



# RESULTS

## 4<sup>th</sup> QUARTER & FULL YEAR

### 2021

**21 February, 2022**  
Unaudited

# INDEX

## Cautionary Statement

Following Article 29º F of the Portuguese Securities Code, this report is made available only in English. This document may include forward-looking statements, including, without limitation, regarding future results, namely cash flows, dividends, and shareholder returns; liquidity; capital and operating expenditures; performance levels, operational or environmental goals, targets or commitments and project plans, timing, and outcomes; production rates; developments of Galp's markets; and impacts of the COVID-19 pandemic on Galp's businesses and results; any of which may significantly differ depending on a number of factors, including supply and demand for oil, gas, petroleum products, power and other market factors affecting them; the outcome of government policies and actions, including actions taken to address COVID-19 and to maintain the functioning of national and international economies and markets; the impacts of the COVID-19 pandemic on people and economies; the impact of Galp's actions to protect the health and safety of its employees, customers, suppliers and communities; actions of Galp's competitors and commercial counterparties; the ability to access short- and long-term debt markets on a timely and affordable basis; the actions of consumers; other legal and political factors, including changes in law and regulations and obtaining necessary permits; unexpected operating events or technical difficulties; the outcome of commercial negotiations, including negotiations with governments and private entities; and other factors discussed in Galp's Management Report & Accounts filed with the Portuguese Securities Market Commission (CMVM) for the year ended December 31, 2020 and available on our website at galp.com. This document may also contain statements regarding the perspectives, objectives, and goals of Galp, namely concerning ESG (Environmental, Social & Governance) objectives, including with respect to energy transition, carbon intensity reduction or carbon neutrality. An ambition expresses an outcome desired or intended by Galp, it being specified that the means to be deployed may not depend solely on Galp. Galp's business plans and budgets include investments that will accelerate the decarbonization of the Company over the next decade. These business plans and budgets will evolve over time to reflect its progress towards the 2050 Net Zero Emissions target. All statements other than statements of historical facts are, or may be deemed to be, forward-looking statements. Forward-looking statements express future expectations that are based on management's expectations and assumptions as of the date they are disclosed and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such those statements. Accordingly, neither Galp nor any other person can assure that its future results, performance or events will meet those expectations, nor assume any responsibility for the accuracy and completeness of the forward-looking statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Galp to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections, and assumptions. These forward-looking statements may generally be identified by the use of the future, gerund or conditional tense or the use of terms and phrases such as "aim", "ambition", "anticipate", "believe", "consider", "could", "develop", "envision", "estimate", "expect", "goals", "intend", "may", "objectives", "outlook", "plan", "potential", "probably", "project", "pursue", "risks", "schedule", "seek", "should", "target", "think", "will" or the negative of these terms and similar terminology.

Financial information by business segment is reported in accordance with the Galp's management reporting policies and shows internal segment information that is used to manage and measure the Group's performance. In addition to IFRS measures, certain alternative performance measures are presented, such as performance measures adjusted for special items (adjusted operational cash flow, adjusted earnings before interest, taxes, depreciation and amortisation, adjusted earnings before interest and taxes, and adjusted net income), return on equity (ROE), return on average capital employed (ROACE), investment return rate (IRR), equity investment return rate (eIRR), gearing ratio, cash flow from operations and free cash flow. These indicators are meant to facilitate the analysis of the financial performance of Galp and comparison of results and cash flow among periods. In addition, the results are also measured in accordance with the replacement cost method, adjusted for special items. This method is used to assess the performance of each business segment and facilitate the comparability of the segments' performance with those of its competitors. This document also contains non-financial performance indicators, according to applicable legislation, 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. This document may also include data and information provided by third parties, including Wood Mackenzie, Rystad and market analysts, which are not publicly available. Such data and information should not be interpreted as advice and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by those third parties in writing. To the fullest extent permitted by law, those third parties accept no responsibility for your use of such data and information except as specified in a written agreement you may have entered into with those third parties for the provision of such data and information.

Galp and its respective representatives, agents, employees or advisers do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this document to reflect any change in events, conditions or circumstances. This document does not constitute investment advice nor forms part of and should not be construed as an offer to sell or issue or the solicitation of an offer to buy or otherwise acquire securities of Galp or any of its subsidiaries or affiliates in any jurisdiction or an inducement to engage in any investment activity in any jurisdiction.

# INDEX

## Table of Contents

<b>1. Results highlights</b>	<b>4</b>
<b>2. Upstream</b>	<b>10</b>
<b>3. Commercial</b>	<b>14</b>
<b>4. Industrial &amp; Energy Management</b>	<b>16</b>
<b>5. Renewables &amp; New Businesses</b>	<b>20</b>
<b>6. Financial Data</b>	<b>24</b>
6.1 Income Statement	25
6.2 Capital Expenditure	27
6.3 Cash flow	28
6.4 Financial position	30
6.5 Financial debt	31
6.6 Reconciliation of IFRS and RCA figures	32
6.7 Special Items	34
6.8 IFRS consolidated income statement	35
6.9 Consolidated financial position	36
<b>7. Basis of reporting</b>	<b>38</b>
<b>8. Definitions</b>	<b>40</b>



## RESULTS HIGHLIGHTS



# 1. RESULTS HIGHLIGHTS

## Fourth quarter 2021

Galp's RCA Ebitda reached €644 m, 57% higher YoY, driven by the strong Upstream performance, more than offsetting the lower contribution from the downstream activities:

- Upstream: RCA Ebitda was strong at €593 m, supported by the favourable oil price environment.
- Commercial: RCA Ebitda was €59 m, 17% lower YoY, as the increase in oil volumes sales was offset by the pressured price environment, namely on the B2B segment, and increased costs with digitalisation projects.
- Industrial & Energy Management: RCA Ebitda was €5 m, down from €17 m in 4Q20, with the improved refining environment contribution offset by planned and unplanned maintenances in Sines, and negative performance from gas supply and trading activities due to persisting natural gas sourcing restrictions.
- Renewables & New Businesses: No relevant RCA Ebitda as most of the operations are not consolidated. The pro-forma Ebitda of the Renewables operations was strong, reaching €29 m in the period, capturing the strong power prices during the period.

RCA net income was €130 m. IFRS net income was €106 m, with an inventory effect of €65 m and special items of -€89 m, which include mark-to-market swings from derivatives and impairments related to the Porto cogeneration discontinuity.

Adjusted operating cash flow (OCF) increased 26% YoY to €470 m. CFFO was €61 m, reflecting a working capital build, caused by the higher commodities' prices and refining restrictions, as well as temporary increase in derivatives margin accounts of €161 m.

FCF was negative at -€236 m, with net debt increasing to €2,357 m, also after dividends paid to minorities of €120 m. Net debt to RCA Ebitda was 1.1x at the end of the period, or 0.8x excluding the non-recurrent temporary working capital effects related with margin accounts.

## Full Year 2021

Galp's RCA Ebitda was €2,322 m, 48% higher YoY, whilst OCF increased 49% YoY to €1,852 m, supported by strong Upstream results.

Group CFFO was €1,052 m, reflecting a working capital build during 2H21, which includes a temporary €605 m increase in hedging margin accounts to de-risk gas sourcing and supply prices, expected to be reversed during 2022.

Capex totalled €936 m, with Upstream accounting for 66% of total investments, whilst the downstream activities represented 17% and Renewables & New Businesses 15%. Net capex was €552 m, considering the proceeds from divestments, most notably the stake sale in Galp Gás Natural Distribuição (GGND) during 1H21.

FCF was €397 m and net debt increased to €2,357 m, also considering dividends paid to shareholders of €498 m and to minorities of €198 m, as well as other adjustments. Net debt to RCA Ebitda at the end of the period was 1.1x.

Excluding the non-recurrent temporary working capital effects related with margin accounts, FCF would have reached €1.0 bn and net debt to RCA Ebitda at year end would have been 0.8x.

## Short Term Outlook

For 2022, Galp revised upwards its macro assumptions, considering the strength experienced during 2H21 and the beginning of 2022. Additionally, minor adjustments to key operational estimates were made to reflect Galp's most updated view.

### Macro

Brent	\$/bbl	75
Realised refining margin	\$/boe	4 - 5
Iberia solar capture price	€/MWh	150
Average exchange rate	EUR:USD	1.15

### Operational indicators

<b>Upstream</b>		
WI production	kboepd	Flat YoY
Upstream production costs	\$/boe	<3
<b>Commercial</b>		
Oil products sales to direct clients	mton	c.7.0
EV charging points	x	>2x vs 2021
<b>Industrial &amp; Energy Management</b>		
Sines refining throughput	mboe	c.90
Sines refining cash costs	\$/boe	c.2.0
<b>Renewables</b>		
Renewable generation capacity by YE (@100%)	GW	1.4
Renewable generation (@100%)	TWh	>2.0

### Financial indicators (consolidated, except otherwise stated)

<b>RCA Ebitda</b>	<b>€ bn</b>	<b>c.2.7</b>
Upstream	€ bn	c.2.2
Commercial	€ m	c.300
Industrial & Energy Management	€ m	200 - 250
Renewables pro-forma	€ m	180 - 200
<b>OCF</b>	<b>€ bn</b>	<b>c.2.0</b>
Upstream	€ bn	>1.5
Commercial	€ m	c.230
Industrial & Energy Management	€ m	200-250
Renewables pro-forma	€ m	>140
<b>Net capex</b>	<b>€ bn</b>	<b>c.1.0</b>
Net debt to RCA Ebitda by YE	x	<1
<b>Total expected distributions to shareholders</b>	<b>€ m</b>	<b>1/3 OCF</b>

## Other highlights

### 2021 shareholder distributions

In relation to the 2021 fiscal year, Galp's Board of Directors will propose to the next Annual General Meeting in April (AGM) a base dividend of €0.50/share, paid in cash. In addition, the Board plans to launch a share buyback of €150 m.

