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Part III

Consolidated and Individual Financial Statements

Index

Part III

Consolidated and Individual Financial Statements

Consolidated financial statements

Consolidated Statement of Financial Position

Galp Energia, SGPS, S.A.

Consolidated Statement of Financial Position as at 31 December 2024 and 31 December 2023

(Amounts stated in million Euros – €m)

Assets	Notes	2024	2023
Non-current assets:			
Tangible assets	5	6,194	6,029
Intangible assets	6	695	659
Goodwill	8	44	44
Right-of-use of assets	7	1,215	1,630
Investments in associates and joint ventures	9	109	255
Deferred tax assets	16	669	615
Other receivables	11	310	305
Other financial assets	12	69	351
Total non-current assets:		**9,306**	**9,888**
Current assets:			
Inventories	10	1,101	1,447
Other financial assets	12	150	207
Trade receivables	11	1,237	1,395
Other receivables	11	837	931
Current income tax receivable	16	106	0
Cash and cash equivalents	13	2,285	2,200
Non-current assets classified as held for sale	2.2.1	1,794	537
Total current assets:		**7,511**	**6,716**
Total assets:		**16,817**	**16,606**
Equity and Liabilities	**Notes**	**2024**	**2023**
Equity:			
Share capital and share premium	22	753	773
Own shares	22	(47)	0
Reserves	22	1,563	1,449
Retained earnings		2,418	2,187
Total equity attributable to shareholders:		**4,689**	**4,409**
Non-controlling interests	23	950	920
Total equity:		**5,638**	**5,329**
Liabilities:			
Non-current liabilities:			
Financial debt	14	3,125	3,026
Lease liabilities	7	1,182	1,543
Other payables	15	109	95
Post-employment and other employee benefit liabilities	17	221	225
Deferred tax liabilities	16	579	476
Other financial instruments	19	102	99
Provisions	18	1,497	1,437
Total non-current liabilities:		**6,814**	**6,900**
Current liabilities:			
Financial debt	14	367	575
Lease liabilities	7	233	267
Trade payables	15	945	1,268
Other payables	15	1,755	1,758
Other financial instruments	19	111	100
Current income tax payable	16	332	311
Liabilities directly associated with non-current assets classified as held for sale	2.2.1	622	97
Total current liabilities:		**4,365**	**4,376**
Total liabilities:		**11,179**	**11,276**
Total equity and liabilities:		**16,817**	**16,606**

The accompanying notes form an integral part of the consolidated statement of financial position and should be read in conjunction.

Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Galp Energia, SGPS, S.A.

Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the years ended 31 December 2024 and 31 December 2023

(Amounts stated in million Euros – €m)

	Notes	2024	2023
Sales	24	20,830	20,455
Services rendered	24	481	314
Other operating income	24	622	441
Financial income	27	142	134
Earnings from associates and joint ventures	9; 24	(45)	49
Total revenues and income:		**22,029**	**21,394**
Cost of sales	25	(15,539)	(14,580)
Supplies and external services	25	(2,100)	(2,224)
Employee costs	26	(451)	(450)
Amortisation, depreciation and impairment losses on fixed assets	25	(946)	(987)
Provisions and impairment losses on other receivables	25	(3)	(162)
Other operating costs	25	(344)	(189)
Financial expenses	27	(307)	(215)
Total costs and expenses:		**(19,689)**	**(18,807)**
Profit/(Loss) before taxes and other contributions:		**2,340**	**2,585**
Taxes and SPT	16	(1,050)	(997)
Energy sector extraordinary contribution	16	(65)	(44)
Windfall tax	16	1	(95)
Consolidated net income/(loss) for the year		**1,226**	**1,451**
Income/(Loss) attributable to:			
Galp Energia, SGPS, S.A. Shareholders		1,040	1,242
Non-controlling interests	**23**	**186**	**209**
Basic Earnings per share (in Euros)		**1.36**	**1.56**
Diluted Earnings per share (in Euros)		**1.36**	**1.56**

	Notes	2024	2023
Consolidated net income/(loss) for the year		**1,226**	**1,451**
Items which will not be recycled in the future through net income:			
Remeasurements	17	(15)	13
Income taxes related to remeasurements	17	3	0
Items which may be recycled in the future through net income:			
Currency translation adjustments		178	(187)
Hedging reserves	19	(103)	53
Income taxes related to the above items	16	33	(19)
Subtotal of other comprehensive income/(loss)		**96**	**(141)**
Total Comprehensive income/(loss) for the year, attributable to:		**1,322**	**1,310**
Galp Energia, SGPS, S.A. Shareholders		1,092	1,147
Non-controlling interests		**230**	**163**

The accompanying notes form an integral part of the consolidated income statement and consolidated statement of comprehensive income and should be read in conjunction.

Consolidated Statement of Changes in Equity

Galp Energia, SGPS, S.A

Consolidated Statement of Changes in Equity for the years ended 31 December 2024 and 31 December 2023

(Amounts stated in million Euros – €m)

	Notes	Share Capital and Share Premium		Reserves				Retained earnings	Sub-Total	NCI(**)	Total
		Share capital	Share premium	Own shares	CTR(*)	Hedging Reserves	Other Reserves				
Balance as at 1 January 2023		**815**	**82**	**0**	**13**	**14**	**1,535**	**1,701**	**4,161**	**956**	**5,117**
Consolidated net (loss) income for the year		0	0	0	0	0	0	1,242	1,242	209	1,451
Other gains and losses recognised in equity		0	0	0	(141)	34	0	13	(95)	(46)	(141)
Comprehensive income for the year		0	0	0	(141)	34	0	1,255	1,147	163	1,310
Dividends distributed		0	0	0	0	0	0	(422)	(422)	(197)	(619)
Repurchase of shares		0	0	(500)	0	0	0	0	(500)	0	(500)
Cancelling/Distribution of shares		(42)	0	500	0	0	0	(458)	0	0	0
Increase/(Decrease) in reserves		0	(82)	0	0	0	(31)	111	(2)	(2)	(4)
Long-term incentives plan		0	0	0	0	0	25	0	25	0	25
Cumulative income as at 31 December 2023 - CTR with Non-current Asset classified as held for sale		**0**	**0**	**0**	**142**	**0**	**0**	**0**	**142**	**0**	**142**
Cumulative loss at 31 December 2023 – Other CTR’s		**0**	**0**	**0**	**(270)**	**0**	**0**	**0**	**(270)**	**0**	**(270)**
Balance as at 31 December 2023		**773**	**0**	**0**	**(128)**	**48**	**1,529**	**2,187**	**4,409**	**920**	**5,329**
Balance as at 1 January 2024		**773**	**0**	**0**	**(128)**	**48**	**1,529**	**2,187**	**4,409**	**920**	**5,329**
Consolidated net (loss) income for the year		0	0	0	0	0	0	1,040	1,040	186	1,226
Other gains and losses recognised in equity***		0	0	0	134	(70)	0	(12)	52	44	96
Comprehensive income for the year		0	0	0	134	(70)	0	1,028	1,092	230	1,322
Dividends distributed	22; 23	0	0	0	0	0	0	(419)	(419)	(201)	(619)
Repurchase of shares		0	0	(400)	0	0	0	0	(400)	0	(400)
Cancelling/Distribution of shares		(20)	0	353	0	0	47	(380)	0	0	0
Increase/(Decrease) in reserves		0	0	0	0	0	0	0	0	0	0
Long-term incentives plan		0	0	0	0	0	3	3	6	0	6
Cumulative income as at 31 December 2024 – CTR with Non-current Asset classified as held for sale		**0**	**0**	**0**	**128**	**0**	**0**	**0**	**128**	**0**	**128**
Cumulative loss at 31 December 2024 – Other CTR’s		**0**	**0**	**0**	**(122)**	**0**	**0**	**0**	**(122)**	**0**	**(122)**
Balance as at 31 December 2024		**753**	**0**	**(47)**	**6**	**(22)**	**1,579**	**2,418**	**4,689**	**950**	**5,638**

The accompanying notes form an integral part of the consolidated statement of changes in equity and should be read in conjunction. (*) Currency Translation Reserves (**) Non-controlling Interests (***) Included an adjustment of €138 m related to recycling CTR to net profit for the period, regarding the sale of upstream assets of Angola (Note 2.2.1. and Note 24).

Consolidated Statement of Cash Flows

Galp Energia, SGPS, S.A.

Consolidated Statement of Cash Flows for the years ended 31 December 2024 and 31 December 2023

(Amounts stated in million Euros – €m)

	Notes	2024	2023
Income/(Loss) before taxation for the period		**2,340**	**2,586**
Adjustments for:			
Amortisation, depreciation and impairment losses on fixed assets	25	946	987
Provisions		10	105
Adjustments to net realisable value of inventories	25	(46)	(36)
Mark-to-market of derivatives	27	15	22
Other financial costs/income	24; 25	150	59
Underlifting and/or Overlifting	24; 25	47	(24)
Share of profit/(loss) of joint ventures and associates	9	45	(49)
Capital Gain of Angola upstream divestment	24	(192)	0
Others		(115)	123
Increase/decrease in assets and liabilities:			
(Increase) in inventories		391	(50)
(Increase)/decrease in current receivables		158	68
(Decrease)/increase in current payables		(324)	264
(Increase)/decrease in other receivables, net		331	(103)
Dividends from associates and joint ventures	9	11	31
Taxes paid	16	(1,191)	(1,355)
Own shares for LTI reflected in Equity (share-based payment)		(49)	0
Cash flow from operating activities		**2,527**	**2,628**
Capital expenditure in tangible and intangible assets		(1,377)	(1,056)
Investments in associates and joint ventures, net		(26)	0
Investments in subsidiaries		(30)	0
Other investment cash outflows, net		(24)	(38)
Divestments	2.2.1	409	77
Cash flow from investing activities		**(1,049)**	**(1,017)**
Loans obtained	14	2,302	1,904
Loans repaid	14	(2,288)	(2,409)
Interest paid		(98)	(57)
Leases paid	7	(197)	(157)
Interest on leases paid	7	(135)	(102)
Dividends paid to Galp shareholders	22	(419)	(422)
Dividends paid to non-controlling interests	22; 23	(166)	(169)
Acquisition of own stocks	22	(351)	(500)
Cash flow from financing activities		**(1,350)**	**(1,912)**
(Decrease)/increase in cash and cash equivalents		127	(302)
Currency translation differences in cash and cash equivalents		81	(48)
Cash and cash equivalents at the beginning of the period	13	2,071	2,421
Cash and cash equivalents at the end of the period	**13**	**2,279**	**2,071**

The accompanying notes form an integral part of the consolidated statement of cash flows and should be read in conjunction.

Notes to the consolidated financial statements as of 31 December 2024

Galp Energia SGPS, S.A. (the Company) is the parent company of Galp Group.

On January 2, 2024, the Company has changed its head office to Avenida da Índia in Lisbon, Portugal.

Galp shares are listed on Euronext Lisbon.

The Group develops its activities in the energy sector, namely exploration, production and commercialisation of hydrocarbons (oil & natural gas), refining and distribution of lubricants, gas, gasoline, diesel, fuel oil, jet fuel, asphalts and others and the acquisition and wholesale distribution of natural gas and electricity from renewable sources.

1. Basis of preparation

The consolidated financial statements of Galp Energia SGPS, S.A. and its subsidiaries (collectively referred to herein as Galp or the Galp Group) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and endorsed by the European Union (EU).

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, financial assets at fair value through comprehensive income and financial assets at fair value through profit or loss.

The accounting policies set out below have been applied consistently to the preparation of the consolidated financial statements for the years presented, except for the adoption as from January 1, 2024, of IFRS 17 Insurance contracts (IFRS 17) and IAS 12 Income taxes (IAS 12) amendments. The transition to the accounting pronouncements as listed below has no material impact on Galp's consolidated financial statements (Note 3).

The consolidated financial statements are presented in Euros, and all the values are rounded to the nearest million Euros, except where otherwise indicated. Therefore, the subtotals and totals of the tables presented in these consolidated financial statements and accompanying notes may not equal the sum of the amounts presented, due to rounding.

2. Information about material accounting policies, judgments, estimates and changes

2.1. Information about material accounting policies, judgments and estimates

Accounting policies

Galp's material accounting policies are disclosed in the related notes within these consolidated financial statements.

Applying materiality

The consolidated financial statements are the result of the aggregation of a large number of transactions by nature. When they are aggregated, the transactions are presented in classes of similar items. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements, or in the notes thereto. Management makes the specific disclosures required by the IFRS unless the information is considered immaterial to the economic decision-making of the users of these financial statements or is otherwise not applicable.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company Galp Energia SGPS, S.A. and the entities under its control. Control exists where Galp has effective power over an entity and is exposed to variable returns arising from its involvement with the entity. Where necessary, adjustments are made to bring the financial statements of the subsidiaries in line with the Group's accounting policies. All intragroup transactions, balances, income and expenses are eliminated in full upon consolidation. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition up to the effective date of disposal. Non-controlling interests represent the equity in subsidiaries that is not attributable, directly or indirectly, to Galp's shareholders.

Translation of foreign currencies

Functional currency

Items included in the financial statements of Galp Group entities are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The presentation currency of the consolidated group is the Euro, which is the functional currency of the parent.

Translation of transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing as of the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities, are recognised in the income statement.

Translation of Group companies

Upon consolidation, the assets and liabilities of non-Euro entities are translated into Euros at the year-end rates of exchange, while their statements of income, other comprehensive income and cash flows are translated at the annual average rates. The resulting translation differences are recognised as currency translation differences within other comprehensive income.

The following exchange differences are recognised in other comprehensive income: (i) Foreign subsidiaries' statements of comprehensive income are translated at the historical average of the year-end exchange rates; (ii) Loans granted by shareholders to subsidiaries in currencies other than the parent's functional currency that have no stipulated repayment terms are treated as net hedges on the investments in these foreign subsidiaries. This means that the foreign exchange differences arising from these loans that have not been eliminated upon consolidation are reclassified in the income statement from shareholders' equity to the line item “Currency translation reserves”.

Key accounting estimates and judgments

Inherent in the application of the accounting policies used for the preparation of these consolidated financial statements is the need for Galp's management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses. The actual amounts could differ from the estimates and assumptions used.

Accounting judgments and estimates which could have a material impact on the results of the group are described in the Notes to the financial statements alongside the material accounting policies. Those areas requiring the most significant judgment and the use of estimates when preparing these consolidated financial statements are: (i) Accounting for interests in joint arrangements and associates (Note 9); (ii) Accounting for oil and natural gas properties, including the estimation of oil and gas reserves, future commodity prices and refinery margins (Note 5); (iii) Recoverability of the carrying value of assets (Notes 5, 6, 8 and 9); (iv) Provisions and contingencies (Note 18); (v) Pensions and other post-employment benefits (Note 17); (vi) Income taxes (Note 16); (vii) Leases (Note 7); (viii) Derivatives financial instruments, including fair value measurements of financial instruments (Note 19 and 20). Where an estimate carries a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities within the next financial year, this is specifically stated within the respective note.

Energy Transition and climate change

Sustainable long-term value creation and decarbonisation remain imperative. This requires credible, progressive, and pragmatic strategies that balance the continuous investment in low-carbon solutions while addressing energy security and affordability concerns.

In an increasingly challenging global energy landscape, Galp is determined to ensure its long-term competitiveness and maximise the value of every project and solution offered, maintaining an alignment with society and EU targets.

Galp's strategy emerges in the balance between i) Selective upstream growth focused on an asset base of cost-efficient, low-carbon intensity projects, with promising opportunities being de-risked to unlock future growth and ii) Downstream transformation & decarbonisation, increasing Galp's Iberian businesses resilience in alignment with regional market trends, investing in lower-emissions fuels, whilst expanding the integration of renewable power generation.

Refer to section 2.1 in chapter 2 and section 4.3.1 in chapter 4, in the Integrated Management Report (Part I) for further details on strategic framework related to energy transition.

This note describes how Galp has considered climate-related impacts in some key areas of the financial statements and how this translates into the valuation of assets and measurement of liabilities as Galp progresses in the energy transition.

The material accounting policies, judgements and estimates section above provides the specific reference to the notes where the relevant uncertainties, including those that have the potential to have a material effect on the Consolidated Balance Sheet in the next 12 months, are described.

This note describes the key areas of climate impacts that potentially have short and longer-term effects on amounts recognised in the Consolidated Balance Sheet at December 31, 2024. Where relevant, this note contains references to other notes to the Consolidated Financial Statements and aims to provide an overarching summary.

Financial planning and assumptions

The key assumptions used for financial planning, which incorporate climate change and energy transition considerations and prove, most relevant to the amounts recognised in the financial statements are future oil and gas prices, future refining margins, future electricity prices, discount rates, future decommissioning and restoration costs a carbon emission cost. The mid-case price outlook represents Galp managements reasonable best estimate and is the basis for Galp's financial statements, business plan and impairment testing. Impairment testing considers management's reasonable best estimate across the full life cycle of assets, which may go beyond the business plan period.

The financial plan includes expected carbon costs given evolving carbon regulations, based on a forecast of Galp's equity share of emissions from operated assets considering also the estimated impact of free emission unit allowances. Carbon cost estimates are at around €120 per tonne of GHG emissions in 2030, €220 per tonne in 2040 and €330 per tonne in 2050 (nominal terms).

Potential accounting impact of Energy Transition

Changes in future commodity prices and potential impairments

As noted, in accordance with IFRS, Galp's financial statements are based on reasonable and supportable assumptions that represent management's current best estimate of the range of economic conditions that may exist in the foreseeable future.

Energy transition is expected to bring volatility and there is large uncertainty as to how commodity prices will develop over the next decades. External climate price scenarios differ, with some presenting a structurally lower price during the transition period, whilst others show structurally higher commodity prices as a result of changes in both supply and demand.

Refer to Note 5 for Galp's best estimate for future oil and gas prices, refining margins and electricity prices, and related sensitivities. If different price outlooks from external and often normative climate change scenarios were used, this may impact the recoverability of certain assets recognised in the Consolidated financial position as at December 31, 2024. These external scenarios are not representative of management price reasonable estimate.

Change of portfolio

Galp's strategy to play an important role in the energy transition may also result in new asset investments and/or divestment, which will impact the balance sheet and the Group's future results. After streamlining the portfolio of assets in Upstream with the divestment of assets in Angola, in 2022, which was completed during the first half of 2024, in the second quarter of the year, Galp announced its divestment in Area 4 in Mozambique (Note 2.2.1. and Note 32), while focusing on low-cost & low-carbon intensity assets.

The Group continues to execute its strategy proposition focusing on the successful execution of key projects, combining growth and transformation in its portfolio with financial discipline and strong focus on sustainable long-term value.

Earlier than expected termination of abandonment provisions

Energy transition may lead to earlier than planned decommissioning and restoration commitments. Galp has recognised in its account's abandonment provisions for all assets where the abandonment commitments are material, except for Sines refinery industrial complex. Galp seeks to uphold its operations in its industrial site in Sines, naturally transforming and decarbonising towards the needs of a lower carbon energy system and ensuring longer-term competitiveness and resilience.

Physical risks of Assets

As with the Energy Transition, Galp has been working in the assessment of the potential impact of climate change risks in its activities. This analysis has the double objective of valuing the resilience of Galp's strategy under different scenarios while at the same time identify relevant opportunities and threats.

Galp integrated the TCFD recommendations in the identification of climate change related risks. A set of physical and market variables were collected in order to estimate the impact of climate change risks in Galp's operations and value at risk. Extreme weather events, whether or not related to climate change, could have a negative impact on Galp's results, cash flows and financial condition. Such risks are closely monitored and are appropriately reflected in the financial statements when and if they occur.

Refer to section 4.3.1 Climate change in chapter 4. Sustainability in the Integrated Management Report (Part I) for further details.

Galp is in the process of conducting multiple studies aimed at expanding the understanding of physical risks. These studies will allow a better understanding of the resilience of Galp's physical assets in the short to medium term given the estimated pace of climate change.

Galp has several core assets near the coastline and holds interests in joint operations in deep waters with Floating Production and Offloading Vessels (FPSO). These core assets, as well as other Galp assets, are covered by insurance.

2.2. Significant changes during the year

2.2.1. Non-current Assets and Liabilities classified as held for sale

Angolan Upstream

On June 2024, the sale of the Angolan upstream companies was completed, and a capital gain was recognised in the amount of €138 m (which is accounted in "Other operating income" caption in Note 24).

Total proceeds from the sale amounted to date at €470 m (of which, €400 m received in the year), excluded of interim dividend distribution. Additional proceeds (contingent receivable) which were dependent on the average brent price during 2024, were recognised at the end of the year, amounting to circa €55 m, to be collected in 2025 (which is accounted in "Other operating income" caption in Note 24). These proceeds were received in February 2025.

Mozambique Upstream

During the second quarter, Galp signed an agreement with ADNOC to sell its upstream assets in Mozambique. The assets and liabilities associated with upstream business in Mozambique were classified as non-current assets and liabilities directly associated with non-current assets held for sale, within current assets and current liabilities, respectively, in the financial position. The transaction is subject to customary third-party approvals, with completion expected to occur during 2025.

Upon completion, Galp will receive a payment of c. $881 m in 1Q25 (Note 32) encompassing the equity value of shares, shareholder loans reimbursement and accumulated investments made since the transaction reference date of 31/12/2023. The total amount also includes the reimbursement of $109 m outflow related to capex needs from Mozambique upstream assets, occurred during 2025. Additional contingent payments of $100 m and $400 m will be payable with the final investment decision of Coral North and Rovuma LNG, respectively.

Guinea Bissau

During the second quarter, Galp agreed to sell its commercial assets in Guinea Bissau and signed an agreement with Zener International Holding, S.A..

The assets and liabilities associated with the commercial business in Guinea Bissau were classified as non-current assets and liabilities directly associated with non-current assets held for sale, within current assets and current liabilities, respectively, in the financial position. The Group has received €9 m of initial proceeds from the Guinea Bissau assets disposal (which is accounted in "Other deferred income" caption in Note 15) and expected to collect €28 m (including ticking fee) upon closing of the transaction. Completion of the transaction is expected to occur during 2025.

The assets, liabilities and cumulative translation reserve in equity that comprise the amounts presented in the financial statements on 31 December 2024 are as follows:

Unit: €m

			2024
	Mozambique Upstream	Guinea Bissau	Total
Assets:	**1,748**	**46**	**1,794**
Intangible assets	7	0	7
Tangible assets	789	12	801
Right-of-use of assets	485	2	487
Investments in associates and joint ventures	120	0	120
Other financial assets	260	0	260
Deferred tax assets	15	0	15
Inventories	0	12	12
Current income tax receivable	0	3	3
Cash and cash equivalents	0	11	11
Other receivables	73	6	79
Liabilities:	**(620)**	**(2)**	**(622)**
Deferred tax liabilities	(24)	0	(24)
Provisions	(19)	0	(19)
Lease liabilities	(482)	(2)	(484)
Other payables	(95)	0	(95)
Equity – Accumulated conversion reserves	(128)	0	(128)

Assets and liabilities directly associated with non-current assets held for sale are consolidated in the Consolidated Financial Statement of Group Galp, and thus, intragroup balances and transactions are excluded. The results of these entities are included in the Consolidated Income Statement adjusted for amortisation and depreciation on tangible, intangible and right-of-use of assets in accordance with IFRS 5.

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2.2.2. Changes to the consolidation perimeter

During the twelve-month period ended on the 31 December 2024 Galp has entered into the following main transactions:

Legal Entity	Country	Transaction	% Current Share	Consolidation Method
Multiservicios Galp Barcelona	Spain	Liquidation	0.00	—
Solar companies (24 companies)	Brazil	Liquidation	0.00	—
Petrogal, S.A. Sucursal	Spain	Liquidation	0.00	—
Talar Renewable Energy, S.L.	Spain	Liquidation	0.00	—
Galp Energia Overseas Bloco 14, B.V.	Netherlands	Sold	0.00	—
Galp Energia Overseas Bloco 32, B.V.	Netherlands	Sold	0.00	—
Galp Energia Overseas Bloco 14, B.V., branch Angola	Angola	Sold	0.00	—
Galp Energia Overseas Bloco 32, B.V., branch Angola	Angola	Sold	0.00	—
GEMS Biofuels, Lda.	Portugal	Foundation	75.00 %	Joint operation
Solar companies (5 companies)	Brazil	Merger	0.00	Merged with Galp Energia Brasil S.A. (the surviving entity)
Renovables Spínola I, S.L.U.	Spain	Merger	0.00	Merged with Titan 2020, S.A. (the surviving entity)
Titan 2020 PV, S.L.	Spain	Merger	0.00	Merged with Titan 2020, S.A. (the surviving entity)
Ventinveste, S.A.	Portugal	Merger	0.00	Merged with Galp New Energies, S.A. (the surviving entity)
Aurora Lith, S.A. *	Portugal	Capital increase (24.7%)	74.70 %	Joint venture
PV XXI SUINTHILA S.L.U.**	Spain	Acquisition	100 %	Full consolidation

* Since the shareholders decided to abandon the project and to liquidate the entity, a total impairment was recognised for the stake held on Aurora Lith, S.A. (Note 9).

** To be returned to the previous owner

For further details of Consolidation perimeter and Galp financial interests in entities see Note 31.

2.2.3. Acquisition of owns shares

Own equity instruments that are reacquired (own shares or treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Galp has initiated on 13 February 2024 a programme to repurchase Galp Energia SGPS, S.A. own shares (to be cancelled at year-end) in the amount of €350 m and also a repurchase programme of own shares for the share-based remuneration plan as part of the Company's long-term incentives (LTIs).

During the period, 23,016,416 shares were acquired at an average price of €17.38/share, to a total of €400 m, comprising the repurchase of own shares for cancellation purposes (€351 m) and for long-term incentives plan (€49 m). Of those shares, 200,994 shares were delivered to employees at an average price of €14.54/share, totalling €3 m, under the LTI's plan.

On 7 November 2024, Galp concluded this share repurchase programme. Pursuant to the conclusion of the programme, Galp's Board of Directors approved the reduction of the Company's share capital from €773,082,725 to €753,495,159, through the extinction of 19,587,566 own-shares (totalling €20 m), representative of approximately 2.53% of its share capital on 1 January 2024. Average price of the repurchase of the shares was €17.90/share.

On 31 December 2024, Galp had 3,227,856 outstanding own shares acquired at an average price of €14.42/share, totalling €47 m for the share-based remuneration plan as part of the Company's long-term incentives (LTIs).

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3. Impact of new international financial reporting standards

New Standards and amendments endorsed by the European Union adopted on 1 January 2024 and to be adopted in future years

The IFRS standards endorsed and published on the Official Journal of the European Union (OJEU) during the year 2024 and enforceable for accounting purposes in 2024 or in subsequent years are presented in the table below:

IFRS/IFRIC Standards	Publication date in OJEU	Accounting application date	Enforcement year	Observations
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	13/11/2024	1/1/2025	2025	Without estimated accounting impact.

IFRS/IFRIC Standards	Publication date in OJEU	Accounting application date	Enforcement year	Observations
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)	16/05/2024	1/1/2024	2024	Without accounting impact.
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020); Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022)	20/12/2023	1/1/2024	2024	Without material accounting impact.
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	21/11/2023	1/1/2024	2024	Without accounting impact.

4. Segment information

Operating segments

The Group operates across four different operating segments based on the types of products sold and services rendered: (i) Upstream, (ii) Industrial & Midstream; (iii) Commercial and (iv) Renewables.

The upstream segment represents Galp's presence in the upstream sector of the oil and gas industry, which involves the management of all activities relating to the exploration, development and production of hydrocarbons, mainly focused in Brazil, Mozambique[1], Namibia and Angola[2].

The Industrial & Midstream segment incorporates the refining and logistics business, as well as the Group's oil, CO_2, gas and power supply and trading activities. This segment also includes co-generation.

The Commercial segment integrates the entire offering to Galp's clients - business to business (B2B) and business to consumer (B2C), of oil, gas, electric mobility, power and non-fuel products. This commercial activity is focused in Iberia but also extends to certain countries in Africa[3].

The Renewables segment encompasses renewables power generation and new businesses.

Besides these four business segments, the Group has also included within the category "Others" the holding company Galp Energia, SGPS, S.A. and companies with other activities including Tagus Re, S.A. and Galp Energia, S.A., a reinsurance company and a provider of shared services at the corporate level, respectively.

Segment reporting is presented on a replacement cost (RC) basis, which is the earnings metric used by the Chief Operating Decision Maker to make decisions regarding the allocation of resources and to assess performance. Based on the RC method, the current cost of sales measured under IFRS (the weighted average cost) is replaced by the crude reference price (i.e. Brent-dated) as at the balance sheet date, as though the cost of sales had been measured at the replacement cost of the inventory sold. Replacement cost adjustments affect mainly Supply and Trading regarding Oil products.

[1] Despite Mozambique upstream entities being classified as non-current Assets held for sale (Note 2.2.1.), their profit or loss is included in the consolidated income statement.

[2] The results (profit or loss) of Angolan upstream entities, which were being classified as non-current assets held for sale (Note 2.2.1.), are included in the consolidated income statement until earlier June 2024.

[3] Despite Guinea Bissau subsidiaries (i.e. net assets) are being classified as non-current assets held for sale (Note 2.2.1.), their profit or loss is included in the consolidated income statement.

