



1ST QUARTER 2020

RESULTS
APRIL
2020



Cautionary Statement

This announcement may include forward-looking statements, including, without limitation, regarding future results, namely cash flows, dividends, and shareholder returns; liquidity; capital and operating expenditures; performance levels and project plans, timing, and outcomes; production rates; developments of Galp's markets; and impacts of the COVID-19 pandemic on Galp's businesses and results, which may significantly differ depending on a number of factors including supply and demand for oil, gas, petroleum products, power and other market factors affecting them; the outcome of government policies and actions, including actions taken to address COVID-19 and to maintain the functioning of national and international economies and markets; the impacts of the COVID-19 pandemic on people and economies; the impact of Galp's actions to protect the health and safety of its employees, customers, suppliers and communities; actions of Galp's competitors and commercial counterparties; the ability to access short- and long-term debt markets on a timely and affordable basis; the actions of consumers; other legal and political factors including obtaining necessary permits; unexpected operating events or technical difficulties; the outcome of commercial negotiations including negotiations with governments and private entities; and other factors discussed in Galp's Management Report & Accounts filed with the Portuguese Securities Market Commission (CMVM) for the year ended December 31, 2019 and available on our website at galp.com. Statements regarding potential future financial or operating results made at Galp's Capital Markets Day of February 18, 2020 should not be considered to be updated or re-affirmed as of any later date except to the extent specifically updated or re-affirmed in this release or in subsequent public disclosures. Forward-looking statements are statements other than in respect of historical facts and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied by such forward-looking statements. Important factors that may cause actual results to differ from forward-looking statements are referred in Galp's Management Report & Accounts for the year ended 31 December 2019. Galp and its respective representatives, agents, employees or advisers do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this announcement to reflect any change in events, conditions or circumstances.

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01

RESULTS
HIGHLIGHTS
AND OUTLOOK

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1. RESULTS HIGHLIGHTS AND OUTLOOK

First quarter 2020

CFFO was down YoY to €244 m, impacted by the weaker operational performance and despite a working capital release in the period, mostly reflecting the lower commodity prices. FCF was €63 m.

Consolidated RCA Ebitda of €469 m:

- Upstream: RCA Ebitda was €286 m, down 24% YoY, impacted by the steep decline in oil prices.

Working interest (WI) production was up 17% YoY to 131.4 kboepd, supported by the increased contribution of Lula and the ramp-up of the FPSO allocated to the Berbigão/Sururu area, as well as by the higher production from the Kaombo project in block 32, in Angola;

- Refining & Midstream: RCA Ebitda was €90 m, a €64 m increase YoY, with a swing in pricing lag effects on the supply activity offsetting the weaker refining performance, from the harsh macro environment and planned maintenance activities performed in Sines' HCC unit, and lower trading contribution;
- Commercial: RCA Ebitda of €90 m, stable YoY, driven by a stronger contribution from Spanish activities;

RCA Ebit was down YoY to €217 m, following the weaker operational performance.

RCA net income was €29 m. IFRS net income was negative at -€257 m, mostly reflecting a significant accounting inventory effect of -€278 m, as a result of the sharp commodity price drop during the period.

Capex totalled €144 m, of which 72% allocated to the Upstream business, mostly focused on BM-S-11/11A and Mozambique's execution. Investments in downstream activities were directed to the refining system, as well as to logistic assets in Mozambique.

Recent developments

In light of the ongoing sharp drop in global oil products demand and prices, Galp is targeting significant reductions in cash spending over the next few quarters.

Some of the initiatives are already in place, whilst others will be implemented as per the evolution of market conditions. Compared to previously announced guidance, Galp's Capex + Opex is now expected to be reduced by over €500 m per annum during each of 2020 and 2021.

Therefore, Galp's revised net capex guidance following this cost adjustment is €0.5 – 0.7 bn during such period, which could be adjusted according to market conditions. Free cash flow neutrality should be reached at Brent prices of c.\$20/bbl.

Considering the current situation and macro volatility, all other operational and financial guidance provided at the Company's Capital Markets Day presentation in February should no longer be applicable. Updated projections will be released to the market in due course.

Subsequent events

Following the current situation related with the COVID-19 pandemic and reduction of oil products demand, the Group considers premature to reevaluate at this point the conclusions achieved upon the preparation of the annual financial statements of December 31, 2019, regarding the recoverability of its assets. Galp recurrently monitors and assesses these factors' evolution and, in the event of estimating that such factors may definitively impact the Company's medium and long term projections, they will be considered for impairment testing purposes.

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In the short term, it is important to highlight: (a) a reduction of the estimated sales in the Upstream segment due to the decline of oil and natural gas prices; and (b) a drop of volumes sold in the Refining & Midstream and Commercial segments, reflecting the

material reduction of demand for oil and natural gas products in markets where Galp operates and which leads to a lower utilisation of the refining system.

Financial data

€m (IFRS, except otherwise stated)

	Quarter				
	1Q19	4Q19	1Q20	Var. YoY	% Var. YoY
RCA Ebitda	494	653	469	(25)	(5%)
Upstream	374	500	286	(89)	(24%)
Refining & Midstream	27	52	90	63	n.m.
Commercial	90	102	90	(0)	(0%)
Renewables & New Businesses	-	(5)	(1)	(1)	n.m.
RCA Ebit	278	354	217	(60)	(22%)
Upstream	256	332	145	(110)	(43%)
Refining & Midstream	(48)	(44)	9	57	n.m.
Commercial	70	69	68	(2)	(3%)
Renewables & New Businesses	-	(5)	(7)	1	28%
RCA Net income	103	157	29	(74)	(72%)
IFRS Net income	(8)	106	(257)	249	n.m.
Non-recurring items	(126)	(49)	(8)	(118)	(94%)
Inventory effect	15	(2)	(278)	(293)	n.m.
Cash flow from operations	396	446	244	(152)	(38%)
Capex	149	282	144	(4)	(3%)
Free cash flow	159	229	63	(96)	(61%)
Post-dividend free cash flow	91	204	(45)	(136)	n.m.
Net debt	1,603	1,435	1,496	(107)	(7%)
Net debt to RCA Ebitda¹	0.7x	0.7x	0.7x	-	-

¹Ratio considers the LTM Ebitda RCA (€2,356 m on 31 March 2020), adjusted for the impact from the application of IFRS 16 (€191 m on 31 March 2020).

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Operational data

	Quarter				
	1Q19	4Q19	1Q20	Var. YoY	% Var. YoY
Average working interest production (kboepd)	112.6	136.9	131.4	18.8	17%
Average net entitlement production (kboepd)	110.8	135.1	129.6	18.9	17%
Oil & gas realisations - Dif. to Brent (USD/boe)	(8.9)	(6.3)	(5.8)	(3.1)	(35%)
Raw materials processed (mmboe)	22.6	26.5	26.8	4.2	18%
Galp refining margin (USD/boe)	2.3	3.3	1.9	(0.4)	(19%)
Oil products supply ¹ (mton)	3.6	4.2	4.1	0.5	13%
NG/LNG trading sales ¹ (GWh)	22,925	23,232	17,705	(5,220)	(23%)
Natural gas - client sales (GWh)	8,863	7,762	6,728	(2,135)	(24%)
Electricity - client sales (GWh)	841	808	900	59	7%
Sales of electricity to the grid (GWh)	339	354	339	(0)	(0%)

¹Includes volumes sold to the Commercial segment.

Market indicators

	Quarter				
	1Q19	4Q19	1Q20	Var. YoY	% Var. YoY
Average exchange rate EUR:USD	1.14	1.11	1.10	(0.03)	(3%)
Average exchange rate EUR:BRL	4.28	4.56	4.93	0.65	15%
Dated Brent price (USD/bbl)	63.1	63.1	50.1	(13.0)	(21%)
Heavy-light crude price spread ¹ (USD/bbl)	(0.2)	(1.5)	(2.4)	2.1	n.m.
Iberian MIBGAS natural gas price (EUR/MWh)	21.3	12.8	10.1	(11.2)	(52%)
Dutch TTF natural gas price (EUR/MWh)	18.4	12.7	9.6	(8.7)	(48%)
Japan/Korea Marker LNG price (USD/mmbtu)	6.6	5.8	3.6	(3.0)	(45%)
Iberian power pool price (EUR/MWh)	56.4	41.7	36.0	(20.4)	(36%)
Iberian oil market (mton)	16.0	16.3	14.0	(2.1)	(13%)
Iberian natural gas market (mm ³)	10,194	10,423	10,204	10	0%

Source: Platts for commodities prices; MIBGAS for Iberian natural gas price; APETRO and CORES for Iberian oil market; Galp and Enagás for Iberian natural gas market.

¹Urals NWE dated for heavy crude; dated Brent for light crude.



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UPSTREAM

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2. UPSTREAM

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

	Quarter				
	1Q19	4Q19	1Q20	Var. YoY	% Var. YoY
Average working interest production¹ (kboepd)	112.6	136.9	131.4	18.8	17%
Oil production (kbpd)	99.5	121.8	118.1	18.6	19%
Average net entitlement production¹ (kboepd)	110.8	135.1	129.6	18.9	17%
Angola	8.7	13.3	14.1	5.4	62%
Brazil	102.1	121.8	115.6	13.5	13%
Oil and gas realisations - Dif. to Brent (USD/boe)	(8.9)	(6.3)	(5.8)	(3.1)	(35%)
Royalties (USD/boe)	5.1	4.8	3.9	(1.2)	(23%)
Production costs (USD/boe)	3.8	2.7	2.4	(1.4)	(37%)
DD&A² (USD/boe)	13.5	15.2	13.1	(0.4)	(3%)
RCA Ebitda	374	500	286	(89)	(24%)
Depreciation, Amortisation and Impairments ²	119	168	140	22	18%
Exploration expenditures written-off	-	-	-	-	n.m.
Provisions	-	1	-	-	n.m.
RCA Ebit	256	332	145	(110)	(43%)
IFRS Ebit³	56	333	181	125	n.m.
Net Income from Upstream Associates	16	(0)	(1)	(17)	n.m.

