



# 3<sup>rd</sup> QUARTER AND NINE MONTHS 2023

**30 October, 2023**  
Unaudited

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Financial information by business segment is reported in accordance with the Galp 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.

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**RESULTS  
HIGHLIGHTS**

# 1. RESULTS HIGHLIGHTS

## Third quarter 2023

Galp delivered a robust set of results supported on a strong operating performance and disciplined capital allocation during 3Q23, allowing to further strengthen its financial position.

RCA Ebitda reached €1,057 m:

- Upstream: RCA Ebitda was €594 m, down YoY, reflecting the de-recognition of the Angolan upstream assets' disposal and a less favourable oil and gas prices environment.

On a comparable basis, excluding Angolan assets, current portfolio working interest (WI) production was up 8% YoY, supported by the ramp-up of Coral Sul FLNG in Mozambique and stable production in Brazil.

- Renewables & New Businesses: RCA Ebitda was €43 m, on a seasonally high generation quarter, with the increased generation from added operating capacity more than offsetting the lower market price environment YoY.
- Industrial & Midstream: RCA Ebitda was €342 m, reflecting a strong performance of the industrial activities, with the system's high utilisation capturing the international cracks environment. The contribution from the midstream businesses continued robust, benefiting from improved supply and trading activities across oil, gas and power.
- Commercial: RCA Ebitda was €111 m, up YoY, following improved performance on the Iberian retail and convenience, and despite the pressured environment on some B2B segments.

Group RCA Ebit was €741 m, mostly following RCA Ebitda.

Taxation was up YoY, including €76 m of extraordinary taxes in Iberia, leading to an implicit 63% tax rate (the rate would be 52% if excluding these extraordinary effects). RCA net income was €210 m.

Galp's adjusted operating cash flow (OCF) was robust at €716 m, reflecting the sound operating performance. Cash flow from operations (CFFO), including working capital and inventory effects, reached €686 m.

Net capex totalled €161 m, mostly directed towards Upstream projects under execution and development in the Brazilian pre-salt, as well as the preparation of the upcoming exploration activities in Namibia and including interim inflow of €132 m related with the Angolan upstream assets' disposal.

FCF amounted to €497 m, with Net Debt reduced by €152 m during the period.

## Nine months of 2023

Galp's RCA Ebitda was €2,838 m, while OCF was €1,781 m, reflecting a robust operating performance across all business units during the period.

Net capex totalled €476 m, mostly directed towards Upstream's developments, and considering €209 m of inflows from the Angolan upstream assets' disposal.

FCF amounted to €1,351 m, with net debt down 22% compared to the end of last year, considering dividends to non-controlling interests of €89 m, dividends paid to shareholders of €422 m and €308 m invested through the share buybacks.

## Short Term Outlook

Galp updated its expected 2023 Ebitda and OCF, mostly on the back of improved business performance and the slightly stronger than initially assumed commodity price environment.

<b>Assumptions for 2023FY</b>		<b>Previous</b>	<b>2023</b>
Brent	\$/bbl	c.75	83
Realised refining margin	\$/boe	c.9	11
Iberian PVB natural gas price	€/MWh	c.40	40
Iberia solar capture price	€/MWh	c.80	75
Average exchange rate	EUR:USD	c.1.10	1.08
WI production	kboepd	>115	c.120

<b>Financial indicators for 2023FY</b>		<b>Previous</b>	<b>2023</b>
RCA Ebitda	€ bn	c.3.2	>3.5
OCF	€ bn	c.2.2	>2.3
Organic capex	€ bn	-	c.1.1

## Financial data

€m (RCA, except otherwise stated)

Quarter				Nine Months			
3Q22	2Q23	3Q23	% Var. YoY		2022	2023	% Var. YoY
<b>784</b>	<b>916</b>	<b>1,057</b>	<b>35%</b>	<b>RCA Ebitda</b>	<b>2,897</b>	<b>2,838</b>	<b>(2%)</b>
612	522	594	(3%)	Upstream	2,292	1,664	(27%)
38	33	43	12%	Renewables & New Businesses	34	110	n.m.
48	289	342	n.m.	Industrial & Midstream	333	866	n.m.
103	68	111	7%	Commercial	256	249	(3%)
(17)	5	(32)	86%	Others	(17)	(51)	n.m.
<b>408</b>	<b>643</b>	<b>741</b>	<b>81%</b>	<b>RCA Ebit</b>	<b>1,870</b>	<b>2,058</b>	<b>10%</b>
420	405	469	12%	Upstream	1,627	1,311	(19%)
32	23	(27)	n.m.	Renewables & New Businesses	27	19	(30%)
(86)	218	258	n.m.	Industrial & Midstream	82	674	n.m.
77	4	78	2%	Commercial	179	126	(29%)
(34)	(5)	(37)	8%	Others	(44)	(72)	66%
<b>187</b>	<b>258</b>	<b>210</b>	<b>12%</b>	<b>RCA Net income</b>	<b>608</b>	<b>718</b>	<b>18%</b>
223	16	24	(89%)	Special items	172	232	35%
(103)	(23)	69	n.m.	Inventory effect	241	(45)	n.m.
<b>307</b>	<b>251</b>	<b>303</b>	<b>(1%)</b>	<b>IFRS Net income</b>	<b>1,020</b>	<b>906</b>	<b>(11%)</b>
<b>484</b>	<b>702</b>	<b>716</b>	<b>48%</b>	<b>Adjusted operating cash flow (OCF)</b>	<b>2,087</b>	<b>1,781</b>	<b>(15%)</b>
320	326	363	13%	Upstream	1,493	762	(49%)
35	55	43	22%	Renewables & New Businesses	30	135	n.m.
57	248	252	n.m.	Industrial & Midstream	343	735	n.m.
88	43	79	(10%)	Commercial	234	164	(30%)
<b>1,024</b>	<b>733</b>	<b>686</b>	<b>(33%)</b>	<b>Cash flow from operations (CFFO)</b>	<b>1,964</b>	<b>1,919</b>	<b>(2%)</b>
<b>(558)</b>	<b>(207)</b>	<b>(161)</b>	<b>(71%)</b>	<b>Net Capex</b>	<b>(924)</b>	<b>(476)</b>	<b>(48%)</b>
<b>427</b>	<b>503</b>	<b>497</b>	<b>16%</b>	<b>Free cash flow (FCF)</b>	<b>944</b>	<b>1,351</b>	<b>43%</b>
(34)	(87)	(2)	(94%)	Dividends paid to non-controlling interests	(145)	(89)	(39%)
(213)	(209)	(213)	0%	Dividends paid to Galp shareholders	(420)	(422)	1%
(77)	(159)	(72)	(5%)	Buyback	(116)	(308)	n.m.
<b>2,096</b>	<b>1,363</b>	<b>1,211</b>	<b>(42%)</b>	<b>Net debt</b>	<b>2,096</b>	<b>1,211</b>	<b>(42%)</b>
<b>0.6x</b>	<b>0.4x</b>	<b>0.3x</b>	<b>(46%)</b>	<b>Net debt to RCA Ebitda<sup>1</sup></b>	<b>0.6x</b>	<b>0.3x</b>	<b>(46%)</b>

<sup>1</sup> Ratio considers the LTM Ebitda RCA (€3,549 m), which includes the adjustment for the impact from the application of IFRS 16 (€240 m).

## Operating data

Quarter				Nine Months			
3Q22	2Q23	3Q23	% Var. YoY		2022	2023	% Var. YoY
127.7	117.1	125.0	(2%)	Working interest production (kboepd)	126.0	120.8	(4%)
126.1	116.9	124.7	(1%)	Net entitlement production (kboepd)	124.5	120.6	(3%)
99.4	73.5	84.0	(15%)	Upstream oil realisations indicator (USD/bbl)	103.8	77.7	(25%)
55.5	43.7	40.8	(27%)	Upstream gas realisations indicator (USD/boe)	52.5	44.2	(16%)
627	775	760	21%	Equity renewable power generation (GWh)	1,323	1,983	50%
127	64	77	(39%)	Renewables' realised sale price (EUR/MWh)	151	79	(47%)
22.9	21.7	22.4	(2%)	Raw materials processed in refinery (mboe)	67.5	63.6	(6%)
7.7	7.7	14.6	90%	Galp refining margin (USD/boe)	11.0	12.2	11%
4.3	3.9	3.9	(11%)	Oil products supply <sup>1</sup> (mton)	12.0	11.4	(5%)
13.1	12.7	13.1	(0%)	NG/LNG supply & trading volumes <sup>1</sup> (TWh)	41.9	36.5	(13%)
177	158	159	(10%)	Sales of electricity from cogeneration (GWh)	464	479	3%
2.0	1.8	1.8	(8%)	Oil Products - client sales (mton)	5.5	5.3	(4%)
4,180	3,282	3,388	(19%)	Natural gas - client sales (GWh)	14,776	10,392	(30%)
979	899	880	(10%)	Electricity - client sales (GWh)	3,207	2,712	(15%)

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

## Market indicators

Quarter				Nine Months			
3Q22	2Q23	3Q23	% Var. YoY		2022	2023	% Var. YoY
1.01	1.09	1.09	8%	Exchange rate EUR:USD	1.06	1.08	2%
5.28	5.39	5.31	1%	Exchange rate EUR:BRL	5.46	5.42	(1%)
100.8	78.1	86.7	(14%)	Dated Brent price (USD/bbl)	105.5	82.1	(22%)
138.5	32.7	33.7	(76%)	Iberian MIBGAS natural gas price (EUR/MWh)	108.0	39.5	(63%)
196.2	35.1	33.0	(83%)	Dutch TTF natural gas price (EUR/MWh)	129.1	40.7	(68%)
152.3	34.3	39.5	(74%)	Japan/Korea Marker LNG price (EUR/MWh)	110.9	42.2	(62%)
339.1	139.9	249.4	(26%)	Diesel 10 ppm CIF NWE Crack (USD/ton)	280.6	215.1	(23%)
189.0	241.0	283.9	50%	EuroBob NWE FOB Bg Crack (USD/ton)	230.0	238.3	4%
146.3	80.3	96.5	(34%)	Iberian power baseload price (EUR/MWh)	185.8	91.1	(51%)
129.4	60.7	79.2	(39%)	Iberian solar market price (EUR/MWh)	159.9	73.5	(54%)
16.4	15.7	16.2	(1%)	Iberian oil market (mton)	47.1	47.0	(0%)
103.8	86.1	91.0	(12%)	Iberian natural gas market (TWh)	327.6	281.9	(14%)

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 captured price.



**UPSTREAM**

## 2. UPSTREAM

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

Quarter				Nine Months			
3Q22	2Q23	3Q23	% Var. YoY		2022	2023	% Var. YoY
<b>127.7</b>	<b>117.1</b>	<b>125.0</b>	<b>(2%)</b>	<b>Working interest production<sup>1</sup> (kboepd)</b>	<b>126.0</b>	<b>120.8</b>	<b>(4%)</b>
				By product			
114.8	98.9	102.9	(10%)	Oil production (kbpd)	113.3	101.1	(11%)
12.9	18.3	22.2	72%	Gas production (kboepd)	12.7	19.7	55%
				By country			
115.8	111.6	116.2	0%	Brazil	114.2	114.2	0%
0.1	5.5	8.9	n.m.	Mozambique	0.0	6.6	n.m.
11.8	-	-	n.m.	Angola	11.8	-	n.m.
115.8	117.1	125.0	8%	Working interest production excluding Angola <sup>2</sup>	114.2	120.8	6%
<b>126.1</b>	<b>116.9</b>	<b>124.7</b>	<b>(1%)</b>	<b>Net entitlement production<sup>1</sup> (kboepd)</b>	<b>124.5</b>	<b>120.6</b>	<b>(3%)</b>
				<b>Realisations indicators<sup>3</sup></b>			
99.4	73.5	84.0	(15%)	Oil (USD/bbl)	103.8	77.7	(25%)
55.5	43.0	40.8	(27%)	Gas (USD/boe)	52.5	44.2	(16%)
<b>7.8</b>	<b>6.4</b>	<b>7.1</b>	<b>(9%)</b>	<b>Royalties (USD/boe)</b>	<b>8.3</b>	<b>6.8</b>	<b>(19%)</b>
<b>3.2</b>	<b>1.8</b>	<b>2.9</b>	<b>(10%)</b>	<b>Production costs (USD/boe)</b>	<b>3.0</b>	<b>2.7</b>	<b>(10%)</b>
<b>13.3</b>	<b>12.0</b>	<b>11.9</b>	<b>(11%)</b>	<b>DD&amp;A<sup>4</sup> (USD/boe)</b>	<b>13.1</b>	<b>11.6</b>	<b>(11%)</b>
<b>612</b>	<b>522</b>	<b>594</b>	<b>(3%)</b>	<b>RCA Ebitda</b>	<b>2,292</b>	<b>1,664</b>	<b>(27%)</b>
(192)	(117)	(125)	(35%)	Depreciation, Amortisation and Impairments <sup>3</sup>	(665)	(353)	(47%)
<b>420</b>	<b>405</b>	<b>469</b>	<b>12%</b>	<b>RCA Ebit</b>	<b>1,627</b>	<b>1,311</b>	<b>(19%)</b>
<b>420</b>	<b>480</b>	<b>532</b>	<b>27%</b>	<b>IFRS Ebit</b>	<b>1,627</b>	<b>1,494</b>	<b>(8%)</b>
<b>320</b>	<b>326</b>	<b>363</b>	<b>13%</b>	<b>Adjusted operating cash flow</b>	<b>1,493</b>	<b>762</b>	<b>(49%)</b>
<b>205</b>	<b>113</b>	<b>160</b>	<b>(22%)</b>	<b>Capex</b>	<b>466</b>	<b>387</b>	<b>(17%)</b>

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

<sup>2</sup> Excludes Angola's contribution for comparison purposes.

