3rd QUARTER AND NINE MONTHS 2021

October, 2021

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This document also contains non-financial performance indicators, including a carbon intensity indicator for energy products sold by Galp, that measures the amount of greenhouse gas emissions of those products, from their production to their end use, per unit of energy delivered. This indicator covers the direct GHG emissions of production and processing facilities (scope 1) and their indirect emissions associated with energy purchased (scope 2), as well as the emissions associated with the use of products by Galp's costumers (scope 3). The same emissions are considered for products purchased from third parties and sold or transformed by Galp. For a complete definition of scopes 1, 2 and 3 and the methodology used by Galp for this indicator please refer to Galp's website at galp.com. This document may include data and information from sources that are publicly available. 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01

RESULTS HIGHLIGHTS

1. RESULTS HIGHLIGHTS

Third quarter 2021

Galp's adjusted operating cash flow (OCF)[1] reached €468 m, up €143 m YoY, driven by a higher Upstream contribution and a more supportive Industrial performance. Cash flow from operations (CFFO) was €175 m, impacted by a working capital build, which includes temporary margin accounts of €373 m related to hedges to de-risk gas sourcing and supply prices.

Considering the above-mentioned effects, free cash flow (FCF) generation was negative at -€113 m, with net debt at €2,028 m, also reflecting dividends paid to Galp's shareholders of €207 m.

Net debt to RCA Ebitda was 1.1x at the end of the period.

RCA Ebitda was €607 m, with the following highlights:

- Upstream: RCA Ebitda was €522 m, a €220 m increase YoY, reflecting the higher oil price environment, despite an increased discount on realisations, which more than offset the lower production. OCF was €364 m, compared to €253 m in 3Q20.
- Commercial: RCA Ebitda was €87 m, lower 17% YoY, while OCF was €84 m, down 17% YoY, despite increased sale volumes, as 3Q20 benefited from a higher contribution from high value segments.
- Industrial & Energy Management: RCA Ebitda was €15 m, up from -€12 m in 3Q20, following an improved refining environment, although impacted by a negative contribution from Energy Management, mostly due to natural gas sourcing restrictions during the period, increased regasification costs in Portugal and a negative impact in supply from the lag in the pricing formulas for oil products.
- Renewables & New Businesses: No relevant RCA Ebitda as most of the operations are not consolidated. The pro-forma Ebitda[2] of the Renewables operations reached €28 m in the period, capturing the robust Iberian solar prices in Iberia.

RCA Ebit was up €261 m YoY to €369 m, following the stronger operational performance.

RCA net income was €161 m. IFRS net income was -€334 m, with an inventory effect of €50 m and special items of -€545 m, which include mark-to-market swings from derivatives.

Nine months of 2021

Galp's OCF[1] was €1,383 m, 59% higher YoY, while RCA Ebitda was €1,678 m, 45% higher YoY, supported by the improved macro conditions. CFFO was €992 m, also reflecting a working capital build, from derivatives margin accounts.

Capex totalled €680 m, with Upstream accounting for 69% of total investments, whilst the downstream activities represented 12% and Renewables & New Businesses 17%. Net capex was of €253 m, considering the proceeds from divestments during the 1H21, most notably the stake sale in Galp Gás Natural Distribuição (GGND).

FCF amounted to €633 m. Considering dividends paid to shareholders of €498 m and to non-controlling interests of €78 m, as well as other adjustments, net debt decreased €38 m, compared to the end of last year.

[1] Adjusted operating cash flow (OCF) indicator represents a proxy of Galp's operational performance excluding inventory effects, working capital changes and special items. The reconciliation of this indicator with CFFO using IFRS is in chapter 6.3 Cash Flow.

[2] Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes.

Other highlights

Full year 2021 updated guidance

Galp updated its guidance for 2021, based on the past performance and the updated macro and operational outlook.

Group RCA Ebitda is now expected to surpass €2.3 bn (vs. >€2.0 bn previously):

- Upstream: RCA Ebitda expected at c.€2.0 bn, now assuming average Brent prices at c.$70/bbl, while also reflecting the working interest production adjustments.
- Commercial: RCA Ebitda estimated at c.€300 m, following a slower oil products demand recovery in Iberia.
- Industrial & Energy Management: RCA Ebitda expected at <€100 m, as the higher Industrial performance offset by lower contribution from the Energy Management.
- Renewables: Estimated pro-forma Ebitda (not consolidated) is expected at c.€60 m, following the higher power prices in Iberia.

Group OCF is estimated at >€1.8 bn (vs. >€1.7 bn previously), while net capex is expected in the range of €0.5 – 0.6 bn (vs. €0.5 – 0.7 bn previously).

Financial data

€m (IFRS, except otherwise stated)

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
401	**571**	**607**	**206**	**51%**	**RCA Ebitda**	**1,161**	**1,678**	**517**	**45%**
302	467	522	220	73%	Upstream	792	1,428	635	80%
105	73	87	(18)	(17%)	Commercial	255	229	(26)	(10%)
(12)	50	15	28	n.m.	Industrial & Energy Management	97	60	(37)	(38%)
(2)	(6)	(6)	4	n.m.	Renewables & New Businesses	(6)	(14)	8	n.m.
108	**305**	**369**	**261**	**n.m.**	**RCA Ebit**	**268**	**957**	**689**	**n.m.**
133	290	375	241	n.m.	Upstream	246	978	732	n.m.
81	48	58	(23)	(28%)	Commercial	185	149	(36)	(19%)
(108)	(9)	(43)	(66)	(61%)	Industrial & Energy Management	(159)	(119)	(40)	(25%)
(2)	(5)	(6)	5	n.m.	Renewables & New Businesses	(17)	(14)	(3)	(20%)
(23)	**140**	**161**	**184**	**n.m.**	**RCA Net income**	**(45)**	**327**	**372**	**n.m.**
(85)	(137)	(545)	460	n.m.	Special items	(111)	(648)	537	n.m.
2	68	50	48	n.m.	Inventory effect	(360)	219	579	n.m.
(106)	**71**	**(334)**	**228**	**n.m.**	**IFRS Net income**	**(516)**	**(102)**	**(414)**	**(80%)**
325	**470**	**468**	**143**	**44%**	**Adjusted operating cash flow (OCF)**	**870**	**1,383**	**513**	**59%**
253	346	364	112	44%	Upstream	508	1,100	593	n.m.
101	69	84	(17)	(17%)	Commercial	246	220	(26)	(11%)
(18)	64	31	49	n.m.	Industrial & Energy Management	116	86	(30)	(26%)
(2)	(2)	(2)	(0)	(17%)	Renewables & New Businesses	(6)	(6)	(1)	(13%)
391	**440**	**175**	**(216)**	**(55%)**	**Cash flow from operations (CFFO)**	**794**	**992**	**197**	**25%**
(432)	**(186)**	**(261)**	**(171)**	**(40%)**	**Net Capex**	**(792)**	**(253)**	**(540)**	**(68%)**
(49)	**228**	**(113)**	**64**	**n.m.**	**Free cash flow (FCF)**	**58**	**633**	**575**	**n.m.**
(29)	**(78)**	**-**	**29**	**n.m.**	**Dividends paid to non-controlling interests**	**(223)**	**(78)**	**(145)**	**(65%)**
-	**(290)**	**(207)**	**(207)**	**n.m.**	**Dividends paid to shareholders**	**(318)**	**(498)**	**179**	**56%**
2,091	**1,711**	**2,028**	**(63)**	**(3%)**	**Net debt**	**2,091**	**2,028**	**(63)**	**(3%)**
1.3x	**1.0x**	**1.1x**	**-0.2x**	**n.m.**	**Net debt to RCA Ebitda[1]**	**1.3x**	**1.1x**	**-0.2x**	**n.m.**

[1] Ratio considers the LTM Ebitda RCA (€1,902 m), which includes the adjustment for the impact from the application of IFRS 16 (€186 m).

Operational data

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
133.8	128.4	128.2	(5.6)	(4%)	Average working interest production (kboepd)	132.5	127.3	(5.2)	(4%)
132.0	126.6	126.6	(5.4)	(4%)	Average net entitlement production (kboepd)	130.6	125.6	(5.0)	(4%)
(4.4)	(8.9)	(8.5)	(4.1)	(94%)	Oil & gas realisations - Dif. to Brent (USD/boe)	(5.8)	(8.0)	(2.2)	(39%)
23.4	21.0	22.5	(0.9)	(4%)	Raw materials processed (mboe)	63.7	63.3	(0.4)	(1%)
(0.7)	2.4	4.0	4.8	n.m.	Galp refining margin (USD/boe)	0.9	2.8	1.9	n.m.
3.6	3.6	3.9	0.3	8%	Oil products supply[1] (mton)	10.2	11.1	0.9	9%
15.8	18.1	16.6	0.7	5%	NG/LNG supply & trading volumes[1] (TWh)	40.8	53.0	12.2	30%
340	269	261	(79)	(23%)	Sales of electricity from cogeneration (GWh)	1,003	861	(143)	(14%)
1.5	1.5	1.8	0.2	15%	Oil Products - client sales (mton)	4.5	4.6	0.2	4%
5.3	4.5	4.4	(1.0)	(18%)	Natural gas - client sales (TWh)	16.8	13.8	(3.0)	(18%)
871	1,020	1,086	215	25%	Electricity - client sales (GWh)	2,449	3,057	608	25%
143	475	408	265	n.m.	Gross renewable power generation (GWh)	157	1,074	917	n.m.
42.3	69.1	110.6	n.m.	n.m.	Galp average solar generation sale price[2] (EUR/MWh)	42.3	80.3	n.m.	90%

[1] Includes volumes sold to the Commercial segment.
[2] 3Q20 and 9M20 considering only September aligned with Galp's start of production.

Market indicators

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
1.17	1.21	1.18	0.01	1%	Average exchange rate EUR:USD	1.13	1.20	0.07	6%
6.28	6.38	6.16	(0.12)	(2%)	Average exchange rate EUR:BRL	5.71	6.38	0.67	12%
42.9	69.0	73.4	30.4	71%	Dated Brent price (USD/bbl)	41.1	67.8	26.7	65%
0.1	(2.0)	(2.3)	(2.4)	n.m.	Heavy-light crude price spread[1] (USD/bbl)	(0.8)	(1.9)	1.1	n.m.
9.0	25.0	48.7	39.7	n.m.	Iberian MIBGAS natural gas price (EUR/MWh)	8.5	31.5	23.0	n.m.
8.2	24.8	47.4	39.2	n.m.	Dutch TTF natural gas price (EUR/MWh)	7.8	30.2	22.5	n.m.
3.6	10.1	18.2	14.6	n.m.	Japan/Korea Marker LNG price (USD/mbtu)	3.1	12.8	9.6	n.m.
37.5	71.8	117.8	80.2	n.m.	Iberian baseload pool price (EUR/MWh)	31.9	78.5	46.6	n.m.
37.5	69.2	110.9	73.4	n.m.	Iberian solar captured price (EUR/MWh)	31.5	80.7	49.2	n.m.
13.5	13.6	15.2	1.8	13%	Iberian oil market (mton)	38.4	41.5	3.1	8%
109	97	101	(8)	(8%)	Iberian natural gas market (TWh)	312	312	(1)	(0%)

Source: Platts for commodities prices; MIBGAS for Iberian natural gas price; APETRO and CORES for Iberian oil market; REN and Enagás for Iberian natural gas market; OMIE and REE for Iberian pool price and solar capture price.
[1] Urals NWE dated for heavy crude; dated Brent for light crude.

02

UPSTREAM

2. UPSTREAM

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

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
133.8	**128.4**	**128.2**	**(5.6)**	**(4%)**	**Average working interest production[1] (kboepd)**	**132.5**	**127.3**	**(5.2)**	**(4%)**
120.0	114.9	117.5	(2.5)	(2%)	Oil production (kbpd)	118.9	114.9	(4.0)	(3%)
132.0	**126.6**	**126.6**	**(5.4)**	**(4%)**	**Average net entitlement production[1] (kboepd)**	**130.6**	**125.6**	**(5.0)**	**(4%)**
11.8	11.6	10.9	(0.9)	(8%)	Angola	12.9	11.3	(1.6)	(12%)
120.2	115.0	115.7	(4.5)	(4%)	Brazil	117.8	114.3	(3.5)	(3%)
(4.4)	**(8.9)**	**(8.5)**	**(4.1)**	**(94%)**	**Oil and gas realisations - Dif. to Brent (USD/boe)**	**(5.8)**	**(8.0)**	**(2.2)**	**(39%)**
3.5	**5.6**	**6.0**	**2.5**	**71%**	**Royalties (USD/boe)**	**3.3**	**5.5**	**2.2**	**68%**
2.0	**1.2**	**2.0**	**0.0**	**2%**	**Production costs (USD/boe)**	**2.4**	**1.7**	**(0.7)**	**(31%)**
16.3	**13.4**	**15.3**	**(0.9)**	**(6%)**	**DD&A[2] (USD/boe)**	**14.2**	**14.1**	**(0.1)**	**(1%)**
302	**467**	**522**	**220**	**73%**	**RCA Ebitda**	**792**	**1,428**	**635**	**80%**
(169)	(177)	(147)	(22)	(13%)	Depreciation, Amortisation and Impairments[2]	(542)	(451)	(91)	(17%)
-	-	-	-	n.m.	Provisions	(4)	1	5	n.m.
133	**290**	**375**	**241**	**n.m.**	**RCA Ebit**	**246**	**978**	**732**	**n.m.**
132	**290**	**375**	**243**	**n.m.**	**IFRS Ebit**	**309**	**1,005**	**696**	**n.m.**
253	**346**	**364**	**112**	**44%**	**Adjusted operating cash flow**	**508**	**1,100**	**593**	**n.m.**
71	**135**	**187**	**115**	**n.m.**	**Capex**	**257**	**470**	**214**	**83%**

[1] Includes natural gas exported; excludes natural gas used or reinjected.
[2] Includes abandonment provisions. 2020 and 2021 unit figures exclude impairments of €90 m and €48 m respectively, related with smaller scale exploration assets.

