CHANGING TOMORROW NOW

ANNUAL REPORT 2021

This Report

The Annual report of EDP – Energias de Portugal, S.A. ("EDP"), which incorporates a chapter regarding Corporate Governance, is prepared in accordance with the provisions set out on Portuguese Companies Code and Securities Code and in compliance with the provisions set out on CMVM's Regulations no. 4/2013 and no. 5/2008, concerning Corporate Governance and Disclosure Requirements of the publicly traded companies and under the terms of the Corporate Governance Code of the Portuguese Corporate Governance Institute, revised in 2020. The financial statements presented in the report are prepared in accordance with the International Financial Reporting Standards (IFRS), adopted in the European Union. EDP Group has opted to anticipate the reporting of the annual financial report under the European Single Electronic Format (ESEF). Thus, under the combined terms of articles 29.ºG and 29.ºL of the portuguese Securities Code, the documents included in this Annual Report were prepared in the ESEF Format and in accordance with the specifications provided for by the Commission Delegated Regulation (EU) 2018/815 of 17 December 2018, and in accordance with the subsequent amendments, also taking into account the guidance provided by the European Securities and Markets Authority (ESMA) through the updated version of the ESEF Reporting Manual. Pursuant article 508º-G of the Portuguese Companies Code, in the wording introduced by Decree-Law no. 89/2017, dated 28th July, EDP publishes autonomously the Sustainability Report, in which it will be included sufficient information for understanding the evolution, the performance, the position and the impact of the Group activities regarding the following questions: environmental, social, referent to employees, to gender equality, to non-discrimination, to human rights respect, to corruption combat and to bribery attempts. Additionally, EDP publishes a set of reports available at www.edp.com:

- Annual Report of the General and Supervisory Board;
- Sectoral reports, in particular: Ethics Ombudsman's Report, Safety Summary and Stakeholders' Report;
- Annual and sustainability reports of the companies EDP España, EDP - Energias do Brasil and EDP Renováveis;
- Sustainability Report, which endorses the issues set by GRI methodology and explains the relation between organizational processes and material issues for EDP's activities.

CHANGING TOMORROW NOW

We are creating a new energy on the planet.
More inclusive. More shared. Greener.
Promoting renewable energy on a worldwide scale.
Using the power of wind, sun and water,
to be all green by 2030.
Accelerating decarbonization, to achieve carbon neutrality. Investing € 24 billion in the energy transition.
Duplicating the capacity in solar and wind power.
Betting on new technologies, such as green hydrogen.
Leading the way in sustainability indexes.
It's in our hands. The only one who changes the world, is whoever can change himself, the one who finds the will, the knowledge and the action.
Because this is our story:

To always discover a new ambition.

— INDEX

SAFETY

Progressive and meaningfull change.

01 — EDP

— Miguel Stilwell d'Andrade
CHAIRMAN OF THE EXECUTIVE BOARD OF DIRECTORS

1.0

Message from the Chairman

Dear Shareholders and Stakeholders,

In the future we may look back on 2021 as a turning point for the planet. The energy sector remains at the heart of a myriad of challenges, from the fight against climate change to supply chain disruption, volatile energy prices, rising inflation and an enduring pandemic – a warning for all to properly plan an orderly energy transition.

COP26 turned up the volume on the climate conversation. Political support from both sides of the Atlantic added momentum, contributing decisively to the acceleration of decarbonization. It was good to see further commitments within the *EU Fit for 55* packages as well as *EU Next Gen funds*, in addition to progress towards the implementation of the infrastructure bill in the US. Alongside these important steps forward on climate, the broader theme of stakeholder capitalism stood firmly at the top of the agenda. As the lines between life and work continue to blur, worldwide attention turned to think more flexibly about the way we work, support and develop our teams.

The world faces unprecedented challenges and we need to collectively rethink how to live and preserve our planet. At EDP, we've answered this call to action by leading from the front on the global energy transition.

Our strategic commitment

The last twelve months have been transformational for EDP. In February 2021, we unveiled our strategic plan for 2021-2025, which is very clear in its ambition: an accelerated and sustainable growth strategy, enabled by an organization that is future--proof, offering ESG excellence and superior value to our shareholders.

Our bold and ambitious investment plan of €24 billion by 2025 will be mostly dedicated to Renewables, but also to Networks, Client Solutions and Energy Management.

The plan implies an additional 4 GW deployed yearly in renewables, with zero weight of coal on revenues by 2025 and carbon neutral (scope 1 & 2 emissions) by 2030 - **our all-Green landmark**. Our focus in networks will be in continuing to build a strong asset base maximizing asset value through smarter grids, investing more than €3 billion until 2025. We will also be investing in Client Solutions to scale up our footprint in decentralized solar generation and electric mobility, and exploring new services with a clear focus on efficiency and end-to-end digital transformation. Within Energy Management, we will leverage our distinctive 20+ year track record and expertise to create value, monetize flexibility and reinforce the origination of PPAs. We will invest in new growth avenues, namely offshore wind, renewable hydrogen and storage, and commit to €2 billion in innovation and digital transformation.

Our main business achievements in 2021

We've reached the end of 2021 stronger and more global than ever before, now present in 28 markets across Europe, North America, Latin America and Asia-Pacific, following the agreement of the acquisition of Sunseap in Singapore, the largest distributed solar player and top 4 solar player in South-East Asia. **EDP is now growing in 4 continents, and we are proud to be the third greenest utility in Europe**.

We've worked hard, and this has paid off. Our renewables portfolio is now at secured capacity of 8.4 GW, following the record installation of 2.6 GW additions in 2021. At EDP, over 75% of generated energy comes from renewable sources, showing real progress in decarbonizing the company portfolio, not forgetting the closure of our historic Sines coal power plant in Portugal.

A key pillar of our strategy remains geographical and business diversification. In that respect, 2021 was a year of many firsts: we entered Hungary and Chile and consolidated our presence in Asia; we commissioned our first wind farm in Greece and we inaugurated our largest wind project and solar array by capacity in the US - where EDPR is now the third largest producer of renewable energy; we started the construction of a major renewables' project in Colombia, and we inaugurated the largest ever photovoltaic project to be developed, built and operated in Brazil. In offshore, we achieved remarkable milestones through EDPR's joint venture with Engie (Ocean Winds), entering Poland, awarding a 400 MW PPA in the US, and, in the UK, commissioning our 950 MW Moray East wind farm, the largest offshore project in Scotland, and being awarded a 1GW project at the Caledonian seabed. We have innovative projects in generation advanced at pace, including a floating solar project at the Alqueva hydro power plant and the development of a pipeline of hybrid projects (sun and wind).

The networks business continues to deliver against our strategy with the successful completion of the Viesgo integration in Spain, the investment in transmission in Brazil including in the transmission company Celg-T with a portfolio of 756 km of networks and 14 substations, and the asset rotation transaction comprising the sale of 3 transmission lines in Brazil. In Portugal, we've successfully re-branded our networks' business and delivered our grid modernization and operational excellence plan.

Within client solutions, we are investing and growing in the solar distributed generation market – in 2021 we've contracted 417 MW in Europe, Brazil and US, and acquired a 194 MW portfolio in Asia. In electric mobility we are building close partnerships and contributing to a broader public charging network.

Green hydrogen is clearly emerging as an opportunity thus we launched our dedicated hydrogen business unit and engineering competence center, aiming to invest in projects that will guarantee 1.5 GW of capacity by 2030. We've made the WBCSD (World Business Council for Sustainable Development) H2Zero commitment together with 27 major global companies to accelerate the technology development and production. This year, we've also furthered our efforts in storage and will soon start construction of our first co-located storage facility in the US, while evaluating storage projects supported by strong fundamentals across our markets.

Across the group, we've revised our ambition and operating model of our global innovation platform to foster project's incubation through internal development, partnerships and ventures, as we increased our start-up Ventures target up to €100 million by 2025. Our efforts to accelerate the group's digital and technological transformation are progressing through the active development of a new multi-cloud strategy, strengthening cybersecurity approach and deepening agile adoption.

Our strong financials

In 2021, we've further strengthened our financial base with €2.8 billion of proceeds secured in asset rotation transactions agreed and €2 billion in hybrid issuance. We've earned a long-term corporate credit rating upgrade to "BBB" by Standard & Poor's Global Ratings and Fitch Ratings as well as a Positive Outlook from Moody's.

EDP's results showed resilience and the ability to maintain sustainable growth by achieving a recurring net profit of €826 million representing a 6% increase year-on-year in a critical context of record high power prices, supply chain disruption and inflation resurgence. A strong operational performance of our renewables and networks segments and a > €30 million nominal opex reduction enabled us to deliver a recurring EBITDA of €3,735 million representing a 7% increase year-on-year.

Our commitment to ESG excellence

It was a real moment to see EDP ranked in 2021 at the top as the world's most sustainable electric utility by the Dow Jones Sustainability Index. Also, EDP Brazil ranked first in the corporate sustainability index of the Brazilian stock exchange.
We've been fully committed to further advancing climate action within the group, with our partners and participating in global efforts, addressing external barriers on the pathway to net zero societies in international forums as the High-Level Dialogue on Energy and COP26, and joining relevant initiatives promoted by WBCSD, SEforALL and the UK COP26 Presidency. Furthermore, plans are advancing in the Just Transition and we are transforming our coal sites in Iberia (Sines, Barrios, Puente Nuevo, Abonõ and Soto) in green energy hubs, comprising hydrogen, renewables and batteries projects.

Our commitment to ESG goes far beyond EDP's decarbonization credentials. In 2021, we revised our social impact strategy establishing fair energy transition as the overarching global community investment theme. We are supporting the launch of 'solidarity solar communities' pushing forward the sharing of energy between neighborhoods. Furthermore, we have celebrated the 10th anniversary of our Volunteering Program, which touched more than 1.7 million people, through the commitment of more than 40 thousand volunteers since its inception.
At EDP, we maintain our strong commitment to the 10 principles of the United Nations Global Compact, to build a more sustainable world, aligned with the values of respect for human rights, employment, environmental protection and the fight against corruption.

I truly believe that our success rests on our people – they are the cornerstone of our distinctive portfolio strategy and growth. We have put our full effort behind the attraction and retention of talent, continuously working on well-being programs to provide a meaningful experience for our teams. I am pleased to say that in EDP our people demonstrate high levels of commitment and pride towards the company, above the overall market.

I'd also like to highlight our commitment to gender diversity and equality. EDP has been recognized, once again, by the Bloomberg Gender Equality Index for its efforts to support gender equality. We're leading by example with a 40% female participation in EDP's Executive Board of Directors as we continue to make progress towards our target of 30% female representation by 2025 across the group, both in overall representation and in leadership positions.

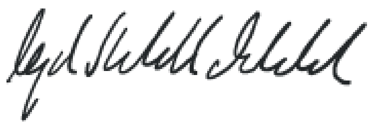
Finally, we continuously ensure that we follow corporate governance best practices and always aim at delivering the best interests of our stakeholders. We promote a culture of best ethical and compliance principles and have launched a dedicated health and safety corporate area, specialized in security policies and the mitigation of human, environmental and economic losses. In 2021 we have improved our decision-making processes to promote as much as possible efficiency, agility, and increased delegation and trust in our teams, paramount to the company's current growth path. In April, shareholders approved a new composition of the General and Supervisory Board, part of EDP's dual corporate governance model, with 16 members, of which 9 independent, a strong and varied professional track record, and diverse in gender and nationalities, providing valuable supervision and counsel in what was a demanding year for EDP.

We are ready for 2022

EDP's Executive Board of Directors completed its first year of leadership and I am proud of what we've achieved, with resolute focus on the delivery of our strategic plan, doing our best at all times to lead by example. Together with EDP's General and Supervisory Board I know we are ready and fully committed to drive EDP throughout a promising path ahead leading the energy transition.

Finally, I would like to emphasize, on behalf of the Board of Directors, how grateful we are to our global team of over 12,000 employees. EDP's achievements would not have been attained were it not for their contribution and dedication – especially during another year of pandemic, struck by uncertainty. We also thank our external stakeholders around the world – shareholders, customers, suppliers, regulators, partners and local communities –, for their trust on our mission and journey.

Personally, I am looking at 2022 with great expectations. I remain committed to creating superior value for shareholders and other stakeholders and I can assure you that EDP will continue to pursue the call to build a better future for the prosperity of mankind.



— Our year

1.1.1. Main Events

18 JANUARY
EDP reached an agreement to acquire 85% of a distributed solar platform in the U.S..

10 FEBRUARY
Launch of the external campaign Changing Tomorrow Now and also of the internal program to mobilize the organization to fulfill EDP's strategic commitments.

12 FEBRUARY
EDP enters Hungarian market with a 50 MW solar PV project.

23 FEBRUARY
EDP distinguished as one of the most ethical companies in the world, by the Ethisphere Institute.

24 FEBRUARY
EDP presents its strategic plan for 21-25 with two key environmental commitments:
- Coal-free by 2025
- 100% green by 2030.

03 MARCH
Completion of the ABB and approval by EDPR BoD of a capital increase proposal of c.€1,5 Bn.

16 MARCH
S&P Upgrades EDP to "BBB" with stable outlook.

06 APRIL
Inclusion of EDP in the S&P Clean Energy Index.

28 MAY
EDP enters the Chilean market with a 628 MW wind and solar portfolio.

30 JUNE
EDPR enters Vietnameses market with 28 MWac solar PV project.

15 JULY
EDP's most ambitious target was recognized by the Science Based Target initiative - reduce specific CO2 emissions by 98% by 2030 (vs 2015).

21 JULY
EDP enters the UK onshore market with a 544MW Wind and Solar portfolio.

14 OCTOBER

EDP Brasil acquires CELG Transmission Business.

25 OCTOBER

EDP Brasil announces program for acquisition of treasury shares and hydro disposal process.

03 NOVEMBER

EDP establishes growth platform for APAC through the acquisition of Sunseap.

09 NOVEMBER

EDP with relevant presence at COP26 with the announcement of a new commitment to invest 1.5 GW in renewable hydrogen until 2030.

15 NOVEMBER

EDP recognized as the world's most sustainable electric utility in the world - highest classification ever in the Dow Jones World Sustainability Index

02 DECEMBER

EDP is one of the 50 most influential utilities in 2021 - Top by the World Benchmarking Alliance (WBA).

28 DECEMBER

EDP completes asset rotation deal of transmission lines in Brazil.

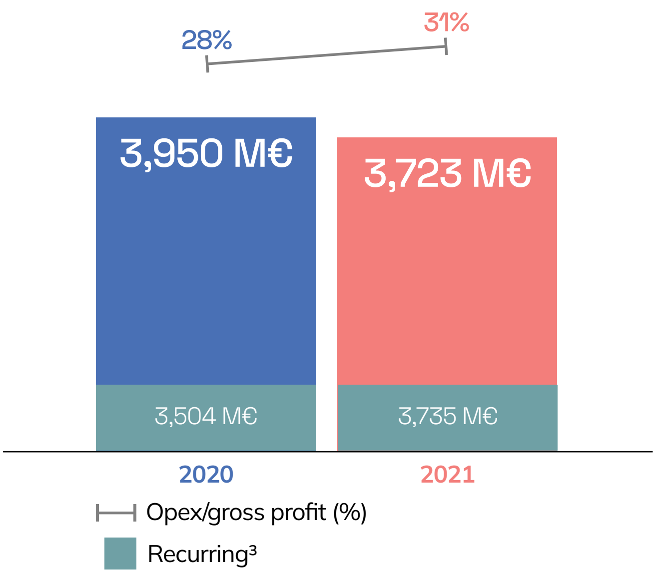
30 DECEMBER

EDP completes asset rotation deal of a 200 MWac solar project in the US.

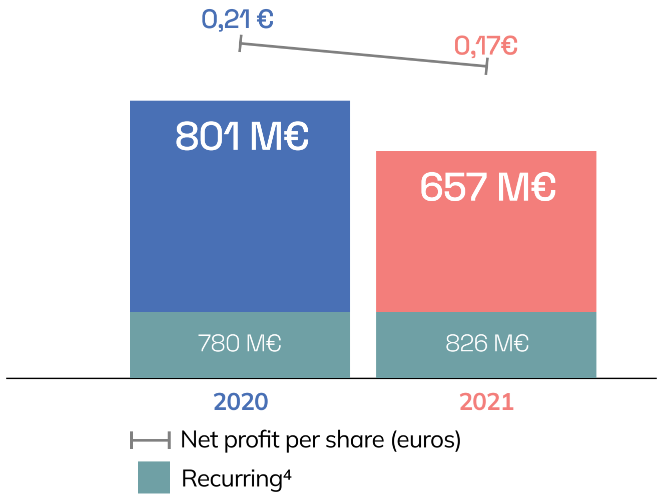
1.1.2. Key Metrics

FINANCIAL DATA

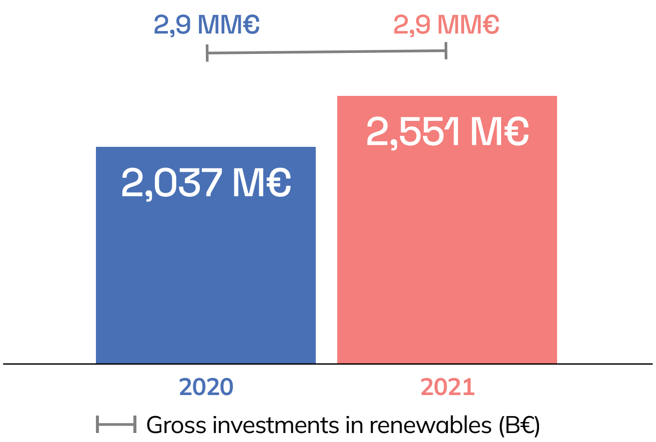
EBITDA



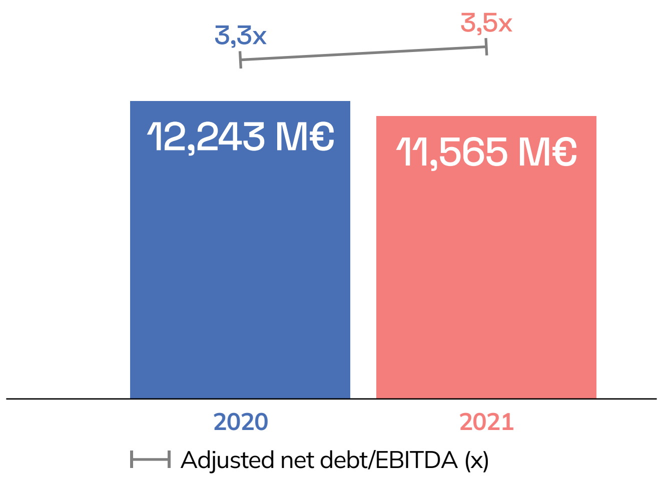
NET PROFIT²



NET INVESTMENTS³



NET DEBT



1 – Net profit attributable to EDP equity shareholders. 2 – considers capex of EDP group, organic financial investment €414M (31 Dec 2020: €806M) and asset rotation -€1,356M (31 Dec 2020: -€1,678M). 3 – Non-recurring adjustments in 2020 -€446m including (i) EBITDA contribution of 6 hydro plants in Portugal and Castejon CCGT and B2C supply sold in Dec-20 (+€153m) (ii) net gains related to portfolio reshaping (+€277m), (iii) HR restructuring costs and other HR-related items (-€53m), (iv) costs related to Sines shutdown (-€18m) and (v) regulatory issues in Brazil and Portugal (+€87m); Non-recurring adjustments in 2021: €12m, including (i) the one-off gain on the sale of our 50% stake in the energy supplier CHC in Spain to our partner CIDE (-€21m), (ii) cost with Sonatrach agreement (€17m) and (iii) HR restructuring costs (€16m) 4 – Adjustments and non-recurring items impact at net profit level: In 2021 -€169m, including (i) impairments, mostly CCGTs in Iberia (-€164m), (ii) acquisition of debt in minority stake in Spain (+€36m); (iii) provision on competition authority penalty (-€33m), (iv) gain from CIDE disposal (+€21m), (v) debt buyback prepayment fees (-€19m), (vi) HR restructuring costs (-€10m); In 2020 -€21m including (i) the adjustment of net gain and net profit contribution from disposals (-€384m), (ii) impairments and provisions (€269m, mainly thermal in Iberia), (iii) liability management costs (-€55m), (iv) regulation related items and other (€18m) and (v) HR restructuring costs (€22m).