The base dividend in cash is as per previous guidance, while the buyback programme will be in lieu of the variable cash distribution announced last year.

In assessing the proposed total distributions related to the 2021 fiscal year, the Board considered that a relevant part of the working capital variations at year-end, related to derivative margin accounts effects, were extraordinary and in the process of being reversed during 2022.

An interim dividend of €0.25/share was distributed on 16 September 2021, as an anticipation of the 2021 base distribution related with the fiscal year, with the remaining €0.25/share to be paid once the full year dividend is approved at the AGM.

The €150 m buyback programme will be subject to shareholder authorisation at the AGM for the subsequent cancelation of shares. The programme's details will be announced after the AGM, with its implementation planned to commence thereafter and to be executed throughout the year.

2021 fiscal year:

	Annual cash dividend of €0.50/share
Base Dividend	- interim €0.25/share paid on September 16, 2021
	- remaining €0.25/share to be paid post approval at the AGM 2022
	€150 m share buyback
Additional Distribution	- to be executed post AGM 2022 and throughout the year

### Revised shareholder distribution guidelines

Galp's Board of Directors has revised the shareholder distributions guidelines, now with a progressive base cash DPS, growing at 4% per year. The base dividend related to 2022 is therefore expected to be €0.52/share and grow at the same rate over the subsequent years.

Additional supplementary distributions are now being planned to be made through buybacks, whenever Galp's Net Debt to RCA Ebitda remains below the Company's target of 1x. Total distributions to shareholders (cash dividend + buyback) are limited at one third of the adjusted operational cash flows (OCF).

Considering the expected deleveraging of the Company, Galp plans to distribute one third of the OCF generated in each year.

Guidelines for distributions related to the 2022 fiscal year and beyond:

Base Dividend	Cash dividend of €0.52/share, increasing at a rate of 4% each year
Supplementary Distributions	Share buyback whenever Net Debt / RCA Ebitda at year end is < 1x, in the amount which would have raised the ratio to 1x
Total Distributions	Base Dividend + Supplementary Distributions total amounts limited at 1/3 of the OCF generated in the year

Note: total distributions are now linked to OCF instead of CFFO, which excludes the variations related with working capital, inventory effects and other special items (OCF = RCA Ebitda + dividends received from associates – taxes paid).

In relation to the 2022 fiscal year, the €0.52/share cash dividend will consider an interim payment of €0.26/share in September 2022, with the remaining amount to be paid after the dividend approval at the 2023 AGM. The buyback related with 2022 is expected to be executed during 2023.

## Financial data

€m (IFRS, except otherwise stated)

Quarter					Twelve Months				
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
<b>410</b>	<b>607</b>	<b>644</b>	<b>234</b>	<b>57%</b>	<b>RCA Ebitda</b>	<b>1,570</b>	<b>2,322</b>	<b>751</b>	<b>48%</b>
319	522	593	274	86%	Upstream	1,111	2,020	909	82%
71	87	59	(12)	(17%)	Commercial	325	288	(37)	(12%)
17	15	5	(12)	(73%)	Industrial & Energy Management	113	64	(49)	(43%)
(3)	(6)	2	4	n.m.	Renewables & New Businesses	(9)	(13)	4	38%
<b>159</b>	<b>369</b>	<b>415</b>	<b>256</b>	<b>n.m.</b>	<b>RCA Ebit</b>	<b>427</b>	<b>1,372</b>	<b>944</b>	<b>n.m.</b>
161	375	456	296	n.m.	Upstream	407	1,434	1,028	n.m.
47	58	30	(17)	(36%)	Commercial	232	179	(53)	(23%)
(51)	(43)	(55)	4	8%	Industrial & Energy Management	(210)	(173)	(36)	(17%)
(1)	(6)	1	3	n.m.	Renewables & New Businesses	(19)	(13)	(6)	(33%)
<b>3</b>	<b>161</b>	<b>130</b>	<b>127</b>	<b>n.m.</b>	<b>RCA Net income</b>	<b>(42)</b>	<b>457</b>	<b>499</b>	<b>n.m.</b>
(60)	(545)	(89)	30	50%	Special items	(171)	(737)	566	n.m.
22	50	65	43	n.m.	Inventory effect	(338)	284	622	n.m.
<b>(35)</b>	<b>(334)</b>	<b>106</b>	<b>140</b>	<b>n.m.</b>	<b>IFRS Net income</b>	<b>(551)</b>	<b>4</b>	<b>555</b>	<b>n.m.</b>
<b>373</b>	<b>468</b>	<b>470</b>	<b>96</b>	<b>26%</b>	<b>Adjusted operating cash flow (OCF)</b>	<b>1,243</b>	<b>1,852</b>	<b>610</b>	<b>49%</b>
241	364	426	185	77%	Upstream	749	1,527	778	n.m.
70	84	47	(23)	(33%)	Commercial	316	266	(49)	(16%)
42	31	12	(29)	(70%)	Industrial & Energy Management	158	98	(59)	(38%)
(3)	(2)	1	4	n.m.	Renewables & New Businesses	(9)	(4)	(5)	(55%)
<b>231</b>	<b>175</b>	<b>61</b>	<b>(170)</b>	<b>(74%)</b>	<b>Cash flow from operations (CFFO)</b>	<b>1,025</b>	<b>1,052</b>	<b>27</b>	<b>3%</b>
<b>(117)</b>	<b>(261)</b>	<b>(273)</b>	<b>156</b>	<b>n.m.</b>	<b>Net Capex</b>	<b>(909)</b>	<b>(525)</b>	<b>(384)</b>	<b>(42%)</b>
<b>95</b>	<b>(113)</b>	<b>(236)</b>	<b>(331)</b>	<b>n.m.</b>	<b>Free cash flow (FCF)</b>	<b>153</b>	<b>397</b>	<b>245</b>	<b>n.m.</b>
<b>(2)</b>	<b>-</b>	<b>(120)</b>	<b>118</b>	<b>n.m.</b>	<b>Dividends paid to non-controlling interests</b>	<b>(225)</b>	<b>(198)</b>	<b>(27)</b>	<b>(12%)</b>
<b>-</b>	<b>(207)</b>	<b>-</b>	<b>-</b>	<b>n.m.</b>	<b>Dividends paid to shareholders</b>	<b>(318)</b>	<b>(498)</b>	<b>179</b>	<b>56%</b>
<b>2,066</b>	<b>2,028</b>	<b>2,357</b>	<b>292</b>	<b>14%</b>	<b>Net debt</b>	<b>2,066</b>	<b>2,357</b>	<b>292</b>	<b>14%</b>
<b>1.5x</b>	<b>1.1x</b>	<b>1.1x</b>	<b>-0.4x</b>	<b>n.m.</b>	<b>Net debt to RCA Ebitda<sup>1</sup></b>	<b>1.5x</b>	<b>1.1x</b>	<b>-0.4x</b>	<b>n.m.</b>

<sup>1</sup> Ratio considers the LTM Ebitda RCA (€2,132 m), adjusted for the impact from the application of IFRS 16 (€190 m).



## Operating data

Quarter						Twelve Months			
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
122.8	128.2	124.8	1.9	2%	Average working interest production <sup>1</sup> (kboepd)	130.0	126.7	(3.4)	(3%)
121.1	126.6	123.0	1.9	2%	Average net entitlement production <sup>1</sup> (kboepd)	128.2	124.9	(3.3)	(3%)
(5.0)	(8.5)	(10.1)	(5.1)	n.m.	Oil & gas realisations - Dif. to Brent (USD/boe)	(5.6)	(8.5)	2.9	(52%)
23.5	22.3	13.6	(9.9)	(42%)	Raw materials processed (mboe)	87.1	76.6	(10.6)	(12%)
1.6	4.1	5.6	4.0	n.m.	Galp refining margin (USD/boe)	1.1	3.3	2.2	n.m.
3.7	3.9	3.7	0.0	1%	Oil products supply <sup>2</sup> (mton)	13.9	14.8	0.9	6%
19.2	16.6	14.3	(4.9)	(26%)	NG/LNG supply & trading volumes <sup>2</sup> (TWh)	60.0	67.2	7.2	12%
351	261	119	(232)	(66%)	Sales of electricity from cogeneration (GWh)	1,355	980	(375)	(28%)
1.5	1.8	1.8	0.3	22%	Oil Products - client sales (mton)	6.0	6.5	0.5	8%
5.8	4.4	4.5	(1.3)	(23%)	Natural gas - client sales (TWh)	22.6	18.3	(4.4)	(19%)
881	1,086	1,121	240	27%	Electricity - client sales (GWh)	3,330	4,178	848	25%
170	408	213	43	26%	Gross renewable power generation (GWh)	327	1,288	960	n.m.
40.4	110.6	197.5	n.m.	n.m.	Galp average solar generation sale price (EUR/MWh)	41.3	98.9	n.m.	n.m.