Third quarter 2021

Operations

Working interest (WI) production was down 4% YoY to 128.2 kboepd, mostly impacted by planned maintenance activities constraining natural gas exports. Natural gas accounted for 8% of Galp's Upstream production.

In Brazil, production was 4% lower YoY, at 115.7 kboepd, as the continued ramp-up of the FPSOs Tupi North, Berbigão/Sururu and Atapu, and the start of production in the Sépia field in August, was offset by maintenance activities. Angola WI production decreased YoY, from 13.7 kbpd to 12.6 kbpd.

The Group's net entitlement (NE) production followed the production WI decrease to 126.6 kboepd.

Results

RCA Ebitda was €522 m, a 73% m increase YoY, reflecting the higher oil price environment, despite an increased discount on realisations, which more than offset the lower production. OCF was €364 m, compared to €253 m in 3Q20.

Production costs were €20 m, in line YoY. In unit terms, and on a net entitlement basis, production costs were $2.0/boe. As per the application of IFRS 16, the production costs exclude the amounts related with IFRS16 leases, which accounted for €32 m during the period.

Amortisation and depreciation charges (including abandonment provisions) were down 13% YoY to €147 m, as 3Q20 was impacted by the one-off adjustments on equipment's charges. On a net entitlement basis, unit DD&A and Provisions decreased 6% YoY to $15.3/boe.

RCA Ebit was €375 m, up €241 m YoY. IFRS Ebit also amounted to €375 m.

Nine months of 2021

Operations

Average WI production during the first nine months of 2021 was 127.3 kboepd, 4% lower YoY, as the ramp-up of the FPSOs in Berbigão/Sururu and Atapu, was more than offset by the operational restrictions registered during the period.

NE production decreased 4% YoY, to 125.6 kboepd.

Results

RCA Ebitda was €1,428 m, up 80% YoY, reflecting the increased oil price environment. OCF was €1,100 m, up YoY from €508 m.

Production costs were €48 m, excluding IFRS 16 leases of €91 m. In unit terms, and on a net entitlement basis, production costs were $1.7/boe.

Amortisation and depreciation charges (including abandonment provisions) amounted to €450 m, including impairments of €48 m registered in 2Q21, related with smaller scale exploration assets. On a net entitlement basis, and not considering the impacts from impairments, DD&A was $14.1/boe.

RCA Ebit was €978 m, up €732 m YoY, and IFRS Ebit was of €1,005 m.

Other highlights

Start of production of the Sépia field through FPSO Carioca

On August 23, Galp announced the start of production in the Sépia field, in the pre-salt of the Santos basin through FPSO Carioca. The FPSO, chartered from Modec, has a processing capacity of up to 180 kbpd and 6 million m³ of natural gas daily, being the largest operating unit in the Santos basin. More information here.

03

COMMERCIAL

3. COMMERCIAL

€m (RCA, except otherwise stated)

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
					Commercial sales to clients				
1.5	1.5	1.8	0.2	15%	Oil products (mton)	4.5	4.6	0.2	4%
5.3	4.5	4.4	(1.0)	(18%)	Natural Gas (TWh)	16.8	13.8	(3.0)	(18%)
871	1,020	1,086	215	25%	Electricity (GWh)	2,449	3,057	607.6	25%
105	**73**	**87**	**(18)**	**(17%)**	**RCA Ebitda**	**255**	**229**	**(26)**	**(10%)**
(24)	(25)	(29)	5	20%	Depreciation, Amortisation and Impairments	(69)	(79)	10	14%
(0)	1	(0)	0	16%	Provisions	(0)	(0)	0	n.m.
81	**48**	**58**	**(23)**	**(28%)**	**RCA Ebit**	**185**	**149**	**(36)**	**(19%)**
79	**49**	**62**	**(18)**	**(22%)**	**IFRS Ebit**	**177**	**156**	**(22)**	**(12%)**
101	**69**	**84**	**(17)**	**(17%)**	**Adjusted operating cash flow**	**246**	**220**	**(26)**	**(11%)**
28	**22**	**21**	**(7)**	**(24%)**	**Capex**	**78**	**47**	**(31)**	**(39%)**

Third quarter 2021

Operations

Oil products' sales increased 15% YoY to 1.8 mton, reflecting the demand recovery in Iberia from both B2C and B2B activities, namely in the retail and aviation segments.

Natural gas volumes sold declined 18% YoY to 4.4 TWh, following the lower sales in the B2B segment in Spain, whilst sales of electricity were 1,086 GWh, 25% up YoY.

Results

RCA Ebitda for the Commercial business was €87 m, lower 17% YoY, while OCF was €84 m, down 17% YoY, despite the higher volumes of oil products, as 3Q20 benefited from an increased and concentrated contribution from higher-value segments.

RCA Ebit was €58 m, while IFRS Ebit was €62 m.

Nine months of 2021

Operations

Total oil products' sales were 4.6 mton, up 4% YoY, following the higher demand during the period, as lockdown measures gradually eased.

Natural gas volumes were 13.8 TWh, down 18% YoY, impacted by the lower sales in B2B segment. Electricity sales were 3,057 GWh, 25% higher YoY.

Results

RCA Ebitda decreased 10% YoY to €229 m, as 2020 benefited from a higher contribution from high value segments. OCF was €220 m, down 11% YoY.

RCA Ebit was €149 m, while IFRS Ebit was €156 m.

04

INDUSTRIAL & ENERGY MANAGEMENT

4. INDUSTRIAL & ENERGY MANAGEMENT

€m (RCA, except otherwise stated)

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
23.4	**21.0**	**22.5**	**(0.9)**	**(4%)**	**Raw materials processed (mboe)**	**63.7**	**63.3**	**(0.4)**	**(1%)**
21.0	18.6	19.2	(1.8)	(9%)	Crude processed (mbbl)	57.5	54.7	(2.8)	(5%)
(0.7)	**2.4**	**4.0**	**4.8**	**n.m.**	**Galp refining margin (USD/boe)**	**0.9**	**2.8**	**1.9**	**n.m.**
2.4	**1.5**	**1.5**	**(0.8)**	**(35%)**	**Refining cost (USD/boe)**	**2.6**	**1.6**	**(1.0)**	**(39%)**
-	**(0.1)**	**0.0**	**0.0**	**n.m.**	**Refining margin hedging[1] (USD/boe)**	**0.3**	**(0.0)**	**(0.3)**	**n.m.**
3.6	**3.6**	**3.9**	**0.3**	**8%**	**Oil products supply[2] (mton)**	**10.2**	**11.1**	**0.9**	**9%**
15.8	**18.1**	**16.6**	**0.7**	**5%**	**NG/LNG supply & trading volumes[2] (TWh)**	**40.8**	**53.0**	**12.2**	**30%**
3.6	9.1	7.5	4.0	n.m.	Trading (TWh)	8.2	25.0	16.8	n.m.
340	**269**	**261**	**(79)**	**(23%)**	**Sales of electricity from cogeneration (GWh)**	**1,003**	**861**	**(143)**	**(14%)**
(12)	**50**	**15**	**28**	**n.m.**	**RCA Ebitda**	**97**	**60**	**(37)**	**(38%)**
(96)	(60)	(58)	(38)	(40%)	Depreciation, Amortisation and Impairments	(255)	(179)	(77)	(30%)
0	0	0	(0)	(94%)	Provisions	(0)	(0)	(0)	(68%)
(108)	**(9)**	**(43)**	**(66)**	**(61%)**	**RCA Ebit**	**(159)**	**(119)**	**(40)**	**(25%)**
(118)	**61**	**(0)**	**(118)**	**(100%)**	**IFRS Ebit**	**(658)**	**110**	**768**	**n.m.**
(18)	**64**	**31**	**49**	**n.m.**	**Adjusted operating cash flow**	**116**	**86**	**(30)**	**(26%)**
15	**11**	**15**	**0**	**2%**	**Capex**	**51**	**32**	**(19)**	**(36%)**

Note: Following the decision to discontinue refining activities in Matosinhos, 2021 refining indicators only reflect Sines refinery operations.
[1] Impact on Ebitda.
[2] Includes volumes sold to the Commercial segment.

Third quarter 2021

Following the decision to discontinue refining activities in Matosinhos, 2021 Industrial & Energy Management indicators exclude Matosinhos refining contribution. The 2020 figures were kept as reported, including Matosinhos' contribution.

Operations

Raw materials processed in the quarter were 22.5 mboe, 4% lower YoY, now just considering the processing capacity of Sines refinery, although following the more supportive market conditions during the period.

Supply & trading volumes of NG/LNG increased 5% YoY to 16.6 TWh, driven by increased network trading of natural gas.

Sales of electricity to the grid from the cogeneration plants were down 23% YoY to 261 GWh, given the lower contribution from Matosinhos' cogeneration.

Results

RCA Ebitda for Industrial & Energy Management was €15 m, up from -€12 m in 3Q20, a period highly impacted by the pandemic. OCF was €31 m, up €49 m YoY.

Galp's refining margin was up YoY from -$0.7/boe to $4.0/boe, following an improved international refining environment, namely on gasoline and middle distillates cracks.

Refining costs were €29 m, or $1.5/boe, in unit terms, only considering Sines refining operations.

The stronger YoY Industrial contribution, which includes refining, cogeneration and logistics activities, mostly reflected the improved refining performance.

Energy Management registered a negative contribution during the period, impacted by unplanned natural gas sourcing restrictions, high regasification costs in Portugal and impacted by the lag in the pricing formulas for oil products as commodities prices increased.

RCA Ebit was -€43 m and IFRS Ebit was -€0 m.

Nine months of 2021

Operations

Raw materials processed were 63.3 mboe during the period, down 1% YoY, considering in 2021 only the processing capacity of Sines refinery, which operated in more favourable macro conditions.

Crude oil accounted for 86% of raw materials processed, of which 87% corresponded to medium and heavy crudes. All crudes processed were sweet grades.

Middle distillates (diesel and jet) accounted for 45% of production, gasoline for 25% and fuel oil for 21%. Consumption and losses accounted for 8% of raw materials processed.

Total oil products supplied increased 9% YoY to 11.1 mton, driven by improved market demand conditions in Iberia.

Supply & trading volumes of NG/LNG were 53.0 TWh, up 30% YoY, following the higher volumes in the network trading activities.

Sales of electricity to the grid were 861 GWh during the period, down 14% YoY, following the lower contribution from Matosinhos' cogeneration.

Results

RCA Ebitda for Industrial & Energy Management decreased €37 m YoY to €60 m, despite the improved refining performance in 2021. OCF was €86 m, following Ebitda.

Galp's refining margin was up YoY, from $0.9/boe to $2.8/boe, following the improvement of the international refining environment.

Refining costs decreased YoY from $2.6/boe to $1.6/boe, now only reflecting Sines operational costs, and as last year the system operated at sub optimal conditions.

Industrial operational results reflect the improvement of the international refining environment YoY and a higher contribution from cogeneration activities, despite lower sales.

Energy Management contribution decreased YoY, mostly due to natural gas sourcing restrictions, increased regasification costs in Portugal and given the material swing

registered in the pricing formulas for oil products between the two periods, which was positive in the first nine months of 2020 and negative in 2021, reflecting the different trends on the commodity prices.

RCA Ebit was -€119 m and IFRS Ebit was €110 m.

Recent developments

Sines Atmospheric Distillation Unit event

On October 15, Galp announced an unplanned event occurred in one of the furnaces of the Sines atmospheric distillation unit (ADU).

Following the standard safety protocols, the Company shutdown the ADU, which is planned to restart through the use of the remaining furnace. After restart, the ADU is expected to operate at lower run rates for some weeks. The conversion units were not affected by the event and are operating under normal conditions.

At the date of the release of this report and according to the best Company's estimate, this event will only impact the operations during the fourth quarter of 2021, with raw materials processed estimated at c.15 mboe and margins to stand in the range of $4-5/boe during the quarter, also considering other previously planned maintenance activities, namely on the hydrocracker.

