

2Q22 Trading Update

The information below aims to provide the key macroeconomic, operational and trading conditions experienced by Galp during the second quarter of 2022. All data referred to below is currently provisional and may differ from the final figures which will be reported on July 25, 2022.

Galp's 2Q22 results will be published on July 25, before the opening of Euronext Lisbon. On that day, the Company will hold a conference call and webcast at 14:00 (Lisbon/London time). Further details can be found at the end of this release.

Consolidated earnings and financial position

- Expecting a robust operational cash flow (OCF) generation in 2Q22, partially offset by a working capital build from the higher commodities prices, although mitigated by the reduction in margin account balances (natural gas hedging positions roll-off).
- Solid cash flow performance to lead to a net debt reduction, with net debt to RCA Ebitda at the end of the period significantly below 1x.

Net income RCA in 2Q22 to include:

- Impairments related with exploration assets in Upstream (c.€90 m, or c.€40 m post-tax and minorities);
- Financial Results with mark-to-market swings on Brent and refining margin hedges (c.€-330 m, or €-230 m post-tax) related to the entire 1H22 (in 1Q22 booked as a special item). Net income in 2Q22 to include c.€90 m in impairments (c.€40 m post-tax and minorities) related with exploration assets and c.-€330 m in mark-to-market swings booked under RCA financial results (c.-€230 m post-tax), related with 1H22 Brent and refining margin hedges as highlighted in 1Q22 results.

Upstream

	2Q21	1Q22	2Q22	Var. YoY	Var. QoQ
Working interest production (kboepd)	128.4	131.2	119.6	(7%)	(9%)
Oil production (kbpd)	114.9	117.7	107.7	(6%)	(8%)
Net entitlement production (kboepd)	126.6	129.6	118.1	(7%)	(9%)
Angola (kbpd)	11.6	10.3	10.1	(13%)	(2%)
Brazil (kboepd)	115.0	119.3	108.0	(6%)	(9%)

- Working interest production lower QoQ, reflecting the higher concentration of maintenance activities in the period.
- As highlighted in 1Q22, oil hedges covered 1.6 mbbl during 2Q22 (c.15% of production).
- Impairments of c.€90 m related with exploration assets in Brazil, with no impact on the 2022-25 business plan production.

Commercial

	2Q21	1Q22	2Q22	Var. YoY	Var. QoQ
Oil products - client sales (mton)	1.5	1.7	1.9	22%	13%
Natural gas sales - client sales (GWh)	4,461	5,590	5,006	12%	(10%)
Electricity - client sales (GWh)	1,020	1,139	1,088	7%	(4%)

- Oil products sales reflecting higher B2C and B2B volumes QoQ, following seasonality and despite the higher commodity price environment.
- Natural gas and electricity sales evolution QoQ mostly following seasonality.

Industrial & Energy Management

	2Q21	1Q22	2Q22	Var. YoY	Var. QoQ
Raw materials processed (mboe)	21.0	21.8	22.9	9%	5%
Galp refining margin (USD/boe)	2.4	6.9	22.3	n.m.	n.m.
Oil products supply ¹ (mton)	3.6	3.7	4.1	11%	10%
NG/LNG supply & trading volumes ¹ (TWh)	18.1	14.8	14.0	(23%)	(5%)
Trading (TWh)	9.1	6.1	6.0	(35%)	(2%)
Sales of electricity from cogeneration (GWh)	269	113	174	(35%)	55%

¹ Includes volumes sold to the Commercial segment.

- Refining raw materials processed increased QoQ capturing the favourable market environment during the period.
- As highlighted in 1Q22, refining margin hedges covered 5.6 mboe during 2Q22 (c.25% of throughput), with an expected impact of c.€100 m at the Ebitda level.
- NG/LNG supply & trading volumes still limited by sourcing restrictions and the challenging European natural gas environment.

Renewables & New Businesses

	2Q21	1Q22	2Q22	Var. YoY	Var. QoQ
Renewable installed capacity ¹ (MW)					
Gross (100%)	927	1,012	1,162	25%	15%
Equity to Galp	692	757	875	26%	16%
Renewable generation (GWh)					
Gross (100%)	475	243	687	45%	n.m.
Equity to Galp	355	180	515	45%	n.m.

¹ Installed capacity at the end of the period.

- Renewable energy generation higher QoQ reflecting higher irradiation and plants' availability, as well as 150 MW of new operating solar capacity online.

Market Indicators

	2Q21	1Q22	2Q22	Var. YoY	Var. QoQ
Exchange rate (EUR/USD)	1.21	1.12	1.06	(12%)	(5%)
Dated Brent price (USD/bbl)	69.0	102.2	113.9	65%	11%
Japan/Korea Marker LNG price (EUR/MWh)	28.5	95.3	87.4	n.m.	(8%)
Dutch TTF natural gas price (EUR/MWh)	25.4	98.4	97.9	n.m.	(0%)
Iberian MIBGAS natural gas price (EUR/MWh)	25.0	96.9	87.1	n.m.	(10%)
Iberian power baseload price ¹ (EUR/MWh)	71.8	229.3	182.8	n.m.	(20%)
Iberian solar market price ² (EUR/MWh)	69.2	218.3	163.0	n.m.	(25%)

Source: Platts/MIBGAS/Bloomberg/OMIE/REE.

¹ The Iberian power price is based on the Spanish power pool price published by the Iberian Energy Market Operator (OMIE)

² The Iberian solar captured price is based on the Spanish power pool price published by the Iberian Energy Market Operator (OMIE) and on the power generation published by the Red Eléctrica Española (REE)

2Q22 Consensus | Results Presentation Details

Company collected consensus

The Company's collected consensus for quarterly earnings is scheduled to be opened for submission between July 13 and 19 and will be published by July 20.

Results presentation details

Galp's 2Q22 results, will be published on July 25, before the opening of Euronext Lisbon.

The Company will hold a conference call and webcast on July 25, at 14h00 (Lisbon/London time). The conference call and webcast details are provided below:

Webcast

- <https://edge.media-server.com/mmc/p/kt8dxdgb>

Conference call registration

- <https://register.vevent.com/register/Bld7885121f4d344ef9ebd17a711432369>

To listen the Q&A session, please register dial in 10 minutes before the scheduled time to ensure your participation.

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