RESULTS
1st QUARTER 2022

3 May, 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, 2021 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

01

RESULTS HIGHLIGHTS

1. RESULTS HIGHLIGHTS

First quarter 2022

Galp 1Q22 results reflect improved operating conditions, which enabled the Company to successfully capture the stronger macro conditions, namely in the Upstream and Industrial segments, and despite the high commodity price volatility putting pressure on the remaining downstream activities.

RCA Ebitda reached €869 m, 74% higher YoY, driven by a strong Upstream and refining performance:

- Upstream: RCA Ebitda was strong at €803 m, reflecting a higher production and increased oil and gas realisations, supported by improved oil trading conditions and new equity gas contracts.

- Commercial: RCA Ebitda was €56 m, 19% lower YoY, despite the increase of oil volumes sold during the period, pressured by the price environment in Iberia, namely on gas and power activities. Additionally, starting this quarter, the Commercial segment includes the reallocation of growth platforms from the New Businesses division (decentralised energy and mobility management solutions).

- Industrial & Energy Management: RCA Ebitda was just €2 m, as the strong Industrial performance was offset by a lag in pricing formulas for oil products supply.

- Renewables & New Businesses: no relevant RCA Ebitda as most of the operations are not consolidated. The pro-forma Ebitda of the Renewables operations reached €30 m in the period, capturing the strong power prices during the period and increased generation.

Group RCA Ebit at €538 m, up 90% YoY, including an impairment of €120 m related with exploration and appraisal assets in Brazil.

RCA net income was €155 m. IFRS net income was -€14 m, with an inventory effect of €152 m and special items of -€320 m, which mainly includes mark-to-market swings from derivatives.

The strong operational performance led Galp's adjusted operating cash flow (OCF) to increase 43% YoY, to €638 m.

CFFO was €193 m, reflecting a working capital build, impacted by the spike in commodities' prices, as well as a €224 m temporary increase in derivatives margin accounts to cover gas sourcing and supply prices.

FCF was positive at €30 m. Net debt increased to €2,392 m, after dividends paid to minorities of €110 m. Net debt to RCA Ebitda was 0.96x at the end of the period, or 0.62x excluding the temporary working capital effects related to margin accounts.

Short Term Outlook

Galp's asset base is well positioned to capture a stronger macro environment. Given that the macro environment outlook for 2022 remains volatile, Galp is not changing its projections for the year, presented in February.

Plan assumptions

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

Sensitivities[1] (€ m)	Change	Ebitda	OCF
Brent price	$5/bbl	160	90
Galp refining margin	$1/boe	75	65
EUR:USD	0.05	90	60

[1] Sensitivities exclude Upstream and refining margin hedging effects. In Upstream, c.6 mbbl are hedged in 2022 at c.$80/bbl Brent. In refining, c.17 mboe at $8-9/boe for Apr. to Dec. 2022.

Operational indicators

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

Financial indicators (consolidated, except otherwise stated)

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

Financial data

€m (RCA, except otherwise stated)

	Quarter				
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
RCA Ebitda	**499**	**644**	**869**	**370**	**74%**
Upstream	438	593	803	364	83%
Commercial	69	59	56	(13)	(19%)
Industrial & Energy Management	(6)	5	2	7	n.m.
Renewables & New Businesses	(2)	2	(1)	(2)	(73%)
Others	(0)	(14)	10	10	n.m.
RCA Ebit	**284**	**415**	**538**	**255**	**90%**
Upstream	314	456	555	241	77%
Commercial	44	30	31	(13)	(29%)
Industrial & Energy Management	(67)	(55)	(51)	(16)	(23%)
Renewables & New Businesses	(3)	1	(1)	(2)	(66%)
Others	(4)	(18)	5	9	n.m.
RCA Net income	**26**	**130**	**155**	**129**	**n.m.**
Special items	34	(89)	(320)	(354)	n.m.
Inventory effect	101	65	152	51	50%
IFRS Net income	**161**	**106**	**(14)**	**(175)**	**n.m.**
Adjusted operating cash flow (OCF)	**445**	**470**	**638**	**193**	**43%**
Upstream	390	426	576	186	48%
Commercial	67	47	55	(12)	(17%)
Industrial & Energy Management	(9)	12	(1)	(8)	(86%)
Renewables & New Businesses	(2)	1	(1)	(2)	(74%)
Cash flow from operations (CFFO)	**377**	**61**	**193**	**(184)**	**(49%)**
Net Capex	**195**	**(273)**	**(122)**	**(317)**	**n.m.**
Free cash flow (FCF)	**518**	**(236)**	**30**	**(488)**	**(94%)**
Dividends paid to non-controlling interests	**-**	**(120)**	**(110)**	**(110)**	**n.m.**
Dividends paid to shareholders	**-**	**-**	**-**	**-**	**n.m.**
Net debt	**1,552**	**2,357**	**2,392**	**840**	**54%**
Net debt to RCA Ebitda[1]	**1.10x**	**1.11x**	**0.96x**	**-0.14x**	**-0.13x**

[1] Ratio considers the LTM Ebitda RCA (€2,501 m), which includes the adjustment for the impact from the application of IFRS 16 (€190 m).

