Non-controlling interests were €-180 m, related to Sinopec's stake in Petrogal Brasil.

RCA net income was €1,002 m, while IFRS net income was €1,242 m, considering an inventory effect of €-38 m and special items of €278 m.

4.4 **Capital expenditure**

Capex, not considering divestments, totalled €1,076 m in 2023. Upstream accounted for 54% of total investments, whilst the downstream activities represented 29% and Renewables & New Businesses 13%.

Upstream investments were mainly directed to Brazil, namely Bacalhau and BM-S-11, as well as the start of the exploration campaign in Namibia.

Industrial & Midstream investments were mostly directed to initiatives to improve the efficiency of the refining system and to carry out maintenance activities.

Commercial investments were allocated to the business transformation.

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

During 2023, capex directed to developments in the low-to-no carbon energy space accounted for 21% of total investments, whilst about 1/3 of investments were deployed in Portugal.

Capital expenditure by segment

€m

	2022	2023	Var.
Upstream	640	585	(9%)
Industrial & Midstream	72	196	n.m.
Commercial	113	111	(2%)
Renewables & New Businesses	402	142	(65%)
Others	39	41	7%
Capex[1]	**1,265**	**1,076**	**(15%)**

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

4.5 **Cash flow**

Galp's OCF was €2,269 m, considering the robust business performance and despite the increased tax payments, which include €207 m related to extraordinary taxes, namely Iberian windfall taxes, and the temporary Brazilian levy on oil exports and CESE.

Net capex totalled €859 m, including a €209 m inflow related to the Angolan upstream asset disposal agreement, namely its downpayment, together with interim distributions from the subsidiaries held for sale (to be deducted from the agreed sale price on completion).

FCF amounted to €1,373 m. Dividends to shareholders and non-controlling interests amounted to €422 m and €169 m, respectively, and a €500 m share buyback programme was executed. Net debt decreased €155 m compared to the end of the previous year.

Cash flow (IFRS figures except otherwise stated)

€m

	2022	2023
RCA Ebitda	3,849	3,558
Dividends from associates	26	31
Taxes paid	(1,087)	(1,320)
Adjusted operating cash flow[1]	**2,788**	**2,269**
Special items	-	(13)
Inventory effect	36	(59)
Change in working capital	247	179
Cash flow from operations	**3,071**	**2,376**
Net capex	(1,266)	(859)
o.w. Divestments[2]	-	209
Net financial expenses	(39)	(42)
IFRS 16 lease interest	(85)	(102)
Free cash flow	**1,681**	**1,373**
Dividends paid to non-controlling interests[3]	(245)	(169)
Dividends paid to Galp shareholders	(420)	(422)
Buybacks[4]	(150)	(500)
Reimbursement of IFRS 16 leases principal	(132)	(157)
Others	69	30
Change in net debt	**(802)**	**(155)**

[1] Considers adjustments to exclude contribution from Angolan assets held for sale.
[2] 2023 includes proceeds from the Angolan upstream assets sale.
[3] Mainly dividends paid to Sinopec.
[4] Related to the 2022 fiscal year, share repurchase programme of €500 m started in February and completed in December 2023. On completion of the programme, Galp acquired the equivalent of 5.16% of its share capital at the time. All shares were repurchased for the sole purpose of cancellation.

4.6 **Financial position**

On December 31, 2023, net fixed assets were €7,273 m, including work-in-progress of €2.5 bn, mostly related to the Upstream business. Right-of-use of assets increased following the recognition of the Coral Sul FLNG lease (IFRS 16), amounting to €475 m (which also led to an increase in IFRS 16 lease obligations).

Assets/liabilities held for sale are entirely related to the net position of the Angola upstream portfolio.

Equity was up €214 m YoY, supported by the IFRS net income and results attributed to minorities in the period, although partially offset by dividends to shareholders and non-controlling interest, and the completed buyback programme.