05

RENEWABLES & NEW BUSINESSES

5. RENEWABLES & NEW BUSINESSES

€m (RCA, except otherwise stated)

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
					Renewable power generation (GWh)				
143	475	408	265	n.m.	Gross	157	1,074	917	n.m.
106	355	304	198	n.m.	Net to Galp	113	801	687	n.m.
42.3	**69.1**	**110.6**	**n.m.**	**n.m.**	**Galp average solar generation sale price (EUR/MWh)**	**42.3**	**80.3**	**n.m.**	**90%**
(2)	(6)	(6)	4	n.m.	RCA Ebitda	(6.4)	(14)	8	n.m.
(2)	(5)	(6)	5	n.m.	RCA Ebit	(17)	(14)	(3)	(20%)
(2)	(5)	(6)	5	n.m.	IFRS Ebit	(17)	(14)	(3)	(20%)
(2)	**(2)**	**(2)**	**(0)**	**(17%)**	**Adjusted operating cash flow**	**(6)**	**(6)**	**(1)**	**(13%)**
328	**51**	**52**	**(276)**	**(84%)**	**Capex**	**330**	**118**	**(212)**	**(64%)**

€m

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
					Renewables pro-forma - equity to Galp[1]				
3	17	28	26	n.m.	Ebitda	2	47	46	n.m.
(0)	11	23	23	n.m.	Ebit	(1)	31	32	n.m.
3	**17**	**28**	**26**	**n.m.**	**Renewables pro-forma adjusted operating cash flow**	**2**	**47**	**46**	**n.m.**

[1] Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes.

Third quarter 2021

Operations

Renewable energy generation, on a 100% basis, amounted to 408 GWh, reflecting the higher seasonally output. The generation was however impacted by a transformer upset constraining c.200 MW of the installed capacity. Considering Galp's equity stake in these businesses, renewable generation was 304 GWh.

Results

Current operational capacity is entirely placed at merchant conditions. Galp's average solar generation sale price was €111/MWh during the quarter, capturing the increase registered in the Iberian market prices, which reflected higher natural gas and CO_2 prices, as well as the lower hydro and wind generation during the period.

Renewables & New Businesses RCA Ebitda of -€6 m in 3Q21, mostly including G&A and corporate expenses, as most of the renewables' projects under operation are not consolidated into Galp's accounts.

Renewables pro-forma Ebitda, which considers all projects as if they were consolidated according to Galp's equity stakes, was €28 m in 3Q21, supported by the increased solar captured prices. Pro-forma OCF was €28 m.

Nine months of 2021

Operations

In the first nine months of 2021, renewable energy generation amounted to 1,074 GWh, on a 100% basis, or 801 GWh considering Galp's equity stake.

Results

During the first nine months of 2021, Renewables & New Businesses consolidated RCA Ebitda was -€14 m. Renewables pro-forma Ebitda and OCF reached €47 m, mostly supported by the third quarter contribution.

	In operation	Under Construction	Under Development	Total
Galp Renewable capacity (MW)				
Gross	**927**	**557**	**3,263**	**4,746**
Spain	914	413	2,318	3,645
Portugal	12	144	351	507
Brazil	-	-	594	594
Equity to Galp (pro-forma)	**692**	**469**	**2,857**	**4,018**
Spain	686	325	1,912	2,923
Portugal	6	144	351	501
Brazil	-	-	594	594

Other highlights

Galp acquires 220 MW of solar PV projects in Spain

On August 2, Galp announced it signed final agreements with Enerland for the acquisition, development and construction of a renewable portfolio in Spain with a combined capacity of around 220 MW. The operation involves the acquisition of one cluster of projects totalling 62 MW in Zaragoza, already at Ready-to-Build phase and with Commercial Operation Date (COD) in 2022, and three projects in Castilla y Léon and Aragón totalling 161 MW at an advanced stage of development and to start operations by 2023. More information here.

Recent developments

Galp enters the Brazilian renewables business with the acquisition of 594 MWp solar capacity

In October, Galp agreed to acquire and develop solar projects in Brazil with a combined capacity of 594 MWp, moving forward with its renewable expansion ambitions and taking an important leap in its drive to reshape its portfolio and lower its carbon footprint.

The acquisition comprises two solar projects under development in the states of Bahia and Rio Grande do Norte, with capacities of 282 MWp and 312 MWp, respectively. The projects are set to reach its COD before 2025. With this portfolio addition, Galp's total gross renewable generation portfolio increases to c.4.7 GW spread through Portugal, Spain and Brazil. More information here.

06

FINANCIAL DATA

6. FINANCIAL DATA

6.1 Income Statement

€m (RCA, except otherwise stated)

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
2,899	3,636	4,365	1,466	51%	Turnover	8,552	11,338	2,786	33%
(2,012)	(2,695)	(3,254)	1,242	62%	Cost of goods sold	(5,892)	(8,359)	2,467	42%
(370)	(352)	(380)	10	3%	Supply & Services	(1,175)	(1,088)	(87)	(7%)
(73)	(68)	(78)	5	7%	Personnel costs	(223)	(216)	(6)	(3%)
(38)	53	(43)	5	12%	Other operating revenues (expenses)	(94)	9	103	n.m.
(4)	(3)	(2)	(2)	(41%)	Impairments on accounts receivable	(7)	(5)	(2)	(27%)
401	**571**	**607**	**206**	**51%**	**RCA Ebitda**	**1,161**	**1,678**	**517**	**45%**
362	**644**	**655**	**293**	**81%**	**IFRS Ebitda**	**695**	**1,943**	**1,248**	**n.m.**
(294)	(266)	(238)	(56)	(19%)	Depreciation, Amortisation and Impairments	(877)	(720)	(157)	(18%)
1	(0)	(1)	(1)	n.m.	Provisions	(15)	(1)	(14)	(95%)
108	**305**	**369**	**261**	**n.m.**	**RCA Ebit**	**268**	**957**	**689**	**n.m.**
69	**376**	**415**	**346**	**n.m.**	**IFRS Ebit**	**(202)**	**1,218**	**1,420**	**n.m.**
23	26	42	19	86%	Net income from associates	65	68	3	4%
(93)	(4)	(28)	(65)	(70%)	Financial results	(163)	(88)	(75)	(46%)
(7)	(7)	(7)	(0)	(3%)	Net interests	(19)	(23)	4	19%
(1)	4	4	5	n.m.	Capitalised interest	9	11	2	18%
(25)	8	(2)	(23)	(92%)	Exchange gain (loss)	(112)	(11)	(101)	(90%)
(36)	(0)	0	36	n.m.	Mark-to-market of derivatives	(102)	-	102	n.m.
(20)	(18)	(18)	(2)	(8%)	Interest on leases (IFRS 16)	(61)	(55)	(6)	(10%)
(3)	10	(5)	1	43%	Other financial costs/income	123	(10)	(133)	n.m.
37	**327**	**382**	**345**	**n.m.**	**RCA Net income before taxes and minority interests**	**171**	**937**	**766**	**n.m.**
(52)	(153)	(184)	132	n.m.	Taxes	(218)	(518)	300	n.m.
(80)	(142)	(149)	69	86%	Taxes on oil and natural gas production[1]	(229)	(400)	170	74%
(9)	(34)	(37)	28	n.m.	Non-controlling interests	1	(93)	(94)	n.m.
(23)	**140**	**161**	**184**	**n.m.**	**RCA Net income**	**(45)**	**327**	**372**	**n.m.**
(85)	(137)	(545)	460	n.m.	Special items	(111)	(648)	537	n.m.
(108)	**3**	**(384)**	**276**	**n.m.**	**RC Net income**	**(156)**	**(321)**	**165**	**n.m.**
2	68	50	48	n.m.	Inventory effect	(360)	219	579	n.m.
(106)	**71**	**(334)**	**228**	**n.m.**	**IFRS Net income**	**(516)**	**(102)**	**(414)**	**(80%)**

[1] Includes income taxes and taxes on oil and natural gas production, such as SPT payable in Brazil and IRP payable in Angola.

Third quarter 2021

RCA Ebitda increased €206 m YoY to €607 m, driven by a higher Upstream contribution, supported by increased oil prices, as well as a more supportive international refining environment. IFRS Ebitda amounted to €655 m, considering €69 m of inventory effect and -€21 m of special items.

RCA Ebit was up to €369 m, supported by the RCA Ebitda increase. IFRS Ebit was €415 m.

Income from associated companies was €42 m, higher €19 m YoY, reflecting the increased contribution of the renewables joint ventures.

Financial results were -€28 m, reflecting the IFRS 16 leases and net interests. Mark-to-market is now registered as a special item, as per the note below.

RCA taxes increased YoY, from €52 m to €184 m, following the increased operational results.

Non-controlling interests of -€37 m, mostly attributed to Sinopec's stake in Petrogal Brasil.

RCA net income was €161 m. IFRS net income was negative at -€334 m, with a positive inventory effect of €50 m and special items of -€545 m, which includes mark-to-market swings with derivatives.

Note: for the purpose of better assessing Galp's recurrent performance, from 1Q21 onwards mark-to-market swings related with derivative hedges to cover client positions, which have no direct translation into operational results, are considered as special items. No adjustments were made in the reported figures from previous periods.

Nine months of 2021

RCA Ebitda of €1,678 m was 45% higher YoY, supported by the improved market conditions during the period.

RCA Ebit was €957 m, up from €268 m in the first nine months of 2020, following higher operational contribution, although reflecting €48 m of impairments related with exploration assets in Upstream.

Financial results were -€88 m, including IFRS 16 leases, net interests and FX differences registered in the period.

RCA taxes increased YoY from €218 m to €518 m, mostly following the higher performance in Upstream.

Non-controlling interests of -€93 m, related with Sinopec's stake in Petrogal Brasil.

RCA net income was €327 m, while IFRS net income was -€102 m, with a positive inventory effect of €219 m and special items of -€648 m.

6.2 Capital Expenditure

€m

Quarter						Nine Months			
3Q20	2Q21	3Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
71	135	187	115	n.m.	Upstream	257	470	214	83%
-	-	-	-	n.m.	Exploration and appraisal activities	0	-	(0)	n.m.
71	135	187	115	n.m.	Development and production activities	256	470	214	83%
28	22	21	(7)	(24%)	Commercial	78	47	(31)	(39%)
15	11	15	0	2%	Industrial & Energy Management	51	32	(19)	(36%)
328	51	52	(276)	(84%)	Renewables & New Businesses	330	118	(212)	(64%)
3	5	4	1	33%	Others	9	12	3	33%
444	**224**	**278**	**(166)**	**(37%)**	**Capex (economic)[1]**	**724**	**680**	**(45)**	**(6%)**

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

Third quarter 2021

Capex totalled €278 m during the quarter.

Investments in the Upstream were mostly directed to projects under development in the Brazilian pre-salt, namely Tupi/Iracema and Bacalhau, which also includes a €34 m payment to Barra Energia related with the increased stake in BM-S-8, announced in 2017 (see here).

Commercial capex was mainly directed to business transformation and retail segment in Portugal, whilst Industrial & Energy Management capex was allocated towards initiatives to improve the refining system efficiency.

Investments within the Renewables & New Businesses segment were mostly deployed towards the execution of the solar projects' pipeline.

Nine months of 2021

Capex was €680 m, of which 69% allocated to the Upstream business.

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

Commercial capex was mostly allocated to business transformation, namely non-fuel activities, and Mozambique logistic facilities. Industrial & Energy Management investments were allocated towards initiatives to improve systems efficiency.

Renewables & New Businesses capex is mainly related to the development and execution of solar projects in Iberia.

6.3 Cash Flow

€m (IFRS figures)

Quarter				Nine Months	
3Q20	2Q21	3Q21		2020	2021
401	571	607	RCA Ebitda	1,161	1,678
17	42	35	Dividends from associates	52	125
(93)	(144)	(174)	Taxes paid	(343)	(420)
325	**470**	**468**	**Adjusted operating cash flow**	**870**	**1,383**
(42)	(20)	(21)	Special items	26	(30)
4	92	69	Inventory effect	(492)	295
103	(102)	(342)	Changes in working capital	391	(656)
391	**440**	**175**	**Cash flow from operations**	**794**	**992**
(432)	(186)	(261)	Net capex[1]	(792)	(253)
(432)	(211)	(261)	Investment	(792)	(621)
-	25	-	Divestment	-	368
(3)	(7)	(8)	Net financial expenses	(41)	(50)
(17)	(18)	(19)	IFRS 16 leases interest	(61)	(56)
17	-	-	Realised income from derivatives	78	-
(3)	-	-	Proceeds from equalisation	80	-
(49)	**228**	**(113)**	**Free cash flow**	**58**	**633**
(29)	(78)	-	Dividends paid to non-controlling interest[2]	(223)	(78)
-	(290)	(207)	Dividends paid to Galp shareholders	(318)	(498)
(30)	(28)	(30)	Reimbursement of IFRS 16 leases principal	(84)	(84)
(51)	9	33	Others	(88)	64
159	**159**	**317**	**Change in financial net debt**	**656**	**(38)**

[1] 2021 includes the proceeds from the GGND stake sale of €368 m.
[2] Mainly dividends paid to Sinopec.