The replacement cost financial information for the segments identified above, as of 31 December 2024 and 2023, is presented as follows:

Unit: €m

	Consolidated		Upstream		Industrial & Midstream		Commercial		Renewables & New businesses		Others		Consolidation adjustments	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Sales and services rendered	21,311	20,769	3,562	3,717	9,320	8,317	10,152	10,296	92	161	258	293	(2,073)	(2,016)
Cost of sales	(15,349)	(14,521)	(339)	(193)	(7,744)	(6,542)	(9,052)	(9,444)	8	26	3	(19)	1,775	1,651
of which Variation of Production	(118)	(121)	(73)	(136)	(45)	15	0	0	0	0	0	0	0	0
Other revenue & expenses	(2,266)	(2,479)	(777)	(1,036)	(679)	(846)	(783)	(563)	(53)	(57)	(272)	(342)	299	365
of which Under & Overlifting	(47)	24	(47)	24	0	0	0	0	0	0	0	0	0	0
EBITDA at Replacement Cost	**3,696**	**3,769**	**2,446**	**2,488**	**897**	**929**	**317**	**290**	**47**	**131**	**(11)**	**(69)**	**0**	**0**
Amortisation, depreciation and impairment losses on fixed assets	(946)	(987)	(519)	(532)	(146)	(154)	(148)	(157)	(95)	(113)	(38)	(32)	0	0
Provisions (net)	(10)	(105)	12	4	(2)	(82)	(21)	(1)	0	0	1	(25)	0	0
EBIT at Replacement Cost	**2,740**	**2,676**	**1,939**	**1,960**	**749**	**693**	**148**	**132**	**(48)**	**18**	**(48)**	**(126)**	**0**	**0**
Earnings from associates and joint ventures	(45)	49	(6)	(32)	5	51	6	7	(16)	21	(34)	2	0	0
Financial results	(165)	(81)												
Taxes and SPT at Replacement Cost	(1,111)	(1,017)												
Energy Sector Extraordinary Contribution	(65)	(44)	0	0	(28)	(21)	0	(14)	0	0	(38)	(9)	0	0
Windfall tax	1	(95)	0	(64)	0	0	0	(31)	0	0	1	0	0	0
Consolidated net income at Replacement Cost, of which:	**1,354**	**1,489**												
Attributable to non-controlling interests	186	209												
Attributable to shareholders of Galp Energia SGPS, S.A.	1,169	1,280												
OTHER INFORMATION														
Segment Assets*														
Financial investments**	109	255	0	110	18	29	32	27	56	89	4	0	0	0
Other assets	16,708	16,351	9,083	8,528	2,933	3,538	3,151	2,850	1,656	1,704	2,856	2,743	(2,970)	(3,012)
Segment Assets	**16,817**	**16,606**	**9,083**	**8,638**	**2,950**	**3,567**	**3,183**	**2,877**	**1,711**	**1,792**	**2,860**	**2,743**	**(2,970)**	**(3,012)**
of which Rights of use of assets	1,215	1,630	589	1,070	232	235	205	159	106	91	82	75	0	0
of which tangible and intangible assets	6,933	6,732	3,867	3,860	856	741	709	700	1,404	1,308	97	123	0	0
Investment in Tangible and Intangible Assets* **	**1,369**	**1,091**	**809**	**581**	**223**	**196**	**102**	**125**	**199**	**147**	**34**	**41**	**0**	**0**

* Net amount
** Includes "Investments in associates and joint ventures" (Note 9)
*** Excludes Abandonment provisions (€24 m)

The details of sales and services rendered, tangible and intangible assets and investments in associates and joint ventures for each geographical region in which Galp operates were as follows:

Unit: €m

	Sales and services rendered*		Tangible and intangible assets		Financial investments	
	2024	2023	2024	2023	2024	2023
Africa	764	758	512	830	23	130
Latin America	2,148	2,567	3,428	3,122	51	79
Europe	18,398	17,444	2,993	2,779	35	45
	21,311	**20,769**	**6,933**	**6,732**	**109**	**255**

* Net consolidation operation

Commercial and financial transactions between related parties are performed according to the usual market conditions, similarly to the transactions between independent parties.

The reconciliation between the Segment Reporting and the Consolidated Income Statement for the year ended 31 December 2024 and 2023 is as follows:

Unit: €m

	2024	2023
Sales and services rendered	**21,311**	**20,769**
Cost of sales	**(15,539)**	**(14,580)**
Replacement cost adjustments (1)	189	59
Cost of sales at Replacement Cost	(15,349)	(14,521)
Other revenue and expenses	**(2,266)**	**(2,479)**
Amortisation, depreciation and impairment on fixed assets	(946)	(987)
Provisions (net)	(10)	(105)
Earnings from associates and joint ventures	(45)	49
Financial results	(165)	(81)
Profit before taxes and other contributions at Replacement Cost	**2,530**	**2,645**
Replacement Cost adjustment	(189)	(59)
Profit before taxes and other contributions at IFRS	**2,340**	**2,585**
Income tax and SPT	(1,050)	(997)
Income tax on Replacement Cost Adjustment (2)	(61)	(20)
Energy Sector Extraordinary Contribution	(65)	(44)
Windfall tax	1	(95)
Consolidated net income for the period at Replacement Cost	**1,354**	**1,489**
Replacement Cost (1) + (2)	(129)	(38)
Consolidated net income for the period based on IFRS	**1,226**	**1,451**

5. Tangible assets

Accounting policies

Recognition

Tangible assets are stated at cost, less accumulated depreciation and cumulative impairment losses. The acquisition cost includes the purchase amount, plus transport and assembly costs, any decommissioning obligations and financial interest incurred during the construction phase. Tangible work-in-progress assets refer to assets under construction and are stated at cost less cumulative impairment losses.

Major maintenance and repairs

Expenditure on major maintenance or repairs represents the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset that was depreciated separately is replaced, and it is probable that the future economic benefits associated with the item will flow to the group, the expenditure is capitalised, and the carrying amount of the replaced asset is derecognised. Inspection costs associated with major maintenance programmes are capitalised and amortised over the period until the next inspection. Overhaul costs for major maintenance programmes, and all other maintenance costs, are expensed as they are incurred.

Upstream Tangible Assets

Hydrocarbon exploration costs are accounted for under the successful efforts' method: exploration costs are recognised in income when incurred (i.e. expenditure related to G&G – Geological & Geophysical – and G&A – General & Administrative), except for exploratory direct associated expenses with the asset under construction (ex. drilling costs), which are included in tangible assets (work-in-progress assets) pending determination of proved reserves and are subject to impairment test when triggers are identified. Dry wells are recorded as expenses for the year. At the start of production capitalised costs are depreciated based on the depreciation policy in force.

Depreciation

Upstream Tangible Assets

Tangible assets related to hydrocarbon production activities, including related pipelines, mineral rights and future decommissioning costs are in principle depreciated on a unit-of-production (UOP) basis over the proved developed reserves of the field concerned.

The UOP rate for the depreciation of common facilities considers the expenditure incurred to date, together with the estimated future capital expenditure expected to be incurred in relation to the as-yet undeveloped reserves expected to be processed using these common facilities. Floating platforms (FPSOs) are currently depreciated using the straight-line method, based on the lower of the estimated asset's useful life and the concession period of the field where the platform is deployed.

Depreciation rates for Tangible Assets

The average annual depreciation rates used are as follows:

Depreciation rates	2024	2023
Buildings and other constructions	5%	4%
Machinery and equipment	8%	10%
Transport equipment	10%	12%
Tools and utensils	20%	11%
Administrative equipment	24%	14%
Reusable containers	14%	11%
Other tangible assets	12%	12%

Impairment analysis

Impairment testing is performed at the date of the financial statements and whenever events or changes in circumstances indicate that the carrying amounts for those assets may not be recoverable or previous years impairments are to be reversed. When performing impairment testing, tangible assets are allocated to the respective cash generating unit (CGU). The recoverable amount of an asset is estimated as part of the CGU to which it belongs, according to the discounted cash flow method. The discount rates are calculated by adjusting the post-tax rate to reflect the specific risk levels of the CGUs.

Industrial & Midstream, Commercial and Renewables segments impairment tests

Tangible and intangible assets related to the Industrial & Midstream, Commercial and Renewables segments are assessed by the Group for impairment at the end of each reporting period or when impairment indicators (or indicators for impairment reversal) are identified, considering internal and external sources of information.

Commercial

In its annual impairment testing of Commercial segment, the Group considers the service station cash generating unit as being each individual service station.

The impairment testing carried out by the Group is based on the estimated recoverable amount of each service station compared to its net book value at the end of each reporting period. The recoverable amount (value in use) determined by the Group corresponds to the present value of the expected future cash flow, which in turn is determined based on the annual budgets and business plans for the service station, using a post-tax discount rate adjusted for the specific risks of that segment.

Industrial & Midstream

Impairment testing is also performed on the other assets of the Industrial & Midstream segment, including Sines refinery and tangible assets associated with logistics and storage activities. The period of the cash flow projection varies as a function of the CGU's average economic useful life.

The determination of the value in use of refining assets was based on the assumptions defined in the Business Plan, as follows:

(i) Refining margin;

(ii) Carbon prices;

(iii) Refinery availability;

(iv) Future operating and investments costs; and

(v) Discount rate.

Renewables impairment testing

The impairment testing carried out by the Group for in the renewables business is viewed on an aggregated basis, notably in the Spanish portfolio acquired under the Titan deal. The net assets of the SPVs are combined with the fair value recognised in the consolidated accounts for Titan projects. This aggregated amount is then compared to the profitability of the assets.

For other projects, the valuation is performed on a project-by-project basis, or by cluster, when interconnection facilities are shared.

Upstream segment impairment testing

Impairment on exploration and production assets are recorded when:

- Economically feasible reserves are not found;
- The exploration licence expires and is not expected to be renewed;
- When an acquired area is relinquished or abandoned; and
- When the carrying amount exceed its recoverable amount.

Tangible and intangible assets related to the upstream segment are assessed for impairment by the Group periodically (annually, or quarterly where indications of impairment are identified). The selected CGU will be the project or the individual block, depending on the stage of maturity of the respective investment. The assessment for impairment is carried out in accordance with the expected monetary value (EMV model), comparing the carrying amount of the investment with the present value of the expected future cash flow using a post-tax discount rate adjusted for the risks specific to the asset for which the future cash flow estimates have not been adjusted, calculated considering the estimates of:

(i) The probable reserves;

(ii) The investment and future operating costs needed to recover the probable reserves;

(iii) The amount of any contingent resources, adjusted to reflect the probability of geological success;

(iv) The investment and future operating costs required to recover the contingent resources;

(v) The reference price of a barrel of Brent crude;

(vi) The applicable exchange rates;

(vii) The CGU taxation mechanisms;

(viii) The estimated production level and concession period;

(ix) Discount rate; and

(x) The asset retirement obligations.

The EMV model considers in its calculation the PoS (the probability of geological success a.k.a. the probability of success), which is a conditional statistical probability (Bayesian probability). This probability is used in geological science as part of a probability matrix based on seismic information and other G&G information. This underlying information takes into account the quantity, quality and certainty of the reserves (data controls). The cash flow projection period is equal to the recovery of the reserves and resources during the concession period, up to the limit of the terms of the respective concession agreements, if applicable.

Galp can carry out impairment testing at any stage of exploration and production, i.e. in the exploration, development and production stages, when facts and circumstances suggest that the carrying amount of an exploration and production asset may exceed its recoverable amount.

In the exploration phase, the CGU depends on the stage at which the investment is made in each project. For example, at an early investment stage, the CGU will be the country-level entity, given that the investment also includes investments in signature bonuses and any generic research performed in the area. Once an overall area is divided into blocks by the relevant country's authorities, Galp will recognise each block as a CGU, down levelling the assessment for the purposes of impairment testing. As there are no reserves at this stage, Galp carries out impairment testing of prospective and contingent resources with a very low PoS.

If proved reserves are booked, the investment moves into the development stage, having already been subject to impairment testing. During the development phase and if required, the impairment analysis also considers the PoS (which is higher than at earlier stages, since there is now an estimate of the commercially viable reserves) and 2P reserves (probable reserves) in order to estimate the future cashflows that are expected to be generated by the block under analysis.

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Sensitivity testing at impairment analysis

The Group performs a stress test by applying the following sensitivity analysis to the assumption underlying the CGU's, depending on their respective segment, by applying 10% decrease in the cashflows and/or 1% increase in the discount rate.

The results from the analysis does not lead to a present impairment charge, nor may represent a certain future impairment. The year-end economic impairment analysis represent management's best estimate considering namely budget, discount rate, cashflows or production levels.

Accounting estimates and judgments

Commodity price assumptions

Future assumptions on oil and gas prices, refining margin and electricity prices used in the impairment testing in the Upstream, Industrial & Midstream (refining asset) and Renewables and New Business segments, respectively, are regularly assessed by management.

Management's estimate of refining margins used in the impairment testing was based on a linear refinery simulation software considering the current refinery configuration and to generate, on an optimised basis, estimated refinery products yields and energy consumption data based on a refining mixture of available brent and other refinery feedstocks. Galp's refining margin also incorporates the costs associated with CO_2 emissions.

Future oil and gas prices, refining margins and electricity prices used in impairment testing provide a source of estimation uncertainty as referred to in paragraph 125 of IAS 1 Presentation of Financial Statements (IAS 1.125).

Information about the carrying amounts of assets and impairments and their sensitivity to changes in significant estimates are presented in this Note 5.

Oil and gas reserves

The estimate of oil and gas reserves is an integral part of the decision-making process relating to the exploration and development of upstream assets. The volume of proved developed reserves is used to calculate the depreciation of exploration and production assets, in accordance with the units of production method. The expected production volumes, which comprise proved reserves and unproved volumes is used to assess the project's recoverable amount. The estimated proved reserves are also used to assess the annual abandonment costs. The estimated proved reserves are subject to judgment, and to future revision based on newly available information, including information relating to the development activities, drilling or production, prices or contract termination. The impact of any changes to the estimates of reserves are accounted for on a prospective basis. The estimates of oil and gas reserves, and any movements occurring during the year, are described in the Supplementary Information of the Integrated Report, which is not audited.

Useful lives and residual values of tangible assets

The calculation of the assets' residual values and useful lives, as well as the method to be applied, are necessary to determine the depreciation to be recognised in the consolidated income statement for each period. These parameters are set based on management's judgment, as well as being in line with the practices adopted in the industry. Changes in assets' economic useful lives are accounted for on a prospective basis.

Unit: €m

	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
As at 31 December 2024					
Acquisition cost	1,352	11,733	541	3,061	16,687
Impairment	(45)	(247)	(3)	(271)	(566)
Accumulated depreciation and depletion	(817)	(8,666)	(443)	0	(9,927)
Net value	**489**	**2,820**	**95**	**2,789**	**6,194**
As at 31 December 2023					
Acquisition cost	1,338	11,401	534	2,641	15,913
Impairment	(37)	(226)	(3)	(234)	(501)
Accumulated depreciation and depletion	(812)	(8,131)	(441)	0	(9,384)
Net value	**489**	**3,044**	**90**	**2,406**	**6,029**

Movements in tangible assets in 2024 and 2023 are as follows:

Unit: €m

	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
Balance as at 1 January 2024	**489**	**3,044**	**90**	**2,406**	**6,029**
Additions	0	0	0	1,297	1,297
Depreciation, depletion and impairment	(37)	(517)	(35)	(21)	(610)
Disposals/Write-offs	(1)	(11)	(1)	(41)	(55)
Transfers	38	252	34	(1,126)	(801)
Currency exchange differences and other adjustments	1	53	7	274	334
Balance as at 31 December 2024	**489**	**2,820**	**95**	**2,789**	**6,194**
Balance as at 1 January 2023	**459**	**3,267**	**64**	**1,910**	**5,700**
Additions	1	56	0	1,056	1,113
Depreciation, depletion and impairment	(22)	(594)	(25)	(35)	(677)
Disposals/Write-offs	(3)	(34)	0	(50)	(87)
Transfers	54	443	51	(548)	0
Currency exchange differences and other adjustments	1	(94)	0	73	(20)
Balance as at 31 December 2023	**489**	**3,044**	**90**	**2,406**	**6,029**

"Transfers" includes the reclassification to "Non-current assets held for sale" of Upstream Mozambique and commercial Guinea Bissau assets (Note 2.2.1.).

During the year ended 31 December 2024, the Group has made tangible and intangible investments amounting to €1,393 m, of which Upstream investments in the amount of €845 m, essentially related to projects in Brazil (€533 m) and Namibia (€312 m), Industrial & Midstream (€223 m), Renewables (€197 m), Commercial (€94 m) and Corporate (€34 m). During 2024, the amounts mentioned above also include the capitalisation of financial charges in the amount of €64 m (Note 27).

In the current year, Galp recognised an impairment on tangible assets of €124 m mainly related with renewables assets (€46 m), industrial and commercial assets (€8 m) and upstream assets (€70 m).

Upstream segment assets

Details of assets under construction and assets in production for the Upstream segment for the years ended 31 December 2024 and 2023, including Tangible and Intangible Assets, are presented in the table below:

Unit: €m

	Africa		Latin America		Total	
	2024	2023	2024	2023	2024	2023
Assets under construction	**439**	**541**	**2,020**	**1,615**	**2,459**	**2,156**
In exploration*	439	398	0	0	439	398
In development*	0	115	2,020	1,615	2,020	1,730
Others	0	28	0	0	0	28
Assets already in production	**0**	**199**	**1,408**	**1,505**	**1,408**	**1,704**
Mineral Rights	0	6	0	0	0	6
In production*	0	193	1,408	1,505	1,408	1,698
Exploration and Production Assets	**439**	**740**	**3,428**	**3,121**	**3,867**	**3,860**

*Includes financial interests

Impairment Analysis

Refinery, logistics and storage facilities

Impairment testing was carried out for several CGUs of the Industrial & Midstream segment, including refinery and storage facilities. Based on the impairment testing carried out, the expected future benefits from the assets are higher than the carrying amount.

The future cash flow projections at the CGU level have been discounted using an appropriate discount rate which reflects the asset's specific risks (2024: 8,3% and 2023: 8,3%).

Year-end analysis of the sensitivity of the carrying amount of the refining assets included fluctuations in the cashflows, refining margin and discount rates. The forecast refining margin considered in the impairment testing were in a range from 5,20$/bbl to 7,50$/bbl during the Business Plan period.

The sensitivity test assumptions were a 10% decrease in cashflows or a 1% increase in the discount rate, with no impairment identified.

Retail distribution assets

A total impairment of €8m in Tangible assets regarding the retail distribution assets in Portugal and Spain (€1 m) and non-operative assets in Spain (€7 m).

The future cash flow projections at the CGU level have been discounted using an appropriate discount rate which reflects the asset’s specific risks (2024: 6.3-6.4% and 2023: 6.3-6,5%).

The sensitivity test assessed the combined impact of 10% decrease in cashflows and an increase of 1% in the discount rate, which would lead to an higher impairment charge of €12m regarding the retail distribution assets in Portugal and Spain.

Upstream segment assets

In 2024, Galp recognised €70 m of impairment regarding the dry wells. Tangible and intangible assets of the Upstream segment were subject to an impairment testing at year-end and analysis of the sensitivity of the carrying value of the main assets to fluctuations in the Brent price.

The forecast Brent, at real prices, considered in the impairment testing, for 2025: $69/bbl and for 2026-2030: $72/bbl. For the period after 2031, the forecast Brent price is projected to fall 0.4% annually.

For those assets already in development and production, and despite the fact that no triggers were identified, the impairment assessments show that the expected future benefits from the assets are higher than the carrying value per CGU for the regions in which Galp operates (Brazil). For Mozambique a fair value analysis was made since the assets will be sold rather then used by Galp. No impairment is expected on the assets that are available for sale.

The discount rate used in the impairment test reflects the risks specific to the Upstream assets for which the future cash flow estimates have not been adjusted, calculated on a USD basis (2024: 10.1% and 2023: 11.7%).

A sensitivity analysis was carried out to test the impact of the volatility of the Brent price on the value of the main Upstream assets. The sensitivity test assessed the combined impact of 10% decrease in cash flows and an increase of 1% in the discount rate. The results from the analysis indicate that no future impairment identified in the geographical areas mentioned.

Renewables segment assets

Impairment test was done to tangible and intangible assets of the renewables segment. The cash flow projections at the CGU level were discounted using an appropriate discount rate which reflects the asset's specific risks (2024: 5.8%-6.1%; 2023: 5.8-6.2%). An impairment of € 46m was recognised regarding renewables assets.

A sensitivity analysis was conducted considering the combined impact of a 10% decrease in cashflows and an increase of 1% in the discount rate. The results from the analysis would lead to an additional impairment charge of €321 m.

6. Intangible assets

Accounting policies

Recognition

Intangible assets are measured at cost, less accumulated amortisation and impairment losses. Intangible assets are identifiable non-monetary intangible assets, which are only recorded if it is probable that they will result in future economic benefits to the Group, these benefits are controlled by the Group and they can be reliably measured.

Intangible assets include costs incurred for the development of information systems, bonuses paid to retailers of Galp products, and land rights, which are amortised over the periods of the respective agreements.

Research and development

Research expenses not related to petroleum exploration and production activities are recognised as expenses for the period. Development expenses are only recognised as intangible assets if the Group has the technical and financial ability to develop the asset, decides to complete the development and starts commercially exploiting or using it, and it is probable that the asset created will generate future economic benefits.

Upstream

Signature bonuses (i.e. Mineral Rights) are ownership rights to explore oil and gas resources and are recognised as intangible assets.

See further details of the recognition policies for Upstream assets in Note 5.

Amortisation

Intangible assets with finite useful lives are amortised on a straight-line basis. The amortisation rates are set in accordance with the terms of the existing contracts, or with the expected use of the intangible assets. Intangible assets recognised in the exploration and production segment, namely signature bonuses, are recorded at their acquisition cost and are amortised on a UOP basis from the date on which production starts.

Impairment

The impairment testing of intangible assets is based on Management's projections of the net present value of the estimated future cash flows. The residual values used are based on the expected lives of the related products, the forecast lifecycle and the cash flow over that period, and on the economically useful lives of the underlying assets.

Accounting estimates and judgments

Useful lives and residual values of intangible assets

The calculation of the assets' residual values and useful lives, as well as the amortisation method to be applied, are essential to determine the amortisation recognised in the consolidated income statement for each period. These parameters are set based on the judgment of Management, as well as the practices adopted by peers in the industry.

Impairment of intangible assets

Determining whether impairment of assets has occurred requires a high level of judgment by management, specifically around identifying and evaluating indicators for impairment or impairment reversal, projection of future cashflows, applicable discount rates, useful lives and residual amounts. Refer to Note 5. for further details on impairment analysis.

Unit: €m

	Industrial properties and other rights	Intangible assets in progress	Total
As at 31 December 2024			
Acquisition cost	1,359	95	1,454
Impairment	(157)	(30)	(187)
Accumulated amortisation	(572)	0	(572)
Net value	**630**	**65**	**695**
As at 31 December 2023			
Acquisition cost	1,319	93	1,412
Impairment	(169)	(23)	(192)
Accumulated amortisation	(561)	0	(561)
Net value	**589**	**69**	**659**

Movements in intangible assets in 2024 and 2023 are as follows:

Unit: €m

	Industrial properties and other rights	Intangible assets in progress	Total
Balance as at 1 January 2024	**589**	**69**	**659**
Additions	61	35	96
Amortisation and impairment	(133)	0	(133)
Write-offs/Disposals	(7)	0	(7)
Transfers	43	(50)	(7)
Currency exchange differences and other adjustments	77	10	87
Balance as at 31 December 2024	**630**	**65**	**695**
Balance as at 1 January 2023	**572**	**101**	**672**
Additions	6	45	51
Amortisation and impairment	(92)	0	(92)
Write-offs/Disposals	(21)	0	(21)
Transfers	45	(45)	0
Currency exchange differences and other adjustments	81	(32)	48
Balance as at 31 December 2023	**589**	**69**	**659**

"Transfers" includes the reclassification to "Non-current assets held for sale" of Upstream Mozambique and commercial Guinea Bissau assets (Note 2.2.1.).

During the year ended 31 December 2024, the Group has made €96 m of intangible investment (Note 5).

In the current year, Galp recognised an impairment of €6 m on intangible assets.

7. Leases

Accounting policies

Recognition

The Group recognises both a right-of-use asset and a lease liability as of the lease commencement date. The right-of-use asset is initially measured at cost, which represents the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, plus an estimate of the costs required to dismantle and remove the underlying asset or restore the site on which it is located (if applicable), less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid up to the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The types of lease payments included in the measurement of the lease liability are as follows:

- Fixed payments, including in-kind fixed payments;
- Variable lease payments that are pegged to an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to be able to exercise, lease payments over an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for the early termination of a lease, unless the Group is reasonably certain not to terminate it early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there are changes in the amounts of future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or it is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets and lease liabilities in a separate line in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have lease terms of 12 months or less, and leases of low-value assets. The Group recognises the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

Depreciation

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined as those used for the property and equipment items.

Accounting estimates and judgments

Useful lives, residual values of assets and discount rates

The calculation of the assets' residual values, the estimation of the useful lives, and the discount rates used are based on the premises of the lease contracts (or for similar assets) and are set based on Management's judgment, as well as the practices in the industry.

Impairment of Right-of-use Assets

Identifying impairment indicators, estimating future cash flow and determining the fair value of assets requires Management to use significant judgment in terms of the identification and evaluation of the different impairment indicators, the expected cash flow, the applicable discount rates, useful lives and residual amounts. Rights-of-use assets are subject to existing impairment requirements as set out in "Tangible assets" (Note 5).

The details of right-of-use assets are as follows:

Unit: €m

	FPSO's*	Buildings	Service stations	Time Charter	Other usage rights	Total
As at 31 December 2024						
Acquisition cost	760	108	400	381	372	2,021
Impairment	0	0	(39)	0	0	(39)
Accumulated depreciation	(288)	(27)	(161)	(185)	(106)	(767)
Net value	**472**	**81**	**201**	**196**	**266**	**1,215**
As at 31 December 2023						
Acquisition cost	1,200	93	319	316	284	2,212
Impairment	0	0	(33)	0	0	(33)
Accumulated depreciation	(237)	(18)	(78)	(132)	(83)	(549)
Net value	**963**	**75**	**208**	**184**	**200**	**1,630**

Movements in right-of-use assets in 2024 and 2023 are as follows:

Unit: €m

	FPSO's*	Buildings	Service stations	Time Charter	Other usage rights	Total
As at 1 January 2024	**963**	**75**	**208**	**184**	**200**	**1,630**
Additions	0	13	86	74	40	213
Depreciation	(65)	(9)	(41)	(65)	(23)	(202)
Transfers	(485)	0	(2)	0	0	(487)
Currency exchange differences and other adjustments	59	1	(50)	3	49	61
Balance as at 31 December 2024	**472**	**81**	**201**	**196**	**266**	**1,215**
As at 1 January 2023	**510**	**16**	**215**	**151**	**224**	**1,116**
Additions	485	69	29	96	29	708
Depreciation	(58)	(7)	(36)	(59)	(18)	(178)
Currency exchange differences and other adjustments	26	(3)	0	(4)	(35)	(15)
Balance as at 31 December 2023	**963**	**75**	**208**	**184**	**200**	**1,630**

* Floating, production, storage and offloading unit – floating oil production system, built on a ship structure, with a capacity for oil and natural gas production processing, liquid storage and transfer of oil to tankers (it includes the FLNG Vessel (Floating liquified natural gas)).

"Transfers" includes the reclassification to "Non-current assets held for sale" of Upstream Mozambique (namely, Coral FLNG Lease) and commercial Guinea Bissau assets (Note 2.2.1.).

Lease liabilities are as follows:

Unit: €m

	2024	2023
Less than one year	253	309
One to five years	747	1,038
More than five years	858	1,301
Maturity analysis – contractual undiscounted cash flow	**1,859**	**2,649**
Current	233	267
Non-current	1,182	1,543
Lease liabilities included in the consolidated statement of financial position	**1,414**	**1,810**

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

Unit: €m

	Notes	2024	2023
Interest on lease liabilities	27	135	102
Expenses related to short term, low value and variable payments of operating leases*		411	667
		546	**769**

* Includes variable payments and short-term leases recognised under the heading Transport of goods.

The amounts recognised in the consolidated statement of cash flow are as follows:

Unit: €m

	2024	2023
Payments relating to leasing (IFRS 16)	197	157
Payments relating to leasing (IFRS 16) interests	135	102
Financing activities	**332**	**259**

8. Goodwill

Recognition

The differences between the investee's acquisition cost and the fair value of the identifiable assets and liabilities of the acquired entities at the acquisition date, if positive, are recorded within goodwill (when they result from goodwill in Group companies) or included in the line item "Investments in associated companies" (when they result from goodwill in associates). The negative differences are recognised immediately in the income statement.

Impairment

The carrying value of Goodwill is allocated to the respective CGU, and the recoverable amount is also estimated for the CGU, using the value in use methodology. The value in use represents the expected future cash flow from the CGU, discounted at an appropriate discount rate that reflects the risks specific to the CGU. The carrying amount of goodwill is tested for impairment annually. Refer to Note 5. for further details on impairment analysis.

Unit: €m

	2024	2023
Galp Comercialização Portugal, S.A. (incorporated in Petrogal)	34	34
Galpgest – Petrogal Estaciones de Servicio, S.L.U.	6	6
Empresa Nacional de Combustíveis – Enacol, S.A.R.L.	4	4
	44	**44**

The movement of Goodwill during 2024 and 2023 was as follows:

Unit: €m

	2024	2023
Balance as at 1 January	**44**	**70**
Impairment	0	(25)
Currency exchange differences and other adjustments	0	(1)
Balance as at 31 December	**44**	**44**

No impairment losses were recognised in 2024. Impairment losses in 2023 related to African commercial business (retail assets), amounting to €25 m.

9. Investments in associates and joint ventures

Accounting policies

Joint Arrangements and Associates

Arrangements under which Galp has contractually agreed to share control with another party or parties are deemed to be joint arrangements. These may be joint ventures where the parties have rights to the net assets of the arrangement, or joint operations where the parties have rights to the assets and obligations arising from the liabilities relating to the arrangement. Investments in entities over which Galp has the right to exercise significant influence but has neither control nor joint control, are classified as associates.

Investments in joint ventures and associates are accounted for using the equity method, under which the investment is initially recognised at cost and subsequently adjusted for Galp's share of post-acquisition net results. The investments are also adjusted for the dividends received and for Galp's share of other comprehensive income. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects Galp's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of Galp's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, Galp recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between Group Galp and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as Galp Group.

When necessary, adjustments are made to the financial statements of joint ventures and associates to bring the accounting policies used into line with those of Galp. Galp recognises its assets and liabilities relating to its interests in joint operations, including its share of any assets held jointly and liabilities incurred jointly with other partners.

Impairment

After application of the equity method, Galp determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, Galp determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, Galp calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "Earnings from associates and joint ventures" in the statement of profit or loss.

Accounting estimates and judgements

Impairment

Determining whether impairment of assets has occurred requires a high level of judgment by management, specifically around identifying and evaluating indicators for impairment or impairment reversal, projection of future cashflows and applicable discount rates. The key assumptions used to determine the recoverable amount for the relevant joint venture (Coral FLNG), which belongs to Upstream segment, are disclosed in Note 5.