<sup>3</sup> Oil realisation indicator is estimated based on the differential to the average Brent price of the period when each of Galp's oil cargoes were negotiated, deducted from 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.

<sup>4</sup> Includes abandonment provisions. 9M22 and 9M23 unit figures exclude impairments of €245 m and €10 m, respectively, related with exploration and appraisal assets.

## Third quarter 2023

### Operations

WI production was 125.0 kboepd, lower YoY, as a result of the Angolan upstream assets de-recognition. On a comparable basis, current portfolio (Brazil and Mozambique) production was 8% higher YoY, supported by the ramp-up of Coral Sul FLNG and a stable contribution from the Brazilian projects. Natural gas accounted for 18% of WI production.

In Brazil, production was flattish YoY at 116.2 kboepd, as higher efficiencies and lower impact from unplanned interventions offset the natural decline rates of the portfolio.

In Mozambique, Coral Sul FLNG commissioning activities continued, with the unit ramp-up process delivering volumes close to expected plateau levels.

Net entitlement (NE) production followed WI production and amounted to 124.7 kboepd.

### Results

RCA Ebitda was €594 m, down YoY, given the de-recognition of the Angolan upstream assets, as well as the less favourable oil and gas prices environment.

Production costs were €31 m, or \$2.9/boe on a net entitlement basis, down YoY and now including Coral Sul FLNG upstream and midstream operating costs. IFRS 16 lease costs accounted for €33 m during the period.

Amortisation and depreciation charges (including abandonment provisions) were €125 m, down YoY following the de-recognition of Angolan assets. On a net entitlement basis, DD&A was \$11.9/boe.

RCA Ebit was €469 m, up YoY, also considering that 3Q22 included non-cash adjustments related to the unification of Berbigão/Sururu. IFRS Ebit amounted to €532 m, with special items related to the Angolan upstream business held for sale until completion of the deal.

## Nine months of 2023

### Operations

Average WI production during 9M23 was 120.8 kboepd, lower YoY, as result of the Angolan upstream assets de-recognition. On a comparable basis, current portfolio production is up 6% YoY, supported by the gradual ramp-up of Coral Sul FLNG in Mozambique.

NE production followed WI at 120.6 kboepd, with currently only Mozambique operating under a Production Sharing Contract (PSC) regime.

### Results

RCA Ebitda was €1,664 m, down 27% YoY, now excluding any contribution from Angolan upstream assets, and also reflecting the lower oil and gas pricing environment.

Production costs were €83 m, excluding IFRS 16 leases, or \$2.7/boe on a net entitlement basis. IFRS 16 leases during the period amounted to €100 m.

Amortisation and depreciation charges (including abandonment provisions) amounted to €353 m, lower YoY, considering the exclusion of Angolan assets and the €245 m exploration and appraisal impairments booked in 9M22. On a net entitlement basis, unit DD&A was \$11.6/boe.

RCA Ebit was €1,311 m, down 19% YoY, while IFRS Ebit amounted to €1,494 m, with special items mostly related to the Angolan upstream assets, booked under “non-current assets held for sale” until completion of the transaction.



**RENEWABLES &  
NEW BUSINESSES**

### 3.

# RENEWABLES & NEW BUSINESSES

€m (RCA, except otherwise stated)

Quarter				Nine Months			
3Q22	2Q23	3Q23	% Var. YoY		2022	2023	% Var. YoY
<b>Renewable power generation (GWh)</b>							
627	775	760	21%	Net to Galp	1,323	1,983	50%
<b>127</b>	<b>64</b>	<b>77</b>	<b>(39%)</b>	<b>Galp realised sale price (EUR/MWh)</b>	<b>151</b>	<b>79</b>	<b>(47%)</b>
<b>Consolidated Indicators</b>							
38	33	43	12%	RCA Ebitda	34	110	n.m.
32	23	(27)	n.m.	RCA Ebit <sup>1</sup>	27	19	(30%)
32	23	(27)	n.m.	IFRS Ebit <sup>1</sup>	27	19	(30%)
<b>35</b>	<b>55</b>	<b>43</b>	<b>22%</b>	<b>Adjusted operating cash flow<sup>2</sup></b>	<b>30</b>	<b>135</b>	<b>n.m.</b>
<b>265</b>	<b>31</b>	<b>40</b>	<b>(85%)</b>	<b>Capex</b>	<b>355</b>	<b>104</b>	<b>(71%)</b>
<b>Renewables pro-forma - equity to Galp<sup>3</sup></b>							
68	35	46	(32%)	RCA Ebitda	161	119	(26%)
59	25	(24)	n.m.	RCA Ebit <sup>1</sup>	139	28	(80%)
68	38	47	(31%)	Adjusted operating cash flow	161	122	(24%)

<sup>1</sup> Includes €59 m of impairments related to renewables portfolio under development in Brazil.

<sup>2</sup> Includes dividends from vegetable oil business in Brazil (BBB).

<sup>3</sup> Pro-forma considers all Renewables projects as if they were consolidated according to Galp's equity stakes and excludes other New Businesses. Titan Solar, which includes most of the operating portfolio in Spain, started to be 100% owned and consolidated since August 2022.

## Third quarter 2023

### Operations

Renewable installed capacity was 1.4 GW by the end of the quarter, a 8% increase YoY following the additional capacity being brought online in Iberia.

Renewable energy generation, net to Galp, amounted to 760 GWh, a 21% increase YoY, in part supported by the added capacity.

### Results

Galp's realised sale price was €77/MWh during the quarter, reflecting the Iberian market prices under solar hours.

Renewables & New Businesses RCA Ebitda was €43 m. RCA Ebit was €-27 m, including €59 m of impairments related to renewables portfolio under development in Brazil, in light of the challenging market conditions in the country.

	In Operation	Under Construction	Other - Development pipeline <sup>1</sup>	Total
<b>Galp Renewables Portfolio (GW)</b>	<b>1.4</b>	<b>0.3</b>	<b>5.5</b>	<b>7.1</b>
Spain	1.2	0.3	2.0	3.5
Portugal	0.2	0.0	0.8	1.0
Brazil	-	-	2.5 <sup>2</sup>	2.5

<sup>1</sup> Considers a portfolio of projects in very early stages of development and without significant commitments, with the development up to the construction phase dependent on the Company's assessment.

<sup>2</sup> Despite the impairment booked in 3Q23 related to the Brazil portfolio, Galp maintains part of this pipeline and might pursue its development at a later stage, depending on the evolution of the projects' returns assessment.

## Nine months of 2023

### Operations

Renewable energy generation, net to Galp, amounted to 1,983 GWh, a 50% increase YoY, mostly supported by the new capacity online, but also given Titan Solar contribution at 100%.

### Results

Galp's current renewable generation is mostly coming from solar projects and fully exposed to merchant conditions, with no fixed price long term power sale contracts established with third parties. During the period, Galp's realised sale price was €79/MWh, down from €151/MWh in 2022, driven by the lower Iberian wholesale market prices for solar hours.

Renewables & New Businesses RCA Ebitda was €110 m. OCF amounted to €135 m, also including dividends of €24 m from its vegetable oil business in Brazil.

On a last 12 months basis, return on invested capital is 13%.

	30 Sep. 2023
<b>Return on Invested Capital</b>	
Last twelve months OCF (€m)	114
Invested Capital <sup>1</sup> (€m)	895
LTM OCF/Invested Capital	13%

<sup>1</sup> Considers Invested Capital on operating assets as of 30<sup>th</sup> September 2023.



04

**INDUSTRIAL &  
MIDSTREAM**

## 4. INDUSTRIAL & MIDSTREAM

€m (RCA, except otherwise stated)

Quarter				Nine Months			
3Q22	2Q23	3Q23	% Var. YoY		2022	2023	% Var. YoY
22.9	21.7	22.4	(2%)	Raw materials processed (mboe)	67.5	63.6	(6%)
7.7	7.7	14.6	90%	Galp refining margin (USD/boe)	11.0	12.2	11%
1.8	2.9	2.6	47%	Refining cost (USD/boe)	1.9	3.5	87%
4.3	3.9	3.9	(11%)	Oil products supply <sup>1</sup> (mton)	12.0	11.4	(5%)
13.1	12.7	13.1	(0%)	NG/LNG supply & trading volumes <sup>1</sup> (TWh)	41.9	36.5	(13%)
5.6	5.7	5.4	(4%)	Trading (TWh)	17.6	15.0	(15%)
177	158	159	(10%)	Sales of electricity from cogeneration (GWh)	464	479	3%
48	289	342	n.m.	RCA Ebitda	333	866	n.m.
(134)	(72)	(84)	(37%)	Depreciation, Amortisation and Impairments	(251)	(192)	(24%)
(86)	218	258	n.m.	RCA Ebit	82	674	n.m.
(207)	174	356	n.m.	IFRS Ebit	396	599	51%
57	248	252	n.m.	Adjusted operating cash flow	343	735	n.m.
20	27	40	n.m.	Capex	43	87	n.m.

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

## Third quarter 2023

### Operations

The Sines refinery processed 22.4 mboe of raw materials, reflecting a high availability and utilisation of the units during the period.

Total supply of oil products decreased 11% YoY to 3.9 mton, reflecting market conditions in the period.

Supply and trading volumes sold of natural gas and LNG reached 13.1 TWh, in line with the previous periods.

### Results

RCA Ebitda was €342 m, up YoY, supported by the strong industrial performance and robust contribution from the midstream businesses, which benefitted from improved supply and trading activities across oil, gas and power.

Galp's refining margin was up YoY from \$7.7/boe to \$14.6/boe, capturing the supportive international oil products' cracks environment, namely on gasolines, and benefiting from a decrease of energy costs, mostly led by lower natural gas prices in Iberia.

Refining costs were €54 m, or \$2.6/boe in unit terms, up YoY reflecting increased demurrages and cost inflation. Refining hedging operations had a €-25 m impact to RCA Ebitda, covering 1.7 mboe during the period.

RCA Ebit was €258 m, with a €-51 m from impairments related with decommissioning and decontamination of logistic sites and supply contracts' provisions. IFRS Ebit was €356 m, with inventory effect of €98 m.

## Nine months of 2023

### Operations

Raw materials processed in the Sines refinery were 63.6 mboe during the period, 6% lower YoY, reflecting planned maintenance activities performed on the hydrocracker unit during 1Q23.

Crude oil accounted for 85% of raw materials processed, of which 74% corresponded to medium and heavy crudes. All crudes processed were sweet grades.

On the refinery yields during the period, middle distillates (diesel, bio-diesel and jet) accounted for 44% of production, light distillates (gasolines and naphtha) accounted for 26% and fuel oil for 19%, with consumption and losses representing 9%.

Total oil products supplied decreased 5% YoY to 11.4 mton, following the lower refining availability during the period of planned maintenance.

Supply & trading volumes of NG/LNG were 36.5 TWh, down 13% YoY, as per the overall optimisation of the portfolio and reflecting market demand conditions in Iberia.

### Results

RCA Ebitda for Industrial & Midstream increased €533 m YoY, mostly reflecting the improved contribution from the midstream activities. OCF was €735 m.

Galp's refining margin was up 11% YoY, to \$12.2/boe, following increased international oil products' cracks, as well as the normalisation of energy costs, namely following lower natural gas prices. Refining unit cash costs increased YoY from \$1.9/boe to \$3.5/boe, reflecting the planned maintenance activities performed in Sines in 1Q23 and inflation.

Midstream was supported by the robust performance of natural gas trading activities, after significant restrictions felt in 2022, but also by the contribution from supply and trading of oil and power.

RCA Ebit was €674 m, although including impairments and provision of €-90 m during the period. IFRS Ebit was €599 m.



**COMMERCIAL**

## 5. COMMERCIAL

€m (RCA, except otherwise stated)

Quarter				Nine Months			
3Q22	2Q23	3Q23	% Var. YoY		2022	2023	% Var. YoY
<b>Commercial sales to clients</b>							
2.0	1.8	1.8	(8%)	Oil products (mton)	5.5	5.3	(4%)
4,180	3,282	3,388	(19%)	Natural Gas (GWh)	14,776	10,392	(30%)
979	899	880	(10%)	Electricity (GWh)	3,207	2,712	(15%)
<b>103</b>	<b>68</b>	<b>111</b>	<b>7%</b>	<b>RCA Ebitda</b>	<b>256</b>	<b>249</b>	<b>(3%)</b>
(26)	(64)	(33)	24%	Depreciation, Amortisation and Impairments	(77)	(123)	59%
<b>77</b>	<b>4</b>	<b>78</b>	<b>2%</b>	<b>RCA Ebit</b>	<b>179</b>	<b>126</b>	<b>(29%)</b>
<b>70</b>	<b>(6)</b>	<b>79</b>	<b>12%</b>	<b>IFRS Ebit</b>	<b>194</b>	<b>125</b>	<b>(36%)</b>
<b>88</b>	<b>43</b>	<b>79</b>	<b>(10%)</b>	<b>Adjusted operating cash flow</b>	<b>234</b>	<b>164</b>	<b>(30%)</b>
<b>23</b>	<b>22</b>	<b>19</b>	<b>(17%)</b>	<b>Capex</b>	<b>47</b>	<b>39</b>	<b>(18%)</b>

## Third quarter 2023

### Operations

Oil products' sales decreased 8% YoY to 1.8 mton, mostly reflecting a more pressured environment in some B2B segments in Spain.