Consolidated financial position

€m

	2022	2023	Var.
Net fixed assets	6,876	7,273	397
Rights of use assets (IFRS 16)	1,116	1,630	514
Working capital	1,632	1,453	(179)
Other assets/liabilities	(2,089)	(2,257)	(167)
Assets/liabilities held for sale	413	440	27
Capital employed	**7,948**	**8,540**	**592**
Short term debt	800	575	(225)
Medium-Long term debt	3,187	3,026	(162)
Total debt	**3,987**	**3,600**	**(387)**
Cash and equivalents	2,432	2,200	(232)
Net debt	**1,555**	**1,400**	**(155)**
Leases liabilities (IFRS 16)	1,277	1,810	533
Equity	5,117	5,330	214
Equity, net debt and leases	**7,948**	**8,540**	**592**

DELIVERING ENERGY FOR PEOPLE

5. Corporate governance

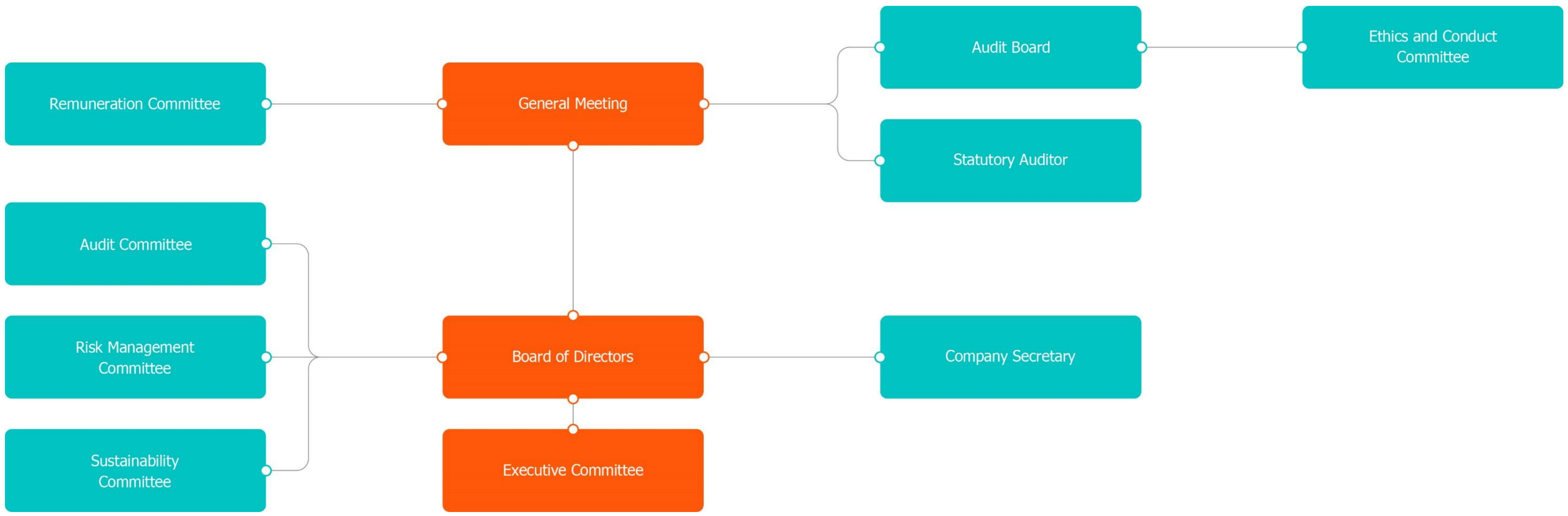
5.1 **Governance model**

Galp adopts the single-tier corporate governance model, which comprises:

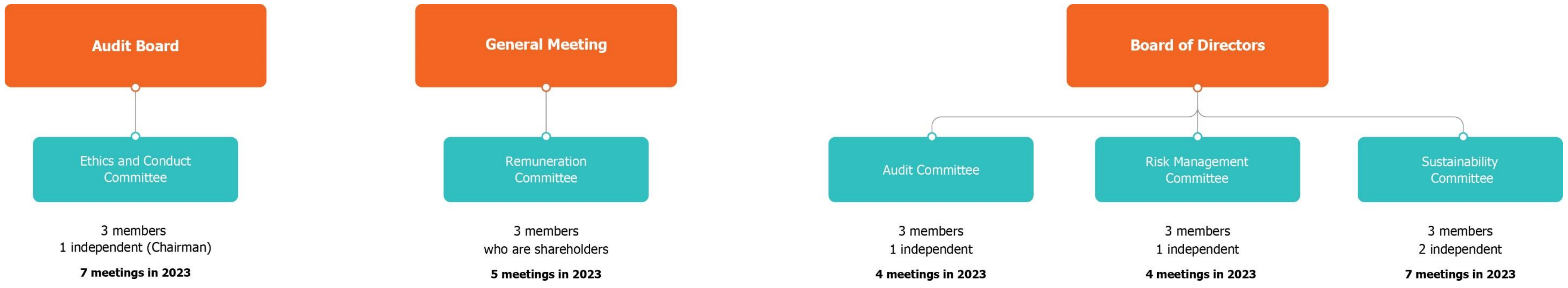
- The General Meeting attended by the Company's shareholders;
- The Management, comprising a Board of Directors and an Executive Committee with powers delegated by the former;
- Supervision, which includes an Audit Board and a Statutory Auditor; and
- The Company Secretary, in charge of specialised support to the corporate bodies.

The Galp governance model is intended to ensure the transparency and efficiency of the Group's operations. It is based on the separation of management powers and supervisory powers. While the Board of Directors is responsible for the supervision, control and monitoring of strategic guidelines, the Executive Committee – appointed by the Board of Directors – focuses on the day-to-day management of the business, including the corporate centre.

The supervisory powers of the Board of Directors are bolstered by the existence of a Lead Independent Director and three committees created within the Board, comprised exclusively of non-executive directors. These committees provide support on key issues related to its supervisory role.



The Company also has other specialised committees dedicated to relevant issues, namely the Ethics and Conduct Committee and the Remuneration Committee.



Duties				
Ethics and Conduct Committee	**Remuneration Committee**	**Audit Committee**	**Risk Management Committee**	**Sustainability Committee**
Monitors implementation of the Code of Ethics and Conduct, clarifying questions about its application and reception and processing irregularity reports through the "Open talk" ethics line.	Proposes to the General Meeting the remuneration policy of the members of the corporate bodies and the annual performance review of executive directors.	Responsible for the oversight of the internal audit system.	Monitors Galp's risk management system.	Monitors the integration of sustainability principles into the management process.

For more details on the governance model, please refer to Part III of this report – Corporate Governance Report.

5.2 **Corporate bodies**

Our Board of Directors

Paula Amorim
Non-executive Chair
Chairperson of the Audit Committee
First appointment: 24 April 2012
Term end date: 31 December 2026

Adolfo Mesquita Nunes
Lead Independent Director
First appointment: 12 April 2019
Term end date: 31 December 2026

Cristina Neves Fonseca
Independent non-executive director
Chairperson of the Sustainability Committee
First appointment: 12 April 2019
Term end date: 31 December 2026

Javier Cavada Camino
Independent non-executive director
First appointment: 17 December 2021
Term end date: 31 December 2026

Cláudia Almeida e Silva
Independent non-executive director
Member of the Audit Committee
First appointment: 29 April 2022
Term end date: 31 December 2026

Fedra Ribeiro
Independent non-executive director
Member of the Sustainability Committee
First appointment: 3 May 2023
Term end date: 31 December 2026

Ana Zambelli
Non-executive director
Chairperson of the Risk Management Committee
First appointment: 3 May 2023
Term end date: 31 December 2026

Filipe Silva
Chief Executive Officer (CEO)
First appointment: 26 July 2012
Term end date: 31 December 2026

Maria João Carioca
Chief Financial Officer (CFO)
First appointment: 3 May 2023
Term end date: 31 December 2026

Georgios Papadimitriou
Executive director, Renewables, Innovation & New Businesses
First appointment: 1 January 2022
Term end date: 31 December 2026

Ronald Doesburg
Executive director, Industrial
First appointment: 3 May 2023
Term end date: 31 December 2026

Rodrigo Vilanova
Executive director, Energy Management
First appointment: 3 May 2023
Term end date: 31 December 2026

João Diogo Silva
Executive director, Commercial
First appointment: 3 May 2023
Term end date: 31 December 2026