Information about joint arrangements and associates can be found in Note 31.

As of 31 December 2024 and of 31 December 2023, the net book values of investments in joint ventures and associates were as follows:

Unit: €m

	2024	2023
Joint ventures	10	131
Associates	99	124
	109	**255**

Movements in Joint Ventures are as follows:

Unit: €m

	As at 31 December 2023	Share capital increase/ decrease	Equity method	Foreign exchange rate differences	Other adjustments	Transfers	Dividends	As at 31 December 2024
Coral FLNG, S.A.	110	18	(6)	0	(2)	(120)	0	0
Aurora Lith, S.A.	11	26	(37)	0	0	0	0	0
C.L.C. - Companhia Logística de Combustíveis, S.A.	10	0	5	0	0	0	(6)	9
	131	**44**	**(37)**	**—**	**(2)**	**(120)**	**(6)**	**10**

Coral FLNG, S.A. investment was re-classified to "Non-current assets held for sale" (Note 2.2.1.).

Based on the impairment analysis carried out for the relevant investments in joint ventures and associates, a total impairment (€37 m) was recognised for the stake held on Aurora Lith, S.A. since the shareholders decided to abandon the project and to liquidate the entity.

A summary of the financial indicators of the significant joint ventures as of 31 December 2024 is shown below:

Unit: €m

	Coral FLNG, S.A.*
Total non-current assets	**6,385**
Total current assets	**970**
Of which cash and cash equivalents	801
Total assets	**7,355**
Total non-current liabilities	**6,195**
Of which debt	4,107
Total current liabilities	**215**
Total liabilities	**6,410**
Total operating income	**141**
Total operating costs	**(134)**
Operating results	**7**
Net financial results	**(115)**
Profit before taxes	(108)
Income taxes	(12)
Net income for the year	**(119)**

* Provisional financial statement as of the closing date used to apply the equity method, converted at the spot and average exchange rates, respectively, for balance sheet and results indicators.

Movements in Associates are as follows:

Unit: €m

	As at 31 December 2023	Share capital increase/ decrease	Equity method	Foreign exchange rate differences	Other adjustments	Transfers	Dividends	As at 31 December 2024
Belém Bioenergia Brasil, S.A.	79	0	(16)	(12)	0	0	0	51
Floene Energias, S.A.	8	0	(1)	0	1	0	(1)	7
Sonangalp - Sociedade de Distribuição e Comercialização de Combustíveis, Lda	8	0	4	0	0	0	(2)	10
CMD – Aeroportos Canarios S.L.	7	0	1	0	0	0	0	8
Other associates	21	2	4	1	(4)	0	0	23
	124	**2**	**(8)**	**(11)**	**(4)**	**0**	**(3)**	**99**

For comparative information on Joint Ventures and Associates, please refer to the consolidated financial statements for the year ended 31 December 2023.

Earnings from associate and joint ventures amount to a loss of €45 m (Note 24) mainly related with the total impairment recognised on Aurora Lith, S.A. as mentioned above.

Dividends received in the period amounted to €11 m (2023: €31 m, including share capital reductions), of which €6 m related to joint ventures, €3m related to associates and €2 m related with financial assets recognised at fair value through comprehensive income (Note 12).

Transactions with joint ventures and associates

Refer to Note 29 for details on the nature of the transactions and balances.

10. Inventories

Accounting policies

Inventories, other than Crude Oil held for trading, are stated at the lower of the acquisition cost (in the case of goods and raw and subsidiary materials) or the production cost (in the case of finished and semi-finished products and work in progress) or the inventories' net realisable value. The net realisable value corresponds to the normal selling price less costs to complete production and to sell. Whenever the cost exceeds the net realisable value, the difference is recorded in operating costs as part of the cost of sales.

Unit: €m

	2024	2023
Raw, subsidiary and consumable materials	**373**	**269**
Crude oil	16	19
Crude oil in transit	316	150
Other raw materials	42	96
Gas	0	4
Finished and semi-finished products	**511**	**713**
Finished and semi-finished products in transit	**0**	**44**
Goods	**240**	**375**
Goods in transit	**0**	**115**
Write-downs	**(23)**	**(69)**
	1,101	**1,447**

The changes to write-downs were as follows:

Unit: €m

	Notes	Raw, subsidiary and consumable materials	Finished and semi-finished products	Goods	Total
Write-downs at the beginning of the year		**10**	**40**	**18**	**69**
Net reductions	25	(5)	(34)	(6)	(45)
Write-downs at the end of the year		**5**	**6**	**12**	**23**

11. Trade and other receivables

Accounting policies

Accounts receivable are initially recorded at the transaction value and subsequently measured at amortised cost, less any impairment losses. The amortised cost of these assets does not differ from their nominal value or their fair value. Galp undertakes over – and underlifting activities for its share of crude. Under – and overlifting are common industry practices intended to optimise the allocation of transportation costs between partners. Payments and receipts related to over – and underlifting are made at a subsequent date in barrels of crude, as defined by the applicable joint operating agreement (JOA).

Trade and other receivables are derecognised when the contractual rights to the cash flow expire (i.e. they are collected), when they are transferred (e.g. sold) or when they are impaired.

Accounting estimates and judgments

Impairment of accounts receivable

The Group applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. Trade receivables were grouped by business segment for the purposes of the assessment of expected credit losses. The credit risk of the accounts receivable balance is evaluated at each reporting date, taking into consideration the client's credit risk profile. The credit risk analysis is based on the annual default probability, and also takes into account the loss in the event of default. The default probability represents an annual probability of default, reflecting the current and projected information and taking into account macroeconomic factors, whereas the loss in the event of default represents the expected loss when a default occurs.

Accounts receivable are adjusted for Management's estimate of the collection risks as of the statement of financial position date, which may differ from the actual impairment to be incurred.

Credit Risk

For Credit Risk purposes, if wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Credit Risk assessment considers the credit quality of the customer, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. Wholesale customers' compliance with credit limits is regularly monitored by Management.

Sales to retail customers are required to be settled in cash or using major credit cards, thus mitigating the credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For further credit risk mitigation measures, guarantees and insurance policies for eventual credit defaults are a standard part of Galp's overall risk policy.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Trade receivables

Unit: €m

	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Trade receivables		**1,337**	**0**	**1,507**	**0**
Allowance for doubtful amounts		**(99)**	**0**	**(111)**	**0**
		1,237	0	1,395	0
Not yet due	**Low**	**1,189**	**0**	**1,304**	**0**
Overdue up to 180 days	Medium	21	0	74	0
Overdue between 181 days and 365 days	High	9	0	3	0
Overdue over 365 days	Very High	18	0	14	0
Aging of trade receivables	Exposure to risk	1,237	0	1,395	0
Movements in allowance for doubtful trade receivables					
Allowance at the beginning of the year		**111**	**0**	**131**	**0**
Increase/(Decrease)	25	6	0	(12)	0
Utilisation		(4)	0	(7)	0
Other adjustments		(13)	0	0	0
Allowance at the end of the year		**99**	**0**	**111**	**0**

Other receivables

Unit: €m

	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
State and other Public Entities		**91**	**0**	**109**	**0**
Other debtors		**268**	**238**	**328**	**225**
Non-operated oil blocks		3	0	26	0
Underlifting		110	0	108	0
Other receivables		155	238	195	225
Related Parties		**0**	**0**	**2**	**0**
Contract Assets		**353**	**53**	**347**	**48**
Sales and services rendered but not yet invoiced		222	0	224	0
Adjustment to tariff deviation – "pass through"		26	0	26	0
Other accrued income		104	53	97	48
Deferred charges		**138**	**19**	**154**	**32**
Energy sector extraordinary contribution	16	5	5	6	11
Deferred charges for services		7	10	4	11
Post employment benefit assets	17	0	2	0	9
CO_2 licenses	30	76	0	73	0
Other deferred charges		50	2	71	2
Impairment of other receivables		**(13)**	**0**	**(10)**	**0**
Other receivables		**837**	**310**	**931**	**305**
Movements in allowance for doubtful other receivables					
Allowance at the beginning of the year		**10**	**0**	**10**	**0**
Increase/(Decrease)	25	(13)	0	0	0
Utilisation		(1)	0	0	0
Other adjustments		17	0	0	0
Allowance at the end of the year		**13**	**0**	**10**	**0**

Other receivables (non-current) include an amount of €233 m (2023: €222 m) relating to a judicial deposit regarding the lawsuit between BM-S-11 consortium and the ANP. ANP claims that the oil fields of

Tupi and Iracema, which are located within the BM-S-11, should be unified for Special Participation Tax purposes. However, the consortium has a different understanding. Thus, the judicial deposit represents part of the difference between the two criteria under discussion. Non-operated oil blocks debtors decrease is mainly related to the decrease in Petrogal Brasil, S.A. debtors.

Other receivables (other accrued income) include an amount of €55 m relating to additional proceeds, namely a contingent receivable that was dependent on brent price at the end of 2024, recognised in "Other operating income - Others" (Note 24).

CO_2 licenses (current) include the amount of €76 m (2023: €73 m) related to the remaining CO_2 licenses after satisfying the legal obligations regarding CO_2 emissions.

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

12. Other financial assets

Accounting policies

For accounting policies regarding Other financial assets, please refer to the disclosure in Note 20.

Unit: €m

	Notes	2024		2023	
		Current	Non-current	Current	Non-current
Financial Assets at fair value through profit & loss – derivatives	19	110	55	165	96
Financial Assets at fair value through comprehensive income		0	1	0	1
Financial Assets not measured at fair value – Loans and Capital subscription		41	1	41	235
Others		0	12	1	19
		150	**69**	**207**	**351**

In the caption “Loans and Capital subscription” (Non-current), was included the Coral FLNG “Shareholder Loan Agreement”, in amount of €184 m, that was reclassified to “Non-current assets held for sale” (Note 2.2.1.).

Dividends received in the period amounted to €2 m related with financial assets recognised at fair value through comprehensive income (Note 9).

13. Cash and cash equivalents

Accounting policies

The amounts included in cash and cash equivalents correspond to cash values, bank deposits, time deposits and other cash investments with maturities less than three months, and which can be immediately mobilised with a risk of insignificant changes in value.

For the purposes of the cash flow statement, cash and cash equivalents also include bank overdrafts recorded as loans and overdrafts in the statement of financial position.

Financial resources consist of cash and cash equivalents, marketable securities with original maturities less than three months and undrawn committed credit facilities expiring after more than one year.

For the periods ending 31 December 2024 and 2023, the details of cash and cash equivalents were as follows:

Unit: €m

	Notes	2024	2023
Cash in banks		2,285	2,200
Bank overdrafts	14	(6)	(129)
		2,279	**2,071**

14. Debt

Accounting policy

Loans are initially recorded at fair value, net of the expenses incurred on the issuance of these loans. Loans are subsequently measured at amortised cost. Interest expenses are calculated at the effective interest rate and recorded in the income statement on an accruals basis in accordance with each loan agreement.

	Notes	2024		2023	
		Current	Non-current	Current	Non-current
Bank loans		**217**	**1,051**	**279**	**1,392**
Origination fees		0	0	0	(6)
Loans and commercial paper		206	1,039	150	1,398
Factoring		5	11	0	0
Bank overdrafts	13	6	0	129	0
Bonds and notes		**150**	**2,075**	**295**	**1,634**
Origination fees		0	(5)	0	(5)
Bonds and notes		150	2,080	295	1,639
Debt		**367**	**3,125**	**575**	**3,026**

Unit: €m

The average cost of financial debt for the period under review, including charges for credit lines and overdrafts, amounted to 3.50% (3.53% in 2023). As of 31 December 2024, of the total amount of €3,492 m related to total debt (excluding credit lines and overdrafts), approximately €1,101 m refers to loan at fixed-rate interest.

The fair value of the note was €495 m as of 31 December 2024 and €484 m as of 31 December 2023, measured based on observable market variables.

Current and non-current loans and bonds, excluding origination fees and bank overdrafts, have the following repayment plan as of 31 December 2024:

Unit: €m

Maturity	Loans		
	Total	Current	Non-current
2025	361	361	0
2026	753	0	753
2027	1,021	0	1,021
2028	253	0	253
2029 onwards	1,104	0	1,104
	3,491	**361**	**3,131**

For comparative information, please refer to the consolidated financial statements for the year ended 31 December 2023.

Changes in debt during the period from 31 December 2024 to 31 December 2023 were as follows:

Unit: €m

	Initial balance	Loans obtained	Principal Repayment	Changes in Overdrafts	Foreign exchange rate differences and others	Ending balance
Bank Loans:	**1,671**	**1,652**	**(1,940)**	**(123)**	**8**	**1,268**
Origination fees	(6)	0	0	0	6	0
Loans and commercial paper	1,548	1,636	(1,940)	0	1	1,245
Factoring	0	17	0	0	0	16
Bank overdrafts	129	0	0	(123)	0	6
Bonds and Notes:	**1,929**	**650**	**(355)**	**0**	**1**	**2,225**
Origination fees	(5)	0	0	0	0	(5)
Bonds and Notes	1,934	650	(355)	0	1	2,230
	3,600	**2,302**	**(2,296)**	**(123)**	**8**	**3,492**

For comparative information, please refer to the consolidated financial statements for the year ended 31 December 2023.

The bonds issued during 2024 were as follows:

Unit: €m

Issuance	Due amount	Interest rate	Maturity
GALP 2024-2032	100	Euribor 6M + spread	April 2032
Bonds EN SOLAR GALP 2024-2031	250	Euribor 6M + spread	June 2031
GALP 2024-2032	100	Euribor 6M + spread	April 2032
Bonds Solar Galp 2024-2031	200	Euribor 6M + spread	December 2031
	650		

The bond reimbursements during 2024 were as follows:

Unit: €m

Reimbursements	Due amount	Interest rate	Maturity	Reimbursement
USD 100,000,000.00 Floating Rate Notes due March 2024	92	SOFR Term 6M + spread	March 2024	March 2024
GALP 2018/2024 - EUR 100,000,000.00	100	Euribor 6M + spread	May 2024	May 2024
Galp Energia 2018-2024	100	Euribor 6M + spread	September 2024	September 2024
Bonds Galp Parques Fotovoltaicos de Alcoutim 2023/2043	2	Euribor 6M + spread	June 2043	June 2024
Bonds Galp Parques Fotovoltaicos de Alcoutim 2023/2043	62	Euribor 6M + spread	June 2043	December 2024
	355			

Additionally, Galp reimbursed €386 m of scheduled Project Finance debt during 2024.

15. Trade payables and other liabilities

Accounting policy

Trade payables and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Usually, the amortised cost does not differ from the nominal value.

Unit: €m

	2024		2023	
	Current	Non-current	Current	Non-current
Suppliers	**945**	**0**	**1,268**	**0**
Other creditors:				
State and other public entities	402	0	421	0
Payable VAT	257	0	264	0
"ISP" - Tax on oil products	123	0	107	0
Other taxes	22	0	51	0
Other payables	**283**	**40**	**279**	**43**
Tangible and intangible suppliers	134	40	184	43
Overlifting	24	0	0	0
Other creditors	124	0	95	0
Related parties	**62**	**0**	**38**	**(3)**
Other accounts payables	**104**	**24**	**130**	**11**
Accrued costs	**877**	**23**	**781**	**23**
External supplies and services	673	0	579	0
Holiday, holiday subsidy and corresponding contributions	101	2	102	1
Other accrued costs	103	21	101	21
Contract liabilities	**19**	**0**	**28**	**0**
Other deferred income	**7**	**22**	**81**	**21**
Other creditors	**1,755**	**109**	**1,758**	**95**

The amounts recorded as suppliers mainly relate to purchases of crude oil, natural gas, electricity and goods in transit on those dates.

“Other creditors” include €22 m of advances from Clients (2023: €18 m) and €85 m of payables to non-operating oil blocks (2023: €75 m).

Related parties include dividend to be paid to non-controlling interest (Note 23 and 29).

"Accrued costs – other accrued costs” includes the estimated cost to cover the shortage of certificates amounting to €73 m (2023: €74 m) (Note 30).

“Other deferred income” includes €9 m referring to the receipt of the initial proceeds (downpayment) related to the sale of Guinea Bissau (Note 2.2.1.). In December 2023, €77 m were included related to the initial proceeds (downpayment) of the sale of Angola Upstream assets.

16. Taxes, deferred income taxes and contributions

Accounting policies

Income tax is calculated based on the taxable results of the companies included in the consolidation in accordance with the applicable tax rules in each country in which Galp operates.

Deferred income taxes arise from temporary differences between the accounting and taxable values of the individual consolidated companies and from the realisable tax loss carried forward. The taxable value of the tax loss carried forward is included in deferred tax assets to the extent that these are expected to be utilised against future taxable income. The deferred income taxes are measured according to the current tax rules and the tax rates substantially enacted up to the end of the reporting period.

The Group pays taxes and Special Participation Tax on its Upstream activity, which the Company classifies as income taxes and Special Participation Tax, namely:

- Petroleum income tax (IRP) in Angola, as regulated under Law 13/04. The rate applicable to the PSA contracts is 50% on the projects' "profit oil". The IRP calculation is in all respects similar to an income tax. Thus, oil companies subject to IRP are not subject to other income taxes in Angola;
- Special Participation Tax (SPT) in Brazil, as regulated under Decree-Law No 2.705 issued by the Agencia Nacional do Petroleo, Gas Natural e Biocombustiveis (ANP). SPT is a contribution, due on a quarterly basis, calculated by oil and natural gas concessionaires based on the production from each project. The Special Participation is calculated on the determined income, from which operational costs related to the production of hydrocarbons are deducted. The SPT rate varies between 0% and 40% depending on the project's production level.

Accounting estimates and judgments

Galp is subject to income taxes in the locations in which it operates. Significant judgments and estimates are required to determine the worldwide accrual for income taxes, deferred income tax assets and liabilities, and the provision for uncertain tax positions.

Deferred tax assets

Deferred tax assets are recognised only when there is reasonable assurance that future taxable profits will be available against which the temporary differences can be used, or when there are deferred tax liabilities for which reversal is expected within the same period as that in which the deferred tax assets are reversed. Deferred tax assets are evaluated by Management at the end of each period, taking into account expectations of the Group's future performance (i.e. the Budget Plan), and such assets are only recognised if there is a high expectancy of future recovery.

Estimates regarding uncertain tax positions

As part of conducting business globally, tax and transfer pricing disputes with tax authorities may occur. Management's judgment is used to assess the possible outcome of such disputes. The most-probable-outcome method is applied when making provisions for uncertain tax positions and Galp considers the booked provisions to be adequate. Nevertheless, the actual obligation may differ, and depends on the results of litigation and settlements with the relevant authorities.

As of 31 December 2024, and 31 December 2023, the current income tax receivable and payable is as follows:

Unit: €m

	2024	2023
Current income tax receivable	106	0
Current income tax payable	(332)	(311)
	(226)	**(311)**

The total taxes paid during the period was €1,191 m (2023: €1,355 m), of which €605 m related to SPT, €525 m related to income tax, and €61 m related to extraordinary taxes Contributions.

Taxes for the year ended 31 December 2024 and 2023 were as follows:

Unit: €m

	2024			2023		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Current income tax	453	22	474	507	(152)	355
"IRP" – Oil Income Tax	9	0	9	25	2	27
"SPT" – Special Participation Tax	568	0	568	615	0	615
Taxes for the year	**1,029**	**21**	**1,050**	**1,147**	**(149)**	**997**

On November 8, 2024, Law 41/2024 was published, in Portugal, transposing into national law Council Directive (EU) 2022/2523 of December 15, 2022, on the guarantee of a worldwide minimum level of taxation for multinational enterprise groups and large domestic groups in the European Union, approving the so-called Global Minimum Tax Regime ("Pillar II"), whose consolidated annual revenue is equal to or greater than 750 million euros.

This legislation is one of the biggest changes in the international tax framework as it establishes a minimum effective tax rate of 15%, which may result in the payment of additional tax. This minimum rate will be applied through the implementation of local laws in jurisdictions that adopt these Pillar II rules or, in the case of entities located in jurisdictions that do not adopt these rules, it will be applied at the level of the jurisdiction of the parent company of the multinational group (whenever this jurisdiction has implemented Pillar II rules) or of the other entities of the group located in jurisdictions that have implemented Pillar II rules. Galp Group has been making efforts to assess the potential impacts associated with the implementation of Pillar II, given that it meets the eligibility criteria for the application of the rules, namely by having consolidated annual income of more than 750 million euros in the last two of the last four fiscal years immediately prior to its the application.

In this context, and following tests carried out previously, an assessment was carried out based on the most recent financial and tax information available at the date of preparation of this report, in order to assess whether Galp Group could benefit from the transitional safeguard provision, which assumes that the additional tax due is equal to zero, by complying with at least one of the tests provided for in the law approving the Pillar II. Thus, on the basis of the information available and taking into account the data required to apply the safeguard, it was possible to confirm the existence of the necessary conditions for favorable compliance with at least one of the tests provided for this purpose. Therefore, Galp Group does not anticipate, at this date, according to the information available and the facts known, the incidence of any material impact in 2024 arising from the application of the Pillar Two rules in the different jurisdictions, given that it has been possible to confirm, in the light of the aforementioned data, that it benefits from access to the safeguard clauses provided for.

As of 31 December 2024, the extraordinary taxes for the energy sector were as follows:

	Statement of financial position					Income statement	
	State and other public entities	Provisions (Note 18)		CESE II - Deferred Charges (Note 11)		Energy Sector Extraordinary Contribution	Windfall tax
	Other taxes	CESE I	CESE II	Current	Non-current		
As at 1 January 2024	**(33)**	**(64)**	**(258)**	**6**	**11**	**0**	**0**
Increase	0	(11)	(17)	0	0	65	0
Decrease	1	0	0	0	(6)	0	(1)
Utilisation	32	2	0	0	0	0	0
December 2024	**0**	**(73)**	**(275)**	**5**	**5**	**65**	**(1)**

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

During the period a cost of €65 m (2023: €44 m) was recognised as "Energy Sector Extraordinary Contribution" (which includes CESE I, CESE II and FNEE).

During the period, an amount of €32 m was paid in respect of Windfall taxes, plus €2 m respect of CESE I (Note 18).

Galp Group operates across various geographies, through locally established legal entities, whose taxable income is calculated based on the legal rates in force in each jurisdiction, varying between 25% in Spain, 25.8% in the Netherlands, 31.5% in Portugal and 34% in Brazil.

Unit: €m

	2024	2023
Corporate income tax rate of Galp Energia SGPS, SA	31.50%	31.50%
Application of the equity method	0.60%	(0.60%)
"SPT" – Special participation and "IRP" – Tax on Oil Income*	23.80%	24.80%
Other additions and deductions	(11.00%)	(17.20%)
Effective tax rate	**44.90%**	**38.50%**

* The SPT expense recorded through profit or loss is deductible for income tax purpose in Brazil.

During the year ended 31 December 2024, the movements in deferred tax assets and liabilities were as follows:

Unit: €m

	As at 1 January 2024	Impact on the income statement	Impact on equity	Transfers	Foreign exchange rate changes	As at 31 December 2024
Adjustments to tangible and intangible assets	187	140	0	(15)	(17)	295
Retirement benefits and other benefits	66	(7)	3	0	0	62
Tax losses carried forward	29	(26)	0	0	0	3
Regulated revenue	2	5	0	0	0	7
Temporarily non-deductible provisions	237	(10)	0	0	(4)	223
Others	95	(15)	0	0	(1)	79
Deferred Taxes – Assets	**616**	**87**	**3**	**(15)**	**(22)**	**669**
Adjustments to tangible and intangible assets	(457)	(130)	0	24	(49)	(612)
Regulated revenue	(9)	(4)	0	0	0	(13)
Others	(10)	26	33	0	(3)	46
Deferred Taxes – Liabilities	**(476)**	**(108)**	**33**	**24**	**(52)**	**(579)**

"Transfers" includes the reclassification of deferred taxes recognised related to Mozambique upstream assets to "Non-current assets held for sale" (Note 2.2.1.).

Tax losses for which deferred tax assets were recognised were as follows:

Unit: €m

	Tax losses carried forward	Limit year to use	Deferred Tax
Spain	4	No Limit	1
Portugal	9	No Limit	2
Tax losses carried forward	**13**		**3**

In addition to the €4 m above of tax losses carried forward in Spain, there are €3.8m (2023: €65 m) for which no deferred tax assets have been recognised, based on management judgement regarding the likely timing and the level of future taxable profits.

17. Retirement benefit obligations

Accounting policies

Defined-contribution plans

Galp has a defined-contribution plan funded by a pension fund which is managed by an independent entity. Galp's contributions to the defined-contribution plan are charged to the statement of income in the relevant year.

Defined-benefit plans

Galp has a defined-benefit plan that provides the following benefits: pension supplements for retirement, disability and pension supplements for survivors; pre-retirement; early retirement; retirement bonuses; and voluntary social insurance.

The payment of pension supplements for old age and disability, as well as survivors' pensions, is funded by a pension fund managed by independent entities.

Recognition of defined benefit plans

The costs for the year for defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees as of the valuation dates, and is based on actuarial assumptions, primarily regarding the discount rates used to determine the present value of benefits and the projected rates of remuneration growth. The discount rates are based on the market yields of Euro denominated high-rated corporate bonds of the euro-zone. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income during the period in which they arise. Past service costs are recognised immediately in the income statement. The surplus of a net defined benefit plan (i.e. asset) is only recognised to the extent that Galp is able to derive future economic benefits, such as refunds from the plan, or reductions in future contributions. Where a plan is unfunded, a liability for the retirement benefit obligation is recognised in the statement of financial position. Costs recognised for retirement benefits are included in employee costs. The net obligation recognised in the statement of financial position is reported within non-current liabilities.

Other post-employment benefits

Along with the aforementioned plans, Galp provides additional benefits related to healthcare, life insurance and a minimum benefit (for disability and survival).

Accounting estimates and judgments

Demographic and financial assumptions used to calculate the retirement benefit liabilities

Accounting for pensions and other post-retirement benefits requires estimates to be made when measuring the group's pension plan surpluses and deficits. These estimates require assumptions to be made regarding uncertain events, including discount rates, inflation and life expectancy.

Post-employment benefits

Unit: €m

	Notes	2024	2023
Asset under the heading of "Other Receivables"(non-current)	11	2	9
Liability		(221)	(225)
Net responsibilities		**(218)**	**(216)**
Obligations, of which:		**(406)**	**(414)**
Past service liability covered by the pension fund		(184)	(188)
Other employee benefit liabilities		(222)	(226)
Assets		**188**	**198**

Post-employment obligations

Unit: €m

	2024	2023
Past service liability at the end of the previous year	414	453
Current service cost	5	5
Interest cost	14	13
Actuarial (gain)/loss	18	(3)
Benefit payments made by the fund	(21)	(21)
Benefit payments made by the company	(27)	(30)
Cut back – Pre-retirement	2	1
Other changes	0	(4)
Past service liability at the end of the current year	**406**	**414**

The average maturity of the liabilities under the defined benefit plans is 8.6 years (in 2023: 8.3 years).

As of 31 December 2024, the breakdown of the expected value of future benefit payments for the next four years is as follows:

Unit: €m

Payment expectation by the Group	Total	Retirement benefits	Other benefits
2025	27	15	12
2026	24	12	12
2027	21	9	12
2028	19	8	11
	91	**43**	**47**

Defined-benefit pension fund

Unit: €m

	Notes	2024	2023
Assets at the end of the previous year		198	203
Expected return	26	7	6
Benefit payments		(21)	(21)
Financial gain/(loss)		4	10
Assets at the end of the current year		**188**	**198**

The hierarchy of fair value of the assets is mainly Level 1 for Shares and Other Investments, and also a mix of Level 1 and 2 for Bonds and Real Estate. Level 1 includes financial instruments using quoted prices in active markets, available in Bloomberg. Level 2 includes financial instruments whose valuation is based on observable market data, but they do not have directly quoted prices. Instead, their fair value is determined using inputs (other than quoted prices) available in Bloomberg.

Type of assets 2024

Type of assets	2024
Liquidity	2.40 %
Other investments	11.25 %
Shares	15.47 %
Real Estate	23.48 %
Bonds	47.40 %

		Unit: €m
	2024	**2023**
Real return on plan assets (%)	5.59%	8.36%
Real return on plan assets	10	16

The number of participants in the pension funds was 4,117 in December 2024 (2023: 4,281).

Post-employment plan expenses

			Unit: €m
	Notes	**2024**	**2023**
Current service cost	26	5	5
Net interest	27	7	7
Net cost for the year before special events		**13**	**12**
Cut back impact – pre-retirement	26	2	1
Other adjustments	26	0	(6)
Net cost for the year of defined-benefit plan expenses		**15**	**8**
Defined contribution	26	7	6
Net cost for the year of defined-contribution plan expenses		**7**	**6**
Total		**22**	**14**

Remeasurements

			Unit: €m
	Notes	**2024**	**2023**
Gains recognised through comprehensive income		**(15)**	**(13)**
(Loss)/Gains from actuarial experience		(7)	(23)
(Loss)/Gains from changes in actuarial assumptions		(12)	0
Financial (loss)/gain		4	10
Other gains/losses		0	0
Taxes related to actuarial gains and losses	16	**3**	**0**
		(12)	**(13)**

Assumptions

	Retirement benefits		Other benefits	
	2024	**2023**	**2024**	**2023**
Rate of return on assets	3.50%	3.75%	0.00	0.00
Discount rate	3.50%	3.75%	3.50%	3.75%
Rate of increase in salary costs	3% (2025);2% (2026);1% (2027-)	3% (2024);2% (2025);1% (2026-)	3% (2025);2% (2026);1% (2027-)	3% (2024);2% (2025);1% (2026-)
Rate of increase in pension costs	1.50% (2025);1.00% (2026);0.5% (2027-)	1.50% (2024);1.00% (2025);0.5% (2026-)	[1.40% – 3.00%] - 2025-26; [0.5%-1.40%] - 2027	[1.40% – 3.00%] - 2024-25; [0.5%-1.40%] - 2026
Current personnel and pre-retiree mortality table	TV88/90	TV88/90	TV88/90	TV88/90
Retired personnel mortality table	TV88/90	TV88/90	TV88/90	TV88/90
Disability table	50% EVK 80	50% EVK 80	50% EVK 80	50% EVK 80
Common age for retirement	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively	67 years, except for the cases of anticipation to 66 or 65 years with at least 43 or 46 years of S.S. contributions at 65 years respectively
Method	Projected credit unit	Projected credit unit	Projected credit unit	Projected credit unit

Sensitivity Analysis

Sensitivity analysis of the discount rate

		Unit: €m
Discount rate 3.5%		**- 0,25%**
Retirement benefits	245	4
Other benefits	158	5
Total	**403**	**8**

Sensitivity analysis of the growth rate of health insurance costs

			Unit: €m
Growth rate of 3%		**- 1,00%**	**+ 1,00%**
Past Service	138	(14)	17

18. Provisions and contingent assets and liabilities

Accounting policies

Provisions are recorded when, and only when: 1) the Group has a present obligation resulting from a past event; 2) it is probable that an outflow of resources entailing economic benefits will be required to settle the obligation; and 3) a reliable estimate can be made of the amount of the obligation. Galp calculates its estimate based on an evaluation of the most likely outcome. Disputes for which no reliable estimate can be made are disclosed as contingent liabilities.