Natural gas and electricity sales mostly reflecting lower Iberian demand and volumes sold in the B2B segment.

### Results

RCA Ebitda was €111 m, 7% higher YoY, supported by an improvement from the retail and residential segments, more than offsetting the more pressured environment for B2B activities. OCF was €79 m.

RCA Ebit was €78 m, 2% higher YoY, whilst IFRS Ebit was €79 m.

## Nine months of 2023

### Operations

Total oil products' sales decreased 4% YoY, to 5.3 mton, with the more pressured environment in some B2B segments in Spain more than offsetting the improved demand seen in Portugal, namely in the aviation sector.

Natural gas and electricity sales reached to 10.4 TWh and 2.7 TWh, respectively, representing a decrease of 30% and 15%, given the weaker demand in Iberia and a decline of sales in the B2B segment, compared to the prior year.

During the period, Galp continued its business transformation to leverage convenience and expand regional leadership in EV charging. At the end of the period, Galp had a total of 3,374 charging points operating in Portugal and Spain, up 43% from year-end 2022.

### Results

RCA Ebitda decreased 3% YoY to €249 m, reflecting both the decline in volumes sold and the diminished contribution from some B2B markets in Iberia and Africa. The retail segment maintained its strong performance, with the Convenience contribution increasing 12% YoY to €61 m, already representing 24% of the Commercial Ebitda. OCF was €164 m.

RCA Ebit was €126 m, down 29% YoY, also including the impairments registered in 2Q23. IFRS Ebit was €125 m.



**FINANCIAL DATA**

## 6. FINANCIAL DATA

### 6.1 Income Statement

€m (RCA, except otherwise stated)

Quarter				Nine Months			
3Q22	2Q23	3Q23	% Var. YoY		2022	2023	% Var. YoY
7,761	5,014	5,391	(31%)	Turnover	20,651	15,550	(25%)
(6,349)	(3,462)	(3,724)	(41%)	Cost of goods sold	(16,265)	(10,757)	(34%)
(484)	(474)	(539)	11%	Supply & Services	(1,391)	(1,582)	14%
(91)	(103)	(103)	13%	Personnel costs	(248)	(303)	22%
(51)	(56)	37	n.m.	Other operating revenues (expenses)	158	(28)	n.m.
(2)	(3)	(6)	n.m.	Impairments on accounts receivable	(9)	(42)	n.m.
<b>784</b>	<b>916</b>	<b>1,057</b>	<b>35%</b>	<b>RCA Ebitda</b>	<b>2,897</b>	<b>2,838</b>	<b>(2%)</b>
<b>630</b>	<b>938</b>	<b>1,220</b>	<b>93%</b>	<b>IFRS Ebitda</b>	<b>3,227</b>	<b>2,948</b>	<b>(9%)</b>
(325)	(270)	(262)	(19%)	Depreciation, Amortisation and Impairments	(976)	(723)	(26%)
(51)	(3)	(54)	7%	Provisions	(51)	(57)	11%
<b>408</b>	<b>643</b>	<b>741</b>	<b>81%</b>	<b>RCA Ebit</b>	<b>1,870</b>	<b>2,058</b>	<b>10%</b>
<b>281</b>	<b>665</b>	<b>903</b>	<b>n.m.</b>	<b>IFRS Ebit</b>	<b>2,200</b>	<b>2,164</b>	<b>(2%)</b>
25	0	4	(86%)	Net income from associates	113	27	(76%)
89	17	(58)	n.m.	Financial results	(288)	(48)	(83%)
(2)	(4)	(1)	(52%)	Net interests	(15)	(7)	(51%)
10	18	4	(55%)	Capitalised interest	19	33	79%
(8)	35	(34)	n.m.	Exchange gain (loss)	(5)	19	n.m.
114	-	-	n.m.	Mark-to-market of derivatives	(216)	-	n.m.
(21)	(22)	(22)	7%	Interest on leases (IFRS 16)	(60)	(66)	11%
(4)	(10)	(5)	15%	Other financial charges/income	(10)	(26)	n.m.
<b>523</b>	<b>660</b>	<b>687</b>	<b>31%</b>	<b>RCA Net income before taxes and minority interests</b>	<b>1,695</b>	<b>2,037</b>	<b>20%</b>
(315)	(356)	(434)	38%	Taxes	(940)	(1,179)	25%
(265)	(152)	(140)	(47%)	Taxes on oil and natural gas production <sup>1</sup>	(685)	(442)	(35%)
(20)	(46)	(43)	n.m.	Non-controlling interests	(147)	(140)	(5%)
<b>187</b>	<b>258</b>	<b>210</b>	<b>12%</b>	<b>RCA Net income</b>	<b>608</b>	<b>718</b>	<b>18%</b>
223	16	24	n.m.	Special items	172	232	35%
<b>410</b>	<b>274</b>	<b>234</b>	<b>(43%)</b>	<b>RC Net income</b>	<b>779</b>	<b>950</b>	<b>22%</b>
(103)	(23)	69	n.m.	Inventory effect	241	(45)	n.m.
<b>307</b>	<b>251</b>	<b>303</b>	<b>(1%)</b>	<b>IFRS Net income</b>	<b>1,020</b>	<b>906</b>	<b>(11%)</b>

<sup>1</sup> Includes taxes on oil and natural gas production, such as SPT payable in Brazil (also IRP payable in Angola until 2022).

## Third quarter 2023

RCA Ebitda increase 35% YoY, to €1,057 m, following the robust operating performance across divisions. IFRS Ebitda amounted to €1,220 m, considering €99 m of inventory effect and €63 m of special items.

Group RCA Ebit was €741 m, also including €-119 m in non-cash impairments and provisions, mostly within Industrial & Midstream (€-51 m) and Renewables (€-59 m). IFRS Ebit was €903 m.

Financial results<sup>1</sup> were negative at €-58 m, driven by exchange losses from the Brazilian real appreciation against the Euro impact on operating leases.

Taxes amounted to €434 m, up YoY, including €76 m from extraordinary Iberian taxes, namely windfall taxes and Energy Sector Extraordinary Contribution taxes (CESE), now booked under RCA<sup>2</sup>.

Non-controlling interests of €-43 m, attributed to Sinopec's stake in Petrogal Brasil.

RCA net income was €210 m. IFRS net income was €303 m, with an inventory effect of €69 m and special items of €24 m.

<sup>1</sup> All mark-to-market swings related with derivative hedges, including refining, are registered as special items and therefore not impacting RCA financial results.

<sup>2</sup> From the third quarter 2023 onwards, all Energy Sector Extraordinary Contribution taxes (CESE) will be recognised under RCA. The full amount of 2023 so far was recognised in 3Q23.

## Nine months of 2023

RCA Ebitda of €2,838 m, stable YoY, with improved operating performance offsetting the softer commodity price environment registered during the period and the effects of the de-recognition of the Angolan upstream contribution.

Following RCA Ebitda, RCA Ebit was €2,058 m, although including €-194 m in impairments and provisions.

Financial results<sup>1</sup> were €-48 m, with net interests and interests on leases being partially offset by capitalised interests and exchange gains.

RCA taxes increased YoY, from €940 m to €1,179 m, reflecting extraordinary taxes of €144 m applicable to Iberian activities (windfall, CESE and FNEE), as well as €64 m related with the temporary Brazilian levy on oil exports which was applicable from March to the end of June.

Non-controlling interests of €-140 m, related with Sinopec's stake in Petrogal Brasil.

RCA net income was €718 m, while IFRS net income was €906 m, considering an inventory effect of €-45 m and special items of €232 m.

## 6.2 Capital Expenditure

€m

Quarter				Nine Months			
3Q22	2Q23	3Q23	% Var. YoY		2022	2023	% Var. YoY
205	113	160	(22%)	Upstream	466	387	(17%)
265	31	40	(85%)	Renewables & New Businesses	355	104	(71%)
20	27	40	n.m.	Industrial & Midstream	43	87	n.m.
23	22	19	(17%)	Commercial	47	39	(18%)
11	6	12	4%	Others	25	25	(1%)
<b>524</b>	<b>199</b>	<b>271</b>	<b>(48%)</b>	<b>Capex (economic)<sup>1</sup></b>	<b>937</b>	<b>642</b>	<b>(31%)</b>

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

### Third quarter 2023

Capex, not considering divestments, totalled €271 m during the quarter.

Investments in the Upstream were directed towards projects under execution and development in the Brazilian pre-salt, namely Bacalhau and BM-S-11, as well as in preparation of the upcoming exploration drilling campaign in Namibia.

Investments within the Renewables & New Businesses segment were mostly deployed towards the continued development and execution of the solar portfolio in Iberia.

Industrial & Midstream capex was directed to its new low carbon developments, namely the H<sub>2</sub> and HVO projects, as well as for the preparation of 4Q23 maintenance activities.

Commercial capex was mostly allocated to the transformation of the retail business, both in Portugal and Spain, including the transformation of sites and development of new convenience stores.

### Nine months of 2023

Capex, not considering divestments, totalled €642 m, Upstream accounting for 60% of total investments, whilst the downstream activities represented 20% and Renewables & New Businesses 16%.

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

Investments within the Renewables & New Businesses segment supported the execution of the solar projects.

Industrial & Midstream investments were directed to initiatives to improve the efficiency of the refining system and the execution of maintenance activities. Commercial investments were allocated to business transformation.

During the first 9 months of 2023, capex directed to developments in the low-to-no carbon energy space accounted for more than 19% of total investments.

## 6.3 Cash Flow

€m (IFRS figures)

Quarter			Nine Months		
3Q22	2Q23	3Q23		2022	2023
784	916	1,057	RCA Ebitda	2,897	2,838
3	25	2	Dividends from associates	13	30
(303)	(239)	(344)	Taxes paid	(823)	(1,087)
<b>484</b>	<b>702</b>	<b>716</b>	<b>Adjusted operating cash flow<sup>1</sup></b>	<b>2,087</b>	<b>1,781</b>
5	24	19	Special items	-	27
(159)	(53)	99	Inventory effect	330	(77)
693	61	(148)	Changes in working capital	(453)	188
<b>1,024</b>	<b>733</b>	<b>686</b>	<b>Cash flow from operations<sup>1</sup></b>	<b>1,964</b>	<b>1,919</b>
(558)	(207)	(161)	Net capex	(924)	(476)
-	-	132	o.w. Divestments <sup>2</sup>	-	209
(18)	(2)	(7)	Net financial expenses	(36)	(25)
(21)	(22)	(22)	IFRS 16 leases interest	(60)	(66)
<b>427</b>	<b>503</b>	<b>497</b>	<b>Free cash flow</b>	<b>944</b>	<b>1,351</b>
(34)	(87)	(2)	Dividends paid to non-controlling interest <sup>3</sup>	(145)	(89)
(213)	(209)	(213)	Dividends paid to Galp shareholders	(420)	(422)
(77)	(159)	(72)	Buybacks <sup>4</sup>	(116)	(308)
(30)	(36)	(33)	Reimbursement of IFRS 16 leases principal	(91)	(105)
15	(35)	(23)	Others	90	(83)
<b>(89)</b>	<b>22</b>	<b>(152)</b>	<b>Change in net debt</b>	<b>(261)</b>	<b>(344)</b>

<sup>1</sup> Considers adjustments to exclude contribution from Angolan assets held for sale.

<sup>2</sup> 2023 includes proceeds from the Angolan upstream assets' sale.

<sup>3</sup> Mainly dividends paid to Sinopec.

<sup>4</sup> Related to the 2022 fiscal year, a share repurchase programme of €500 m started in February 2023 and is currently ongoing. As of September 30, Galp had acquired the equivalent to 3.4% of the current share capital. All shares are repurchased with the sole purpose of cancellation.

## Third quarter 2023

OCF was €716 m, supported by a strong operating performance during the period despite increased paid taxes, of which €116 m related to extraordinary taxes, namely Iberian windfall taxes, temporary Brazilian levy on oil exports and CESE.

CFFO reached €686 m, including €-148 m of working capital, mostly driven by the increase in inventories, before Sines' site turnaround, and in commodities' prices, partially offset by inventory effect of €99 m.

Net capex of €-161 m, which includes a €132 m inflow related with the Angolan upstream assets disposal agreement and their interim distributions (to be deducted to the agreed sale price at completion).

FCF was €497 m. Net debt was down during the period, despite €213 m paid in dividends to shareholders and €72 m invested in the share buyback programme.

## Nine months of 2023

Galp's OCF was €1,781 m, considering the robust business performance, despite the increased tax payments. CFFO amounted to €1,918 m, including a working capital release from the decrease in commodities price environment against year-end 2022.

Net capex totalled €-476 m, although considering €209 m from initial proceeds from the Angolan upstream assets disposal agreement together with the interim distributions from the subsidiaries held for sale.

FCF amounted to €1,351 m. Dividends to shareholders and minority partners amounted to €422 m and €89 m, respectively, and the share buyback programme represented €308 m. Net debt decreased €344 m compared to the end of last year.