OPERATIONAL DATA

GENERATION

24,651 MW
Installed capacity
+4% vs 2020

1,651 MW
Installed capacity - equity
+34% vs 2020

60,929 GWH
Energy Net generation
-5% vs 2020

1,824 MW
Capacity under construction
-11% vs 2020

TRANSMISSION

162 KM
Operating network (km)
-49% vs 2020

1,252 KM
Under construction network (km)
+11% vs 2020

DISTRIBUTION

84,885 GWH
Electricity distributed
+11% vs 2020

11,427 ('000)
Electricity supply points
+1% vs 2020

SUPPLY

59,687 GWH
Electricity sales
-14% vs 2020

8,654 ('000)
Electricity customers
0% vs 2020

14,321 GWH
Gas supplied
-16% vs 2020

687 ('000)
Gas customers
-1% vs 2020

1.1.2. Key Metrics

ESG DATA

ENVIRONMENT

INDICATOR	UNIT	2021	2020	Δ
Renewables generation	%	75	74	+1 p.p.
Recovered waste	%	78	86	-8 p.p.
Specific CO_2 emissions	t/GWh	164	146	+12%
Assets certified by ISO 14001	%	90	94	-4 p.p.
Coal installed capacity	GW	2	2	0%
Revenues aligned with EU taxonomy	%	63	58	+5 p.p.
Investments in environmental matters	€ M	88	67	+32%

SOCIAL

INDICATOR	UNIT	2021	2020	Δ
Employee engagement (top tier company)		X	√	
Employees	#	12,236	12,180	0%
Female employees	%	27	26	+1 p.p.
Total hours of training	H	337,295	273,873	+23%
Employees with training	%	100	100	0 p.p.
Accidents at work with employees	#	21	17	+24%
Accidents at work with suppliers [1]	#	132	115	+15%

GOVERNANCE

INDICATOR	UNIT	2021	2020	Δ
Female employees in management position	%	26	25	+1 p.p.
Cybersecurity	rating bitsight	790	800	-10
ESG & equity linked compensation for Top Management		√	√	
Top quartile in ESG rating performance		√	√	

1 – Workers who are not employees but whose work and/or workplace is controlled by the organization.

1.2 EDP Group Profile

1.2.1. Who We Are

EDP is a multinational utility vertically integrated and present throughout the whole value chain of electricity and in the activity of gas supply. Over its more than 45 years of history, EDP has been cementing a relevant presence in the world energy panorama. Highlighting its renewable energy portfolio, it is well positioned for the challenges of the energy transition.

GENERATION

Generation is the first activity in the value chain of the electricity sector. Power plants transform the various energy sources into electricity. These energy sources may be of renewable or non-renewable origin. In EDP Group, the energy produced from renewables sources represents 75% of a total of 61 TWh.

25 GW
Installed capacity

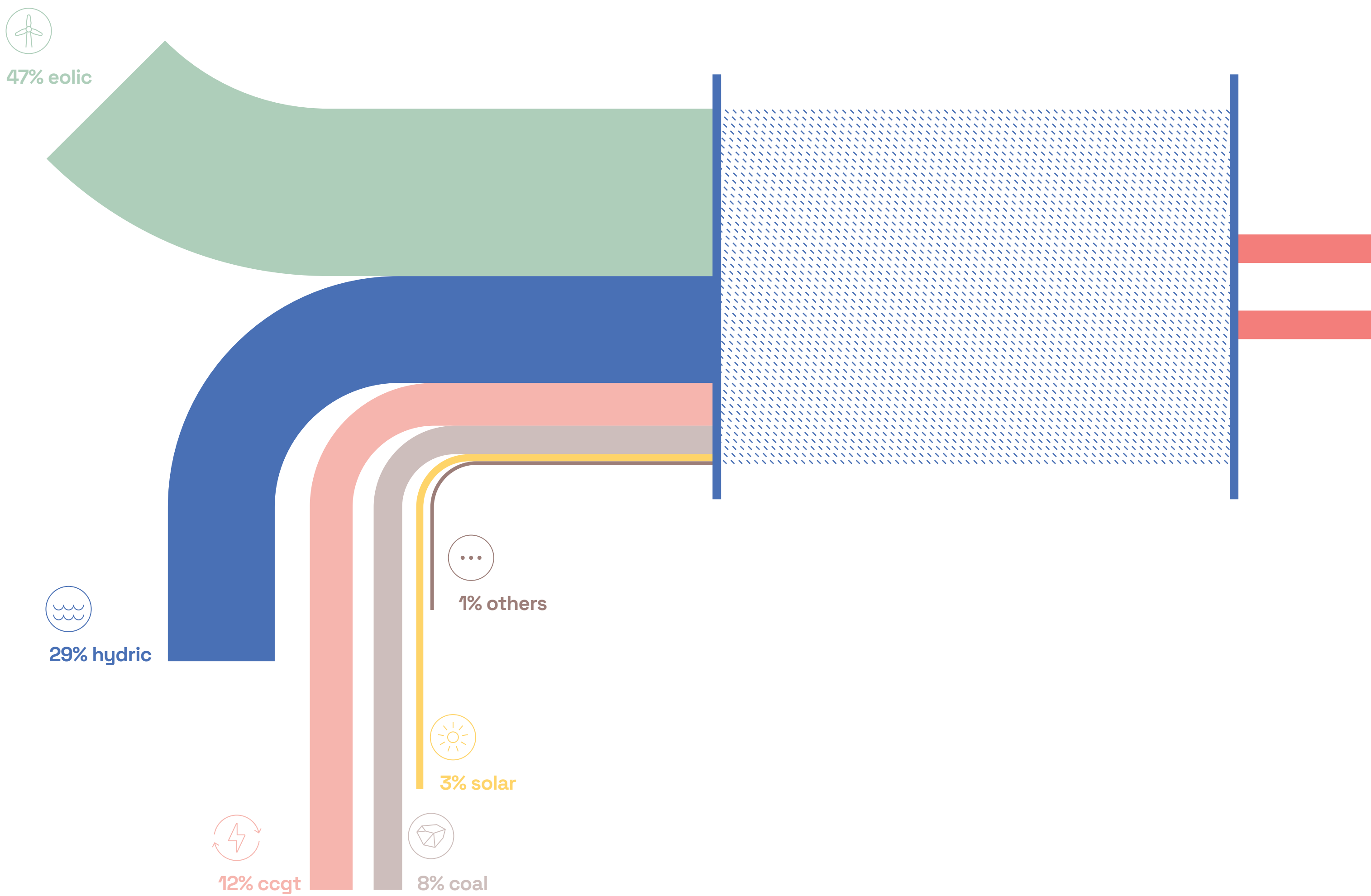
2 GW
Capacity under construction
100% renewable

TRANSMISSION

In the transmission the energy generated is delivered to the transport network, which is made of very high voltage lines and which then channels the energy to the distribution network. In EDP Group this is a growing business segment in Brazil.

1,252 KM
Transmission network
under construction

162 KM
Operating network



SUPPLY

In the supply activity the distributed energy arrives at the supply point and is sold by the supplier. Throughout the electricity and gas value chain, supply is the closest activity to the customer and responsible for the relationship with final consumers. EDP Group has been focusing on developing new solutions for customers responding to new challenges of the energy transition.

43.500 +132% vs 2020
Clients with electric mobility solutions

€1.285k +21% vs 2020
Revenues from energy efficiency services

DISTRIBUTION

In the distribution activity the transported energy is channeled to the distribution grid. The distribution network allows the flow of energy to the supply points. Electricity distribution networks are composed of high, medium and low voltage lines and cables.
EDP Group has made major investments in the modernization of its network such as the increase in the number of smart meters installed.

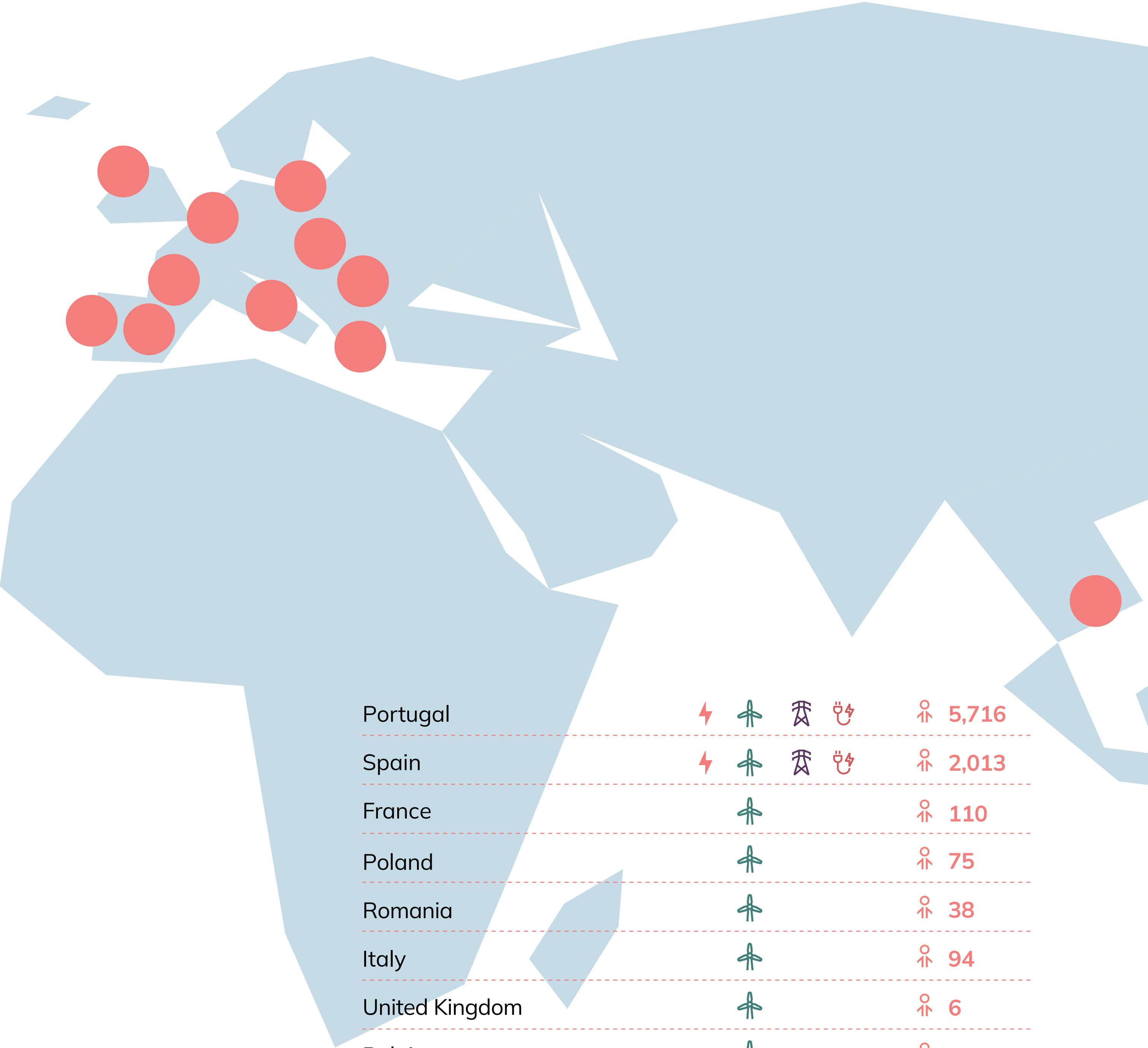
378,155 KM
Network

83%
Distribution overhead lines

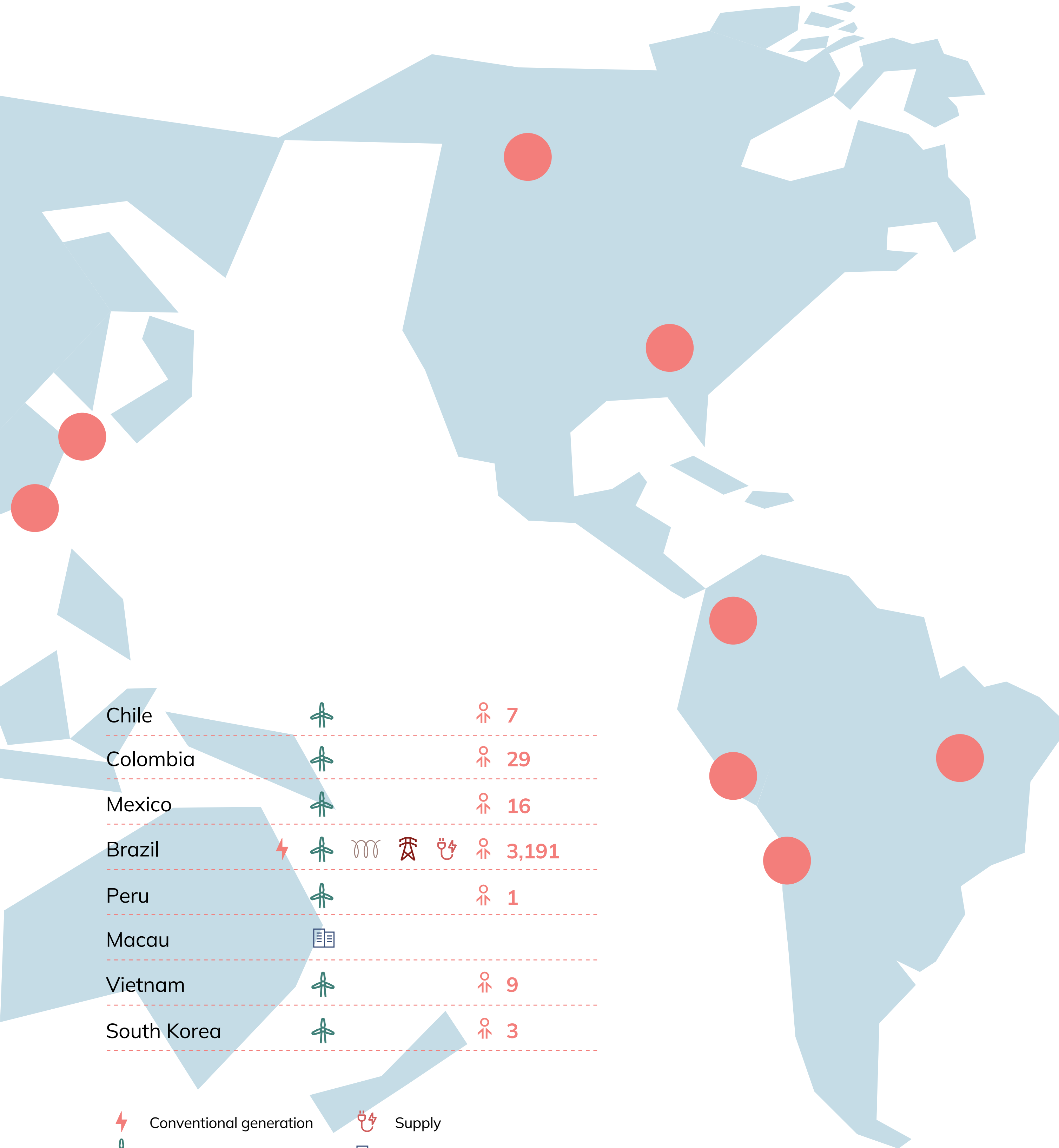
50% +8 p.p. vs 2020
Smart meters

1.2.2. Where We Are

EDP is present in **20 markets** and **4 continents** counting with **12,236 employees**.



Portugal	5,716
Spain	2,013
France	110
Poland	75
Romania	38
Italy	94
United Kingdom	6
Belgium	0
Hungary	7
Greece	28
Canada	6
USA	887



	Conventional generation	Renewable generation	Transport	Distribution	Supply	Offices	Employees
Chile		✓					7
Colombia		✓					29
Mexico		✓					16
Brazil	✓	✓	✓	✓	✓		3,191
Peru		✓					1
Macau						✓	
Vietnam		✓					9
South Korea		✓					3

- Conventional generation
- Renewable generation
- Transport
- Distribution
- Supply
- Offices
- Employees

BUSINESS AREAS

EDP operates through 3 business areas that allow it to position itself as a leader in the energy transition.