Operating data

	Quarter				
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
Average working interest production[1] (kboepd)	125.2	124.8	131.1	5.9	5%
Average net entitlement production[1] (kboepd)	123.5	123.0	129.5	6.0	5%
Realisations indicator[2] - Oil (USD/bbl)	-	-	102.2	n.m.	n.m.
Realisations indicator[2] - Gas (USD/boe)	-	-	43.6	n.m.	n.m.
Raw materials processed (mboe)	19.7	13.6	21.8	2.1	10%
Galp refining margin (USD/boe)	1.9	5.5	6.9	5.0	n.m.
Oil products supply[3] (mton)	3.6	3.7	3.9	0.3	9%
NG/LNG supply & trading volumes[3] (TWh)	18.3	14.3	14.8	(3.5)	(19%)
Sales of electricity from cogeneration (GWh)	330.8	119.0	112.8	(218)	(66%)
Oil Products - client sales (mton)	1.3	1.8	1.7	0.3	25%
Natural gas - client sales (GWh)	4,949.0	4,509.2	5,589.7	640.7	13%
Electricity - client sales (GWh)	950.1	1,121.5	1,139.3	189	20%
Gross renewable power generation (GWh)	191.5	213.2	243.4	52	27%
Galp average solar generation sale price (EUR/MWh)	42.3	197.5	210.1	167.8	n.m.

[1] Includes natural gas exported; excludes natural gas used or reinjected.
[2] Galp is now splitting oil and gas realisation indicators. The average oil & gas differential to Brent achieved in 1Q22 was $6.2/boe (comparable to previous reporting). Oil realisation indicator is estimated based on the differential to the average Brent price of the period on each of Galp's oil cargoes were negotiated, deducted of logistic costs associated with its delivery. Gas realisation indicator represents the revenues collected from the equity gas sold during the period net of all gas delivery and treatment costs.
[3] Includes volumes sold to the Commercial segment.

Market indicators

	Quarter				
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
Average exchange rate EUR:USD	1.20	1.14	1.12	(0.08)	-7%
Average exchange rate EUR:BRL	6.60	6.38	5.87	(0.73)	-11%
Dated Brent price (USD/bbl)	61.1	79.8	102.2	41.1	67%
Heavy-light crude price spread[1] (USD/bbl)	(1.5)	(1.7)	(12.3)	10.9	n.m.
Iberian MIBGAS natural gas price (EUR/MWh)	20.5	94.2	96.9	76.4	n.m.
Dutch TTF natural gas price (EUR/MWh)	18.5	93.7	98.4	79.9	n.m.
Japan/Korea Marker LNG price (EUR/MWh)	28.1	104.9	95.3	67.2	n.m.
Iberian baseload pool price (EUR/MWh)	45.2	211.1	229.0	183.8	n.m.
Iberian solar captured price (EUR/MWh)	42.7	202.2	218.6	175.9	n.m.
Iberian oil market (mton)	12.6	15.7	14.5	1.9	15%
Iberian natural gas market (TWh)	114.4	130.5	126.8	12.4	11%

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.

UPSTREAM

2.
UPSTREAM

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

	Quarter				
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
Average working interest production[1] (kboepd)	**125.2**	**124.8**	**131.1**	**5.9**	**5%**
Oil production (kbpd)	112.2	111.2	117.5	5.4	5%
Gas production (kboepd)	13.0	13.6	13.5	0.5	4%
Average net entitlement production[1] (kboepd)	**123.5**	**123.0**	**129.5**	**6.0**	**5%**
By product					
Oil production (kbpd)	110.5	109.4	116.0	5.5	5%
Gas production (kboepd)	13.0	13.6	13.5	0.5	4%
By country					
Angola	11.3	10.7	10.3	(1.0)	(9%)
Brazil	112.2	112.3	119.2	7.0	6%
Realisations indicators[2]					
Oil (USD/bbl)	-	-	102.2	n.m.	n.m.
Gas (USD/boe)	-	-	43.6	n.m.	n.m.
Royalties (USD/boe)	**4.8**	**6.3**	**8.5**	**3.7**	**77%**
Production costs (USD/boe)	**1.8**	**1.4**	**2.4**	**0.6**	**32%**
DD&A[3] (USD/boe)	**13.7**	**13.7**	**12.7**	**(1.0)**	**(7%)**
RCA Ebitda	**438**	**593**	**803**	**364**	**83%**
Depreciation, Amortisation and Impairments[3]	(126)	(145)	(248)	122	97%
Provisions	1	9	0	(1)	(85%)
RCA Ebit	**314**	**456**	**555**	**241**	**77%**
IFRS Ebit	**340**	**457**	**555**	**215**	**63%**
Adjusted operating cash flow	**390**	**426**	**576**	**186**	**48%**
Capex	**149**	**145**	**129**	**(20)**	**(13%)**