¹ Includes natural gas exported; excludes natural gas used or reinjected.

² Includes abandonment provisions.

³ Includes unitisation impacts.

First quarter

Operations

WI production increased 17% YoY to 131.4 kboepd, driven by the continued development of the Lula and Iracema and Berbigão/Sururu projects, as well as the higher contribution from the Kaombo project, in Angola. Natural gas amounted to 10% of Galp's total production.

In Brazil, the higher production YoY was supported by the contribution of the Lula Ext. South FPSO, producing at plateau levels during the period, as well as the ramp-up of the Lula North FPSO. The Berbigão/Sururu FPSO, which started operations in November 2019, continued its ramp-up process. During the quarter, planned stoppages were performed in two FPSO units.

In Angola, WI production increased 5.3 kbpd YoY to 15.8 kbpd, supported by the ramp-up of the Kaombo project in block 32.

The Group's net entitlement production increased 17% YoY to 129.6 kboepd.

Results

RCA Ebitda was €286 m, down 24% YoY, reflecting the lower oil price environment and impacted by the reduction of underlifting positions related to previous periods.

Production costs were €27 m, excluding €35 m in costs related with operating leases. In unit terms, and on a net entitlement basis, production costs decreased YoY to \$2.5/boe, benefiting from a higher production dilution on the back of the projects' ramp-up in Brazil and Angola.

Amortisation and depreciation charges (including abandonment provisions) increased €22 m YoY to €140 m, reflecting the higher operating asset base mainly in Brazil, as well as a €22 m impact from IFRS 16. On a net entitlement basis, DD&A was \$13.1/boe.



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REFINING &
MIDSTREAM

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3. REFINING & MIDSTREAM

€m (RCA, except otherwise stated)

	Quarter				
	1Q19	4Q19	1Q20	Var. YoY	% Var. YoY
Raw materials processed (mmboe)	22.8	26.5	26.8	4.0	18%
Crude processed (mmbbl)	19.9	24.3	25.2	5.2	26%
Galp refining margin (USD/boe)	2.3	3.3	1.9	(0.4)	(19%)
Refining cost (USD/boe)	2.4	3.7	3.0	0.6	26%
Refining margin hedging¹ (USD/boe)	0.2	0.3	0.4	0.1	55%
Oil products supply² (mton)	3.6	4.2	4.1	0.5	13%
NG/LNG supply & trading volumes² (GWh)	22,925	23,232	17,705	(5,220)	(23%)
Trading (GWh)	9,501	8,960	5,303	(4,198)	(44%)
Sales of electricity to the grid (GWh)	339	354	339	(0)	(0%)
RCA Ebitda	27	52	90	63	n.m.
Depreciation, Amortisation and Impairments	(75)	(93)	(80)	5	7%
Provisions	(0)	(3)	(1)	1	n.m.
RCA Ebit	(48)	(44)	9	57	n.m.
IFRS Ebit	(24)	(52)	(369)	346	n.m.
Net Income from R&Mid. Associates	19	21	24	5	24%

¹Impact on Ebitda.

²Includes volumes sold to the Commercial segment.

First quarter

Operations

Raw materials processed were 26.8 mmboe, 18% higher YoY, as the performance of the first quarter of 2019 was impacted by operational restrictions in the refining system. Crude oil accounted for 94% of raw materials processed, of which 84% corresponded to medium and heavy crudes. During the first quarter of 2020, planned maintenance activities were performed, namely in the hydrocracker unit in Sines' refinery.

Middle distillates (diesel and jet) accounted for 45% of production and gasoline for 21%. Fuel oil production accounted for 21%, entirely very low sulphur fuel oil. Consumption and losses accounted for 7% of raw materials processed.

Total supply of oil products increased 13% YoY to 4.1 mton, mainly benefiting from higher exports, but also increased volumes to other operators.

Supply & trading sales of NG/LNG decreased YoY to 17,705 GWh, mostly impacted by the lower sales in the trading activity, considering the weaker market conditions during the period.

Sales of electricity to the grid stood at 339 GWh during the period, in line YoY.

Results

RCA Ebitda for the Refining & Midstream business was €90 m, an increase of €64 m YoY, as a strong Midstream contribution more than offset the weaker refining performance.

Galp's refining margin was down YoY to \$1.9/boe, impacted by the weaker refining environment and the planned maintenance activities performed in Sines' hydrocracker during the period.

Refining costs were €74 m, or \$3.0/boe in unit terms, considering costs related with maintenance activities. Refining margin hedging had a positive impact on Ebitda of €8.6 m during the quarter.

Midstream Ebitda benefited from a positive swing in pricing lag effects, considering the steep decline in the commodities prices experienced in the period. The contribution from the oil and gas trading activities was stable YoY, supported by improved network margins.

Results from associated companies were €24 m, related to Galp's equity interest in Galp Gás Natural Distribuição, S.A. (GGND) and in the international pipelines.

RCA Ebit was €9 m. IFRS Ebit was negative at -€369 m, reflecting a significant accounting inventory effect.



COMMERCIAL

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4. COMMERCIAL

€m (RCA, except otherwise stated)

	Quarter				
	1Q19	4Q19	1Q20	Var. YoY	% Var. YoY
Commercial sales to clients					
Oil products (mton)	2.1	2.0	1.8	(0.3)	(13%)
Natural Gas (GWh)	8,863	7,762	6,728	(2,135)	(24%)
Electricity (GWh)	841	808	900	59	7%
RCA Ebitda	90	102	90	(0)	(0%)
Depreciation, Amortisation and Impairments	(21)	(28)	(22)	2	8%
Provisions	0	(4)	0	(0)	(3%)
RCA Ebit	70	69	68	(2)	(3%)
IFRS Ebit	70	78	66	(4)	(5%)
Net Income from Commercial Associates	2	0	(3)	(4)	n.m.

First quarter

Operations

Total oil products' sales decreased 13% YoY, reflecting a lower demand across most segments in Iberia during March, as a result of the control measures to face the Covid-19 outbreak.

Natural gas volumes sold decreased 24% YoY, following the lower consumption, mostly from B2B clients in Spain, also impacted by the above-mentioned restrictions.

Sales of electricity were 7% up YoY, mostly driven by an increased customer acquisition in Iberia.

Results

RCA Ebitda for the Commercial business was €90 m, driven by a stronger contribution from Spanish activities.

RCA Ebit was €68 m, while IFRS Ebit was €66 m.



RENEWABLES &
NEW BUSINESSES

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5. RENEWABLES & NEW BUSINESSES

€m (RCA, except otherwise stated)

	Quarter				
	1Q19	4Q19	1Q20	Var. YoY	% Var. YoY
Indicators at 100% basis					
Renewable generation installed capacity (GW)	12.0	12.0	12.0	-	-
Renewable power generation (GWh)	8.1	11.2	8.3	0.2	2%
Consolidated indicators					
RCA Ebitda	-	(5.2)	(0.8)	(0.8)	n.m.
RCA Ebit	(0.0)	(5.2)	(6.7)	6.7	n.m.
IFRS Ebit	(0.0)	(5.2)	(6.7)	6.7	n.m.
Net Income from Renewables & NB Associates	0.1	0.0	(0.5)	(0.5)	n.m.

The recent Renewables & New Businesses unit is a step for Galp to embrace the energy transition, by developing a sustainable and diversified portfolio of renewable power generation, and represents a natural hedge to our Iberian commercial power activities. Additionally, this unit is developing new business opportunities, where Galp can have a competitive advantage to grow and scale fast.

Given that some of the projects to be included under this business unit might not consolidate into Galp's accounts, operational indicators such as installed capacity or power generation will be reported on a gross 100% basis. Operational results will be presented in a consolidated basis, with the contribution from businesses that are not consolidated to be reported under the Net Income from Associates line.

As of 31 March 2020, Galp's renewable generation installed capacity was 12 MW, from a wind farm in which the Company holds a participation, through the associate Ventinveste, S.A., Portugal (Galp 51.5%).

To date, Galp has no solar PV installed capacity under operation, with some projects currently under development.

First quarter

Operations

Galp's gross wind power generation reached 8.3 GWh in the first quarter of 2020, mainly in line YoY.

Results

Consolidated RCA Ebitda and Ebit for the Renewables & New Businesses unit was negative by €1 m and €7 m, respectively, considering the operational costs being incurred related to new business projects under development.

Results from associated companies were -€0.5 m, related to Galp's equity interest in Ventinvest and the biofuel company Belém Bioenergia Brasil.