61%

OF GROUP'S EBITDA

75%

OF GROUP'S CAPEX

RENEWABLES

Key growth platform

36%

OF GROUP'S EBITDA

22%

OF GROUP'S CAPEX

NETWORKS

Portfolio stabilizer

3%

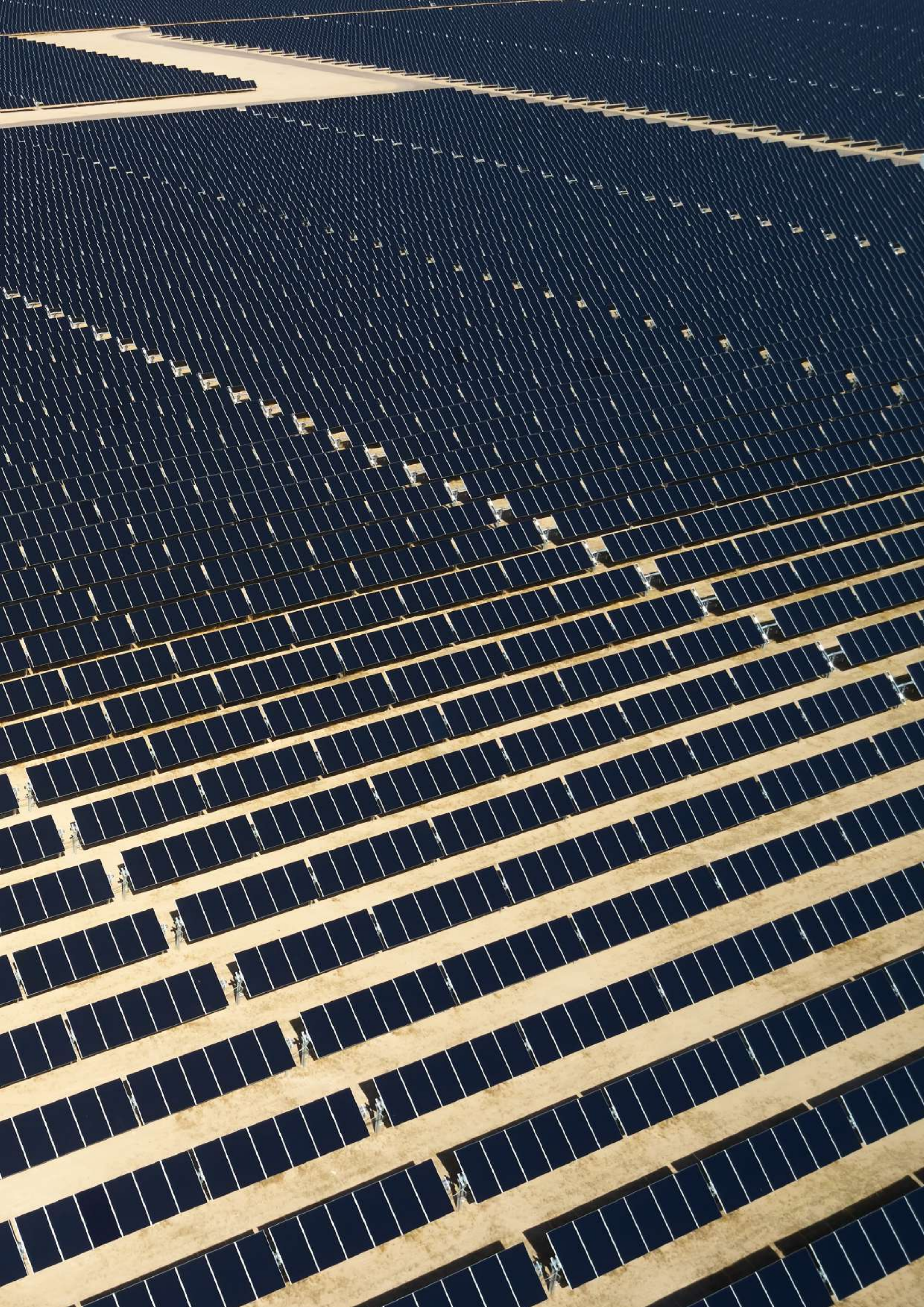
OF GROUP'S EBITDA

3%

OF GROUP'S CAPEX

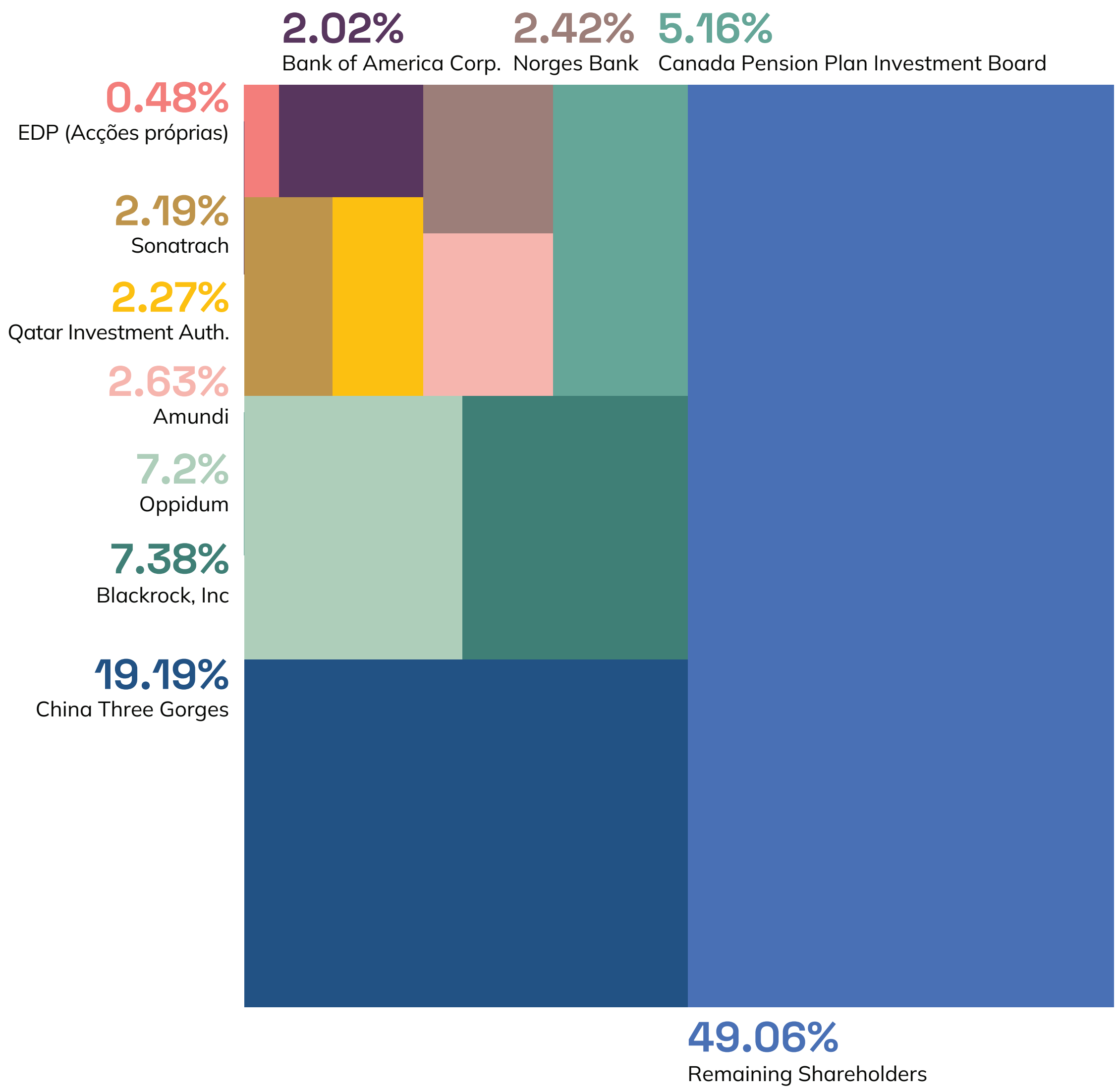
CLIENT SOLUTIONS & ENERGY MANAGEMENT

Hedging portfolio and growth in new downstream



1.2.3. How We Are Organized

SHAREHOLDER'S STRUCTURE



GOVERNANCE

EDP's governance structure is based on the dual model and consists of the General Meeting, Executive Board of Directors, General and Supervisory Board and the Statutory Auditor.

The separation of management and supervision roles is embodied in an Executive Board of Directors, which is responsible for the management of the company's business, and a General and Supervisory Board, the highest supervisory body. The dual model of corporate governance in place in EDP has allowed effective separation of the company's supervision and management in pursuit of EDP's goals, interests and its shareholders, employees and other stakeholders, thereby contributing to achieving a degree of trust and transparency necessary for its adequate functioning and optimisation.

Furthermore, this model has proved appropriate to the company's shareholder structure as it allows supervision by key shareholders on the General and Supervisory Board.

EDP CORPORATE BODIES

Executive Board of Directors

Miguel Stillwell d'Andrade
(CEO)

Renewables

Miguel Nuno Simões
Nunes Ferreira Setas

Networks

Rui Manuel
Rodrigues Lopes Teixeira
(CFO)

Vera de Morais Pinto
Pereira Carneiro

Client Solutions & Energy Management

Ana Paula Garrido
de Pina Marques

Renewables

General and Supervisory Board

— João Luís Ramalho de Carvalho Talone
Chairman

— Dingming Zhang
China Three Gorges Corporation

— Shengliang Wu
China Three Gorges International Limited

— Ignacio Herrero Ruiz
China Three Gorges (Europe), S.A.

— Li Li
China Three Gorges Brasil Energia Ltda.

— Miguel Espregueira Mendes Pereira Leite
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.

— Felipe Fernández Fernández
DRAURSA, S.A.

— Fernando Maria Masaveu Herrero

— João Carvalho das Neves

— Maria del Carmen Fernández Rozado

— Laurie Lee Fitch

— Esmeralda da Silva Santos Dourado

— Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto

— Sandrine Dixson-Declève

— Zili Shao

— Luís Maria Viana Palha da Silva

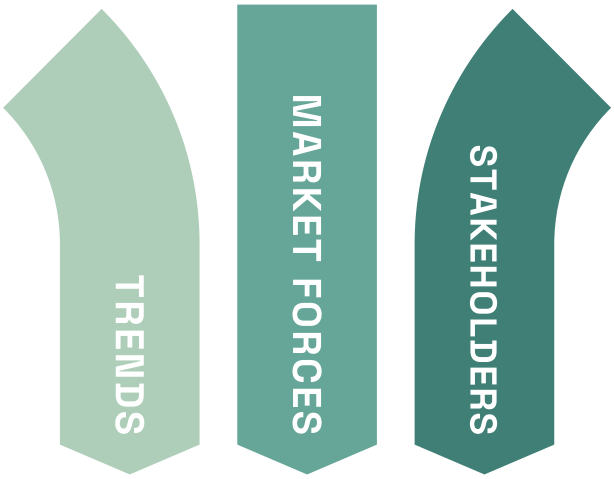
Statutory Auditor

— Pricewaterhouse Coopers & Associados - Sociedade de Revisores de Contas, Lda.,
João Rui Fernandes Ramos

— Aurélio Adriano Rangel Amado
Alternate Statutory Auditor

Changing Tomorrow Now

1.3.1. Business Model



RESOURCES

FINANCIAL
- €11,6 MM financial net debt
- €3,2 MM cash
- €14,0 MM equity

INTELECTUAL
- €103 M investment in innovation/R&D
- Brand
- Partnerships

PHYSICAL
- €21,1 MM property, plant & equipment
- 25 GW installed capacity (20 GW renewable)
- Shop network

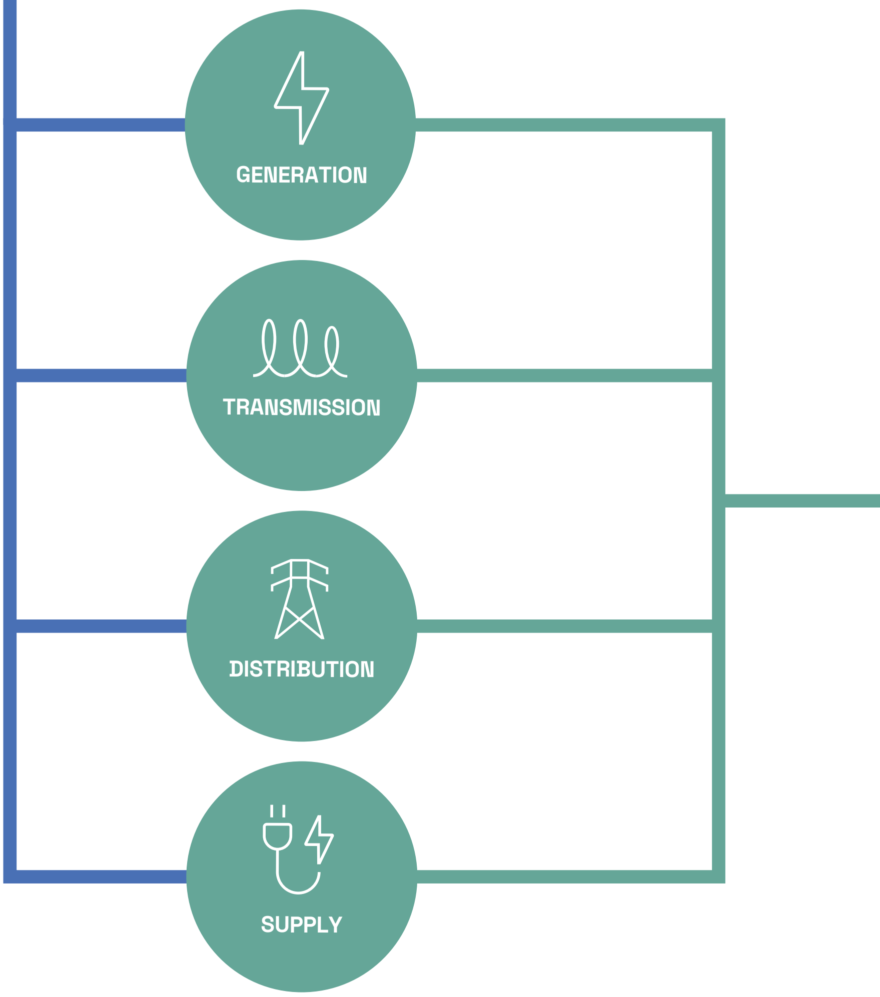
NATURAL
- Renewable resources: wind, hydro and solar
- Non-renewable resources: gas, coal

HUMAN
- 12,236 employees
- Suppliers

SOCIAL
- €21 M donations
- Suppliers
- Business partners

EDP

A global energy company, leading the energy transition to create superior value.



OUTPUTS	IMPACTS
NATURAL	**NATURAL**
• 176 tCO_2/GWh emissions • 54 GWh energy consumption • Waste and water management	• -51% of specific emissions reduction S1+S2 (vs 2015) • 5TWh saved energy by customers (since 2015) • Preservation of biodiversity
HUMAN	**HUMAN**
• 12,236 employees of which 27% women • 28 hours of training/employee • Employees 46 nationalities	• Promotion of diversity and equal opportunity • Promotion of employee skills development • Promotion of occupational health and safety • Promotion of employee satisfaction
SOCIAL	**SOCIAL**
• €23M volunteer investment • 11,307 hours of volunteering time • 994 beneficiary entities	• Reputation and recognition • Promotion of social investment • Promotion of customer satisfaction / customer experience • Promotion of an ethical culture • Supplier development
FINANCIAL	**FINANCIAL**
• €657M net profit • -2,7% TSR • Debt management	• Minimizing financial risks • Debt reduction
INTELECTUAL	**INTELECTUAL**
• Innovative products and services • Knowledge generated	• Promotion of innovation and research • Promotion of the adoption of sustainable consumption behaviours • Leveraging generated knowledge
INFRASTRUCTURE	**INFRASTRUCTURE**
• Quality and efficiency of energy supply • 61 TWh energy produced and 84,9 TWh distributed • Incidents with third parties	• Ensuring the quality and efficiency of energy supply • Promotion of safety of facilities and equipment

1.3.2. Vision, Values and Commitments

VISION

A global energy company, leading the energy transition to create superior value.

COMMITMENTS

SUSTAINABILITY

We assume the social and environmental responsibilities that result from our performance thus contributing towards the development of the regions in which we operate.
We avoid specific greenhouse gas emissions with the energy we produce.
We ensure the participatory, competent and honest governance of our business.

PEOPLE

We join conduct and professional rigour to enthusiasm and initiative, emphasizing teamwork.
We promote the development of skills and merit.
We believe that the balance between private and professional life is fundamental in order to be successful.

CLIENTS

We place ourselves in our clients' shoes whenever a decision has to be made.
We listen to our clients and answer in a simple and clear manner.
We surprise our clients by anticipating their needs.

RESULTS

We fulfil the commitments that we embraced in the presence of our shareholders.
We are leaders due to our capacity of anticipating and implementing.
We demand excellence in everything that we do.

VALUES

HUMANIZATION

Building genuine and trusting relationships with our employees, customers, partners and communities.

SUSTAINABILITY

Aiming to improve the quality of life of current and future generations.

INNOVATION

With the aim of creating value in the many areas in which we operate.

1.3.3. Stakeholder Management

Stakeholder management has been a strategic priority for EDP for many years, anticipating the growing openness of companies to society, to meet the increasingly demanding ethical and transparency standards.

The engagement with several stakeholders has also gained increasing relevance in the business world as part of the ESG criteria (Environment; Social; Governance), and as these metrics become more important to the investor community and society in general.

A clear proof of EDP's consistency and commitment to this strategy is its international recognition as 'a top performer', for the fifth consecutive year, in the Stakeholder Engagement and Policy Influence criteria of the Dow Jones Sustainability Index.

EDP remains committed to preserving the excellence achieved in this area, constantly seeking to listen to its key stakeholders, adapting and improving its procedures, and incorporating different visions into its action plans.

As a result, in 2021, and for the first time, the company carried out a global and integrated study among several stakeholder segments in the regions where it operates, with more than 5,000 respondents. This exercise allowed EDP to assess stakeholders' global perception towards the company and its role in leading the energy transition, as well as establish a baseline for future corporate reputation assessments, following its Strategic Update presented to the market in February 2021.