[1] Includes natural gas exported; excludes natural gas used or reinjected.
[2] Galp is now splitting oil and gas realisations indicators. The average oil & gas differential to Brent achieved in 1Q22 was $6.2/boe (comparable to previous reporting). Oil realisation indicator is estimated based on the differential to the average Brent price of the period on each of Galp's oil cargoes were negotiated, deducted of logistic costs associated with its delivery. Gas realisation indicator represents the revenues collected from the equity gas sold during the period net of all gas delivery and treatment costs.
[3] Includes abandonment provisions. 4Q21 and 1Q22 unit figures exclude impairments of €49 m and €120 m, respectively, related with exploration and appraisal assets in Brazil. These have no impact on the 2022-25 business plan production.

First quarter 2022

Operations

Working interest (WI) production was up 5% YoY, to 131.1 kboepd, reflecting a lower concentration of planned maintenance activities. Natural gas accounted for 12% of WI production.

In Brazil, production increased 6% YoY to 119.2 kboepd, following an improvement in FPSO availability during the quarter. Angola WI production decreased YoY, from 13.0 kbpd to 11.9 kbpd.

The Group net entitlement (NE) production followed the production WI increase to 129.5 kboepd.

Results

RCA Ebitda was €803 m, up from €438 m YoY, reflecting a higher production and increased oil and gas realisations, supported by improved oil trading conditions and new equity gas contracts. OCF was €576 m, compared to €390 m in 1Q21.

Production costs were €25 m, higher YoY. In unit terms, and on a net entitlement basis, production costs were $2.4/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.

Upstream hedging operations covered 1.3 mbbl of Galp's oil production in the period, resulting in a -€26 m contribution to Ebitda.

Amortisation and depreciation charges (including abandonment provisions) of €248 m, which includes impairments of €120 m related with exploration and appraisal assets in Brazil, with no impact on the 2022-25 business plan production. On a net entitlement basis, and excluding the impairments, DD&A was $12.7/boe.

RCA Ebit was €555 m, up € 241 m YoY. IFRS Ebit amounted to €555 m.

Subsequent events

Jaca exploration well spud (Block 6, São Tomé and Príncipe)

In April 2022, Galp and partners spudded the Jaca well in block 6, in offshore São Tomé and Príncipe, with drilling operations ongoing.

Jaca is an ultradeep water potential frontier exploration well, targeting a cretaceous play.

03

COMMERCIAL

3. COMMERCIAL

€m (RCA, except otherwise stated)

	Quarter				
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
Commercial sales to clients					
Oil products (mton)	1.3	1.8	1.7	0.3	25%
Natural Gas (GWh)	4,949	4,509	5,590	640.7	13%
Electricity (GWh)	950	1,121	1,139	189	20%
RCA Ebitda	**69**	**59**	**56**	**(13)**	**(19%)**
Depreciation, Amortisation and Impairments	(25)	(27)	(25)	0	2%
Provisions	(1)	(2)	(0)	(1)	(94%)
RCA Ebit	**44**	**30**	**31**	**(13)**	**(29%)**
IFRS Ebit	**45**	**29**	**31**	**(14)**	**(32%)**
Adjusted operating cash flow	**67**	**47**	**55**	**(12)**	**(17%)**
Capex	**4**	**45**	**6**	**2**	**52%**

First quarter 2022

Operations

Oil products' sales increased 25% YoY to 1.7 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 increased 13% YoY to 5.6 TWh, following the higher sales in the B2B segment and sales of electricity were 1,139 GWh, up 20% YoY.

At the end of the quarter, a total of 1,329 charging points were operating in Portugal and Spain.

Results

RCA Ebitda was €56 m, 19% lower YoY, despite the increase of oil volumes sold during the period, pressured by the price environment in Iberia, namely on gas and power activities. Additionally, starting this quarter, the Commercial segment includes the reallocation of growth platforms from the New Businesses division (decentralised energy and mobility management solutions). Operating Cash flow decreased 17% YoY to €55 m.

RCA Ebit was €31 m, whilst IFRS Ebit also amounted to €31 m.