06

FINANCIAL
DATA

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6. FINANCIAL DATA

6.1 Income Statement

€m (RCA, except otherwise stated)

	Quarter				
	1Q19	4Q19	1Q20	Var. YoY	% Var. YoY
Turnover	3,558	4,141	3,689	130	4%
Cost of goods sold	(2,698)	(3,052)	(2,573)	(125)	(5%)
Supply & Services	(393)	(452)	(450)	57	15%
Personnel costs	(82)	(81)	(82)	0	0%
Other operating revenues (expenses)	107	97	(113)	(220)	n.m.
Impairments on accounts receivable	2	1	(1)	(3)	n.m.
RCA Ebitda	494	653	469	(25)	(5%)
IFRS Ebitda	314	650	125	(189)	(60%)
Depreciation, Amortisation and Impairments	(216)	(291)	(246)	29	13%
Provisions	0	(8)	(6)	(6)	n.m.
RCA Ebit	278	354	217	(60)	(22%)
IFRS Ebit	102	353	(127)	(229)	n.m.
Net income from associates	36	21	19	(17)	(47%)
Financial results	1	43	(60)	(61)	n.m.
Net interests	(2)	(5)	(5)	4	n.m.
Capitalised interest	6	7	5	(1)	(19%)
Exchange gain (loss)	(6)	24	(56)	50	n.m.
Mark-to-market of hedging derivatives	31	66	(84)	(115)	n.m.
Operating leases interest (IFRS 16)	(22)	(22)	(21)	(1)	(5%)
Other financial costs/income	(7)	(26)	101	108	n.m.
RCA Net income before taxes and minority interests	315	418	177	(138)	(44%)
Taxes	(173)	(215)	(146)	(27)	(15%)
Taxes on oil and natural gas production ¹	(110)	(193)	(99)	(11)	(10%)
Non-controlling interests	(39)	(46)	(1)	(38)	(97%)
RCA Net income	103	157	29	(74)	(72%)
Non-recurring items	(126)	(49)	(8)	(118)	(94%)
RC Net income	(23)	108	22	44	n.m.
Inventory effect	15	(2)	(278)	(293)	n.m.
IFRS Net income	(8)	106	(257)	249	n.m.

¹ Includes SPT payable in Brazil and IRP payable in Angola.

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RCA Ebitda decreased 5% YoY to €469 m, mainly impacted by the weaker performance YoY from Upstream, following the steep decline in oil prices. IFRS Ebitda was €125 m, impacted by a large inventory effect.

RCA Ebit was down YoY to €217 m, considering the weaker operational performance and higher DD&A, namely in the Upstream segment. IFRS Ebit was negative at -€127 m.

During the quarter, financial results were -€60 m, reflecting negative mark-to-market variations of -€84 m, mostly related to derivatives to cover natural gas price risks, exchange losses of -€56 m, from the Brazilian Real depreciation against U.S. Dollar

in Galp's subsidiary Petrogal Brasil and positive €105 m realised gains from Brent derivatives.

RCA taxes decreased YoY from €173 m to €146 m, following the lower operating results, namely from the Upstream.

Non-controlling interests of -€1 m, reflecting a lower contribution from Petrogal Brasil.

RCA net income was €29 m, while IFRS net income was negative at -€257 m, with non-recurring items of -€8 m and a material inventory effect of -€278 m.

6.2 Capital Expenditure

€m

	Quarter				
	1Q19	4Q19	1Q20	Var. YoY	% Var. YoY
Upstream	132	184	104	(29)	(22%)
Exploration and appraisal activities	16	(4)	1	(16)	(96%)
Development and production activities	116	188	103	(13)	(11%)
Refining & Midstream	5	60	14	8	n.m.
Commercial	2	34	24	22	n.m.
Renewables & New Businesses	6	(0)	0	(5)	(92%)
Others	3	5	3	(0)	(4%)
Capex¹	149	282	144	(4)	(3%)

¹ Capex figures based in change in assets during the period

First quarter

Capex totalled €144 m during the quarter, of which 72% allocated to the Upstream business.

Investment in development and production activities reached €103 m and were mostly related with the execution of Lula and

Berbigão/Sururu in Brazil, as well as with the Mozambican projects Coral FLNG and Rovuma LNG.

Investments in downstream activities were mainly directed to the refining system, as well as to logistic assets in Mozambique.

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6.3 Cash Flow

€m (IFRS figures)

	Quarter		
	1Q19	4Q19	1Q20
Ebit ¹	302	354	(127)
Depreciation, Amortisation and Impairments	216	289	246
Dividends from associates	10	32	1
Change in Working Capital	3	(115)	289
Corporate income taxes and oil and gas production taxes	(135)	(114)	(165)
Cash flow from operations	396	446	244
Net capex	(152)	(170)	(211)
Net financial expenses	(42)	1	(25)
Operating leases payments (IFRS 16) ²	(44)	(48)	(50)
Realised Income from Brent derivatives	-	-	105
Free cash flow	159	229	63
Dividends paid to non-controlling interests ³	(68)	(25)	(108)
Dividends paid to shareholders	-	-	-
Post-dividend cash flow	91	204	(45)
Others	43	7	(16)
Change in net debt	(134)	(210)	61

¹ 1Q19 and 4Q19 adjusted for the non-cash unitisation non-recurring item.

² Includes both interest and capital payments, which in 1Q20 amounted to €23 m and €27 m, respectively.

³ Mainly dividends paid to Sinopec.

First quarter

CFFO was down YoY to €244 m, impacted by the weaker operational performance.

Tax payments and capex were relatively elevated given the operating conditions as they refer mostly to the 4Q19.

FCF was €63 m, considering a net capex of €211 m and a €105 m positive contribution from Brent derivatives. Cash flow after the payment of dividends to non-controlling interests stood at - €45 m.

6.4 Financial Position

€m (IFRS figures)

	31 Dec., 2019	31 Mar., 2020	Var. vs 31 Dec., 2019
Net fixed assets ¹	7,358	7,439	81
Rights of use (IFRS 16)	1,167	1,171	4
Working capital	952	663	(289)
Other assets/liabilities ¹	(1,161)	(1,184)	(23)
Capital employed	8,316	8,089	(227)
Short term debt	278	574	296
Medium-Long term debt	2,616	2,407	(209)
Total debt	2,895	2,981	86
Cash and equivalents	1,460	1,485	25
Net debt	1,435	1,496	61
Operating leases (IFRS 16)	1,223	1,232	9
Equity	5,657	5,360	(297)
Equity, net debt and operating leases	8,316	8,089	(227)

¹ For the period ending in 31 December 2019, net fixed assets and other assets/liabilities include the estimated impact from unitisations.

On March 31, 2020, net fixed assets were €7,439 m, up €81 m YoY, reflecting the USD appreciation against the Euro. Work-in-progress, mainly related to the Upstream business, stood at €1,867 m.

6.5 Financial debt

€m (except otherwise stated)

	31 Dec., 2019	31 Mar., 2020	Var. vs 31 Dec., 2019
Cash and equivalents	1,460	1,485	26
Undrawn credit facilities	1,163	1,164	-
Bonds	1,822	1,926	105
Bank loans and other debt	1,073	1,055	(18)
Net debt	1,435	1,496	61
Operating leases (IFRS 16)	1,223	1,232	9
Average life (years) ¹	2.9	3.0	0.1
Average funding cost ¹	1.8%	1.7%	(0.1 p.p.)
Debt at floating rate ¹	60%	59%	(1 p.p.)
Net debt to RCA Ebitda ²	0.7x	0.7x	-

¹ Debt does not include operating leases.

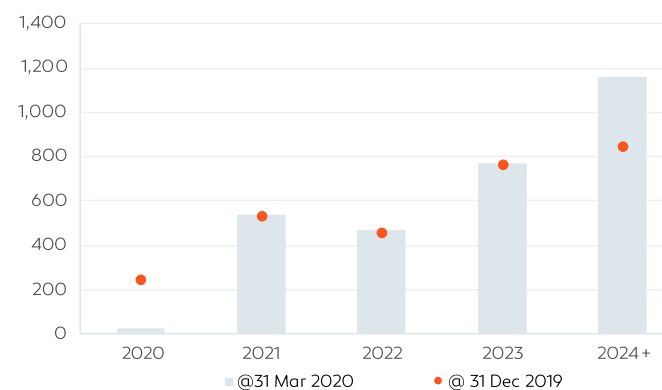
² Ratio considers the LTM Ebitda RCA (€2,356 m on 31 March 2020), adjusted for the impact from the application of IFRS 16 (€191 m on 31 March 2020).

On March 31, 2020 net debt was €1,496 m, up €61 m QoQ, impacted by the weaker cash generation during the period, with net debt to RCA Ebitda maintained at 0.7x. Liabilities associated with operating leases were €1,232 m.

The average funding cost was 1.7% and the average life increased to 3.0 years, with medium and long term debt accounting for 81% of total debt.

At the end of the period, Galp had unused credit lines of approximately €1.2 bn, of which c.70% were contractually guaranteed.

Debt maturity profile



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Reconciliation of IFRS and RCA figures

Ebitda by segment

€m

	2019 First Quarter					2020 First Quarter				
	IFRS Ebitda	Inventory effect	RC Ebitda	Non-recurring items	RCA Ebitda	IFRS Ebitda	Inventory effect	RC Ebitda	Non-recurring items	RCA Ebitda
Galp	314	(24)	289	204	494	125	380	504	(35)	469
Upstream	170	(0)	170	204	374	321	(0)	321	(36)	286
R&Mid.	51	(24)	27	-	27	(289)	379	90	-	90
Commercial	91	(0)	90	-	90	89	1	90	0	90
R&NB						(1)	-	(1)	-	(1)
Others	2	-	2	-	2	4	-	4	-	4

Ebit by segment

€m

	2019 First Quarter					2020 First Quarter				
	IFRS Ebit	Inventory effect	RC Ebit	Non-recurring items	RCA Ebit	IFRS Ebit	Inventory effect	RC Ebit	Non-recurring items	RCA Ebit
Galp	102	(24)	78	200	278	(127)	380	253	(35)	217
Upstream	56	(0)	56	200	256	181	(0)	181	(36)	145
R&Mid.	(24)	(24)	(48)	-	(48)	(369)	379	9	-	9
Commercial	70	(0)	70	-	70	66	1	68	0	68
R&NB	-	-	-	-	-	(7)	-	(7)	-	(7)
Others	0	-	0	-	0	2	-	2	-	2