Marta Amorim
Non-executive director
First appointment: 14 October 2016
Term end date: 31 December 2026

Francisco Teixeira Rêgo
Non-executive director
First appointment: 16 April 2015
Term end date: 31 December 2026

Carlos Pinto
Non-executive director
Member of the Risk Management Committee
First appointment: 12 April 2019
Term end date: 31 December 2026

Jorge Seabra
Non-executive director
Member of the Audit Committee
First appointment: 23 November 2012
Term end date: 31 December 2026

Diogo Tavares
Non-executive director
Member of the Sustainability Committee
First appointment: 22 February 2006
Term end date: 31 December 2026

Rui Paulo Gonçalves
Non-executive director
Member of the Risk Management Committee
First appointment: 6 May 2008
Term end date: 31 December 2026

Chairperson of the Board of Directors
Chairperson of the Audit Committee
Independent Member [1]
Executive Member
Other Members

[1] According to the criteria for ascertaining the independence of non-executive directors, as set in the Corporate Governance Report of the Portuguese Institute of Corporate Governance

The Board of Directors has 13 non-executive directors, who represent 68% of the total number of directors, six of whom are independent (46%). This constitutes an adequate number of non-executive and independent directors in view of the governance model adopted by the Company, Galp's shareholder structure, the respective free float, the size of the Company and the complexity of the risks inherent to its activity, in accordance with the recommendations of Portuguese Institute of Corporate Governance’s (IPCG) Corporate Governance Code.

Diversity within the Board of Directors

- Age: 36 to 78;
- Gender: 37% female;
- Geographical: 6 nationalities;
- Independence: 46% of non-executive directors.

The Diversity Policy for management and supervisory bodies approved by the Board of Directors on 15 December 2017 had an impact on the appointment of members of the Board of Directors made after that date. Individuals elected the Board of Directors, in addition to age, gender and geographical diversity, possess a variety of skills, academic backgrounds and professional experience, as shown in the figure below. These are suited to Galp’s activities and strategy, indicating effective diversity within the Board of Directors, which plays a relevant role in the Company's decision-making process.

Powers of the Board of Directors

- Supervision, control and monitoring of strategic guidelines;
- Monitoring the management and the relationship between shareholders and the other corporate bodies; and
- Deciding on matters of its exclusive competence (non-delegated to the Executive Committee) – and which enable it to promote the definition and monitoring of Galp's strategic guidelines.

For further information on the powers of the members of the Board of Directors, refer to Section 19 of Part III of this report - Corporate Governance Report.

Election

Under Portuguese law and the Company Bylaws, members of the Board of Directors are elected by the shareholders at a General Meeting for four calendar years. This is done as a list election, with votes being cast for the entire list rather than for individual candidates. Each director continuity in office depends on his or her annual performance appraisal. This is determined by a vote of praise and/or confidence. If the annual appraisal is not positive, as manifested by a vote of no confidence, this may lead to the dismissal of the director in question, as provided for by law.

Limitation of positions

All members of the Board of Directors must be available as required to exercise their duties. It is therefore stipulated in the respective internal regulations that non-executive directors cannot hold management positions in more than four companies with shares admitted to trading on a regulated market that are not part of the Galp Group.

Performance review

The Board of Directors annually assesses its performance and the performance of its committees. This review takes into account compliance with the Company's strategic plan and budget, risk management, internal functioning and the contribution of each member to those goals, as well as the relationship of the Board of Directors with its committees.

- Board of Directors meetings held in 2023: 9
- Resolutions approved through votes cast by electronic communications in 2023: 2
- Attendance: 97% (not counting presence by representation)

Energy 68%
Climate Change 16%
Telecommunications/IT 5%
Finance 26%
Capital Markets 11%
Academic 21%
Retail 26%
Paper/Textile Industry 26%
Real Estate 21%

Powers of the Executive Committee

The Executive Committee is responsible for the day-to-day management of the business and of the corporate centre, in accordance with the delegation of powers, the strategic guidelines defined by the Board of Directors as well as the functional delegation of powers relating to the business and activities of the Company and of the Group companies to each member of the Executive Committee set by the Chief Executive Officer (CEO).