04

INDUSTRIAL & ENERGY MANAGEMENT

4. INDUSTRIAL & ENERGY MANAGEMENT

€m (RCA, except otherwise stated)

	Quarter				
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
Raw materials processed (mboe)	**19.7**	**13.6**	**21.8**	**2.1**	**10%**
Crude processed (mbbl)	16.8	10.2	17.7	0.9	5%
Galp refining margin (USD/boe)	**1.9**	**5.5**	**6.9**	**5.0**	**n.m.**
Refining cost (USD/boe)	**1.8**	**3.8**	**2.0**	**0.2**	**11%**
Oil products supply[1] (mton)	**3.6**	**3.7**	**3.9**	**0.3**	**9%**
NG/LNG supply & trading volumes[1] (TWh)	**18.3**	**14.3**	**14.8**	**(3.5)**	**(19%)**
Trading (TWh)	8.3	6.6	6.1	(2.2)	(26%)
Sales of electricity from cogeneration (GWh)	**331**	**119**	**113**	**(218)**	**(66%)**
RCA Ebitda	**(6)**	**5**	**2**	**7**	**n.m.**
Depreciation, Amortisation and Impairments	(61)	(56)	(50)	(10)	(17%)
Provisions	(0)	(3)	(2)	2	n.m.
RCA Ebit	**(67)**	**(55)**	**(51)**	**(16)**	**(23%)**
IFRS Ebit	**49**	**(17)**	**124**	**75**	**n.m.**
Adjusted operating cash flow	**(9)**	**12**	**(1)**	**(8)**	**(86%)**
Capex	**7**	**34**	**7**	**0**	**1%**

[1] Includes volumes sold to the Commercial segment.

First quarter 2022

Operations

Raw materials processed in the quarter were 21.8 mboe, higher 10% YoY, as the system operated under normal conditions during the period, whilst 1Q21 performance reflected some operational restrictions.

Supply & trading volumes of NG/LNG decreased 19% YoY to 14.8 TWh, limited by the European and Iberian gas environment conditions.

Sales of electricity to the grid from the cogeneration plants were down 66% YoY to 113 GWh, given the lower contribution from Matosinhos' cogeneration and throughput reduction in one of Sines' cogeneration units during part of the quarter.

Results

RCA Ebitda for Industrial & Energy Management was €2 m, slightly up YoY, as the strong Industrial performance was offset by a c.€90 m impact from the lag in pricing formulas for oil products supply. OCF of -€1 m, also reflecting the lower dividends from associates related with Galp's stake in Europe Maghreb Pipeline Limited (EMPL), which expired in October 2021.

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 $1.9/boe to $6.9/boe, following the robust international refining environment, namely on middle distillates cracks.

Refining costs were €39 m, or $2.0/boe in unit terms, up 11% YoY. Refining margin hedging operations had a -€5 m contribution to Ebitda.

RCA Ebit was -€51 m, whilst IFRS Ebit was €124 m given the negative inventory effects.

Other highlights

FID of a 2 MW green hydrogen project, in Sines

In March, Galp sanctioned the development of its green hydrogen pilot unit, a 2 MW electrolyser located in the Sines refinery, which will accelerate the Company's learning curve. The technology selected was PEM (polymer electrolyte membrane) and the system will be integrated with the refinery, allowing to start replacing the current hydrocarbon based hydrogen production.

RENEWABLES & NEW BUSINESSES

5. RENEWABLES & NEW BUSINESSES

€m (RCA, except otherwise stated)

	Quarter				
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
Renewable power generation (GWh)					
Gross	191	213	243	52	27%
Net to Galp	141	157	180	39	27%
Galp average solar generation sale price (EUR/MWh)	**42.3**	**197.5**	**210.1**	167.8	**n.m.**
Consolidated Indicators					
RCA Ebitda	(2)	2	(1)	(2)	(73%)
RCA Ebit	(3)	1	(1)	(2)	(66%)
IFRS Ebit	(3)	1	(1)	(2)	(66%)
Adjusted operating cash flow	**(2)**	**1**	**(1)**	**(2)**	**(74%)**
Equity Capex	**15**	**24**	**39**	**24**	**n.m.**

€m

	Quarter				
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
Renewables pro-forma - equity to Galp[1]					
Ebitda	2	29	30	28	n.m.
Ebit	(3)	22	24	27	n.m.
Renewables pro-forma adjusted operating cash flow	**2**	**29**	**30**	**28**	**n.m.**

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

First quarter 2022

Operations

Renewable installed capacity, on a 100% basis, increased to 1,012 MW, at the end of the quarter, after the start-up of 50 MW of new solar capacity in Spain in early March, from the portfolio of the joint venture with ACS, where Galp holds a 75,01% stake.

Renewable energy generation, on a 100% basis, amounted to 243 GWh, a 27% increase YoY, reflecting an improved operational performance and the new capacity online.