Third quarter 2021

Galp's OCF[1] reached €468 m, up €143 m YoY, driven by a higher Upstream contribution, as well as a more supportive refining performance.

CFFO was down €216 m YoY to €175 m, impacted by a temporary working capital build, caused by derivatives margin accounts of €373 m. Most of the natural gas sourced by Galp is acquired on a Brent-indexed basis, a significant proportion of which is sold to clients on a TTF index basis. The gains from the recent sharp increase in TTF are neutralised by derivatives set to cover TTF vs Brent spread risk. Some of the derivatives require margin deposits (exchange-traded TTF futures), which temporarily affect Galp's cash position and which are released as TTF prices adjust downwards and/or gas is delivered to clients throughout 2022.

Net capex during the period was of €261 m, leading to a FCF generation of -€113 m.

Considering dividends' payments to shareholders of €207 m and other adjustments, net debt increased €317 m in the period.

Nine months of 2021

Galp's OCF reached €1,383 m, while CFFO amounted to €992 m, driven by the improved macro environment, although partially offset by a working capital build.

Net capex was €253 m, considering the proceeds from the GGND stake sale of €368 m, as well as €35 m of partial proceeds related to the sale of FPSO P-71 to Petrobras.

FCF amounted to €633 m, with the cash generation in the period supported by operational performance and divestments.

Considering dividends paid to shareholders and to non-controlling interests, as well as other adjustments, net debt was reduced by €38 m during the first nine months of 2021.

[1] The OCF indicator represents a proxy of Galp's operational performance excluding inventory effects, working capital changes and special items. The reconciliation of this indicator with CFFO using IFRS is in chapter 6.3 Cash Flow.

6.4 Financial Position

€m (IFRS figures)

	31 Dec. 2020	30 Jun. 2021	30 Set. 2021	Var. vs 31 Dec. 2020	Var. vs 31 Jun. 2021
Net fixed assets	6,259	6,284	6,484	226	201
Rights of use (IFRS 16)	1,002	1,008	1,061	59	52
Working capital	703	1,017	1,359	656	342
Other assets/liabilities	(710)	(1,267)	(1,895)	(1,186)	(628)
Capital employed	**7,254**	**7,042**	**7,009**	**(246)**	**(33)**
Short term debt	539	177	523	(17)	346
Medium-Long term debt	3,204	3,068	2,762	(442)	(305)
Total debt	**3,743**	**3,244**	**3,285**	**(458)**	**41**
Cash and equivalents	1,678	1,533	1,257	(421)	(276)
Net debt	**2,066**	**1,711**	**2,028**	**(38)**	**317**
Leases (IFRS 16)	1,089	1,105	1,166	77	60
Equity	4,100	4,225	3,815	(285)	(410)
Equity, net debt and leases	**7,254**	**7,042**	**7,009**	**(246)**	**(33)**

On September 30, 2021, net fixed assets were €6,484 m, including work-in-progress of €1,691 m, mostly related to the Upstream business.

Other assets / liabilities were down €628 m QoQ, with the swing mostly reflecting temporary impacts of €638 m from the mark-to-market of gas derivatives. Equity was down €410 m QoQ, mostly reflecting the negative IFRS net income and distributions to shareholders in the quarter.

6.5 Financial debt

€m (except otherwise stated)

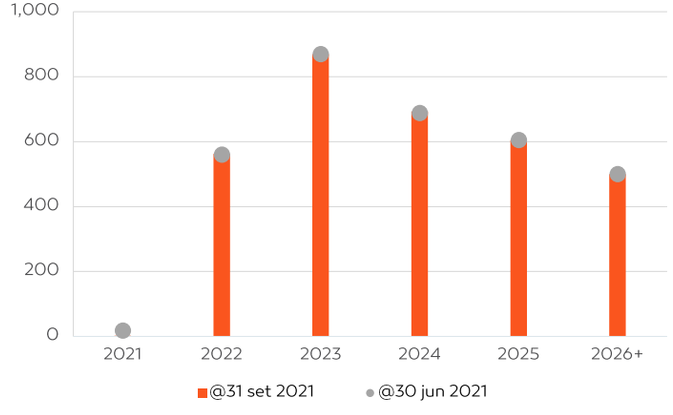
	31 Dec. 2020	30 Jun. 2021	30 Set. 2021	Var. vs 31 Dec. 2020	Var. vs 31 Jun. 2021
Cash and equivalents	1,678	1,533	1,257	(421)	(276)
Undrawn credit facilities	1,262	1,133	1,133	(129)	0
Bonds	2,904	2,410	2,415	(488)	5
Bank loans and other debt	840	834	870	30	35
Net debt	2,066	1,711	2,028	(38)	317
Leases (IFRS 16)	1,089	1,105	1,166	77	60
Average life (years)[1]	2.8	2.7	2.5	(0.3)	(0.2)
Average funding cost[1]	1.7%	1.4%	1.4%	(0 p.p.)	(0.0 p.p.)
Debt at floating rate[1]	52%	60%	61%	9 p.p.	0 p.p.
Net debt to RCA Ebitda [2]	1.5x	1.0x	1.1x	-0.4x	0.1x

[1] Debt does not include Financial leases.
[2] Ratio considers the LTM Ebitda RCA (€1,902 m), which includes the adjustment for the impact from the application of IFRS 16 (€186 m).

On September 30, 2021, net debt was €2,028 m, up €317 m QoQ, as the CFFO was impacted by a temporary build in working capital and including the dividends' payments to shareholders. Net debt to RCA Ebitda increased to 1.1x.

At the end of the period, Galp had unused credit lines of approximately €1.1 bn, of which c.75% were contractually guaranteed.

Debt maturity profile (€ m)



Reconciliation of IFRS and RCA figures

Ebitda by segment

€m

Third Quarter					2021	Nine months				
IFRS Ebitda	Inventory effect	RC Ebitda	Special items	RCA Ebitda		IFRS Ebitda	Inventory effect	RC Ebitda	Special items	RCA Ebitda
655	**(69)**	**586**	**21**	**607**	Galp	**1,943**	**(295)**	**1,648**	**30**	**1,678**
522	-	522	(0)	522	Upstream	1,454	-	1,454	(26)	1,428
91	(4)	87	-	87	Commercial	235	(6)	229	-	229
59	(65)	(6)	21	15	Ind. & Energy Management	292	(289)	4	56	60
(6)	-	(6)	-	(6)	Renewables & New Businesses	(14)	-	(14)	-	(14)
(11)	-	(11)	0	(11)	Others	(24)	-	(24)	0	(24)

Ebit by segment

€m

Third Quarter					2021	Nine months				
IFRS Ebit	Inventory effect	RC Ebit	Special items	RCA Ebit		IFRS Ebit	Inventory effect	RC Ebit	Special items	RCA Ebit
415	**(69)**	**346**	**23**	**369**	Galp	**1,218**	**(295)**	**924**	**33**	**957**
375	-	375	(0)	375	Upstream	1,005	-	1,005	(26)	978
62	(4)	58	-	58	Commercial	156	(6)	149	-	149
(0)	(65)	(65)	23	(43)	Ind. & Energy Management	110	(289)	(178)	60	(119)
(6)	-	(6)	-	(6)	Renewables & New Businesses	(14)	-	(14)	-	(14)
(15)	-	(15)	-	(15)	Others	(38)	-	(38)	-	(38)

Special items

€m

Quarter				Nine Months	
3Q20	2Q21	3Q21		2020	2021
42	**20**	**21**	**Items impacting Ebitda**	**(26)**	**30**
1	-	-	Margin (Change in production) - Unitisation	(30)	-
1	-	-	Exchange rate differences related with Brazil unitisation processes	(37)	-
-	0	(0)	Termination agreement for service and equipment (P-71)	-	(26)
-	20	21	Matosinhos Refinery operations (under decomissioning)	-	56
(0)	**1**	**1**	**Items impacting non-cash costs**	**4**	**3**
(0)	-	-	Depreciations and Amortisations - Unitisation	4	-
-	1	1	Asset impairments (Matosinhos Refinery)	-	3
11	**184**	**617**	**Items impacting financial results**	**(44)**	**741**
0	1	1	Gains/losses on financial investments (GGND)[1]	9	11
10	-	-	Gains/losses on financial investments - Unitisation	(57)	-
(0)	-	-	Financial costs - Unitisation	5	-
-	0	0	Financial costs - Others	-	0
-	185	638	Mark-to-Market of derivatives	-	786
-	(2)	(22)	MTM of derivatives and FX from natural gas derivatives	-	(57)
53	**(75)**	**(88)**	**Items impacting taxes**	**194**	**(132)**
(12)	(62)	(117)	Taxes on special items	8	(154)
58	(22)	24	BRL/USD FX impact on deferred taxes in Brazil	154	(1)
7	8	5	Energy sector contribution taxes	32	23
(21)	**7**	**(7)**	**Non-controlling interests** (Unitisation and FX on deferred taxes Brazil)	**(18)**	**5**
85	**137**	**545**	**Total special items**	**111**	**648**

[1] Includes adjustments from the correspondent CESE, previously booked at GGND.

6.6 IFRS consolidated income statement

€m

Quarter				Nine Months	
3Q20	2Q21	3Q21		2020	2021
2,747	3,520	4,243	Sales	8,070	10,977
152	117	121	Services rendered	482	362
46	55	31	Other operating income	159	154
2,944	**3,691**	**4,396**	**Operating costs**	**8,711**	**11,492**
(2,009)	(2,609)	(3,206)	Inventories consumed and sold	(6,354)	(8,096)
(370)	(358)	(387)	Materials and services consumed	(1,175)	(1,107)
(114)	(73)	(84)	Personnel costs	(264)	(235)
(4)	(3)	(2)	Impairments on accounts receivable	(7)	(5)
(85)	(4)	(61)	Other operating costs	(216)	(107)
(2,582)	**(3,047)**	**(3,740)**	**Total operating costs**	**(8,017)**	**(9,550)**
362	**644**	**655**	**Ebitda**	**695**	**1,943**
(294)	(267)	(239)	Depreciation, Amortisation and Impairments	(882)	(723)
1	(0)	(1)	Provisions	(15)	(1)
69	**376**	**415**	**Ebit**	**(202)**	**1,218**
12	25	41	Net income from associates	114	57
(93)	(188)	(645)	Financial results	(167)	(817)
9	4	5	Interest income	23	13
(16)	(11)	(12)	Interest expenses	(43)	(36)
(1)	4	4	Capitalised interest	9	11
(20)	(18)	(19)	Interest on leases (IFRS 16)	(61)	(56)
(25)	9	20	Exchange gain (loss)	(112)	46
(36)	(185)	(638)	Mark-to-market of derivatives	(102)	(786)
(3)	10	(5)	Other financial costs/income[1]	119	(10)
(12)	**213**	**(188)**	**Income before taxes**	**(256)**	**458**
(99)	(94)	(110)	Taxes[2]	(239)	(429)
(7)	(8)	(5)	Energy sector contribution taxes[3]	(41)	(33)
(118)	**111**	**(304)**	**Income before non-controlling interests**	**(535)**	**(3)**
12	(41)	(30)	Income attributable to non-controlling interests	19	(98)
(106)	**71**	**(334)**	**Net income**	**(516)**	**(102)**

[1] 2020 includes €105 m relative to realised income from derivatives and €34 m related to the anticipated closure of refining margin positions.
[2] Includes SPT payable in Brazil and IRP payable in Angola.
[3] Includes €8 m, €15 m and €9 m related to CESE I, CESE II and FNEE, respectively, during the nine months of 2021.

6.7 Consolidated financial Position

€m

	31 Dec. 2020	30 Jun. 2021	30 Set. 2021
Assets			
Tangible fixed assets	4,878	4,988	5,066
Goodwill	85	90	89
Other intangible fixed assets	532	543	601
Rights of use (IFRS 16)	1,002	1,008	1,061
Investments in associates	483	339	371
Receivables	267	279	285
Deferred tax assets	509	479	468
Financial investments	402	614	933
Total non-current assets	**8,157**	**8,340**	**8,873**
Inventories[1]	708	852	914
Trade receivables	781	1,063	1,059
Other receivables	877	585	619
Financial investments	190	360	650
Current Income tax recoverable	101	57	195
Cash and equivalents	1,678	1,533	1,257
Total current assets	**4,335**	**4,450**	**4,693**
Total assets	12,492	12,791	13,566

[1] Includes €42 m of stocks made on behalf of third parties on 30 September 2021.