Performance review

The executive directors are evaluated annually by the Remuneration Committee, based on compliance with certain economic, financial, operational and safety and environmental sustainability objectives. These are defined in the remuneration policy proposed by the Remuneration Committee and approved by the General Meeting.

Limitation of positions

According to the internal regulations of the Board of Directors, the members of the Executive Committee shall not hold executive positions in listed companies that are not part of Galp Group.

- Number of executive Committee meetings held in 2023: 28
- Number of resolutions approved by electronic voting in 2023: 2
- Attendance: 100%

Our Executive Committee

CEO
Filipe Silva

- Upstream
- Strategy & M&A
- People and Spaces
- Legal Affairs
- External Affairs & Communication
- Safety & Quality
- Brazil Country Manager
- Matosinhos Project

CFO
Maria João Carioca

- Corporate Finance
- Planning & Performance
- Accounting & Tax
- Investor Relations & Sustainability
- Risk Management & Internal Controls
- Tech, Data & Business Transformation
- Procurement & Contracting
- Internal Audit

Executive director RINB
Georgios Papadimitriou

- Business Office RINB
- Renewables
- New Business
- Aurora JV
- Innovation

Executive director Industrial
Ronald Doesburg

- Business Office, Digital & HSE
- Refining
- Refinery Optimisation & Logistics
- Project Office
- H2, HVO & e-fuels

Executive director Energy Management
Rodrigo Vilanova

- Business Office EM
- Trading Operations
- Oil, Products & Biofuels
- NG & LNG
- Euro Power
- Derivates & Environmental Products
- Shipping & Portfolio Optimization
- Supply & Trade Americas

Executive director Commercial
João Diogo Silva

- Business Office Commercial
- Mobility
- Enterprise
- Residential
- GMI
- Oil & Low Carbon Products
- New Power
- Digital Operations
- Customer Success & HSE
- Brand, Marketing & Convenience
- Daloop

Audit Board

Chairperson:

- José Pereira Alves

Members:

- Maria de Fátima Geada
- Pedro Antunes de Almeida

Powers:

- Control of the Company's financial information;
- Supervision of risk management, internal control, compliance and internal audit systems;
- Receive and process irregularity reports through the Ethics and Conduct Committee;
- Select and propose the Statutory Auditor to the General Meeting and the respective remuneration;
- Check and control the independence of the External Auditor.

Statutory Auditor

Effective:

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

Alternate:

- Luís Pedro Magalhães Varela Mendes

Powers:

- Control and review the Company's financial information.

Board of the General Meeting

Chair:

- Ana Perestrelo de Oliveira

Vice-Chair:

- José Costa Pinto

Secretary:

- Sofia Leite Borges

The General Meeting is the ultimate governing body of the Company. It is through this body that the shareholders actively participate in the Company's decisions. Any shareholder who holds at least one share on the record date and declares their intention to participate in the General Meeting within the legal deadlines may attend, discuss and vote at the General Meeting, either in person or through a representative. Galp's shareholders may also exercise their right to vote by correspondence and by participating in the meeting through telematic means.

5.3 **Remuneration policy**

In accordance with the say-on-pay principle, the General Meeting held on 3 May 2023 approved, with 95.23% of the votes, the new remuneration policy of its corporate bodies for 2023 proposed by the Remuneration Committee, in accordance with the applicable law.

Non-executive members of the Board of Directors receive a fixed monthly amount established by the Remuneration Committee, taking into account current market practices. It may differ in the case of non-executive members who perform special supervisory duties or are a member of a specialised committee.

In order to promote management alignment with the medium and long-term interests of the Company and its shareholders, the remuneration policy has annual and multi-annual goals for the executive members of the Board of Directors. The policy considers a three-year period for determining the value of the multi-annual variable component of the remuneration and for deferring a significant portion of the three-year period payment, which depends on Company performance during this period.

The remuneration policy for executive directors for 2023 is outlined on the following page.

In line with Galp's project, especially its long-term interests, economic and environmental / sustainability concerns and its strategic goals, the Remuneration Committee deemed it necessary to introduce a long-term value creation incentive for the members of the Executive Committee. Therefore, besides the remuneration, benefits and conditions that apply, the 2023 Remuneration Policy states that the remuneration of the Executive Committee members will be included in the long-term incentive programme, through the right to Galp’s shares, granted after four years.