<sup>1</sup> Includes natural gas exported; excludes natural gas used or reinjected.

<sup>2</sup> Includes volumes sold to the Commercial segment.

## Market indicators

Quarter						Twelve Months			
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
1.19	1.18	1.14	(0.05)	(4%)	Average exchange rate EUR:USD	1.14	1.18	0.04	4%
6.44	6.16	6.38	(0.06)	(1%)	Average exchange rate EUR:BRL	5.89	6.38	0.48	8%
44.2	73.4	79.8	35.6	81%	Dated Brent price (USD/bbl)	41.8	70.9	29.1	69%
(0.1)	(2.3)	(1.7)	1.6	n.m.	Heavy-light crude price spread <sup>1</sup> (USD/bbl)	(0.8)	(1.9)	1.1	n.m.
15.3	48.7	94.2	78.9	n.m.	Iberian MIBGAS natural gas price (EUR/MWh)	10.3	47.3	37.1	n.m.
14.8	47.4	92.0	77.3	n.m.	Dutch TTF natural gas price (EUR/MWh)	9.5	45.7	36.2	n.m.
7.9	18.2	35.2	27.3	n.m.	Japan/Korea Marker LNG price (USD/mbtu)	4.4	18.7	14.3	n.m.
40.1	117.8	211.1	170.9	n.m.	Iberian baseload pool price (EUR/MWh)	34.0	111.9	78.0	n.m.
39.6	110.9	202.2	162.6	n.m.	Iberian solar captured price (EUR/MWh)	33.0	104.8	71.8	n.m.
13.4	15.2	15.7	2.3	17%	Iberian oil market (mton)	51.9	57.2	5.4	10%
114	101	130	16	14%	Iberian natural gas market (TWh)	427	442	16	4%

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.

<sup>1</sup> Urals NWE dated for heavy crude; dated Brent for light crude.



**UPSTREAM**

## 2. UPSTREAM

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

Quarter						Twelve Months			
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
<b>122.8</b>	<b>128.2</b>	<b>124.8</b>	<b>1.9</b>	<b>2%</b>	<b>Average working interest production<sup>1</sup> (kboepd)</b>	<b>130.0</b>	<b>126.7</b>	<b>(3.4)</b>	<b>(3%)</b>
111.1	117.5	111.2	0.1	0%	Oil production (kbpd)	116.9	114.0	(3.0)	(3%)
<b>121.1</b>	<b>126.6</b>	<b>123.0</b>	<b>1.9</b>	<b>2%</b>	<b>Average net entitlement production<sup>1</sup> (kboepd)</b>	<b>128.2</b>	<b>124.9</b>	<b>(3.3)</b>	<b>(3%)</b>
11.3	10.9	10.7	(0.6)	(5%)	Angola	12.5	11.1	(1.3)	(11%)
109.8	115.7	112.3	2.5	2%	Brazil	115.8	113.8	(2.0)	(2%)
<b>(5.0)</b>	<b>(8.5)</b>	<b>(10.1)</b>	<b>(5.1)</b>	<b>n.m.</b>	<b>Oil and gas realisations - Dif. to Brent (USD/boe)</b>	<b>(5.6)</b>	<b>(8.5)</b>	<b>(2.9)</b>	<b>(52%)</b>
<b>3.7</b>	<b>6.0</b>	<b>6.3</b>	<b>2.6</b>	<b>72%</b>	<b>Royalties (USD/boe)</b>	<b>3.4</b>	<b>5.7</b>	<b>2.3</b>	<b>69%</b>
<b>2.2</b>	<b>2.0</b>	<b>1.4</b>	<b>(0.8)</b>	<b>(37%)</b>	<b>Production costs (USD/boe)</b>	<b>2.4</b>	<b>1.6</b>	<b>(0.8)</b>	<b>(32%)</b>
<b>15.8</b>	<b>15.3</b>	<b>13.7</b>	<b>(2.1)</b>	<b>(13%)</b>	<b>DD&amp;A<sup>2</sup> (USD/boe)</b>	<b>14.6</b>	<b>14.0</b>	<b>(0.6)</b>	<b>(4%)</b>
<b>319</b>	<b>522</b>	<b>593</b>	<b>274</b>	<b>86%</b>	<b>RCA Ebitda</b>	<b>1,111</b>	<b>2,020</b>	<b>909</b>	<b>82%</b>
(159)	(147)	(145)	(14)	(9%)	Depreciation, Amortisation and Impairments <sup>2</sup>	(701)	(596)	(105)	(15%)
1	-	9	8	n.m.	Provisions	(3)	10	13	n.m.
<b>161</b>	<b>375</b>	<b>456</b>	<b>296</b>	<b>n.m.</b>	<b>RCA Ebit</b>	<b>407</b>	<b>1,434</b>	<b>1,028</b>	<b>n.m.</b>
<b>159</b>	<b>375</b>	<b>457</b>	<b>297</b>	<b>n.m.</b>	<b>IFRS Ebit</b>	<b>468</b>	<b>1,461</b>	<b>993</b>	<b>n.m.</b>
<b>241</b>	<b>364</b>	<b>426</b>	<b>185</b>	<b>77%</b>	<b>Adjusted operating cash flow</b>	<b>749</b>	<b>1,527</b>	<b>778</b>	<b>n.m.</b>
<b>69</b>	<b>187</b>	<b>145</b>	<b>76</b>	<b>n.m.</b>	<b>Capex</b>	<b>326</b>	<b>616</b>	<b>290</b>	<b>89%</b>

<sup>1</sup> Includes natural gas exported; excludes natural gas used or reinjected.

<sup>2</sup> Includes abandonment provisions. 2020 and 2021 unit figures exclude impairments of €49 m and €101 m respectively, related with smaller scale exploration assets.



## Fourth quarter 2021

### Operations

Working interest (WI) production was up 2% YoY to 124.8 kboepd, benefiting from the continued ramp-up of the latest units to start operations, although impacted by planned maintenance activities, as well as interventions and inspections performed in the period. Natural gas accounted for 11% of WI production.

In Brazil, production increased 2% YoY to 112.3 kboepd, with the continued ramp-up of the FPSOs in Atapu and Sépia, partially offset by the concentration of maintenance activities. Angola WI production decreased YoY, from 13.1 kbpd to 12.5 kbpd.

The Group net entitlement (NE) production followed the production WI increase to 123.0 kboepd.

### Results

RCA Ebitda was €593 m, up 86% YoY, with operations successfully capturing the favourable oil price environment, despite a higher discount to Brent on natural gas realisations. OCF was €426 m, compared to €364 m in 3Q21.

Production costs were €13.8 m, lower YoY. In unit terms, and on a net entitlement basis, production costs were \$1.4/boe. As per the application of IFRS 16, the production costs exclude the amounts related with IFRS16 leases, which accounted for €34 m during the period.

Amortisation and depreciation charges (including abandonment provisions) decreased 9% YoY to €136 m. On a net entitlement basis, unit DD&A and Provisions decreased 13% YoY to \$13.7/boe.

RCA Ebit was €456 m, up €296 m YoY. IFRS Ebit amounted to €457 m.

## Full Year 2021

### Operations

Average WI production during 2021 was 126.7 kboepd, 3% lower YoY, as the ramp-up of the FPSOs in Berbigão/Sururu, Atapu and Sépia, was more than offset by the planned maintenance activities and operational limitations registered during the year.

NE production decreased 3% YoY, to 124.9 kboepd.

### Results

RCA Ebitda was €2,020 m, up 82% YoY, driven by the favourable oil price environment. OCF was €1,527 m, up YoY from €749 m.

Production costs were €62 m, excluding IFRS 16 leases of €125 m. In unit terms, and on a net entitlement basis, production costs were \$1.6/boe.

Amortisation and depreciation charges (including abandonment provisions) amounted to €586 m. On a net entitlement basis, DD&A was \$14.0/boe, also excluding impairments related with smaller scale exploration assets.

RCA Ebit was €1,434 m, up €1,028 m YoY, and IFRS Ebit was €1,461 m.

## Other highlights

### Submission of updated Development Plan for the Tupi and Iracema fields

The BM-S-11 consortium has submitted a new Integrated Plan of Development (PoD) for the Tupi and Iracema fields to the National Petroleum, Natural Gas and Biofuel Agency (ANP). This submission includes a set of identified actions aimed at maximising the value from the Tupi and Iracema fields, identifying additional development projects, which if approved, would increase the fields' total recoverability.