Non-recurring items

€m

	Quarter		
	1Q19	4Q19	1Q20
Non-recurring items impacting Ebitda	204.3	(1.7)	(35.4)
Margin (Change in production) - Lula unitisation	204.3	(1.0)	-
Gains/losses on disposal of assets	-	(21.3)	-
Employee restructuring charges	-	20.5	0.4
Exchange rate differences related with Brazil unitisation process	-	-	(35.8)
Non-recurring items impacting non-cash costs	(4.4)	(2.3)	-
Depreciations and Amortisations - Lula unitisation	(4.4)	(2.3)	-
Non-recurring items impacting financial results	19.3	1.9	7.0
Gains/losses on financial investments	6.9	2.9	7.0
Financial costs - Lula and Sépia unitisation	12.4	(1.0)	-
Non-recurring items impacting taxes	(51.2)	68.6	29.2
Taxes on non-recurring items	(72.2)	(11.9)	12.1
Tax deferrals on E&P	-	12.4	-
SPT adjustments from previous years	-	58.6	-
Energy sector contribution taxes	21.0	9.4	17.1
Non-controlling interests	(42.1)	(17.1)	7.0
Total non-recurring items	125.9	49.3	7.8

6.6 IFRS consolidated income statement

€m

	Quarter		
	1Q19	4Q19	1Q20
Sales	3,400	3,989	3,502
Services rendered	159	152	187
Other operating income	128	170	52
Operating costs	3,686	4,311	3,741
Inventories consumed and sold	(2,878)	(3,056)	(2,953)
Materials and services consumed	(393)	(452)	(450)
Personnel costs	(82)	(101)	(82)
Impairments on accounts receivable	2	1	(1)
Other operating costs	(21)	(52)	(129)
Total operating costs	(3,373)	(3,660)	(3,616)
Ebitda	314	650	125
Depreciation, Amortisation and Impairments	(212)	(289)	(246)
Provisions	0	(8)	(6)
Ebit	102	353	(127)
Net income from associates	29	18	12
Financial results	(11)	44	(60)
Interest income	11	9	8
Interest expenses	(13)	(14)	(13)
Capitalised interest	6	7	5
Operating leases interest (IFRS 16)	(22)	(22)	(21)
Exchange gain (loss)	(6)	24	(56)
Mark-to-market of hedging derivatives	31	66	(84)
Other financial costs/income ¹	(19)	(25)	101
Income before taxes	120	416	(175)
Taxes ²	(101)	(272)	(47)
Energy sector contribution taxes ³	(30)	(9)	(26)
Income before non-controlling interests	(11)	135	(248)
Income attributable to non-controlling interests	3	(29)	(8)
Net income	(8)	106	(257)

¹ 1Q19 and 4Q19 mostly related to Lula's unitisation process. 1Q20 includes realised income of €105 m from Brent interest. ² Includes SPT payable in Brazil and IRP payable in Angola. ³ Includes €11 m, €6 m and €9 m related to CESE I, CESE II and FNEE, respectively, during the three months of 2020.

6.7 Consolidated financial position

€m

	31 Dec., 2019	31 Mar., 2020
Assets		
Tangible fixed assets	5,671	5,750
Goodwill	85	86
Other intangible fixed assets	577	587
Rights of use (IFRS 16)	1,167	1,171
Investments in associates	870	814
Receivables	259	258
Deferred tax assets	367	376
Financial investments	169	217
Total non-current assets	9,167	9,258
Inventories ¹	1,055	878
Trade receivables	980	856
Other receivables	935	737
Financial investments	174	462
Cash and equivalents	1,460	1,485
Total current assets	4,603	4,419
Total assets	13,770	13,678

¹ Includes €45.65 m in inventories made on behalf of third parties as of 31 March 2020.

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€m

	31 Dec., 2019	31 Mar., 2020
Equity and liabilities		
Equity		
Share capital	829	829
Share premium	82	82
Reserves	1,356	1,427
Retained earnings	1,764	2,154
Net income	389	(257)
Total equity attributable to equity holders of the parent	4,420	4,236
Non-controlling interests	1,237	1,124
Total equity	5,657	5,360
Liabilities		
Bank loans and overdrafts	795	981
Bonds	1,822	1,426
Operating leases (IFRS 16)	1,042	1,050
Other payables	121	115
Retirement and other benefit obligations	332	326
Deferred tax liabilities	299	319
Other financial instruments	5	70
Provisions	819	847
Total non-current liabilities	5,234	5,133
Bank loans and overdrafts	278	74
Bonds	-	500
Operating leases (IFRS 16)	182	183
Trade payables	852	732
Other payables	1,343	1,279
Other financial instruments	84	404
Income tax payable	141	13
Total current liabilities	2,879	3,184
Total liabilities	8,113	8,317
Total equity and liabilities	13,770	13,678



BASIS OF REPORTING

7. BASIS OF REPORTING

Galp's consolidated financial statements have been prepared in accordance with IFRS. The financial information in the consolidated income statement and in the consolidated financial position is reported for the quarters ended on March 31, 2020 and 2019 and December 31, 2019.

Galp's financial statements are prepared in accordance with IFRS, and the cost of goods sold is valued at weighted-average cost. When goods and commodity prices fluctuate, the use of this valuation method may cause volatility in results through gains or losses in inventories, which do not reflect the Company's operating performance. This is called the inventory effect.

Another factor that may affect the Company's results, without being an indicator of its true performance, is the set of non-recurring material items considering the Group's activities.

For the purpose of evaluating Galp's operating performance, RCA profitability measures exclude non-recurring items and the inventory effect, the latter because the cost of goods sold and materials consumed has been calculated according to the Replacement Cost (RC) valuation method.

With regards to risks and uncertainties, please read Part I – C. III Internal control and risk management of Corporate Governance Report 2019.



08

APPENDIX

8. APPENDIX

8.1 Condensed Consolidated Financial Statements for the period ended 31 March 2020

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Condensed Consolidated Statement of Financial Position

Galp Energia, SGPS, S.A.

Condensed Consolidated Statement of Financial Position as of 31 March 2020 and 31 December 2019

(Amounts stated in million Euros - € m)

Assets	Notes	March 2020	December 2019
Non-current assets:			
Tangible assets	4	5,750	5,671
Intangible assets and Goodwill	5	673	663
Right-of-use of assets	6	1,171	1,167
Investments in associates and joint ventures	7	814	870
Deferred tax assets	14.1	376	367
Trade receivables	9.1	2	1
Other receivables	9.2	256	258
Other financial assets	10	217	169
Total non-current assets:		9,258	9,167
Current assets:			
Inventories	8	878	1,055
Other financial investments	10	462	174
Trade receivables	9.1	856	980
Other receivables	9.2	737	935
Cash and cash equivalents	11	1,485	1,460
Total current assets:		4,419	4,603
Total assets:		13,678	13,770

Equity and Liabilities	Notes	March 2020	December 2019
Equity:			
Share capital and share premium		911	911
Reserves		1,427	1,356
Retained earnings		1,897	2,153
Total equity attributable to shareholders:		4,236	4,420
Non-controlling interests	18	1,124	1,237
Total equity:		5,360	5,657
Liabilities:			
Non-current liabilities:			
Financial debt	12	2,407	2,616
Lease liabilities	6	1,050	1,042
Other payables	13	115	121
Post-employment and other employee benefit liabilities	15	326	332
Deferred tax liabilities	14.1	319	299
Other financial instruments	17	70	5
Provisions	16	847	819
Total non-current liabilities:		5,133	5,234
Current liabilities:			
Financial debt	12	574	278
Lease liabilities	6	183	182
Trade payables	18	732	852
Other payables	13	1,279	1,343
Other financial instruments	17	404	84
Current income tax payable		13	141
Total current liabilities:		3,184	2,879
Total liabilities:		8,317	8,113
Total equity and liabilities:		13,678	13,770

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

Condensed Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Galp Energia, SGPS, S.A.

Condensed Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the three-month periods ended 31 March 2020 and 31 March 2019

(Amounts stated in million Euros - € m)

	Notes	March 2020	March 2019
Sales	19	3,502	3,400
Services rendered	19	187	159
Other operating income	19	52	128
Financial income	21	113	42
Earnings from associates and joint ventures	7/19	12	29
Total revenues and income:		3,866	3,758
Cost of sales	20	(2,953)	(2,878)
Supplies and external services	20	(450)	(393)
Employee costs	20	(82)	(82)
Amortisation, depreciation and impairment losses on fixed assets	20	(246)	(212)
Provisions and impairment losses on receivables	20	(8)	2
Other operating costs	20	(129)	(21)
Financial expenses	21	(173)	(53)
Total costs and expenses:		(4,041)	(3,638)
Loss before taxes and other contributions:		(175)	120
Taxes and SPT	14.1	(47)	(101)
Energy sector extraordinary contribution	14.2	(26)	(30)
Consolidated net loss for the period		(248)	(11)
Attributable to:			
Galp Energia, SGPS, S.A. Shareholders		(257)	(8)
Non-controlling interests	18	8	(3)
Basic and Diluted Earnings per share (in Euros)		(0.31)	(0.01)
Consolidated net loss for the period		(248)	(11)
Items which may be recycled in the future through net income:			
Currency translation adjustments		129	94
Hedging reserves		(23)	(18)
Income taxes related to the above items		5	7
Total Comprehensive income for the period, attributable to:		(138)	73
Galp Energia, SGPS, S.A. Shareholders		(185)	56
Non-controlling interests		48	17

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

Condensed Consolidated Statement of Changes in Equity

Galp Energia, SGPS, S.A

Condensed Consolidated Statement of changes in equity for the three-month periods ended 31 March 2020 and 31 March 2019
(Amounts stated in million Euros - € m)

	Share Capital and Share Premium		Reserves				Sub-To- tal	Non- control- ling inter- ests	Total
	Share Capital	Share Pre- mium	Currency Transla- tion Re- serves	Hedging Reserves	Other Re- serves	Retained earnings			
As at 1 January 2019	829	82	(186)	6	2,024	1,832	4,587	1,460	6,047
Consolidated net loss for the period	-	-	-	-	-	(8)	(8)	(3)	(11)
Other gains and losses recognised in equity	-	-	78	(14)	-	-	64	20	84
Comprehensive income for the period	-	-	78	(14)	-	(8)	56	17	73
Dividends distributed	-	-	-	-	-	-	-	(14)	(14)
Increase in reserves	-	-	-	-	(489)	489	-	(244)	(244)
As at 31 March 2019	829	82	(108)	(8)	1,535	2,313	4,643	1,219	5,862
Balance as at 1 January 2020	829	82	(169)	(10)	1,535	2,153	4,420	1,237	5,657
Consolidated net loss for the period	-	-	-	-	-	(257)	(257)	8	(248)
Other gains and losses recognised in equity	-	-	90	(19)	-	-	71	39	111
Comprehensive income for the period	-	-	90	(19)	-	(257)	(185)	48	(138)
Dividends distributed	-	-	-	-	-	-	-	(83)	(83)
Increase/decrease in reserves	-	-	-	-	-	-	-	(77)	(77)
Balance as at 31 March 2020	829	82	(79)	(28)	1,535	1,898	4,236	1,124	5,360

The accompanying notes form an integral part of the condensed consolidated statement of changes in equity and should be read in conjunction.