Provisions for decommissioning and restoration costs of blocks are intended to cover all the costs incurred by Galp at the end of the useful production life of oil fields. Provisions are based on the operator's estimate of the total abandonment costs, which are recognised by Galp on a proportional basis as it builds each production well. These provisions are capitalised as part of the assets (Note 5).

Provisions for environmental expenditures arises principally in connection with oil products manufacturing facilities, such as refinery, logistics and storage facilities. Environmental expenditures that are required in order for the Group to obtain future economic benefits from its assets are capitalised as part of those assets. Expenditures that relate to an existing condition caused by past operations that do not contribute to future earnings are expensed. Liabilities for environmental costs are recognised when a legal or constructive obligation arises or a clean-up is probable and the associated costs can be reliably estimated. Such obligations may also crystalise during the period of operation of a facility or item of plant through change in legislation or through a commitment to a formal plan of action, a decision to terminate operations or, if earlier, on divestment or on closure of inactive sites. The amount recognised is the best estimate of the expenditure required to settle the obligation. Provisions for environmental liabilities are estimated using existed technology, at future prices and discounted using a nominal discount rate.

Other provisions are recognised in the period in which an obligation arises, and the amount can be reasonably estimated.

Provisions for legal disputes include ongoing legal disputes namely related to taxation matters. Management makes estimates regarding provisions and contingencies, including the probability of the outcomes of pending and potential future litigation. These are by nature dependent on inherently uncertain future events. When determining the likely outcomes of litigation, Management considers the input of external counsel, as well as past experience.

Although Management believes that the total amounts of provisions for legal proceedings are adequate based on the currently available information, there can be no assurance that there will be no changes in the facts, or that the amounts of any future lawsuits, claims, proceedings or investigations will not be material.

Accounting estimates and judgments

Provisions for lawsuits and other litigations

The estimated final costs of lawsuits, settlements and other litigation can vary based on different interpretations of the rules, opinions and final assessments of the losses. Consequently, any changes in circumstances relating to these types of contingencies could have a significant effect on the recorded amounts of contingencies.

Decommissioning provisions

Provisions for decommissioning and restoration costs, which arise principally in connection with hydrocarbon production facilities and pipelines, are measured on the basis of current requirements, technology and price levels; the present value is calculated using amounts discounted over the useful economic life of the assets. The liability is recognised (together with a corresponding amount as part of the related tangible asset) once a legal or constructive obligation to dismantle an item of property, plant and equipment and to restore the site on which it is located exists and when a reasonable estimate can be made. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are reflected on a prospective basis, generally by adjustment to the carrying amount of the related tangible asset. However, where there is no related asset, or the change reduces the carrying amount to nil, the effect, or the amount in excess of the reduction in the related asset to nil, is recognised in income. The discount rate applied at 31 December 2024, was between 4.38% – 4.79% (2023: 3.68% - 4.25%).

Environmental provisions

Galp makes judgments and estimates to calculate its known obligations relating essentially to the known requirements regarding abandonment of facilities and soil decontamination, based on current information relating to the expected intervention costs and plans. Such costs can vary due to changes in the legislation and regulations, changes in the condition of a specific location, as well as changes in decontamination technologies. Consequently, any changes in the circumstances relating to such provisions, as well as in the legislation and regulations, could significantly affect the provisions for such matters. The timing and amount of future expenditures relating to environmental provisions are reviewed annually, together with the interest rate used in discounting the cashflows.

The discount rate applied at 31 December 2024, was between 1.96%-3.33% (2023: 2.11%-3.63%).

Costs of abandonment of facilities (dismantling) associated with refining, logistics and storage facilities are generally not recognised since potential obligations cannot be measured, given their indeterminate settlement dates. In respect of refining assets (Sines), management is developing plans for the existing site remaining in the portfolio, which would be compatible with the Energy Transition strategy of Galp (Note 2.1). Galp periodically reviews its long-live refinery, logistics and storage facilities assets on a regular basis to determine any changes in facts and circumstances, including expected life, that could result in the recognition of a provision.

As of 31 December 2024 and 31 December 2023, the provisions were as follows:

Unit: €m

	2024				2023
	Decommissioning/ environmental provisions	CESE (I and II)	Other provisions	Total	
At the beginning of the year	**769**	**322**	**346**	**1,437**	**1,430**
Increases/(Decreases) to existing provisions	76	28	0	105	100
Amount used during the year	(18)	(2)	0	(20)	(96)
Adjustments during the year	(26)	0	1	(25)	3
At the end of the year	**802**	**348**	**347**	**1,497**	**1,437**
Increases and decreases in provisions during the year 2024					
Statement of financial position					
Tangible Assets	49	0	0	49	(42)
Deferred charges CESE	0	0	0	0	(8)
Income statement					
Judicial processes	0	0	0	0	56
Other provisions	10	0	0	10	49
Financial (income) and expenses	17	0	0	17	16
Energy Sector Extraordinary Contribution	0	28	0	28	30
Total	**76**	**28**	**0**	**105**	**100**

Decommissioning of blocks and environmental costs

The amount of €802 m includes essentially a provision for the abandonment of blocks (€432 m), established to cover the costs to be incurred for asset retirement obligations at the end of the useful lives of those areas (€427 m in Brazil and €5 m in Africa) and a provision for environmental costs established in connection with dismantling, decommissioning and decontamination costs of Matosinhos refinery (€258 m) and provisions for dismantling and decontamination of service stations and logistic parks (€112 m).

CESE I and II

In the year ending 31 December 2024, the caption of CESE (I and II) – "Energy Sector Extraordinary Contribution I and II" in the amount of €348 m represents the total responsibility as of that date and corresponds to the contributions for the years 2014 to 2024. In 2024, the Group has paid an amount of €2 m, in respect of CESE I for the years of 2014, 2016 and 2018.

In 2014, the Group was subject to a special tax (Energy Sector Extraordinary Contribution CESE I), pursuant to Article 228 of Law 83C/2013 of 31 December, which states that energy companies that carry net assets in certain activities, from 1 January 2014, are subject to a tax calculated on the balance of the eligible net assets as of that date.

In 2015, the Group was subject to a special tax (Energy Sector Extraordinary Contribution CESE II), pursuant to Law 33/2015 of 27 April and Order No. 157-B/2015 of 28 May. CESE II applies to the value of future sales, based on the four existing long-term LNG sourcing contracts which are on a take-or-pay basis. In 2017, pursuant to Order No. 92-A/2017 of 2 March, the economic value of the take-or-pay contracts changed, which was reflected in the increase of the CESE provision.

Following the law and tax regulations, Galp properly accounted for the legal obligation from CESE I and II, although these obligations are currently subject to legal dispute.

Other provisions

The amount of €347 m of other provisions includes a provision of €233 m (2023: €222 m) that relates to the dispute between ANP and the BM-S-11 consortium, as explained in Note 11, and a provision of €26 m (2023: €26 m) regarding the commitment to reimburse CESE I to the shareholders of Floene as per share sale and purchase agreement.

Contingent liabilities

Galp and its subsidiaries are involved in several tax litigations and contingencies, mainly related to its foreign operations, which were assessed as possible (and not probable) and, as such, no provision was recognised in these financial statements.

As of 31 December 2024, the Company and its subsidiaries had additional corporate income tax assessments under dispute amounting to €33 m (2023: €33 m), for which a provision of €11 m was recorded in prior years. In addition to the provision recognised in the amount of €26 m, related with the commitment to reimburse CESE I to the to the shareholders of Floene as per share sale and purchase agreement, Galp had an additional assessment under dispute, amounting €55 m.

Regarding Brazilian operations, no provisions were recognised for tax contingencies in the amount of €184 m (2023: €318 m), essentially related with other taxes and levies. It is not expected that a payment will be required to settle the obligation. Should Galp be required to pay such taxes and levies, it could result in a potential total liability of the aforementioned amounts.

During 2024, the reduction of the tax contingent liability in Brazil is mainly justified by the reduction of a tax claim in the amount of €180 m (2023: €185 m), that was settled by means of a payment of circa €60 m, during the second half of the year. The tax claim was essentially related with withholding tax (IRRF) and other taxes and levies (PIS/COFINS and CIDE) regarding to rental payments on overseas vessels.

19. Derivative financial instruments

Accounting policies

Derivative financial instruments

The Group may use financial derivatives to hedge the interest rate risk and other market risks, particularly the risk of variations in crude oil prices, finished products and refining margins, as well as the price variation risk of natural gas and electricity, which affect the financial value of the assets and the future cash flow expected from its activities.

The realised gains and losses on the financial settlement of commodities (i.e. Brent, electricity and gas) futures and swaps are presented within cost of sales, except if commodity futures are physically settled where the gain or loss will be recorded in sales as a price adjustment of the commodity sold. Changes in the fair value of open positions are presented in financial income, within income from financial instruments. As futures are exchange-traded, subject to central clearing, gains and losses are continuously recorded within income from financial instruments until the maturity date of the derivative, unless designated in cash flow relationships in which case they are recorded in the cash flow hedge reserve.

Realised gains and losses on Forwards and FX Swaps are presented within cost of sales if they are connected to commodities transactions, and are otherwise presented in financial income, under realised FX differences. Changes to the fair values of open positions are presented in financial income, under unrealised FX differences.

Some physically settled TTF bilateral contracts are accounted for as derivatives because they meet the net settlement criteria and do not meet the own use exemption criteria. The fair values of these contracts are presented together as Swaps in the financial statements.

Financial assets and liabilities are offset if Galp has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or to realise the asset and liability simultaneously.

Day 1 gain or losses on derivatives that are categorised as level 3 in the fair value hierarchy do not qualify for recognition in the financial statements. These day 1 gains and losses are disclosed in the financial statements and only recognised when the prices become sufficiently observable or as the contract matures. The cumulative amount is recognised during the life span of the derivative.

Hedge accounting

Derivative instruments that qualify for hedge accounting are designated in cash flow hedges of commodity price risk associated with highly probable forecast gas and power purchases. Derivative instruments used by the Group to hedge the interest rate risk of floating rate debt that were designated in qualifying cashflow hedges of interest rate risk were closed in 2024. Certain derivatives that are entered into for risk management purposes, such as those that hedge the overall net position of commodity prices (oil margins) and forecast purchases of electricity and gas, are not designated in qualifying IFRS 9 hedge relationships and are therefore accounted for as trading derivatives with their changes in fair value recorded immediately in the statement of profit or loss.

Changes in the fair values of derivatives designated in qualifying cash flow hedge relationships are recorded in equity in the cash flow hedge reserve.

If the hedge is discontinued because the transaction is no longer expected to occur, all of the deferred MTM in equity is reclassified to profit or loss. If there is a change in risk management objective but the hedged transaction is still expected to occur, the amount in the cash flow hedge reserve is taken to profit or loss when the previously hedged transaction affects the statement of profit or loss. Hedge accounting is discontinued prospectively.

Hedge accounting is discontinued when derivative hedging instruments mature, are sold, when management changes the risk management strategy or objective, or when a hedged transaction is no longer highly probable.

Financial derivatives are measured at fair value.

For further explanation of valuation methods used and risk management activities using derivatives, see Note 20.

The financial position of derivative financial instruments as of 31 December 2024 and 2023 is detailed as follows:

Unit: €m

	2024					2023				
	Assets (Note 12)		Liabilities		Equity	Assets (Note 12)		Liabilities		Equity
	Current	Non-current	Current	Non-current		Current	Non-current	Current	Non-current	
Designated hedge derivatives	**0**	**7**	**(18)**	**(22)**	**(32)**	**44**	**31**	**0**	**(6)**	**70**
Gas										
Swaps	0	0	(18)	(22)	(39)	44	29	0	0	74
Electricity										
Swaps	0	7	0	0	7	0	0	0	0	0
Interest rate										
Swaps (IRS)	0	0	0	0	0	0	2	0	(6)	(4)
Non designated hedge derivatives	**110**	**49**	**(94)**	**(81)**	**0**	**125**	**65**	**(100)**	**(93)**	**0**
Oil										
Swaps	0	0	(1)	0	0	1	0	(1)	0	0
Gas										
Futures	7	0	0	0	0	4	0	0	0	0
Swaps	82	35	(81)	(35)	0	87	36	(89)	(39)	0
Options	9	0	(2)	0	0	18	2	(7)	(1)	0
Electricity										
Futures	11	0	0	0	0	7	0	0	0	0
Swaps	1	13	(11)	(45)	0	8	1	(3)	(53)	0
Interest rate										
Swaps (IRS)	0	0	0	0	0	0	26	0	0	0
	110	**55**	**(111)**	**(102)**	**(32)**	**169**	**96**	**(100)**	**(99)**	**71**

Derivatives are classified as current and non-current in accordance with the expected settlement.

In 2024 the Group maintained derivative financial instruments with the objective of hedging the economic exposure mainly related to changes in crude, power and natural gas prices, which partially were designated as qualifying cashflow hedges. During the year, Galp has closed all hedge designated positions related to changes in interest rates and entered in new Virtual Power Purchase Agreements (VPPA) related to wind power that were designated in relationships that qualify for hedge accounting.

The notional prices of the open derivatives and their respective maturities are shown below:

Unit: €m

		2024		2023	
		Maturity		Maturity	
		Less than 1 year	1 year and more	Less than 1 year	1 year and more
Designated hedge derivatives					
Futures	Purchase	0	0	0	0
	Sales	0	0	0	0
Commodity swaps	Purchase	(1)	(55)	0	0
	Sales	219	208	126	99
IRS	Purchase	0	0	0	(130)
	Sales	0	0	0	0
Non designated hedge derivatives					
Commodity futures	Purchase	(490)	(27)	(237)	(2)
	Sales	434	32	205	2
Commodity swaps	Purchase	(476)	(434)	(243)	(291)
	Sales	710	488	209	160
Commodity options	Purchase	0	0	(62)	(8)
	Sales	56	0	36	5
IRS	Purchase	0	0	0	(253)
	Sales	0	0	0	0
Currency forwards and swaps	Purchase	0	0	0	0
	Sales	0	0	0	0
		452	**212**	**34**	**(418)**

Notional = Fixed Price x Quantity

The accounting impact as of 31 December 2024 and 31 December 2023 of the gains and losses on derivative financial instruments is presented in the following table:

Unit: €m

	2024				2023			
		Income statement				Income statement		
	MTM	Realised (Note 25)	MTM + Realised	Equity	MTM	Realised (Note 25)	MTM + Realised	Equity
Designated hedge derivatives	**0**	**69**	**69**	**(103)**	**0**	**1**	**1**	**52**
Gas								
Swaps (Cash flow hedge)	0	44	44	(114)	0	0	0	74
Electricity								
Futures	0	0	0	0	0	0	0	(15)
Swaps	0	0	0	7	0	0	0	0
Interest rate								
Swaps (IRS)	0	26	26	4	0	1	1	(7)
Non designated hedge derivatives	**(15)**	**(94)**	**(109)**	**0**	**(22)**	**46**	**23**	**0**
Oil								
Futures	0	(5)	(5)	0	0	0	0	0
Swaps	(1)	(5)	(6)	0	80	(77)	3	0
Gas								
Futures	(4)	(33)	(36)	0	(97)	140	43	0
Swaps	8	(3)	5	0	95	(5)	89	0
Options	(9)	9	(1)	0	13	0	13	0
Electricity								
Futures	11	(11)	0	0	32	(45)	(13)	0
Swaps	6	(5)	1	0	(131)	20	(111)	0
Foreign Exchange								
Forwards	0	(41)	(41)	0	0	5	5	0
Interest rate								
Swaps (IRS)	(26)	0	(26)	0	(14)	8	(6)	0
	(15)	**(25)**	**(40)**	**(103)**	**(23)**	**47**	**24**	**53**

MTM relating to FX Forwards (2024 and 2023: nil) is recognised in Financial Results within MTM and realised amounts are recognised within their respective nature, in Financial Results (2024: negative €41 m) and in Other operating costs (2023: positive €5 m) among settlement of other Foreign exchanges of Invoices with Clients and Suppliers.

The 2024 financial position shows in shareholders' equity, under the heading hedging reserves, the negative amount of €32 m (excluding tax effect) relating to cash flow hedges. The cash flow hedges reflected in equity, when settled, are reclassified to the statement of profit or loss in the same period or periods during which the hedged expected cash flows affect profit or loss (when hedged forecast sale occurs). The amount of settled hedging instruments regarding cash flow hedges amounts to positive €70 m in 2024 and positive €1 m in 2023 and was recognised under the heading cost of sales.

Significant accounting estimate

Unrealised MTM on undesignated electricity swaps of positive €6 m is related to Synthetic Virtual Power Purchase Agreements (VPPA) of solar projects in Spain, for which the fair value valuation was not based on observable market data (level 3). The derivatives have several commencement dates, the first beginning in the second half of 2020 and all have a life span of c.12 years. Included in these VPPA's is a fixed quantity of Guarantees of Origin that transferred from the solar projects to Galp during the same time frame. The entire agreement is accounted for as a single unit of account at FVTPL without any separate accounting for the Guarantee of Origin.

Inputs into the valuation model include fixed contractual volumes, forecast electricity prices, selection of scenario for the forward price and tax on energy production in Spain.

The valuation model of new Wind Power VPPAs, designated in hedge relationships, has identical inputs except for tax on energy production and forecasted variable volumes (pay as produced).

The fair value estimate is highly sensitive to changes in unobservable inputs and changes in those inputs might result in a significantly higher or lower fair value measurement. The total MTM of VPPA's not designated in qualifying hedge relationships at 31 December 2024 is €42 m liability and the total MTM of designated VPPA's is positive €7 m.

The cumulative amount of unrecognised MTM of day 1 gains was negative €1.7 m (2023: negative €5.7 m) as shown in the following table:

Unit: €m

	2023	Additions	Amortisations	2024
MTM of day 1	(6)	5	0	(2)

The heading income from financial instruments includes the unrealised value of MTM of commodities derivatives, as shown in the following table:

Unit: €m

	2024	2023
Commodity Swaps	13	44
Options	(9)	13
Commodity Futures	8	(65)
Interest rate swaps	(26)	(14)
	(15)	**(22)**

The table above includes MTM of all financial derivatives, except FX derivatives which are accounted in the heading exchange differences.

The maturities of derivative liabilities in the statement of financial position are as follows:

Unit: €m

	Less than 1 year	Between 1 and 2 years	2 years and more	Total
2024	**111**	**63**	**40**	**213**
Commodity swaps	109	63	40	211
Commodity options	2	0	0	2
2023	**100**	**52**	**47**	**198**
Commodity swaps	93	51	41	185
IRS	0	0	6	6
Commodity options	7	1	0	7

Note that despite the current position of liabilities is €213 m (2023: €198 m), Group Galp has a €165 m (2023: €165 m) current position of assets regarding derivatives to receive. Net position is a liability of €49 m (2023: €33 m).

20. Financial assets and liabilities

Accounting policies

Galp classifies financial assets and liabilities into the following categories:

a) Financial assets at fair value through other comprehensive income;

b) Financial assets and liabilities carried at amortised cost;

c) Financial assets and liabilities at fair value through profit or loss (derivatives).

Management determines the classification of its financial assets on initial recognition and re-evaluates it at the end of each reporting period if, and only if, there is a change in the business model. For financial liabilities, such changes in classification are not allowed.

Recognition and measurement

Purchases and sales of investments are recognised as of the trade date. Investments are initially recognised at fair value. Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Fair value disclosures are made separately for each class of financial instruments at the end of the reporting period.

Nevertheless, assets at fair value through other comprehensive income are measured at cost as a proxy for their fair value. As, they are not quoted on a stock exchange, no recent available information is available to measure their fair value reliably, and the amounts involved are immaterial.

Derecognition of financial assets

Financial Assets are derecognised from the statement of financial position when the rights to receive cash flow from investments have expired or have been transferred and Galp has transferred substantially all of the risks and rewards of ownership.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income consist mainly of equity investments. When these kinds of financial assets are derecognised, the gain or loss will be kept in equity. Dividends received are recognised in profit or loss.

Financial assets and liabilities at amortised cost

Financial assets and liabilities at amortised cost are non-derivative financial assets which are held solely for payments of principal and interests (SPPI). If collection is expected within one year (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables and other receivables are recognised initially at fair value. Subsequently they are measured at amortised cost using the effective interest method, less impairment.

Fair value hierarchy

In accordance with the accounting rules, an entity must classify the fair value measurement based on a fair value hierarchy that reflects the meaning of the inputs used for measurement.

The fair value hierarchy has the following levels:

- Level 1 – the fair value of the assets or liabilities is based on active liquid market quotation as of the date of the statement of financial position;
- Level 2 – the fair value of the assets or liabilities is determined through valuation models based on observable market inputs; and
- Level 3 – the fair value of the assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

Accounting estimates and judgements

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets when possible, but when this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in valuation methodologies and in assumptions relating to these factors could affect the reported fair value of financial instruments.

Unit: €m

	Notas	2024		2023	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets by category					
Financial assets measured at fair value through profit or loss - Derivatives		**165**	**165**	**261**	**261**
Swaps	19	138	138	236	236
Options	19	9	9	18	18
Commodity Futures	19	18	18	7	7
Financial assets at fair value through other comprehensive income		**1**	**1**	**1**	**1**
Equity investment	12	1	1	1	1
Financial assets not measured at fair value		**4,712**	**4,712**	**5,108**	**5,108**
Loans and Capital Subscription	12	42	42	277	277
Trade receivables and other debtors	11	2,385	2,385	2,631	2,631
Cash and cash equivalents	13	2,285	2,285	2,200	2,200
Financial liabilities by category					
Financial liabilities measured at fair value through profit or loss - Derivatives		**(214)**	**(214)**	**(198)**	**(198)**
Swaps	19	(212)	(212)	(191)	(191)
Options	19	(2)	(2)	(7)	(7)
Financial liabilities not measured at fair value		**(6,283)**	**(6,280)**	**(6,602)**	**(6,586)**
Loans and Commercial paper	14	(1,245)	(1,247)	(1,547)	(1,547)
Trade payables and other payables	15	(2,808)	(2,808)	(3,121)	(3,121)
Bonds and notes	14	(2,230)	(2,225)	(1,934)	(1,918)

Unit: €m

	2024				2023			
	Fair value measurement using				Fair value measurement using			
	Level 1*	Level 2**	Level 3***	Total fair value	Level 1*	Level 2**	Level 3***	Total fair value
Financial assets								
Financial assets at FVTPL	**18**	**128**	**20**	**165**	**7**	**254**	**0**	**261**
Swaps	0	118	20	138	0	236	0	236
Options	0	9	0	9	0	18	0	18
Commodity Futures	18	0	0	18	7	0	0	7
Financial assets measured FV OCI	**0**	**0**	**1**	**1**	**0**	**0**	**1**	**1**
Equity investment	0	0	1	1	0	0	1	1
Financial liabilities								
Financial liabilities measured FVTPL	**0**	**(159)**	**(55)**	**(214)**	**0**	**(156)**	**(42)**	**(198)**
Swaps	0	(157)	(55)	(212)	0	(149)	(42)	(191)
Options	0	(2)	0	(2)	0	(7)	0	(7)

*Quoted prices in active markets **Significant observable inputs ***Significant unobservable inputs

21. Financial risk management

Accounting policy

The Galp Group has policies, internal standards, methodologies, models and support systems for identifying, assessing, monitoring, and mitigating the various risks to which it is exposed, including financial risks. It also uses various financial hedging instruments in accordance with the corporate guidelines applicable across the Company.

Management has assessed the following key financial risks:

Type	Exposure to risk
Commodity-price risk	High
Exchange-rate risk	Medium
Interest-rate risk	Low
Liquidity & Insurance risk	High
Credit risk	Medium

Commodities price risk

Factors such as (i) supply and demand issues arising from geopolitical events (e.g. wars in Ukraine and the Middle East and Trump's election), technological advances (e.g. new energy sources), or changes in consumption patterns (e.g. increased demand for lower carbon solutions); (ii) macroeconomic events (e.g. inflation and interest rates); (iii) Government policies and regulations (e.g. trade tariffs) can have an impact on the supply and demand for oil, oil products, natural gas, LNG and electricity, influencing the prices of these commodities.

Galp's presence in Upstream and Downstream activities (oil, gas and electricity) and the maintenance of a diversified portfolio provide a partial natural hedge against commodity price volatility. In addition, this risk is also mitigated through financial instruments available on the stock exchange and over-the-counter (OTC) markets, such as Futures, Forwards, Swaps and Options.

Price risk management in Natural Gas, LNG, Electricity and CO_2 Licensing Trading operations is defined in a specific Standard that defines the rules and procedures that must be observed in managing this risk, including hedging strategies and exposure limits.

In addition, a Strategic Hedging Programme is defined annually.

Additionally, in regard to oil, natural gas and electricity activities, the Group mitigates this risk by establishing brent, natural gas and electricity purchase and sale contracts with similar indexes to protect the business margin against adverse market changes.

Analysis of commodity price sensitivity

The sensitivity analysis was performed for balances relating to financial derivatives on commodities. An immediate 10% devaluation in the following commodities price would impact Galp’s income, as outlined in the table below:

Unit: €m

	2024		2023	
	Risk exposure	Impact on Income Statement	Risk exposure	Impact on Income Statement
Derivatives on natural gas commodities*	(27)	5	84	(2)
TTF's (natural gas) contracts	3	4	0	0
Derivatives on oil commodities	0	2	4	0
Derivatives on electricity*	(25)	(17)	(42)	4

* Excludes the impact of derivatives classified as cash flow hedges on 31/12/2024 and 31/12/2023

Exchange-rate risk

Associated with macroeconomic factors, exchange rate risk arises from fluctuations in the exchange rates of the currencies in which the Company operates and prepares its financial statements. Although the U.S. dollar is the reference currency for pricing in the oil and natural gas markets, Galp prepares its financial statements in euros, which exposes the Company to exchange rate risk, with potential positive or negative impacts on its results and margins.

Given that exchange rate risk is linked to other variables, such as oil and natural gas prices, and that the level of exposure of cash flows, particularly the financial position statement, depends on these prices, the Group adopts a cautious approach to hedging, considering the natural hedges between the financial position statement and cash flow.

Additionally, it should be noted that Galp manages its exchange rate exposure on an integrated and centralised basis, rather than on an individual transaction basis (except in specific cases), using variable and fixed-rate financial instruments as well as hedging derivatives.

Foreign exchange sensitivity analysis

The sensitivity analysis includes the significant balances of monetary assets and liabilities denominated in foreign currency that impact on Galp’s income statement. A 10% devaluation of the Euro against other currencies would impact Galp’s income, as outlined in the table below:

Unit: €m

	2024		2023	
	Risk exposure	Impact on Income Statement	Risk exposure	Impact on Income Statement
Loans obtained and Finance Lease debt	0	0	(83)	(8)
Marketable securities (included in cash and cash equivalents)	178	18	50	4
Derivatives*	(1)	0	0	0
Trade and Other Receivables	552	55	535	54
Trade and Other Payables	(684)	(68)	(290)	(29)

* Includes derivatives in USD and FX Forwards, taking into account fluctuations in MTM.

Key currencies exchange rate

Unit: €m

	2024		2023	
	Average	Year-end	Average	Year-end
EUR/USD	1.08	1.04	1.08	1.10
EUR/BRL	5.83	6.43	5.40	5.36
USD/BRL	5.39	6.19	5.00	4.84
EUR/CHF	0.95	0.94	0.97	0.93

Interest rate risk

The interest rate risk, linked to the volatility of interest rates on bank loans or other debt instruments used by the Company to finance its activities.

Galp’s debt, mainly bank loans and interest-bearing bonds, is exposed to interest rate volatility, stemming from both economic and political factors. Adverse changes in interest rates may have a material adverse effect on Galp’s financial performance and results.

To reduce the volatility of financial costs in the income statement, Galp centrally manages interest rate risk through variable and fixed-rate financial instruments and hedging derivatives, following an interest-rate risk management policy.

Interest rate sensitivity analysis

An analysis of interest rate risk includes variable interest rate loans. A 0.5% increase in the interest rate would impact Galp's financial income as outlined in the table below:

Unit: €m

	2024		2023	
	Exposure risk	Impact on Income Statement	Exposure risk	Impact on Income Statement
Loans obtained	(3,491)	(10)	(3,600)	(9)
Fixed rate interest	(1,101)	0	(1,607)	0
Variable-rate interest	(2,390)	(10)	(1,992)	(9)
Derivatives (IRS)*	0	0	22	5
Marketable securities	1,243	1	1,316	0

Note: Cash and equivalents in the statement of financial position comprise marketable securities
* Excludes impact of derivatives qualified as Cash-flow hedges.

Liquidity risk

Liquidity risk is associated with the capacity to access the financial and capital markets to obtain the necessary financial resources to execute Galp's strategy.

Galp finances itself through the cash flow generated by its operations and maintains a diversified portfolio of loans and bonds. The Group has access to credit lines that are not fully used, but that are at its disposal. The available short term and medium/ long-term credit lines that are not being used amount to € 1.7 bn on 31 December 2024 (€ 1.6 bn on 31 December 2023). Galp has readily available cash and cash equivalents amounting to €2.3 bn on 31 December 2024 (€2.2 bn on 31 December 2023). These combined amounts add up to €3.9 bn on 31 December 2024 (€ 3.8 bn on 31 December 2023).