The updated PoD is now under ANP's evaluation, with its content to be detailed once this process is completed. [More information here.](#)

## Subsequent events

### Exploration activities in block C-M-791 (Brazil)

In early 2022, Galp and partners (Shell operator) spudded the Bob well in block C-M-791, in the Campos Basin offshore Brazil, with drilling operations ongoing.





03

COMMERCIAL

### 3.

## COMMERCIAL

€m (RCA, except otherwise stated)

Quarter						Twelve Months			
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
<b>Commercial sales to clients</b>									
1.5	1.8	1.8	0.3	22%	Oil products (mton)	6.0	6.5	0.5	8%
5.8	4.4	4.5	(1.3)	(23%)	Natural Gas (TWh)	22.6	18.3	(4.4)	(19%)
881	1,086	1,121	240	27%	Electricity (GWh)	3,330	4,178	848.0	25%
<b>71</b>	<b>87</b>	<b>59</b>	<b>(12)</b>	<b>(17%)</b>	<b>RCA Ebitda</b>	<b>325</b>	<b>288</b>	<b>(37)</b>	<b>(12%)</b>
(25)	(29)	(27)	3	11%	Depreciation, Amortisation and Impairments	(94)	(106)	12	13%
1	(0)	(2)	(3)	n.m.	Provisions	1	(2)	(3)	n.m.
<b>47</b>	<b>58</b>	<b>30</b>	<b>(17)</b>	<b>(36%)</b>	<b>RCA Ebit</b>	<b>232</b>	<b>179</b>	<b>(53)</b>	<b>(23%)</b>
<b>50</b>	<b>62</b>	<b>29</b>	<b>(20)</b>	<b>(41%)</b>	<b>IFRS Ebit</b>	<b>227</b>	<b>185</b>	<b>(42)</b>	<b>(18%)</b>
<b>70</b>	<b>84</b>	<b>47</b>	<b>(23)</b>	<b>(33%)</b>	<b>Adjusted operating cash flow</b>	<b>316</b>	<b>266</b>	<b>(49)</b>	<b>(16%)</b>
<b>49</b>	<b>21</b>	<b>42</b>	<b>(7)</b>	<b>(14%)</b>	<b>Capex</b>	<b>127</b>	<b>89</b>	<b>(38)</b>	<b>(30%)</b>

### Fourth quarter 2021

#### Operations

Oil products' sales increased 22% YoY to 1.8 mton, reflecting the demand recovery in Iberia from both B2C and B2B activities, namely in the aviation, bunkers and retail segments.

Natural gas volumes sold declined 23% YoY to 4.5 TWh, following the lower sales in the B2B segment, whilst sales of electricity were 1,121 GWh, up 27% YoY.

#### Results

RCA Ebitda was €59 m, 17% lower YoY, as the increase in oil volumes sales was offset by the pressured price environment, namely on the B2B segment, and increased costs with digitalisation projects.

### Full Year 2021

#### Operations

Total oil products' sales were 6.5 mton, up 8% YoY, following the higher demand and economic recovery during the period, as lockdown measures gradually eased throughout the year.

Natural gas volumes were 18.3 TWh, down 19% YoY, impacted by the lower sales in B2B segment. Electricity sales were 4,178 GWh, 25% higher YoY, mostly driven by B2B clients.

#### Results

RCA Ebitda decreased 12% YoY to €288 m, reflecting the more pressured market environment and considering a higher weight of digital transformation costs. OCF was €266 m, down 16% YoY.

RCA Ebit was €179 m, while IFRS Ebit was €185 m.





04

**INDUSTRIAL &  
ENERGY MANAGEMENT**

## 4. INDUSTRIAL & ENERGY MANAGEMENT

€m (RCA, except otherwise stated)

Quarter						Twelve Months			
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
<b>23.5</b>	<b>22.3</b>	<b>13.6</b>	<b>(9.9)</b>	<b>(42%)</b>	<b>Raw materials processed (mboe)</b>	<b>87.1</b>	<b>76.6</b>	<b>(10.6)</b>	<b>(12%)</b>
20.8	19.2	10.2	(10.6)	(51%)	Crude processed (mbbl)	78.3	64.9	(13.3)	(17%)
<b>1.6</b>	<b>4.1</b>	<b>5.6</b>	<b>4.0</b>	<b>n.m.</b>	<b>Galp refining margin (USD/boe)</b>	<b>1.1</b>	<b>3.3</b>	<b>2.2</b>	<b>n.m.</b>
<b>2.6</b>	<b>1.6</b>	<b>3.8</b>	<b>1.2</b>	<b>45%</b>	<b>Refining cost (USD/boe)</b>	<b>2.6</b>	<b>2.0</b>	<b>(0.6)</b>	<b>(23%)</b>
<b>3.7</b>	<b>3.9</b>	<b>3.7</b>	<b>0.0</b>	<b>1%</b>	<b>Oil products supply<sup>1</sup> (mton)</b>	<b>13.9</b>	<b>14.8</b>	<b>0.9</b>	<b>6%</b>
<b>19.2</b>	<b>16.6</b>	<b>14.3</b>	<b>(4.9)</b>	<b>(26%)</b>	<b>NG/LNG supply &amp; trading volumes<sup>1</sup> (TWh)</b>	<b>60.0</b>	<b>67.2</b>	<b>7.2</b>	<b>12%</b>
6.4	7.5	6.6	0.2	3%	Trading (TWh)	14.6	31.6	17.0	n.m.
<b>351</b>	<b>261</b>	<b>119</b>	<b>(232)</b>	<b>(66%)</b>	<b>Sales of electricity from cogeneration (GWh)</b>	<b>1,355</b>	<b>980</b>	<b>(375)</b>	<b>(28%)</b>
<b>17</b>	<b>15</b>	<b>5</b>	<b>(12)</b>	<b>(73%)</b>	<b>RCA Ebitda</b>	<b>113</b>	<b>64</b>	<b>(49)</b>	<b>(43%)</b>
(67)	(58)	(56)	(11)	(16%)	Depreciation, Amortisation and Impairments	(323)	(235)	(88)	(27%)
0	0	(3)	(3)	n.m.	Provisions	(0)	(3)	2	n.m.
<b>(51)</b>	<b>(43)</b>	<b>(55)</b>	<b>4</b>	<b>8%</b>	<b>RCA Ebit</b>	<b>(210)</b>	<b>(173)</b>	<b>(36)</b>	<b>(17%)</b>
<b>(308)</b>	<b>(0)</b>	<b>(17)</b>	<b>(291)</b>	<b>(94%)</b>	<b>IFRS Ebit</b>	<b>(967)</b>	<b>93</b>	<b>1,059</b>	<b>n.m.</b>
<b>42</b>	<b>31</b>	<b>12</b>	<b>(29)</b>	<b>(70%)</b>	<b>Adjusted operating cash flow</b>	<b>158</b>	<b>98</b>	<b>(59)</b>	<b>(38%)</b>
<b>25</b>	<b>15</b>	<b>34</b>	<b>9</b>	<b>35%</b>	<b>Capex</b>	<b>76</b>	<b>67</b>	<b>(10)</b>	<b>(13%)</b>

Note: Following the decision to discontinue refining activities in Matosinhos, 2021 refining indicators only reflect Sines refinery operations.

<sup>1</sup> Includes volumes sold to the Commercial segment.

## Fourth 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 13.6 mboe, lower 42% YoY, now just considering the processing capacity of Sines refinery, and reflecting the planned maintenance in the hydrocracker and the unplanned event in the atmospheric distillation unit (ADU) during the quarter.

Supply & trading volumes of NG/LNG decreased 26% YoY to 14.3 TWh, impacted by natural gas sourcing restrictions experienced during the period.

Sales of electricity to the grid from the cogeneration plants were down 66% YoY to 119 GWh, given the lower contribution from Matosinhos' cogeneration, with operations stopped since October, and lower production from Sines refinery.

### Results

RCA Ebitda for Industrial & Energy Management was €5 m, down €12 m YoY. OCF was €12 m, down €29 m YoY, also reflecting the lower dividends from associates related with Galp's stake in Europe Maghreb Pipeline Limited (EMPL), which expired in October.

The Industrial segment contribution, which includes refining, cogeneration and logistics activities, increased YoY, reflecting the improved refining performance.

Galp's refining margin was up YoY from \$1.6/boe to \$5.6/boe, following a more supportive international refining environment, namely on cracks from gasoline and middle distillates.

Refining costs were €45 m, or \$3.8/boe in unit terms, up \$1.2/boe YoY, considering the planned and unplanned interventions.

Energy Management registered a negative contribution during the period, mostly impacted by persistent restrictions on natural gas sourcing.

RCA Ebit was -€55 m and IFRS Ebit was -€17 m.

## Full Year 2021

### Operations

Raw materials processed were 76.6 mboe during the period, down 12% YoY, only considering the processing capacity of Sines refinery in 2021 and reflecting the planned and unplanned interventions performed throughout the year.

Crude oil accounted for 85% 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 44% of production, gasoline for 26% and fuel oil for 20%. Consumption and losses accounted for 8% of raw materials processed.