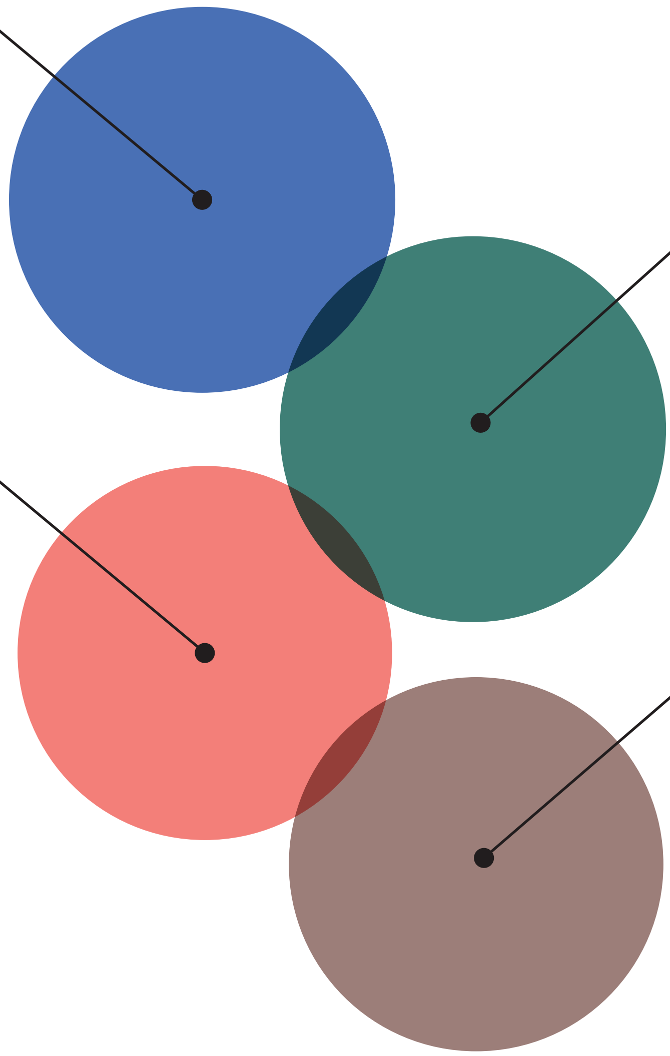
The adoption of best practices in stakeholder management is an essential condition to ensure the delivery of consistent and sustainable results. This is also in line with EDP's commitment to ESG excellence and attractive returns, as presented in the Strategic Update.

EDP GROUP STAKEHOLDER ENGAGEMENT POLICY

Understand

> Include > Identifiy > Prioritise

- We have dynamically and systematically identified the Stakeholders who influence and are influenced by the Company.
- We analyze and seek to understand stakeholders' expectations and interests in the decisions that impact them directly.



Communicate

> Inform > Listen > Understand

- We are committed to promoting a two-way dialogue with Stakeholders through information and advisory activities.
- We listen, inform, and respond consistently, clearly, accurately and transparently to stakeholders in order to build close, strong and lasting relationships.

Trust

> Transparency > Integrity
> Respect > Ethics

- We believe promoting trust with our stakeholders is crucial to establish stable and long-term relations.
- Our relationship with stakeholders is based on such values as transparency, integrity, and mutual respect.

Collaborate

> Integrate > Share
> Cooperate > Inform

- We aim to work with stakeholders to build strategic partnerships that collate and share knowledge, skills and tools, thereby promoting the creation of shared value in a differentiated way.

INNOVATION

Progressive and meaningful change.

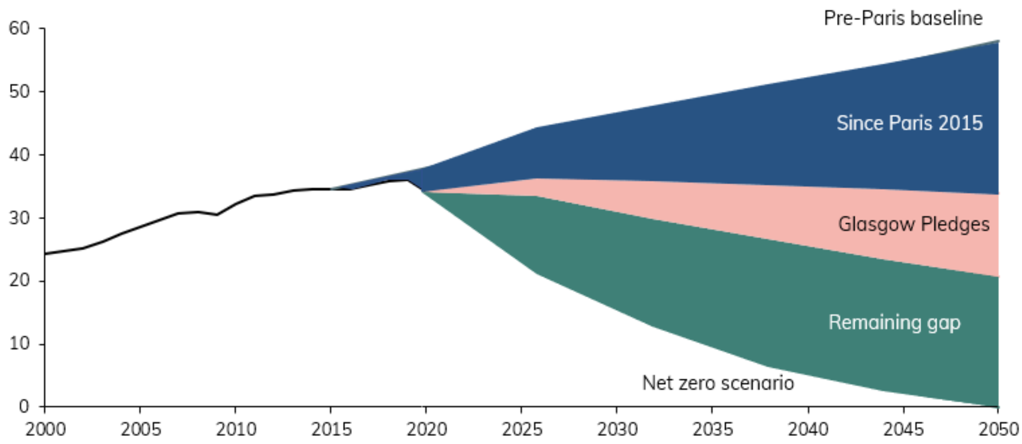
02 — STRATEGIC APPROACH

2.1. Global energy trends

Fighting climate change: an unprecedent challenge that requires efforts from everyone

The World is facing an unprecedented challenge, which requires global coordination and efforts from all countries to reach the so-called "**carbon neutrality" by 2050**, which will be needed to **limit the increase in global temperature by 1.5°C** compared with the pre-industrial levels (Figure 1). Reaching this goal implies the inversion of the trend of the last century of successive increase in greenhouse gas emissions (GHG), while at the same time world population is expected to increase by 2 billion people, the world GDP would more than double and access to energy should be given to the whole world population (as of today, 770 million people still lack access to electricity)[1].

FIGURE 1: GLOBAL CO_2 EMISSIONS BY SCENARIO, 2000-2050



Source: International Energy Agency, World Energy Outlook 2021

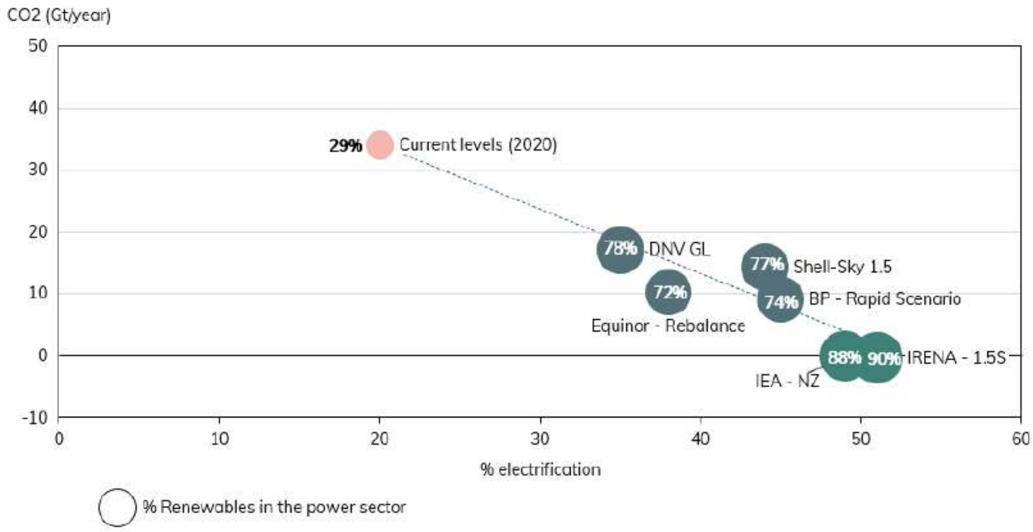
In recent years there has been a strong increase in the global commitment to fight climate change, being estimated that, after the new pledges taken in the COP 26 Glasgow Summit in November 2021, **almost 90% of the World's GDP is produced in countries that have already established, or are in the process of establishing, a target to reach carbon neutrality**. Some regions that have defined targets for carbon neutrality until 2050 include the European Union and the United States, while other countries defined targets for after 2050, as it is the case of China and Brazil (2060) and India (2070).

What does it take to reach carbon neutrality?

Several studies have been conducted about how to reach carbon neutrality globally, at the most cost-effective way. The results show consistency in the **main trends of the energy sector**, that include: the decarbonization of the energy consumption, namely through **energy efficiency, behavioral change and electrification**; the decarbonization of energy production, by heavily investing in **clean technologies, namely renewables for electricity generation and hydrogen production**, bioenergy and the deployment of **storage** technologies. The comparison of some of the main indicators from these studies can be seen in Figure 2.

[1] Data from the International Energy Agency

FIGURE 2: CO_2 EMISSIONS VS. % ELECTRIFICATION VS % RENEWABLES IN THE POWER SECTOR IN SEVERAL STUDIES FOR 2050



Source: IRENA, World Energy Transitions Outlook; International Energy Agency, World Energy Outlook 2021

It is worth noting that several tools for decarbonization must be used in an integrated way, to reap all the synergies, at both environmental levels and regarding the management of the energy systems. For instance, the electrification of demand must be accompanied by the decarbonization of the power generation mix, to maximize environmental benefits and also to allow the increase in flexibility provided by the additional demand to manage renewables' intermittency.

To be able to secure the most benefits from these clean technologies, it is also necessary to invest in the **enablers of the energy transition**, which include the **networks of energy** and the **digitalization** of the value chain.

It is important to ensure that the green transition occurs in parallel with the so-called "**Just Transition**", which is set on the principle of not leaving anyone behind – the benefits of carbon neutrality should be shared by everyone. Therefore, the just transition includes access to energy to all citizens and the creation of mechanisms to protect the most vulnerable citizens to the economic and technological disruptions that are inherent to the climate transition.

Decarbonize the energy demand

Reducing energy consumption, through the use of **more efficient appliances and/or change in consumer behavior**, is one of the drivers with the highest potential to reduce emissions. Worth noting that **electrification** is one of the key instruments to decarbonize energy consumption, as it **allows to simultaneously reduce energy demand and increase the penetration of renewables.** Several studies point that, to reach climate neutrality, the share of electricity in global final energy demand should be raised from the current 20% to around 50% by 2050 (Figure 2).

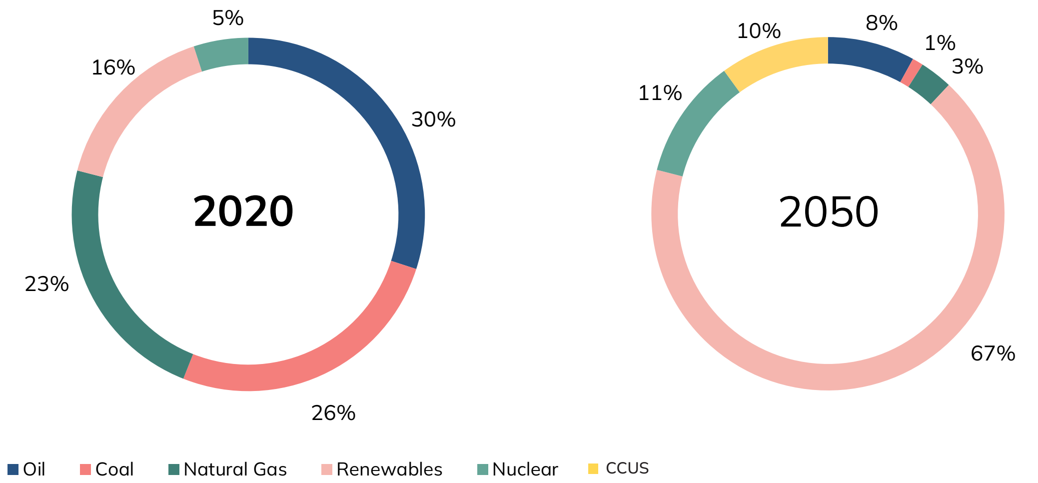
Today, **there are already in the market highly efficient technologies, and economically competitive, to satisfy the energy demand needs** of households and businesses. Some of these technologies are already sales leaders in their respective segments (ex: led lamps), while others are still in the early stages of the adoption curve (ex: electric vehicles, heat pumps).

It is interesting to note that, already in the last decade, there was a significant improvement in the efficiency of energy uses, highlighted by the strong reduction in energy intensity indicator (calculated as the ratio of energy demand / GDP), which has improved by almost 20% in the last decade in the World, and which explains the decoupling between economic growth and energy demand that is already observable, namely in developed countries.

Decarbonize the production of energy

The energy transition requires that most of the energy demand that today is based on fossil fuels being replaced by clean sources, namely through **renewables.** To reach the 1.5ºC target, a complete transformation of the mix of energy demand will be needed: while today fossil fuels represent around 80% of the primary energy consumption, by 2050 this figure must be lower than 25% (and combined with Carbon Capture and Storage). On the other hand, by 2050 renewables must represent around two-thirds of the primary energy demand (Figure 3).

FIGURE 3: PRIMARY ENERGY DEMAND IN THE WORLD, IN THE NET ZERO SCENARIO



Source: International Energy Agency, World Energy Outlook 2021

The **power sector should be the one with the highest contribution to the share of renewables**, as in this sector there is a set of renewable technologies that are already competitive and with plenty of growth potential. According to data from BloombergNEF, during the last decade, the levelized cost of onshore wind decreased by around 60%, while the cost of solar photovoltaic fell by 90%. The same source points that currently these two technologies are the cheapest source for new electricity generation in countries thar represent more than two-thirds of the global population.

The scenarios that are consistent with carbon neutrality (Figure 2) show that **the share of renewables in the power sector must be at around 90% by 2050**, compared with 29% by 2020.

The increase in the share of intermittent renewable generation in the power sector requires the use of **technologies that provide flexibility to the system**, as generation and demand must match at any moment. In this package of flexible technologies, some of them are already mature and make part of the current electricity system, such as **pumping hydro and interconnections**, while others are still in a growing stage, as it is the case of **batteries** and **demand-side response**.

The **green hydrogen** has been gaining an important role in the energy transition, given its **potential to decarbonize sectors where electrification is not technically feasible nor cost-effective**, as it is the case for some industrial energy-uses (ex: steel, cement) and heavy-duty freight vehicles. Worth noting that there are several ways to produce hydrogen, with electrolysis (that uses electricity sourced from renewables) being the process that is more aligned with the decarbonization.

The enablers

For the power sector in particular, digitalization will allow **a change in the paradigm to a more decentralized system**, with consumers having a more active role. Digitalization will also enable the **management of energy demand**, by automatically adjusting the consumption from flexible equipment, such as electric vehicles and water heaters.

Furthermore, the **investment in the expansion, digitalization and resilience of electricity grids** is key to enable the energy transition, as it will allow to accommodate the electrification of other energy uses, the integration of more renewables and distributed resources, in parallel with the improvement in the quality of service and **reduction of operation and maintenance costs** of the power grid.

2.2. Strategic Priorities

2.2.1. Business Plan 2021-25

The world is facing unprecedented challenges and the impacts of climate change on economies and nature are at the centre of the world's leaders' concerns. Societies are coming together to prompt action from leaders to face this climate emergency. The world needs to be transformed and the energy sector Is critical to enable a decarbonized planet.

At the same time that we are dealing with the energy transition, changes in society with growing digitalization and the cultural change pressed by millennials, introduce new challenges and uncertainty, implying a proactive management of risks and opportunities.

EDP is stepping up to the challenge and in the beginning of 2021 presented its strategic plan up to 2025. In it, EDP conveyed its vision, the strategic pillars as well as the key initiatives and goals for the 2021-25 period.

Vision

EDP's Vision is to assume the leadership of the energetic transition, ensuring the creation of superior value. EDP strategically positions itself with a low-risk and cross-diversified resilient profile, creating distinctive conditions for the execution of a strategy to create value in the face of the challenges of a context of low ecological footprint levered in sustainable growth.

Strategic Pillars

EDP's Vision remains as defined in the previous Plan and consists in taking the lead in the energy transition aligned with the creation of superior value, based on 3 strategic pillars:

- Accelerated and Sustainable Growth:
  - Step-up green growth
  - Distinctive and resilient portfolio
  - Solid balance sheet
- Future-proof Organization
  - Global, agile, and efficient
  - Talented and empowered people
  - Innovative and digitally driven
- ESG excellence and Attractive returns
  - ESG Reference
  - Green leadership positioning
  - Strong return visibility

In terms of **accelerated and sustainable growth** EDP will be stepping up in terms of the green growth to build a distinctive resilient portfolio which can rise up and meet the challenges of climate change keeping the focus in maintaining a solid balance sheet. This will allow EDP to accelerate investment and growth having a sustainable capital approach. We continue to believe that the asset rotation strategy is definitely a key pillar in terms of our growth because it allows us to crystallize value upfront and to recycle the capital back into the business.

The bet on a **future proof organization** will boost the EDP of the future. This enforces EDP's commitment to build a DNA for the company that Is agile, global and efficient maintaining tight cost control. It Is key to have a talented and empowered people that keep the company going forward. EDP believes that focusing on the right incentives for its workforce triggers more innovation and it allows us to be a better company.

We will strive to continue an **ESG reference and keeping attractive returns**. EDP will continually reinforce Its green leadership position targeting to be coal free by 2025 and carbon-neutral by 2030 and at the same time making sure that we are delivering value for our various stakeholders. For this, It Is key to make sure we have a strong return visibility and deliver good returns to the shareholders targeting EUR1.2 billion net income by 2025 and keeping the minimum €0.19 floor for this period with the potential for an increase.

Sustainable Development

EDP's vision also reflects its commitment to sustainable development, fully assuming a structuring role in energy, supporting more balanced growth models from an economic, environmental and social point of view. This vision is mirrored in the Strategic Plans that reflects the company's commitment to accelerate the energy transition, while meeting the needs of its stakeholders. Furthermore, the company is still maintaining its commitment in ensuring that its activity actively contributes to 9 of the 17 United Nations Sustainable Development Goals.

2.2.3 Strategic guidelines compliance 2021 - 2025

STRATEGIC AXIS	OBJECTIVES		TARGET 2025	STATUS 2021	
ACCELERATED AND FOCUSED GROWTH	- Step-up growth in renewables, accelerating ownership and asset rotation strategies;	- CAPEX in energetic transition	€24 Bn	€3,2 Bn	√
		- Gross aditions	20 GW	2,6 GW	
	- Focus investments on RES & Networks in EU and USA;	- Asset rotations	€8 Bn	€ 1,4 Bn	
		- EBITDA[1] in 2025	€4,7 Bn	€ 3,7 Bn	
	- Target a BBB rating in the short term (maintaining a sustainable leverage).	- FFO / NET DEBT[2]	> 20 %	21 %	
FUTURE-PROOF ORGANIZATION	- Evolve organization to be more global, agile and efficient;	- OPEX savings like-for-like	€ 100 M	€ 32 M	√
	- Strengthen focus in innovation and promote a digitally enabled organi-zation.	- TOTEX in digital and inovação	€ 2 Bn	€ 0,3 Bn	
ESG EXCELLENCE AND ATTRACTIVE RETURNS	- Step-up a green leader-ship positioning and being a reference in ESG;	- *Coal-free*[3] by 2025	0 %	8 %	√
		- Carbon neutrality[4] by 2050	0 t/GWh[5]	164 t/GWh	
	- Deliver a sustainable EPS growth and an attractive dividend policy.	- Net Profit[1] in 2025	€ 1,2 Bn	€ 0,8 Bn	
		- Minimum dividend per share	€ 0,19	€ 0,19	

1- Recurring figures. 2- FFO/ND with a formula consistent with the methodology of rating agencies, considering EDP's definition of recurring EBIDTA.
3- Coal installed caacity/total installed capacity. 4- Specific CO_2 emissions. 5- Compensated residual emissions.