Credit risk

Credit risk arises from the possibility that a counterparty may fail to meet its contractual payment obligations, including those related to financial investments and hedging instruments (linked to exchange rates, interest rates, or others), as well as those stemming from commercial relationships between the Company and its customers.

Credit risk is mitigated through the maintenance of a diversified counterparties portfolio, the performance of rigorous credit analyses to engage only with financially robust and reputable institutions, and the negotiation of meticulously structured contractual agreements that incorporate strict commercial terms, covenants, and default clauses, as well as the establishment of collateral, when relevant.

The management of this risk follows internal policies, which defines procedures for assessing credit risk exposure and ensures its comprehensive management. Each client is assigned a risk rating to determine their credit limit and calculate the corresponding risk-return ratio.

See Note 11 for further risk assessments, specifically regarding Trade receivables and other receivables.

22. Capital structure

As of 31 December 2024, the Galp Group presents equity in the amount of €5.64 bn (2023: €5.33 bn).

Share capital, distribution to shareholders and earnings per share

Share capital

The share capital of Galp Energia SGPS, S.A. is comprised of 753,495,159 shares, with a nominal value of 1 Euro each and fully subscribed. During 2024 Galp has executed its buyback programme of €350 m. The number of shares that were acquired was 19,587,566 shares at an average price of €17.90 per share. These shares were cancelled at 31 December 2024 (Note 2.2.3.).

Earnings per share

Earnings per share (EPS) are calculated based on the profit attributable to Galp Energia, SGPS, S.A. Shareholders. The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, during 2024, was 760,906,894 shares (2023: 795,864,283 shares).

The weighted average number is calculated by considering the number of shares outstanding during the reporting period, adjusted for own-shares acquired during this period (repurchase programme 19,587,566 shares and LTI's plan 200,994 shares) and own shares held on 31 December 2024 (3,227,856) (Note 2.2.1.).

Distribution to shareholders

In accordance with a resolution of the General Shareholders' Meeting held on 10 May 2024, Galp Energia, SGPS, S.A.'s shareholders were granted dividends amounting to a maximum of €438 m (€0.54/ share) related to the distribution of net income for the year 2023, which was paid on 25 August 2023 (€213 m) and on 31 May 2024 (€206 m), in accordance with outstanding shares on the date of payment. During the year ending 31 December 2024, an anticipated dividend of €212 m (€0.28/share) regarding profits of year 2024 was paid on 19 August 2024. Dividends amounting to €166 m (2023: €169 m) have been paid by the subsidiaries of the Galp group to non-controlling shareholders during 2024.

As a consequence of the above, during the year ending 31 December 2024, the Group made payments amounting to €586 m (2023: €591 m).

Other reserves

Other reserves on the financial position amount to €1,563 m which refer to Cumulative translation reserves of €6 m, Cashflow hedging reserves of (€22 m) (net of deferred tax), Share-based payments (Long-term incentives (LTI) reserve) of €29 m and other reserves of €1,550 m.

Unit: €m

	2024	2023
Currency translation reserves	6	(128)
Hedging reserves	(22)	48
Other reserves	1,579	1,529
	1,563	**1,449**

23. Non-controlling interests

As of 31 December 2024, the changes in non-controlling interests during the year and included in equity are as follows:

2023	Net profit for the period	Currency translation reserves	Dividends	Others	2024
920	186	44	(201)	0	950

Dividends during 2024 were attributed mainly to Sinopec (stake in Petrogal Basil, S.A.).

A summary of the financial indicators of the significant non-controlling interests as of 31 December 2024 is shown below:

Unit: €m

	Petrogal Brasil, S.A.*	
	2024	2023
Total non-current assets	**4,371**	**4,066**
Total current assets	**1,119**	**1,002**
Of which cash and cash equivalents	735	518
Total assets	**5,490**	**5,068**
Total non-current liabilities	**2,175**	**2,193**
Of which debt	1,266	1,385
Total current liabilities	**1,064**	**812**
Of which debt	188	133
Total liabilities	**3,239**	**3,005**
Total operating income	**2,536**	**2,645**
Total operating costs	**(1,685)**	**(1,803)**
Operating results	**851**	**841**
Net financial results	0	(2)
Profit before taxes	851	839
Income taxes	**(341)**	**(177)**
Net income for the year	**510**	**663**
Cash flows from operating activities	**1,199**	**1,056**
Cash flows from investment activities	**(411)**	**(603)**
Cash flows from financing activities	**(592)**	**(445)**

*Financial statements converted at the spot and average exchange rates, respectively, for balance sheet and results indicators.

24. Revenue and Income

Accounting policies

For the Industrial & Midstream, the Commercial and the Renewables and New Businesses segments, revenue is recognised when Galp has satisfied a performance obligation by transferring the promised products or services to the customer. The product is transferred when the customer obtains control of the same.

Sales are measured at the fair value of the consideration received or receivable. Sales are recognised net of taxes, with the exception of tax on petroleum products, discounts and rebates.

For the Upstream segment, revenue resulting from hydrocarbon production from properties in which Galp has an interest in joint arrangements is recognised on the basis of Galp's working interest (entitlement method). Revenue resulting from the production of oil under production-sharing contracts is recognised for those amounts relating to Galp's cost recovery, and Galp's share of the remaining production.

As mentioned in Note 11, Galp undertakes under and overlifting activities. Underlifting occurs when the overtaker lifts the barrels from Galp and sells them. When this happens, underlifting income is recognised against an asset (debtor). In similar ways, overlifting occurs when Galp lifts the barrels to which it is not yet entitled. These balances are presented in Other operating income and Other operating costs (Note 25), respectively.

Exchange differences arising from supplier and customer balances are recognised in the operating results.

The IFRS 15 accounting principle considers a principal vs. agent framework in relation to cost incurred and goods and services provided. In accordance with this, Galp analysed, among others, a service related to the natural gas and electricity commercialisation activities, namely due to the electricity and gas tariffs paid to distribution entities and recognised as costs. Services provided or promised to final customers contains the cost of the tariffs included in the price tag and recognised as operating income. Galp concluded that each contract performance obligation to provide the specified goods or services is the responsibility of the Group, thus controlling the goods or services before delivering them to the final customers. Galp is therefore a Principal rather than an Agent when performing its contract obligations.

Unit: €m

	Notes	2024	2023
Total sales		**20,830**	**20,455**
Goods		10,118	10,121
Products		10,712	10,333
Services rendered		**481**	**314**
Other operating income		**622**	**441**
Underlifting income		50	24
Others		572	417
Earnings from associates and joint ventures	9	**(45)**	**49**
Financial income	27	**142**	**134**
		22,029	**21,394**

Services rendered include, among others, the recharge of costs related to electricity and gas tariffs, storage and logistics services, freight and transportation services.

Other operating income – others include the sale of the Angolan upstream companies that was completed during 2024, resulting in a recognition of accumulated revenue of €192 m, of which €138 m as a capital gains and the remaining €55 m related to additional proceeds, namely a contingent receivable that was dependent on brent price at the end of 2024, recognised in Other receivables (Note 2.2.1. and Note 11).

In addition, the remaining amount considered in "Other operating income – others" also include the recharge of costs related to freight and other costs and charges to third party for the use of gas assets associated with the upstream segment activity.

Earnings from associate and joint ventures of €45 m (Note 9) mainly related with the total impairment recognised on Aurora Lith, S.A..

25. Costs and Expenses

The operating costs for the years ended 31 December 2024 and 2023 were as follows:

Unit: €m

	Notes	2024	2023
Cost of sales		**15,539**	**14,580**
Raw and subsidiary materials		3,357	3,123
Goods		9,409	8,837
Tax on oil products		2,616	2,494
Variation in production		118	121
Write downs on inventories	10	(45)	(36)
Costs with the emissions of CO2	30	73	74
Financial derivatives	19	10	(33)
Exchange differences		1	0
External supplies and services		**2,100**	**2,224**
Subcontracts – network use		272	88
Transport of goods		291	338
E&P – production costs		344	392
Royalties		264	282
E&P – exploration costs		36	14
Others costs		894	1,110
Employee costs	**26**	**451**	**450**
Amortisation, depreciation and impairment losses on fixed assets	**5/6/7**	**946**	**987**
Provision and impairment losses on receivables	**11/18**	**3**	**162**
Other costs		**344**	**189**
Other taxes		52	49
Overlifting		97	0
Other operating costs		194	140
Financial expenses	**27**	**307**	**215**
Total costs and expenditure		**19,689**	**18,807**

The heading "subcontracts – network use" refers to charges for the use of: (i) the distribution network (URD); (ii) the transportation network (URT); and (iii) the global system (UGS) as included in the tariffs.

The amount of €264 m of royalties mainly relates to the exploration and production of oil and gas in Brazil. Royalties are calculated taking into account an applicable rate of 10% for the production volumes in proportion to Galp's share valued at ANP's reference price.

"Other costs" include, among others, subcontracts and specialised services, freight costs, lease rents, insurance costs, electricity, steam, water and fuel costs, storage costs and maintenance and repair.

Financial derivatives include the financial settlement of derivatives, with the exception of FX derivatives which are recognised in other cost (negative €(41) m) (2023: negative €5 m).

26. Employee costs

Accounting policies

Employee costs

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits are recognised in the year in which the respective services are rendered by Galp employees.

Remuneration of the Board of Directors

In accordance with the current policy, the remuneration of Galp's Corporate Board members includes all the remuneration due for the positions held in Group companies and all accrued amounts related to the current period.

Share-based payments

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments on the date which they are granted and is recognised as an expense from the date of grant over the vesting period with a corresponding increase (credit) directly in equity. Galp measure the fair value of the services received by reference to the fair value of the equity instruments granted.

The cost of cash-settled transactions is recognised as an expense over the vesting period, measured by reference to the fair value of the corresponding liability which is recognised on the financial position (as other payables). The liability is remeasured at fair value at each balance sheet date until settlement, with changes in fair value recognised in income statements (as employee costs).

Unit: €m

	Notes	2024	2023
Statutory board salaries		10	5
Employee salaries		323	336
Social charges		79	76
Retirement benefits – pensions and insurance	17	14	8
Other insurances		12	13
Other costs		12	12
Total employee costs for the year		**451**	**450**
Employee costs		**451**	**450**

Remuneration of the Board Members	**10**	**5**
Salaries and cash bonuses	8	3
Pension funds contribution	1	1
Galp Energia SGPS Board Members	**9**	**4**
Salaries and cash bonuses	1	1
Subsidiaries Board Members	1	1
Year-end number of full-time employees	**7,086**	**7,054**

The share-based employee compensation plans are the long-term incentive (LTI). Awards of shares of the Company under the LTI are granted upon certain conditions to eligible employees. The actual number of shares that may vest ranges from 0% to 160% of the awards, depending on the outcome of the prescribed performance conditions over a three-year period beginning on January 1 of the award year. The LTI plan comprises a 3 year rolling incentives plan, whereas in each year an incentives plan will be concluded and fulfilled by delivering Galp Energia SGPS, S.A. own stock. An employee entitled to receive its shares after the three-year period of a plan may choose to receive the shares only on the 4 years whereas an increase of 10% of shares will be handed over to the employee after this holding period.

As at 31 December 2024, the total amount recognised in Equity, with the share-based payment plan, is €29 m and the amount recognised as cost was €6 m. Other former LTI plans to employees that were paid in cash were cancelled.

The LTI plans by triennium and cumulative amounts recognised in "Other Reserves" in Equity against P&L as at:

Unit: €m

	2023	Increase	Decrease	Utilisation	2024
Plan 1 (2021-2023 | HP 2024)	8	0	(4)	(3)	2
Plan 2 (2022-2024 | HP 2025)	13	5	(2)	0	16
Plan 3 (2023-2025 | HP 2026)	4	4	(1)	0	7
Plan 4 (2024-2026 | HP 2027)	0	3	0	0	3
Total	**25**	**13**	**(7)**	**(3)**	**29**

Note: HP - Holding period

27. Financial income and expenses

Accounting policies

Financial income and expenses include interest on loans and bonds, leasing and retirement and other benefit plans. Other financial income and expenses from other financial assets or liabilities are not included in this caption.

The financial charges on loans obtained are recorded as financial expenses on an accruals basis. Financial charges arising from general and specific loans obtained to finance investments in fixed assets are assigned to tangible and intangible assets in progress, in proportion to the total expenses incurred on those investments net of investment government grants, until the commencement of operations. The remainder is recognised under the heading of financial expenses in the income statement for the year. Any interest income from loans directly related to the financing of fixed assets which are in the process of construction is deducted from the financial charges capitalised. Those financial charges included within fixed assets are depreciated over the useful lives of the respective assets.

	Notes	2024	2023
			Unit: €m
Financial income		**142**	**134**
Interest from bank deposits		116	108
Interest income and other income with related companies		22	21
Other financial income		4	5
Financial expenses		**(307)**	**(215)**
Interest on bank loans, bonds, overdrafts and others		(134)	(121)
Interest capitalised in fixed assets	5	64	49
Interest on lease liabilities	7	(135)	(102)
Net interest on retirement and other benefits	17	(7)	(7)
Charges relating to loans, bonds and credit lines		(16)	(10)
Exchange gains/(losses)		(39)	29
Results from derivative financial instruments	19	(15)	(22)
Other financial costs		(25)	(32)
		(165)	**(81)**

28. Commitments

The total medium and long term contractual obligations and recognised non-current liabilities can be specified as follows (payments due for each period):

Unit: €m

	Up to 3 years	4-5 years	More than 5 years	Total
Total obligation recognised in the statement of financial position	**71**	**36**	**110**	**218**
Retirement benefits	36	14	1	50
Other benefits	36	22	109	168
Total obligation not recognised in the statement of financial position	**2,652**	**697**	**3,145**	**6,493**
Natural gas purchases	3,383	1,251	5,490	10,124
Natural gas sales	(731)	(555)	(2,346)	(3,631)

These contracts require a minimum purchase quantity and are subject to price revision mechanisms indexed to international oil/gas quotes. The amounts were calculated based on the outstanding period of time of each of the different contracts, and management assumption of future natural gas prices as of 31 December 2024.

As part of its ongoing business operations, the Group has entered into agreements where commitments have been given for commercial, regulatory or other operational purposes. As of 31 December 2024 and 2023 obligations subject to collaterals granted are as follows:

Unit: €m

	2024	2023
Rio Grande LNG, LLC	2,086	1,962
Venture Global, LLC	1,925	1,810
Charter Agreement FPSO	1,835	1,778
Cheniere Marketing, LLC	1,155	0
Coral South FLNG project*	442	445
Grenergy	120	155
Cercena Investments, S.L.U.	18	21
Solar power guarantees given to government agencies	34	75
Brazilian ANP	50	50
Petrobras	26	35
Others related to core activities	4,165	4,521
Guarantees provided	**11,855**	**10,851**

*Related with entities classified as Non-current assets held for sale on 31 December 2024 and expected to be sold in 2025.

Under the contracts with Venture Global LLC, Rio Grande LNG LLC and Cheniere Marketing LLC, related to the LNG Sales and Purchase Agreement, Galp provided a Parent Company Guarantee in the total amount of the contract €1,925 m (2023: €1,810 m), €2,086 m (2023: €1,962 m) and €1,155 m (2023: nil), respectively.

Related to the six charter agreements for FPSOs, Galp provided a Parent Company Guarantee amounting to €1,835 m (2023: €1,778 m), in the name of Tupi, B.V., which represents Galp's proportion of the BM-S-11 consortium.

Under the financing of the Coral South FLNG project, Galp Energia SGPS S.A. is providing a Parent Company Guarantee related to the Debt Service Undertaking (DSU) agreement, on the total outstanding debt amount at any time in proportion to its participation. This guarantee expires at the time of the Actual Completion Date if no obligations are outstanding under the DSU. As of 31 December 2024, Galp's stake in the obligation amounted to €397 m (2023: €401 m). Also, within the scope of this financing, Galp Energia SGPS S.A. provides a guarantee covering 1/9 of the DSU on behalf of ENH Empresa Nacional de Hidrocarbonetos (ENH), one of consortium members of the Coral South FLNG project, which corresponds to Galp's share of the consortium, excluding ENH. As of 31 December 2024, Galp's stake in the responsibility taken on in relation to ENH amounts to €44 m (2023: €45 m).

The Group has entered into Power Purchase Agreement (PPA) with X-Elio (aka Cercena Investments) and Grenergy to supply solar energy for which it has provided Parent Company Guarantees amounting to €18 m and €120 m, respectively (2023: €21 m and €155 m, respectively).

The collateral granted to Petróleo Brasileiro S.A. ("Petrobras") amounting to €26 m (2023: € 35 m) is due to guarantees for gas supply contracts from the development modules of Lula Pilot and Lula NE.

The collateral for crude oil exploration concession agreements has been granted to the Brazilian Agency of Petroleum, Natural Gas and Biofuels ("ANP"), for an amount of €50 m (2023: €50 m). The collateral has been granted in connection with the Minimum Exploration Programmes where Galp, as a consortium member, is required to perform certain seismic and drilling and well activities during the exploration period.

Other guarantees related to core activities are essentially in relation to commercial and oil trading activity. The decrease of the amount in guarantees is due to guarantees given for commercial activity.

Galp Group has financial debt that, in some cases, have covenants that can, if triggered by banks, lead to the early repayment of debt amounts. As of 31 December 2024, the total debt amounted do €3.5bn, of which 2bn with covenants. The ratios used are the total net debt to consolidated EBITDA RC and the consolidated EBITDA RC to net financial charges, and as of 31 December 2024 was 0,33x and 308x, respectively, in accordance with the methodology stated in the loan agreements. The ratio total net debt to consolidated EBITDA RC stipulated in contracts must be equal or lower than a range of levels that varies between 3.25x and 3.75x, depending on the contracts and the ratio consolidated EBITDA RC to net financial charges must be higher than 4,5x.

29. Related party transactions

Accounting policies

A related party is a person or entity that is related to the entity preparing its financial statements, as follows:

(a) A person or a close member of that person's family is related to a reporting entity if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies: (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) Both entities are joint ventures of the same third party; (iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity; (v) The entity is a post-employment defined benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity; (vi) The entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The Group has had the following material transactions with related parties:

Unit: €m

	2024		2023	
	Current	Non-current	Current	Non-current
Associates	60	0	61	0
Joint ventures*	184	0	1	169
Other related entities	2	0	2	0
Assets:	**246**	**0**	**64**	**169**

*Includes entities related to companies classified as assets held for sale, namely Coral FLNG, S.A..

Unit: €m

	2024		2023	
	Current	Non-current	Current	Non-current
Associates	(4)	(26)	(5)	(26)
Joint ventures	(59)	0	(59)	0
Tip Top Energy, S.A.R.L.	(1)	0	0	0
Winland International Petroleum, S.A.R.L.	(63)	0	(37)	0
Other related entities	0	0	(1)	0
Liabilities:	**(127)**	**(26)**	**(102)**	**(26)**

Unit: €m

	2024		2023	
	Operating cost/income	Financial costs/income	Operating cost/income	Financial costs/income
Associates	(46)	2	(28)	4
Joint ventures	(17)	12	(15)	9
Tip Top Energy, S.A.R.L.	(29)	0	0	0
Other related entities	18	0	7	0
Transactions:	**(75)**	**15**	**(36)**	**13**

30. Environmental matters

Greenhouse gas emissions (CO_2 emissions)

Accounting policies

Galp makes judgements and estimations for the calculation of environmental obligations such as those resulting from greenhouse gas (CO_2) emissions. Galp receives annually free licenses, Emission Unit allowances (EUA), from the Portuguese Environment Agency to meet the emission of greenhouse gases. If the free allowances are insufficient to meet the emission of greenhouse gas emissions, Galp may purchase complementary allowances (EUA) assuming a cost that is recorded under "Cost of sales – Cost with the emissions of CO_2". However, if greenhouse gas emissions are higher than the equivalent of the allowances in the portfolio at the end of the financial year, a cost is specialised for the best estimate of the expenditure to be made at the spot market quotation of the allowances.

CO_2 emissions from the Group's industrial installations and CO_2 allowances allocated to it under the National CO_2 Allowance Allocation Plan do not give rise to any asset recognition, provided that: (i) the existence of costs to be incurred by the Group with the acquisition of emission allowances on the market is not estimated, situation in which a cost accrual is recognised or; (ii) it is considered that they are not sold. In case of surpluses and sale of these allowances a profit is recognised.

Galp has recognised in "Cost of sales – Costs with the emissions of CO_2" an amount of €73 m (Note 25). As of 31 December 2024, the certificates held in the portfolio are recognised in "Other receivables – Deferred charges – Other deferred charges", amounting to €76 m (2023: €73 m) (Note 11) and the estimated cost to cover the shortage of certificates in "Other payables – Accrued costs – other accrued costs", amounting to €73 m (2023: €74 m) (Note 15). CO_2 allowances (portfolio of allowances held) and the liability for CO_2 emissions are both derecognised on the settlement of the liability (which usually occurs in the following year with the delivery of the respective allowances) with the official environment agency.

Biofuels certificates

Accounting policies

In the absence of specific guidance on the accounting of biofuel certificates, IAS 20 allows non-monetary government grants and related assets (in this case biofuel certificates) received to be measured at nominal value.

Biofuel certificates awarded free of charge by ENSE, E.P.E. (National Energy Sector Entity, E.P.E.) are recognised at nominal value (i.e. at zero value).

The obligation for biofuels is recognised under "Other payables" when the obligation arises under local regulations. To the extent that covered by the biofuel certificates held for the purposes of legal compliance, liability is measured according to the value of those certificates held and the remaining part not covered at market value.

Biofuel certificates and biofuel liability are both derecognised on the settlement of the liability with the government environment agency.

Annually, national targets and obligations for biofuel incorporation are defined. Biofuels are mixed with existing fuels, such as petrol and diesel, to reduce net emissions. The biofuel quota in the total fuel sales mix is used to meet regulatory requirements. This can be achieved by mixing biofuels in refineries and/ or distribution warehouses, by importing biofuels (to jurisdictions granting biofuel certificates at the point of importation) or by purchasing certificated from third parties (for jurisdictions that have a tradable biofuel certificate mechanism).

As of 31 December 2024, the following impacts were recognised on the financial statements:

- Operating cost – recognised under "Cost of sales": €99 m (2023: €125 m);
- Assets (arising from the purchase of certificates) – recognised under "Inventories": €18 m (2023: €17 m); and
- Liabilities – recognised under "Other payables – Accrued costs – other accrued costs": €0 m (2023: €0 m)

31. Companies in the Galp Group

Judgment is required whenever an entity is acquired or modified in order to give a proper and clear image of the consolidated financial statements. In order to do this, several items are analysed to support the accounting decisions, namely:

- Power over the investee;
- Exposure or rights in relation to the variable results arising through its relationship with the investee; and
- Ability to use its power over the investee to impact the amounts of the results to the investors.

Shareholder agreements are also thoroughly analysed to identify any contract clauses which give substantive power or give only protection rights to the investor. An analysis of the substance rather than the legal form is necessary for proper accounting treatment.

Consolidation perimeter

The Companies consolidated in accordance with the full consolidation method are disclosed below:

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Parent company		
Galp Energia, SGPS, S.A., Portugal		
Subsidiaries by groups		
Galp Energia, S.A., Portugal	100%	Others
Galp Energia E&P Subgroup		
Galp Energia E&P, BV, The Netherlands	100%	Upstream
Galp Sinopec Brazil Services BV, The Netherlands	70%	Upstream
Galp E&P Brazil BV, The Netherlands	100%	Upstream
Galp Energia Brasil, S.A., Brazil	100%	Renewables & New Businesses
Chalana Solar Energia Ltda, Brazil	100%	Renewables & New Businesses
Acácia Solar Energia Ltda, Brazil	100%	Renewables & New Businesses
Petrogal Brasil, BV, The Netherlands	100%	Renewables & New Businesses
Petrogal Brasil, S.A., Brazil	70%	Renewables & New Businesses
Petrogal Brasil Comercializadora, Lda., Brazil	70%	Renewables & New Businesses
Galp East Africa BV, The Netherlands	100%	Renewables & New Businesses
Galp Energia Portugal Holdings BV, The Netherlands	100%	Renewables & New Businesses
Galp Energia Rovuma BV, The Netherlands *	100%	Renewables & New Businesses
Galp Energia Rovuma BV(Mozambique branch), Mozambique*	0.00	Renewables & New Businesses
Galp West Africa, SA, Portugal	100%	Renewables & New Businesses
Galp São Tomé e Príncipe Unipessoal, Limitada, São Tomé and Príncipe	100%	Renewables & New Businesses
Windhoek PEL 23 BV, The Netherlands	100%	Renewables & New Businesses
Windhoek PEL 23 BV (Branch in Namibia), Namibia	0.00	Renewables & New Businesses
Windhoek PEL 28 BV,The Netherlands	100%	Renewables & New Businesses
Windhoek PEL 28 BV (Branch in Namibia), Namibia	0.00	Renewables & New Businesses
Galp Trading, S.A., Switzerland	100%	Renewables & New Businesses
Tagus Re, S.A., Luxembourg	100%	Renewables & New Businesses
Galp New Energies Subgroup		
Galp New Energies, S.A., Portugal	100%	
Galp Bios, S.A., Portugal	100%	Renewables & New Businesses
Enerfuel, Unipessoal, Lda., Portugal	100%	Renewables & New Businesses
Galp Bioenergy BV, The Netherlands	100%	Renewables & New Businesses
Galp Parques Fotovoltaicos de Alcoutim Lda, Portugal	100%	Renewables & New Businesses
GowithFlow, Unipessoal, Lda., Portugal	100%	Renewables & New Businesses
Enercapital Power Italia Uno SRL, Italy	100%	Renewables & New Businesses
Fornax Energy, S.L.U., Spain	100%	Renewables & New Businesses
Magallon 400, S.L., Spain	68%	Renewables & New Businesses
Duplexia Experts, S.L.U., Spain	100%	Renewables & New Businesses
Gastroselector Market, S.L.U., Spain	100%	Renewables & New Businesses
Jerjes Energia, S.L.U., Spain	100%	Renewables & New Businesses
Bujeo 2021, S.L.U., Spain	100%	Renewables & New Businesses
Pitarco Energia, S.L.U., Spain	100%	Renewables & New Businesses
ISDC International Solar Development Corporation, Lda., Portugal	100%	Renewables & New Businesses
QNO - Sociedade Agrícola, Unipessoal, Lda, Portugal	100%	Renewables & New Businesses
Parque Eólico de Vale Grande, Unipessoal, Lda., Portugal	100%	Renewables & New Businesses

Company and country	Percentage of shares owned	Activity
Titan 2020, S.A.U., Spain	100%	•
Energia de Suria, S.L.U., Spain	100%	•
Energia Faetón, S.L.U., Spain	100%	•
Logro Solar, S.L.U., Spain	100%	•
Ictio Solar Orion, S.L.U., Spain	100%	•
Navabuena Solar, S.L.U., Spain	100%	•
PV XXVI Rescesvinto, S.L.U., Spain	100%	•
Ictio Toledo Solar, S.L.U., Spain	100%	•
Ictio Solar, S.L.U., Spain	100%	•
Ictio Solar Auriga, S.L.U., Spain	100%	•
Ictio Manzanares Solar, S.L.U., Spain	100%	•
Caliza Solar, S.L.U., Spain	100%	•
Taburete Solar, S.L.U., Spain	100%	•
PV XXIX Égica, S.L.U., Spain	100%	•
PV XXI Suithila, S.L.U., Spain ***	100%	•
Ahín PV Solar, S.L.U., Spain	100%	•
Ictio Solar Andrómeda, S.L.U., Spain	100%	•
Ictio Solar Berenice, S.L.U., Spain	100%	•
Alcañiz Solar, S.L.U., Spain	100%	•
Ictio Solar Perseus, S.L.U., Spain	100%	•
Instalaciones y Servicios Spínola I, S.L.U., Spain	100%	•
Instalaciones y Servicios Spínola II, S.L.U., Spain	100%	•
Energia Sierrezuela, S.L.U., Spain	100%	•
Palabra Solar, S.L.U., Spain	100%	•
Planta Solar Alcázar 1, S.L.U., Spain	100%	•
Planta Solar Alcázar 2, S.L.U., Spain	100%	•
Parque Eólico de Valdecarr, S.L.U., Spain	100%	•
Energías Ambientales de Soria, S.L.U., Spain	100%	•
El Robledo Eólica, S.L.U., Spain	100%	•
Ribagrande Energia, S.L.U., Spain	100%	•

Company and country	Percentage of shares owned	Activity
Valdelagua Wind Power, S.L.U., Spain	100%	•
Escarnes Solar, S.L.U., Spain	100%	•
Envitero Solar, S.L.U., Spain	100%	•
Mocatero Solar, S.L.U., Spain	100%	•
Escatrón Solar, S.L.U., Spain	100%	•
Ignis Solar Uno, S.L.U., Spain	100%	•
Emoción Solar, S.L.U., Spain	100%	•
Mediomonte Solar, S.L.U., Spain	100%	•
Esplendor Solar, S.L.U., Spain	100%	•
Hazaña Solar, S.L.U., Spain	100%	•
Talento Solar, S.L.U., Spain	100%	•
Petrogal Subgroup		
Petrogal, S.A., Portugal	100%	• •
Galp Energia España, S.A.U., Spain	100%	•
Galpgest - Petrogal Estaciones de Servicio, S.L.U., Spain	100%	•
Galp Energia Independiente, S.L.U., Spain	100%	•
Galp Energia Independiente S.L.U. (Branch in Portugal), Portugal	0.00	•
EI Galp, S.A., Portugal	100%	•
Galp Açores, Unipessoal, Lda., Portugal	100%	•
Saaga - Sociedade Açoreana de Armazenagem de Gás, S.A., Portugal	68%	•
Galp Madeira, Unipessoal, Lda., Portugal	100%	•
CLCM - Companhia Logistica de Combustíveis da Madeira, S.A., Portugal	75%	•
Sacor Marítima, S.A., Portugal	100%	•
C.L.T. - Companhia Logística de Terminais Marítimos, S.A., Portugal	100%	•
Sempre a Postos - Produtos Alimentares e Utilidades, Lda., Portugal	75%	•
Tanquisado - Terminais Marítimos, S.A., Portugal	100%	•
Galpgeste - Gestão de Áreas de Serviço, S.A., Portugal	100%	•
Portcogeração, S.A., Portugal	100%	•
Galp Marketing Internacional, S.A., Portugal	100%	•

Company and country	Percentage of shares owned	Activity	
Petrogal Guiné-Bissau, Lda., Guinea-Bissau *	100%		•
Petromar - Sociedade de Abastecimentos de Combustíveis, Lda., Guinea-Bissau*	80%		•
Petrogás - Importação, Armazenagem e Distribuição de Gás, Lda., Guinea-Bissau*	65%	•	
C.L.C. Guiné Bissau – Companhia Logística de Combustíveis da Guiné Bissau, Lda., Guinea-Bissau*	90%	•	
Empresa Nacional de Combustíveis - Enacol, S.A.R.L, Cape Verde**	48%		•
Enamar - Sociedade Transportes Marítimos, Sociedade Unipessoal, S.A., Cape Verde	48%	•	
Petrogal Moçambique, Lda., Mozambique	100%		•
Galp Moçambique, Lda., Mozambique	100%		•
Galp Moçambique, Lda. (Branch in Malawi), Malawi	0.00		•
Galp Eswatini (PTY) Limited, Eswatini	100%		•
Petrogal Angola, Lda., Angola	100%		•
Galp Gás Natural, S.A., Portugal	100%	•	•
GDP - Gás de Portugal, S.A., Portugal	100%		•
Transgás, S.A., Portugal	100%		•
Lisboagás Comercialização, S.A., Portugal	100%		•
Lusitaniagás Comercialização, S.A., Portugal	100%		•
Setgás Comercialização, S.A., Portugal	100%		•
Agroger - Sociedade de Cogeração do Oeste, S.A., Portugal	100%	•	
LGA – Logística Global de Aviação, Lda, Portugal	60%	•	

*Entities classified as Non-current assets held for sale on 31 December 2024 and expected to be sold in 2025.
** Galp has control even though it holds 48% of the shares of Enacol S.A.R.L.
*** To be returned to the previous owner.