€m

	31 Dec. 2020	30 Jun. 2021	30 Set. 2021
Equity			
Share capital	829	829	829
Share premium	82	82	82
Reserves	967	1,135	1,259
Retained earnings	1,832	996	788
Net income	(551)	232	(102)
Total equity attributable to equity holders of the parent	**3,160**	**3,274**	**2,857**
Non-controlling interests	940	951	958
Total equity	**4,100**	**4,225**	**3,815**
Liabilities			
Bank loans and overdrafts	801	707	597
Bonds	2,404	2,360	2,165
Leases (IFRS 16)	923	939	993
Other payables	111	102	99
Retirement and other benefit obligations	381	367	355
Deferred tax liabilities	479	480	563
Other financial instruments	37	175	757
Provisions	1,008	1,081	1,111
Total non-current liabilities	**6,144**	**6,212**	**6,640**
Bank loans and overdrafts	39	127	273
Bonds	500	50	250
Leases (IFRS 16)	166	166	173
Trade payables	650	849	907
Other payables	763	870	935
Other financial instruments	130	292	573
Income tax payable	0	-	0
Total current liabilities	**2,248**	**2,354**	**3,111**
Total liabilities	**8,392**	**8,565**	**9,752**
Total equity and liabilities	**12,492**	**12,791**	**13,566**

07

BASIS OF REPORT

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 September 30 and June 30, 2021 and 2020 and December 31, 2020.

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 special items considering the Group's activities.

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

Following the decision to discontinue the Matosinhos refinery, the Company is now booking all Matosinhos related activities as a special item, in order to provide a better proxy of Galp's refining operations going forward.

From 1Q21 onwards mark-to-market swings related with derivative hedges to cover client positions, which have no direct translation into operational results, are considered as special items. No adjustments were made in the reported figures from previous periods.

With regards to risks and uncertainties, please read Part I – C. III Internal control and risk management of Corporate Governance Report 2020.

08

APPENDIX

8. APPENDIX

Unaudited Condensed Consolidated Financial Statements for the period ended 30 September 2021

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Unaudited Interim Condensed Consolidated Statement of Financial Position

Galp Energia, SGPS, S.A.

Unaudited Condensed Consolidated Statement of Financial Position as of 30 September 2021 and 31 December 2020

(Amounts stated in million Euros - € m)

Assets	Notes	September 2021	December 2020
Non-current assets:			
Tangible assets	**4**	5,066	4,878
Goodwill and intangible assets	**5**	690	617
Right-of-use of assets	**6**	1,061	1,002
Investments in associates and joint ventures	**7**	371	483
Deferred tax assets	**14.1**	468	509
Other receivables	**9.2**	285	266
Other financial assets	**10**	933	402
Total non-current assets:		**8,873**	**8,157**
Current assets:			
Inventories	**8**	914	708
Other financial assets	**10**	650	190
Current income tax receivable		195	101
Trade receivables	**9.1**	1,059	781
Other receivables	**9.2**	619	877
Cash and cash equivalents	**11**	1,257	1,678
Total current assets:		**4,693**	**4,335**
Total assets:		**13,566**	**12,492**

Equity and Liabilities	Notes	September 2021	December 2020
Equity:			
Share capital and share premium		911	911
Reserves		1,259	967
Retained earnings		686	1,281
Total equity attributable to shareholders:		**2,857**	**3,160**
Non-controlling interests	**18**	958	940
Total equity:		**3,815**	**4,100**
Liabilities:			
Non-current liabilities:			
Financial debt	**12**	2,762	3,204
Lease liabilities	**6**	993	923
Other payables	**13**	99	111
Post-employment and other employee benefit liabilities	**15**	355	381
Deferred tax liabilities	**14.1**	563	479
Other financial instruments	**17**	757	37
Provisions	**16**	1,111	1,008
Total non-current liabilities:		**6,640**	**6,144**
Current liabilities:			
Financial debt	**12**	523	539
Lease liabilities	**6**	173	166
Trade payables	**18**	907	650
Other payables	**13**	935	763
Other financial instruments	**17**	573	130
Total current liabilities:		**3,111**	**2,248**
Total liabilities:		**9,751**	**8,392**
Total equity and liabilities:		**13,566**	**12,492**

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

Unaudited Interim Condensed Consolidated Income Statement and Consolidated Statement of Comprehensive Income

Galp Energia, SGPS, S.A.
Unaudited Condensed Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the nine-month periods ended 30 September 2021 and 30 September 2020
(Amounts stated in million Euros - € m)

	Notes	September 2021	September 2020
Sales	19	10,977	8,070
Services rendered	19	362	482
Other operating income	19	154	159
Financial income	21	21	62
Earnings from associates and joint ventures	7/19	57	114
Total revenues and income:		**11,570**	**8,887**
Cost of sales	20	(8,096)	(6,375)
Supplies and external services	20	(1,107)	(1,175)
Employee costs	20	(235)	(264)
Amortisation and depreciation on fixed assets	20	(681)	(782)
Impairment losses on fixed assets	20	(42)	(100)
Provisions and impairment losses on receivables	20	(6)	(22)
Other operating costs	20	(107)	(195)
Financial expenses	21	(838)	(230)
Total costs and expenses:		**(11,112)**	**(9,143)**
Profit/(Loss) before taxes and other contributions:		**458**	**(256)**
Taxes and SPT	14.1	(429)	(239)
Energy sector extraordinary contribution	14.2	(33)	(41)
Consolidated net profit/(loss) for the period		**(3)**	**(535)**
Attributable to:			
Galp Energia, SGPS, S.A. Shareholders		**(102)**	**(516)**
Non-controlling interests	18	98	(19)
Basic and Diluted Earnings per share (in Euros)		**(0.12)**	**0.62**
Consolidated net profit/(loss) for the period		**(3)**	**(536)**
Items which will not be recycled in the future through net income:			
Remeasurements		5	(2)
Income taxes related to remeasurements		0	-
Items which may be recycled in the future through net income:			-
Currency translation adjustments		308	(230)
Hedging reserves		56	9
Income taxes related to the above item		(13)	(2)
Total Comprehensive income for the period, attributable to:		**352**	**(761)**
Galp Energia, SGPS, S.A. Shareholders		**194**	**(717)**
Non-controlling interests		**158**	**(44)**

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.

Unaudited Interim Condensed Consolidated Statement of Changes in Equity

Galp Energia, SGPS, S.A.

Unaudited Condensed Consolidated Statement of changes in equity for the nine-month periods ended 30 September 2021 and 30 September 2020
(Amounts stated in million Euros - € m)

	Share Capital and Share Premium		Reserves			Retained earnings	Sub-Total	Non-controlling interests	Total
	Share Capital	Share Premium	Currency Translation Reserves	Hedging Reserves	Other Reserves				
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	-	-	-	-	-	(516)	(516)	(19)	(535)
Other gains and losses recognised in equity	-	-	(206)	7	-	(2)	(201)	(25)	(225)
Comprehensive income for the period	**-**	**-**	**(206)**	**7**	**-**	**(518)**	**(717)**	**(44)**	**(761)**
Dividends distributed	-	-	-	-	-	(318)	(318)	(98)	(416)
Decrease in reserves	-	-	-	-	-	-	-	(145)	(145)
As at 30 September 2020	**829**	**82**	**(375)**	**(3)**	**1,535**	**1,316**	**3,385**	**950**	**4,335**
	-	-	-	-	-	-	-	-	-
Balance as at 1 January 2021	**829**	**82**	**(570)**	**3**	**1,535**	**1,281**	**3,160**	**940**	**4,100**
Consolidated net loss for the period	-	-	-	-	-	(102)	(102)	98	(3)
Other gains and losses recognised in equity	-	-	249	43	-	5	296	60	355
Comprehensive income for the period	**-**	**-**	**249**	**43**	**-**	**(97)**	**194**	**158**	**352**
Dividends distributed	-	-	-	-	-	(498)	(498)	(52)	(550)
Increase/decrease in reserves	-	-	-	-	-	-		(88)	(88)
Balance as at 30 September 2021	**829**	**82**	**(321)**	**46**	**1,535**	**686**	**2,857**	**958**	**3,815**

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

Unaudited Interim Condensed Consolidated Statement of Cash Flow

Galp Energia, SGPS, S.A.

Unaudited Condensed Consolidated Statement of Cash Flow for the nine-month periods ended 30 September 2021 and 30 September 2020

(Amounts stated in million Euros - €m)

	Notes	September 2021	September 2020
Income/(Loss) before taxation for the period		**458**	**(256)**
Adjustments for:			
Depreciation, depletion and amortisation	20	723	882
Adjustments to net realisable value of inventories	20	6	(1)
Interest Expense, net	21	817	167
Underlifting and/or Overlifting	19;20	50	172
Share of profit/(loss) of joint ventures and associates	19	(57)	(114)
Others		1	2
Increase / decrease in assets and liabilities:			
(Increase) in inventories		(213)	311
(Increase)/decrease in current receivables		(292)	49
(Decrease)/increase in current payables		247	(97)
(Increase)/decrease in other receivables, net		(454)	(31)
Dividends from associates		125	52
Taxes paid		(420)	(343)
Cash flow from operating activities		**992**	**794**
Equalization in cash flow from operations		0	(137)
Cash flow from operating activities adjusted by equalization		**992**	**657**
Capital expenditure in tangible and intangible assets		(593)	(510)
Investments in associates and joint ventures, net		444	(222)
Other investment cash outflows, net		(103)	(44)
Equilization Impact in net investment		0	217
Cash flow from investing activities		**(251)**	**(560)**
Loans obtained		3,601	2,290
Loans repaid		(4,128)	(1,388)
Interest paid		(55)	(54)
Leases repaid		(84)	(80)
Interest on leases paid		(56)	(64)
Change in non-controlling interest		(46)	(145)
Dividends paid to Galp shareholders		(498)	(318)
Dividends paid to non-controlling interest		(32)	(78)
Realised income on derivative financial instruments		0	78
Cash flow from financing activities		**(1,297)**	**241**
(Decrease)/increase in cash and cash equivalents		(557)	339
Currency translation differences in cash and cash equivalents		84	(108)
Cash and cash equivalents at the beginning of the period		1,675	1,431
Cash and cash equivalents at the end of the period		**1,203**	**1,662**

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

Notes to the Unaudited Condensed Consolidated Financial Statements

1. Corporate information

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

2. Basis for preparation, changes to the Group's accounting policies and matters related to the condensed consolidated financial statements

2.1. Basis for preparation

The condensed consolidated financial statements for the nine-month period ended 30 September 2021 were prepared in accordance with IAS 34 - Interim Financial Reporting.

The Galp Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Board of Directors considers that there no material uncertainties that may cast doubt over this assumption. The Board has formed a judgement that there is a reasonable expectation that the Galp Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

These financial statements do not include all of the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the consolidated financial statements of the Galp Group for the year ended as of 31 December 2020.

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

2.2. Macroeconomic event, impairments and financial derivatives

During Q3 2021 we have witnessed major macroeconomic events with soaring energy prices in all commodities, gas, electricity and oil due to supply restrictions and a rise in consumption after the Covid-19 economic slowdown.

We have not identified impairment triggers for core assets as at 30 September 2021. A detailed impairment analysis for December 2021 consolidated financial statements will be carried out at year-end.

Nevertheless, since Group Galp is subjected to some financial risks, like volatility in energy prices and foreign exchange currencies, financial derivatives are traded to reduce short and long term uncertainties, As a consequence of the high volatility in financial markets observed in Q3 2021, financial derivatives held by Galp suffered high Mark-to Market impact on Financial results, mostly related with natural gas activities. Most of the gas sourced by Galp is acquired on a Brent-indexed basis, a significant proportion of which is sold to clients on a TTF index basis. The gains from the recent sharp increase in TTF are neutralized by derivatives set to cover TTF vs Brent spread risk. Some of the derivatives require margin deposits (exchange-traded TTF futures) which temporarily affect the Galp cash position, most of which will be reverted as gas is delivered to clients throughout 2022.

2.3. Impacts of the COVID-19 pandemic

On March 11, 2020, COVID-19 was declared a pandemic by the World Health Organization (WHO). Strict social isolation measures have been put in place since then in several countries, contributing to a significant slowdown in the global economic environment, reduced demand for oil and its products, including in key markets in which Galp operates such as Portugal and Spain.

Even though Galp is observing throughout 2021 a progressive economic recovery in these regions, demand is still below pre-Covid levels in all the commercial segments, more notably in the aviation and maritime bunkering and industrial activites.

2.4. Cash Flow statement – indirect method

As permitted by IAS 7 – Cash Flow Statement, Galp has decided to change the method of presenting the condensed consolidated statement of cash flow from direct to indirect method. For better comparison, the condensed consolidated statement of cash flows for the period of nine-months ended as of 30 September 2020 has been restated.