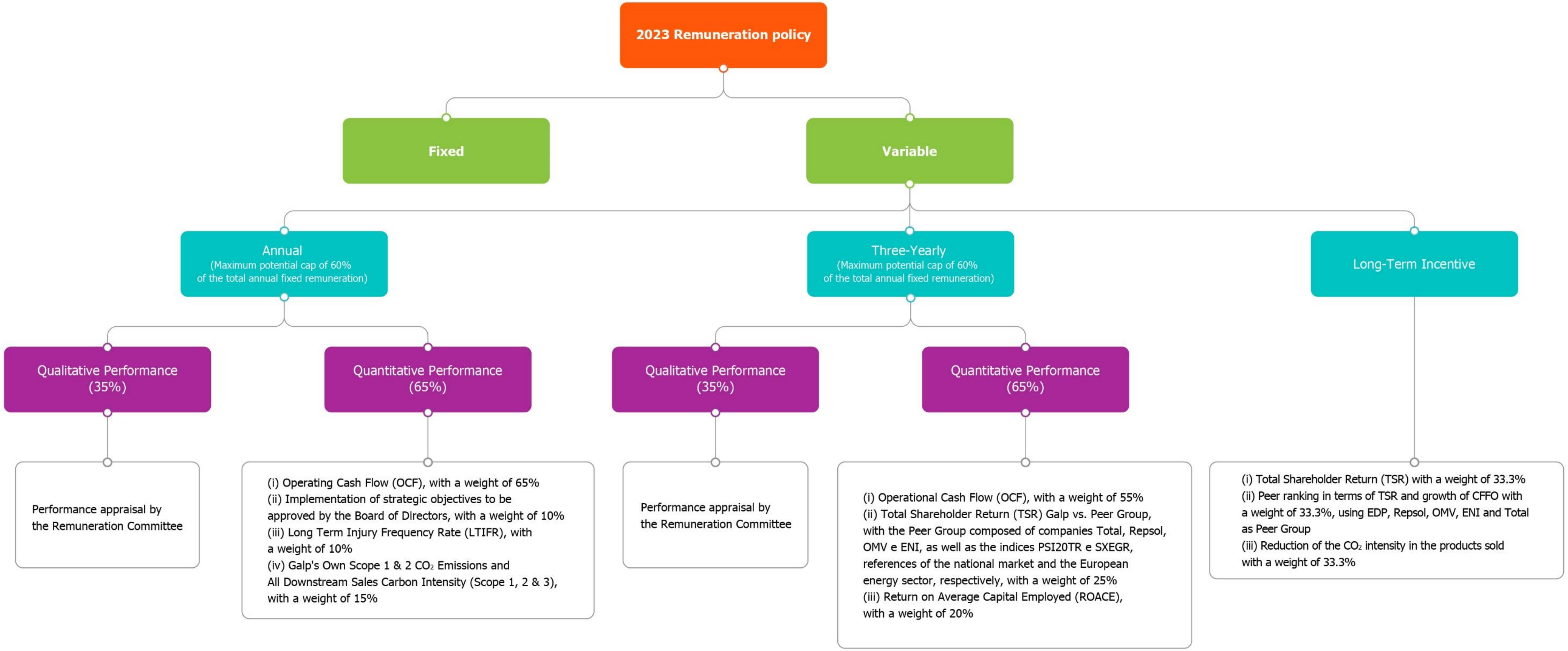
The remuneration of Galp's directors includes all remuneration for positions held in corporate bodies of other Group companies. The remuneration policy for 2023 foresees the possibility of returning the amount of variable remuneration attributed to a member of the Executive Committee under certain situations (clawback).

The total and individual annual amount of remuneration received by the members of the Board of Directors in 2023 as established by the Remuneration Committee, as well as other information related to the remuneration policy, is available on page 77, Part III of this report - Corporate Governance Report.

The members of the Audit Board receive monthly fixed remuneration, paid twelve times a year. The remuneration of the Chairperson of the Audit Board is differentiated as it takes into account their special duties. Remuneration of the members of the Audit Board does not include any variable component.