Total oil products supplied increased 6% YoY to 14.8 mton, driven by improved market demand conditions in Iberia.

Supply & trading volumes of NG/LNG were 67.2 TWh, up 12% YoY, following the higher volumes sold in the network trading activities.

Sales of electricity to the grid were 980 GWh during the period, down 28% YoY, following the lower contribution from Matosinhos' cogeneration.

### Results

RCA Ebitda for Industrial & Energy Management decreased €49 m YoY to €64 m, despite the higher Industrial performance in 2021, on the back of the improved international refining environment. OCF was €98 m, following Ebitda.

Galp's refining margin was up YoY, from \$1.1/boe to \$3.3/boe, following the more robust international refining context. Refining costs decreased YoY from \$2.6/boe to \$2.0/boe, now only reflecting Sines operational costs, and considering that in 2020 the system operated at sub optimal conditions.

Energy Management contribution decreased YoY, mostly due to natural gas sourcing restrictions, increased costs to access the regasification terminal in Portugal and given the material swing registered in the pricing formulas for oil products between the two periods, reflecting the different evolution trends on the commodity prices.

RCA Ebit was -€173 m and IFRS Ebit was €93 m.



## Other highlights

### Galp securing new opportunities in the Brazilian natural gas market

Following the new framework for the natural gas market liberalisation in Brazil, Galp, through its Petrogal Brasil and Galp Energia Brasil subsidiaries, has established a series of gas commercialisation contracts with a start date of January 1, 2022.

Galp has entered into an agreement with Companhia de Gás da Bahia (Bahiagás) to sell a part of its natural gas production from its portfolio to the north-eastern natural gas distributor. Bahiagás has committed to acquire at least 330 million cubic metres per annum of natural gas from Galp for 3 years.

Galp also secured the offtake of Repsol Sinopec's natural gas production from Sapinhoá Norte, broadening the Company's sourcing alternatives in the country.

Additionally, Galp signed agreements with Petrobras and Transportadora Associada de Gás to ensure access to the processing and transportation infrastructures, respectively.



05

 **RENEWABLES &  
NEW BUSINESSES**

## 5. RENEWABLES & NEW BUSINESSES

€m (RCA, except otherwise stated)

Quarter						Twelve Months			
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
<b>Renewable power generation (GWh)</b>									
170	408	213	43	26%	Gross	327	1,288	960	n.m.
125	304	157	32	26%	Net to Galp	238	958	719	n.m.
<b>40.4</b>	<b>110.6</b>	<b>197.5</b>	<b>157.1</b>	<b>n.m.</b>	<b>Galp average solar generation sale price (EUR/MWh)</b>	<b>41.3</b>	<b>98.9</b>	<b>57.6</b>	<b>n.m.</b>
(3)	(6)	2	4	n.m.	RCA Ebitda	(9.3)	(13)	4	38%
(1)	(6)	1	3	n.m.	RCA Ebit	(19)	(13)	(6)	(33%)
(1)	(6)	1	3	n.m.	IFRS Ebit	(19)	(13)	(6)	(33%)
<b>(3)</b>	<b>(2)</b>	<b>1</b>	<b>4</b>	<b>n.m.</b>	<b>Adjusted operating cash flow</b>	<b>(9)</b>	<b>(4)</b>	<b>(5)</b>	<b>(55%)</b>
<b>20</b>	<b>52</b>	<b>27</b>	<b>7</b>	<b>36%</b>	<b>Capex</b>	<b>350</b>	<b>145</b>	<b>(205)</b>	<b>(59%)</b>

€m

Quarter						Twelve Months			
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
<b>Renewables pro-forma - equity to Galp<sup>1</sup></b>									
(4)	28	29	33	n.m.	Ebitda	(2)	76	78	n.m.
(11)	23	22	33	n.m.	Ebit	(12)	52	65	n.m.
<b>(4)</b>	<b>28</b>	<b>29</b>	<b>33</b>	<b>n.m.</b>	<b>Renewables pro-forma adjusted operating cash flow</b>	<b>(2)</b>	<b>76</b>	<b>78</b>	<b>n.m.</b>

<sup>1</sup> Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes.

## Fourth quarter 2021

### Operations

Renewable installed capacity, on a 100% basis, increased to 963 MW, supported by the star-up of 36 MW of new solar capacity in Spain during October, from the portfolio of the joint venture (JV) with ACS, where Galp holds a 75,01% stake.

Renewable energy generation, on a 100% basis, amounted to 213 GWh, a 48% decline QoQ, reflecting the seasonally lower sun light hours, and despite the new capacity and transformer online during the period.

### Results

Current renewable generation is entirely placed under merchant conditions. Galp's average solar generation sale price was €198/MWh during the quarter, capturing the increase registered in the Iberian wholesale market prices, which was mostly driven by record-high prices of energy and CO<sub>2</sub> licenses and lower renewable penetration.

Renewables & New Businesses RCA Ebitda of €2 m in 4Q21 mostly includes G&A and corporate expenses, as all the renewables' projects under operation are not consolidated into Galp's accounts.

Renewables pro-forma Ebitda, which considers all renewable projects as if they were consolidated according to Galp's equity stakes, was €29 m, in line QoQ. Although energy generation was seasonally lower QoQ, results benefitted from stronger solar captured prices. Pro-forma OCF was also €29 m.

## Full Year 2021

### Operations

Renewable installed capacity, on a 100% basis, at the end of the year was 963 MW, considering 950 MW of solar and 12 MW of wind generation. Note that in 2020, the solar capacity acquired only contributed during the last four months of the year.

At the end of 2021, on a 100% basis, Galp's renewable portfolio, including projects under production, construction or development stood at c.4.7 GW. This includes solar capacity added throughout the year, namely in Spain (c.0.4 GW) and Brazil (c.0.6 GW). This results in a portfolio of c.4.0 GW, considering Galp's equity stakes in such projects.

In 2021, renewable energy generation, on a 100% basis, amounted to 1,288 GWh, or 958 GWh considering Galp's equity stake.

### Results

During 2021, Renewables & New Businesses consolidated RCA Ebitda was of -€13 m, which mostly includes consolidated overhead costs, also to explore opportunities in new businesses, such as Galp Solar, GoWithFlow and Galp position in the Li-on batteries value chain.

Renewables pro-forma Ebitda and OCF reached €76 m, higher €78 m YoY, also benefiting from high captured price throughout the year (most of Galp's renewable capacity under operation is within the JV with ACS, which only closed in September 2020).

	In operation	Under Construction	Under Development	Total
<b>Galp Renewable capacity (MW)</b>				
<b>Gross</b>	<b>963</b>	<b>393</b>	<b>3,390</b>	<b>4,746</b>
Spain	950	249	2,445	3,645
Portugal	12	144	351	507
Brazil	-	-	594	594
<b>Equity to Galp (pro-forma)</b>	<b>719</b>	<b>331</b>	<b>2,968</b>	<b>4,018</b>
Spain	713	187	2,023	2,923
Portugal	6	144	351	501
Brazil	-	-	594	594

## Other highlights

### **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 (Commercial Operation Date) 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.](#)

### **Galp establishes 50/50 Aurora JV with Northvolt for the development of a lithium conversion facility in Portugal**

On December 14, Galp announced it has agreed to set up a JV with Northvolt, Aurora, which aims to become a steppingstone for the development of an integrated lithium-battery value-chain aligned with the Portuguese and European ambitions. With the main goal of establishing Europe's most sustainable integrated lithium conversion plant, the JV will develop a plant set to have an initial annual production capacity of up to 35 kton of battery grade lithium hydroxide – a critical material required by the lithium-ion battery manufacturing industry, which is expected to grow more than tenfold by the end of the decade. [More information here.](#)





## FINANCIAL DATA

## 6. FINANCIAL DATA

### 6.1 Income Statement

€m (RCA, except otherwise stated)