Condensed Consolidated Statement of Cash Flow

Galp Energia, SGPS, S.A.

Condensed Consolidated Statement of Cash Flow for the three-month periods ended 31 March 2020 and 31 March 2019

(Amounts stated in million Euros – €m)

	Notes	March 2020	March 2019
Operating activities:			
Cash received from customers		4,428	4,324
(Payments) to suppliers		(2,883)	(2,897)
(Payments) relating to tax on oil products ("ISP")		(519)	(521)
(Payments) relating to VAT		(397)	(353)
(Payments) relating to royalties, levies, "PIS" and "COFINS" and Others		(51)	(42)
(Payments) relating to payroll		(74)	(72)
Other (payments)/receipts relating to operating activities		(96)	82
(Payments) of income taxes - income tax (IRC), oil income tax (IRP), special participation (SPT)		(165)	(135)
Cash received relating to dividends	7	1	10
Cash Flow from operating activities (1)		244	396
Investing activities:			
(Payments) for the acquisition of tangible and intangible assets		(254)	(125)
Cash received relating to financial investments		99	5
(Payments) relating to financial investments		(33)	(18)
Cash received from loans granted		7	220
(Payments) relating to loans granted		(23)	(22)
Cash received from interests and similar income		7	10
Cash Flow from investing activities (2)		(197)	70
Financing activities:			
Cash received from loans obtained	12	552	877
(Payments) relating to loans obtained	12	(475)	(1,228)
(Payments) from interest and similar costs		(32)	(51)
(Payments) relating to leasing (IFRS16)	6	(49)	(44)
Capital/reserves reduction and other equity instruments	18	(77)	(244)
Dividends paid	18	(30)	-
Other financing receipts/payments		105	-
Cash Flow used financing activities (3)		(8)	(690)
Net change in cash and cash equivalents (4) = (1) + (2) + (3)		40	(224)
Effect of foreign exchange rate changes in cash and cash equivalents		(17)	10
Cash and cash equivalents at the beginning of the period		1,431	1,504
Cash and cash equivalents at the end of the period	11	1,454	1,290

The accompanying notes form an integral part of the condensed consolidated statement of Cash Flow and should be read in conjunction.

Notes to the condensed consolidated financial statements

1. Corporate information

Galp Energia SGPS, S.A. (the Company) has its Head Office in Lisbon, Portugal and its shares are listed on Euronext Lisbon.

2. Basis for preparation and changes to the Group's accounting policies

2.1 Basis for preparation

The condensed consolidated financial statements for the three-month period ended 31 March 2020 were prepared in accordance with IAS 34 - Interim Financial Reporting. These financial statements do not include all the information and disclosures required for annual financial statements. In addition, only the material changes required by IFRS 7 and IFRS 13 are disclosed. For this reason, these financial statements should be read in conjunction with the consolidated financial statements of the Galp Group for the year ended 31 December 2019.

The results of the Galp Group's business units, as well as macroeconomic conditions in the countries and segments in which each business unit operates, mean that it would be premature, as at 31 March 2020, to alter the conclusions reached in the annual financial statements as at 31 December 2019 regarding the recoverability of tangible and intangible assets, goodwill and financial investments in associates and joint ventures and accounts receivable, to reflect the possible impacts of the COVID-19 pandemic and commodities price volatility on international markets. The Group monitors and evaluates developments in these two factors on a daily basis. As soon as we understand that these developments affect permanently our medium and long-term assumptions used in our budget and strategic planning, we will factor them in our impairment analysis model to identify any potential accounting impacts in recovering non-financial assets.

However, it should be noted that the prolonged extension of the current unfavorable macroeconomic conditions, with relevant negative impacts on demand and commodity prices on international markets, may have adverse effects on the Group's results with a consequence on the recoverable amount of its non-financial assets. With regard to short-term impacts, it should be noted: (a) reduction in sales is expected in the Upstream segment by the decline in oil and natural gas prices in the period; and (b) a drop in sales volume in the Refining & Midstream and Commercial segments given the significant decrease in demand for petroleum products and natural gas in the markets in which Galp operates, and which results in the consequent lower use of the refineries.

The condensed consolidated financial statements have been prepared in millions of Euros, except where expressly indicated otherwise. Due to rounding, the totals and sub-totals of the presented tables may not be equal to the sum of the figures presented.

From 1 January 2020 and for consolidation purposes into Galp financial statements, the subsidiary Petrogal Brasil SA is deemed to have changed its functional currency from Brazilian Reais to US Dollars. Due to the significant impact of foreign currency translation movements in Petrogal Brasil's financial statements, the Group concluded that the currency which better reflects the primary economic environment in which Petrogal Brasil operates would be the US Dollar. As per IAS 21, a change in functional currency should be accounted for prospectively from the date of change. Therefore, opening balance sheet as at 1 January 2020 had been translated from Brazilian Reais to US Dollars using the exchange rate at 1 January 2020.

3. Segment reporting

Galp has realigned its organisation in order to better capture the full potential of each business, according to its characteristics, cash contribution and risk profile. The new structure consists of four business units: Upstream (unchanged), Refining & Midstream, Commercial and Renewables & New Businesses.

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

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

The Commercial segment integrates the entire offer to Galp's clients - business to business (B2B) and business to consumer (B2C), of oil, gas, power and non-fuel products. The retail marketing activity using the Galp brand also extends to certain countries in Africa.

The Renewables & New Businesses segment encompasses renewables power generation, mobility and new business.

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 various 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.

Segmented reporting is presented on a replacement cost (RC) basis, which is the earnings metric used by the Chief Operating Decision Maker to make decisions regarding the allocation of resources and to assess performance. Under 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.

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The financial information for the previously identified segments, for the three-month periods ended 31 March 2020 and 2019, is as follows:

	Unit: € m													
	Consolidated		Upstream		Refining and Midstream		Commercial		Renewable and New businesses		Others		Consolidation adjustments	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Sales and services rendered	3,689	3,558	684	295	1,473	1,299	1,885	2,131	9	6	39	32	(401)	(205)
Cost of sales	(2,573)	(2,903)	(74)	(67)	(1,189)	(1,142)	(1,598)	(1,833)	(7)	(5)	0	(0)	295	144
of which Variation of Production	(77)	18	(76)	(58)	(1)	76	-	-	1	-	-	-	-	-
Other revenues & expenses	(611)	(366)	(289)	(58)	(194)	(130)	(197)	(208)	(3)	(1)	(35)	(29)	106	60
of which Under & Overliftings	(142)	105	(142)	105	-	-	-	-	-	-	-	-	-	-
EBITDA at Replacement Cost	504	289	321	170	90	26	90	90	(1)	0	4	2	0	0
Amortisation, depreciation and impairment losses on fixed assets	(246)	(212)	(140)	(114)	(80)	(74)	(22)	(21)	(0)	(0)	(3)	(2)	-	-
Provisions (net)	(6)	0	-	-	(1)	(0)	0	0	(6)	-	-	-	-	-
EBIT at Replacement Cost	253	78	181	56	9	(48)	68	70	(7)	0	2	0	0	0
Earnings from associates and joint ventures	12	29	(1)	16	17	17	(3)	2	(0)	(5)	0	-	-	-
Financial results	(60)	(11)												
Taxes at Replacement Cost	(149)	(91)												
Energy Sector Extraordinary Contribution	(26)	(30)	-	-	(7)	(10)	(9)	(8)	-	-	(10)	(11)	-	-
Consolidated net income at Replacement Cost, of which:	30	(26)												
Attributable to non-controlling interests	(8)	3												
Attributable to shareholders of Galp Energia SGPS SA	21	(23)												
OTHER INFORMATION														
Segment Assets ⁽¹⁾														
Financial investments ⁽²⁾	814	870	467	524	291	281	15	15	39	49	1	1	-	-
Other assets	12,864	12,900	7,442	7,489	3,192	3,082	2,358	2,523	36	43	801	976	(965)	(1,212)
Segment Assets	13,678	13,771	7,909	8,012	3,483	3,363	2,373	2,538	76	92	802	978	(965)	(1,212)
of which Rights of use of assets	1,171	1,167	746	750	207	194	140	144	0	0	78	79	-	-
Investment in Tangible and Intangible Assets	192	129	167	120	14	5	8	2	-	(1)	3	3	-	-