STRATEGIC AXIS	OBJECTIVES	TARGET 2025	STATUS 2021	ODS	
	- Renewables generation (%);	≈ 85	75	7	
ENVIRONMENT	- Fleet electrification (%);	>40	13,2	7	√
	- EV charging points installed (#).	>40 000	3,804	7	
	- Revenues aligned with EU taxonomy (%);	≈ 70	63	7	
	- Scope 1 & 2 emissions (gCO2e/kWh);	≈ 100	176	7	
SOCIAL	- Total waste (kt);	118	216	12	√
	- SDGs social investment (EUR Mn);	50	12	11	
	- Top quartile in ESG rating performance.	√	√	-	
	- Employee engagement (top tier company);	√	X	8	
	- Female overall (%);	30	26	5	√
GOVERNANCE	- Accident Frequency Rate;	1,55	0,92	8	
	- Female on leadership (%);	30	25	5	
	- Top management ESG & equity linked compensation;	√	√	-	
	- Cybersecurity (rating bitsight).	Advanced	Advanced (790)	11	

2.3. Risk management

Risk governance model

EDP Group follows a risk governance model based on the concept of 3 lines of defence internal to the organization, which are complemented by an external fourth line of defence, external audit and regulation/ supervision.

For every line of defence there are clearly defined responsible bodies and forums for debate and decision, formally established to materialize each line of defence at corporate and Business Units levels, avoiding duplication of efforts and/ or the existence of gaps and promoting the cooperation and collaboration between different areas.

RISK GOVERNANCE MODEL OF 3 LINES OF DEFENCE

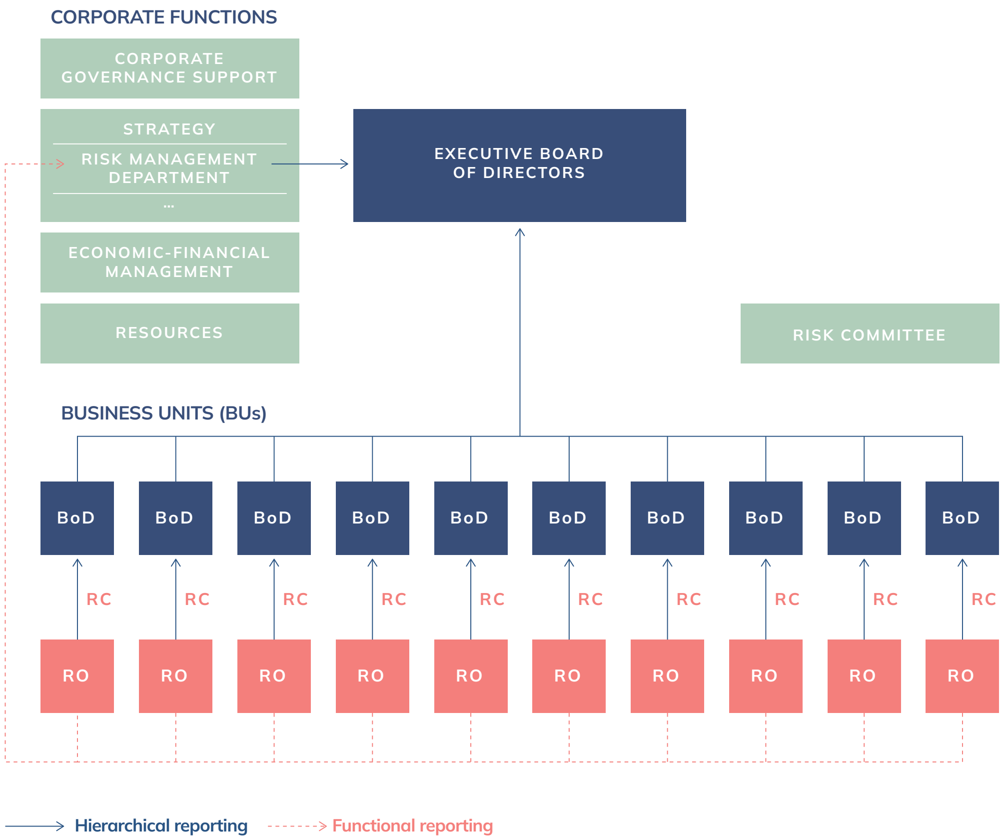
	1ST LINE: BUSINESS (RESPONSIBILITY FOR RISK)	2ND LINE: RISK (SUPPORT THE ANALYSIS AND MONITORING OF RISKS)	3RD LINE: AUDIT (INDEPENDENT SUPERVISION)
MISSION	**Daily of running business, including proactive management of risks, aligned with established risk policies.**	**Support in the identification, analysis, evaluation and monitoring of risk (to support business).**	**Performance and coordination of auditing exercises, seeking the improvement of processes of risk management, control and corporate governance.**
AREAS INVOLVED[1]	BUs. Corporate departments (with decision-making responsibility).	Risk management (corporate and BUs). Planning and control. Compliance. Sustainability	Internal audit (corporate and BUs).
RATIONAL	**Who benefits the most from risk should be the responsible for taking it.**	**Given the (natural) incentive for business to take risk, it is beneficial to have an independent function specialized in risk.**	**It is beneficial to have an independent entity responsible for the verification and evaluation of processes of risk management and control.**

[1] Not exhaustive

Risk management is represented by the Risk Management Department at corporate level, as well as by several risk units across the Business Units (lead by their respective risk-officer) that functionally report to the corporate Risk Management Department, guaranteeing a fluid articulation and communication concerning key risk sources and mitigation actions.

In addition, Risk Committees are held at corporate level and in key Business Units, gathering top management and relevant specialists for analysis, debate and advice on key risk exposures for the Group, respective limits and other mitigation actions.

A more detailed description about the intervening bodies in the risk governance model at EDP Group, as well as attributed responsibilities, is available in the Corporate Governance Chapter, part I, section 52.



Key risks

EDP Group seeks to have a comprehensive perspective over the key risks it is exposed to, at strategic, business, and operational level, establishing processes to assure follow-ups and proactive management.

The year of 2021 continued to be marked by the COVID-19 pandemic and by high volatility in energy markets, especially in the second half of the year. Risk management reinforced its importance, with an essential role in this disruptive context.

		ILLUSTRATION OF TOPICS (NOT EXHAUSTIVE)	RECENT EVOLUTION/ EXPECTED IN SHORT – TERM	
STRATEGY	Surrounding context	• Geopolitical instability. • Social and economic crisis. • Technological disruption. • Change of competitive paradigm. • Climate change.		• Macro-economic uncertainty due to rising inflation and uncertainty regarding its persistence and political, social, fiscal, and monetary response. • Instability in supply chains and, particularly in the energy sector and in Europe, increased exposure to geopolitical risks in fossil fuel supply. • Pandemic scenario expected in the short term, with risk of containment measures with relevant economic and social impact (namely lockdowns) due to the emergence of new variants. However, risk potentially mitigated due to comprehensive vaccination plans. • Strengthening of the political and social commitment to renewable technologies, with a direct impact on the countries where EDP Group operates.

		ILLUSTRATION OF TOPICS (NOT EXHAUSTIVE)	RECENT EVOLUTION/ EXPECTED IN SHORT – TERM	
	Internal strategy	• Investment strategy. • Relationship with stakeholders. • Corporate planning.	=	• Communication to investors of a new strategic plan and strengthening of EDP Group's commitment to renewable technologies. • Awarded the position of Global Leader, with the best score ever among integrated utilities in the Dow Jones Sustainability Index. • Closure of Sines coal-fired power plant, in Portugal, with 1.2GW.
BUSINESS	Energy markets	• Fluctuations of pool price, commodities and CO_2. • Volatility of the generation volume of renewable energies (i.e., hydro, wind and solar). • Volatility of energy consumption. • Changes in sales margins.		• Volatility and record prices in energy markets, with particular focus on Europe and electricity and natural gas markets. • Exposure to supply risk in the natural gas supply chain. • Rise of wind and solar renewable capacity. • Rise of hydro volumes risk in Brazil following a year of severe drought.
	Regulation	• Changes in taxes and sectorial charges. • Changes in tariff regimes of regulated activities. • Legislative amendments. • Changes in regulations (e.g., environmental/ climatic).	=	• Regulatory impacts in Portugal and Spain withmaterialization in the results of the Group. • Definition of a new regulatory period for the distribution business in Portugal.
FINANCIAL	Financial markets	• Fluctuation of interest rate. • Fluctuation of exchange rate. • Inflation. • Fluctuation of the value of financial assets held by the Group.	↗	• Rise uncertainty regarding inflation and interest rates. • Key exposures to exchange rates of BRL and USD. • Stabilization of the EURBRL exchange rate during 2021, despite a potential increase in uncertainty in 2022 due to the electoral cycle.
	Credit and counterparties (energy and financial)	• Default of financial counterparties. • Default of energy counterparties (contracts to buy/ sell energy). • Default of clients (B2B and B2C).	↗	• Rise of credit exposures due to increased prices in energy markets.
FINANCIAL	Liquidity	• One-off insufficiencies of treasury. • Downgrade of financial rating (and consequent rise of financing costs and limitation of access to financing).	=	• Rise of liquidity needs due to price hikes in energy markets accommodated by EDP Group's conservative cash position. • EDP Group's financial liquidity enough to cover refinancing need beyond 2022. • Update of one notch of EDP's rating by two of the three main agencies and upgrade of the outlook by a third, strengthening the investment grade status.
	Social liabilities	• Capitalization of the Pension Fund of Defined Benefit. • Additional costs with current and anticipated retirements. • Costs with medical expenses.		• Comfortable capitalisation position with lower risk of funding gap due to asset appreciation and rising interest rates.
OPERATIONAL	Development/ construction of physical assets	• Delay in commissioning date of assets (COD) and inherent loss of profit. • Deviations in the cost of investment (CAPEX).	↘ ↗	• Increased instability and inflation in the supply chain.

		ILLUSTRATION OF TOPICS (NOT EXHAUSTIVE)		RECENT EVOLUTION/ EXPECTED IN SHORT – TERM
	Operation of physical assets	• Damages in physical assets and third parties. • Malfunctions by component or installation defect. • Unavailability due to external events (e.g., atmospheric events). • Technical and non-technical losses of distribution grid.	=	• Maintenance of the relevance of risk of extreme events impacting on electricity generation, transmission and distribution assets •
	Processes	• Irregularities in the processes' execution (regarding commercial activities, suppliers' selection and management, billing, etc.).	=	-
	Human resources	• Work accidents. • Unethical conduct. • People management. • Relationship with unions and other stakeholders.	=	• • Ongoing of the COVID-19 pandemic, namely with the emergence of new variants, and the need to ensure the health and safety of EDP employees and partners.
	Systems	• Unavailability of information and communication systems. • Integrity and security of information.	=	• Maintenance of level of exposure (e.g., large-scale cyber-attacks, date protection directives) partially compensated by a continuous reinforcement of mitigation measures (cyber range, SOC, cyber risk insurance, training sessions).
	Legal, Compliance and Ethics	• Losses arising from lawsuits related with tax, labour, administrative, civil, or others (penalties, compensation and agreements).	=	-

A more detailed description of each risk is available in the Corporate Governance Chapter, part I, section 53.

Besides closely monitoring key risks inherent to its activity, the Group maps key trends (at global and sectorial level) that may be translated into threats and opportunities, and proactively develops adequate mitigation strategies. A more detailed description of emerging risks is available in the EDP Group Sustainability Report.

Risk Appetite

The EDP Group is exposed to a number of risks due to its dimension and diversity of businesses and geographies in which it operates, hence it recognizes risks as an integral and unavoidable component of its activity, both as threats as opportunities.

Acknowledging this fact, the Group establishes explicitly and implicitly its risk appetite for all internal and external stakeholders, both at corporate and Business Units level, as well as for the various categories of risks, through a set of mechanisms:

- The periodical development and approval of the Group's Business Plan by the Executive Board of Directors, which is communicated to all stakeholders, and where key strategic orientations are set for the upcoming 3 to 5 years;
- The rigorous evaluation of risk related to investment and divestment opportunities proposed by the Business Units and approved by the Executive Board of Directors, including the estimation of returns adjusted to risks vs. established hurdles. This evaluation is supported by the opinion of the Investments Committee;
- The development of a wide set of risk management policies, both at corporate and Business Unit level, which establish guidelines, methodologies of evaluation and exposure limits for key risks[2];
- The periodical development of risk mapping exercises, based on objective, quantitative and comparable criteria, allowing an analysis of the exposure to key risks, as well as the adoption of preventive treatment actions for excessive exposure to risks (regarding the established tolerance of risk);

[2] Including, among others, the Enterprise Risk Management Policy, the Risk Appetite Framework Policy, the Limits Structure of the Energy Management Business Unit, the Financial Management Policy, the Counterparty Policy, the Insurable Risk Management Policy, the Occupational Health and Safety Policy, the Information Security Policy, and the Principles, Structure, and Procedures for Crisis Management and Business Continuity.

- The establishment of a wide set of mechanisms for periodical reporting of key risks, at Group and Business Unit level, thus allowing a regular monitoring of the evolution of actual and emerging risks, and comparison of the exposure to different risk profiles within the established limits;
- The adoption of a risk governance model based on 3 independent lines of defence (business, risk/ compliance and internal audit), which guarantees the implementation of the established strategies and alignment with risk appetite;
- The definition of an internal framework for risk appetite, approved by Executive Board of Directors;
- The periodic reporting to the EBD and GSB of risk indicators and limits aligned with the Group's strategy and performance metrics.

The framework of risk appetite in EDP Group is structured around 4 pillars:

- The governance model identifies the key actors in the process of risk appetite and their responsibilities;
- The risk appetite statement defines statements of risk appetite with indicators and risk thresholds for each. In terms of positioning, the Group establishes a fundamental pillar in its strategy for the maintenance of a controlled risk profile, expressed transversally across 3 natures of risk;
- The monitoring and follow-up define the key processes of monitoring, update and action plan;
- And the technological platform, embodied in a risk appetite dashboard, allows the follow up of risk appetite in EDP Group.

Risk appetite statement of EDP Group

1ST LEVEL STATEMENT	2ND LEVEL STATEMENT	KRI (OBJECTIVE)
BALANCED BUSINESS Controlled risk utility, with a strong share of regulated/ LT contracted activities, diversified both geographically and across the value chain, with a strong growth focus on renewables	**GEOGRAPHICAL CONCENTRATION** Geographical diversification and focus on geographies/ markets with reduced country risk.	• EBITDA concentration (market/ emerging countries, sovereign rating) • Market share per market / country
	BUSINESS SEGMENTS Diversified portfolio across the value chain (generation, grids and retail) with a strong growth focus in medium to long-term viable renewable generation.	• EBITDA per technology • Residual life of generation assets • CAPEX in low TRL (Technology Readiness Level)
	REGULATED/ LT CONTRACTED Activity focused mainly in regulated or long-term contracted operations.	• EBITDA regulated / LT contracted • Gross Margin@Risk • Contracted residual life of generation assets
	ST ENERGY MARKET POSITIONING Controlled short-medium term energy market risk and limited proprietary trading exposure.	• Value@Risk of portfolio • Net position per market
	REGULATORY MONITORING Foresight of possible high impacting regulatory/ political changes in current portfolio and potential new geographies.	• Regulatory rating • Expected loss from regulatory risk
SOLID FINANCIALS Credible business plan with sound financials, aiming for a solid investment grade rating and sustainable dividend policy.	**RATING** Alignment between business and financial profiles to target a solid Investment Grade.	• LT rating, FFO / ND and ND / EBITDA • Business profile scoring • EBITDA concentration (business, country)
	DIVIDENDS Predictability and sustainability of dividend policy as a fundamental element of the shareholders' value proposition.	• Payout ratio • Payout ratio P95%
	LIQUIDITY Maintenance of liquidity reserves enough to cover cash needs in short-medium term in times of stress.	• Survival period • Debt redemption per year • Liquidity in cash
	FINANCIAL MARKETS RISK Proactive management of the exposure to financial markets, namely FX and IR, controlling the impacts on the business activity. Investments are financed in local currency if possible.	• FX: Loss in net investment (P95%), EBT@Risk and equity in non-EUR not covered by NIH • IR: Floating ratio per currency, EBT@Risk and Debt NPV change vs. duration target
	CREDIT & COUNTERPARTY Controlled exposure to credit & counterparty risk, favouring higher rated counterparties.	• Total EL of aggregate portfolio • Due debt as % of sales • Exposure (Top10 and non-Investment Grade counterparties)
	INVESTMENT PLAN EXECUTION Investment in projects with an attractive risk adjusted profitability, limited market exposure and short time to cash.	• IRR / WACC and payback • Contracted NPV for generation • EBITDA in very high country risk scoring • CAPEX gap to target
	SOCIAL LIABILITIES Full coverage of funded social liabilities, through a diversified asset portfolio of limited duration gap, with new pension plans as defined contribution.	• Funded Pensions coverage ratio • Value@Risk asset-liability position • Duration mismatch
LEADER IN INNOVATION, SUSTAINABILITY & REPUTATION Leader in innovation, sustainability and trust for all stakeholders.	**ENVIRONMENTAL SUSTAINABILITY** Reference in the energy transition, with performance recognized by independent international entities.	• Reduction of CO2 emissions • Renewable installed capacity
	INVOVATION Follow-up on key technological developments in order to remain competitive and optimize value creation.	• CAPEX digital
	REPUTATION & ETHICS Assurance of top reputation among peers and an exemplar ethics track record.	• Scoring in ESG indexes (DJSI, MSCI, CDP, Sustainalytics), and RepRisk • Ethisphere certification
	CLIENT SATISFACTION Assurance of distinctive levels of global client satisfaction.	• Client satisfaction scoring • Number of complaints

1ST LEVEL STATEMENT	2ND LEVEL STATEMENT	KRI (OBJECTIVE)
	EMPLOYEE SATISFACTION Maximization of employee engagement and healthy working environment, within a flexible organization.	• Engagement and Enablement scoring of employees
OPERATIONAL EXCELLENCE Prudent operational management, following best-practices and preventing business disruption.	**PHYSICAL ASSETS UNDER DEVELOPMENT/ CONSTRUCTION** Excellence in project management, limiting risk of CAPEX deviation and COD delays, allowing the fulfilment of the investment plan.	• CAPEX deviation • COD deviation • MW built gap to target
	AVAILABILITY AND INTEGRITY OF PHYSICAL ASSETS Prudent O&M and security of physical assets, complemented with insurance and contingency and recovery planning, guarantying limited operational losses, outstanding quality of service and assets availability.	• Losses on physical assets after insurance • Unavailability of grid due to extreme events • QoS indicators (TIEPI, SAIDI) • Loss ratio
	TECHNICAL AND NON-TECHNICAL ENERGY LOSSES Control of technical and non-technical losses in the power grid through adequate technology, maintenance, operation and fraud anticipation processes.	• Losses (total, technical and non-technical)
	PROCESSES Pursue of increasingly efficient and adequately controlled processes and, for business critical and intersecting processes, assurance of business continuity and recovery under abnormal/disruptive situations and minimization of procedural errors.	• Global KPI Digitalization • Critical processes with Business Continuity strategies, by BU
	SUPPLY CHAIN Reinforcement of the effectiveness, sustainability, resilience and continuity of the supply chain, providing service excellence to customers and partners in a secure manner, while ensuring supplier compliance.	• Purchase volume from critical suppliers (inc. with ESG assessment and performance evaluation)
	LEGAL/ COMPLIANCE Zero tolerance to illegal behaviour or deliberately and consciously non-compliance with norms and/or regulations, integrity standards and contractual obligations.	• Passive contingencies and provisions • Implementation of Internal audit recommendations • Internal training on compliance matters • Counterparty integrity risk
	FRAUD Zero tolerance to fraudulent behaviours, performed by any employee of the company, as well as suppliers and other related third parties.	• # of complaints and non-conformities associated with the risk of fraud
	HEALTH AND SAFETY Zero tolerance for noncompliance with safety measures, preventing the occurrence of accidents with employees, external contractors or other third parties.	• Frequency and severity rate of work accidents (inc. fatalities) with employees, external suppliers and third parties • Incidence of COVID-19 cases and % of employees vaccinated against COVID-19
	SECURITY, CONFIDENTIALITY, INTEGRITY AND AVAILABILITY OF SYSTEM Prudent management, targeted maintenance, security and availability of IT and OT systems and related services, ensuring resiliency capability under abnormal/disruptive situations.	• Recovery time • System or services unavailability • # events/ incidents of data security • Rating BiTSightSecurity • Losses after insurance with cyber attack • Data privacy breaches


RENEWABLE
Where innovation
and sustainability meet.