Unincorporated joint operations

Joint operations – Oil Consortia

Consortium	Galp's participation interest
Oil Consortium in Brazil	
BM-S-11 - Tupi	9%
BM-S-11 - Iracema	10%
BM-S-11A - Sururu	10%
BM-S-11A - Berbigão	10%
BM-S-11A - Atapú	2%
BM-S-8	20%
Uirapuru	14%
BM-S-24 - Sépia	2%
BM-S-24 - Júpiter	20%
BAR-300	10%
BAR-342	10%
BAR-344	10%
BAR-388	10%
Cabíunas	10%
Oil Consortium in Mozambique*	
Area 4	10%
Oil Consortium in Namibia	
PEL83	80%
Oil Consortium in Uruguai**	
Area 4	20%
Oil Consortium in São Tomé and Príncipe	
Block 6	45%
Block 11	20%
Block 12	41%

* In sales process

** Joint operations with no activity during 2024 and in process of closing

Incorporated Joint Operations

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Sigás - Armazenagem de Gás, A.C.E., Portugal	60%	Industrial & Energy Management
Pergás – Armazenamento de Gás, A.C.E., Portugal	51%	Industrial & Energy Management
GEMS Biofuels, Lda., Portugal	75%	Industrial & Energy Management
Comunidad de Bienes Chiprana Este, Spain	100%	Renewables & New Businesses
Comunidad de Bienes Jarrina, Spain	100%	Renewables & New Businesses
Comunidad de Bienes Aragon Sul, Spain	100%	Renewables & New Businesses
Comunidad de Bienes Samper de Calanda, Spain	100%	Renewables & New Businesses
Comunidad de Bienes Peaker, Spain	83%	Renewables & New Businesses
Comunidad de Bienes El Corralito, Spain	68%	Renewables & New Businesses

Joint Ventures

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Tupi B.V., The Netherlands*	6.48%	Upstream
Iara B.V., The Netherlands*	1.20%	Upstream
Coral FLNG, S.A., Mozambique*	10%	Industrial & Energy Management
Coral South FLNG DMCC, United Arab Emirates*	10%	Industrial & Energy Management
Rovuma LNG, S.A., Mozambique*	10%	Industrial & Energy Management
Rovuma LNG Investments (DIFC) LTD., United Arab Emirates*	10%	Industrial & Energy Management
C.L.C. – Companhia Logística de Combustíveis, S.A., Portugal*	65%	Industrial & Energy Management
Asa – Abastecimento e Serviços de Aviação, Lda., Portugal	50%	Industrial & Energy Management
Aurora Lith, S.A., Portugal**	74.70%	Renewables & New Businesses

*Galp has joint control for the selected entities even if it holds more or less than 50% of the shares by means of a Shareholder agreement that conveys substantive power to conclude joint control for the joint shareholder or Galp

** During 2024, the shareholders decided to abandon the project and to liquidate the entity (Note 2.2.2.).

Investment in Associates

Activity: • Upstream • Industrial & Energy Management • Commercial • Renewables & New Businesses • Others

Company and country	Percentage of shares owned	Activity
Aero Serviços, SARL - Sociedade Abastecimento de Serviços Aeroportuários, Guinea-Bissau* **	50%	Industrial & Energy Management
EMPL - Europe Maghreb Pipeline, Ltd, Spain	23%	Industrial & Energy Management
Galp IPG Matola Terminal Lda, Mozambique	45%	Industrial & Energy Management
Geo Alternativa, S.L., Spain	25%	Commercial
IPG Galp Beira Terminal Lda, Mozambique	45%	Industrial & Energy Management
Metragaz, S.A., Marocco	23%	Industrial & Energy Management
Sodigás-Sociedade Industrial de Gases, S.A.R.L, Cape Verde	23%	Industrial & Energy Management
Sonangalp - Sociedade Distribuição e Comercialização de Combustíveis, Lda., Angola	49%	Commercial
Hytlantic, S.A., Portugal	29%	Commercial
Terparque - Armazenagem de Combustíveis, Lda., Portugal	16%	Industrial & Energy Management
Imopetro - Importadora Moçambicana de Petróleos, Lda, Mozambique	6%	Commercial
CMD – Aeroportos Canarios S.L., Spain	15%	Industrial & Energy Management
SABA - Sociedade abastecedora de Aeronaves, Lda., Portugal	25%	Industrial & Energy Management
Belem Bioenergia Brasil, S.A., Brazil	50%	Renewables & New Businesses
Floene Energias Subgroup		
Floene Energias, S.A., Portugal***	2%	Renewables & New Businesses
Beiragás - Companhia de Gás das Beiras, S.A., Portugal***	1%	Renewables & New Businesses
Dianagás - Soc. Distrib. de Gás Natural de Évora, S.A., Portugal***	2%	Renewables & New Businesses
Duriensegás - Soc. Distrib. de Gás Natural do Douro, S.A., Portugal***	2%	Renewables & New Businesses
Lisboagás - Sociedade Distribuidora de Gás Natural de Lisboa, S.A., Portugal***	2%	Renewables & New Businesses
Lusitaniagás - Companhia de Gás do Centro, S.A., Portugal***	2%	Renewables & New Businesses
Medigás - Soc. Distrib. de Gás Natural do Algarve, S.A., Portugal***	2%	Renewables & New Businesses
Paxgás - Soc. Distrib. de Gás Natural de Beja, S.A., Portugal***	2%	Renewables & New Businesses
Setgás - Sociedade de Produção e Distribuição de Gás, S.A., Portugal***	2%	Renewables & New Businesses
Tagusgás - Empresa de Gás do Vale do Tejo, S.A., Portugal***	2%	Renewables & New Businesses

* Entities classified as Non-current assets held for sale on 31 December 2024 and expected to be sold in 2025.
** Galp has significant influence even though it holds 50% of the shares of Aero Serviços S.A.R.L.
*** Galp has significant influence even though it holds less then 20% of the shares.

32. Subsequent events

Accounting policy

Events occurring after the date of the financial statements and which provide indications of conditions that exist after the date of the financial statements, if material, are disclosed in the Notes to the consolidated financial statements.

Shares buyback programme 2025

On 28 February 2025, Galp initiated a €250 m share repurchase of Galp Energia SGPS, S.A. shares with the purpose to reduce the issued share capital of the Company, following the capital allocation guidelines related to the 2024 fiscal year and the authorisations in place. The buyback is planned to terminate at the latest by January 30, 2026, subject to the necessary approvals.

In addition, Galp will continue its share-based remuneration plan as part of the Company's long-term incentives framework applicable to the executive board members and senior managers. Hence, Galp will also repurchase shares for such purpose, up to 1% of the share capital as per the authorisations in place.

Berbigão / Sururu unification

On 23 January 2025, ANP communicated the decision that the reservoirs of Berbigão and Sururu should be considered as unified for the purposes of calculating the Special Participation Tax. This decision is based on the fact that both reservoirs are currently being developed through a single FPSO, P-68.

Galp and the remaining partners of the consortium disagree with this interpretation from ANP considering that, according to the geological criteria in this specific case, there are two separate reservoirs. The appropriate legal measures for contesting this claim are currently under assessment.

This interpretation from ANP results in a Special Participation Tax difference of c.$115 m to date.

Mopane-3X well confirming new exploration discovery

On 25 February 2025, Galp (80%, operator) announced that, together with its partners NAMCOR and Custos (10% each), has successfully drilled, cored and logged the Mopane-3X well (well #5) in PEL83, offshore Namibia.

Mopane-3X preliminary data confirm light oil and gas-condensate significant columns across AVO-10, and light oil columns on AVO-13 and on the deeper sand, in high-quality sandstones.

The reservoirs log measures confirm good porosities, high pressures and high permeabilities. Initial fluid samples show low oil viscosity and minimum CO_2 and H_2S concentrations. Samples were sent for lab testing.

Completion of 10% stake divestment in Area 4 Mozambique

On 27 March 2025, Galp announced that it has successfully completed the sale of its upstream assets in Area 4 Mozambique to ADNOC (through XRG P.J.S.C.).

With completion, Galp collects c.$881 m in, encompassing the equity value of shares, shareholder loans reimbursement and accumulated investments made since the transaction reference date of 31/12/2023.

Additional contingent payments of $100 m and $400 m will be received, subject to the final investment decision of Coral North and Rovuma LNG, respectively.

EIB finances Galp’s Renewable Hydrogen and Biofuels projects in Sines with €430 million

The European Investment Bank (EIB) has granted a €430 m loan for the construction of two key projects aimed at transforming Galp’s Sines Refinery, making a crucial contribution for the decarbonization of heavy-duty road transport and aviation.

Galp is developing the Biofuels unit, already at a construction stage, in partnership with Japan’s Mitsui, as part of a total €400 m investment, of which €250 m is provided by the EIB. This unit will convert vegetable oils and residual fats into sustainable aviation fuel (SAF) and renewable diesel of biological origin (HVO) with identical characteristics to the fossil-based fuels used in regular combustion engines.

This unit, set to begin production in 2026, will have the capacity to produce up to 270 ktpa of renewable fuels, enough for Portugal to comply with the European Union mandate for this type of fuels in aviation. SAF is essential for air transportation – responsible for about 3% of global greenhouse gas emissions – to begin its decarbonization journey.

In parallel, Galp is building in the same site a 100 MW electrolyser, a €250 m investment of which the EIB will finance €180 m. It is set to produce up to 15 ktpa of green hydrogen when it goes online next year, becoming one of the first operational units of its size in Europe.

The two projects support the goal of climate neutrality by 2050, in line with the European Green Deal, and strengthen the EU’s energy independence as outlined in the REPowerEU plan. The projects benefit from €22.5 m in Recovery and Resilience Plan incentives.

No impact on the Consolidated Statement of Income, Consolidated Statements of Financial Position or Consolidated Statement of Cash Flows from the events mentioned above.

33. Approval of the consolidated financial statements

The consolidated financial statements were approved by the Board of Directors on 4 April 2025. However, they are still subject to approval by the General Meeting of Shareholders, in accordance with the commercial law applicable in Portugal.

Chairman:
Paula Amorim

Vice-chairman and Lead Independent Director:
Adolfo Mesquita Nunes

Vice-chairman:

Maria João Carioca

Members:
João Diogo Marques da Silva

Georgios Papadimitriou

Ronald Doesburg

Rodrigo Vilanova

Nuno Holbech Bastos

Marta Amorim

Francisco Teixeira Rêgo

Carlos Pinto

Jorge Seabra de Freitas

Diogo Tavares

Rui Paulo Gonçalves

Cristina Neves Fonseca

Javier Cavada Camino

Cláudia Almeida e Silva

Fedra Ribeiro

Ana Zambelli

Accountant:
Cátia Cardoso

34. Explanation regarding translation

These financial statements are a translation of the financial statements originally issued in Portuguese in accordance with the International Financial Reporting Standards as adopted by the European Union, some of which may not conform to the generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version shall prevail.

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*(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)*

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Galp Energia, SGPS, S.A. (the Group or Galp), which comprise the Consolidated Statement of Financial Position as at 31 December 2024 (showing a total of 16.817 million of euros and a total equity of 5.638 million of euros, including a net profit for the year of 1.226 million of euros), and the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and Notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Galp Energia, SGPS, S.A. as at 31 December 2024, and of its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

Sociedade Anónima - Capital Social 1.340.000 euros - Inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161480 na Comissão do Mercado de Valores Mobiliários
Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número
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1. Recoverability of non-current assets

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement

As of December 31, 2024, the carrying value of non-current assets recognized in the Group's consolidated financial statements includes tangible assets, intangible assets and right-of-use of assets in the amount of 8.104 million euros (Notes 5, 6 and 7).
 	
Auditing the recoverability of non-current assets is subjective due to the significant amount of judgement involved in determining whether indicators of impairment or impairment reversal exist, particularly for longer term assets. Indicators should reflect significant upward or downward revisions in assumptions impacting the future potential long-term value of an asset, rather than drivers of short-term fluctuations in value.
 	
Key factors in determining whether indicators of impairment or impairment reversal exist include changes in forecast commodity price, refining margin and electricity prices assumptions, movements in oil and gas reserves, the expected useful lives of assets, changes in asset performance and future development plans, including those relating to Group's carbon emission reduction targets.
	Our approach included the following procedures:
	► Understanding and evaluating management´s process for defining cash-generating units and for the identification of indicators of impairment and reversals of impairment.
	► Related to oil and gas price projections, refining margins and electricity prices our procedures included:
	  ► Assessing the reasonableness of future short and long-term oil and gas price assumptions by comparing these to an independently developed reasonable range of forecasts based on consensus analysts' forecasts and those adopted by other energy companies;
	  ► Comparing Galp's oil and gas price scenarios to the IEA's Net Zero Emissions 2050 (NZE) and to the IEA's Announced Pledges Scenario (APS) price assumptions as potential contradictory evidence for best estimates of future oil and gas prices. The APS assumes that all climate commitments made by governments around the world, including Nationally Determined Contributions (NDCs) and longer-term net zero targets, will be met in full and on time; and
	  ► Evaluating the reasonableness of Galp’s refining margin and electricity prices assumptions by comparing these to independent market and consultant forecast.
	► Related to oil and gas reserves our procedures included:
	  ► Assessing the professional qualifications, independence and objectivity of Management's independent expert responsible for preparing the oil and gas reserves estimate and comparing the certified volumes with those included in the impairment analyses and prior year estimates;
	  ► Performing back-testing of historical data to identify indications of estimation bias over time; and
	  ► In order to assess the risk of the reserves not ultimately being produced we analyzed the carbon intensity of Galp's Upstream segment assets, focusing on those with higher carbon intensity and assessing the potential impact on the long-term value of these assets.

2/10

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2. Accounting for complex transactions within Galp's Energy Management Function and the valuation of derivative financial instruments

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As described in Note 19, Galp recognised commodity derivatives assets of 165 million euros and commodity derivatives liabilities of 213 million euros, having recognized non-realized losses and realized losses on derivative financial instruments of 15 million euros and 25 million euros, respectively. Galp's Energy Management function, which is integrated within the different group's business offices and its financial contribution reported under the Industrial and Midstream segment, executes and settles a significant number of trades a day across multiple geographic locations. The volume and complexity of these transactions have increased year on year as Galp's Energy Management undertakes an important role in Galp's energy supply activities and the value maximization of the supply and trading of all products. The IT environment supporting the function is complex which mandates timely control activities. The global regulatory requirements for commodity traders continue to increase, which, together with the increase in complexity of trades, means there is greater financial and operational risk within the business. Auditing unrealized trading gains and losses is complex because of the significant judgement used in determining the appropriate accounting treatment, and the key assumptions used in valuing the trades. Trading is not always carried out in active markets where prices are readily available, increasing subjectivity used in determining the pricing curve and volatility assumptions, which are key inputs to valuing the trades.	Our approach included the following procedures: ► Understanding and evaluating Energy Management function's processes and controls; ► Testing the completeness of the complex deal register, to ensure it contained all material, complex and long dated trades; ► Obtaining an understanding of the commercial rationale of complex and long-dated deals by analyzing transaction documentation and agreements, and through discussions with management; ► Assessing the compliance of accounting policies for derivative financial instruments with the principles of IFRS 9 Financial instruments, including assessment of the designation of qualifying cash flow hedges; ► Analyzing, through analytical review procedures, of balances related to derivative financial instruments in order to confirm whether the changes occurred are consistent with the expectations formed, taking into account changes in the business environment and in the prices of major commodities and the number of transactions; ► Testing the forward pricing curve and other relevant assumptions in management's valuation models, including comparisons to external broker quotes, market consensus providers and our independent assessments; ► Involving specialists to assist us in performing independent testing of complex valuation models used for the valuation of derivatives that do not have quoted prices and whose valuation is based on predominantly unobservable inputs (Level 3) on fair value hierarchy. Our testing was based on independently sourced inputs from external broker quotes and benchmarking for certain unobservable parameters; ► Reconciling, on a sample basis, of open positions at the date of the consolidated statement of financial position with independent or counterparty statements; and

4/10

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
Furthermore, the business inherent risks may create the opportunity for unauthorized trading activity or deliberate misstatement of Galp's trading positions or mismarking of positions. This creates a risk of understated trading losses, overstated trading profits and/or individual bonuses being manipulated through inappropriate inter-period profit/loss allocations.	► Review, reconciliation and verification of the adequacy and consistency of the calculations performed by the information systems and spreadsheets relating to derivative financial instruments. We have reviewed of the adequacy of disclosures related to derivative financial instruments and hedge accounting (Notes 19, 20 and 27), including those related to fair value, in accordance with applicable accounting standard.

3. Termination of refining activities in Matosinhos

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As announced in December 2020, Galp has decided to concentrate its refining activities in Sines, discontinuing refining operations in Matosinhos. Subsequently, Galp announced a protocol with the municipality of Matosinhos and CCDR-N, to jointly develop an integrated solution aimed at creating an innovation district that will renovate the area where the refinery was installed. During the year, the Group has continued the demolition works of the Matosinhos refinery following the first phase of the deactivation plan submitted to the Portuguese Environment Agency, having updated the expected future financial impacts based on the most updated information. Accordingly, at December 31, 2024, the Group carries a provision for dismantling, decommissioning and decontamination of the Matosinhos refinery in the amount of 258 million euros (Note 18).	Our approach included the following procedures: ► Understanding Galp's updated plan for the former refinery of Matosinhos, including interactions with Galp's team specially created for this purpose, with special focus on the changes from the previous year and the adaptation of the park area to the operational requirements considering its future use; ► Testing the completeness of assets subject to impairment and assessing the reasonableness of the assumptions and significant judgements underlying the determination of its recoverable amount. For assets not subject to impairment we've assessed the existence of potential impairment indicators, namely by understanding their future use and projecting the recoverable amount of these assets based on technical documentation; ► Understanding the process and assumptions used by management for determining changes to the estimate of costs to be incurred with the dismantling, decommissioning and decontamination. Our procedures included assessing the consistency of this estimate with the technical evaluation performed by the independent experts and industry practice, and also, analyzing the relevant communications with the competent authorities;

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
The materiality of the amounts and the degree of judgement associated with (i) assessing the recoverable amount of certain assets located at the Matosinhos refinery in the context of their future use and (ii) estimating closure costs, namely due to the limited past experience in activities considered reference for future cost estimates, which often depend on the extent of the contamination of the assets to be decommissioned, the impact and timing of the necessary corrective actions as well as environmental requirements that must be followed, justify that this was considered as a key audit matter.	► Evaluating the reasonableness of the key data and assumptions used in determining the costs to be incurred with the dismantling, decommissioning and decontamination, namely, estimated cost factors, by analyzing contracts and actual incurred costs with the ongoing works, studies and documentation related to previously decommissioned facilities or sites; ► Assessing the professional qualifications and objectivity of the Management independent experts responsible for preparing the cost estimate for decontamination and decommissioning; ► Reviewing contracts and other documentation (including research on any litigations and claims against the Group) to assess potential obligations or disclosures of contingent liabilities; and ► Assessing the reasonableness of the measurement criteria for the provision taking into consideration the expected timing of the activities and the reasonableness of the discount rate, for which we engaged our professionals with specialized knowledge in valuations. We have verified the appropriateness of the disclosures presented in Note 18, in accordance with applicable accounting standards.

4. Changes in assets portfolio

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
During the second quarter of 2024, Galp signed an agreement with ADNOC for the sale of the Group's participating interests in the Area 4, Upstream business in Mozambique. The agreed consideration amounts to 881 million US dollars due at the closing date of the transaction and 500 million US dollars contingent on the final investment decisions of the Coral Norte and Rovuma LNG projects.	Our approach included the following procedures: ► Understanding and evaluating management´s process to monitor changes in the portfolio of assets and to assess potential impacts to the Group's financial statement in accordance with the existing accounting framework. ► Related to the Mozambique Upstream assets divestment our procedures included: ► Understanding the decision-making process, including inspect the minutes of the Executive Committee and of the Board of Directors and other relevant documentation;

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Galp Energia, SGPS, S.A.
Statutory and Auditor's Report
31 December 2024

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As disclosed in Note 2.2.1, Galp presents the assets and liabilities related to the Upstream business in Mozambique as non-current assets and liabilities held for sale in its consolidated financial statements. Additionally, in June 2024, the sale of the Group's participating interests in blocks 14, 14K, 32 and CNE in Angola was completed. As disclosed in note 2.2.1, as a result of this transaction, the Group recognized a gain in the amount of 138 million euros, after the derecognition of all related assets and liabilities. The materiality of the amounts, the judgements associated with the above-mentioned transactions in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and IFRS 13 – Fair Value Measurement, as well as the importance of such transactions for Groups' strategy, justify the fact that this has been considered a key audit matter.	► Evaluating the reasonableness of the timing for the classification as Asset Held for Sale, in accordance with the criteria within IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and the valuation of the related disposal group; ► Analyze the agreement with ADNOC and other relevant documentation (e.g. reading of the consortium presentations and communications with the Operator) and assessed any accounting impacts in accordance with IAS 10 – Events After the Reporting Date; and ► Performing sensitivity tests to the most relevant assumptions used in the fair value of the agreed consideration, namely, timing of the final investment decisions of the Coral Norte and Rovuma LNG projects and the discount rate used. ► Related to the Angolan Upstream assets divestment our procedures included: ► Analysis of the relevant documentation, namely, inspection of final authorizations from the competent authorities and the final receipts associated with the closing of the transaction; and ► Analysis of the accounting impacts resulting from the closing of the transaction, including the respective derecognition of non-current assets and liabilities classified as held for sale. Verified the adequacy of the applicable disclosures included in Notes 2.2.1 and 32 to the Group financial statements.

Responsibilities of management and the supervisory board for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that presents a true and fair view of the Group´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- the preparation of the Integrated Management Report, the Corporate Governance Report, the consolidated statement of non-financial information and the remuneration report, in accordance with the applicable legal and regulatory requirements;
- designing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;

- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and execute our audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or segments within the Group as the basis to form an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the performance of the work executed for the purposes of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and

- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or which safeguards have been applied.

Our responsibility includes the verification of the consistency of the Integrated Management Report with the consolidated financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification that the consolidated statement of non-financial information and the remuneration report have been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Integrated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Integrated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement. As referred to in article 451, nr. 7 of the Commercial Companies Code this opinion is not applicable to the consolidated statement of non-financial information included in the Integrated Management Report.

On the Corporate Governance Report

Pursuant to article 451, nr. 4, of the Commercial Companies Code, it is our understanding that the Corporate Governance report, includes the information required the Group to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and m) of the nr. 1 of the referred article.

On the consolidated statement of non-financial information

Pursuant to article 451, nr. 6, of the Commercial Companies Code, we hereby inform that the Group included in the Integrated Management Report, Part I - chapter 4. the consolidated statement of non-financial information, as provided for in Article 508-G of the Commercial Companies Code, which has been disclosed together with the Integrated Management Report.

On the Remuneration Report

Pursuant to article 26-G, nr. 6, of the Securities Code, we inform that the Group has included in an autonomous chapter in its Corporate Governance Report the information provided for in nr. 2 of the referred article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of the Galp Energia SGPS, S.A. (Group's parent entity) for the first time in the shareholders' general meeting held on 12 April 2019 for a mandate from 2019 to 2022. We were reappointed in the shareholders' general meeting held on 3 May 2023 for a second mandate from 2023 to 2026.
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and delivered to the supervisory body of the Entity on 4 April 2025; and

- We declare that we have not provided any prohibited services as described in article 5, of the Regulation (EU) nr. 537/2014, of the European Parliament and of the Council, of 16 April 2014 and we have remained independent of the Entity in conducting the audit.

European Single Electronic Format (ESEF)

Galp Energia, SGPS, S.A.'s consolidated financial statements for the year ended 31 December 2024 must comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (the "ESEF Regulation").

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the Institute of Statutory Auditors' Technical Application Guide on ESEF reporting and included, among others:

- Obtaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format; and
- Identifying and assessing the risks of material misstatement associated with marking up the consolidated financial statement information in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the Group to mark up the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Lisbon, 4 April 2025

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

(Signed)

Rui Abel Serra Martins - ROC n.º 1119
Registered with the Portuguese Securities Market Commission under license nr. 20160731

Individual financial statements

Statement of financial position

Galp Energia, SGPS, S.A.

Statement of financial position as at December 31, 2024 and December 31, 2023

(Amounts stated in thousand Euros – €k)

	Notes	2024-12	2023-12
Right-of-use assets	6	85	165
Investments in subsidiaries	9	6,216,154	5,870,011
Deferred tax assets	16	173	181
Other receivables	11	90	90
Other financial assets	12	11,161	149
Non-current assets		**6,227,663**	**5,870,597**
Other financial assets	12	143,601	122,766
Trade receivables	11	385	787
Other receivables	11	6,441	5,144
Current income tax receivable	16	196,412	182,934
Cash and cash equivalents	13	660,526	288,918
Current assets		**1,007,366**	**600,550**
Total assets		**7,235,028**	**6,471,147**
Share capital and share premium	22	753,495	773,083
Own shares	22	(46,548)	0
Reserves	22	238,074	188,092
Retained earnings		390,003	813,800
Total equity		**1,335,023**	**1,774,975**
Financial debt	14	3,112,386	2,418,067
Lease liabilities	6	44	96
Other payables	15	1,656	1,433
Non-current liabilities		**3,114,085**	**2,419,595**
Financial debt	14	353,140	428,457
Lease liabilities	6	43	73
Trade payables	15	249	980
Other payables	15	35,584	41,113
Current income tax payable	16	57,439	136,241
Other financial liabilities	12	2,339,465	1,669,714
Current liabilities		**2,785,919**	**2,276,578**
Total liabilities		**5,900,005**	**4,696,173**
Total equity and liabilities		**7,235,028**	**6,471,147**

The accompanying notes form an integral part of the statement of financial position and should be read in conjunction.

Income statement and statement of comprehensive income

Galp Energia, SGPS, S.A.

Income statement and statement of comprehensive income for the years ended December 31, 2024 and December 31, 2023

(Amounts stated in thousand Euros – €k)

	Notes	2024-12	2023-12
Services rendered	23	9,551	9,002
Other operating income	23	7,440	4,041
Financial income	23 and 26	14,418	112,659
Gains/(losses) from investments in subsidiaries	9 and 23	536,173	468,220
Total income and gains		**567,581**	**593,921**
Supplies and external services	24	(3,959)	(5,631)
Employee expenses	24 and 25	(11,423)	(6,267)
Amortisation, depreciation and impairment losses of fixed assets and right-of-use	6 and 24	(64)	(85)
Other operating costs	24	(1,156)	(804)
Financial expenses	24 and 26	(224,113)	(152,018)
Total costs and losses		**(240,714)**	**(164,805)**
Profit/(Loss) before taxes and other contributions		**326,867**	**429,116**
Income tax	16	45,789	8,528
Net income/(loss) for the year		**372,657**	**437,644**
Basic Earnings per share (in Euros)		**0.49**	**0.55**
Diluted Earnings per share (in Euros)		**0.49**	**0.55**
Net income/(loss) for the year		**372,657**	**437,644**
Total comprehensive income /(loss) for the year		**372,657**	**437,644**

The accompanying notes form an integral part of the income statement and statement of comprehensive income and should be read in conjunction.

Statement of changes in equity

Galp Energia, SGPS, S.A.

Statement of changes in equity for the years ended December 31, 2024 and December 31, 2023

(Amounts stated in thousand Euros – €k)

	Notes	Share capital	Own shares	Share premium	Legal reserves	Other reserves	Retained earnings	Net profit for the year	Total
Balance as at January 1, 2023		**815,112**	**0**	**82,006**	**165,850**	**27,977**	**135,134**	**1,008,408**	**2,234,487**
Net profit for the year		0	0	0	0	0	0	437,644	437,644
Comprehensive income for the year		**0**	**0**	**0**	**0**	**0**	**0**	**437,644**	**437,644**
Dividends distributed	22	0	0	0	0	0	(422,226)	0	(422,226)
Increase/Decrease in Reserves through distribution of profit		0	0	(82,006)	(2,828)	(27,977)	1,121,219	(1,008,408)	0
Repurchase of shares	2	0	(500,000)	0	0	0	0	0	(500,000)
Cancelling/Distribution of shares	2	(42,029)	500,000	0	0	0	(457,971)	0	0
Long-term Incentive Program		0	0	0	0	25,069	0	0	25,069
Balance as at December 31, 2023		**773,083**	**0**	**0**	**163,022**	**25,069**	**376,156**	**437,644**	**1,774,975**
Balance as at January 1, 2024		**773,083**	**0**	**0**	**163,022**	**25,069**	**376,156**	**437,644**	**1,774,975**
Net profit for the year		0	0	0	0	0	0	372,657	372,657
Comprehensive income for the year		**0**	**0**	**0**	**0**	**0**	**0**	**372,657**	**372,657**
Dividends distributed	22	0	0	0	0	0	(418,751)	0	(418,751)
Increase/Decrease in Reserves through distribution of profit		0	0	0	0	0	437,644	(437,644)	0
Repurchase of shares	2	0	(400,000)	0	0	0	0	0	(400,000)
Cancelling/Distribution of shares	2	(19,588)	353,452	0	0	46,548	(380,412)	0	0
Long-term Incentive Program		0	0	0	0	3,433	2,709	0	6,143
Balance as at December 31, 2024		**753,495**	**(46,548)**	**0**	**163,022**	**75,051**	**17,346**	**372,657**	**1,335,023**

The accompanying notes are an integral part of statement of changes in equity and should be read in conjunction.