⁽¹⁾Net amount

⁽²⁾Accounted for based on the equity method of accounting

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The details of sales and services rendered, tangible and intangible assets and financial investments for each geographical region in which Galp operates were as follow:

	Unit: € m					
	Sales and services rendered ¹		Tangible and intangible assets		Financial investments	
	2020	2019	2020	2019	2020	2019
	3,689	3,558	6,423	6,334	814	870
Africa	112	119	1,211	1,168	52	53
Latin America	674	155	3,266	3,154	460	528
Europe	2,902	3,285	1,946	2,012	302	290

¹Net consolidation operation

The reconciliation between the segment reporting and the Condensed Consolidated Income Statement for the periods ended 31 March 2020 and 2019 was as follows:

	Unit: € m	
	2020	2019
Sales and services rendered	3,689	3,558
Cost of sales	(2,953)	(2,878)
Replacement cost adjustments (1)	380	(24)
Cost of sales at Replacement Cost	(2,573)	(2,902)
Other revenue and expenses	(611)	(366)
Depreciation and amortisation	(246)	(212)
Provisions (net)	(8)	2
Earnings from associates and joint ventures	12	29
Financial results	(60)	(11)
Profit before taxes and other contributions at Replacement Cost	205	97
Replacement Cost adjustments	(380)	24
Profit before taxes and other contributions at IFRS	(175)	119
Income tax	(47)	(101)
Income tax on Replacement Cost Adjustment (2)	(101)	9
Energy Sector Extraordinary Contribution	(26)	(30)
Consolidated net income for the period at Replacement Cost	29	(26)
Replacement Cost (1) +(2)	(278)	16
Consolidated net income for the period based on IFRS	(248)	(11)

4. Tangible assets

	Unit: € m				
	Land, natural re- sources and buildings	Plant and ma- chinery	Other equi- pment	Assets under construction	Total
<i>As at 31 March 2020</i>					
Acquisition cost	1,230	10,516	493	1,942	14,181
Impairment	(29)	(70)	(4)	(108)	(211)
Accumulated depreciation and depletion	(749)	(7,029)	(441)	-	(8,220)
Net Value	451	3,418	48	1,834	5,750
Balance as at 1 January 2020	457	3,267	51	1,896	5,671
Additions	-	1	-	187	189
Depreciation, depletion and impairment	(5)	(193)	(4)	-	(202)
Disposals/Write-offs	-	(2)	(0)	-	(2)
Transfers	1	290	1	(297)	(6)
Currency exchange differences and other adjustments	(1)	54	-	48	100
Balance as at 31 March 2020	451	3,418	48	1,834	5,750

During the period under review and in line with its strategy, the Group has mostly made investments in the Upstream business unit, in the amount of €169 m, related to projects in Brazil (€110 m), Angola (€16 m) and Mozambique (€42 m). The additions to tangible assets for the three-month period ended 31 March 2020 also include the capitalisation of financial charges in the amount of €5 m (Note 21).

5. Intangible assets and Goodwill

	Unit: € m			
	Industrial proper- ties and other rights	Intangible assets in progress	Goodwill	Total
<i>As at 31 March 2020</i>				
Acquisition cost	1,013	61	88	1,161
Impairment	(21)	(23)	(2)	(46)
Accumulated amortisation	(442)	-	-	(442)
Net Value	550	37	86	673
Balance as at 1 January 2019	542	35	85	663
Additions	-	4	-	4
Amortisation and impairment	(8)	-	-	(8)
Transfers	8	(2)	-	6
Currency exchange differences and other adjustments	8	-	1	8
Balance as at 31 March 2020	550	37	86	673

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6. Leases

The details of Right-of-use assets were as follow:

						Unit: € m
	FPSO's ¹	Buildings	Service stations	Vessels	Other usage rights	Total
As at 31 March 2020						
Acquisition cost	672	91	153	194	230	1,339
Accumulated amortisation	(61)	(6)	(22)	(56)	(23)	(169)
Net Value	610	85	131	138	207	1,171
As at 1 January 2020	607	85	136	146	194	1,167
Additions	-	3	-	-	-	3
Amortisation	(12)	(1)	(4)	(12)	(4)	(34)
Write-offs/Disposals	-	1	-	-	-	1
Currency exchange differences and other adjustments	15	(2)	(1)	3	18	34
Balance as at 31 March 2020	610	85	131	138	207	1,171

¹ Floating, production, storage and offloading unit - floating oil production system, built on a ship structure, with capacity for oil and natural gas production, processing, storage and transfer of oil to tankers.

Lease liabilities were as follow:

	Unit: € m	
	March 2020	December 2019
Maturity analysis – contractual undiscounted cash flow	1,861	1,919
Less than one year	188	190
One to five years	595	606
More than five years	1,078	1,123
Lease liabilities included in the statement of financial position	1,232	1,223
Non current	1,050	1,042
Current	183	182

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

	Unit: € m	
	March 2020	March 2019
	161	103
Interest on lease liabilities	21	22
Expenses related to short term, low value and variable payments of operating leases ¹	140	81

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

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

	Unit: € m	
	March 2020	March 2019
Financing activities	49	44
(Payments) relating to leasing (IFRS16)	26	22
(Payments) relating to leasing (IFRS16) interests	23	22

7. Investments in associates and joint ventures

Investments in associates and joint ventures were as follow:

	Unit: € m	
	March 2020	December 2019
	814	870
Joint ventures	697	758
Associates	117	112

7.1. Investments in joint ventures

	Unit: € m					
	As at 31 December 2019	Share capital increase/ decrease	Equity Method	Foreign exchange rate differences	Dividends	As at 31 March 2020
	758	(68)	(2)	15	(6)	697
Tupi BV	368	(98)	(1)	9	-	278
Iara BV	114	30	-	3	-	147
Galp Gás Natural Distribuição, S.A.	213	-	-	-	-	213
Coral FLNG, S.A.	41	-	-	1	-	42
Other joint ventures	22	-	-	2	(6)	17

During the period, the joint ventures Tupi BV and Iara BV repaid share premium contributions to their shareholders as a result of a cash surplus arising from the sale of equipment to the E&P operations in Brazil from which Galp has received an amount of €100 m (€98 m and €2 m, respectively). The capital of Iara BV was also increased by €32 m.

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7.2. Investments in associates

	As at 31 December 2019	Equity Method	Foreign exchange rate differences	As at 31 March 2020
	112	14	(9)	117
EMPL - Europe Magreb Pipeline, Ltd	40	12	1	53
Sonangalp - Sociedade Distribuição e Comercialização de Combustíveis, Lda.	8	-	(1)	8
Gasoduto Al-Andaluz, S.A.	7	2	-	8
Tauá Brasil Palma, S.A.	45	(1)	(9)	36
Other associates	12	-	(1)	12

Unit: € m

During the three-month period under review, the amount of €6 m was declared in dividends from investments in joint ventures and associates, but was still to be received. Additionally, €1 m was received from associates related to the dividends declared in previous years.

8. Inventories

Inventories as at 31 March 2020 and 31 December 2019 was as follows:

	March 2020	December 2019
	878	1.055
Raw, subsidiary and consumable materials	350	358
Crude oil	238	167
Other raw materials	72	68
Raw materials in transit	39	123
Finished and semi-finished products	542	537
Goods	220	180
Adjustments to net realisable value	(234)	(20)

Unit: € m

During the first quarter 2020, the Group carried out Contango operations, whereby some cargos of Crude Oil are valued on a fair value basis with an impact on P&L (Cost of Sales). These Contango operations are for trading purposes. The Crude oil stock valued at fair value is included in the table above in the amount of €19 m. These operations are covered with specific financial derivatives (note 17).

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The movements in the adjustments to net realisable value balance for the three-month period ended 31 March 2020 were as follow:

	Unit: € m			
	Raw, subsidiary and consumable materials	Finished and semi-finished products	Goods	Total
Adjustments to net realisable value at 1 January 2020	16	1	3	20
Net reductions	115	81	17	214
Adjustments to net realisable value at 31 March 2020	131	83	20	234

The net reductions in the amount of €214 m were recorded in the income statement as part of cost of sales. These reductions are mainly related to adjustments to reflect market price as of 31 March 2020.

9. Trade and other receivables

9.1. Trade receivables

The details of trade receivables as at 31 March 2020 and 31 December 2019 were as follow:

		Unit: € m			
	Notes	March 2020		December 2019	
		Current	Non-current	Current	Non-current
Trade receivables		856	2	980	1
Allowance for doubtful amounts	9.3	1,021	2	1,143	1
		(164)	-	(163)	-

9.2. Other receivables

The details of other receivables as at 31 March 2020 and 31 December 2019 were as follow:

	Notes	March 2020		December 2019	
		Current	Non-current	Current	Non-current
		737	256	935	258
State and other Public Entities		23	26	24	28
Other debtors		402	68	623	65
Non-operated oil blocks		214	-	348	-
Underlifting		61	-	190	-
Other receivables		127	68	84	64
Related Parties		8	-	5	-
Contract Assets		193	68	206	68
Sales and services rendered but not yet invoiced		79	-	96	-
Adjustments to tariff deviation - "pass through"		16	-	17	-
Other accrued income		98	68	94	68
Deferred charges		117	94	82	98
Energy sector extraordinary contribution (CESE II)	14.2	14	43	15	46
Deferred charges with services		7	20	3	21
Other deferred charges		97	31	65	31
Impairment of other receivables	9.3	(6)	-	(6)	-

The balance of €214 m recorded under "Other debtors - Non-operated oil blocks" includes €39 m related to receivables from partners for payments made by the Group on their behalf, which will be recovered from the respective partners during the production period.