Quarter						Twelve Months			
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
2,828	4,365	4,779	1,950	69%	Turnover	11,381	16,117	4,737	42%
(2,129)	(3,254)	(3,769)	1,640	77%	Cost of goods sold	(8,021)	(12,129)	4,107	51%
(298)	(380)	(448)	150	50%	Supply & Services	(1,473)	(1,536)	63	4%
(79)	(78)	(81)	2	2%	Personnel costs	(302)	(297)	(5)	(2%)
88	(43)	164	76	87%	Other operating revenues (expenses)	(6)	173	179	n.m.
(0)	(2)	(2)	1	n.m.	Impairments on accounts receivable	(8)	(7)	(1)	(9%)
<b>410</b>	<b>607</b>	<b>644</b>	<b>234</b>	<b>57%</b>	<b>RCA Ebitda</b>	<b>1,570</b>	<b>2,322</b>	<b>751</b>	<b>48%</b>
<b>418</b>	<b>655</b>	<b>755</b>	<b>337</b>	<b>80%</b>	<b>IFRS Ebitda</b>	<b>1,113</b>	<b>2,698</b>	<b>1,585</b>	<b>n.m.</b>
(253)	(238)	(233)	(20)	(8%)	Depreciation, Amortisation and Impairments	(1,131)	(954)	(177)	(16%)
2	(1)	4	2	n.m.	Provisions	(13)	3	16	n.m.
<b>159</b>	<b>369</b>	<b>415</b>	<b>256</b>	<b>n.m.</b>	<b>RCA Ebit</b>	<b>427</b>	<b>1,372</b>	<b>944</b>	<b>n.m.</b>
<b>(80)</b>	<b>415</b>	<b>452</b>	<b>532</b>	<b>n.m.</b>	<b>IFRS Ebit</b>	<b>(282)</b>	<b>1,670</b>	<b>1,952</b>	<b>n.m.</b>
8	42	27	20	n.m.	Net income from associates	73	96	22	31%
(19)	(28)	(50)	31	n.m.	Financial results	(182)	(138)	(44)	(24%)
(19)	(7)	(7)	(12)	(62%)	Net interests	(39)	(31)	(8)	(21%)
12	4	4	(8)	(68%)	Capitalised interest	22	15	(7)	(31%)
34	(2)	(18)	(53)	n.m.	Exchange gain (loss)	(78)	(29)	(49)	(63%)
59	0	-	(59)	n.m.	Mark-to-market of derivatives	(44)	-	44	n.m.
(19)	(18)	(20)	1	8%	Interest on leases (IFRS 16)	(80)	(76)	(5)	(6%)
(86)	(5)	(8)	(78)	(91%)	Other financial costs/income	37	(17)	(55)	n.m.
<b>147</b>	<b>382</b>	<b>392</b>	<b>245</b>	<b>n.m.</b>	<b>RCA Net income before taxes and minority interests</b>	<b>319</b>	<b>1,329</b>	<b>1,011</b>	<b>n.m.</b>
(120)	(184)	(212)	92	77%	Taxes	(337)	(729)	392	n.m.
(72)	(149)	(160)	88	n.m.	Taxes on oil and natural gas production <sup>1</sup>	(301)	(560)	259	86%
(25)	(37)	(50)	25	n.m.	Non-controlling interests	(24)	(143)	120	n.m.
<b>3</b>	<b>161</b>	<b>130</b>	<b>127</b>	<b>n.m.</b>	<b>RCA Net income</b>	<b>(42)</b>	<b>457</b>	<b>499</b>	<b>n.m.</b>
(60)	(545)	(89)	30	50%	Special items	(171)	(737)	566	n.m.
<b>(57)</b>	<b>(384)</b>	<b>41</b>	<b>97</b>	<b>n.m.</b>	<b>RC Net income</b>	<b>(213)</b>	<b>(280)</b>	<b>67</b>	<b>32%</b>
22	50	65	43	n.m.	Inventory effect	(338)	284	622	n.m.
<b>(35)</b>	<b>(334)</b>	<b>106</b>	<b>140</b>	<b>n.m.</b>	<b>IFRS Net income</b>	<b>(551)</b>	<b>4</b>	<b>555</b>	<b>n.m.</b>

<sup>1</sup> Includes income taxes and taxes on oil and natural gas production, such as SPT payable in Brazil and IRP payable in Angola.

## Fourth quarter 2021

RCA Ebitda increased €234 m YoY to €644 m, driven by the stronger Upstream performance, supported by increased oil prices, and despite a more limited contribution from downstream activities. IFRS Ebitda amounted to €755 m, considering €65 m of inventory effect and -€89 m of special items.

RCA Ebit at €415 m, up YoY from €159 m, following the RCA Ebitda increase. IFRS Ebit was €452 m.

Income from associated companies was €27 m, higher €17 m YoY, reflecting the increased contribution of the renewables' joint ventures, which more than offset the diminished income from Europe Maghreb Pipeline Limited (EMPL).

Financial results were -€50 m, also reflecting currency differences from the USD appreciation against the Euro. Mark-to-market is now registered as a special item, as per the note below.

RCA taxes increased YoY, from €120 m to €212 m, following the increased operational results, namely on upstream.

Non-controlling interests of -€50 m, mostly attributed to Sinopec's stake in Petrogal Brasil.

RCA net income was €130 m. IFRS net income was €106 m, with a positive inventory effect of €65 m and special items of -€89 m, which includes mark-to-market swings related with derivatives, as well as impairments and adjustments related to Matosinhos' discontinued operations.

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 operating results, are considered as special items. No adjustments were made in the reported figures from previous periods.

## Full Year 2021

RCA Ebitda was €2,322 m, 48% higher YoY, mostly supported by the improved Upstream conditions during the period.

RCA Ebit was €1,372 m, up from €427 m in 2020, following the higher operating contribution, although including €49 m of impairments related with exploration assets in Upstream.

Financial results were -€138 m, including IFRS 16 leases, net interests and currency differences registered in the period.

RCA taxes increased YoY from €337 m to €729 m, mostly following the improved performance in Upstream.

Non-controlling interests of -€143 m are related with Sinopec's stake in Petrogal Brasil.

RCA net income was €457 m, while IFRS net income was €4 m, with a positive inventory effect of €284 m and special items of -€737 m, which includes mark-to-market swings related with derivatives.

## 6.2 Capital Expenditure

€m									
Quarter						Twelve Months			
4Q20	3Q21	4Q21	Var. YoY	% Var. YoY		2020	2021	Var. YoY	% Var. YoY
69	187	145	76	n.m.	Upstream	326	616	290	89%
-	-	-	-	n.m.	Exploration and appraisal activities	0	-	(0)	n.m.
69	187	145	76	n.m.	Development and production activities	325	616	290	89%
49	21	45	(7)	(9%)	Commercial	127	92	(35)	(28%)
25	15	34	9	35%	Industrial & Energy Management	76	67	(10)	(13%)
20	52	24	7	22%	Renewables & New Businesses	350	142	(208)	(59%)
10	4	8	(2)	(23%)	Others	19	20	1	4%
<b>173</b>	<b>278</b>	<b>256</b>	<b>83</b>	<b>48%</b>	<b>Capex (economic)<sup>1</sup></b>	<b>898</b>	<b>936</b>	<b>38</b>	<b>4%</b>

<sup>1</sup> Capex figures based in change in assets during the period.

### Fourth quarter 2021

Capex totalled €256 m during the quarter.

Investments in the Upstream were mostly directed to projects under development in the Brazilian pre-salt, namely Bacalhau, which also includes a €39 m payment related with the increased stake in BM-S-8, announced in 2017 (see [here](#)).

Commercial capex was mainly allocated towards business transformation projects, the retail segment in Portugal and Mozambique's logistic facilities. Industrial & Energy Management capex was directed to initiatives to improve the efficiency of the refining system, with part also allocated to advanced biofuels projects.

Investments within the Renewables & New Businesses segment were mostly deployed towards the execution of the solar portfolio, which are net of project finance contributions.

### Full Year 2021

Capex was €936 m, of which 66% was allocated to the Upstream business, mainly directed to Brazil, namely the development of Bacalhau and BM-S-11.

Commercial capex was mostly allocated to Mozambique logistic facilities and the retail network in Iberia. Industrial & Energy Management investments were allocated towards initiatives to improve the systems' efficiency.

Renewables & New Businesses capex was mainly related to the development and execution of solar projects in Iberia, which are net of project finance contributions.

## 6.3 Cash Flow

€m (IFRS figures)

Quarter				Twelve Months	
4Q20	3Q21	4Q21		2020	2021
410	607	644	RCA Ebitda	1,570	2,322
38	35	8	Dividends from associates	90	132
(74)	(174)	(182)	Taxes paid	(417)	(602)
373	468	470	Adjusted operating cash flow	1,243	1,852
(14)	(21)	19	Special items	12	(11)
23	69	92	Inventory effect	(469)	387
(151)	(342)	(520)	Changes in working capital	240	(1,176)
231	175	61	Cash flow from operations	1,025	1,052
(117)	(261)	(273)	Net capex <sup>1</sup>	(909)	(525)
(1)	(8)	(4)	Net financial expenses	(43)	(54)
(19)	(19)	(20)	IFRS 16 leases interest	(80)	(76)
2	-	-	Realised income from derivatives	80	-
-	-	-	Proceeds from equalisation	80	-
95	(113)	(236)	Free cash flow	153	397
(2)	-	(120)	Dividends paid to non-controlling interest <sup>2</sup>	(225)	(198)
-	(207)	-	Dividends paid to Galp shareholders	(318)	(498)
(27)	(30)	(31)	Reimbursement of IFRS 16 leases principal	(110)	(115)
(41)	33	57	Others	(129)	122
(25)	317	330	Change in net debt	631	292

<sup>1</sup> 2021 includes the proceeds from the GGND stake sale of €368 m.

<sup>2</sup> Mainly dividends paid to Sinopec.



## Fourth quarter 2021

Galp's OCF<sup>1</sup> reached €470 m, up €96 m YoY, driven by a higher Upstream contribution.

CFFO was down €170 m YoY to €61 m, impacted by a working capital build, caused by the increased commodities' prices and refining restrictions, as well as temporary increase in derivatives margin accounts of €161 m.