Results

Current renewable generation is entirely exposed to merchant conditions. Galp's average solar generation sale price was €210/MWh during the quarter, capturing the increase registered in the Iberian wholesale market prices.

Renewables & New Businesses RCA Ebitda of -€1 m in 1Q22 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 €30 m, significantly higher YoY, capturing the strong power prices during the period and increased generation. Pro-forma OCF was also €30 m.

Other highlights

Expansion of renewables projects' funnel, adding 4.8 GW early-stage projects in Brazil

Galp agreed to acquire a 4.8 GW diversified portfolio of early stage renewable energy projects in Brazil, doubling its funnel of opportunities to 9.6 GW, across Brazil, Spain and Portugal.

The framework agreement comprises the acquisition of 19 projects to be developed by SER Energia, with total potential capacity of 4.6 GW, and a 216 MW cluster of three wind farms in Brazil's Northeast, to be developed by Casa dos Ventos. The transactions will become effective as the several parks advance through the respective development stages. No relevant upfront spending is expected, with investments subject to execution milestones.

Galp and Northvolt select Setúbal to build planned lithium conversion unit

Galp and Northvolt have selected the port city of Setúbal as the location for their Aurora lithium conversion plant, which aims to become a steppingstone for the development of an integrated lithium-battery value-chain in Europe. It is set to have an initial annual production capacity between 28 and 35 ktons of battery-grade lithium hydroxide. More information here.

	In Operation	Under Contruction	Under Development	Total
Galp Renewable capacity (MW)				
Gross	**1,013**	**471**	**8,083**	**9,567**
Spain	1,000	327	2,318	3,645
Portugal	12	144	351	507
Brazil	-	-	5,414	5,414
Equity to Galp (pro-forma)	**756**	**405**	**7,677**	**8,838**
Spain	750	261	1,912	2,923
Portugal	6	144	351	501
Brazil	-	-	5,414	5,414

06

FINANCIAL DATA

6. FINANCIAL DATA

6.1 Income Statement

€m (RCA, except otherwise stated)

	Quarter				
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
Turnover	3,338	4,779	5,661	2,324	70%
Cost of goods sold	(2,411)	(3,769)	(4,326)	1,915	79%
Supply & Services	(356)	(448)	(458)	101	28%
Personnel costs	(70)	(81)	(81)	10	15%
Other operating revenues (expenses)	(0)	164	79	79	n.m.
Impairments on accounts receivable	0	(2)	(6)	(7)	n.m.
RCA Ebitda	**499**	**644**	**869**	**370**	**74%**
IFRS Ebitda	**644**	**755**	**1,048**	**405**	**63%**
Depreciation, Amortisation and Impairments	(216)	(233)	(329)	113	52%
Provisions	0	4	(2)	(2)	n.m.
RCA Ebit	**284**	**415**	**538**	**254**	**90%**
IFRS Ebit	**427**	**452**	**709**	**281**	**66%**
Net income from associates	(0)	27	26	26	n.m.
Financial results	(55)	(50)	(31)	(24)	(43%)
Net interests	(9)	(7)	(8)	(1)	(11%)
Capitalised interest	3	4	4	1	52%
Exchange gain (loss)	(16)	(18)	1	18	n.m.
Interest on leases (IFRS 16)	(19)	(20)	(19)	1	3%
Other financial costs/income	(14)	(8)	(10)	(4)	(31%)
RCA Net income before taxes and minority interests	**228**	**392**	**532**	**304**	**n.m.**
Taxes	(181)	(212)	(330)	149	83%
Taxes on oil and natural gas production[1]	(109)	(160)	(222)	114	n.m.
Non-controlling interests	(22)	(50)	(48)	26	n.m.
RCA Net income	**26**	**130**	**155**	**129**	**n.m.**
Special items	34	(89)	(320)	(354)	n.m.
RC Net income	**60**	**41**	**(165)**	**(225)**	**n.m.**
Inventory effect	101	65	152	51	50%
IFRS Net income	**161**	**106**	**(14)**	**(175)**	**n.m.**

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

First quarter 2022

RCA Ebitda increased €370 m YoY to €869 m, driven by the stronger Upstream performance, supported by increased oil prices, and refining performance, following the supportive international refining environment. IFRS Ebitda amounted to €1,048 m, considering -€188 m of inventory effect and €9 m of special items.

RCA Ebit at €538 m, up YoY from €284 m, including an impairment of €120 m related with exploration and appraisal assets in Brazil. IFRS Ebit was €709 m.

Income from associated companies was €26 m, up YoY, reflecting the increased contribution of the renewables' joint ventures.

Financial results were -€31 m, mostly reflecting net interests and IFRS 16 leases. Mark-to-market swings are registered as special items.