2.5. Changes of the consolidation perimeter

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

Legal Entity	Country	% Acquired	Transaction	Consolidation Method
Eter Solarbay, SLU	Spain	100%	Acquisition of Control	Full consolidation
Ciclope Solarbay, SLU	Spain	100%	Acquisition of Control	Full consolidation
Duplexia Experts, SL	Spain	100%	Acquisition of Control	Full consolidation
Gastroselector Market, SL	Spain	100%	Acquisition of Control	Full consolidation
Enerland Solar 3	Spain	100%	Acquisition of Control	Full consolidation
SDC International Solar Development Corporation, Lda	Portugal	100%	Acquisition of Control	Full consolidation

2.6. Presentation of cost of emissions in the statement of profit or loss

Galp has decided to change the presentation of the cost of emissions from other operating costs to Cost of sales in the amount of €45m during nine months of 2021, for better comparison the condensed consolidated statement of profit or loss for the period of nine-months ended as of 30 September 2020 was restated.

3. Segment reporting

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

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

The Renewables & New Businesses segment encompasses renewables power generation, mobility 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 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, respectively.

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

The replacement cost financial information for the segments identified above, for the nine-month periods ended 30 September 2021 and 2020, is as follows:

Unit: € m

	Consolidated		Upstream		Industrial & Energy Management		Commercial		Renewables and New businesses		Others		Consolidation adjustments	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Sales and services rendered	**11,338**	**8,552**	**1,996**	**1,501**	**4,809**	**3,253**	**5,450**	**4,469**	**37**	**22**	**133**	**153**	**(1,087)**	**(846)**
Cost of sales	**(8,390)**	**(5,862)**	**(47)**	**2**	**(4,492)**	**(2,744)**	**(4,685)**	**(3,703)**	**(23)**	**(17)**	**(27)**	**-**	**883**	**600**
of which Variation of Production	108	(213)	(29)	(4)	136	(210)	-	-	-	-	-	-	-	-
Other revenue & expenses	**(1,300)**	**(1,503)**	**(494)**	**(644)**	**(314)**	**(426)**	**(537)**	**(512)**	**(28)**	**(12)**	**(129)**	**(155)**	**203**	**246**
of which Under & Overlifting	(50)	(172)	(50)	(172)	-	-	-	-	-	-	-	-	-	-
EBITDA at Replacement Cost	**1,648**	**1,187**	**1,454**	**859**	**4**	**83**	**229**	**254**	**(14)**	**(6)**	**(24)**	**(3)**	**-**	**-**
Amortisation, depreciation and impairment losses on fixed assets	**(723)**	**(882)**	**(451)**	**(546)**	**(182)**	**(255)**	**(79)**	**(69)**	**(1)**	**(1)**	**(11)**	**(10)**	**-**	**-**
Provisions (net)	**(1)**	**(15)**	**1**	**(4)**	**-**	**-**	**-**	**-**	**2**	**(10)**	**(3)**	**-**	**-**	**-**
EBIT at Replacement Cost	**924**	**290**	**1,005**	**309**	**(178)**	**(173)**	**149**	**184**	**(14)**	**(17)**	**(38)**	**(12)**	**-**	**-**
Earnings from associates and joint ventures	**57**	**114**	**5**	**64**	**21**	**48**	**6**	**(1)**	**25**	**2**	**-**	**-**	**-**	**-**
Financial results	**(817)**	**(167)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Taxes at Replacement Cost	**(353)**	**(371)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Energy Sector Extraordinary Contribution	**(33)**	**(41)**	**-**	**-**	**(16)**	**(19)**	**(9)**	**(9)**	**-**	**-**	**(7)**	**(13)**	**-**	**-**
Consolidated net income at Replacement Cost, of which:	**(223)**	**(175)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Attributable to non-controlling interests	**(98)**	**19**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Attributable to shareholders of Galp Energia SGPS SA	**(321)**	**(156)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
OTHER INFORMATION														
Segment Assets [1]														
Financial investments [2]	371	483	193	329	10	32	25	16	130	104	12	2	-	-
Other assets	13,196	12,009	6,688	6,223	3,435	2,335	2,481	2,310	454	316	1,119	1,348	(981)	(524)
Segment Assets	**13,566**	**12,492**	**6,881**	**6,552**	**3,445**	**2,367**	**2,506**	**2,326**	**584**	**420**	**1,131**	**1,350**	**(981)**	**(524)**
of which Rights of use of assets	1,061	1,002	626	606	184	195	194	141	-	-	71	74	(14)	(15)
Investment in Tangible and Intangible Assets	**632**	**475**	**522**	**359**	**32**	**52**	**44**	**51**	**20**	**5**	**13**	**9**	**-**	**-**

[1] Net amount

[2] Accounted for based on the equity method of accounting

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

Unit: € m

	Sales and services rendered [1]		Tangible and intangible assests		Financial investiments	
	2021	2020	2021	2020	2021	2020
	11,338	**8,552**	**5,756**	**5,494**	**371**	**483**
Europe	9,917	7,424	1,561	1,665	117	105
Latin America	1.136	687	3,106	2,808	48	209
Africa	285	441	1,089	1,021	205	168

[1] Net consolidation operation

The reconciliation between the segment reporting and the Condensed Consolidated Income Statement for the periods ended 30 September 2021 and 30 September 2020 was as follows:

Unit: € m

	2021	2020
Sales and services rendered	11,338	8,552
Cost of sales	(8,096)	(6,354)
Replacement cost adjustments (1)	(295)	492
Cost of sales at Replacement Cost	(8,390)	(5,862)
Other revenue and expenses	(1,300)	(1,503)
Depreciation and amortisation	(723)	(882)
Provisions (net)	(1)	(15)
Earnings from associates and joint ventures	57	114
Financial results	(817)	(167)
Profit before taxes and other contributions at Replacement Cost	**163**	**237**
Replacement Cost adjustments	295	(492)
Profit before taxes and other contributions at IFRS	**458**	**(256)**
Taxes and SPT	(429)	(239)
Income tax on Replacement Cost Adjustment (2)	75	(132)
Energy Sector Extraordinary Contribution	(33)	(41)
Consolidated net income for the period at Replacement Cost	**(223)**	**(175)**
Replacement Cost (1) +(2)	219	(359)
Consolidated net income for the period based on IFRS	**(3)**	**(535)**

4. Tangible assets

Unit: € m

	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
As at 30 September 2021					
Acquisition cost	1,269	11,288	500	1,709	14,767
Impairment	(28)	(122)	(1)	(214)	(365)
Accumulated depreciation and depletion	(786)	(8,098)	(452)	-	(9,336)
Net Value	**455**	**3,069**	**47**	**1,495**	**5,066**
Balance as at 1 January 2021	**454**	**2,955**	**52**	**1,417**	**4,878**
Additions	-	16	-	566	582
Depreciation, depletion and impairment	(16)	(521)	(15)	(42)	(593)
Disposals/Write-offs	(1)	-	-	-	(1)
Transfers	13	499	9	(520)	1
Currency exchange differences and other adjustments	4	120	1	75	200
Balance as at 30 September 2021	**455**	**3,069**	**47**	**1,495**	**5,066**

During the nine-month period under review the Group has made investments in the amount of €582 m, essentially related to projects in upstream Brazil (€417 m), Angola (€19 m) and Mozambique (€66 m) and in the businesses units Industrial & Energy Management (€63 m) and Commercial (€12m). The additions to tangible assets for the nine-month period ended 30 September 2021 also include the capitalisation of financial charges amounting to €11 m (Note 21).

In addition, regarding Exploration and Appraisal assets, and based on the assessment of prospects' potential performed during the second quarter of 2021, a write-off of €50 m was recorded related to Potiguar and smaller scale exploration prospects.

5. Goodwill and intangible assets

Unit: € m

	Industrial properties and other rights	Intangible assets in progress	Goodwill	Total
As at 30 September 2021				
Acquisition cost	1,046	86	91	1,223
Impairment	(20)	(22)	(2)	(44)
Accumulated amortisation	(489)	-	-	(489)
Net Value	**537**	**64**	**89**	**690**
Balance as at 1 January 2021	**482**	**49**	**85**	**617**
Additions	5	59	-	64
Amortisation and impairment	(32)	-	-	(32)
Write-offs/Disposals	(3)	-	(2)	(5)
Transfers	46	(45)	-	1
Currency exchange differences and other adjustments	38	-	5	44
Balance as at 30 September 2021	**537**	**64**	**89**	**690**

Goodwill adjustments are mainly regarding the acquisition of entities Eter Solarbay, SLU, Ciclope Solarbay, SLU, Duplexia Experts, SL, Gastroselector Market, SL and SDC International Solar Development Corportation, Lda and Enerland Solar 3. Fair value adjustments of €16m in relation to licences were reflected as Industrial properties and other rights. Deferred Tax liabilities due to fair value adjustments of €4m were also accounted for.

6. Leases

Right-of-use assets

Unit: € m

	FPSO's[1]	Buildings	Service stations	Vessels	Other usage rights	Total
As at 30 September 2021						
Acquisition cost	670	90	240	184	211	1,396
Accumulated amortisation	(113)	(14)	(50)	(115)	(43)	(334)
Net Value	**557**	**76**	**190**	**70**	**168**	**1,061**
As at 1 January 2020	**513**	**80**	**135**	**94**	**179**	**1,002**
Additions	44	-	77	5	1	126
Amortisation	(30)	(4)	(18)	(34)	(12)	(98)
Write-offs/Disposals	-	-	(5)	-	-	(5)
Currency exchange differences and other adjustments	30	-	1	4	-	35
Balance as at 30 September 2021	**557**	**76**	**190**	**70**	**168**	**1,061**

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

Lease liabilities

Unit: € m

	September 2021	December 2020
Maturity analysis – contractual undiscounted cash flow	**1,677**	**1,709**
Less than one year	174	180
One to five years	544	545
More than five years	959	984
Lease liabilities included in the statement of financial position	**1,166**	**1,089**
Non current	993	923
Current	173	166

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

Unit: € m

	September 2021	September 2020
	283	**405**
Interest on lease liabilities	56	61
Expenses related to short term, low value and variable payments of operating leases [1]	227	344

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

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

Unit: € m

	September 2021	September 2020
Financing activities	**140**	**144**
(Payments) relating to leasing (IFRS 16)	84	80
(Payments) relating to leasing (IFRS 16) interests	56	64

7. Investments in associates and joint ventures

Unit: € m

	September 2021	December 2020
	371	**483**
Joint ventures	288	405
Associates	82	78

7.1. Investments in joint ventures

Unit: € m

	As at 31 December 2020	Share capital increase/ decrease	Equity Method	Other adjustments	Dividends	As at 30 September 2021
	405	**(99)**	**21**	**26**	**(64)**	**288**
Tupi B,V,	168	(101)	5	(10)	(60)	2
Galp Disa Aviacion, S,A,	5	-	-	-	-	5
CLC - Companhia Logistica de Combustíveis, S,A,	8	-	-	-	-	8
Zero -E-Euro Assets, S,A,	58	1	13	6	-	79
Coral FLNG, S,A,	161	-	-	31	-	192
Other joint ventures	4	-	2	(1)	(4)	1

In addition, Tupi B.V. repaid share premium contributions in the amount of €101 m, which includes proceeds from the sale of equipment to the E&P operations in Brazil.

During the nine-month period under review, the amount of €60 m was declared and paid in dividends from investments in joint ventures (Tupi BV).

7.2. Investments in associates

Unit: € m

	As at 31 December 2020	Share capital increase/ decrease	Equity Method	Foreign exchange rate differences	Dividends	As at 30 September 2021
	78	**1**	**48**		**(45)**	**82**
EMPL - Europe Magreb Pipeline, Ltd	14	-	29	(1)	(31)	11
Sonangalp - Sociedade Distribuição e Comercialização de Combustíveis, Lda.	6	-	1	0	(0)	7
Gasoduto Al-Andaluz, S.A.	3	-	-	(0)	(2)	0
Tauá Brasil Palma, S.A.	42	-	12	1	(7)	47
Galp Gás Natural Distribuição, S.A.	8	-	0	0	(1)	8
Other associates	6	1	6	0	(4)	10

The Earnings from associates and joint ventures for the nine-month period ended as of 30 September 2021 in the Condensed Consolidated Income Statement is € 57 m, The amount was impacted by the obligation assumed by Galp with the Galp Gás Natural Distribuição, S.A.(GGND) shareholders in relation to the CESE I liability (€11 m). In accordance with the agreements made between Galp and GGND shareholders. Galp has assumed the responsibility to reimburse the GGND shareholders in the event the CESE I liability is settled.

8. Inventories

Unit: € m

	September 2021	December 2020
	914	**708**
Raw, subsidiary and consumable materials	**315**	**272**
Crude oil	115	166
Other raw materials	75	67
Raw materials in transit	126	40
Finished and semi-finished products	**468**	**339**
Goods	**151**	**111**
Adjustments to net realisable value	**(21)**	**(14)**

The movements in the adjustments to net realisable value balance for the nine-month period ended 30 September 2021 were as follows:

Unit: € m

	Raw, subsidiary and consumable materials	Finished and semi-finished products	Goods	Adjustments	Total
Adjustments to net realisable value at 1 January 2021	**13**	**-**	**1**	**-**	**14**
Net reductions	4	2	-	(1)	6
Other adjustments	-	-	-	1	1
Adjustments to net realisable value at 30 September 2021	**17**	**2**	**1**	**-**	**21**

The net reductions in the amount of €7 m were recorded in the income statement as part of cost of sales. These reductions, which resulted from the application of the net realisable value method (NRV), are mainly related to adjustments to reflect expected market price movements during the period under review.