Net capex during the period was €273 m, including a €39 m payment related with the increased stake in BM-S-8, announced in 2017 (see [here](#)).

FCF was -€236 m. Considering dividends' payments to non-controlling interests of €120 m and other adjustments, net debt increased €330 m in the period.

## Full Year 2021

Galp's OCF reached €1,852 m, 49% higher YoY, supported by the improved Upstream conditions. CFFO amounted to €1,052 m impacted by a working capital build.

The investment in working capital includes €605 m related with temporary margin accounts from derivatives to cover natural gas trading risk. Some of the derivatives in place to cover risk on trading gas activities 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 was €525 m, considering the proceeds from the GGND stake sale of €368 m, as well as the amounts related to the sale of FPSO P-71 to Petrobras.

FCF amounted to €397 m. Considering dividends paid to shareholders and to non-controlling interests, as well as other adjustments, net debt increased to €2,357 m.

Excluding the impact from the €605 m temporary build in working capital, FCF would have reached €1.0 bn and net debt would have declined YoY to €1.8 bn.

---

<sup>1</sup> 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 Set. 2021	31 Dec. 2021	Var. vs 31 Dec. 2020	Var. vs 30 Set. 2021
Net fixed assets	6,259	6,484	6,667	408	182
Rights of use (IFRS 16)	1,002	1,061	1,079	77	18
Working capital	703	1,359	1,879	1,176	520
Other assets/liabilities	(710)	(1,895)	(2,119)	(1,409)	(224)
<b>Capital employed</b>	<b>7,254</b>	<b>7,009</b>	<b>7,506</b>	<b>252</b>	<b>497</b>
Short term debt	539	523	1,305	766	782
Medium-Long term debt	3,204	2,762	2,995	(210)	232
<b>Total debt</b>	<b>3,743</b>	<b>3,285</b>	<b>4,300</b>	<b>556</b>	<b>1,015</b>
Cash and equivalents	1,678	1,257	1,942	265	685
<b>Net debt</b>	<b>2,066</b>	<b>2,028</b>	<b>2,357</b>	<b>292</b>	<b>330</b>
Leases (IFRS 16)	1,089	1,166	1,179	90	13
Equity	4,100	3,815	3,970	(130)	155
<b>Equity, net debt and leases</b>	<b>7,254</b>	<b>7,009</b>	<b>7,506</b>	<b>252</b>	<b>498</b>

On December 31, 2021, net fixed assets were €6,667 m, including work-in-progress of €1,807 m, mostly related to the Upstream business.

Other assets / liabilities increased €224 m QoQ, reflecting temporary impacts from the mark-to-market of natural gas derivatives. Equity was up €155 m QoQ, benefiting from the USD appreciation against the Euro, reflecting the positive IFRS net income in the quarter and despite the dividends paid to minorities.

## 6.5 Financial debt

€m (except otherwise stated)

	31 Dec. 2020	30 Set. 2021	31 Dec. 2021	Var. vs 31 Dec. 2020	Var. vs 30 Set. 2021
Cash and equivalents	1,678	1,257	1,942	265	685
Undrawn credit facilities	1,262	1,133	816	(447)	(318)
Bonds	2,904	2,415	2,421	(483)	5
Bank loans and other debt	840	870	1,879	1,039	1,009
Net debt	2,066	2,028	2,357	292	330
Leases (IFRS 16)	1,089	1,166	1,179	90	13
Average life (years) <sup>1</sup>	2.8	2.5	2.5	(0.3)	0.1
Average funding cost <sup>1</sup>	1.7%	1.4%	1.4%	(0 p.p.)	0.0 p.p.
Debt at floating rate <sup>1</sup>	52%	61%	58%	6 p.p.	(3 p.p.)
Net debt to RCA Ebitda <sup>2</sup>	1.5x	1.1x	1.1x	-0.4x	0.0x

<sup>1</sup> Debt does not include Financial leases.

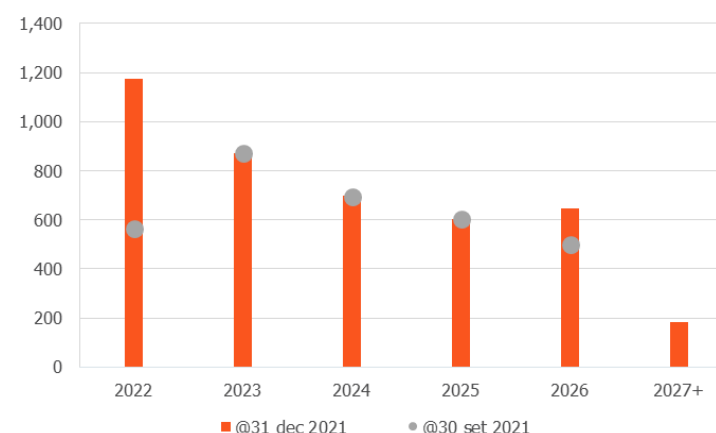
<sup>2</sup> Ratio considers the LTM Ebitda RCA (€2,131 m), adjusted for the impact from the application of IFRS 16 (€190 m).

On December 31, 2021, net debt was €2,357 m, up €330 m QoQ, as the CFFO was impacted by a temporary build in working capital and including the dividends' payments to shareholders and minorities. Net debt to RCA Ebitda increased to 1.1x.

Excluding temporary impacts on working capital, related with gas derivatives, net debt would have been €1.8 bn and net debt to RCA Ebitda at year end would be 0.8x.

At the end of the period, Galp had unused credit lines of approximately €0.8 bn, of which c.60% were contractually guaranteed.

### Debt maturity profile (€ m)



## 6.6 Reconciliation of IFRS and RCA figures

### Ebitda by segment

€m

Fourth Quarter					2021	Twelve months				
IFRS Ebitda	Inventory effect	RC Ebitda	Special items	RCA Ebitda		IFRS Ebitda	Inventory effect	RC Ebitda	Special items	RCA Ebitda
<b>755</b>	<b>(92)</b>	<b>663</b>	<b>(19)</b>	<b>644</b>	Galp	<b>2,698</b>	<b>(387)</b>	<b>2,311</b>	<b>11</b>	<b>2,322</b>
593	-	593	(0)	593	Upstream	2,047	-	2,047	(27)	2,020
59	1	59	-	59	Commercial	294	(6)	288	-	288
116	(93)	23	(19)	5	Ind. & Energy Management	408	(382)	27	38	64
2	0	2	-	2	Renewables & New Businesses	(13)	0	(13)	-	(13)
(14)	-	(14)	(0)	(14)	Others	(38)	-	(38)	0	(38)

### Ebit by segment

€m

Fourth Quarter					2021	Twelve months				
IFRS Ebit	Inventory effect	RC Ebit	Special items	RCA Ebit		IFRS Ebit	Inventory effect	RC Ebit	Special items	RCA Ebit
<b>452</b>	<b>(92)</b>	<b>359</b>	<b>55</b>	<b>415</b>	Galp	<b>1,670</b>	<b>(387)</b>	<b>1,283</b>	<b>89</b>	<b>1,372</b>
457	-	457	(0)	456	Upstream	1,461	-	1,461	(27)	1,434
29	1	30	-	30	Commercial	185	(6)	179	-	179
(17)	(93)	(110)	56	(55)	Ind. & Energy Management	93	(382)	(289)	115	(173)
1	0	1	-	1	Renewables & New Businesses	(13)	0	(13)	-	(13)
(18)	-	(18)	-	(18)	Others	(56)	-	(56)	-	(56)

**Ebitda by segment**

Fourth Quarter					2020	Twelve months				
IFRS Ebitda	Inventory effect	RC Ebitda	Special items	RCA Ebitda		IFRS Ebitda	Inventory effect	RC Ebitda	Special items	RCA Ebitda
<b>418</b>	<b>(23)</b>	<b>396</b>	<b>14</b>	<b>410</b>	Galp	<b>1,113</b>	<b>469</b>	<b>1,582</b>	<b>(12)</b>	<b>1,570</b>
318	-	318	1	319	Upstream	1,177	(0)	1,177	(66)	1,111
74	1	74	(3)	71	Commercial	320	8	328	(2)	325
6	(24)	(18)	34	17	Ind. & Energy Management	(396)	462	65	48	113
(3)	-	(3)	-	(3)	Renewables & New Businesses	(9)	-	(9)	-	(9)
24	-	24	(17)	6	Others	21	-	21	8	30

**Ebit by segment**

Fourth Quarter					2020	Twelve months				
IFRS Ebit	Inventory effect	RC Ebit	Special items	RCA Ebit		IFRS Ebit	Inventory effect	RC Ebit	Special items	RCA Ebit
<b>(80)</b>	<b>(23)</b>	<b>(103)</b>	<b>262</b>	<b>159</b>	Galp	<b>(282)</b>	<b>469</b>	<b>187</b>	<b>240</b>	<b>427</b>
159	-	159	1	161	Upstream	468	(0)	468	(61)	407
50	1	50	(3)	47	Commercial	227	8	234	(2)	232
(308)	(24)	(332)	281	(51)	Ind. & Energy Management	(967)	462	(505)	295	(210)
(1)	-	(1)	-	(1)	Renewables & New Businesses	(19)	-	(19)	-	(19)
20	-	20	(17)	3	Others	8	-	8	8	17