03 — PERFORMANCE

Group's Financial Analysis

Income Statement

EURO MILLION	2021	2020	Δ %	Δ ABS.
Gross Profit	4,835	5,092	-5%	-257
Operating Costs	1,555	1,524	2%	32
Other Revenues/(Costs)	335	379	-11%	-43
Joint Ventures and Associates	108	3	-	105
EBITDA	3,723	3,950	-6%	-227
EBIT	1,931	2,206	-12%	-275
Net Profit for the period	1,105	1,161	-5%	-57
Net Profit attributable to EDP shareholders	657	801	-18%	-144
Non-controlling interests	448	361	24%	87

€

EBITDA

€3,723M

-6% *VS.* 2020

- **EBITDA** amounted to 3,723 million euros in 2021, a 6% decline vs. 2020, including the impact from Hydro, CCGT and B2C supply activities disposed in Iberia in Dec-20 (-341 million euros) and adverse ForEx impact (-94 million euros) mainly due to an 8% depreciation of the Brazilian Real against the Euro. If disregarded these effects, EBITDA performance was impacted by a 46% increase of Electricity Networks' EBITDA, supported by Viesgo's acquisition in 2020 and by the regulated revenues annual indexation to inflation in Brazil, and by higher asset rotation gains, both in Renewables and on Transmission lines in Brazil. EBITDA was negatively impacted by the weak Energy management performance compared to the strong performance in 2020, exacerbated by the strong surge in energy prices.

- In **Renewables**, 12% decline vs. 2020 to 2,294 million euros. Excluding the impact from the Excluding the sale of 6 hydro plants in Portugal closed in Dec-20 and the gain booked in 2020 with the GSF legal settlement in Brazil (66 million euros), EBITDA increased 4% vs. 2020 (+80 million euros), mainly driven by: (i) higher average MW capacity installed (+9% vs. 2020), (ii) higher asset rotation gains (+97 million euros), which were offset by (iii) the de-consolidation of wind assets sold in December 2020, (iv) negative ForEx impact (-49 million euros) e (v) weak hydro performance.

- In **Networks,** 46% increase to 1,327 million euros, reflecting: (i) the first year of EBITDA contribution from Viesgo in Spain (182 million euros) and the "Lesividad" provision reversal (54 million euros), (ii) the 54 million euros increase in Portugal, due to OPEX savings on digitalization acceleration and (iii) 157 million euros increase in the Brazilian networks segment positively impacted by the asset rotation gains (46 million euros), stronger demand, regulated revenues indexation to inflation, smaller losses from over-contracting and update of the concessions' assets' residual value with inflation.

€

EBITDA

€3,723M

-6% *VS.* 2020

- In **Client Solutions and Energy Management**, 74% decline vs. 2020 to 122 million euros following the tough YoY comparison vs. the very strong energy management results in 2020 aggravated by the adverse environment in 2021, penalized by the sharp increase in energy prices in the wholesale markets, especially in 2H21. This implied a significantly higher production and sourcing costs as well as a negative mark-to-market impact on hedging contracts in energy markets. This was just partially offset by the improvement of EBITDA in: (i) supply activities, supported by a recovery in B2B consumption and the increase of new services penetration rate (31% vs. 28% in 2020); (ii) Thermal generation, supported by the increase in energy prices and the ancillary services in Spain.
- **Opex costs** increased slightly (2% vs. 2020) to 1,555 million euros, reflecting Viesgo integration. The tight cost control and succesful implementation of ongoing saving programs, mainly in Iberia, continue supporting the requirements needed to accelerate growth in renewables.
- **Other net operating revenues/(costs)** changed by 43 million euros, to a net operating revenue of 335 million euros, mainly on the gains from the asset rotation.

EBIT

€1,931M

-12% *VS.* 2020

- **EBIT** decreased 12% vs. 2020, to 1,931 million euros, negatively impacted by the increase of amortizations mainly driven by the Viesgo acquisition, which was partly mitigated by a lower level of provisions in 2021.
- **Net Financial results** amounted to -511 million euros in 2021. Note that financial costs in 2021 were impacted by a non-recurring item, including a €64m gain on the acquisition at a price below book value of the shareholder loans granted by our previous minority partner (25%) at Soto 4 CCGT in Spain. Additionally, excluding non-recurring items related with the repurchase of outstanding debt, -24 million euros (vs. -70 million euros in 2020), net financial interest increased by 6% vs. 2020, driven by the cost and relative weight increase of debt denominated in Brazilian Reais.

NET PROFIT
Attributable to
EDP Shareholders

€657M

-18% *VS.* 2020

Income taxes amounted to 262 million euros, representing an effective tax rate of 18% in 2021.

- **Non-controlling interests** increased 24% YoY to 448 million euros in 2021, including: (i) 241 million euros related to EDPR, mainly explained by the increase EDPR's net profit prompt by higher capital gains and dilution of EDP's stake at EDPR following the capital increase in 2021; (ii) 176 million euros related to EDP Brasil on the back of the strong performance of EDP Brasil, despite the Brazilian Real depreciation; and (iii) 31 million euros following Viesgo acquisition in Dec-20.
- **Net profit attributable to EDP shareholders** reached 657 million euros in 2021 (-18% vs. 2020). Adjusted for the disposal of operations in Iberia in 2020 (hydro in Portugal and Castejon CCGT and B2C supply in Spain) and by one-off impacts, recurring net profit increase 7% YoY, to 826 million euros in 2021, driven by strong performance of networks and renewables.

Investment Activity

GROSS INVESTMENT

€3,907M

+5% *VS.* 2020

Expansion Investments (including Expansion Capex and Financial Investments), 3,337 million euros (+5% vs. 2020)

- Expansion Investment represented 85% of total investment and mostly dedicated to new renewables capacity in North America and Europe and electricity networks in Brazil (~88%).
- Expansion Investment in new wind & solar capacity amounted to 2.9 billion (+1% vs. 2020), of which 61% was applied in North America, 26% in Europe and 13% in Latin America and Other.
- In Brazil, Expansion Capex in transmission increased 3% whereas de Expansion Capex in distribution increased 41% vs. 2020, mainly due to the construction of new transmission lines, expansion of the grids and improving the quality of service in both distribution concessions.

Maintenance Capex, €570M (+12% vs. 2020)

• Maintenance capex amounted to 570 million euros in 2021 and was mostlyabsorbed by networks in Iberia and Brazil (76% of total).

ASSET ROTATION

€1,356M

The execution of our asset rotation strategy was strong during 2021:

In 2021 we announced and closed several asset rotation deals, of which it's worth highlighting: (i) 80% stake in a 405 MW wind onshore portfolio located in the Illinois, USA (543 Million euros), (ii) The transfer of a 302 MW wind onshore farm, Indiana Crossroads, under a Build & Transfer agreement signed in Oct-19 (198 Million euros), (iii) 80% stake in a 200 MWac solar farm, Riverstart Solar, located in Indiana, USA (225 Million euros), (iv) 100% stake in three transmission lines in Brazil (212 Million euros).

Net Debt

NET DEBT

€11,565M

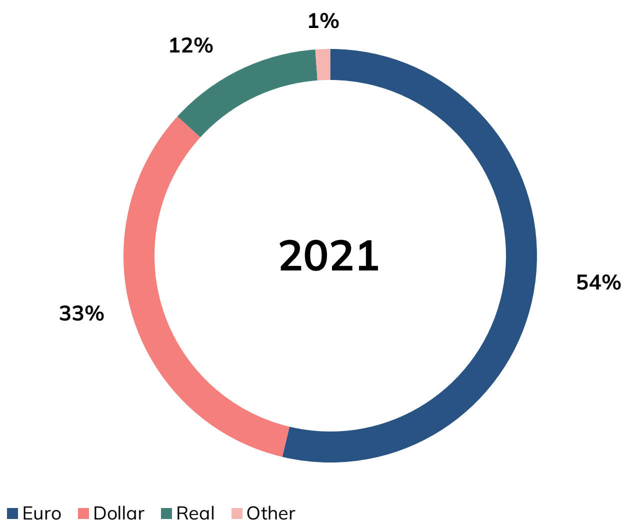
-6% *VS.* 2020

As of December 2021, net debt stood at 11.6 billion euros, 6% lower vs. December 2020, impacted by: (i) recurring organic cash flow (0.6 billion euros); (ii) proceeds from asset rotations in the period (1.4 billion euros); (iii) capital increase at EDPR level (1.5 billion euros); (iv) green bonds issuing (1.0 billion euros). This decrease was partly mitigated by our core expansion activity with the significant step up of our expansion investment (3.3 billion euros, including financial investments) and the annual dividend payment (750 million euros).

Funding Policy

- Centralized policy for financial debt at EDP – Energias de Portugal, S.A. and EDP Finance BV (approximately 78% of gross debt), while the remainder is divided between EDP Brasil (ring fenced vs. the rest of the Group), EDP España (after the Viesgo acquisition in Dec-20) and project finance at some EDP Renováveis' subsidiaries.
- In 2021, the average cost of debt stood at 3.5% (+20 basis points vs. 2020), mainly driven by the cost and relative weight increase of Brazilian Real in our gross debt.
- Fixed interest rate debt represents 69% of overall gross financial debt.

GROSS DEBT BY CURRENCY IN DEC-21[1]



1) After FX-derivatives

Bond Issues

All EDP issuances in 2021 were subordinated green notes, detailed as follows:

ISIN CODE	CURRENCY	AMOUNT	COUPON	MATURITY
PTEDPLOM0029	EUR	750,000,000	1.875%	02/08/2081
PTEDPXOM0021	EUR	750,000,000	1.500%	14/03/2082
PTEDPYOM0020	EUR	500,000,000	1.875%	14/03/2082

Rating

Regarding EDP's rating, throughout the first half of 2021, EDP received several rating upgrades, namely an improvement in S&P's rating to BBB with stable outlook, an outlook upgrade from Moody's from stable to positive and finally, a reassessment of Fitch's rating to BBB, from BBB-, with a stable outlook.

	LONG-TERM	SHORT-TERM	OUTLOOK
S&P	BBB	A-2	Stable
Moody's	Baa3	P3	Positive
Fitch	BBB	F2	Positive

3.2.1. Renewables

Financial Analysis

€

EBITDA RENEWABLES

€2,294M

-12% *VS.* 2020

Renewables EBITDA (wind, solar and Hydro) declined 12% vs. 2020 to 2,294 million euros, supported by:

Extraordinary effects in 2020: gain with the sale of six hydro plants in Portugal (216 million euros) and contribution from the same plants in 2020 (117 million euros) and gain booked on GSF legal settlement in Brazil (66 million euros).

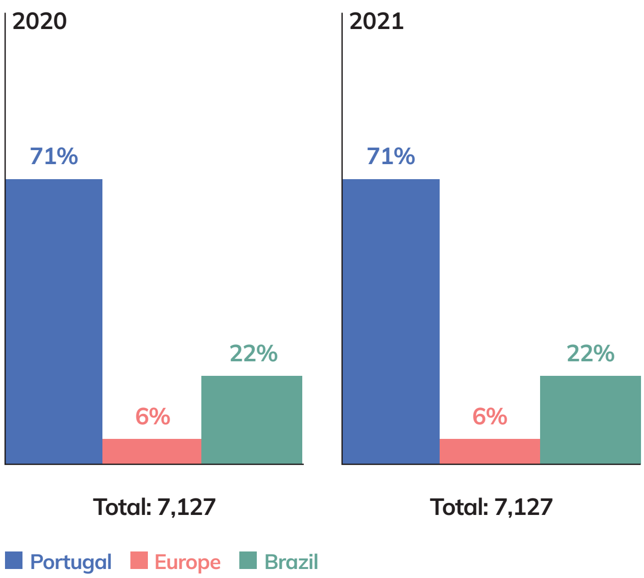
On Hydro, excluding the above-mentioned impacts, o EBITDA decreased by 4% vs. 2020 to 534 million euros driven by hydro resources well below average, in Iberia, in the fourth quarter 2021 (57% below long-term average in Portugal in the fourth quarter 2021) combined with the strong surge in energy prices in wholesale market and pre-hedged electricity volumes. In Brazil, the management of the portfolio in an integrated way and the good performance of the allocation strategy more than compensated the adverse ForEx impact (-15 million euros).

On Wind & Solar, EBITDA increased 6% to 1,760 million euros due to mixed effects from (i) higher average MW installed capacity (+9% vs. 2020), (ii) higher asset rotation gains (+97 million euros vs. 2020, 434 million euros), (ii) de-consolidation of assets sold last year (-103 million euros) e (iii) adverse ForEx impact (-34 million euros).

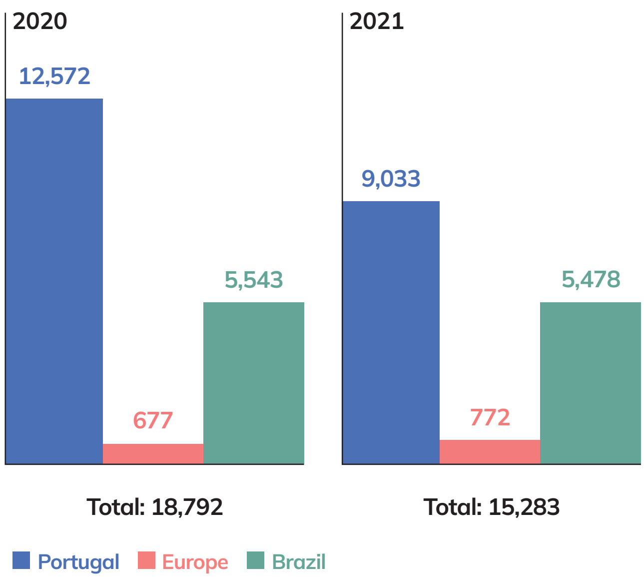
Operational Analysis

Hydro Generation

INSTALLED CAPACITY HYDRO (MW)



NET ELECTRICITY GENERATION HYDRO (GWH)



Iberia

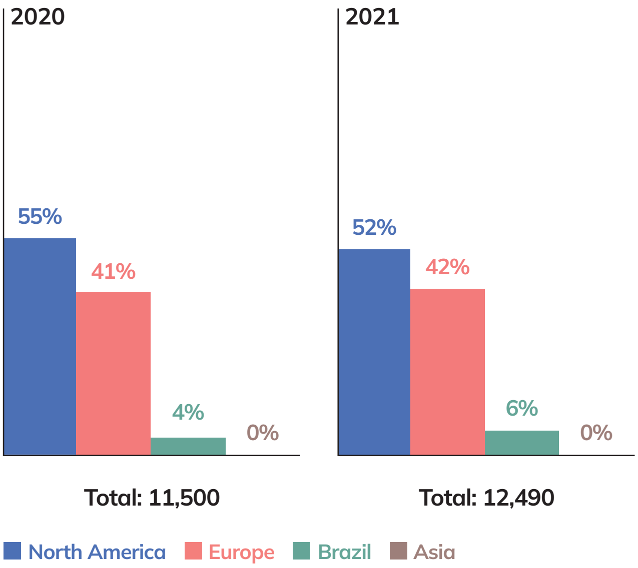
- EDP's hydro production portfolio in the Iberian Peninsula includes a total of 5.5GW of installed capacity, of which 45% includes pumping.
- Hydro generation in 2021 decreased 26% year on year (-3.4TWh), to 9.8TWh, reflecting the reduction of 1.7GW in installed capacity given the sale in Dec-20 of a portfolio of 6 hydroelectric plants (Miranda, Bemposta, Picote, Foz Tua, Baixo Sabor e Feiticeiro) in Portugal, that contributed with 3.4TWh generation in 2020.
- Excluding this impact, hydro production in 2021 was in line with 2020, with weaker water resources (hydro generation coefficient of 0,93 in Portugal, compared with a coefficient of 0,97 in 2020), mainly given the weak hydraulicity during the 4Q21, being compensated by the resources available on the hydroelectric plants with reservoirs.