The Statutory Auditor receives the remuneration contracted under normal market conditions.

Remuneration policy as of 31 December 2023



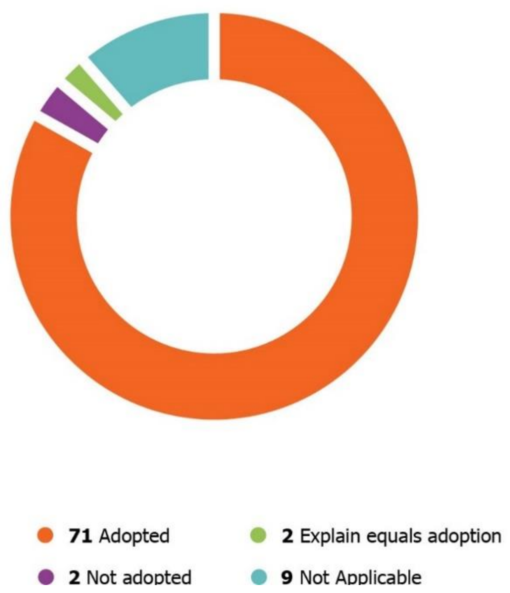
The overall value of the Long-Term Incentive (LTI) is equivalent to 60% of the gross annual fixed remuneration in the case of the CEO, and 30% in the case of other members of the Executive Committee.

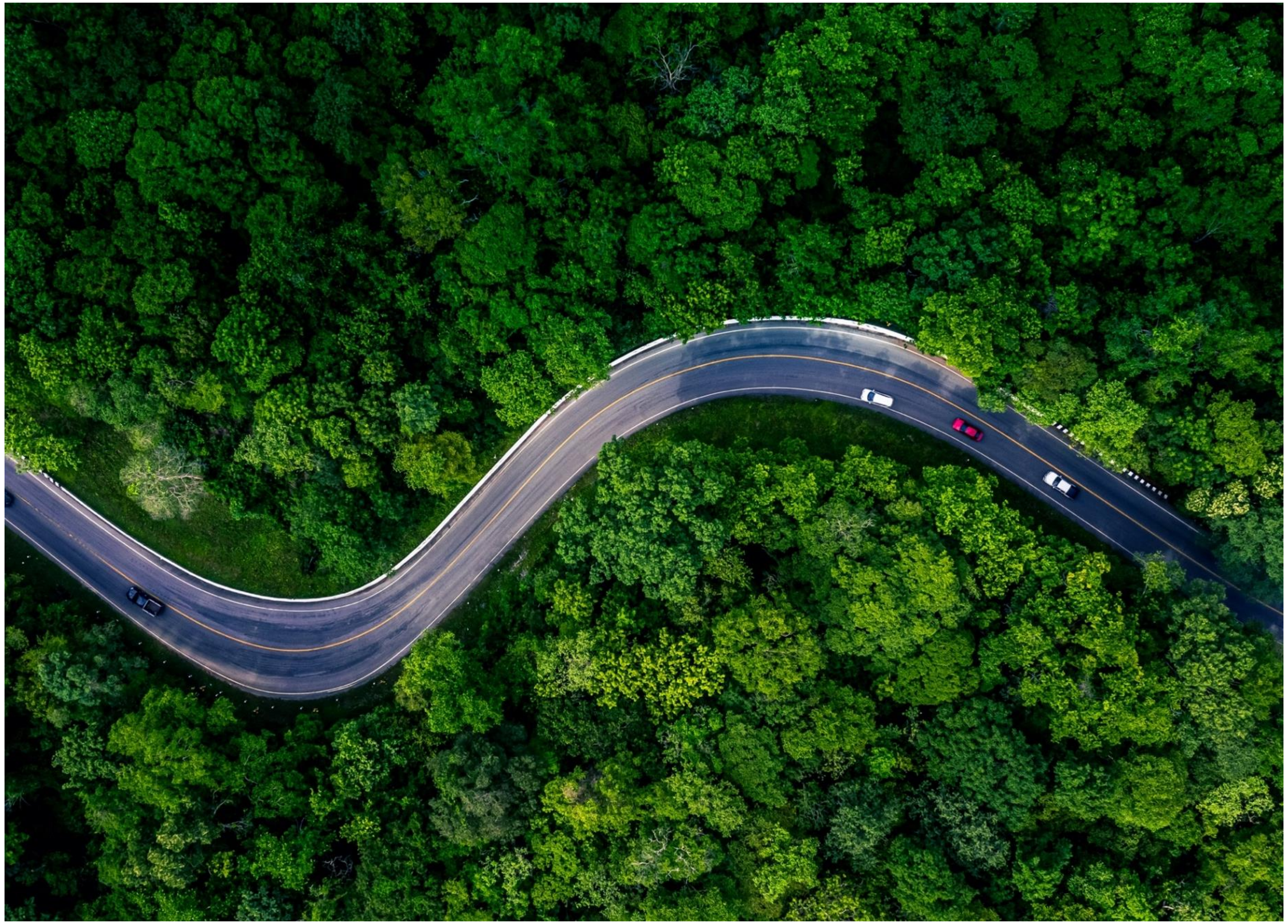
5.4 Compliance with the corporate governance code