## 6.4 Condensed Financial Position

€m (IFRS figures)

	31 Dec. 2022	30 Jun. 2023	30 Sep. 2023	Var. vs 31 Dec. 2022	Var. vs 30 Jun. 2023
Net fixed assets	6,876	6,979	7,185	309	206
Rights of use (IFRS 16)	1,116	1,134	1,191	75	57
Working capital	1,632	1,296	1,445	(188)	148
Other assets/liabilities	(2,089)	(1,947)	(2,288)	(199)	(342)
Assets held for sale	413	359	451	38	92
<b>Capital employed</b>	<b>7,948</b>	<b>7,821</b>	<b>7,983</b>	<b>35</b>	<b>162</b>
Short term debt	800	351	524	(276)	173
Medium-Long term debt	3,187	3,005	2,957	(230)	(48)
<b>Total debt</b>	<b>3,987</b>	<b>3,356</b>	<b>3,481</b>	<b>(506)</b>	<b>125</b>
Cash and equivalents	2,432	1,993	2,270	(162)	277
<b>Net debt</b>	<b>1,555</b>	<b>1,363</b>	<b>1,211</b>	<b>(344)</b>	<b>(152)</b>
Leases (IFRS 16)	1,277	1,268	1,370	93	101
Equity	5,117	5,190	5,402	286	212
<b>Equity, net debt and leases</b>	<b>7,948</b>	<b>7,821</b>	<b>7,983</b>	<b>35</b>	<b>162</b>

On September 30, 2023, net fixed assets were €7,185 m, including work-in-progress of €2.4 bn, mostly related to the Upstream business. Assets/liabilities held for sale are entirely related to the net position of the Angola upstream portfolio.

Other assets / liabilities increased €162 m compared to 2022 year-end, mostly reflecting impacts from deferred taxes and exchange effects. Equity was up €286 m, supported by the IFRS net income and results attributed to minorities in the period, although partially offset by dividends to shareholders and minorities, and the ongoing buyback programme.

## 6.5 Financial Debt

€m (except otherwise stated)

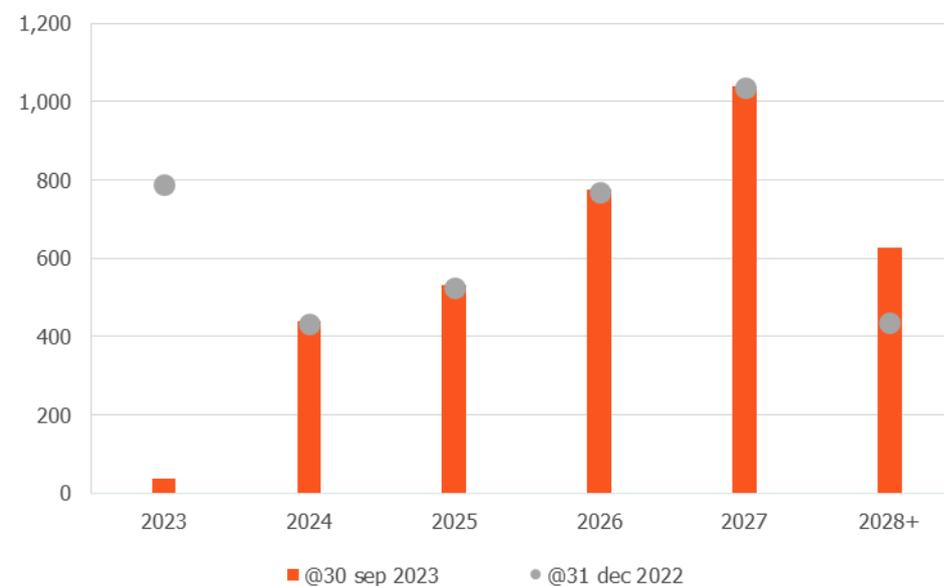
	31 Dec. 2022	30 Jun. 2023	30 Sep. 2023	Var. vs 31 Dec. 2022	Var. vs 30 Jun. 2023
Cash and equivalents	2,432	1,993	2,270	(162)	277
Undrawn credit facilities	1,484	1,595	1,665	181	70
Bonds	2,467	1,866	1,869	(598)	3
Bank loans and other debt	1,520	1,490	1,612	92	122
Net debt	1,555	1,363	1,211	(344)	(152)
Leases (IFRS 16)	1,277	1,268	1,370	93	101
Net debt to RCA Ebitda <sup>1</sup>	0.4x	0.4x	0.3x	-0.1x	-0.1x

<sup>1</sup> Ratio considers the LTM Ebitda RCA (€3,549 m), which includes the adjustment for the impact from the application of IFRS 16 (€240 m).

On September 30, 2023, net debt was €1,211 m, down €344 m from year-end 2022. Net debt to RCA Ebitda stands at 0.3x.

At the end of the period, cash and equivalents reached €2,270 m, whilst unused credit lines were €1,665 m, of which c.81% were contractually guaranteed. The average cost of funding for the period, including the cost of credit lines, was 3.4%.

## Debt maturity profile (€ m)



## 6.7 Reconciliation of IFRS and RCA Figures

### Ebitda by segment

€m

Third Quarter					Nine Months					
Ebitda IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda		Ebitda IFRS	Inventory effect	RC Ebitda	Special items	RCA Ebitda
<b>1,220</b>	<b>(99)</b>	<b>1,121</b>	<b>(63)</b>	<b>1,057</b>	Galp	<b>2,948</b>	<b>77</b>	<b>3,024</b>	<b>(186)</b>	<b>2,838</b>
657	-	657	(63)	594	Upstream	1,850	-	1,850	(186)	1,664
43	-	43	-	43	Renewables & New Businesses	110	-	110	-	110
440	(98)	342	-	342	Industrial & Midstream	790	75	866	-	866
111	(1)	111	-	111	Commercial	248	1	249	-	249
(32)	-	(32)	-	(32)	Others	(51)	(0)	(51)	-	(51)

### Ebit by segment

€m

Third Quarter					Nine Months					
Ebit IFRS	Inventory effect	RC Ebit	Special items	RCA Ebit		Ebit IFRS	Inventory effect	RC Ebit	Special items	RCA Ebit
<b>903</b>	<b>(99)</b>	<b>804</b>	<b>(63)</b>	<b>741</b>	Galp	<b>2,164</b>	<b>77</b>	<b>2,240</b>	<b>(182)</b>	<b>2,058</b>
532	-	532	(63)	469	Upstream	1,494	-	1,494	(182)	1,311
(27)	-	(27)	-	(27)	Renewables & New Businesses	19	-	19	-	19
356	(98)	258	-	258	Industrial & Midstream	599	75	674	-	674
79	(1)	78	-	78	Commercial	125	1	126	-	126
(37)	-	(37)	-	(37)	Others	(72)	(0)	(72)	-	(72)

## 6.8 Special Items

€m

Quarter			Nine Months	
3Q22	2Q23	3Q23	2022	2023
<b>(5)</b>	<b>(75)</b>	<b>(63)</b>	<b>Items impacting Ebitda</b>	<b>(186)</b>
(5)	-	-	Matosinhos Refinery	-
-	(49)	(63)	Ebitda - Assets/liabilities held for sale (Angola)	(159)
-	(27)	(0)	Compensation from Brazilian equity gas contracts	(27)
<b>(26)</b>	<b>(0)</b>	<b>(0)</b>	<b>Items impacting non-cash costs</b>	<b>4</b>
(26)	-	-	Matosinhos Refinery	-
-	(0)	(0)	DD&A-Assets/liabilities held for sale (Angola)	4
<b>(304)</b>	<b>42</b>	<b>50</b>	<b>Items impacting financial results</b>	<b>(69)</b>
-	(3)	-	Gains/losses on financial investments (GGND)	(47)
-	2	0	Gains/losses on financial investments (Coral) <sup>1</sup>	(39)
(0)	(1)	(1)	Financial costs - Others	(3)
(337)	45	51	Mark-to-Market of derivatives	20
33	(0)	0	FX differences from natural gas derivatives	0
<b>117</b>	<b>14</b>	<b>(3)</b>	<b>Items impacting taxes</b>	<b>8</b>
98	2	(11)	Taxes on special items	29
12	6	26	BRL/USD FX impact on deferred taxes in Brazil	(21)
6	6	(18)	Energy sector contribution taxes	(0)
<b>(4)</b>	<b>3</b>	<b>(8)</b>	<b>Non-controlling interests</b>	<b>12</b>
<b>(223)</b>	<b>(16)</b>	<b>(24)</b>	<b>Total special items</b>	<b>(232)</b>

<sup>1</sup> Impact from transition to IFRS 16.

## 6.9 IFRS Consolidated Income Statement

€m						
Quarter					Nine Months	
3Q22	2Q23	3Q23			2022	2023
7,678	4,944	5,317	Sales		20,378	15,333
83	69	74	Services rendered		274	217
(27)	98	124	Other operating income		251	332
<b>7,734</b>	<b>5,112</b>	<b>5,515</b>	<b>Operating income</b>		<b>20,902</b>	<b>15,882</b>
(6,512)	(3,515)	(3,629)	Inventories consumed and sold		(15,935)	(10,832)
(477)	(489)	(552)	Materials and services consumed		(1,391)	(1,624)
(88)	(103)	(103)	Personnel costs		(248)	(303)
(2)	(3)	(6)	Impairments on accounts receivable		(9)	(42)
(24)	(63)	(6)	Other operating costs		(92)	(133)
<b>(7,104)</b>	<b>(4,174)</b>	<b>(4,295)</b>	<b>Operating costs</b>		<b>(17,675)</b>	<b>(12,935)</b>
<b>630</b>	<b>938</b>	<b>1,220</b>	<b>Ebitda</b>		<b>3,227</b>	<b>2,948</b>
(299)	(270)	(262)	Depreciation, Amortisation and Impairments		(976)	(727)
(51)	(3)	(54)	Provisions		(51)	(57)
<b>281</b>	<b>665</b>	<b>903</b>	<b>Ebit</b>		<b>2,200</b>	<b>2,164</b>
25	2	4	Net income from associates		105	114
393	(26)	(108)	Financial results		(44)	(65)
15	26	32	Interest income		32	82
(16)	(30)	(33)	Interest expenses		(47)	(90)
10	18	4	Capitalised interest		19	33
(21)	(22)	(22)	Interest on leases (IFRS 16)		(60)	(66)
(41)	35	(34)	Exchange gain (loss)		8	19
451	(45)	(51)	Mark-to-market of derivatives		15	(20)
(4)	(8)	(4)	Other financial charges/income		(10)	(24)
<b>699</b>	<b>640</b>	<b>799</b>	<b>Income before taxes</b>		<b>2,262</b>	<b>2,212</b>
(370)	(275)	(379)	Taxes <sup>1</sup>		(1,051)	(922)
-	(58)	(76)	Windfall Taxes		-	(194)
(6)	(6)	(6)	Energy sector extraordinary taxes <sup>2</sup>		(28)	(38)
<b>324</b>	<b>301</b>	<b>339</b>	<b>Income before non-controlling interests</b>		<b>1,184</b>	<b>1,057</b>
(16)	(50)	(36)	Income attributable to non-controlling interests		(163)	(152)
<b>307</b>	<b>251</b>	<b>303</b>	<b>Net income</b>		<b>1,020</b>	<b>906</b>

<sup>1</sup> Includes SPT payable in Brazil and IRP payable in Angola.

<sup>2</sup> Includes €10 m, €15 m and €14 m related to CESE I, CESE II and FNEE, respectively, during 2023.

## 6.10 Consolidated Financial Position

€m	31 Dec. 2022	30 Jun. 2023	30 Sep. 2023
<b>Assets</b>			
Tangible fixed assets	5,700	5,727	5,942
Goodwill	70	45	45
Other intangible fixed assets	672	694	668
Rights of use (IFRS 16)	1,116	1,134	1,191
Investments in associates	417	476	238
Receivables	263	298	306
Deferred tax assets	559	589	609
Financial investments	256	164	418
<b>Total non-current assets</b>	<b>9,055</b>	<b>9,128</b>	<b>9,417</b>
Inventories <sup>1</sup>	1,361	1,195	1,452
Trade receivables	1,464	1,403	1,406
Other receivables	942	685	840
Financial investments	339	185	187
Current Income tax recoverable	3	0	0
Cash and equivalents	2,432	1,993	2,270
Non-current assets held for sale	500	507	557
<b>Total current assets</b>	<b>7,041</b>	<b>5,968</b>	<b>6,712</b>
<b>Total assets</b>	<b>16,096</b>	<b>15,096</b>	<b>16,129</b>

<sup>1</sup> Includes €37 m of inventories made on behalf of third parties as of 30 September 2023.

€m	31 Dec. 2022	30 Jun. 2023	30 Sep. 2023
<b>Equity</b>			
Share capital	815	815	815
Treasury Shares	-	(235)	(308)
Share premium	82	-	-
Reserves	1,562	1,681	1,889
Retained earnings	226	1,376	1,090
Net income	1,475	603	906
<b>Total equity attributable to equity holders of the parent</b>	<b>4,161</b>	<b>4,239</b>	<b>4,392</b>
Non-controlling interests	956	951	1,011
<b>Total equity</b>	<b>5,117</b>	<b>5,190</b>	<b>5,402</b>
<b>Liabilities</b>			
Bank loans and overdrafts	1,470	1,332	1,383
Bonds	1,717	1,674	1,574
Leases (IFRS 16)	1,095	1,127	1,230
Other payables	99	109	125
Retirement and other benefit obligations	252	238	235
Deferred tax liabilities	555	502	513
Other financial instruments	48	30	65
Provisions	1,430	1,375	1,430
<b>Total non-current liabilities</b>	<b>6,666</b>	<b>6,386</b>	<b>6,556</b>
Bank loans and overdrafts	50	159	229
Bonds	750	192	294
Leases (IFRS 16)	182	142	139
Trade payables	1,005	976	1,044
Other payables	1,505	1,515	1,759
Other financial instruments	373	102	134
Income tax payable	361	286	465
Liabilities related to non-current assets held for sale	87	149	106
<b>Total current liabilities</b>	<b>4,313</b>	<b>3,520</b>	<b>4,170</b>
<b>Total liabilities</b>	<b>10,979</b>	<b>9,906</b>	<b>10,727</b>
<b>Total equity and liabilities</b>	<b>16,096</b>	<b>15,096</b>	<b>16,129</b>



## **BASIS OF REPORTING**

## 7. BASIS OF REPORTING

Galp's consolidated financial statements have been prepared in accordance with IFRS. The financial information in the consolidated income statement and in the consolidated financial position is reported for the quarters ended on September 30 and December 31, 2022, and September 30, 2023.