Brazil

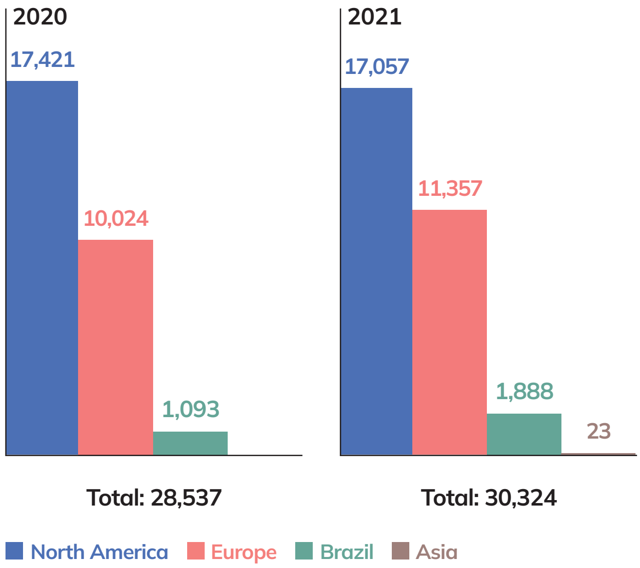
- The Hydro generation portfolio in Brazil includes a total of 1.6 GW of installed capacity and 0.6 GW of equity installed capacity.
- In 2021, the hydrological scenario remained below the historical average, directly impacting the Group's plants, which were exposed to an 77% GSF. In this context, EDP maintains a strategy to protect its portfolio by decontracting and / or purchasing energy to mitigate risks related to GSF and fluctuating PLD through "hedge", in addition to the Company's seasonal allocation of greater energy allocation for the second semester.
- In 2021, the volume of energy sales, considering the consolidated companies, was 5,478 GWh, a reduction of 1% year-on-year.

Wind and Solar Generation

INSTALLED CAPACITY WIND + SOLAR (MW)



NET ELECTRICITY GENERATION WIND + SOLAR (GWH)



The Group's wind and solar generation portfolio corresponds to a total of 13.6 GW of installed capacity, an increase of 1.4 GW (+12%) explained by the growth of the portfolio of EDP Renováveis ("EDPR") net of deconsolidations resulting from the asset rotation strategy.

- In 2021, EDPR added a total of 2,585 MW, including 5 MW following the acquisition of a solar portfolio in the United States, mainly still in development phase (544 MW).
- Regarding the EBITDA portfolio, EDPR built: 1,766 MW of onshore wind technology, of which 678 MW in Europe (56 MW in Spain, 135 MW in Portugal, 56 MW in France, 272 MW in Poland, 114 MW in Italy and 45 MW in Greece), 933 MW in North America (871 MW in the United States and 62 MW in Canada) and 156 MW in Brazil; and, 503 MW of solar pv technology (272 MW in the United States, 204 MW in Brazil and 28 MW in Vietnam).

- Following the asset rotation strategy, EDPR concluded the following sales: the sale of 80% in a 405 MW wind onshore portfolio in the United States; the sale of 80% in a 200 MW solar pv project in the United States under an asset rotation transaction partially closed in 2020; total participation in a wind onshore portfolio of 211 MW in Portugal; and 302 MW of a Build and Transfer wind project in the United States.
- Regarding the equity portfolio, the variation was +0.4 GW (+63%) due to: the start of operation of a 311 MW wind offshore project in the United Kingdom, owned by the 50/50 joint-venture of EDPR and ENGIE (Ocean Wind Offshore); the asset rotation sales of 80% wind portfolio and 80% solar project, both in the United States, with 20% being consolidated using the equity method (81 MW out of 405 MW and 40 MW out of 200 MW, respectively); the sale of a 23% share in a Spanish wind farm, previously owned by Viesgo (11 MW).
- Wind and solar generation increased by 6% in 2021, reflecting the higher average installed capacity (+ 1 GW), despite the lower wind index (7% below the expected average volume).
- At the end of 2021, EDPR had 1.8 GW of capacity under construction, of which 1.6 GW related to onshore wind and 0,2 GW related to solar pv. Regarding onshore wind, 412 MW were under construction in Europe (133 MW in Spain, 21 MW in France, 100 MW in Poland and 159 MW in Italy), 96 MW in Mexico, 580 MW in Brazil and 504 MW in Colombia. Solar pv projects respect to 224 MW in the United States and 9 MW in Spain.

Risk outlook

- **Demand risk (Portugal and Spain)**: risk in the evolution of demand due to uncertainty about economic recovery and government measures taken to control contagions.
- **Hydro volumes:** uncertainty regarding hydro generation levels, mainly in Portugal due to high market prices and opportunity cost of energy, but also in Brazil due to the dry period in 2021 and consequent increase in energy acquisition costs.
- **Generation volumes:** annual volatility in wind generation.
- **Spot electricity price:** with special focus on market energy in Portugal and Spain due to the current high volatility, but also with transversal impact on Brazil's value chain (Generation, Distribution, Supply).
- **Generation merchant prices:** uncertainty regarding wholesale prices, particularly due to the high volatility in energy markets in recent months. This risk is mostly mitigated with the hedged already contracted for 2022.
- **Physical commodities (in particular natural gas):** risk in gas supply in Europe, as well as its impact on prices and volatility in energy markets.
- **Regulatory risk due to current market situation:** uncertainty regarding medium and long-term regulatory frameworks (i.e. incentives, capacity, among others) and short-term.
- **Regulatory changes risk:** potential changes in sectoral and fiscal regulation in Portugal and Spain due to record electricity and gas prices and the possible need for government measures to contain the resulting social and economic crises.
- **Macro risk in Brazil:** macroeconomic (namely inflation, interest rate and EUR-BRL exchange rate), social and political uncertainty with the 2022 electoral cycle.
- **FX:** evolution of key currencies (USD, BRL, CAD, RON, PLN, GBP, COP, HUF), mainly USD due to the uncertainty associated with monetary policy in the Euro Zone and the United States of America. In addition, the strong volatility in all currencies reflected into a general devaluation in the market.
- **Liquidity:** possible increase in liquidity needs in particular associated with margin calls and physical operations in energy markets due to high prices.
- **Counterparty:** possible default on contract obligations given the high market price volatility (i.e., financial hedging, physical supply of natural gas).
- **Counterparty:** possible default on contract obligations (i.e., long-term contracts of power purchase, contracts to buy equipment, among others).
- **Delays in asset construction due to supply chain instability:** uncertainty about meeting start-up deadlines and the cost of equipment due to the instability and inflation present in global supply chains.

- **Operation and maintenance of assets:** exposure to term and price risks for the supply of critical materials for interventions on generation assets, whether due to evolutions in the COVID-19 pandemic, geopolitical reasons or insufficient supply for market demand causing disruption to the normal functioning of supplies and/or inflation on raw materials such as metal alloys, electrical or electronic equipment.
- **Risk of coal supply in Brazil:** impacting Pecém power plant and aggravated by the decrease in production of business partners, strikes and climatic events.

3.2.2. Networks

Financial Analysis

€

EBITDA NETWORKS

€1,327m

+46% *VS.* 2020

EBITDA from networks increased 46% vs. 2020 to 1,327 million euros, mainly explained by:

In Brazil (distribution and transmission), 58% EBITDA growth vs. 2020 mainly related to demand recovery in 2021, the asset rotation gain in transmission and the regulated revenues annual indexation to inflation.

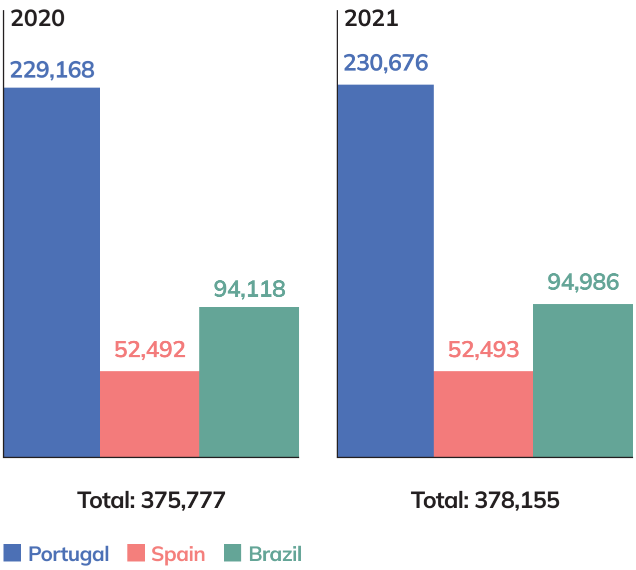
In Portugal, the 13% increase vs. 2020 was supported by the operational costs savings and by the growth in regulated revenues.

In Spain, the 122% increase vs. 2020 reflected mainly (i) EBITDA contribution from Viesgo (+€182m) and (ii) the "Lesividad" provision reversal (+€54m).

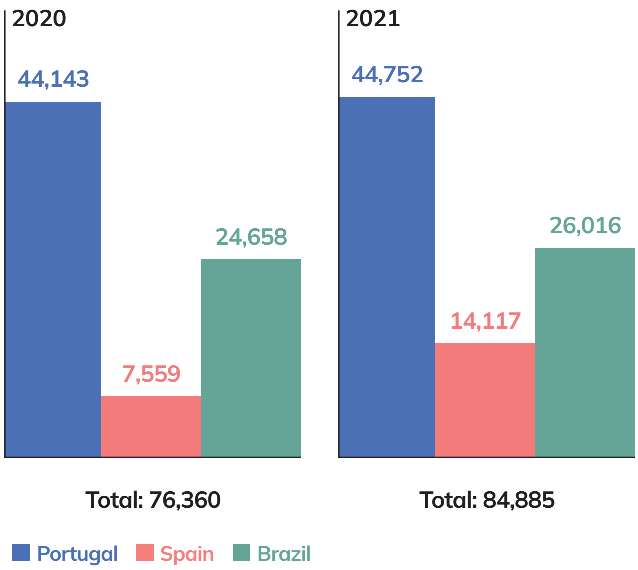
Operacional Analysis

Distribuition

NETWORK LENGTH (KM)



ELECTRICITY DISTRIBUTED (GWH)



Iberia

- The Distribution network in Iberia reached the length of 283,169 km in 2021 corresponding to a slight increase of 1% vs 2020.
- At the end of 2021, EDP reached 5.4 million smart meters installed in the entire distribution network in the Iberian Peninsula. Smart meters are aligned with the efficiency, digitalization and innovation strategies and are considered a strong bet in the Group, especially in Portugal where there was an increase of 24% against 2020.
- In 2021 there was an increase in the volume of electricity distributed in Iberia (+14% vs 2020), resulting in a variation of +7.2 TWh. This variation is mainly explained by the integration of Viesgo's networks in the Group while also being supported by an economic recovery in a less severe pandemic context.
- The Installed Capacity Equivalent Interruption Time (ICEIT) in Portugal registered a decrease vs 2020, reaching the value of 50 minutes and staying below the regulator's benchmark. In Spain, the registered ICEIT value was of 20 minutes, an increase over the value of 15 minutes from the previous year.
- Regarding energy losses in the network, Portugal registered a decrease in the indicator which reached 9.5% in 2021 (-0.4pp vs 2020), remaining above the regulatory reference of 7.8%. In Spain, an increase to 4.7% was registered (+1pp vs 2020). This increase is due, in part, to the integration of Viesgo which presents in 2021 a higher value of energy losses when compared to the networks belonging to the Group in 2020.

Brazil

- The Distribution network in Brazil reached the length of 94,986 km in 2021, corresponding to an increase of 1% vs 2020.
- In 2021, the volume of energy distributed increased 5.5%, (5.2% at EDP SP and 6.0% at EDP ES). This increase reflects the progressive resumption of economic activity mainly at the industrial and commercial level.
- The number of new customers increased 2.2% with free customers increasing by 27.6% (242 customers at EDP SP and 116 customers at EDP ES), due to the migration of captive customers to the free market.
- In both distributors, service quality indicators improved in comparison to 2020. At EDP SP and EDP ES, the Equivalent Duration of Interruption (DEC) was at 381 and 454 minutes respectively. As for the Equivalent Frequency of Interruption (FEC), it reached the values of 4.1 at EDP SP and 3.9 at EDP ES. All these values are below the established regulatory benchmarks.

Transmission Brazil

- During 2021, two portfolio recomposition transactions were carried out: the agreement for the acquisition of CELG-T, concluded in February 2022, and the sale of three assets (lots 24, 7 and 11), completed in December 2021, these operations represent part of our asset rotation strategy in the Transmission segment. Two lots were also acquired, one in the secondary market, in May, located in the state of Maranhão, and the other in the Transmission Auction nº 1/2021, between the states of Acre and Rondônia.
- With these operations, in December 2021, 2 of the 5 Transmission lots were partially in operation and 1,256 km were still under development.

Risk Outlook

- **Low voltage network concessions (Portugal):** uncertainty regarding the renewal of framework, possible fragmentation and increase in system costs.
- **Asset operation and availability:** uncertainty regarding damage of assets and/ or loss of profit.
- **Business continuity:** across-the-board and prolonged interruption of operations by extreme events (e.g., natural disasters)
- **Regulation in the Distribution segment in Brazil:** tariff review in the distribution segment, uncertainty regarding business support mechanisms due to the exceptional pandemic situation and extreme prices in energy markets and possibility of regulatory pass-through of energy involuntarily over-contracted.

- **Macro risk in Brazil:** macroeconomic (namely in terms of the EUR-BRL exchange rate), social and political uncertainty with the 2022 electoral cycle.
- **Demand risk:** uncertainty, due to the emergence of the Omicron variant, regarding the potential repetition of extended lockdown periods, that again will have a significant impact in reducing demand and therefore on the remuneration of the electricity distribution business in Brazil.
- **Operation, maintenance and expansion of the network:** exposure to term and price risks for the supply of critical materials for interventions and investments in the distribution network, whether due to evolutions in the COVID-19 pandemic, geopolitical reasons or insufficient supply for market demand causing disruption to the normal functioning of supplies and/or inflation on raw materials such as metal alloys, electrical or electronic equipment

3.2.3. Client Solutions and Energy Management

Financial Analysis

€

EBITDA
CLIENT SOLUTIONS AND ENERGY MANAGEMENT

€122m

-74% *VS.* 2020

EBITDA from Client solutions and Energy Management (thermal generation, supply and energy management), decreased 74% vs. 2020 to 122 million euros, impacted by:

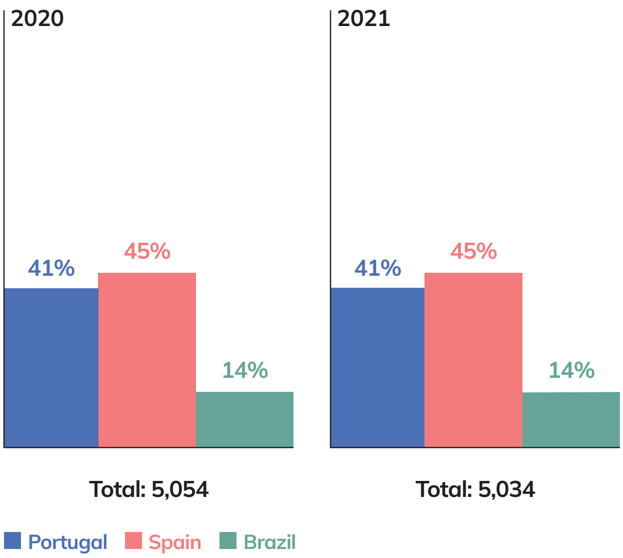
In Iberia, the tough YoY comparison vs. the very strong energy management results in 2020 aggravated by the adverse environment in 2021, penalized by the sharp increase in energy prices in the wholesale markets. This implied a significantly higher production and sourcing costs as well as a negative mark-to-market impact on gas hedging contracts.

In Brazil, the segment performance was penalized by an 8% depreciation of the Brazilian Real against the Euro, the poor performance of the trading division and a negative impact from coal, with no pass-through of the acquisition costs.

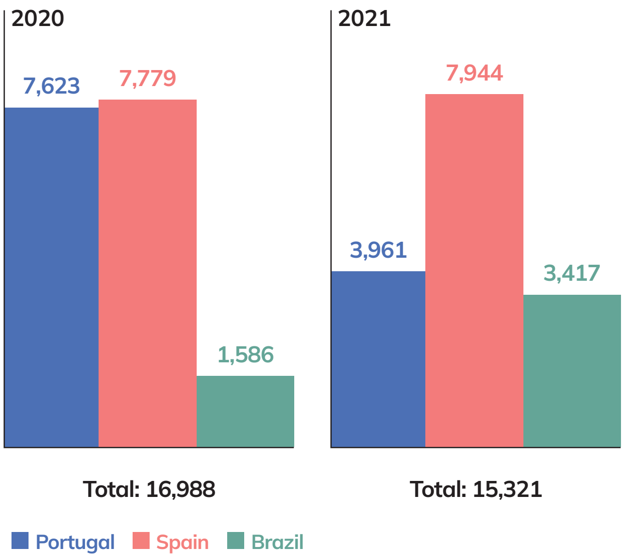
Operational Analysis

Thermal Generation

INSTALLED CAPACITY THERMAL (MW)



NET ELECTRICITY GENERATION THERMAL (GWH)



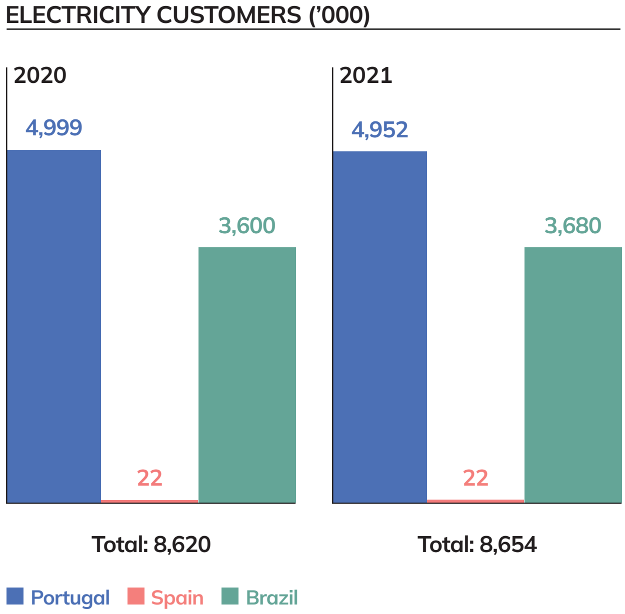
Iberia

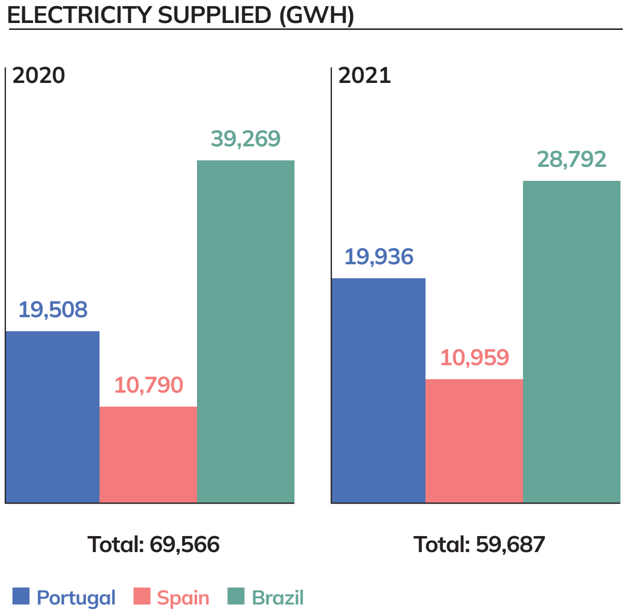
- The Iberian thermal generation portfolio has an installed capacity of 4.3GW, with most of the capacity being CCGT (67% or 2.9GW) and coal production (29% or 1.3GW). The remaining thermal capacity is divided between nuclear (0.2GW), cogeneration and waste.
- Thermal generation decreased 23% compared to 2020 (-3.5TWh), to 11.9TWh, reflecting the reduction of 0.8GW in installed capacity given the sale in Dec-20 of two CCGT plants (Castejón I & III) in Spain (that contributed with 1.6TWh generation in 2020), as well as the decrease in CCGT generation given the increase in gas and CO_2 prices in 2021. Coal and nuclear generation remained stabler.