RCA taxes increased YoY, from €181 m to €330 m, following the increased operational results, namely on Upstream.

Non-controlling interests of -€48 m, mostly attributed to Sinopec's stake in Petrogal Brasil.

RCA net income was €155 m. IFRS net income was -€14 m, with an inventory effect of €152 m and special items of -€320 m, which mainly includes mark-to-market swings from derivatives.

6.2 Capital Expenditure

€m					
			Quarter		
	1Q21	4Q21	1Q22	Var. YoY	% Var. YoY
Upstream	149	145	129	(20)	(13%)
Exploration and appraisal activities	-	-	-	-	n.m.
Development and production activities	149	145	129	(20)	(13%)
Commercial	4	45	6	2	52%
Industrial & Energy Management	7	34	7	0	1%
Renewables & New Businesses	15	24	39	24	n.m.
Others	3	8	7	4	n.m.
Capex (economic)[1]	**178**	**256**	**188**	**10**	**6%**

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

First quarter 2022

Capex totalled €188 m during the quarter.

Investments in the Upstream were mostly directed to projects under development in the Brazilian pre-salt, namely Bacalhau.

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

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

6.3 Cash Flow

€m (IFRS figures)

	Quarter		
	1Q21	4Q21	1Q22
RCA Ebitda	499	644	869
Dividends from associates	48	8	-
Taxes paid	(102)	(182)	(231)
Adjusted operating cash flow	**445**	**470**	**638**
Special items	11	19	(9)
Inventory effect	133	92	188
Changes in working capital	(212)	(520)	(625)
o.w. derivatives' margin accounts	27	(161)	(224)
Cash flow from operations	**377**	**61**	**193**
Net capex[1]	195	(273)	(122)
Net financial expenses	(36)	(4)	(23)
IFRS 16 leases interest	(19)	(20)	(18)
Free cash flow	**518**	**(236)**	**30**
Dividends paid to non-controlling interest[2]	-	(120)	(110)
Dividends paid to Galp shareholders	-	-	-
Amortization of IFRS 16 leases principal	(27)	(31)	(27)
Others	22	57	73
Change in net debt	**(513)**	**330**	**35**

[1] 1Q21 includes the proceeds from the GGND stake sale of €343 m.

[2] Mainly dividends paid to Sinopec.

First quarter 2022

Galp's OCF[1] reached €638 m, up €193 m YoY, driven by the strong operational performance.

CFFO was down €184 m YoY to €193 m, reflecting a working capital build, impacted by the spike in commodities' prices, as well as a €224 m temporary increase in derivatives margin accounts to cover gas sourcing and supply prices.

Net Capex paid during the period was €122 m.

FCF was €30 m. Considering dividends' payments to non-controlling interests of €110 m and other adjustments, mostly related with the USD appreciation against the Euro and IFRS 16 lease amortisation, net debt increased €35 m in the period.

[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 Mar. 2021	31 Dec. 2021	31 Mar. 2022	Var. vs 31 Mar. 2021	Var. vs 31 Dec. 2021
Net fixed assets	6,374	6,667	6,718	344	51
Rights of use (IFRS 16)	1,033	1,079	1,064	31	(14)
Working capital	916	1,879	2,504	1,589	625
Other assets/liabilities	(1,119)	(2,119)	(2,693)	(1,574)	(573)
Capital employed	**7,204**	**7,506**	**7,594**	**390**	**88**
Short term debt	84	1,305	2,374	2,290	1,070
Medium-Long term debt	3,207	2,995	2,655	(552)	(339)
Total debt	**3,291**	**4,300**	**5,030**	**1,739**	**730**
Cash and equivalents	1,739	1,942	2,638	899	696
Net debt	**1,552**	**2,357**	**2,392**	**840**	**35**
Leases (IFRS 16)	1,125	1,179	1,166	41	(13)
Equity	4,527	3,970	4,036	(491)	66
Equity, net debt and leases	**7,204**	**7,506**	**7,594**	**390**	**88**

On March 31, 2021, net fixed assets were €6,718 m, including work-in-progress of €1,879 m, mostly related to the Upstream business.

Other assets / liabilities increased €573 m compared to year end 2021, reflecting temporary impacts from the mark-to-market of natural gas derivatives. Equity was up €66 m from 31 December 2021, benefiting from the USD appreciation against the Euro, despite the dividends paid to minorities during the quarter.