9. Trade and other receivables

9.1. Trade receivables

Unit: € m

	Notes	September 2021	December 2020
		Current	Current
		1,059	**781**
Trade receivables		1,206	926
Impairments	9.3	(148)	(145)

9.2. Other receivables

Unit: € m

	Notes	September 2021		December 2020	
		Current	Non-current	Current	Non-current
		619	**285**	**877**	**266**
State and other Public Entities		**29**	**7**	**28**	**17**
Other debtors		**244**	**118**	**587**	**85**
Non-operated oil blocks		76	-	77	-
Underlifting		38	-	85	-
Other receivables		129	118	425	85
Related Parties		**3**	**-**	**1**	**-**
Contract Assets		**271**	**68**	**183**	**68**
Sales and services rendered but not yet invoiced		139	-	57	-
Adjustments to tariff deviations - "pass through"		22	-	19	-
Other accrued income		110	68	108	68
Deferred charges		**78**	**93**	**82**	**96**
Energy sector extraordinary contribution (CESE II)	**14.2**	10	28	11	35
Deferred charges for services		5	14	3	14
Other deferred charges		62	51	68	46
Impairment of other receivables	**9.3**	**(6)**	**-**	**(5)**	**-**

Including in the balance of €76 m recorded under "Other debtors - Non-operated oil blocks" is €43 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 €38 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 30 September 2021.

Other deferred charges (non-current) include the amount of €50 m relating to post-employment benefits (Note 15).

In 2020, Galp agreed to sell 75.01% of Galp Gas Natural Distribuição, S.A. (GGND) for a total consideration of €368 m. From this transaction, a capital gain of €99 m was recongnized in the Consolidated Income Statement for the year-ended 31 December 2020. During the period, the transaction has been completed and Galp received €368 m, which was deducted from "Other debtors – other receivables".

9.3. Impairment of Trade Receivables and Other Receivables

The movements in the impairment of trade receivables and other receivables, for the nine-month period ended 30 September 2021, were as follow:

Unit: € m

	Opening balance	Increase	Decrease	Utilisation	Others	Closing balance
	150	**9**	**(4)**	**(3)**		**153**
Trade receivables	145	9	(3)	(3)		148
Other receivables	5	1	-	-		6

10. Other financial assets

As of 30 September 2021, and 31 December 2020. Other financial assets were as follow:

Unit: € m

	Notes	September 2021		December 2020	
		Current	Non-current	Current	Non-current
		650	**933**	**190**	**402**
Financial Assets at fair value through profit & loss	17	652	492	149	49
Financial Assets at fair value through comprehensive income		-	3	-	3
Financial Assets not measured at fair value - Loans and Capital subscription		(2)	413	42	330
Others		-	26	-	21

The balance in the non-current portion is predominantly related to a shareholder loan to Group Zero E Euro Assets, of €349 m, of which €254m related to a shareholder loan to Group Zero-E assumed by Galp as total consideration paid for the joint venture at acquisition date.

11. Cash and cash equivalents

Unit: € m

	Notes	September 2021	December 2020
		1,203	**1,675**
Cash at bank		1,257	1,678
Bank overdrafts	12	(54)	(2)

12. Financial debt

Unit: € m

	Notes	September 2021		December 2020	
		Current	Non-current	Current	Non-current
		523	**2,762**	**539**	**3,204**
Bank loans		**273**	**597**	**39**	**801**
Origination fees		-	-	-	-
Loans and commercial paper		218	597	37	801
Bank overdrafts	12	54	-	2	-
Bonds and notes		**250**	**2,165**	**500**	**2,404**
Origination fees		-	(7)	-	(9)
Bonds		250	1,173	-	1,413
Notes		-	1,000	500	1,000

Changes in financial debt during the period from 31 December 2020 to 30 September 2021 were as follows:

Unit: € m

	Opening balance	Loans obtained	Principal Repayment	Changes in Overdrafts	Foreign exchange rate differences and others	Closing balance
	3,743	**3,602**	**(4,128)**	**52**	**17**	**3,285**
Bank Loans:	**840**	**3,602**	**(3,628)**	**52**	**5**	**870**
Origination fees	-	-	-	-	-	-
Loans and commercial papers	837	3,602	(3,628)	-	5	816
Bank overdrafts	3	-	-	52	-	54
Bond and Notes:	**2,904**	**-**	**(500)**	**-**	**12**	**2,415**
Origination fees	(9)	-	-	-	2	(7)
Bonds	1,413	-	-	-	10	1,423
Notes	1,500	-	(500)	-	-	1,000

The average cost of financial debt for the period under review, including charges for credit lines, amounted to 1.43%.

During the first nine months of 2021, the Group repaid the following notes:

Issuance	Due amount	Interest rate	Maturity
	500		
GALP 3.00% 01.2021	500	Fixed Rate 3.00%	January '21

During this period, €33 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 30 September 2021:

Unit: € m

Maturity	Loans		
	Total	Current	Non-current
	3,238	**468**	**2,770**
2021	2	2	-
2022	568	466	102
2023	870	-	870
2024	693	-	693
2025	605	-	605
2026	500	-	500

13. Trade payables and other payables

Unit: € m

	September 2021		December 2020	
	Current	Non-current	Current	Non-current
Trade payables	**907**	**-**	**650**	**-**
Other payables	**935**	**99**	**763**	**111**
State and other public entities	**355**		**283**	**-**
Payable VAT	205	-	157	-
Tax on oil products (ISP)	103	-	94	-
Other taxes	47		32	-
Other payables	**152**	**50**	**128**	**65**
Suppliers of tangible and intangible assets	95	50	96	65
Advances on sales	-	-	1	-
Overlifting	-	-	-	-
Other Creditors	58	-	30	-
Related parties		**-**	**-**	**-**
Other accounts payable	**67**	**7**	**55**	**5**
Accrued costs	**326**	**31**	**284**	**29**
External supplies and services	163	-	138	-
Holiday, holiday subsidy and corresponding contributions	51	4	38	4
Other accrued costs	112	28	108	25
Contract liabilities	**34**	**-**	**12**	**-**
Other deferred income	**1**	**11**	**1**	**11**

14. Taxes and other contributions

14.1. Taxes and Special Participation Tax (SPT)

The Group operations take place in several regions and are carried out by various legal entities, subject to locally established income tax rates, varying between 25% in Spain 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%, are taxed on a consolidated basis in Spain since 2005. Currently, fiscal consolidation in Spain is performed by Galp Energia España S.A..

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

Taxes and SPT recognised in the condensed consolidated income statement for the six-month periods ended 30 September 2021 and 30 September 2020 were as follows:

Unit: € m

	September 2021			September 2020		
	Current tax	Deferred tax	Total	Current tax	Deferred tax	Total
Taxes for the period	**338**	**91**	**429**	**128**	**110**	**239**
Current income tax	(65)	94	29	(108)	117	9
Oil income Tax (IRP)	19	(3)	16	20	(7)	13
Special Participation Tax (SPT)	384	-	384	216	-	216

As of 30 September 2021, the movements in deferred tax assets and liabilities were as follows:

Unit: € m

	As at 31 December 2020	Impact on the income statement	Impact on equity	Foreign exchange rate changes	As at 30 September 2021
Deferred Taxes – Assets	**509**	**(39)**	**(13)**	**11**	**468**
Adjustments to tangible and intangible assets	79	(39)	-	2	43
Retirement benefits and other benefits	110	(8)		-	103
Tax losses carried forward	69	3	-	2	74
Regulated revenue	6	1	-	-	7
Temporarily non-deductible provisions	179	(12)	-	4	171
Potential FX rate differences in Brazil	37	-	-	2	39
Others	28	14	(13)	1	31
Deferred Taxes – Liabilities	**(479)**	**(51)**	**-**	**(34)**	**(563)**
Adjustments to tangible and intangible assets	(441)	(45)	-	(34)	(519)
Adjustments to the fair value of tangible and intangible assets	(5)	(5)	-	-	(10)
Regulated revenue	(13)	-	-	-	(13)
Potential FX rate differences in Brazil	-	-	-	-	-
Others	(20)	(1)	-	-	(21)

15. Post-employment benefits

During the period under review there were no significant changes compared to 31 December 2020.

On 30 September 2021 and 31 December 2020, the assets of the Pension Funds, valued at fair value, were as follows, in accordance with the report presented by the pension plan management company:

Unit: € m

	September 2021	December 2020
Total	**257**	**259**
Shares	56	52
Bonds	149	158
Real Estate	43	43
Liquidity	2	6
Others	7	-

As of 30 September 2021 and 31 December 2020, the details of post employment benefits were as follow:

Unit: € m

	September 2021	December 2020
Assets under the heading "Other Receivables"	50	45
Liabilities	(355)	(381)
Net responsibilities	**(305)**	**(336)**
Liabilities, of which:	**(562)**	**(595)**
Past service liabilities covered by the pension fund	(207)	(214)
Other employee benefit liabilities	(355)	(381)
Assets	**257**	**259**

16. Provisions

During the nine-month period ended 30 September 2021, the movements in Provisions were as follows:

Unit: € m

	September 2021				December 2020
	Decomissioning/ environmental provisions	CESE (I and II)	Other provisions	Total	
At the beginning of the period	**513**	**343**	**152**	**1,008**	**819**
Additional provisions and increases to existing provisions	29	16	15	60	212
Decreases of existing provisions	(8)	(1)	(3)	(12)	(3)
Amount used during the period	-	-	(1)	(2)	(12)
Adjustments during the period	23	-	34	57	(7)
At the end of the period	**556**	**358**	**197**	**1,111**	**1,008**

17. Other financial instruments

Unit: € m

	September 2021					December 2020				
	Assets (Note 10)		Liabilities		Equity	Assets (Note 10)		Liabilities		Equity
	Current	Non current	Current	Non current		Current	Non current	Current	Non current	
	652	**492**	**(573)**	**(757)**	**59**	**149**	**49**	**(130)**	**(37)**	**12**
Commodity swaps	523	486	(560)	(754)	(9)	98	49	(102)	(18)	(1)
Options	-	-	-	-	-	19	-	-	-	-
Commodity futures	107	-	-	-	68	29	-	-	-	12
Forwards	21	6	(13)	(3)	-	4	1	(29)	(19)	-

The accounting impacts of gains and losses on derivative financial instruments on the income statement and comprehensive income as at 30 September 2021 and 2020 are presented below:

Unit: € m

	September 2021				September 2020			
	Income statement			Equity	Income statement			Equity
	MTM	Realised	MTM + Realised		MTM	Realised	MTM + Realised	
	(732)	**174**	**(558)**	**47**	**(76)**	**(59)**	**(135)**	**9**
Commodities	**(786)**	**184**	**(602)**	**47**	**(44)**	**(7)**	**(51)**	**9**
Swaps	(319)	165	(153)	(9)	(17)	(19)	(36)	1
Swaps - Fair value hedge	(8)	-	(8)	-	12	-	12	-
Options	(10)	(28)	(38)	-	(19)	105	86	-
Futures	(449)	46	(403)	56	(20)	(93)	(113)	8
Currency	**54**	**(10)**	**44**	**-**	**(32)**	**(52)**	**(84)**	**-**
Forwards	54	(10)	44	-	(32)	(52)	(84)	-

The table above includes a positive MTM of Swaps derivatives (€73 m) related to Synthetic Power Purchase Agreements of solar projects in Spain, for which the fair value valuations were not based on observable market data (level 3). The derivatives commencement date ocurred during 2020 and have a life span of approximate 12 years. With these Synthetic Power Purchase Agreements a fixed quantity of Guarantees of Origin will be transferred from the solar projects to Galp during the same time frame. During Q3, high volatility in overall energy prices was observed that led to high variation in MTM comparable to prior period (Note 2.2.).

The realised results of derivative financial instruments are mainly recognised as part of the cost of sales (Note 21), financial income or expenses.