Statement of cash flows

Galp Energia, SGPS, S.A.

Statement of cash flows for the years ended December 31, 2024 and December 31, 2023

(Amounts stated in thousand Euros – €k)

	Notes	2024-12	2023-12
Cash received from customers		11,216	19,694
Cash paid to suppliers		(7,697)	(10,138)
Cash paid to employees		(4,639)	(3,272)
Income tax received/(paid)		(39,344)	(25,720)
Other (payments)/receipts from operating activities		(5,091)	(7,121)
Dividends received	9	535,048	468,420
Cash flows from operating activities (1)		**489,494**	**441,862**
Cash receipts relating to:			
Financial investments	9	0	920,000
Interest and similar income		11,195	92,558
Loans granted		17,624	996,932
Cash payments relating to:			
Financial investments	9	(340,000)	(1,517,500)
Loans granted		(73,051)	(21,027)
Cash flows from investment activities (2)		**(384,232)**	**470,963**
Cash receipts relating to:			
Interest-bearing liabilities		2,831,000	2,025,985
Cash payments relating to:			
Repurchase of shares	22	(400,000)	(500,000)
Interest-bearing liabilities		(1,553,328)	(2,114,187)
Interests on interest-bearing liabilities		(119,561)	(90,593)
Interest and similar expense		(12,447)	(1,918)
Leases	6	(64)	(86)
Lease interest	6	(3)	(4)
Dividends/profit distribution	22	(418,751)	(422,226)
Cash flows from financing activities (3)		**326,846**	**(1,103,029)**
(Decrease)/Increase in cash and cash equivalents (4) = (1) + (2) + (3)		432,108	(190,203)
Effect of exchange rate change on cash and cash equivalents		(40,418)	(21)
Cash and cash equivalents at the beginning of the year		268,837	459,061
Cash and cash equivalents at the end of the year		**660,526**	**268,837**

The accompanying notes are an integral part of the statement of cash flows and should be read in conjunction.

Notes to the financial statements

1. Corporate information

Galp Energia, SGPS, S.A. (hereinafter referred to as "Galp" or the "Company"), was incorporated as a government-owned corporation under Decree-Law 137-A/99 of 22 April 1999, under the name Galp – Petróleos e Gás de Portugal, SGPS, S.A., having adopted its current designation of Galp Energia, SGPS, S.A. on 13 September 2000.

The Company's registered office is in Lisbon and its main purpose is the management of other companies having, as at the date of its incorporation, taken control of the Portuguese state's direct shareholdings in the following companies: Petróleos de Portugal – Petrogal, S.A. (currently named Petrogal, S.A.), S.A.; GDP — Gás de PortugaI, SGPS, S.A. (currently named Galp New Energies, S.A.) and Transgás – Sociedade Portuguesa de Gás Natural, S.A. ("Transgás, S.A." currently named Galp Gás Natural, S.A.).

The Company's corporate purpose is to manage shareholdings of other companies in the energy sector, as an indirect way of carrying out economic activities.

During the previous years, the Company shareholders positions suffered several changes and the Company shareholder position as at December 31, 2024 is stated in Note 22.

Part of the Company's shares, representing 92% of its share capital, are listed on the Euronext Lisbon stock exchange.

2. Material information on accounting policies, estimates and judgements

Basis of presentation

The Company's financial statements were prepared on a going concern basis, at historical cost, except for financial derivative instruments, which are stated at fair value, based on the accounting records of the Company, maintained in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), effective for the year beginning 1 January 2024. These standards comprise International Financial Accounting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and related interpretations – SIC and IFRIC, issued by the Standing Interpretation Committee ("SIC") and International Financial Reporting Interpretation Committee ("IFRIC"). These standards and interpretations are hereinafter referred to as IFRS.

The Company's Board of Directors believes that the accompanying financial statements and the notes to the financial statements ensure an adequate presentation of the financial information.

The accompanying financial statements are presented in thousands of Euros (units: €k), functional currency, rounded to the nearest thousand, unless otherwise stated. Therefore, the subtotals and totals of the tables presented in these financial statements and explanatory notes may not be equal to the sum of the amounts presented, due to rounding.

Material information on the accounting policy adopted are presented, according to their content, in the respective accompanying note. Material accounting policy information which are common or generic to the various notes are presented in this note.

Judgments and estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires estimates that affect the recorded amount of assets and liabilities, the disclosure of contingent assets and liabilities at the end of each year and income and expenses recognised each year. The actual results could be different depending on the estimates made.

Certain estimates are considered critical if: (i) the nature of the estimates is considered to be significant due to the level of subjectivity and judgement required to record situations in which there is great uncertainty or are very susceptible to changes in these situations; and (ii) the impact of the estimates on the financial situation or operating performance is significant.

The accounting principles and areas that require the greatest number of judgements and estimates in the preparation of the financial statements are: (i) financial investments in subsidiaries (Note 9); (ii) impairment of accounts receivable and other financial assets (Notes 11 and 12); and (iii) deferred tax assets and estimates of uncertain tax positions (Note 16).

General accounting policies

Translation of foreign currency transactions and balances

Transactions are recorded in the Company's financial statement in its functional currency, at the exchange rates in force on the transaction date. Gains and losses resulting from differences between the exchange rates in force on the dates of the transactions and those prevailing at the date of collection, payment or at the end of the reporting period are recorded as income and/or expenses, respectively, in the income statement in the same captions where the revenue and expenses associated with these transactions are reflected, except those related to non-monetary values whose change in fair value is recorded directly in equity.

Acquisition of own shares

Own equity instruments that are reacquired (own shares or treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

On 13 February 2024, Galp initiated a share repurchase program worth €350 million and also a repurchase programme of own shares for the share-based remuneration plan as part of the Company's long-term incentives (LTIs).

During the period, 23,016,416 shares were acquired at an average price of €17.38/share, totalising €400 m, regarding the repurchase of own shares for cancellation purposes (€351 m) and for long-term incentives plan (€49 m). Of those shares, 200,994 shares were delivered to employees at an average price of €14.54/share, totalling €3 m, under the LTI's plan.

On 7 November 2024 Galp concluded this share repurchase programme. Pursuant to the conclusion of the program, Galp's Board of Directors approved the reduction of the Company's share capital from €773,082,725 to €753,495,159 through the extinction of 19,587,566 own-shares, representative of approximately 2.53% of its initial share capital as at 1 January 2024. The average repurchase price was €17.90/share.

As at 31 December 2024, Galp has 3,227,856 shares in its portfolio acquired at an average price of €14.42/share, totalling €46,548 k relating to the share repurchase programme for the share-based payment plan under the Company's Long-Term Incentive Plan (LTI) (Note 22).

3. Impact of the adoption of new or amended international financial reporting standards

Standards and interpretations endorsed and published by the European Union

The IFRS standards endorsed and published on the Official Journal of the European Union (OJEU) during the year ended December 31, 2024 and enforceable for accounting purposes in subsequent years are presented in the table below:

IAS Standards	Date of publication in the OJEU	Date of accounting enforcement	Enforcement year	Observations
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	13/11/2024	1/1/2025	2025	Without estimated accounting impact.

The IFRS standards endorsed and published in the Official Journal of the European Union (OJEU) applicable to the year 2024 are presented in the table below:

IAS Standards	Date of publication in the OJEU	Date of accounting enforcement	Enforcement year	Observations
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)	16/05/2024	1/1/2024	2024	Without accounting impact.
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020); Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022)	20/12/2023	1/1/2024	2024	Without material accounting impacts.
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	21/11/2023	1/1/2024	2024	Without accounting impact.

4. Tangible Assets

As at December 31, 2024 and December 31, 2023, Tangible assets were fully depreciated.

5. Intangible assets

As at December 31, 2024 and December 31, 2023, Intangible assets were fully depreciated/amortized.

6. Right-of-use of assets and lease liabilities

Accounting policy

Recognition

The Company recognises both a right-of-use asset and a lease liability as at the lease commencement date. The right-of-use asset is initially measured at cost, which represents the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, plus an estimate of the costs required to decommission and remove the underlying asset or restore the site on which it is located (if applicable), deducted from any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that have not yet been paid up to the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot readily be determined, the Company's incremental borrowing rate. In general, the Company uses its incremental borrowing rate as the discount rate. The types of lease payments included in the measurement of the lease liability are as follow:

- fixed payments, deducted of any incentives received;
- variable lease payments, dependent on a certain rate or index;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the lessee is reasonably certain to be able to exercise; and
- payment of penalties for the termination of the contract, if it is reasonably certain that the lessee will cancel the contract.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there are changes in future payments derived from a change in the rate or index or fee, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension, or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right- of-use asset, or it is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in a separate caption in the statement of financial position.

Short-term leases or leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease agreements that have lease terms of 12 months or less, and leases of low-value assets (i.e. less than €5,000 per item). The Company recognises the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

Depreciation

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined as those used for the property and equipment items.

Impairment

The right to use the asset is periodically reduced by impairment losses, if any, and adjusted for certain changes in the lease liability associated with the asset.

Accounting estimates and judgments

Useful lives, residual values of assets and discount rates

The calculation of the assets' residual values, the estimation of the useful lives, and the discount rates used are based on the premises of the lease contracts (or for similar assets) and are set based on Management’s judgement, as well as the practices in the industry.

Impairment of Right-of-use Assets

Identifying impairment indicators, estimating future cash flow and determining the fair value of assets requires Management to use significant judgement in terms of the identification and evaluation of the different impairment indicators, the expected cash flow, the applicable discount rates, useful lives and residual amounts.

The details of right-of-use assets are as follows:

Unit: €k

	Vehicles	2024-12	2023-12
Costs	419	419	436
Accumulated depreciation	(334)	(334)	(270)
Total	**85**	**85**	**165**
Opening balance	**165**	**165**	**137**
Increases	0	0	114
Depreciation/Amortisation	(64)	(64)	(85)
Other adjustments	(17)	(17)	0
Total	**85**	**85**	**165**

Lease liabilities are as follows:

Unit: €k

	2024-12	2023-12
Less than one year	44	76
One to five years	45	99
Maturity analysis — contractual undiscounted cash flows	**89**	**175**
Current	43	73
Non-current	44	96
Lease liabilities in the Statement of financial position	**87**	**168**

The amounts recognised in the income statement are as follows:

Unit: €k

	Notes	2024-12	2023-12
Lease interest	24 and 26	3	4
Expenses related to short term, low value, and variable payments of operating leases	24	208	105
		211	**109**

The amounts recognised in the statement of cash flow are as follows:

Unit: €k

	2024-12	2023-12
Payments relating to leases	(64)	(86)
Payments relating to lease interests	(3)	(4)
Financing activities	**(67)**	**(90)**

7. Grants

Not applicable.

8. Goodwill

Not applicable.

9. Investments in subsidiaries

Accounting policy

Investments in subsidiaries are recorded at the acquisition cost net of impairment losses, when applicable.

Dividends received from subsidiaries are recorded in the Income Statement, when assigned. Whenever the recoverable amount determined is less than the carrying amount of the shareholding, the Company records the respective impairment loss in the same caption.

Impairment

Every impairment loss is immediately recorded in the statement of financial position as a deduction from the value of the asset and in the income statement under Earnings from subsidiaries.

The recoverable value of financial investments is estimated based on the amount in use, which is determined by updating the estimated future cash flows of the respective cash-generating unit. The recoverable amount is estimated for the cash-generating unit to which it may belong, according to the discounted cash flow method, using cash flow projections for a 6-year period. The discount rate used in updating the discounted cash flows was 7.70% (2023: 8.30%) and reflects the cash-generating unit's specific risks. It was applied a perpetual growth rate of 2% (2023: 2%), which reflects the estimated long-term growth in the main markets where the subsidiaries operate.

During 2024, no impairments were recognised on investments in subsidiaries. In terms of sensitivity analysis, the Company conducted an analysis on its investments in subsidiaries, applying a 10% decrease in projected cash flows and a 1% increase in the discount rate. This analysis resulted in a potential impairment of Galp New Energies, S.A., amounting to circa €260 m. The result from the analysis may not represent a certain future impairment, thus the year-end economic impairment analysis represent management's best estimate.

Investments in subsidiaries are as follows:

Company	Country	Percentage of interest held	
		2024-12	2023-12
Subsidiaries			
Galp Energia, S.A.	Portugal	100 %	100%
Galp Energia E&P, B.V.	The Netherlands	100%	100%
Galp New Energies, S.A.	Portugal	100%	100%
Petrogal, S.A.	Portugal	100%	100%

	Financial investments		Gains/(losses) from financial investments	
	Acquisition cost	Net amount	Dividends	Total
Investments in subsidiaries, associates and joint ventures	**6,216,154**	**6,216,154**	**536,173**	**536,173**
Galp Energia, S.A.	106,447	106,447	0	0
Galp Energia E&P, B.V.	1,278,850	1,278,850	536,173	536,173
Galp New Energies, S.A.	1,331,829	1,331,829	0	0
Petrogal, S.A.	3,499,029	3,499,029	0	0

For comparative information, please refer to the financial statements for the year ended December 31, 2023.

During the year ended 31 December 2024, the Company paid additional capital contributions of €340,000 k to its subsidiary Galp New Energies, S.A..

As part of the Long-Term Incentive Plan, the Company has charged the following amounts against free reserves in the cost of acquisition of its subsidiaries (Note 25):

Unit: €k

	2023-12	Increases/ Decreases	2024-12
Subsidiaries:			
Galp Energia, S.A.	11,117	2,175	13,292
Galp Energia E&P, B.V.	2,255	128	2,383
Galp New Energies, S.A.	41	23	64
Petrogal, S.A.	11,656	3,817	15,473
	25,069	**6,143**	**31,212**

The difference of €1,125 k recorded in the period ended 31 December 2024 between the amount of dividends recorded in the income statement (€536,173 k) and the amount actually received in the cash flow statement (€535,048 k), under Dividends received, refers to exchange differences on dividends received from the subsidiary Galp Energia E&P B.V. and recorded in financial results, under Net profit on exchange rate differences.

10. Inventories

Not applicable.

11. Trade receivables and other receivables

Accounting policy

Accounts receivable are initially recorded at the transaction value and subsequently measured at amortised cost, less any impairment losses, recognised as Impairment losses on accounts receivable. The amortised cost of these assets does not usually differ from their nominal value or their fair value.

Trade receivables and other receivables are derecognised when the contractual rights to the cash flow expire (i.e. they are collected), when they are transferred (e.g. sold) or when they are impaired.

Accounting estimates and judgments

Impairment of accounts receivable

The Company applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all trade receivables. Trade receivables were grouped by business segment for the purposes of the assessment of expected credit losses. The credit risk of the accounts receivable balance is evaluated at each reporting date, taking into consideration the client's credit risk profile. The credit risk analysis is based on the annual default probability and takes into account the loss in the event of default. The default probability represents an annual probability of default, reflecting the current and projected information and taking into account macroeconomic factors, whereas the loss in the event of default represents the expected loss when a default occurs.

Accounts receivable are adjusted for Management's estimate of the collection risks as at the statement of financial position date, which may differ from the actual impairment to be incurred.

Credit Risk

For Credit Risk purposes, if wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, the Credit Risk assessment considers the credit quality of the customer, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. Wholesale customers' compliance with credit limits is regularly monitored by Management.

For further credit risk mitigation measures, guarantees and insurance policies for eventual credit defaults are a standard part of Company's overall risk policy.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

Trade receivables

As at December 31, 2024 and December 31, 2023, Trade receivables are as follows:

Unit: €k

	2024-12	2023-12
	Current	Current
Trade receivables	385	787
Allowance for doubtful amounts	0	0
Trade receivables	**385**	**787**
Not due	375	787
Up to 180 days past due	4	0
More than 365 days past due	6	0
Aging of net receivables	**385**	**787**

As mentioned in the policies above, trade receivables are grouped into shared credit risk characteristics and days past due. For the Company the credit risk level of accounts receivable is as follows:

Type	Risk exposure
Not due	Low
Up to 180 days past due	Medium
181 to 365 days past due	High
More than 365 days past due	Very High

Other receivables

As at December 31, 2024 and December 31, 2023, Other receivables is detailed as follows:

Unit: €k

	Notes	2024-12		2023-12	
		Current	Non-current	Current	Non-current
Other receivables/other debtors		**(2)**	**90**	**77**	**90**
Suppliers' debit balances		0	0	101	0
Advances to suppliers		1	0	1	0
Employees		(3)	0	(26)	0
Other		0	90	1	90
Related Parties	**28**	**11**	**0**	**13**	**0**
Contract Assets		**100**	**0**	**1,235**	**0**
Other accrued income		100	0	1,235	0
Deferred expenses		**6,332**	**0**	**3,820**	**0**
Insurance paid in advance		140	0	140	0
Other deferred expenses		6,191	0	3,680	0
Other receivables		**6,441**	**90**	**5,144**	**90**

12. Other financial assets and liabilities

Other financial assets

As at December 31, 2024 and December 31, 2023, Other financial assets is detailed as follows:

Unit: €k

	Notes	2024-12		2023-12	
		Current	Non-current	Current	Non-current
Financial assets at fair value through other comprehensive income		0	149	0	149
Financial assets not measured at fair value - Loans	28	143,601	11,011	122,766	0
		143,601	**11,161**	**122,766**	**149**

Financial assets not measured at fair value is detailed as follows:

- Cashpooling operations with other related parties, which bear interest at market rates in the amount of €143,601 k (Note 28); and
- Interest-free loan to ENH, in the total amount of €19,732 k, with an amortised cost of €8,721 k, resulting in an outstanding value of €11,011 k. This operations arises from the transfer of credits between Galp Energia Rovuma B.V. – Branch in Mozambique and Galp Energia SGPS, S.A. (Company). This loan was granted under the technical, financial and operational co-operation agreement between ENH and Galp Energia Rovuma B.V. – Branch in Mozambique, registered at amortised cost.

Financial assets at fair value through other comprehensive income are as follows:

Financial assets at fair value through other comprehensive income	Country	Percentage of interest held	
		2024-12	**2023-12**
Adene - Agência para a Energia, S.A.	Portugal	10.98 %	10.98 %
OEINERGE - Agência Municipal de Energia e Ambiente	Portugal	1.45 %	1.45 %
Galp Eswatini Limited	Eswatini	0.01 %	0.01 %
Omegas - Soc. D'etuded du Gazoduc Magrhed - Europe	Morocco	0.00 %	0.00 %

Unit: €k

			Financial investments
	Acquisition cost	Impairment	Net amount
Galp Eswatini Limited	0	0	0
Adene - Agência para a Energia, S.A.	114	0	114
OEINERGE - Agência Municipal de Energia e Ambiente	1	0	1
Omegas - Soc. D'etuded du Gazoduc Magrhed - Europe	35	0	35
ENH - Empresa Nacional de Hidro	0	0	0
Financial assets at fair value through other comprehensive income	**149**	**0**	**149**

For comparative information, please refer to the financial statements for the year ended December 31, 2023.

Other financial liabilities

As at December 31, 2024 and December 31, 2023, Other financial liabilities is detailed as follows:

Unit: €k

		2024-12		2023-12	
	Notes	Current	Non-current	Current	Non-current
Financial liabilities not measured at fair value - Loans	28	2,339,465	0	1,669,714	0
		2,339,465	**0**	**1,669,714**	**0**

Financial liabilities not measured at fair value is detailed as follows:

- Cashpooling operations with other related parties totalling €1,776,370 k bearing interest at market rates; and
- Loan with Galp Energia E&P B.V. in the amount of €563,096 k, contracted during 2024 bearing interest at market rates.

13. Cash and cash equivalents

Accounting policy

The amounts included in Cash and cash equivalents correspond to cash values, bank deposits, time deposits and other cash investments with maturities of less than three months, and which can be immediately mobilised with no significant risk of change in value.

For the purposes of the statement of cash flows, Cash and cash equivalents also include bank overdrafts recorded as loans and overdrafts in the statement of financial position.

For the years ended December 31, 2024 and December 31, 2023, Cash and cash equivalents is detailed as follows:

Unit: €k

	Notes	2024-12	2023-12
Cash and cash equivalents		660,526	288,918
Bank overdrafts	14	0	(20,081)
		660,526	**268,837**

14. Financial debt

Accounting policy

Loans are recorded as liabilities at the nominal value received, net of the expenses incurred on the issuance of these loans. Loans are subsequently measured at amortised cost.

Financial charges are calculated using the effective interest rate method and recorded in the income statement on an accrual basis.

Financial charges include interest and, eventually, commission expenses incurred with loan structuring.

As at December 31, 2024 and December 31, 2023, Financial debt is detailed as follows:

Unit: €k

	Notes	2024-12		2023-12	
		Current	Non-current	Current	Non-current
Bank loans		**205,000**	**1,036,000**	**140,081**	**841,000**
Loans and commercial paper		205,000	1,036,000	120,000	841,000
Bank overdrafts	13	0	0	20,081	0
Bond loans and notes		**148,140**	**2,076,386**	**288,375**	**1,577,067**
Origination fees		(1,860)	(3,614)	(2,122)	(2,933)
Bonds and notes		150,000	2,080,000	290,498	1,580,000
Financial debt		**353,140**	**3,112,386**	**428,457**	**2,418,067**

Changes in debt during the year ended December 31, 2024 were as follow:

Unit: €k

	Opening balance	Loans obtained	Principal repayment	Changes in overdrafts	Foreign exchange rate differences and others	Closing balance
Loans	**981,081**	**1,425,000**	**(1,145,000)**	**(20,081)**	**0**	**1,241,000**
Loans and commercial paper	961,000	1,425,000	(1,145,000)	0	0	1,241,000
Bank overdrafts	20,081	0	0	(20,081)	0	0
Bonds and notes	**1,865,442**	**650,000**	**(291,533)**	**0**	**617**	**2,224,526**
Origination fees	(5,056)	0	0	0	(418)	(5,474)
Bonds and notes	1,870,498	650,000	(291,533)	0	1,035	2,230,000
Financial debt	**2,846,523**	**2,075,000**	**(1,436,533)**	**(20,081)**	**617**	**3,465,526**

The average cost of financial debt for the year under review, including charges on bank overdrafts, amounted to 3.84% (3.53% in 2023).

During the year ended December 31, 2024, the Company settled the following Bonds and Notes:

Unit: €k

Issuance	Amount due	Interest rate	Maturity	Repayment
USD 100,000,000.00 Floating Rate Notes due March 2024	91,533	SOFR Term 6M + spread	March 2024	March 2024
GALP 2018/2024 - EUR 100,000,000.00	100,000	Euribor 6M + spread	May 2024	May 2024
Galp Energia 2018-2024	100,000	Euribor 6M + spread	September 2024	September 2024
	291,533			

During the year ended December 31, 2024, the following Notes were issued:

Issuance	Amount due	Interest rate	Maturity
GALP 2024-2032	100,000	Euribor 6M + spread	April 2032
Bonds EN SOLAR GALP 2024-2031	250,000	Euribor 6M + spread	June 2031
GALP 2024-2032	100,000	Euribor 6M + spread	April 2032
Bonds SOLAR GALP 2024-2031	200,000	Euribor 6M + spread	December 2031
	650,000		

As at December 31, 2024, Current and non-current loans and bonds, excluding origination fees and bank overdrafts, have the following repayment plan:

Unit: €k

Maturity	Loans		
	Total	Current	Non-current
2025	355,000	355,000	0
2026	747,500	0	747,500
2027	1,015,000	0	1,015,000
2028	250,000	0	250,000
2029 onwards	1,103,500	0	1,103,500
	3,471,000	**355,000**	**3,116,000**

15. Trade payables and other payables

Accounting policy

Trade payables and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. Usually, the amortised cost does not differ from the nominal value.

As at December 31, 2024 and December 31, 2023, Trade payables are detailed as follows:

Unit: €k

	Notes	2024-12	2023-12
		Current	**Current**
Trade payables - current account		87	129
Trade payables - pending invoices		24	139
Trade payables - related parties	28	138	711
Trade payables		**249**	**980**

As at December 31, 2024 and December 31, 2023, Other payables, current and non-current, are detailed as follows:

Unit: €k

	2024-12		2023-12	
	Current	Non-current	Current	Non-current
State and other public entities	**699**	**0**	**368**	**0**
VAT payable	296	0	141	0
Other taxes	403	0	227	0
Other payables/other creditors	**175**	**0**	**64**	**0**
Employees	189	0	76	0
Other	(14)	0	(12)	0
Accrued expenses	**34,709**	**1,656**	**40,669**	**1,433**
Supplies and external services	916	0	1,383	0
Remuneration payable	2,340	1,656	1,363	1,433
Interest payable	30,850	0	37,507	0
Other accrued expenses	604	0	416	0
Deferred income	**0**	**0**	**12**	**0**
Other deferred income	0	0	12	0
Other payables	**35,584**	**1,656**	**41,113**	**1,433**

16. Income tax

Accounting policy

Since 2001, the Company is subject to the special regime for the taxation of groups of companies ("RETGS"). The Company is subject to Corporate Income Tax ("IRC"). Income tax is calculated based on the taxable results of the Company in accordance with the applicable tax rules.

Deferred taxes are calculated based on the liability method and reflect the temporary differences between the amounts of assets and liabilities for accounting purposes and their amounts for tax purposes.

Deferred tax assets and liabilities are calculated and reviewed periodically using the tax rates expected to be in force when the temporary differences revert.

Accounting estimates and judgments

Deferred tax assets

Deferred tax assets are recognised only when there is reasonable assurance that future taxable profits will be available against which the temporary differences can be used, or when there are deferred tax liabilities for which reversal is expected within the same period as that in which the deferred tax assets are reversed. Temporary differences underlying deferred tax assets are reviewed at each reporting date in order to recognise deferred tax assets that were not recorded in prior years as they did not fulfil all requisites and/or to reduce the amounts of deferred tax assets recorded based on the current expectation of their future recovery.

Deferred taxes are recorded in the income statement, except if they result from items recorded directly in equity. In this case the deferred tax is also recorded in equity.

Estimates regarding uncertain tax positions

As part of conducting business globally, tax and transfer pricing disputes with tax authorities may occur. Management exercises its judgement to assess the possible outcome of these disputes. The most-probable-outcome method is applied when making provisions for uncertain tax positions and Galp considers the booked provisions to be adequate. Nevertheless, the actual obligation may differ, and depends on the results of litigation and settlements with the relevant authorities.

	Notes	Assets		Liabilities	
		2024-12	2023-12	2024-12	2023-12
Group companies	**28**	**134,126**	**168,758**	**57,439**	**136,240**
Current income tax receivable / payable		134,126	168,758	57,439	136,240
State and other public entities		**62,285**	**14,176**	**0**	**0**
Current income tax receivable / payable		62,285	14,176	0	0
		196,412	**182,934**	**57,439**	**136,240**

Unit: €k

Income tax for the years ended December 31, 2024 and December 31, 2023, is detailed as follows:

	2024-12			2023-12		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Income tax for the year	(45,321)	8	(45,313)	(8,514)	0	(8,514)
Insufficiency / (excess) of income tax estimated	(476)	0	(476)	(14)	0	(14)
Taxes for the year	**(45,797)**	**8**	**(45,789)**	**(8,528)**	**0**	**(8,528)**

Unit: €k

The effective income tax rate reconciliation as at December 31, 2024 and December 31, 2023 is as follows:

	2024-12	Fee	Income tax	2023-12	Fee	Income tax
Profit before tax:	**326,867**	**21.00%**	**68,642**	**429,116**	**21.00%**	**90,114**
Adjustments to taxable income:						
Dividends received		(34.45%)	(112,596)		(22.92%)	(98,368)
Insufficiency / (excess) of income tax estimated		(0.14%)	(468)		0.00%	(14)
Tax refunds from previous years		(0.46%)	(1,519)		(0.10%)	(442)
Autonomous taxation		0.01%	37		0.01%	32
Other increases and deductions		0.04%	115		(0.01%)	(41)
Effective income tax rate		**(14.01%)**	**(45,789)**		**(1.99%)**	**(8,528)**

Unit: €k

During the year ended December 31, 2024, the balance of deferred tax assets is €173 k (2023: €181 k).

17. Retirement and other post-employment benefit liabilities

Not applicable.

18. Provisions

Not applicable.

19. Derivative financial instruments

Accounting policies

Derivative financial instruments

The Group may use financial derivatives to hedge the interest rate risk and other market risks, particularly the risk of variations in crude oil prices, finished products and refining margins, as well as the price variation risk of natural gas and electricity, which affects the financial value of the assets and the future cash flow expected from its activities.

The realised gains and losses on the financial settlement of commodities (i.e. Brent and electricity) futures and swaps are presented within cost of sales, except if commodity futures are physically settled where the gain or loss will be recorded in sales as a price adjustment of the commodity sold. Changes in the fair value of open positions are presented in financial income, within income from financial instruments. As futures are exchange-traded, subject to central clearing, gains and losses are continuously recorded within income from financial instruments until the maturity date of the derivative, unless designated in cash flow relationships in which case they are recorded in the cash flow hedge reserve.

Realised gains and losses on Forwards and FX Swaps are presented within cost of sales if they are connected to commodities transactions, and are otherwise presented in financial income, under realised FX differences. Changes to the fair values of open positions are presented in financial income, under unrealised FX differences.

Financial assets and liabilities are offset if Galp has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or to realise the asset and liability simultaneously.