The balance of €61 m recorded in "Other debtors – Underlifting" corresponds to the amounts receivable by the Group as a result of the lifting of barrels of crude oil below the production quota, and is valued at the lower of the market price as at the sale date and the market price as at 31 March 2020.

Other deferred charges (non-current) include the amount of €30 m relating to post-employment benefits (Note 15).

9.3. Impairment of Trade Receivables and Other Receivables

The movements in the impairment of trade receivables and other receivables, for the three-month period ended 31 March 2020, were as follow:

	Unit: € m			
	Opening balance	Increase	Decrease	Closing balance
	169	6	(4)	170
Trade receivables	163	5	(4)	164
Other receivables	6	1	-	6

10. Other financial assets

As at 31 March 2020 and 31 December 2019, Other financial assets were as follow:

	Notes	March 2020		December 2019	
		Current	Non-current	Current	Non-current
		462	217	174	169
Financial Assets at fair value through profit & loss	17	418	34	131	9
Financial Assets at fair value through comprehensive income		-	3	-	3
Financial Assets not measured at fair value - Loans and Capital subscription		44	157	43	135
Others		-	23	-	23

Loans and Capital subscription (current) in the amount of €44 m relate to the subscribed and unrealised capital increase made by Winland International Petroleum, S.A.R.L. (a Sinopec company) in Petrogal Brasil, S.A., which is considered as a financial asset given the terms established for this capital increase.

11. Cash and cash equivalents

For the periods ended 31 March 2020 and 31 December 2019, the details of Cash and cash equivalents in the Condensed consolidated statement of cash flow were as follow:

	Notes	March 2020	December 2019
		1.454	1.431
Cash at bank		1.485	1.460
Bank overdrafts	12	(32)	(29)

12. Financial debt

The details of financial debt as at 31 March 2020 and 31 December 2019 were as follow:

Notes	Unit: € m			
	2020		2019	
	Current	Non-current	Current	Non-current
	574	2,407	278	2,616
Bank loans	74	981	278	795
Origination fees	-	(1)	-	-
Loans and commercial paper	42	981	249	795
Bank overdrafts	32	-	29	-
Bonds and notes	500	1,426	-	1,822
Origination fees	-	(6)	-	(6)
Bonds	-	933	-	828
Notes	500	500	-	1,000

Changes in financial debt during the period from 31 December 2019 to 31 March 2020 were as follow:

	Unit: € m					
	Opening balance	Loans obtained	Principal Re-payment	Changes in Overdrafts	Foreign exchange rate differences and others	Closing balance
	2,895	552	(475)	3	7	2,981
Bank Loans:	1,073	452	(475)	3	3	1,055
Origination fees	-	-	-	-	-	(1)
Loans and commercial papers	1,044	452	(475)	-	3	1,024
Bank overdrafts	29	-	-	3	-	32
Bond and Notes:	1,822	100	-	-	5	1,926
Origination fees	(6)	-	-	-	-	(6)
Bonds	828	100	-	-	5	933
Notes	1,000	-	-	-	-	1,000

The average cost of financial debt for the period under review, including charges for the use of credit lines, amounted to 1.75%.

During the first three months of 2020, the Group contracted new bonds as detailed below:

Unit: € m				
Issuance	Due amount	Interest rate	Maturity	Reimbursement
	100			
GALP ENERGIA 2020/2025	100	Euribor 6M + spread	March '25	March '25

During this period, the Group issued and repaid €450 m under commercial paper programmes.

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During the period, €23 m of other bank loans and project finance were repaid.

Financial debt, excluding origination fees and bank overdrafts, had the following repayment plan as at 31 March 2020:

Maturity	Unit: € m		
	Total	Current	Loans Non-current
	2,956	542	2,414
2020	26	26	-
2021	535	516	19
2022	467	-	467
2023	770	-	770
2024 onward	1,158	-	1,158

13. Trade payables and other payables

As at 31 March 2020 and 31 December 2019, the details of Other payables were as follow:

Unit: € m				
	March 2020		December 2019	
	Current	Non-current	Current	Non-current
Trade payables	732	-	852	-
Other payables	1,279	115	1,343	121
State and other public entities	323	-	355	-
Payable VAT	186	-	219	-
Tax on oil products (ISP)	96	-	100	-
Other taxes	41	-	35	-
Other payables	376	67	477	70
Suppliers of tangible and intangible assets	300	67	430	70
Advances on sales	1	-	1	-
Overlifting	29	-	20	-
Other Creditors	46	-	26	-
Related parties	39	-	3	-
Other accounts payable	39	6	41	6
Accrued costs	476	29	461	30
External supplies and services	285	-	295	-
Holiday, holiday subsidy and corresponding contributions	64	4	52	4
Other accrued costs	127	25	115	26
Contract liabilities	23	-	6	-
Other deferred income	3	12	-	15

14. Taxes and other contributions

14.1. Taxes and Special Participation Tax (SPT)

The Group's operations take place in several regions and are carried out by various legal entities, subject to locally established income tax rates, varying between 25% in Spain and the Netherlands, 31.5% in Portugal, and 34% for companies based in Brazil.

Group companies headquartered in Portugal in which the Group has an interest equal to or greater than 75%, if such participation grants voting rights of more than 50%, are taxed in accordance with the special regime for the taxation of groups of companies, with the taxable income being determined at the level of Galp Energia, SGPS, S.A.

Spanish tax resident companies, in which the percentage held by the Group exceeds 75%, have been taxed on a consolidated basis in Spain from 2005 onwards. Currently, the fiscal consolidation in Spain is performed by Galp Energia España S.A.

The Company and its subsidiaries' income tax estimates are recorded based on the taxable income.

Taxes and SPT recognised in the consolidated income statement for the three-month periods ended 31 March 2020 and 2019 were as follow:

	March 2020			March 2019		
	Unit: € m					
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Taxes for the period	34	13	47	151	(50)	101
Current income tax	(72)	21	(51)	40	(50)	(10)
Oil income Tax (IRP)	12	(7)	4	2	4	6
Special Participation Tax (SPT)	94	-	94	108	(4)	104

As at 31 March 2020, the movements in deferred tax assets and liabilities were as follow:

	Unit: € m				
	As at 31 December 2019	Impact on the income statement	Impact on equity	Foreign exchange rate changes	As at 31 March 2020
Deferred Taxes – Assets	367	(1)	5	4	376
Adjustments to tangible and intangible assets	10	-	-	-	10
Retirement benefits and other benefits	96	(2)	-	-	94
Tax losses carried forward	73	1	-	1	75
Regulated revenue	8	(2)	-	-	6
Temporarily non-deductible provisions	110	-	-	2	111
Potential foreign exchange rate differences in Brazil	41	-	-	1	42
Others	30	2	5	-	37
Deferred Taxes – Liabilities	(299)	(12)	-	(7)	(319)
Adjustments to tangible and intangible assets	(272)	(20)	-	(7)	(298)
Adjustments to the fair value of tangible and intangible assets	(6)	-	-	-	(6)
Regulated revenue	(14)	2	-	-	(13)
Others	(8)	5	-	-	(3)

14.2. Energy Sector Extraordinary Contribution

As at 31 March 2020, the details of the Energy Sector Extraordinary Contribution balances were as follow:

					Unit: € m
	Provisions (Note 16)		Statement of financial position "CESE II" Deferred Charges (Note 9.2)		Income statement Energy Sector Extraordinary Contribution
	CESE I	CESE II	Current	Non-current	
As at 1 January 2020	(102)	(220)	15	46	-
"CESE I" Increase	(11)	-	-	-	11
"CESE II" Increase	-	(2)	(1)	(3)	6
Fondo Nacional de Eficiencia Energética (FNEE)	-	-	-	-	9
As at 31 March 2020	(113)	(223)	14	43	26

15. Post employment benefits

During the period under review there were no significant changes compared to 31 December 2019. As at 31 March 2020 and 31 December 2019, the detail of post employee benefits were as follow:

	Unit: € m	
	March 2020	December 2019
Assets under the heading "Other Receivables"	30	30
Liabilities	(326)	(332)
Net responsibilities	(295)	(301)
Liabilities, of which:	(563)	(568)
Past service liabilities covered by the pension fund	(238)	(237)
Other employee benefit liabilities	(325)	(331)
Assets	268	267

16. Provisions

During the three-month period ended 31 March 2020, the movements in Provisions were as follow:

	March 2020				Unit: € m
	Decomissioning/ environmental provisions	CESE (I and II)	Other provisions	Total	December 2019
At the beginning of the period	421	322	77	819	658
Additional provisions and increases to existing provisions	4	13	6	24	175
Decreases in existing provisions	-	-	-	-	(7)
Amount used during the period	(2)	-	(1)	(3)	(5)
Adjustments during the period	9	-	(2)	7	-
At the end of the period	432	335	80	847	819

17. Other financial instruments

The details of the financial position of the balance of derivative financial instruments as at 31 March 2020 and 31 December 2019 were as follow:

	March 2020					December 2019					Unit: € m
	Assets (Note 10)		Liabilities		Equity	Assets (Note 10)		Liabilities		Equity	
	Current	Non current	Current	Non current		Current	Non current	Current	Non current		
	418	34	(404)	(70)	(36)	131	9	(84)	(5)	(13)	
Commodity swaps	139	28	(189)	(68)	-	68	6	(72)	(4)	(3)	
Options	208	-	(208)	-	-	19	-	-	-	-	
Commodity futures	48	-	-	-	(36)	19	-	-	-	(10)	
Forwards	24	6	(7)	(2)	-	25	3	(12)	(1)	-	

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The accounting impact on the income statements and comprehensive income as at 31 March 2020 and 31 March 2019 related to gains and losses on derivative financial instruments are presented below:

Unit: € m

	March 2020				March 2019			
	Income statement			Equity	Income statement			Equity
	MTM	Realised	MTM + Re- alised		MTM	Realised	MTM + Reali- sed	
	(77)	88	11	(23)	(3)	4	1	1
Commodities	(83)	85	2	(23)	(13)	4	(9)	1
Swaps	(73)	(7)	(80)	3	(127)	6	(121)	(1)
Swaps - Fair value hedge	-	-	-	-	47	-	47	-
Options	(19)	105	86	-	-	-	-	-
Futures	9	(12)	(4)	(26)	67	(2)	65	2
Currency	6	4	9	-	10	-	-	-
Forwards	6	4	9	-	10	-	-	-

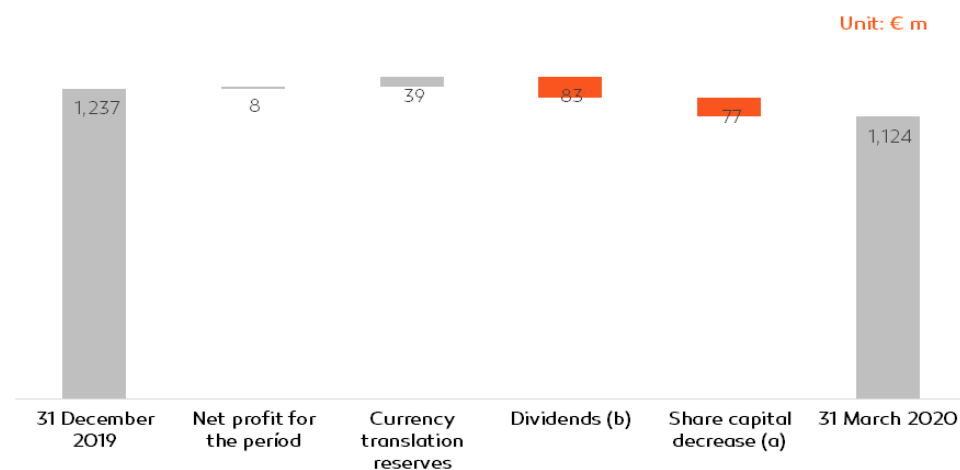
The heading of MTM includes a derivative swap in the amount of €1 m, which is connected with the Contango operations carried out in March 2020 (note 8). The MTM of these derivatives is recognised directly in Cost of Sales.

The realised results from derivative financial instruments are mainly recognised as part of cost of sales (Note 20), financial income or expenses. Results from financial instruments were as follow:

Unit: € m

	March 2020	March 2019
	(84)	31
Commodity Swaps	(74)	(80)
Options	(19)	-
Commodity Futures	9	67
Other trading operations	-	44

18. Non-controlling interests



- (a) The Share capital decrease is related to the share premium reduction in Galp Sinopec Brazil Services (GSBV).
- (b) Non-controlling interest dividends in the amount of €83 m were made during the period, although only €30 m was paid.

19. Revenue and income

The details of revenue and income for the three-month periods ended 31 March 2020 and 2019 were as follow:

		Unit: € m	
	Notes	March 2020	March 2019
		3,866	3,758
Total sales		3,502	3,400
Goods		1,446	1,486
Products		2,058	1,905
Exchange differences		(2)	9
Services rendered		187	159
Other operating income		52	128
Underlifting income		(3)	105
Others		55	23
Earnings from associates and joint ventures	7	12	29
Financial income	21	113	42

20. Costs and expenses

The details of costs and expenses, for the three-month periods ended 31 March 2020 and 2019 were as follow:

		Unit: € m	
	Notes	March 2020	March 2019
Total costs and expenditures:		4,041	3,638
Cost of sales		2,953	2,878
Raw and subsidiary materials		1,594	1,269
Goods		422	1,014
Tax on oil products		631	632
Variations in production		77	(18)
Write downs on inventories	8	216	(34)
Financial derivatives	17	19	4
Exchange differences		(5)	10
External supplies and services		450	393
Subcontracts - network use		90	103
Transportation of goods		110	71
E&P - production costs		36	45
E&P - exploration costs		8	15
Royalties		42	45
Other costs		165	115
Employee costs		82	82
Amortisation, depreciation and impairment losses on fixed assets	4/ 5/ 6	246	212
Provision and impairment losses on receivables	9,3 / 16	8	(2)
Other costs		129	21
Other taxes		4	6
CO ₂ Emissions		6	6
Overlifting costs		139	1
Other operating costs		(21)	9
Financial expenses	21	173	53

21. Financial results

The details of financial income and costs for the three-month periods ended 31 March 2020 and 2019 were as follow:

		Unit: € m	
	Notes	March 2020	March 2019
		(60)	(11)
Financial income		113	42
Interest on bank deposits		7	11
Interest and other income from related companies		1	-
Other financial income		1	-
Derivative financial instruments	17	-	31
Premium option	17	105	-
Financial expenses		(173)	(53)
Interest on bank loans, bonds, overdrafts and others		(14)	(13)
Interest capitalised within fixed assets	4	5	6
Interest on lease liabilities	6	(21)	(22)
Derivative financial instruments	17	(84)	-
Exchange gains/(losses)		(56)	(6)
Other financial costs		(4)	(20)

22. Approval of the financial statements

The consolidated financial statements were approved by the Board of Directors on 24 April 2020.

Chairman:

Paula Amorim

Vice-chair and Lead

Independent Director:

Miguel Athayde Marques

Vice-chair:

Carlos Gomes da Silva

Members:

Filipe Silva

Thore E. Kristiansen

Carlos Costa Pina

Carlos Silva

Sofia Tenreiro

Susana Quintana- Plaza

Marta Amorim

Francisco Rêgo

Carlos Pinto

Luís Todo Bom

Jorge Seabra

Rui Paulo Gonçalves

Diogo Tavares

Edmar de Almeida

Cristina Neves Fonseca

Adolfo Mesquita Nunes

Accountant:

Paula de Freitas Gazul

23. Explanation regarding translation

These English language financial statements are a translation of the financial statements prepared in Portuguese in accordance with IAS 34 – Interim Financial Reporting and with the International Financial Reporting Standards adopted by the European Union, some of which may not comply with the generally accepted accounting principles in other countries. In the event of any discrepancy, the Portuguese language version shall prevail.

9. DEFINITIONS

Replacement cost (RC)

According to this method of valuing inventories, the cost of goods sold is valued at the cost of replacement, i.e. at the average cost of raw materials of the month when sales materialise irrespective of inventories at the start or end of the period. The Replacement Cost Method is not accepted by the IFRS and is consequently not adopted for valuing inventories. This method does not reflect the cost of replacing other assets.

Replacement cost adjusted (RCA)

In addition to using the replacement cost method, RCA items exclude non-recurrent events such as capital gains or losses on the disposal of assets, extraordinary taxes, impairment or reinstatement of fixed assets and environmental or restructuring charges which may affect the analysis of the Company's profit and do not reflect its operational performance.

Acronyms

%: Percentage

ANP: Brazil's National Agency for Petroleum, Natural Gas and Biofuels

APETRO: Associação Portuguesa de Empresas Petrolíferas (Portuguese association of oil companies)

B2B: Business to business

B2C: Business to consumer

BBB: Belém Bioenergia Brasil, S.A.

bbbl: barrel of oil

bn: billion

boe: barrels of oil equivalent

BRL: Brazilian real

c.: circa

CESE: Contribuição Extraordinária sobre o Sector Energético (Portuguese Extraordinary Energy Sector Contribution)

CFFO: Cash flow from operations

COFINS: Contribution for the Financing of Social Security

CORES: Corporación de Reservas Estratégicas de Productos Petrolíferos (Spain)

DD&A: Depreciation, Depletion and Amortisation

Ebit: Earnings before interest and taxes

Ebitda: Ebit plus depreciation, amortisation and provisions

EMPL: Europe Magreb Pipeline, Ltd

EUR/€: Euro

FCF: Free Cash Flow

FLNG: Floating liquified natural gas

FNEE: Fondo Nacional de Eficiencia Energética (Spain)

FPSO: Floating, production, storage and offloading unit

Galp, Company or Group: Galp Energia, SGPS, S.A., subsidiaries and participated companies

G&A

GGND: Galp Gás Natural Distribuição, S.A.

GSBV: Galp Sinopec Brazil Services

GW: Gigawatt

GWh: Gigawatt per hour

HCC: hydrocracker

IAS: International Accounting Standards

IFRIC: International Financial Reporting Interpretations Committee

IRC: Income tax

IFRS: International Financial Reporting Standards

IRP: Oil income tax (Oil tax payable in Angola)

ISP: Payments relating to tax on oil products

kboepd: thousands of barrels of oil equivalent per day

kbpd: thousands of barrels of oil per day

LNG: liquefied natural gas

LTM: last twelve months

m: million

MIBGAS: Iberian Market of Natural Gas

mmbbl: million barrels of oil

mmboe: millions of barrels of oil equivalent

mmbtu: million British thermal units

mm³: million cubic metres

mton: millions of tonnes

MW: Megawatt

MWh: Megawatt-hour

NB: New Businesses

NE: Net entitlement

NG: natural gas

n.m.: not meaningful

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NWE: Northwestern Europe
PV: photovoltaic
PIS: payment initiation service
p.p.: percentage point
PPSA: Pré-Sal Petróleo S.A.
Q: Quarter
QoQ: Quarter-on-quarter
R&Mid: Refining & Midstream
R&NB: Renewables & New Businesses
RC: Replacement Cost
RCA: Replacement Cost Adjusted
SPT: Special participation tax
ton: tonnes
ToR: Transfer of Rights
UA: Unitisation Agreements
U.S.: United States
USD/\$: Dollar of the United States of America
Var.: Variation
WI: working interest
YoY: year-on-year



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