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.

All mark-to-market swings related with derivatives are registered as special items (starting from January 1, 2023).

With regards to risks and uncertainties, please read Part II – C. III Internal control and risk management (page 34) of Corporate Governance Report 2022, [here](#).



# Interim Consolidated Financial Statements

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## Interim Condensed Consolidated Statement of Financial Position

### Galp Energia, SGPS, S.A.

Condensed Consolidated Statement of Financial Position as of 30 September 2023 and 31 December 2022

(Amounts stated in million Euros - € m)

Assets	Notes	September 2023	December 2022
<b>Non-current assets:</b>			
Tangible assets	4	5,942	5,700
Goodwill and intangible assets	5	713	742
Right-of-use of assets	6	1,191	1,116
Investments in associates and joint ventures	7	316	417
Deferred tax assets	14.1	609	559
Other receivables	9.2	306	263
Other financial assets	10	340	256
<b>Total non-current assets:</b>		<b>9,417</b>	<b>9,055</b>
<b>Current assets:</b>			
Inventories	8	1,452	1,361
Other financial assets	10	187	339
Current income tax receivable		0	3
Trade receivables	9.1	1,406	1,464
Other receivables	9.2	840	942
Cash and cash equivalents	11	2,270	2,432
Non-current assets held for sale	2.3	557	500
<b>Total current assets:</b>		<b>6,712</b>	<b>7,041</b>
<b>Total assets:</b>		<b>16,129</b>	<b>16,096</b>

<b>Equity and Liabilities</b>	<b>Notes</b>	<b>September 2023</b>	<b>December 2022</b>
<b>Equity:</b>			
Share capital and share premium		815	897
Own shares		(308)	0
Reserves		1,889	1,562
Retained earnings		1,996	1,701
<b>Total equity attributable to shareholders:</b>		<b>4,392</b>	<b>4,161</b>
Non-controlling interests	<b>18</b>	1,011	956
<b>Total equity:</b>		<b>5,402</b>	<b>5,117</b>
<b>Liabilities:</b>			
<b>Non-current liabilities:</b>			
Financial debt	<b>12</b>	2,957	3,187
Lease liabilities	<b>6</b>	1,230	1,095
Other payables	<b>13</b>	125	99
Post-employment and other employee benefit liabilities	<b>15</b>	235	252
Deferred tax liabilities	<b>14.1</b>	513	555
Other financial instruments	<b>17</b>	65	48
Provisions	<b>16</b>	1,430	1,430
<b>Total non-current liabilities:</b>		<b>6,556</b>	<b>6,666</b>
<b>Current liabilities:</b>			
Financial debt	<b>12</b>	524	800
Lease liabilities	<b>6</b>	139	182
Trade payables	<b>13</b>	1,044	1,005
Other payables	<b>13</b>	1,759	1,505
Other financial instruments	<b>17</b>	134	373
Current income tax payable		465	361
Liabilities directly associated with non-current assets held for sale	<b>2.3</b>	106	87
<b>Total current liabilities:</b>		<b>4,170</b>	<b>4,313</b>
<b>Total liabilities:</b>		<b>10,727</b>	<b>10,979</b>
<b>Total equity and liabilities:</b>		<b>16,129</b>	<b>16,096</b>

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

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

### Galp Energia, SGPS, S.A.

Condensed Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the nine-month periods ended 30 September 2023 and 30 September 2022

(Amounts stated in million Euros - € m)

	Notes	September 2023	September 2022
Sales	19	15,333	20,378
Services rendered	19	217	274
Other operating income	19	333	251
Financial income	21	94	63
Earnings from associates and joint ventures	7/19	114	105
<b>Total revenues and income:</b>		<b>16,090</b>	<b>21,070</b>
Cost of sales	20	(10,832)	(15,935)
Supplies and external services	20	(1,625)	(1,391)
Employee costs	20	(303)	(248)
Amortisation and depreciation on fixed assets	20	(727)	(976)
Provisions and impairment losses on receivables	20	(99)	(60)
Other operating costs	20	(133)	(92)
Financial expenses	21	(159)	(107)
<b>Total costs and expenses:</b>		<b>(13,878)</b>	<b>(18,808)</b>
<b>Profit/(Loss) before taxes and other contributions:</b>		<b>2,212</b>	<b>2,262</b>
Taxes and SPT	14.1	(922)	(1,051)
Energy sector extraordinary contribution	14.2	(38)	(28)
Windfall tax	14.2	(194)	0
<b>Consolidated net profit/(loss) for the period</b>		<b>1,057</b>	<b>1,184</b>
<b>Attributable to:</b>			
<b>Galp Energia, SGPS, S.A. Shareholders</b>		<b>906</b>	<b>1,020</b>
<b>Non-controlling interests</b>	18	152	163
<b>Basic and Diluted Earnings per share (in Euros)</b>		<b>1.15</b>	<b>1.25</b>
<b>Consolidated net profit/(loss) for the period</b>		<b>1,057</b>	<b>1,184</b>
<b>Items which will not be recycled in the future through net income:</b>			
Remeasurements		6	(24)
Income taxes related to remeasurements		0	0
<b>Items which may be recycled in the future through net income:</b>			
Currency translation adjustments		50	819
Hedging reserves		3	(9)
Income taxes related to the above item		(2)	3
<b>Total Comprehensive income for the period, attributable to:</b>		<b>1,114</b>	<b>1,972</b>
<b>Galp Energia, SGPS, S.A. Shareholders</b>		<b>961</b>	<b>1,671</b>
<b>Non-controlling interests</b>		<b>152</b>	<b>301</b>

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

## Interim Condensed Consolidated Statement of Changes in Equity

### Galp Energia, SGPS, S.A

Condensed Consolidated Statement of changes in equity for the nine-month periods ended 30 September 2023 and 30 September 2022

(Amounts stated in million Euros - € m)

	Share Capital and Share Premium		Own shares	Currency Translation Reserves	Hedging Reserves	Reserves		Retained earnings	Sub-Total	Non-controlling interests	Total
	Share Capital	Share Premium				Other Reserves					
<b>As at 1 January 2022</b>	<b>829</b>	<b>82</b>	<b>0</b>	<b>(232)</b>	<b>24</b>	<b>1,535</b>	<b>813</b>	<b>3,052</b>	<b>918</b>	<b>3,970</b>	
Consolidated net profit for the period	0	0	0	0	0	0	1,020	1,020	163	1,183	
Other gains and losses recognised in equity	0	0	0	681	(6)	0	(24)	651	138	789	
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>681</b>	<b>(6)</b>	<b>0</b>	<b>996</b>	<b>1,671</b>	<b>301</b>	<b>1,972</b>	
Dividends distributed	0	0	0	0	0	0	(420)	(420)	(144)	(564)	
Repurchases of shares	0	0	(116)	0	0	116	(116)	(116)	0	(116)	
Decrease in reserves	0	0	0	0	0	0	0	0	0	0	
<b>As at 30 September 2022</b>	<b>829</b>	<b>82</b>	<b>(116)</b>	<b>449</b>	<b>18</b>	<b>1,651</b>	<b>1,273</b>	<b>4,188</b>	<b>1,075</b>	<b>5,262</b>	
<b>Balance as at 1 January 2023</b>	<b>815</b>	<b>82</b>	<b>0</b>	<b>13</b>	<b>14</b>	<b>1,535</b>	<b>1,701</b>	<b>4,161</b>	<b>956</b>	<b>5,117</b>	
Consolidated net profit for the period	0	0	0	0	0	0	906	906	152	1,058	
Other gains and losses recognised in equity	0	0	0	49	0	0	6	56	0	56	
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>912</b>	<b>961</b>	<b>152</b>	<b>1,114</b>	
Dividends distributed	0	0	0	0	0	0	(422)	(422)	(98)	(520)	
Repurchases of shares	0	0	(308)	0	0	308	(308)	(308)	0	(308)	
Increase/decrease in reserves	0	(82)	0	0	0	(31)	113	0	0	(0)	
<b>Cummulative income as at 30 September 2023 - CTR with Non current Asset classified as held for sale</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>164</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>164</b>	<b>0</b>	<b>164</b>	
<b>Cummulative loss at 30 September 2023 - Other CTR's</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(102)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(102)</b>	<b>0</b>	<b>(102)</b>	
<b>Balance as at 30 September 2023</b>	<b>815</b>	<b>0</b>	<b>(308)</b>	<b>62</b>	<b>14</b>	<b>1,812</b>	<b>1,995</b>	<b>4,393</b>	<b>1,011</b>	<b>5,402</b>	

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

## Interim Condensed Consolidated Statement of Cash Flow

### Galp Energia, SGPS, S.A.

Consolidated Statement of Cash Flow for the years ended 30 September 2023 and 30 September 2022

(Amounts stated in million Euros - €m)

	Notes	September 2023	September 2022
<b>Income/(Loss) before taxation for the period</b>		<b>2,212</b>	<b>2,262</b>
<b>Adjustments for:</b>			
Amortization, depreciation and impairment losses on fixed assets	20	727	976
Provisions	20	57	51
Adjustments to net realisable value of inventories	21	(91)	0
Mark-to-market of derivatives	21	20	(15)
Other financial costs/income		45	59
Underlifting and/or Overlifting		(19)	(29)
Share of profit/(loss) of joint ventures and associates		(114)	(105)
Others		49	15
<b>Increase / decrease in assets and liabilities:</b>			
(Increase)/decrease in inventories		0	(845)
(Increase)/decrease in current receivables		59	(543)
(Decrease)/increase in current payables		(25)	429
(Increase)/decrease in other receivables, net		92	520
Dividends from associates and joint ventures		30	13
Taxes paid		(1,087)	(823)
<b>Cash flow from operating activities</b>		<b>1,956</b>	<b>1,964</b>
Capital expenditure in tangible and intangible assets		(655)	(706)
Investments in associates and joint ventures, net		77	0
Other investment cash outflows, net		(30)	(218)
<b>Cash flow from investing activities</b>		<b>(608)</b>	<b>(924)</b>
Loans obtained	12	1,019	3,240
Loans repaid	12	(1,601)	(2,899)
Interest paid		(25)	(36)
Leases repaid	6	(105)	(91)
Interest on leases paid	6	(66)	(60)
Change in non-controlling interest		0	0
Dividends paid to Galp shareholders		(422)	(420)
Dividends paid to non-controlling interests		(89)	(145)
Acquisition of own shares		(308)	(116)
<b>Cash flow from financing activities</b>		<b>(1,599)</b>	<b>(527)</b>
(Decrease)/increase in cash and cash equivalents		(251)	513
Currency translation differences in cash and cash equivalents		17	89
Cash and cash equivalents at the beginning of the period	11	2,421	1,811
<b>Cash and cash equivalents at the end of the period</b>	<b>11</b>	<b>2,187</b>	<b>2,413</b>

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

## Notes to the Condensed Consolidated Financial Statements

### 1. Corporate information

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

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

#### 2.1. Basis for preparation

The condensed consolidated financial statements for the nine-month period ended 30 September 2023 were prepared in accordance with IAS 34 - Interim Financial Reporting.

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

These condensed consolidated financial statements do not include all of the information and disclosures required for annual financial statements, and therefore should be read in conjunction with the consolidated financial statements of the Galp Group for the year ended as of 31 December 2022.

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

#### 2.2. Key accounting estimates and judgments

Future long-term commodity price assumptions and management's view on the future development of refining margins represent a significant estimate. Future long-term commodity price assumptions were not subject to change during the first nine-month of 2023.

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2022.

We have not identified impairment indicators that lead us to a detailed impairment analysis as at 30 September 2023, except for certain retail assets (goodwill) as detailed in note 5.

### 2.3. Non-current assets held for sale

Resulting from the agreement reached for the sale of the assets and liabilities of the Angolan upstream companies, the assets and liabilities of these companies were classified as non-current assets and liabilities held for sale until the Angolan government approves the agreement's conclusion. In 2023, the Group has received €77m of initial proceeds from the Angolan upstream assets disposal (which is accounted in "Other deferred income" caption in note 13).

The assets, liabilities and accumulated conversion reserves in equity that make up the amounts presented in the financial statements on 30 September 2023 are as follows:

	Unid: € m
	September 2023
<b>Assets</b>	<b>557</b>
Intangible assets	7
Tangible assets	494
Right of use	1
Inventories	5
Other receivables	50
<b>Liabilities</b>	<b>(106)</b>
Deferred tax liabilities	(9)
Provisions	(78)
Current income tax payable	0
Other payables	(19)
<b>Equity – Accumulated conversion reserves</b>	<b>(164)</b>

### 2.4. Changes to the consolidation perimeter

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

Legal Entity	Country	% Acquired	Transaction	Consolidation Method
Solar companies (8 companies)	Brazil	100%	Establishment	Full consolidation

All entities in the table above were established in 2023.