Galp has voluntarily decided to adopt the Corporate Governance Code of the Portuguese Institute of Corporate Governance, approved in 2018 and revised in 2023 ("Código de Governo das Sociedades do IPCG") (link here). The code sets out principles of good governance and recommendations in line with the best international practices and adapted to the Portuguese corporate reality.

In 2023, Galp adopted 71 recommendations following its self-assessment and an assessment conducted by the IPCG'S CEAM (Executive Commission for the Accompaniment and Monitoring of Galp's Governance Report for 2022). Of the recommendations, two were explained (equals adopted), two were not adopted, and nine were deemed not applicable, as shown in the graphic below.

In Part III of this report - Corporate Governance Report, there is a presentation on the adoption of the recommendations, in accordance with the "comply or explain" rule.





DELIVERING ENERGY FOR INNOVATION

6. Proposal for the allocation of results

6. Proposal for the allocation of results

The 2023 Galp Energia SGPS, S.A. net profit, based on its individual financial statements, in accordance with International Financial Reporting Standards, was €437,644,228.48.

In August 2023, Galp distributed an interim (advance) dividend of 2023 profit amounting to €213,407,179.47, corresponding to €0.27 per outstanding share.

The Board of Directors proposes, under legal terms, that €0.27 per outstanding share be distributed to shareholders in the form of dividends. When added to the €0.27 per share already paid as interim dividend of 2023 profit, this makes a total dividend to be distributed to shareholders of €0.54 per outstanding share related to the 2023 financial year. The estimated total amount, based on the share capital as of 31 December 2023, is €422,139,515.22.

The remaining amount of the net profit of the year shall be transferred to retained earnings.

Lisbon, 5 April 2024.

The Board of Directors:

Chairman:

Paula Amorim

Vice-Chairman and Lead Independent Director:

Adolfo Mesquita Nunes

Vice-Chairman:

Filipe Silva

Members:

Maria João Carioca

Georgios Papadimitriou

Ronald Doesburg

Rodrigo Vilanova

João Diogo Silva

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Jorge Seabra

Diogo Tavares

Rui Paulo Gonçalves

Cristina Neves Fonseca

Javier Cavada Camino

Cláudia Almeida e Silva

Fedra Ribeiro

Ana Zambelli

DELIVERING ENERGY FOR ALL

7. Cautionary statement

7. Cautionary statement

This document may include forward-looking statements. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements express future expectations that are based on management's expectations and assumptions as of the date they are disclosed and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such those statements. Accordingly, neither Galp nor any other person can assure that its future results, performance or events will meet those expectations, nor assume any responsibility for the accuracy and completeness of the forward-looking statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Galp to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections, and assumptions. These forward-looking statements may generally be identified by the use of the future, gerund or conditional tense or the use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "consider", "could", "develop", "envision", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "potential", "probably", "project", "pursue", "risks", "schedule", "seek", "should", "target", "think", "will" or the negative of these terms and similar terminology.

Financial information by business segment is reported in accordance with 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 between 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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