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

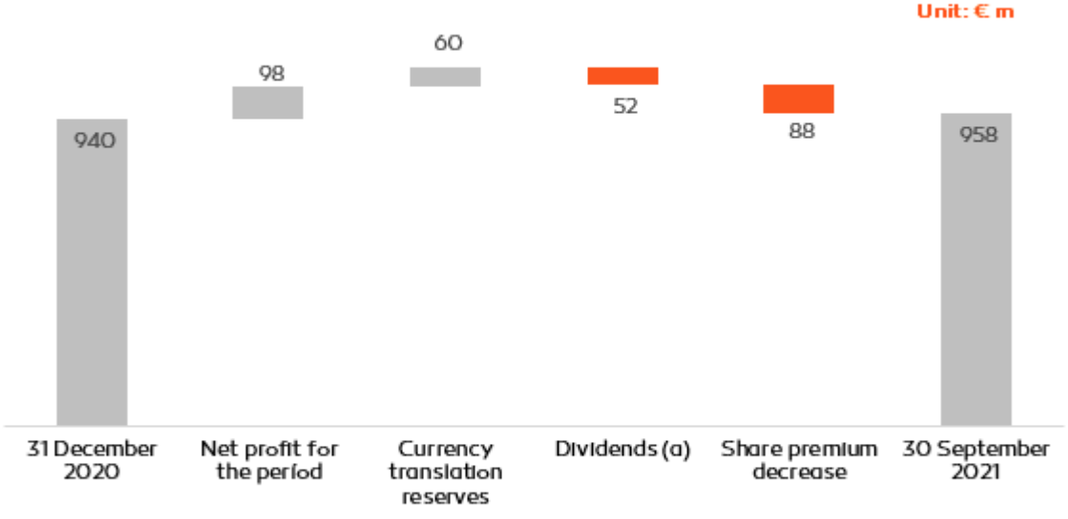
Unit: € m

	September 2021	September 2020
	(786)	**36**
Commodity Swaps	(326)	(3)
Options	(10)	86
Commodity Futures	(449)	(20)
Other trading operations	-	(27)

The derivatives above are entered into to hedge commercial positions.

The table above excludes MTM and gains or losses on FX Forwards which are reflected in the caption of Foreign exchange gains/losses.

18. Non-controlling interests



(a) Non-controlling interest dividends in the amount of €20 m were declared during the period, but still not paid.

19. Revenue and income

The details of revenue and income for the nine-month periods ended 30 September 2021 and 30 September 2020 were as follow:

Unit: € m

	Notes	September 2021	September 2020
		11,570	**8,887**
Total sales		**10,977**	**8,070**
Goods		4,913	3,438
Products		6,061	4,638
Exchange differences		3	(6)
Services rendered		**362**	**482**
Other operating income		**154**	**159**
Underlifting income			
Others		154	158
Earnings from associates and joint ventures	**7**	**57**	**114**
Financial income	**21**	**21**	**62**

The amount in the caption Earnings from associates and joint ventures of €57 m includes the Equity Method Value of associates and joint ventures in the amount of €68m positive (Note 7.2).

20. Costs and expenses

The details of costs and expenses, for the nine-month periods ended 30 September 2021 and 30 September 2020 were as follow:

Unit: € m

	Notes	September 2021	September 2020
Total costs and expenditure:		**11,112**	**9,143**
Cost of sales		**8,096**	**6,374**
Raw and subsidiary materials		4,694	3,191
Goods		1,711	1,084
Tax on oil products		1,923	1,788
Variations in production		(108)	213
Write downs on inventories	8	6	(1)
Financial derivatives	17	(184)	83
Exchange differences		8	(5)
Costs related to CO_2 emissions		45	21
External supplies and services		**1,107**	**1,175**
Subcontracts - network use		255	232
Transportation of goods		174	292
E&P - production costs		82	111
E&P - exploration costs		23	30
Royalties		157	104
Other costs		415	406
Employee costs		**235**	**264**
Amortisation, depreciation and impairment losses on fixed assets	**4/ 5/ 6**	**723**	**882**
Provision and impairment losses on receivables	**9,3 / 16**	**6**	**22**
Other costs		**107**	**195**
Other taxes		14	18
Overlifting costs		50	172
Other operating costs		43	5
Financial expenses	**21**	**838**	**230**

21. Financial results

The details of financial income and costs for the nine-month periods ended 30 September 2021 and 30 September 2020 were as follow:

Unit: € m

	Notes	September 2021	September 2020
		(817)	(167)
Financial income		**21**	**62**
Interest on bank deposits		5	21
Interest and other income from related companies		8	2
Other financial income		8	3
Derivative financial instruments	17	-	36
Financial expenses		**(838)**	**(230)**
Interest on bank loans, bonds, overdrafts and others		(38)	(55)
Interest capitalised within fixed assets	4	11	9
Interest on lease liabilities	6	(56)	(61)
Derivative financial instruments	17	(786)	-
Exchange gains/(losses)		46	(112)
Other financial costs		(16)	(10)

22. Related party transactions

The Group had the following transactions with related parties:

Unit: € m

	September 2021		December 2020	
	Current	Non-current	Current	Non-current
Assets:	**8**	**-**	**77**	**350**
Associates	6	-	16	57
Joint ventures	1	-	7	273
Other related entities	2	-	54	-

Unit: € m

	September 2021		December 2020	
	Current	Non-current	Current	Non-current
Liabilities:	**(64)**	**-**	**(62)**	**-**
Associates	(9)	-	(12)	-
Joint Ventures	(55)	-	(46)	-
Other related entities	-	-	(3)	-

Unit: € m

	September 2021			September 2020		
	Purchases[1]	Operating cost/income	Financial costs/income	Purchases	Operating cost/income	Financial costs/income
Transactions:	**(61)**	**1**	**-**	**(58)**	**(1)**	**-**
Associates	(61)	(4)	-	(58)	(1)	-
Joint Ventures	-	(8)	-	-	(9)	-
Other related entities	-	14	-	-	9	-

[1] Purchases from associate entity EMPL.

23. Subsequent Events

No material subsequent events occurred between the reporting date and the date of approval of these statements.

24. Approval of the financial statements

The consolidated financial statements were approved by the Board of Directors on 22 October 2021.

Chairman:
Paula Amorim

Vice-chair and Lead Independent Director:
Miguel Athayde Marques

Vice-chair:
Andrew Brown

Members:
Filipe Silva
Thore E. Kristiansen
Carlos Costa Pina
Teresa Abecasis
Marta Amorim
Francisco Rêgo
Carlos Pinto
Luís Todo Bom
Jorge Seabra
Rui Paulo Gonçalves
Diogo Tavares
Edmar de Almeida
Cristina Fonseca
Adolfo Mesquita Nunes

Accountant:
Paula de Freitas Gazul

25. 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. 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.

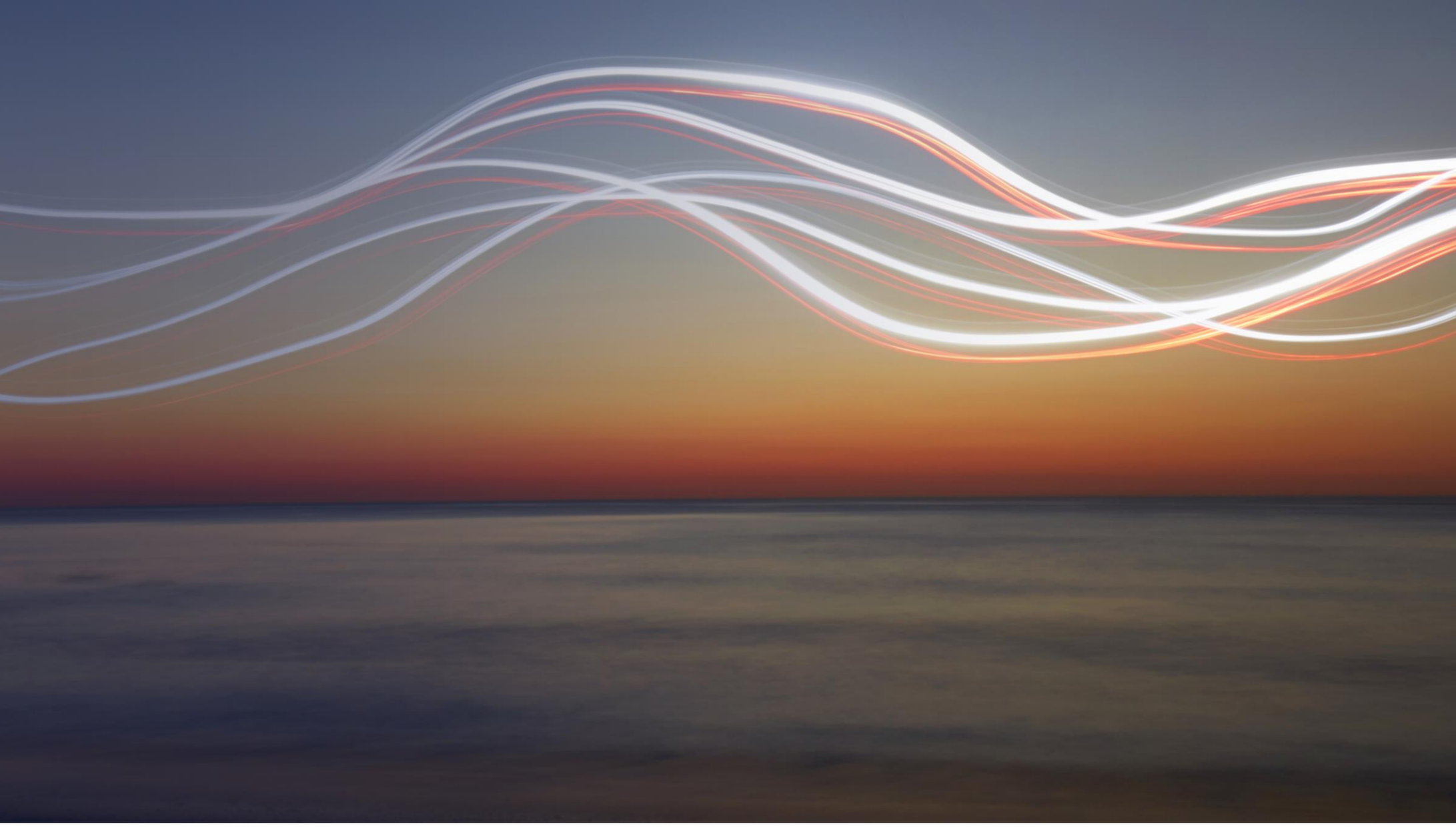
Replacement cost adjusted (RCA)

In addition to using the replacement cost method, RCA items exclude special items such as derivatives hedges, 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
ACS: Actividades de Construccion Y Servicios SA
APETRO: Associação Portuguesa de Empresas Petrolíferas (Portuguese association of oil companies)
B2B: Business to business
B2C: Business to consumer
bbl: barrel of oil
bn: billion
boe: barrels of oil equivalent
BRL: Brazilian real
c.: circa
CO_2: Carbon dioxide
COD: Commercial Operation Date
Capex: Capital expenditure
CESE: Contribuição Extraordinária sobre o Sector Energético (Portuguese Extraordinary Energy Sector Contribution)
CFFO: Cash flow from operations
COFINS: Contribution for the Financing of Social Security
CMVM: Portuguese Securities Market Commission
CORES: Corporación de Reservas Estratégicas de Produtos Petrolíferos (Spain)
d: day
DD&A: Depreciation, Depletion and Amortisation
Ebit: Earnings before interest and taxes
Ebitda: Ebit plus depreciation, amortisation and provisions
EMPL: Europe Magreb Pipeline, Ltd
EUR/€: Euro
FCC: Fluid Catalytic Cracker
FCF: Free Cash Flow
FID: Final Investment Decision
FLNG: Floating liquified natural gas
FNEE: Fondo Nacional de Eficiência Energética (Spain)
FPSO: Floating, production, storage and offloading unit
Galp, Company or Group: Galp Energia, SGPS, S.A., subsidiaries and participated companies
GGND: Galp Gás Natural Distribuição, S.A.
GSBV: Galp Sinopec Brazil Services
GW: Gigawatt
GWh: Gigawatt hour
I&EM: Industrial & Energy Management
IAS: International Accounting Standards
IRC: Income tax
IFRS: International Financial Reporting Standards
IRP: Oil income tax (Oil tax payable in Angola)
ISP: Payments relating to tax on oil products
kboepd: thousands of barrels of oil equivalent per day
kbpd: thousands of barrels of oil per day
LNG: liquefied natural gas
LTM: last twelve months
m: million
MIBGAS: Iberian Market of Natural Gas
mbbl: million barrels of oil
mboe: millions of barrels of oil equivalent

mbtu: million British thermal units
mm³: million cubic metres
MTM: Mark-to-Market
mton: millions of tonnes
MW: Megawatt
MWh: Megawatt-hour
NE: Net entitlement
NG: natural gas
n.m.: not meaningful
NWE: Northwestern Europe
OCF: Adjusted Operating Cash Flow
PV: photovoltaic
p.p.: percentage point
Q: Quarter
QoQ: Quarter-on-quarter
R&NB: Renewables & New Businesses
REN: Rede Eléctrica Nacional
RC: Replacement Cost
RCA: Replacement Cost Adjusted
SPA: Sale and purchase agreement
SPT: Special participation tax
ton: tonnes
TTF: Title transfer facility
TWh: Terawatt-hour
UA: Unitisation Agreements
U.S.: United States
UOP: Units of production
USD/$: Dollar of the United States of America
Var.: Variation
WI: working interest
YoY: year-on-year



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Bloomberg: GALP PL