## 6.7 Special items

€m

Quarter			Twelve Months	
4Q20	3Q21	4Q21	2020	2021
<b>14</b>	<b>21</b>	<b>(19)</b>	<b>(12)</b>	<b>11</b>
0	-	-	(30)	-
13	-	-	54	-
1	-	-	(36)	-
-	(0)	(0)	-	(27)
-	21	(19)	-	38
<b>248</b>	<b>1</b>	<b>74</b>	<b>252</b>	<b>78</b>
94	(0)	71	94	71
0	-	-	5	-
153	1	4	153	7
<b>(99)</b>	<b>617</b>	<b>44</b>	<b>(142)</b>	<b>785</b>
(99)	1	1	(91)	12
1	-	-	(56)	-
(0)	-	-	5	-
-	0	(0)	-	0
-	638	46	-	832
-	(22)	(3)	-	(60)
<b>(114)</b>	<b>(88)</b>	<b>(8)</b>	<b>81</b>	<b>(140)</b>
(82)	(117)	(24)	(75)	(179)
(35)	24	8	119	8
4	5	8	36	31
<b>10</b>	<b>(7)</b>	<b>(2)</b>	<b>(8)</b>	<b>3</b>
<b>60</b>	<b>545</b>	<b>89</b>	<b>171</b>	<b>737</b>

<sup>1</sup> Includes adjustments from the correspondent CESE, previously booked at GGND.



## 6.8 IFRS consolidated income statement

€m

Quarter			Twelve Months	
4Q20	3Q21	4Q21	2020	2021
2,701	4,243	4,641	10,771	15,618
128	121	138	610	499
28	31	170	187	324
<b>2,856</b>	<b>4,396</b>	<b>4,949</b>	<b>11,567</b>	<b>16,442</b>
(2,107)	(3,206)	(3,657)	(8,461)	(11,752)
(298)	(387)	(456)	(1,473)	(1,563)
(92)	(84)	(75)	(356)	(310)
(0)	(2)	(2)	(8)	(7)
60	(61)	(5)	(156)	(111)
<b>(2,438)</b>	<b>(3,740)</b>	<b>(4,194)</b>	<b>(10,454)</b>	<b>(13,744)</b>
<b>418</b>	<b>655</b>	<b>755</b>	<b>1,113</b>	<b>2,698</b>
(407)	(239)	(237)	(1,289)	(961)
(92)	(1)	(66)	(106)	(67)
<b>(80)</b>	<b>415</b>	<b>452</b>	<b>(282)</b>	<b>1,670</b>
106	41	27	220	83
(19)	(645)	(93)	(186)	(911)
(6)	5	5	18	18
(14)	(12)	(13)	(56)	(49)
12	4	4	22	15
(19)	(19)	(20)	(80)	(76)
34	20	(15)	(78)	31
59	(638)	(46)	(44)	(832)
(86)	(5)	(8)	33	(18)
<b>7</b>	<b>(188)</b>	<b>385</b>	<b>(248)</b>	<b>843</b>
(3)	(110)	(223)	(242)	(652)
(4)	(5)	(8)	(45)	(41)
<b>0</b>	<b>(304)</b>	<b>154</b>	<b>(535)</b>	<b>150</b>
(35)	(30)	(48)	(16)	(146)
<b>(35)</b>	<b>(334)</b>	<b>106</b>	<b>(551)</b>	<b>4</b>

<sup>1</sup> Includes SPT payable in Brazil and IRP payable in Angola.<sup>2</sup> Includes €12 m, €20 m and €9 m related to CESE I, CESE II and FNEE, respectively, during the Full Year 2021.

## 6.9 Consolidated financial Position

€m

	31 Dec. 2020	30 Sep. 2021	31 Dec. 2021
<b>Assets</b>			
Tangible fixed assets	4,878	5,066	5,169
Goodwill	85	89	85
Other intangible fixed assets	532	601	645
Rights of use (IFRS 16)	1,002	1,061	1,079
Investments in associates	483	371	389
Receivables	267	285	294
Deferred tax assets	509	468	485
Financial investments	402	933	559
<b>Total non-current assets</b>	<b>8,157</b>	<b>8,873</b>	<b>8,703</b>
Inventories <sup>1</sup>	708	914	1,007
Trade receivables	781	1,059	1,381
Other receivables	877	619	885
Financial investments	190	650	992
Current Income tax recoverable	101	195	139
Cash and equivalents	1,678	1,257	1,942
<b>Total current assets</b>	<b>4,335</b>	<b>4,693</b>	<b>6,346</b>
<b>Total assets</b>	<b>12,492</b>	<b>13,566</b>	<b>15,050</b>

<sup>1</sup> Includes €54 m of stocks made on behalf of third parties as of 31 December 2021.

€m

	31 Dec. 2020	30 Set. 2021	31 Dec. 2021
<b>Equity</b>			
Share capital	829	829	829
Share premium	82	82	82
Reserves	967	1,259	1,327
Retained earnings	1,832	788	810
Net income	(551)	(102)	4
<b>Total equity attributable to equity holders of the parent</b>	<b>3,160</b>	<b>2,857</b>	<b>3,052</b>
Non-controlling interests	940	958	918
<b>Total equity</b>	<b>4,100</b>	<b>3,815</b>	<b>3,970</b>
<b>Liabilities</b>			
Bank loans and overdrafts	801	597	824
Bonds	2,404	2,165	2,171
Leases (IFRS 16)	923	993	1,015
Other payables	111	99	95
Retirement and other benefit obligations	381	355	300
Deferred tax liabilities	479	563	653
Other financial instruments	37	757	136
Provisions	1,008	1,111	1,209
<b>Total non-current liabilities</b>	<b>6,144</b>	<b>6,640</b>	<b>6,403</b>
Bank loans and overdrafts	39	273	1,055
Bonds	500	250	250
Leases (IFRS 16)	166	173	164
Trade payables	650	907	811
Other payables	763	935	1,328
Other financial instruments	130	573	1,069
<b>Total current liabilities</b>	<b>2,248</b>	<b>3,111</b>	<b>4,677</b>
<b>Total liabilities</b>	<b>8,392</b>	<b>9,752</b>	<b>11,080</b>
<b>Total equity and liabilities</b>	<b>12,492</b>	<b>13,566</b>	<b>15,050</b>



## 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 December 31 and September 30, 2021 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.

Other factors that may affect the Company's results, without being an indicator of its true performance, are set as special items.

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

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.



## 8. DEFINITIONS

### Replacement cost (RC)

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

### Replacement cost adjusted (RCA)

In addition to using the replacement cost method, RCA items exclude special items such as mark-to-market of derivatives hedges, 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 P&L metrics and do not reflect its operational performance.

### Acronyms

%: Percentage

**ACS:** Actividades de Construcción 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<sub>2</sub>:** Carbon dioxide

**COD:** Commercial Operation Date

**Capex:** Capital expenditure

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

**CFFO:** Cash flow from operations

**COD:** Commercial Operation Date

**COFINS:** Contribution for the Financing of Social Security

**CMVM:** Portuguese Securities Market Commission

**CORES:** Corporación de Reservas Estratégicas de Productos 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:** million barrels of oil equivalent  
**mbtu:** million British thermal units  
**mm<sup>3</sup>:** million cubic metres  
**MTM:** Mark-to-Market  
**mton:** million tonnes  
**MW:** Megawatt  
**MWh:** Megawatt-hour  
**NE:** Net entitlement  
**NG:** natural gas  
**n.m.:** not meaningful  
**NWE:** Northwestern Europe  
**OCF:** Adjusted Operating Cash Flow  
**PV:** photovoltaic  
**p.p.:** percentage point  
**Q:** Quarter  
**QoQ:** Quarter-on-quarter

**R&NB:** Renewables & New Businesses  
**REN:** Rede Eléctrica Nacional  
**RC:** Replacement Cost  
**RCA:** Replacement Cost Adjusted  
**SPA:** Sale and purchase agreement  
**SPT:** Special participation tax  
**ton:** tonnes  
**TTF:** Title transfer facility  
**TWh:** Terawatt-hour  
**UA:** Unitisation Agreements  
**U.S.:** United States  
**UOP:** Units of production  
**USD/\$:** Dollar of the United States of America  
**Var.:** Variation  
**WI:** working interest  
**YoY:** year-on-year



**Galp Energia, SGPS, S.A.**  
**Investor Relations**

Otelo Ruivo, Director  
Inês C. Santos  
João Antunes  
João G. Pereira  
Teresa Rodrigues

Contacts:  
+351 21 724 08 66

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

Website: [www.galp.com/corp/en/investors](http://www.galp.com/corp/en/investors)  
Email: [investor.relations@galp.com](mailto:investor.relations@galp.com)

Reuters: GALP.LS  
Bloomberg: GALP PL