During the 3Q23 the entity Enacolgest has merged into Enacol (the surviving entity). Enacol stake of 48.287% has been held by Galp and consolidated in Galp accounts.

## **2.5. Acquisition of own shares**

Own equity instruments that are reacquired (own shares or treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Galp has initiated on 15 February 2023 a programme to repurchase Galp Energia SGPS, S.A. own shares in the amount of €500m.

Until 30 September 2023, 28,104,522 shares were acquired at an average price of €10.949/share, totalizing €308m.

## **2.6. Changes to IFRS not yet adopted**

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

## **2.7. Commitments**

During the nine-month period of 2023, Galp Energia SGPS, S.A. provided Parent Company Guarantees amounting to €815m in connection with commercial agreements entered into by its subsidiaries.

## **3. Segment reporting**

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

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

The Industrial & Midstream segment incorporates the refining and logistics business, as well as the Group's oil, CO<sub>2</sub>, gas and power supply and trading activities. This segment also includes co-generation.

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

The Renewables & New Businesses segment encompasses renewables power generation and new businesses.

Besides these four business segments, the Group has also included within the category "Others" the holding company Galp Energia, SGPS, S.A. and companies with other activities including Tagus Re, S.A. and Galp Energia, S.A., a reinsurance company and a provider of shared services at the corporate level, respectively.

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

The replacement cost financial information for the segments identified above, for the nine-month periods ended 30 September 2023 and 2022, is as follows:

	Unit: € m													
	Consolidated		Upstream		Industrial & Midstream		Commercial		Renewables & New businesses		Others		Consolidation adjustments	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Sales and services rendered	15,550	20,651	2,761	2,973	6,323	8,808	7,507	10,204	139	131	211	167	(1,390)	(1,632)
Cost of sales	(10,756)	(16,265)	(150)	(5)	(4,714)	(7,371)	(6,823)	(9,468)	19	(69)	(9)	(16)	921	663
of which Variation of Production	(118)	334	9	(62)	(127)	396	0	0	0	0	0	0	0	0
Other revenue & expenses	(1,770)	(1,489)	(762)	(677)	(743)	(1,105)	(434)	(479)	(47)	(29)	(253)	(168)	469	969
of which Under & Overlifting	19	29	19	29	0	0	0	0	0	0	0	0	0	0
<b>EBITDA at Replacement Cost</b>	<b>3,024</b>	<b>2,897</b>	<b>1,850</b>	<b>2,292</b>	<b>866</b>	<b>333</b>	<b>249</b>	<b>256</b>	<b>110</b>	<b>34</b>	<b>(51)</b>	<b>(17)</b>	<b>0</b>	<b>0</b>
Amortisation, depreciation and impairment losses on fixed assets	(727)	(976)	(356)	(665)	(138)	(199)	(123)	(77)	(91)	(7)	(18)	(27)	0	0
Provisions (net)	(57)	(51)	0	0	(54)	(52)	0	(0)	0	0	(3)	1	0	0
<b>EBIT at Replacement Cost</b>	<b>2,240</b>	<b>1,870</b>	<b>1,494</b>	<b>1,627</b>	<b>674</b>	<b>82</b>	<b>126</b>	<b>179</b>	<b>19</b>	<b>27</b>	<b>(72)</b>	<b>(44)</b>	<b>0</b>	<b>0</b>
Earnings from associates and joint ventures	114	105	35	7	52	(5)	5	5	19	96	2	3	0	0
Financial results	(65)	(44)	0	0	0	0	0	0	0	0	0	0	0	0
Taxes at Replacement Cost	(954)	(961)	0	0	0	0	0	0	0	0	0	0	0	0
Energy Sector Extraordinary Contribution	(38)	(28)	0	0	(16)	(15)	(14)	(4)	(0)	0	(9)	(9)	0	0
Windfall tax	(194)	0	(64)	0	(77)	0	(53)	0	0	0	0	0	0	0
<b>Consolidated net income at Replacement Cost, of which:</b>	<b>1,102</b>	<b>943</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Attributable to non-controlling interests	152	163	0	0	0	0	0	0	0	0	0	0	0	0
Attributable to shareholders of Galp Energia SGPS SA	950	779	0	0	0	0	0	0	0	0	0	0	0	0
<b>OTHER INFORMATION</b>														
<b>Segment Assets <sup>(1)</sup></b>														
Financial investments <sup>(2)</sup>	316	417	178	283	12	18	33	35	87	81	5	0	0	0
Other assets	15,813	15,678	8,073	7,540	3,347	3,263	2,633	2,889	1,816	2,061	3,261	2,536	(3,317)	(2,611)
<b>Segment Assets</b>	<b>16,129</b>	<b>16,096</b>	<b>8,251</b>	<b>7,823</b>	<b>3,360</b>	<b>3,281</b>	<b>2,666</b>	<b>2,924</b>	<b>1,903</b>	<b>2,142</b>	<b>3,265</b>	<b>2,537</b>	<b>(3,317)</b>	<b>(2,611)</b>
of which Rights of use of assets	1,191	1,116	643	702	232	165	166	167	72	70	78	12	0	0
<b>Investment in Tangible and Intangible Assets</b>	<b>655</b>	<b>573</b>	<b>394</b>	<b>418</b>	<b>87</b>	<b>43</b>	<b>53</b>	<b>47</b>	<b>97</b>	<b>40</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>0</b>

<sup>1)</sup> Net amount

<sup>2)</sup> Accounted for based on the equity method of accounting

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

	Unit: € m					
	Sales and services rendered <sup>1</sup>		Tangible and intangible assets		Financial investments	
	2023	2022	2023	2022	2023	2022
	<b>15,550</b>	<b>20,651</b>	<b>6,655</b>	<b>6,442</b>	<b>316</b>	<b>417</b>
Europe	13,125	16,954	2,599	2,514	39	39
Latin America	1,880	3,144	3,301	3,218	83	77
Africa	545	553	755	710	195	301

<sup>1</sup> Net consolidation operation

The reconciliation between the segment reporting and the Condensed Consolidated Income Statement for the periods ended 30 September 2023 and 2022 was as follows:

	Unit: € m	
	2023	2022
<b>Sales and services rendered</b>	15,550	20,651
<b>Cost of sales</b>	(10,832)	(15,934)
Replacement cost adjustments (1)	77	(331)
<b>Cost of sales at Replacement Cost</b>	(10,756)	(16,265)
<b>Other revenue and expenses</b>	(1,770)	(1,489)
<b>Depreciation and amortisation</b>	(727)	(976)
<b>Provisions (net)</b>	(57)	(51)
<b>Earnings from associates and joint ventures</b>	114	105
<b>Financial results</b>	(65)	(44)
<b>Profit before taxes and other contributions at Replacement Cost</b>	<b>2,289</b>	<b>1,932</b>
Replacement Cost adjustments	(77)	330
<b>Profit before taxes and other contributions at IFRS</b>	<b>2,212</b>	<b>2,262</b>
Income tax	(922)	(1,050)
Income tax on Replacement Cost Adjustment (2)	(32)	89
Energy Sector Extraordinary Contribution	(38)	(28)
Windfall tax	(194)	0
<b>Consolidated net income for the period at Replacement Cost</b>	<b>1,102</b>	<b>943</b>
Replacement Cost (1) +(2)	(45)	241
<b>Consolidated net income for the period based on IFRS</b>	<b>1,057</b>	<b>1,184</b>

#### 4. Tangible assets

	Unit: € m				
	Land, natural resources and buildings	Plant and machinery	Other equipment	Assets under construction	Total
<i>As at 30 September 2023</i>					
Acquisition cost	1,315	11,395	522	2,651	15,882
Impairment	(39)	(228)	(3)	(344)	(614)
Accumulated depreciation and depletion	(811)	(8,070)	(446)	-	(9,327)
<b>Net Value</b>	<b>465</b>	<b>3,096</b>	<b>74</b>	<b>2,307</b>	<b>5,942</b>
<b>Balance as at 1 January 2023</b>					
Additions	0	34	0	586	621
Depreciation, depletion and impairment	(16)	(402)	(25)	(48)	(491)
Disposals/Write-offs	(1)	(0)	(0)	0	(1)
Transfers	22	197	25	(244)	0
Currency exchange differences and other adjustments	1	(0)	10	103	113
<b>Balance as at 30 September 2023</b>	<b>465</b>	<b>3,096</b>	<b>74</b>	<b>2,307</b>	<b>5,942</b>

During the nine-month period under review the Group has made Upstream investments in the amount of €425 m, essentially related to projects in Brazil (€362 m) and Mozambique (€24 m) and in the businesses units Industrial & Midstream (€81 m), Renewables (€104 m) and Commercial (€53 m). The additions to tangible assets for the nine-month period ended 30 September 2023 also include the capitalisation of financial charges amounting to €34 m (Note 21) and abandonment provisions of €34m (note: not considered as Investment in Operating segment). Galp has recognized a total impairment charge of €141 m related to assets under construction in Upstream of €10 m (Unused well), Industrial & Energy Management of €33 m (Refinery Assets), Commercial of €39 m (€14m as Retail Tangible Assets and €25 m as Intangible Assets (note 5)), Renewables and New Businesses of €60 m (€3 m as Tangible Assets, €33 m as Intangible Assets and €24 m as prepaid for Tangible Assets/Investments in Brazil (note 20)).

## 5. Goodwill and intangible assets

	Unit: € m			
	Industrial properties and other rights	Intangible assets in progress	Goodwill	Total
<i>As at 30 September 2023</i>				
Acquisition cost	1,328	102	88	1,517
Impairment	(191)	(24)	(43)	(258)
Accumulated amortisation	(546)	0	0	(546)
<b>Net Value</b>	<b>591</b>	<b>78</b>	<b>45</b>	<b>713</b>
<b>Balance as at 1 January 2023</b>				
Additions	35	0	0	34
Amortisation and impairment	(64)	0	(25)	(89)
Write-offs/Disposals	(1)	0	0	(1)
Transfers	36	(36)	0	0
Currency exchange differences and other adjustments	14	13	0	27
<b>Balance as at 30 September 2023</b>	<b>591</b>	<b>78</b>	<b>45</b>	<b>713</b>

The impairment charged in the period in the amount of €25 m resulted from management analysis of the recoverable amount of its cash-generating unit's related to African commercial business (retail assets).

## 6. Leases

Right-of-use assets

						Unit: € m
	FPSO's <sup>1</sup>	Buildings	Service stations	Vessels	Other usage rights	Total
<i>As at 30 September 2023</i>						
Acquisition cost	745	97	316	314	260	1,733
Accumulated amortisation	(224)	(16)	(69)	(122)	(78)	(509)
Impairment	0	0	(33)	0	0	(33)
<b>Net Value</b>	<b>522</b>	<b>80</b>	<b>247</b>	<b>192</b>	<b>182</b>	<b>1,191</b>
<b>As at 1 January 2022</b>						
Additions	0	68	26	85	10	189
Amortisation	(35)	(4)	(26)	(44)	(14)	(123)
Write-offs/Disposals	0	0	0	0	0	0
Currency exchange differences and other adjustments	46	0	(0)	0	(38)	8
<b>Balance as at 30 September 2023</b>	<b>522</b>	<b>80</b>	<b>214</b>	<b>192</b>	<b>182</b>	<b>1,191</b>

<sup>1</sup> Floating, production, storage and offloading unit.

The €85 m increase in vessel leasing is due to a new long term charter agreement for a LNG carrier whose operations have initiated in January 2023. This leasing agreement has a minimum duration of 5 years and can be extended up to 11 years.

The additions of €68m regarding to Buildings is related with the new Head-Office of Galp Energia in Lisbon, Portugal.

#### Lease liabilities

	<b>Unit: € m</b>	
	<b>September 2023</b>	<b>December 2022</b>
<b>Maturity analysis – contractual undiscounted cash flow</b>	<b>1,776</b>	<b>1,835</b>
Less than one year	223	209
One to five years	709	697
More than five years	844	929
<b>Lease liabilities included in the statement of financial position</b>	<b>1,370</b>	<b>1,277</b>
Non current	1,230	1,095
Current	139	182

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

	<b>Unit: € m</b>	
	<b>September 2023</b>	<b>September 2022</b>
	<b>529</b>	<b>419</b>
Interest on lease liabilities	66	60
Expenses related to short term, low value and variable payments of operating leases <sup>1</sup>	462	359

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

The increase in expenses with short-term leases is essentially due to short-term charters resulting from the increase in activity verified in the transport of goods.

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

	<b>Unit: € m</b>	
	<b>September 2023</b>	<b>September 2022</b>
<b>Financing activities</b>	<b>172</b>	<b>151</b>
(Payments) relating to leasing (IFRS 16)	105	91
(Payments) relating to leasing (IFRS 16) interests	66	60

## 7. Investments in associates and joint ventures

	Unit: € m	
	September 2023	December 2022
	<b>316</b>	<b>417</b>
Joint ventures	191	292
Associates	125	125

### 7.1. Investments in joint ventures

	Unit: € m					
	As at 31 December 2022	Share capital increase/ decrease	Equity Method	Other adjustments	Dividends	As at 30 September 2023
	<b>292</b>	<b>(173)</b>	<b>40</b>	<b>36</b>	<b>(4)</b>	<b>191</b>
Coral FLNG, S.A.	279	(174)	36	33	0	174
Other joint ventures	13	1	3	3	(4)	17

The decrease of €174m in Coral FLNG stake is related with a loan reclassification into Financial assets not measured at Fair value. The amount was reclassified, because it lost its classification as quasi-capital due to a reimbursement plan, changing it to a loan. Which relates to a non-bearing interest Shareholder loan agreement with a final expected repayment date of 31 January 2035.