6.5 Financial debt

€m

	31 Mar. 2021	31 Dec. 2021	31 Mar. 2022	Var. vs 31 Mar. 2021	Var. vs 31 Dec. 2021
Cash and equivalents	1,739	1,942	2,638	899	696
Undrawn credit facilities	1,263	816	949	(314)	134
Bonds	2,412	2,421	2,801	389	381
Bank loans and other debt	879	1,879	2,228	1,349	349
Net debt	1,552	2,357	2,392	840	35
Leases (IFRS 16)	1,125	1,179	1,166	41	(13)
Net debt to RCA Ebitda [1]	1.10x	1.11x	0.96x	-0.1x	-0.1x

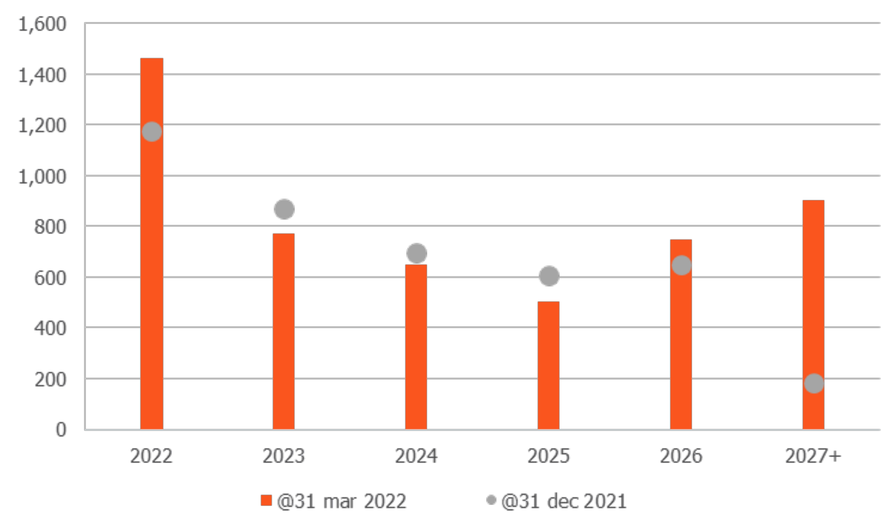
[1] Ratio considers the LTM Ebitda RCA (€2,501 m), which includes the adjustment for the impact from the application of IFRS 16 (€190 m).

On March 31, 2021, net debt was €2,392 m, up €35 m QoQ, as the CFFO was impacted by a temporary build in working capital and including the dividends' payments to minorities. Net debt to RCA Ebitda decreased to 0.96x.

Excluding temporary impacts on working capital, related with margin accounts, net debt to RCA Ebitda at year end would be 0.62x.

At the end of the period, Galp's liquidity position was strengthened, with a €829 m increase, to cope with the current volatility in the commodities market. Cash and equivalents reached €2.6 bn, whilst unused credit lines were c.€0.9 bn, of which c.57% were contractually guaranteed.

Debt maturity profile (€ m)



6.6 Reconciliation of IFRS and RCA figures

Ebitda by segment

€m

1Q22						1Q21				
Ebitda IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda		Ebitda IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda
1,048	**(188)**	**860**	**9**	**869**	Galp	**644**	**(133)**	**511**	**(11)**	**499**
803	-	803	-	803	Upstream	465	-	465	(26)	438
56	0	56	-	56	Commercial	71	(1)	69	-	69
185	(193)	(8)	9	2	Ind. & Energy Management	111	(132)	(21)	15	(6)
(1)	-	(1)	-	(1)	Renewables & New Businesses	(2)	-	(2)	-	(2)
5	4	10	-	10	Outros	(0)	-	(0)	0	(0)

Ebit by segment

€m

1Q22						1Q21				
Ebit IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda		Ebitda IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda
709	**(188)**	**520**	**18**	**538**	Galp	**427**	**(133)**	**294**	**(11)**	**284**
555	-	555	-	555	Upstream	340	-	340	(26)	314
31	0	31	-	31	Commercial	45	(1)	44	-	44
124	(193)	(69)	18	(51)	Ind. & Energy Management	49	(132)	(83)	16	(67)
(1)	-	(1)	-	(1)	Renewables & New Businesses	(3)	-	(3)	-	(3)
0	4	5	-	5	Outros	(4)	-	(4)	-	(4)

6.7 Special items

€m

	Quarter		
	1Q21	4Q21	1Q22
Items impacting Ebitda	**(11)**	**(19)**	**9**
Termination agreement for service and equipment (P-71)	(26)	(0)	-
Matosinhos Refinery	15	(19)	9
Items impacting non-cash costs	**1**	**74**	**9**
Matosinhos Refinery	1	74	9
Items impacting financial results	**(61)**	**44**	**421**
Gains/losses on financial investments (GGND)	10	1	-
MTM of derivatives and FX from natural gas derivatives	(71)	44	421
Items impacting taxes	**31**	**(8)**	**(136)**
Taxes on special items	24	(24)	(93)
BRL/USD FX impact on deferred taxes in Brazil	(3)	8	(56)
Energy sector contribution taxes	10	8	13
Non-controlling interests (Unitisation and FX on deferred taxes Brazil)	**6**	**(2)**	**17**
Total special items	**(34)**	**89**	**320**