Hedge accounting

Derivative instruments that qualify for hedge accounting are designated in cash flow hedges of commodity price risk associated with highly probable forecast gas and power purchases. Derivative instruments used by the Group to hedge the interest rate risk of floating rate debt that were designated in qualifying cashflow hedges of interest rate risk were closed in 2024. Certain derivatives that are entered into for risk management purposes, such as those that hedge the overall net position of commodity prices (oil margins) and forecast purchases of electricity and gas, are not designated in qualifying IFRS 9 hedge relationships and are therefore accounted for as trading derivatives with their changes in fair value recorded immediately in the statement of profit or loss.

Changes in the fair values of derivatives designated in qualifying cash flow hedge relationships are recorded in equity in the cash flow hedge reserve.

If the hedge is discontinued because the transaction is no longer expected to occur, all of the deferred MTM in equity is reclassified to profit or loss. If there is a change in risk management objective but the hedged transaction is still expected to occur, the amount in the cash flow hedge reserve is taken to profit or loss when the previously hedged transaction affects the statement of profit or loss. Hedge accounting is discontinued prospectively.

Hedge accounting is discontinued when derivative hedging instruments mature, are sold, when management changes the risk management strategy or objective, or when a hedged transaction is no longer highly probable.

Financial derivatives are measured at fair value.

During 2024, the Company contracted a foreign exchange forward (USD/EUR) which has matured during the month of December, resulting in a financial loss of €41,063 k. Thus, the Company has no outstanding balances registered in foreign exchange derivative transactions.

The impact on income statement as at 31 December 2024 is shown in the following table:

Unit: €k

	2024-12				2023-12			
			Income statement	Equity			Income statement	Equity
	MTM	Real	MTM + Real		MTM	Real	MTM + Real	
Foreign exchange	**0**	**(41,063)**	**(41,063)**	**0**	**0**	**0**	**0**	**0**
Forwards	0	(41,063)	(41,063)	0	0	0	0	0
	0	**(41,063)**	**(41,063)**	**0**	**0**	**0**	**0**	**0**

20. Financial assets and liabilities

Accounting policy

Galp classifies financial assets and liabilities into the following categories:

a) Financial assets at fair value through other comprehensive income;

b) Financial assets and liabilities carried at amortised cost;

c) Financial assets and liabilities at fair value through profit or loss (derivatives).

Management determines the classification of its financial assets on initial recognition and re-evaluates it at the end of each reporting period if, and only if, there is a change in the business model. For financial liabilities, such changes in classification are not allowed.

Recognition and measurement

Purchases and sales of investments are recognised as at the transaction date. Investments are initially recognised at fair value. Financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss are subsequently carried at fair value. Fair value disclosures are made separately for each class of financial instruments at the end of the reporting period.

Derecognition of investments

Financial Assets are derecognised from the statement of financial position when the rights to receive cash flow from investments have expired or have been transferred and Galp has transferred substantially all of the risks and rewards of ownership.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income consist mainly of equity investments. When these kinds of financial assets are derecognised, the gain or loss will be kept in equity. Dividends received are recognised in profit or loss.

Financial assets and liabilities carried at amortised cost

Financial assets and liabilities at amortised cost are non-derivative financial assets which are held solely for payments of principal and interests (SPPI). If collection is expected within one year (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables and other receivables are recognised initially at fair value. Subsequently they are measured at amortised cost using the effective interest method, less impairment.

Fair value hierarchy

In accordance with the accounting rules, an entity must classify the fair value measurement based on a fair value hierarchy that reflects the meaning of the inputs used for measurement. The fair value hierarchy has the following levels:

- Level 1 – the fair value of the assets or liabilities is based on active liquid market quotation as of the date of the statement of financial position;
- Level 2 – the fair value of the assets or liabilities is determined through valuation models based on observable market inputs;
- Level 3 – the fair value of the assets or liabilities is determined through valuation models, whose main inputs are not observable in the market.

Financial assets at amortised cost include accounts receivable, other debtors and other receivables net of impairments.

Unit: €k

	Notes	2024-12	2023-12
Financial assets at fair value through other comprehensive income	12	149	149
Financial assets not measured at fair value	11 and 12	161,529	128,788
- less deferred costs, guarantees and tax receivable		(6,332)	(3,820)
Cash and cash equivalents	13	660,526	288,918
Financial assets by category		**815,873**	**414,035**

Financial liabilities are comprised of trade payables, other creditors and other payables - related parties.

Unit: €k

	Notes	2024-12	2023-12
Financial liabilities not measured at fair value	6, 12, 14 and 15	5,842,566	4,559,931
- less deferred income, guarantees and tax payable		(699)	(380)
Financial liabilities by category		**5,841,867**	**4,559,551**

21. Financial risk management

The Company is exposed to several market risks inherent to its activities. Detailed information about these risks and impacts on Galp Group is explained in Note 21 of the Notes to the Company's consolidated financial statements.

22. Capital structure

Share capital

The share capital of Galp Energia SGPS, S.A. is comprised of 753,495,159 shares, with a nominal value of €1 each and fully paid. Of these, 695,415,645 (92% of the share capital), are traded in the Euronext Lisbon stock exchange. The remaining 58,079,514 shares, representing c.8% of the share capital, are indirectly held by the Portuguese State through Parpública – Participações Públicas, SGPS, S.A.. (Parpública) and are not available for trade.

	No. of shares	Interest (%)	Attributable share (%)
Amorim Energia B.V.	276,472,161	36.69%	36.69%
Parpública - Participações Públicas, SGPS, S.A.*	62,061,975	8.24%	8.24%
Free-float	414,961,023	55.07%	55.07%
	753,495,159	**100.00%**	**100.00%**

* Parpública holds 62,061,975 shares, of which 58,079,514 are not part of the Free Float. The remaining 3,982,461 shares are listed on Euronext Lisbon.

Own shares

Own equity instruments that are reacquired (own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue, or cancellation of the Company's equity instruments. Any difference between the carrying amount and the consideration is recognised in reserves (i.e. equity).

During the year ended 31 December 2024, Galp carried out its share repurchase program in the amount of €350,000 k. As at 31 December 2024, Galp has 3,227,856 shares in its portfolio acquired at an average price of €14.42/share, totalling €46,548 k relating to the share repurchase programme for the share-based payment plan under the Company's Long-Term Incentive Plan (LTI) (Note 2).

Earnings per share

Earnings per share (EPS) are calculated based on the profit attributable to Galp Energia, SGPS, S.A. Shareholders. The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share, during 2024, was 760,906,894 shares (2023: 795,864,283 shares).

The weighted average number is calculated by considering the number of shares outstanding during the reporting period, adjusted for own-shares acquired during this period (repurchase programme 19,587,566 shares and LTI's plan 200,994 shares) and own shares held on 31 December 2024 (3,227,856) (Note 2.2.1.).

Dividends

In accordance with the resolution of the General Shareholders Meeting held on 10 May 2024, the shareholders of Galp Energia, SGPS, SA were assigned dividends in the maximum amount of €437,644 k related to the distribution of net income for the year of 2023, corresponding to a dividend of €0.54 per share.

Of this amount, €213,407 k was paid to shareholders on 25 August 2023 as anticipated dividends for the 2023 financial year and €206,349 k, paid on 31 May 2024 totalling €419,756 k distributed to shareholders. The remainder of the net profit for the year was transferred to retained earnings.

Furthermore, on 19 July 2024, the Board of Directors of Galp Energia SGPS, S.A. approved the payment of anticipated dividends for 2024 of €0.28 per share. As a result of this approval, on 19 august 2024, the Company paid the amount of €212,401 k.

Reserves

This caption can be detailed as follows for the years ended December 31, 2024 and December 31, 2023:

Unit: €k

	2024-12	2023-12
Legal reserves	163,022	163,022
Other reserves	75,051	25,069
Total	**238,074**	**188,092**

Legal reserves

In accordance with the Company's Articles of Association and the Portuguese Commercial Companies Code ("Código dos Sociedades Comerciais – CSC"), the Company must transfer a minimum of 5% of its annual net profit to a legal reserve until the reserve reaches 20% of share capital. The legal reserve cannot be distributed to the shareholders but may, in certain circumstances, be used to increase capital or to absorb losses after all the other reserves have been considered.

As at 31 December 2024, the legal reserve is fully established in accordance with the legislation in force, and there has been no change compared to 2023.

Other reserves

The balance of €75,051 k recognised in other reserves in 2024 is broken down as follows:

- €46,548 k relating to the legally required constitution of the reserve for the repurchase of own shares, under the Company's Long-Term Incentive Plan (LTI) (Note 2);
- €28,503 k corresponding to €31,212 k relating to the accrual of the expense arising from the Long-Term Incentive Plan (LTI), recognised against Investments in subsidiaries (Notes 9 and 25) and less €2,709 k for the reclassification to retained earnings relating to compliance with Plan 1 (Note 25)

23. Revenue and gains

Accounting policy

Revenue from sales is recognised in the income statement when the risks and benefits inherent to the ownership of the assets are transferred to the buyer and the amount of the corresponding income can be reasonably quantified. Sales are recognised net of taxes except for tax on oil products in the fuel distribution activity, discounts, and other costs inherent to their completion, at the fair value of the amount received or receivable. Costs and income are recorded in the year they occurred, regardless of the date of payment or receipt. Costs and income whose actual value is not known are estimated.

Other current assets and Other current liabilities include income and expenses related to the current period but for which the corresponding revenue and expenses will only occur in future periods. Those captions also include receipts and payments that have already occurred but will only correspond to income or expenses of future periods when they will be recognised in the income statement.

Exchange differences arising from Supplier and Customer balances are recognised in the operating results.

Revenue and gains for the years ended December 31, 2024 and December 31, 2023 were as follows:

Unit: €k

	Notes	2024-12	2023-12
Services rendered		**9,551**	**9,002**
Other operating income		**7,440**	**4,041**
Additional income		152	4,019
Others		7,288	22
Financial income	**26**	**14,418**	**112,659**
Gains/(losses) from investments in subsidiaries	**9**	**536,173**	**468,220**
Total		**567,581**	**593,921**

24. Expenses and losses

The expenses and losses for the years ended December 31, 2024 and December 31, 2023 were as follow:

Unit: €k

	Notes	2024-12	2023-12
Supplies and external services		**3,959**	**5,631**
Rents and leases	**6**	208	105
Maintenance and repair		(1)	4
Insurances		505	1,069
IT services		433	509
Publicity		8	29
Travel and accommodation		337	331
Specialised services		2,251	3,402
Electricity, water, vapour and communications		33	47
Fuels		22	14
Others		163	121
Employee costs	**25**	**11,423**	**6,267**
Amortisation, depreciation and impairment losses of fixed assets and right-of-use	**6**	**64**	**85**
Other operating expenses		**1,156**	**804**
Other taxes		841	508
Other operating costs		289	291
Exchange differences		26	5
Financial expenses	**26**	**224,113**	**152,018**
Total		**240,714**	**164,805**

25. Employee costs

Accounting policy

Employee costs

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits are recognised in the year in which the respective services are rendered by Company's employees.

For the years ended December 31, 2024 and December 31, 2023 the Company recorded the following amounts under Employee costs:

Unit: €k

	2024-12	2023-12
Statutory board salaries	8,747	4,170
Employees salaries	158	139
Social salaries - employee	5	97
Social charges - statutory board	1,579	880
Seconded people	652	617
Other insurances	102	169
Indemnities	175	43
Other expenses	6	153
Total	**11,423**	**6,267**

Remuneration of the Board Members

The remuneration of the Board Members for the years ended December 31, 2024 and December 31, 2023 were as follow:

Unit: €k

	2024-12	2023-12
Remunerations	6,546	3,783
Premiums	2,048	231
Allowances	152	157
Other charges and adjustments	1,579	880
Total	**10,326**	**5,050**

The share-based employee compensation plans are the long-term incentive (LTI). Awards of shares of the Company under the LTI are granted upon certain conditions to eligible employees. The actual number of shares that may vest ranges from 0% to 160% of the awards, depending on the outcome of the prescribed performance conditions over a three-year period beginning on January 1 of the award year. The LTI plan comprises a 3 year rolling incentives plan, whereas in each year an incentives plan will be concluded and fulfilled by delivering Galp Energia SGPS, S.A. own stock. Since the share-based compensation plan is Group wide, regarding shares of Galp Energia SGPS, S.A, it was decided that the Holding company would acquire its owns shares to deliver in kind for the employees of its subsidiaries. Therefore, and in substance, Galp Energia SGPS, S.A., as holding company and main parent company recognises the sum of the LTI plans of its subsidiaries in Equity against an increase in capital contribution (i.e. financial investment) to its immediate intermediate parent entities.

When the expense of the plans changes because of non-market conditions, an adjustment in Equity LTI reserve is made against financial investments.

When the plans are fulfilled, by delivering its own shares to its direct subsidiaries (and subsequently to the employees) an Equity adjustment (LTI reserve and Own shares to retained earnings) is done within Equity, not impacting Profit or Loss for the year. The other former LTI plans for employees that are paid in cash are cancelled. An employee entitled to receive its shares after the three-year period of a plan may choose to receive the shares only on the 4 years whereas an increase of 10% of shares will be handed over to the employee after this holding period.

As at 31 December 2024, the amount recognised in Equity (Note 22) relating to the LTI plan was €28,503 k, of which €31,212 k against Financial Investments (Note 9). The difference in the amount of €2,709 k refers to the delivery of own shares relating to plan 1, only recognised within Equity without impacting the income statemet in accordance with the accounting policy mentioned above.

The LTI plans by three-year period and accumulated amounts recognised in Equity are as follows:

Unit: €k

	2023-12	Increase	Decrease	Utilisation	2024-12
Plan 1 (2021-2023 | HP 2024)	7,811	161	(3,735)	(2,709)	1,528
Plan 2 (2022-2024 | HP 2025)	12,829	5,364	(2,101)	0	16,092
Plan 3 (2023-2025 | HP 2026)	4,429	3,704	(725)	0	7,407
Plan 4 (2024-2026 | HP 2027)	0	3,476	0	0	3,476
	25,069	**12,705**	**(6,562)**	**(2,709)**	**28,503**

HP: Holding Period

26. Financial income and expenses

Accounting policy

Financial income and expenses include interest on external loans, loans from/to related parties, leasing and retirement and other post-employment benefit plans. Other financial income and expenses from other financial assets or liabilities are not included in this caption.

The financial charges on loans obtained are recorded as financial expenses on an accruals basis.

Financial charges arising from general and specific loans obtained to finance investments in fixed assets are assigned to tangible and intangible assets in progress, in proportion to the total expenses incurred on those investments net of investment government grants, until the commencement of operations. The remainder is recognised under the heading of financial expenses in the income statement for the year. Any interest income from loans directly related to the financing of fixed assets which are in the process of construction is deducted from the financial charges capitalised.

Those financial charges included within fixed assets are depreciated over the useful lives of the respective assets.

Unit: €k

	Notes	2024-12	2023-12
Financial income		**14,418**	**112,659**
Interest from bank deposits		9,549	10,423
Interest income and other income - Related companies	28	4,869	98,851
Net profit on exchange rate differences		0	3,232
Other financial income		0	153
Financial expenses		**(224,113)**	**(152,018)**
Interest from loans, bank overdrafts and others		(112,331)	(100,419)
Interest on lease liabilities	6	(3)	(4)
Net income from exchange differences		(45,097)	0
Other interest and charges - Related companies	28	(48,934)	(42,608)
Other financial expenses		(17,747)	(8,987)
		(209,695)	**(39,360)**

The financial costs item 'Net income from exchange rate differences' includes the financial expense in the amount of €41,063 k generated by the exchange rate derivatives contracted by the company during 2024 (Note 19).

27. Contingent assets and liabilities

Accounting policy

Contingent assets and contingent liabilities arise from unplanned or unexpected events that may cause economic inflows or outflows of the Company. The Company does not reflect these assets and liabilities on the financial statements as they may not become effective. Contingent assets and contingent liabilities are disclosed in the notes to the financial statements.

Contingent liabilities

As part of its ongoing business operations, the Company has entered into agreements where commitments have been given for commercial, regulatory, or other operational purposes.

As at December 31, 2024 and December 31, 2023, the liabilities for guarantees provided are as follow:

Unit: €k

	2024-12	2023-12
Rio Grande LNG, LLC Agreement	2,086,031	1,961,736
Venture Global, LLC	1,925,113	1,809,955
FPSO Charter Agreement	1,834,953	1,746,271
Cheniere Marketing, LLC	1,155,068	0
Coral South FLNG Project*	441,625	445,435
Grenergy	119,556	155,000
Cercena Investments, S.L.U.	18,267	20,602
Direção Geral Impostos/Direção Geral do Tesouro (Government entities)	98,000	35,548
Others related to core activities	3,355,994	3,862,650
	11,034,607	**10,037,197**

*Related with entities classified as Non-current assets held for sale on 31 December 2024 and expected to be sold in 2025.

Under the contracts with Venture Global LLC, Rio Grande LNG, LLC and Cheniere Marketing LLC, related to the LNG Sales and Purchase Agreement, Galp provided a Parent Company Guarantee in the total amount of the contract €1,925,113 k, €2,086,031 k and €1,155,068 k respectively.

In connection with the six charter agreements for FPSOs, Galp issued comfort letters totalling €1,834,953 k, on behalf of Tupi, B.V., in the proportion held by Galp in the BM-S-11 consortium.

Under the financing of the Coral South FLNG project, Galp Energia SGPS S.A. is providing a Parent Company Guarantee related to the Debt Service Undertaking (DSU) agreement, on the total outstanding debt amount at any time in proportion to its participation. This guarantee expires at the time of the Actual Completion Date (estimated for the year 2024) if no obligations are outstanding under the DSU. As at December 31, 2024, Galp's stake in the obligation amounted to €397,462 k.

Also, within the scope of this financing, Galp Energia SGPS S.A. provides a guarantee covering 1/9 of the DSU on behalf of ENH Empresa Nacional de Hidrocarbonetos (ENH), one of consortium members of the Coral South FLNG project, which corresponds to Galp’s share of the consortium, excluding ENH. As at 31 December 2024, Galp’s stake in the responsability taken on in relation to ENH amounted to €44,163 k.

In order to fulfil its strategy of investing in renewable energies, the Group has entered into Power Purchase Agreement (PPA) with X-Elio (aka Cercena Investments) and Grenergy to supply solar energy for which it has provided Parent Company Guarantees amounting to €18,267 k and €119,556 k, respectively.

Other guarantees related to the main activities are mainly related to the oil marketing activity.

Galp Group has financial debt that, in some cases, have covenants that can, if triggered by banks, lead to the early repayment of debt amounts. As of 31 December 2024, the total debt amounted do €3.5 bn, of which €2 bn with covenants. The ratios used are the total net debt to consolidated EBITDA RC and the consolidated EBITDA RC to net financial charges, and as of 31 December 2024 was 0.33x and 308x, respectively, in accordance with the methodology stated in the loan agreements. The ratio total net debt to consolidated EBITDA RC stipulated in the contracts must be equal or lower than a range of levels that varies between 3.25x and 3.75x, depending on the contracts and the ratio consolidated EBITDA RC to net financial charges must be higher than 4,5x.

28. Transactions with related parties

Accounting policy

A related party is a person or entity that is related to the entity preparing its financial statement, as follows:

(a) A person or a close member of that person's family is related to a reporting entity if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies: (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); (iii) Both entities are joint ventures of the same third party; (iv) One entity is a joint venture of a third entity, and the other entity is an associate of the third entity; (v) The entity is a post-employment defined benefit plan for the benefit of the employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity; (vi) The entity is controlled or jointly controlled by a person identified in (a); (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

As at December 31, 2024, the balances and transactions with related parties were as follows:

Receivables

Unit: €k

					Current	
	Trade receivables (Note 11)	Other receivables (Note 11)	Accruals and deferrals	Other financial assets (Note 12)	Current tax (Note 16)	Total
Group companies	308	0	5	143,601	134,126	278,042
Joint ventures and associates	76	11	0	0	(1)	87
Assets:	**385**	**11**	**5**	**143,601**	**134,126**	**278,129**

For comparative information, please refer to the financial statements for the year ended December 31, 2023.

Payables

Unit: €k

	Trade payables (Note 15)	Other financial liabilities (Note 12)	Current tax (Note 16)	Total
Group companies	138	2,339,465	623	2,340,226
Liabilities:	**138**	**2,339,465**	**623**	**2,340,226**

For comparative information, please refer to the financial statements for the year ended December 31, 2023.

Transactions

Unit: €k

	Financial expenses (Note 24)	Operating income (Note 23)	Financial expenses (Note 26)	Financial income (Note 26)
Group companies	(3,173)	9,619	(48,934)	4,869
Joint ventures and associates	(293)	136	0	0
Transactions:	**(3,467)**	**9,755**	**(48,934)**	**4,869**

For comparative information, please refer to the financial statements for the year ended December 31, 2023.

29. Information on environmental matters

Not applicable.

30. Subsequent events

Shares buyback programme 2025

On 28 February 2025, Galp initiated a €250 m share repurchase of Galp Energia SGPS, S.A. shares with the purpose to reduce the issued share capital of the Company, following the capital allocation guidelines related to the 2024 fiscal year and the authorisations in place. The buyback is planned to terminate at the latest by January 30, 2026, subject to the necessary approvals.

In addition, Galp will continue its share-based remuneration plan as part of the Company's long-term incentives framework applicable to the executive board members and senior managers. Hence, Galp will also repurchase shares for such purpose, up to 1% of the share capital as per the authorisations in place.

Completion of 10% stake divestment in Area 4 Mozambique

On 27 March 2025, Galp announced that its subsidiary Galp Energia E&P B.V. has successfully completed the sale of its upstream assets in Area 4 Mozambique to ADNOC (through XRG P.J.S.C.).

With completion, Galp collects c.$881m, encompassing the equity value of shares, shareholder loans reimbursement and accumulated investments made since the transaction reference date of 31/12/2023.

Additional contingent payments of $100 m and $400 m will be received, subject to the final investment decision of Coral North and Rovuma LNG, respectively.

EIB finances Galp’s Renewable Hydrogen and Biofuels projects in Sines with €430 million

The European Investment Bank (EIB) has granted a €430 m loan for the construction of two key projects aimed at transforming Galp’s Sines Refinery, making a crucial contribution for the decarbonization of heavy-duty road transport and aviation.

Galp is developing the Biofuels unit, already at a construction stage, in partnership with Japan’s Mitsui, as part of a total €400 m investment, of which €250 m is provided by the EIB. This unit will convert vegetable oils and residual fats into sustainable aviation fuel (SAF) and renewable diesel of biological origin (HVO) with identical characteristics to the fossil-based fuels used in regular combustion engines.

This unit, set to begin production in 2026, will have the capacity to produce up to 270 ktpa of renewable fuels, enough for Portugal to comply with the European Union mandate for this type of fuels in aviation. SAF is essential for air transportation – responsible for about 3% of global greenhouse gas emissions – to begin its decarbonization journey.

In parallel, Galp is building in the same site a 100 MW electrolyser, a €250 m investment of which the EIB will finance €180 m. It is set to produce up to 15 ktpa of green hydrogen when it goes online next year, becoming one of the first operational units of its size in Europe.

The two projects support the goal of climate neutrality by 2050, in line with the European Green Deal, and strengthen the EU’s energy independence as outlined in the REPowerEU plan. The projects benefit from €22.5 m in Recovery and Resilience Plan incentives.

No impact on the individual Financial Statements from the events mentioned above.

31. Approval of the financial statements

The financial statements were approved by the Board of Directors on 4 April 2025. However, they are still subject to approval by the General Meeting of Shareholders, in accordance with the commercial law applicable in Portugal.

32. Explanation regarding translation

These financial statements are a translation of the financial statements originally issued in Portuguese in accordance with the International Financial Reporting Standards as adopted by the European Union, some of which may not conform to the generally accepted accounting principles in other countries. In the event of discrepancies, the Portuguese language version shall prevail.

THE BOARD OF DIRECTORS:

Chairman:

Paula Amorim

Vice-Chairman and Lead Independent Director:

Adolfo Mesquita Nunes

Vice-Chairman:

Maria João Carioca

Members:

João Diogo Marques da Silva

Georgios Papadimitriou

Ronald Doesburg

Rodrigo Vilanova

Nuno Holbech Bastos

Marta Amorim

Francisco Rêgo

Carlos Pinto

Jorge Seabra

Rui Paulo Gonçalves

Diogo Tavares

Cristina Fonseca

Javier Cavada Camino

Cláudia Sequeira

Fedra Ribeiro

Ana Zambelli

The Certified Accountant:

Cátia Cardoso

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(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)

Statutory and Auditor's Report

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Galp Energia SGPS S.A. (the Entity), which comprise the Statement of Financial Position as at 31 December 2024 (showing a total of 7.235.028 thousands of euros and a total equity of 1.335.023 thousands of euros, including a net profit for the year of 372.657 thousands of euros), and the Income Statement and Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of Galp Energia SGPS S.A. as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors´ code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters in the current year audit are the following:

Sociedade Anónima - Capital Social 1.340.000 euros - Inscrição n.º 178 na Ordem dos Revisores Oficiais de Contas - Inscrição N.º 20161480 na Comissão do Mercado de Valores Mobiliários
Contribuinte N.º 505 988 283 - C. R. Comercial de Lisboa sob o mesmo número –
A member firm of Ernst & Young Global Limited

1. Recoverability of Investments in subsidiaries

Description of the most significant assessed risks of material misstatement	Summary of our response to the most significant assessed risks of material misstatement
As at 31 December 2024, Investments in subsidiaries recognized in the separate financial statements of Galp Energia, SGPS, S.A. amounts to 6.216.154 thousand of euros (Note 9). Investments in subsidiaries are recorded at the acquisition cost net of impairment losses, being the impairment risk evaluated at the balance sheet date, to detect the existence of indicators of impairment. If indicators have been identified, the carrying amount of the related assets is tested by management, using a discounted cash flow model. Inputs for the value in use calculation are based on past performance and on the expectation of economic and market developments for each of the investments, based on cash flow projections, discount rates and growth rates in the perpetuity. The risk of impairment of investments in subsidiaries was considered a Key Audit Mater due to the significance of the carrying amount in the total assets, as well as the inherent complexity and judgment of the model adopted for the impairment assessment.	Our audit procedures included: ▶ Assessing the existence of impairment indicators in the valuation of investments in subsidiaries, based on internal and external sources of information that could translate into potential negative impacts for the performance of each of the subsidiaries; ▶ Comparing the shareholders' equity of subsidiaries and the value in use calculated according to the valuation models prepared by management, with its carrying amount; ▶ Obtaining and analyzing, when applicable, the impairment tests prepared by management for to the most significant investments in subsidiaries, including its consistency with the business plans approved by the Board of Directors of Galp Energia SGPS, S.A.; ▶ Analyzing, with the support of our professionals with specialized knowledge in valuations, the assumptions and methodologies used by management, namely the model used for testing, the discount rates and the growth rates in perpetuity; ▶ We validated the mathematical accuracy of the models used; and ▶ Performing sensitivity tests on cash flows and discount rates used in the impairment analyses. Additionally, we have verified the appropriateness of the applicable disclosures (IAS 27 and IAS 36), included in Note 9 of the Notes to the financial statements.

2/5

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Responsibilities of management and the supervisory board for the financial statements

Management is responsible for:

- the preparation of financial statements that presents a true and fair view of the Entity´s financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union;
- the preparation of the Integrated Management Report, the Corporate Governance Report and the remuneration report, in accordance with the applicable legal and regulatory requirements;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Entity´s ability to continue as a going concern.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

- from the matters communicated with those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter; and
- we also provide the supervisory body with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, which measures have been taken to eliminate the threats or which safeguards have been applied.

Our responsibility includes the verification of the consistency of the Integrated Management Report with the financial statements, and the verifications under nr. 4 and nr. 5 of article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification that the remuneration report has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Integrated Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Integrated Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, taking into consideration our knowledge and the assessment over the Entity, we have not identified any material misstatement. Pursuant to article 451, nr. 7 of the Commercial Companies Code, this is not applicable to the statement of non-financial information included in the Integrated Management Report.

On the Corporate Governance Report

Pursuant to article 451, nr. 4, of the Commercial Companies Code, it is our understanding that the Corporate Governance Report, includes the information required to the Entity to provide as per article 29-H of the Securities Code, and we have not identified material misstatements on the information provided therein in compliance with paragraphs c), d), f), h), i) and m) of the nr. 1 of the referred article.

On the Remuneration Report

Pursuant to article 26-G, nr. 6, of the Securities Code, we inform that the Entity has included in an autonomous chapter in its Corporate Governance Report the information provided for in nr. 2 of the referred article.

On additional items set out in article 10 of the Regulation (EU) nr. 537/2014

Pursuant to article 10 of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

- We were appointed as auditors of Galp Energia, SGPS, S.A. for the first time in the shareholders' general meeting held on 12 April 2019 for the mandate from 2019 to 2022. We were reappointed in the shareholders' general meeting held on 3 May 2023 for a second mandate from 2023 to 2026;
- Management has confirmed that they are not aware of any fraud or suspicion of fraud having occurred that has a material effect on the financial statements. In planning and executing our audit in accordance with the ISAs we maintained professional skepticism and we designed audit procedures to respond to the possibility of material misstatement in the financial statements due to fraud. As a result of our work we have not identified any material misstatement to the financial statements due to fraud;
- We confirm that our audit opinion is consistent with the additional report that we have prepared and shared with the supervisory body of the Entity on 4 April 2025; and
- We declare that we have not provided any prohibited services as described in article 5, of the Regulation (EU) nr. 537/2014 of the European Parliament and of the Council, of 16 April 2014, and we have remained independent of the Entity in conducting the audit.

Galp Energia, SGPS, S.A.
Statutory and Auditor's Report
31 December 2024

European Single Electronic Format (ESEF)

Galp Energia, SGPS, S.A. financial statements for the year ended 31 December 2024 must comply with the applicable requirements set out in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

Management is responsible for preparing and disclosing the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures considered the Institute of Statutory Auditors' Technical Application Guide on ESEF reporting and included obtaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format.

In our opinion, the financial statements included in the annual report are presented, in all material respects, in accordance with the requirements set out in the ESEF Regulation.

Lisbon, 4 April 2025

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

(Signed)

Rui Abel Serra Martins - ROC n.º 1119
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5/5