### 7.2. Investments in associates

	Unit: € m					
	As at 31 December 2022	Share capital increase/ decrease	Equity Method	Other adjustments	Dividends	As at 30 September 2023
	<b>125</b>	<b>(20)</b>	<b>30</b>	<b>(5)</b>	<b>(5)</b>	<b>125</b>
Belém Bioenergia Brasil, S.A.	73	(19)	24	5	(4)	79
Sonangalp – Sociedade Distribuição e Comercialização de Combustíveis, Lda.	11	0	4	(7)	(1)	7
Floene Energias, S.A.	8	(1)	0	1	0	8
Geo Alternativa, S.L.	5	0	0	(1)	0	5
Other associates	28	(1)	2	(3)	0	26

## 8. Inventories

	Unit: € m	
	September 2023	December 2022
	<b>1,452</b>	<b>1,361</b>
<b>Raw, subsidiary and consumable materials</b>	<b>467</b>	<b>275</b>
Crude oil	120	103
Gas	3	0
Other raw materials	139	126
Raw materials in transit	206	46
<b>Finished and semi-finished products</b>	<b>558</b>	<b>811</b>
<b>Finished and semi-finished products in transit</b>	<b>111</b>	<b>0</b>
<b>Goods</b>	<b>330</b>	<b>390</b>
<b>Adjustments to net realisable value</b>	<b>(14)</b>	<b>(115)</b>

The movements in the adjustments to net realisable value balance for the nine-month period ended 30 September 2023 were as follows:

	Unit: € m				
	Raw, subsidiary and consumable materials	Finished and semi-finished products	Goods	Adjustments	Total
<b>Adjustments to net realisable value at 1 January 2023</b>	<b>43</b>	<b>57</b>	<b>14</b>	<b>0</b>	<b>115</b>
Net reductions	(33)	(53)	(14)	9	(91)
Other adjustments	0	0	0	(10)	(10)
<b>Adjustments to net realisable value at 30 September 2023</b>	<b>10</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>14</b>

The reduction of €91m was recognised in the caption cost of sales being part of the consolidated Profit and Loss. This reduction, which resulted on the application on the Net realizable Value (NRV), was caused by the price fluctuation in the markets during the period.

## 9. Trade and other receivables

### 9.1. Trade receivables

	Notes	Unit: € m	
		September 2023	December 2022
		Current	Current
		<b>1,406</b>	<b>1,464</b>
Trade receivables		1,572	1,595
Impairments	9.3	(166)	(131)

### 9.2. Other receivables

	Notes	Unit: € m			
		September 2023		December 2022	
		Current	Non-current	Current	Non-current
		<b>840</b>	<b>306</b>	<b>941</b>	<b>263</b>
<b>State and other Public Entities</b>		<b>37</b>	<b>0</b>	<b>82</b>	<b>0</b>
<b>Other debtors</b>		<b>354</b>	<b>211</b>	<b>320</b>	<b>167</b>
Non-operated oil blocks		51	0	65	0
Underlifting		100	0	90	0
Other receivables		204	211	165	167
<b>Related Parties</b>		<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>
<b>Contract Assets</b>		<b>363</b>	<b>62</b>	<b>401</b>	<b>64</b>
Sales and services rendered but not yet invoiced		219	0	323	0
Adjustments to tariff deviations - "pass through"		25	0	27	0
Other accrued income		118	62	51	64
<b>Deferred charges</b>		<b>96</b>	<b>32</b>	<b>146</b>	<b>32</b>
Energy sector extraordinary contribution (CESE II)	14.2	7	12	8	16
Deferred charges for services		6	12	4	13
Other deferred charges		83	9	134	3
<b>Impairment of other receivables</b>	<b>9.3</b>	<b>(11)</b>	<b>0</b>	<b>(10)</b>	<b>0</b>

Other debtors/Other non-current receivables include an amount of €211 m relating to court deposits regarding the lawsuit between BM-S-11 consortium and the ANP. The ANP claims that the oil fields of Tupi and Iracema, which are located within the BM-S-11, should be unified for Special Participation Tax purposes. However, the consortium has a different understanding. Thus the judicial deposit represents part of the difference between the two criteria under discussion.

Other deferred charges (current) include the amount of €2 m (2022: €85 m) relating to the remaining CO2 licences after satisfying the legal obligation regarding CO2 emissions occurring in April 2023. These remaining licences will be used to satisfy the CO2 emissions regarding the year 2023 to be fulfilled in April 2024.

Other accrued income (current) includes mainly accruals regarding other operating revenue while non-current includes natural gas tariffs deviations from regulated market.

### 9.3. Impairment of Trade Receivables and Other Receivables

The movements in the impairment of trade receivables and other receivables, for the nine-month period ended 30 September 2023, were as follow:

	Unit: € m					
	Opening balance	Increase	Decrease	Utilisation	Others	Closing balance
	141	45	(3)	(4)	(2)	177
Trade receivables	131	55	(3)	(4)	(12)	166
Other receivables	10	(9)	0	0	11	11

Increase of impairment of trade receivables is related with a reassessment of credit risk of Clients.

### 10. Other financial assets

As at 30 September 2023 and 31 December 2022 Other financial assets were as follow:

		Unit: € m			
	Notes	September 2023		December 2022	
		Current	Non-current	Current	Non-current
		187	340	339	256
Financial Assets at fair value through profit & loss	17	142	74	304	110
Financial Assets at fair value through comprehensive income		0	3	0	3
Financial Assets not measured at fair value - Loans and Capital subscription		45	242	34	102
Others		1	21	1	42

Financial assets at fair value through profit or loss refer to financial derivatives (note 17). The increase of Financial assets not measured at fair value – Loans and Capital subscription includes a reclassification of a loan from Investments in joint ventures amounting to €174m (note 7).

### 11. Cash and cash equivalents

		Unit: € m	
	Notes	September 2023	December 2022
		2,187	2,421
Cash at bank		2,270	2,432
Bank overdrafts	12	(83)	(11)

## 12. Financial debt

Notes	Unit: € m			
	September 2023		December 2022	
	Current	Non-current	Current	Non-current
	524	2,957	800	3,187
<b>Bank loans</b>	<b>229</b>	<b>1,383</b>	<b>50</b>	<b>1,470</b>
Origination fees	-	(4)	(0)	(6)
Loans and commercial paper	146	1,387	39	1,476
Bank overdrafts 12	83	-	11	0
<b>Bonds and notes</b>	<b>294</b>	<b>1,574</b>	<b>750</b>	<b>1,717</b>
Origination fees	0	(6)	-	(7)
Bonds	294	1,080	250	1,224
Notes	0	500	500	500

Changes in financial debt during the period from 31 December 2022 to 30 September 2023 were as follows:

	Unit: € m					
	Opening balance	Loans obtained	Principal Repayment	Changes in Overdrafts	Foreign exchange rate differences and others	Closing balance
	3,987	1,019	(1,601)	72	4	3,481
<b>Bank Loans:</b>	<b>1,520</b>	<b>869</b>	<b>(851)</b>	<b>72</b>	<b>2</b>	<b>1,612</b>
Origination fees	(6)	0	0	0	2	(4)
Loans and commercial papers	1,515	869	(851)	0	0	1,533
Bank overdrafts	11	0	0	72	0	83
<b>Bond and Notes:</b>	<b>2,467</b>	<b>150</b>	<b>(750)</b>	<b>0</b>	<b>2</b>	<b>1,869</b>
Origination fees	(7)	0	0	0	1	(6)
Bonds	1,474	150	(250)	0	1	1,374
Notes	1,000	0	(500)	0	0	500

The average cost of financial debt for the period under review, including charges for credit lines, amounted to 3.43%.

Financial debt, excluding origination fees and bank overdrafts, had the following repayment plan as at 30 September 2023:

Maturity	Unit: € m		
	Loans		
	Total	Current	Non-current
	<b>3,407</b>	<b>454</b>	<b>2,953</b>
2023	15	15	0
2024	439	439	0
2025	532	0	532
2026	774	0	774
2027	1,040	0	1,040
2028 and following	607	0	607

### 13. Trade payables and other payables

	Unit: € m			
	September 2023		December 2022	
	Current	Non-current	Current	Non-current
<b>Trade payables</b>	<b>1,044</b>	<b>0</b>	<b>1,005</b>	<b>0</b>
<b>Other payables</b>	<b>1,759</b>	<b>125</b>	<b>1,505</b>	<b>99</b>
<b>State and other public entities</b>	<b>514</b>	<b>0</b>	<b>346</b>	<b>0</b>
Payable VAT	262	0	246	0
Tax on oil products (ISP)	107	0	88	0
Other taxes	144	0	12	0
<b>Other payables</b>	<b>244</b>	<b>42</b>	<b>331</b>	<b>44</b>
Suppliers of tangible and intangible assets	110	42	196	44
Advances on sales	0	0	0	0
Overlifting	0	0	0	0
Other Creditors	134	0	135	0
<b>Related parties</b>	<b>26</b>	<b>(3)</b>	<b>20</b>	<b>0</b>
<b>Other accounts payable</b>	<b>106</b>	<b>11</b>	<b>88</b>	<b>10</b>
<b>Accrued costs</b>	<b>738</b>	<b>55</b>	<b>701</b>	<b>36</b>
External supplies and services	579	0	515	0
Holiday, holiday subsidy and corresponding contributions	68	21	83	6
Other accrued costs	91	34	103	30
<b>Contract liabilities</b>	<b>46</b>	<b>0</b>	<b>17</b>	<b>0</b>
<b>Other deferred income</b>	<b>85</b>	<b>22</b>	<b>4</b>	<b>10</b>

“State and other public entities – other taxes” includes an amount of €132 m referring to estimated amounts related to the windfall taxes. “Other deferred income” includes €77 m referring to the receipt of a down payment provided by the company Somoil for the purchase of Angolan companies in the upstream business.

## 14. Taxes and other contributions

### 14.1. Taxes and Special Participation Tax (SPT)

The Group operations take place in several regions and are carried out by various legal entities, subject to locally established income tax rates, varying between 25% in Spain, 25.8% in the Netherlands, 31.5% in Portugal (before Energy sector extraordinary contribution and Windfall tax), and 34% in Brazil.

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

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

Taxes and SPT recognised in the condensed consolidated income statement for the nine-month periods ended 30 September 2023 and 2022 were as follows:

	<b>Unit:</b>					
	<b>€ m</b>					
	<b>September 2023</b>			<b>September 2022</b>		
	<b>Current tax</b>	<b>Deferred tax</b>	<b>Total</b>	<b>Current tax</b>	<b>Deferred tax</b>	<b>Total</b>
<b>Taxes for the period</b>	<b>1,020</b>	<b>(97)</b>	<b>923</b>	<b>1,162</b>	<b>(112)</b>	<b>1,050</b>
Current income tax	561	(102)	460	477	(112)	365
Oil income Tax (IRP)	17	5	21	25	0	25
Special Participation Tax (SPT)	442	0	442	660	0	660

As at 30 September 2023, the movements in deferred tax assets and liabilities were as follows:

	As at 31 December 2022	Impact on the income statement	Impact on equity	Foreign exchange rate changes	Unit: € m As at 30 September 2023
<b>Deferred Taxes – Assets</b>	<b>559</b>	<b>54</b>	<b>(2)</b>	<b>(2)</b>	<b>609</b>
Adjustments to tangible and intangible assets	126	33	0	(1)	158
Retirement benefits and other benefits	73	(5)	0	0	68
Tax losses carried forward	36	(1)	0	0	36
Regulated revenue	8	0	0	0	8
Temporarily non-deductible provisions	246	10	0	0	256
Others	70	16	(2)	0	83
<b>Deferred Taxes – Liabilities</b>	<b>(556)</b>	<b>44</b>	<b>0</b>	<b>(2)</b>	<b>(513)</b>
Adjustments to tangible and intangible assets	(540)	51	0	(2)	(492)
Adjustments to the fair value of tangible and intangible assets	0	0	0	0	0
Regulated revenue	(14)	0	0	0	(14)
Others	(1)	(7)	0	0	(7)

#### 14.2. Energy sector extraordinary contribution

	Unit: € m							
	State and other public entities	Statement of financial position				Income statement		
	Other taxes	Windfall tax	Provisions (Note 16)		"CESE II" Deferred Charges (Note 9.2)		Energy Sector Extraordinary Contribution	Windfall tax
			CESE I	CESE II	Current	Non- current		
<b>As at 1 January 2023</b>	<b>0</b>	<b>(53)</b>	<b>(133)</b>	<b>(247)</b>	<b>8</b>	<b>16</b>	<b>0</b>	<b>0</b>
Increase	(194)	0	(9)	(8)	0	0	38	194
Decrease	116	0	0	0	(2)	(4)	0	0
Utilisation	0	0	55	.	0	0	0	0
Other adjustments	(53)	53	0	0	0	0	0	0
<b>As at 30 September 2023</b>	<b>(132)</b>	<b>0</b>	<b>(87)</b>	<b>(255)</b>	<b>7</b>	<b>12</b>	<b>38</b>	<b>194</b>

In the caption "Windfall tax" the other adjustments are regarding to a reclassification to the caption "State and other public entities – Other taxes".