6.8 IFRS consolidated income statement

€m

	Quarter		
	1Q21	4Q21	1Q22
Sales	3,214	4,641	5,548
Services rendered	124	138	114
Other operating income	68	170	139
Operating income	**3,406**	**4,949**	**5,800**
Inventories consumed and sold	(2,280)	(3,657)	(4,142)
Materials and services consumed	(362)	(456)	(460)
Personnel costs	(78)	(75)	(82)
Impairments on accounts receivable	0	(2)	(6)
Other operating costs	(42)	(5)	(61)
Operating costs	**(2,762)**	**(4,194)**	**(4,752)**
Ebitda	**644**	**755**	**1,048**
Depreciation, Amortisation and Impairments	(217)	(237)	(338)
Provisions	(0)	(66)	(2)
Ebit	**427**	**452**	**709**
Net income from associates	(10)	27	26
Financial results	15	(93)	(453)
Interest income	4	5	7
Interest expenses	(13)	(13)	(15)
Capitalised interest	3	4	4
Interest on leases (IFRS 16)	(19)	(20)	(19)
Exchange gain (loss)	17	(15)	1
Mark-to-market of derivatives	37	(46)	(421)
Other financial costs/income	(15)	(8)	(10)
Income before taxes	**433**	**385**	**282**
Taxes[1]	(225)	(223)	(211)
Energy sector contribution taxes[2]	(19)	(8)	(19)
Income before non-controlling interests	**189**	**154**	**52**
Income attributable to non-controlling interests	(28)	(48)	(65)
Net income	**161**	**106**	**(14)**

[1] Includes SPT payable in Brazil and IRP payable in Angola.
[2] Includes €8 m, €5 m and €6 m related to CESE I, CESE II and FNEE, respectively, during 1Q22.

6.9 Consolidated financial Position

€m

	31 Mar. 2021	31 Dec. 2021	31 Mar. 2022
Assets			
Tangible fixed assets	5,102	5,169	5,155
Goodwill	86	85	88
Other intangible fixed assets	552	645	605
Rights of use (IFRS 16)	1,033	1,079	1,064
Investments in associates	355	389	451
Receivables	268	294	273
Deferred tax assets	548	485	449
Financial investments	459	559	774
Total non-current assets	**8,402**	**8,703**	**8,860**
Inventories[1]	798	1,007	1,296
Trade receivables	922	1,381	1,775
Other receivables	595	885	1,108
Financial investments	238	992	1,598
Current Income tax recoverable	47	139	107
Cash and equivalents	1,739	1,942	2,638
Total current assets	**4,339**	**6,346**	**8,521**
Total assets	**12,741**	**15,050**	**17,381**

[1] Includes €71 m of stocks made on behalf of third parties as of 31 March 2022.

€m

	31 Mar. 2021	31 Dec. 2021	31 Mar. 2022
Equity			
Share capital	829	829	829
Share premium	82	82	82
Reserves	1,168	1,327	1,429
Retained earnings	1,281	810	813
Net income	161	4	(14)
Total equity attributable to equity holders of the parent	**3,521**	**3,052**	**3,140**
Non-controlling interests	1,006	918	896
Total equity	**4,527**	**3,970**	**4,036**
Liabilities			
Bank loans and overdrafts	795	824	804
Bonds	2,412	2,171	1,851
Leases (IFRS 16)	938	1,015	1,009
Other payables	100	95	99
Retirement and other benefit obligations	374	300	293
Deferred tax liabilities	597	653	494
Other financial instruments	44	136	260
Provisions	1,054	1,209	1,272
Total non-current liabilities	**6,315**	**6,403**	**6,083**
Bank loans and overdrafts	84	1,055	1,424
Bonds	-	250	950
Leases (IFRS 16)	187	164	157
Trade payables	715	811	1,472
Other payables	798	1,328	1,313
Other financial instruments	114	1,069	1,946
Total current liabilities	**1,899**	**4,677**	**7,263**
Total liabilities	**8,214**	**11,080**	**13,345**
Total equity and liabilities	**12,741**	**15,050**	**17,381**

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 March 31 and December 31, 2022, and March 2021.

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 (page 45) of Corporate Governance Report 2021, here.

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 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
COD: Commercial Operation Date
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: million barrels of oil equivalent
mbtu: million British thermal units
mm³: 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

Contacts:
+351 21 724 08 66

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

Website: www.galp.com/corp/en/investors
Email: investor.relations@galp.com

Reuters: GALP.LS
Bloomberg: GALP PL