During the period a cost of €194 m was recognised as "Windfall tax" (€130m of Iberian windfall tax and €64m of Brazilian windfall tax - temporary levy on export of oil products) , which was reflected in the statement of financial position in the caption "State and other public entities – Other taxes". During the period an amount of €116 m was paid.

Additionally, a cost of €38 m was recognised as "Energy Sector Extraordinary Contribution".

The Caption "State and other public entities – Other taxes" of the table above is referring only to Windfall tax.

## 15. Post-employment benefits

On 30 September 2023 and 31 December 2022, the assets of the Pension Funds of Petrogal, S.A. and Sacor Maritima, S.A., valued at fair value, were as follows, in accordance with the information provided by the pension plan management entity:

	Unit: € m	
	September 2023	December 2022
<b>Total</b>	<b>204</b>	<b>203</b>
Shares	36	37
Bonds	108	118
Real Estate	44	44
Liquidity	1	1
Others	15	3

As at 30 September 2023 and 31 December 2022, the details of post employment benefits were as follow:

	Unit: € m	
	September 2023	December 2022
Assets under the heading "Other Receivables"	7	1
Liabilities	(235)	(252)
<b>Net responsibilities</b>	<b>(228)</b>	<b>(250)</b>
<b>Liabilities, of which:</b>	<b>(432)</b>	<b>(453)</b>
Past service liabilities covered by the pension fund	(197)	(202)
Other employee benefit liabilities	(234)	(251)
<b>Assets</b>	<b>204</b>	<b>203</b>

## 16. Provisions

During the nine-month period ended 30 September 2023, the movements in Provisions were as follows:

	September 2023					December 2022
	Decomissioning/ environmental provisions	CESE (I and II)	Windfall tax	Other provisions	Total	
<b>At the beginning of the period</b>	<b>715</b>	<b>380</b>	<b>53</b>	<b>282</b>	<b>1,430</b>	<b>1,208</b>
Additional provisions and increases to existing provisions	63	17	0	69	149	219
Decreases of existing provisions	0	0	0	(45)	(45)	(2)
Amount used during the period	(10)	(55)	0	(3)	(68)	(30)
Adjustments during the period	7	0	(53)	10	(36)	35
<b>At the end of the period</b>	<b>775</b>	<b>342</b>	<b>0</b>	<b>313</b>	<b>1,430</b>	<b>1,430</b>

Unit: € m

“Other provisions” of €313 m includes a €211 m provision relating to a dispute between the ANP and the BM-S-11 consortium, as explained in Note 9 and a €28 m provision related to the commitment to reimburse CESE I to the shareholders of Floene (former GGND), if due, according to the agreement between the parties. During the nine-month period ended 30 September 2023, a partial reversal of the obligation was carried out, in the amount of €44 m (note 19) resulting from the favourable decision of the constitutional court to an entity belonging to Floene Energias, S.A. Group regarding to the existing dispute with the tax authority.

In the caption “Windfall tax” the value in “Adjustments during the period” relates to a reclassification to the caption “State and other public entities – Other taxes”.

## 17. Other financial instruments

	September 2023						December 2022			
	Assets (Note 10)		Liabilities		Equity	Assets (Note 10)		Liabilities		Equity
	Current	Non current	Current	Non current		Current	Non current	Current	Non current	
	<b>142</b>	<b>74</b>	<b>(134)</b>	<b>(65)</b>	<b>20</b>	<b>304</b>	<b>110</b>	<b>(373)</b>	<b>(48)</b>	<b>18</b>
Commodity swaps	116	31	(134)	(65)	17	247	67	(370)	(48)	0
Options	0	0	0	0	0	0	0	0	0	0
Commodity futures	26	0	0	0	0	53	0	0	0	15
IRS	0	43	0	0	3	0	43	0	0	3
Currency Forwards	0	0	0	0	0	4	0	(3)	0	0

Unit: € m

The accounting impacts of gains and losses on derivative financial instruments on the income statement and comprehensive income as at 30 September 2023 and 2022 are presented below:

	September 2023				September 2022			
	Income statement			Equity	Income statement			Equity
	MTM	Realised	MTM + Realised		MTM	Realised	MTM + Realised	
	(21)	40	19	2	28	(423)	(395)	(11)
<b>Commodities</b>	<b>(20)</b>	<b>40</b>	<b>20</b>	<b>2</b>	<b>(4)</b>	<b>(423)</b>	<b>(427)</b>	<b>(11)</b>
Swaps	30	(49)	(19)	17	(268)	(67)	(336)	7
Swaps - Fair value hedge	0	0	0	0	(0)	0	0	0
Options	0	0	0	0	3	(3)	0	0
Futures	(50)	89	40	(15)	262	(352)	(90)	(18)
<b>Currency</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>0</b>
Forwards	0	0	0	0	13	0	13	0
<b>Interest Rate</b>	<b>(1)</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>19</b>	<b>0</b>
IRS	(1)	0	(1)	0	19	0	19	0

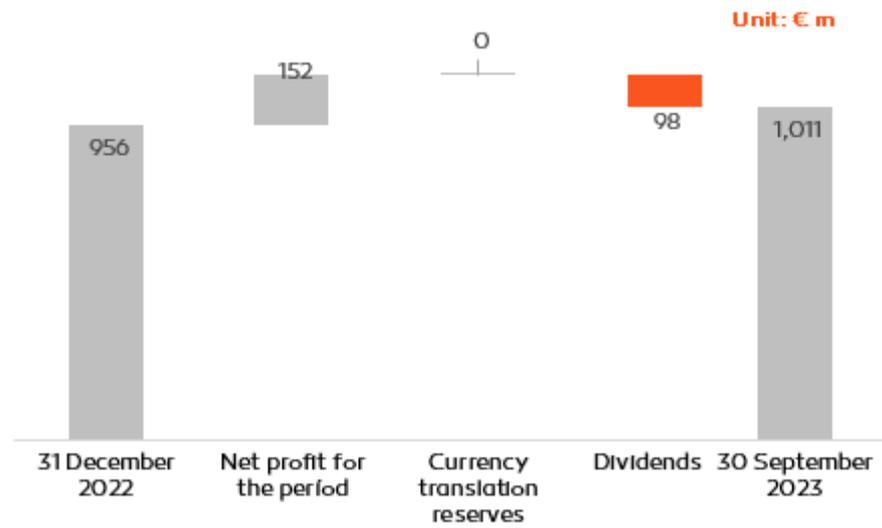
The realised results of derivative financial instruments are mainly recognised as part of the cost of sales (Note 21), financial income or expenses.

The realised gains and losses on currency forwards are registered in the exchange differences caption.

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

	Unit: € m	
	September 2023	September 2022
	(20)	15
Commodity Swaps	30	(268)
Options	0	3
Commodity Futures	(50)	262
IRS	(1)	19
Other trading operations	0	0

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

**18. Non-controlling interests**

## 19. Revenue and income

The details of revenue and income for the nine-month periods ended 30 September 2023 and 2022 were as follow:

		Unit: € m	
	Notes	September 2023	September 2022
		16,090	21,070
<b>Total sales</b>		<b>15,333</b>	<b>20,378</b>
Goods		7,504	11,455
Products		7,830	8,923
Exchange differences			
<b>Services rendered</b>		<b>217</b>	<b>274</b>
<b>Other operating income</b>		<b>333</b>	<b>251</b>
Underlifting income		19	30
Others		314	221
<b>Earnings from associates and joint ventures</b>	<b>7</b>	<b>114</b>	<b>105</b>
<b>Financial income</b>	<b>21</b>	<b>94</b>	<b>63</b>

In the caption of Earnings from associates and joint ventures in the Condensed Consolidated Income Statement is a result of €44 m (note 16), resulting from a partial reversion of the liability of CESE I assumed by Galp in relation to Floene Energias, S.A.. This reversion is a result of the decision of the constitutional court regarding an entity of that Group. Additionally, this caption includes a positive adjustment of €3 m regarding the sale price of Galp Gás Natural Distribuição, S.A. in accordance with the agreement previously signed with its acquirer Allianz. Furthermore, a participation cost of €5m was also recognized in this caption in relation to a minority interest.

## 20. Costs and expenses

The details of costs and expenses, for the nine-month periods ended 30 September 2023 and 2022 were as follow:

		Unit: € m	
	Notes	September 2023	September 2022
<b>Total costs and expenditure:</b>		<b>13,878</b>	<b>18,808</b>
<b>Cost of sales</b>		<b>10,832</b>	<b>15,934</b>
Raw and subsidiary materials		2,246	2,878
Goods		6,671	11,073
Tax on oil products		1,860	1,838
Variations in production		118	(334)
Write downs on inventories	8	(91)	0
Costs related to CO <sub>2</sub> emissions		69	59
Financial derivatives	17	(40)	423
Exchange differences		(1)	(2)
<b>External supplies and services</b>		<b>1,625</b>	<b>1,390</b>
Subcontracts - network use		43	147
Transportation of goods		258	168
E&P - production costs		297	117
E&P - exploration costs		13	32
Royalties		205	266
Other costs		810	659
<b>Employee costs</b>		<b>303</b>	<b>248</b>
<b>Amortisation, depreciation and impairment losses on fixed assets</b>		<b>727</b>	<b>976</b>
	4/ 5/ 6		
	9,3 /		
<b>Provision and impairment losses on receivables</b>	<b>16</b>	<b>99</b>	<b>60</b>
<b>Other costs</b>		<b>133</b>	<b>92</b>
Other taxes		35	28
Other operating costs		98	64
<b>Financial expenses</b>	<b>21</b>	<b>159</b>	<b>107</b>

In impairment losses on fixed assets is included a €60m impairment regarding Intangible Assets (€33m), Tangible Assets (€3m) and prepaid for Tangible Assets/Investments (€24m) in Brazil (note 4).

## 21. Financial results

The details of financial income and costs for the nine-month periods ended 30 September 2023 and 2022 were as follow:

		Unit: € m	
	Notes	September 2023	September 2022
		(66)	(44)
<b>Financial income</b>		<b>94</b>	<b>63</b>
Interest on bank deposits		83	32
Interest and other income from related companies		7	9
Other financial income		3	7
Derivative financial instruments	17	0	15
<b>Financial expenses</b>		<b>(159)</b>	<b>(107)</b>
Interest on bank loans, bonds, overdrafts and others		(86)	(40)
Interest from related parties		0	(2)
Interest capitalised within fixed assets	4	34	19
Interest on lease liabilities	6	(66)	(60)
Derivative financial instruments	17	(20)	0
Exchange gains/(losses)		19	8
Other financial costs		(39)	(32)

## 22. Related party transactions

The Group had the following transactions with related parties:

	September 2023		December 2022	
	Current	Non-current	Current	Non-current
	Unit: € m		Unit: € m	
<b>Assets:</b>	<b>65</b>	<b>254</b>	<b>53</b>	<b>29</b>
Associates	61	1	48	29
Joint ventures	2	252	3	0
Other related entities	2	0	2	0

	September 2023		December 2022	
	Current	Non-current	Current	Non-current
	Unit: € m		Unit: € m	
<b>Liabilities:</b>	<b>(81)</b>	<b>(9)</b>	<b>(68)</b>	<b>(53)</b>
Associates	(2)	(9)	(3)	(53)
Joint Ventures	(51)	0	(44)	0
Winland International Petroleum, S.A.R.L.	(26)	0	(20)	0
Other related entities	(1)	0	(1)	0

	September 2023			September 2022		
	Purchases	Operating cost/income	Financial costs/income	Purchases	Operating cost/income	Financial costs/income
	Unit: € m			Unit: € m		
<b>Transactions:</b>	<b>0</b>	<b>(17)</b>	<b>4</b>	<b>(1)</b>	<b>(19)</b>	<b>3</b>
Associates	0	(17)	4	(1)	(30)	0
Joint Ventures	0	(13)	0	0	(9)	0
Other related entities	0	12	0	0	20	3

## 23. Subsequent Events

Demolition work on the former Matosinhos Refinery will begin on 23rd October. The overall duration of this phase is estimated at two and a half years.

## 24. Approval of the financial statements

The consolidated financial statements were approved by the Board of Directors on 27 October 2023.

**Chairman:**

Paula Amorim

**Vice-chair and Lead****Independent Director:**

Adolfo Mesquita Nunes

**Vice-chair:**

Filipe Silva

**Members:**

Georgios Papadimitriou

Maria João Carioca

Ronald Doesburg

Rodrigo Villanova

João Diogo Silva

Marta Amorim

Francisco Rêgo

Carlos Pinto

Jorge Seabra

Rui Paulo Gonçalves

Diogo Tavares

Cristina Fonseca

Javier Cavada Camino

Claudia Sequeira

Fedra Ribeiro

Ana Zambelli

**Accountant:**

Cátia Cardoso



**DEFINITIONS**

## 9. Definitions

### Replacement cost (RC)

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

### Replacement cost adjusted (RCA)

In addition to using the replacement cost method, RCA items exclude special items such as mark-to-market of derivatives hedges, contributions from assets held for sale, capital gains or losses on the disposal of assets, 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<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 Eficiencia 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 & Midstream

**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 (RCA Ebitda + dividends associates – taxes paid)

**PV:** photovoltaic

**p.p.:** percentage point

**Q:** Quarter

**QoQ:** Quarter-on-quarter

**R&NB:** Renewables & New Businesses

**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

**U.S.:** United States

**UOP:** Units of production

**USD/\$:** Dollar of the United States of America

**Var.:** Variation

**WI:** working interest

**YoY:** year-on-year



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Reuters: GALP.LS  
Bloomberg: GALP PL