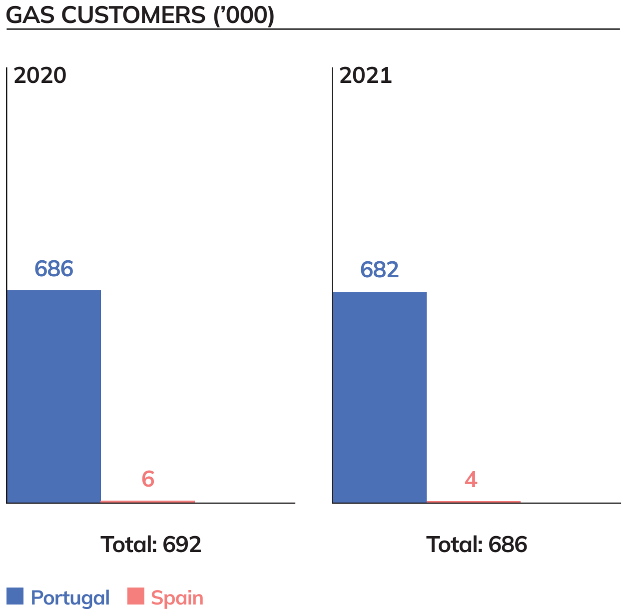
Brazil

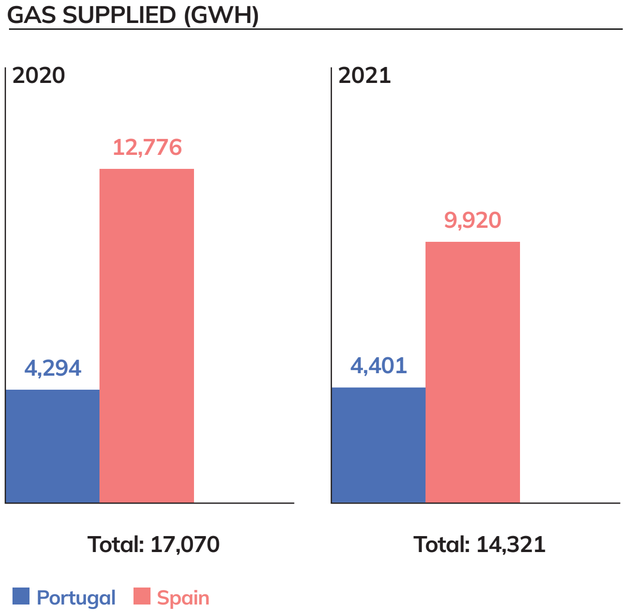
- In Brazil, EDP has 720MW of installed thermal capacity corresponding to Pecém plant.
- The average availability of the plant was 94% above the Reference Availability.

Supply









Iberia

- Client relationship has been at the heart of EDP action plan, which is why a strong importance has been given to quality improvements in our products and services provided, focusing on being alongside the customer making sure a proper assistance in a challenging global pandemic context. At the same time, one of EDP's vertical axes concerns the expansion of its value proposition through new services to keep on pace with the current and necessary energy transition. EDP has neem building a position of notoriety in the energy market, aiming to be an engaging and innovative company in which customers can relate. As a result of this commitment to customer relations, especially during the first full year of a global pandemic, EDP achieved an overall customer satisfaction level of 82% in 2021, above the 79% in 2020.
- In Iberia, EDP has increasingly reinforced its focus on the cross-offer of products and services integrating its energy products with service packages, in order to be able to offer greater value to its customers. In 2021, EDP continued its commercial footprint expansion with the acquisition of Enertel, an Italian provider of distributed solar.
- At the end of 2021, EDP Comercial's electricity customer portfolio reached 4 million customers with a volume of 17.7TWh of commercialized energy, an increase of 3% compared to 2020. In what concerns the gas sector, despite the slight decrease of 2 thousand customers, it is worth noting the increase in the volume of gas sold, which allowed EDP Comercial to close 2021 with a total volume of gas sold of 4.2 TWh (120 MWh above 2020).
- In Spain, excluding the B2C customer portfolio sold at the end of November 2020, electricity sales in the B2B segment increased by 30% to 11 TWh. In gas, sales increased to 10 TWh, a variation of 6% compared to 2020.
- In the services sector, the focus remained on innovating and offering new quality services and reinforcing its presence in more traditional services, in order to offer customers a diverse portfolio with energy efficiency, micro-generation, electric mobility and technical assistance solutions.
- Among the main traditional services, emphasis should be placed on “Funciona” portfolio, which grew by 16% to 535 thousand customers and “EDP Saúde”, which registered a total number of 191 thousand customers in Portugal, 41% more than in 2020.
- Regarding the commitment to new services, more focused on efficiency and energy transition, emphasis is placed on Solar B2C, which in Portugal registered an increase of 7 thousand installations of solar panels compared to 2020, to a total of 21.7 thousand; and in Spain there was an increase of 1.4 thousand compared to 2020 for a total of 2.2 thousand installed panels. Concerning Electric Mobility, one of the areas of strong growth, emphasis should be placed on the increase in charging points in Portugal to 1.3 thousand, an increase of 37% compared to 2020.

Brazil

- The volume of energy sold in 2021 totaled 28.8 TWh, a reduction of 37% when compared to last year. This reduction reflected the maintenance of high energy prices, as a result of the unfavorable hydrological scenario, and consequently, the low level of water reservoirs. A scenario that ended up favoring low volatility in the market, resulting in a reduction in the volume of energy transacted, also fueled by the maintenance of the portfolio protection strategy.
- The focus on distributed generation continues to mark the year in which EDP ended with 175 MWp in solar energy projects – 75 MWp already installed and 100 MWp contracted to be installed.

Risk outlook

- **Retail margin/ share:** uncertainty regarding the evolution of retail margin or loss of market share, supply of new products, and services.
- **Demand risk:** uncertainty, due to the emergence of the Omicron variant, regarding the potential repetition of extended lockdown periods that again has a profound impact of reducing demand and changing the consumption profile.
- **Macro risk in Brazil:** macroeconomic (namely in terms of the EUR-BRL exchange rate), social and political uncertainty with the 2022 electoral cycle.
- **Counterparty:** possibility of counterparties and customers defaulting on their obligations under energy sales and service contracts.

3.3. Share performance

Share

EDP's market price was 4.838€ per share at the end of 2021, 6.2% below the 5.156€ per share at the end of 2020. Based on the payment of dividends to shareholders held on April 26th, 2021 (0.19€ per share), which implied a dividend yield of 3.7% (considering 2020's year-end closing price), in 2021 EDP generated a total shareholder return (TSR) of -2.7%, assuming automatic reinvestment of the dividends received into new shares.

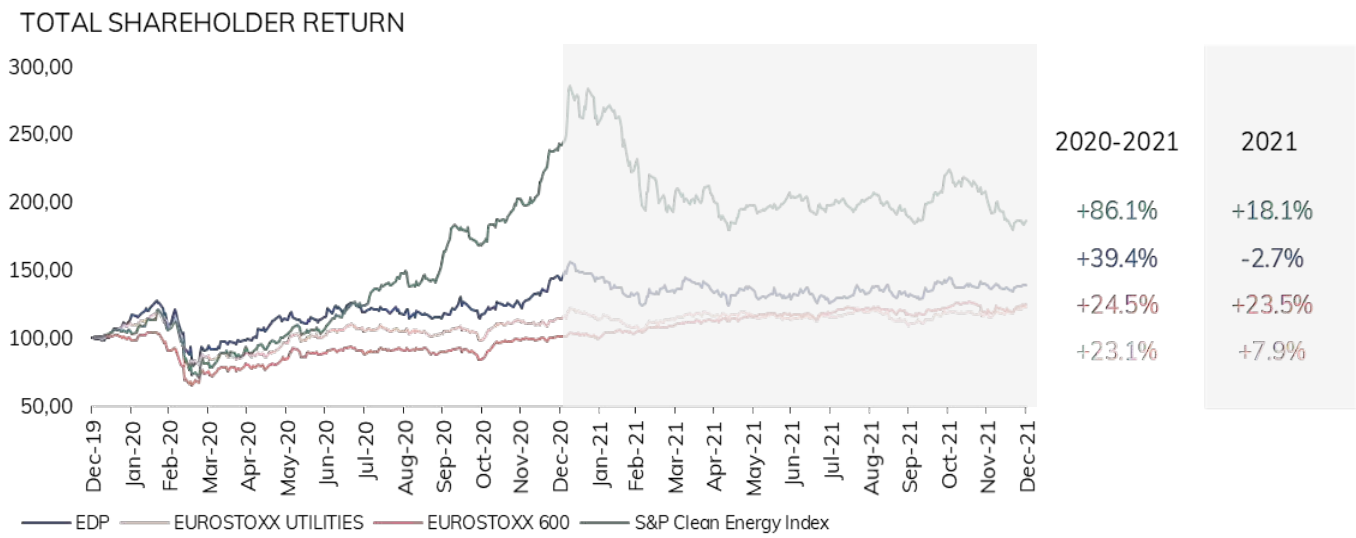
Market Performance

In 2021, European Equities benchmark index, Eurostoxx 600, yielded a TSR of +23.5% significantly impacted by the recovery of the economic outlook following COVID-19 initial lockdowns, with a strong fundamental story unfolding from a macroeconomic perspective, on the back of improved labour markets and continued fiscal and monetary support programmes. This effect was offset by surging inflation amidst global supply chain disruptions, mainly during 2021's second half.

The Utilities Sector underperformed the Eurostoxx600 and exhibited total return of +7.9% return in 2021 as investors' risk appetite recovered, shifting away from defensive stocks. Furthermore, several headwinds have limited the sectors' returns throughout the year, with supply chain bottlenecks resulting in soaring energy, carbon, gas and raw materials' prices, weak renewable resources and concerns on negative regulatory news flow.

In 2021, the global benchmark for clean energy-related businesses, S&P Global Clean Energy Index, registered a TSR of -23.1%, mainly driven by global congestions in supply chains, matched with weak renewable resources throughout the years. These factors have contributed to looming concerns on the sustainability of renewables' projects internal rates of return and speed of the energy transition, worsening the market sentiment towards this sector.

EDP's TSR of -2.7% in 2021 underperformed both European and Utilities benchmark Indexes and outperformed the S&P Global Clean Energy Index. Throughout the past two years, EDP has experienced a strong price performance, particularly in 2020's back end, as it delivered on its strategic goals while witnessing global support towards the energy transition, outperforming the Eurostoxx 600 and Eurostoxx Utilities. During 2021, we saw a correction of the sector's stellar performance, with the European energy crisis, weak renewable resources, supply chain concerns and negative regulatory news flow, raising uncertainties on the sector. However, despite the deteriorated market sentiment on renewables, EDP has moved forward on strategic targets execution through prudent investment criteria, reassuring sustainable returns and registering superior returns than the S&P Global Clean Energy.



Factors influencing the change in EDP share price

The performance of EDP's share price in 2021 was impacted by several factors. On one hand, the improvement of the macro situation on the back of the end of Covid-19's lockdowns led to a recovery of electricity demand as economies re-opened which caught supply chains unprepared. On the other hand, the execution and strong delivery of EDP's Strategic Plan growth targets in the first year of this plan.

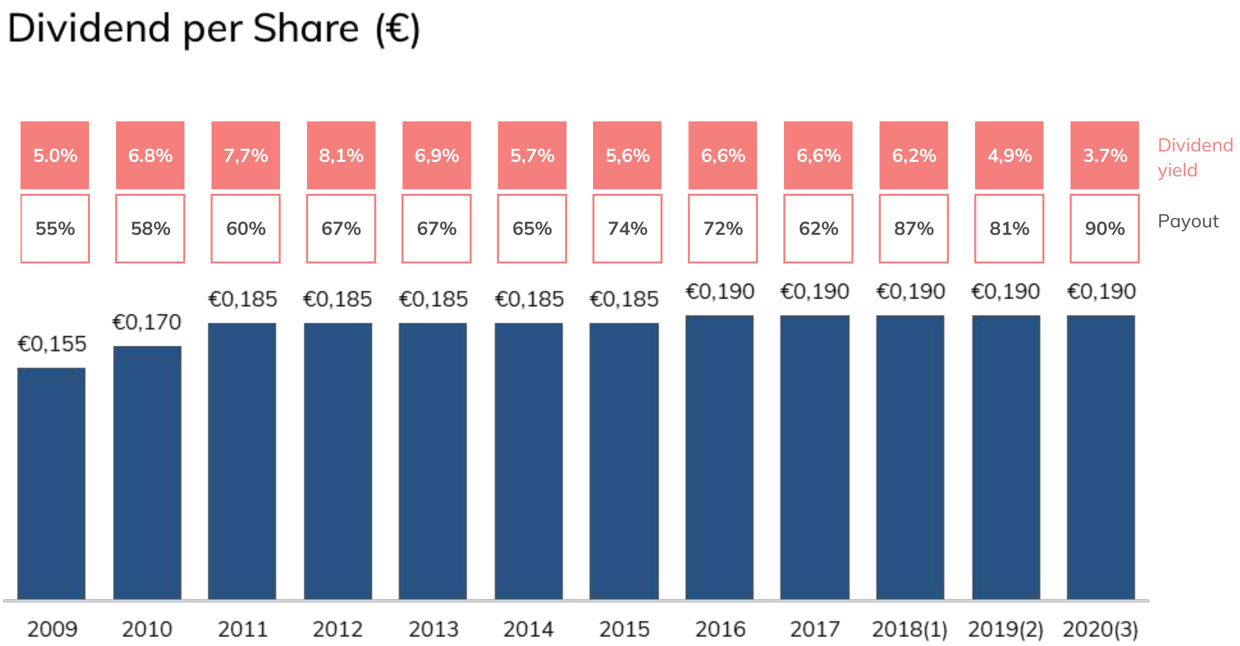
INTERNAL FACTORS	Accelerated Sustainable Growth	Focused Growth	↗	• In renewables, the addition of 2.6 GW during 2021 and securing 8.4 GW of long-term contracts for new renewables capacity, representing 75% of our target for 2021-2023. • In renewables, the entry on 12 different markets, reassuring EDP's status as a true global player, namely through EDPR's expansion to Asia. • In networks in Spain, the advanced integration of Viesgo, adding a total RAB of €1.8 billion (post-Lesividad). • In networks in Brazil, the acquisition of Celg-T, contributing with 756 km of line extensions.
		Portfolio Optimization	↗	• €2.8 billion of secured proceeds, corresponding to 35% of the 2021-2025 targets. • Portfolio reshaping in Brazil: Acquisition of Celg-T and asset rotation of 3 transmission lots to Actis, whilst developing negotiations to dispose 0.5 GW of net hydro capacity.
		Investment Strategy & Criteria	↗	• Roughly 90% of secured capacity with fully contracted or higher Capex already embedded in Investment decision. • Strong investment performance with IRR/WACC of ~1.45x, with an implied IRR to WACC spread of 300 bps.
		Debt Management	↗	• Issuance of three €750 million green hybrid bond in Jan-21, Sep-21 and Sep-21 at 1.88%, 1.50% and 1.88% yield, respectively, and repurchase of €0.14 billion, €0.11 billion, €0.14 billion and €0.26 billion, of 2022, 2023, 2023 and 2024 bonds, respectively, totaling €650 million, enabling a reduction of average financing costs. • Debt ratings upgraded by all three major rating companies, with Moody's improving EDP's outlook to positive and Fitch and S&P updating EDP's rating to "BBB" with stable outlooks.
	Future Proof Organization	Efficiency	↗	• 2% OPEX recurring reduction on a *like-for-like* basis, excluding growth in 2021.
	ESG Excellence		↗	• Reassured presence in S&P Global Clean Energy Index and leadership among electric utilities on the Dow Jones Sustainability Index after 2021's review. • Strengthening of EDP's share of renewable generation, reaching 75% of total output, and improved alignment with EU taxonomy.
EXTERNAL FACTORS	Covid-19 Pandemic		↗	• Economic re-opening post Covid-19 lockdowns led to a positive impact on electricity demand.
	Regulatory Environment	European Union	↗	• Higher visibility on member states' overall energy policy, focused on renewables on the back of the Green Deal. Approval of 2030 CO2 reduction target of -55%. • European Resilience and Recovery Funds of €0.75 trillion focused around the Green Deal and the energy transition
		USA	↗	• Important legislative measures under discussion, including 10-year extensions to tax credits for renewables projects
		Spain	↘	• Introduction and later retraction of the Spanish windfall profits clawback news flow, proposing to tax windfall profits associated with the surge of energy prices.
		Portugal	↗	• Smooth transition toward new Portuguese regulatory period and maintenance of end-user regulated electricity tariff, through a 52% decline of the grid access tariff. • Enhanced visibility on a 50% decline of the Portuguese Electricity System Debt, over the next year.
	Supply Chain		↗	• Bottlenecks throughout global supply chains have been responsible for strong inflationary pressures and delays.

	Energy Markets	CO_2		• The increase in the price of CO2 in the European market has been supportive to electricity wholesale prices, penalizing institutions with open natural short positions on energy and favoring renewable players.
		Gas Prices		• Sharp increase in gas prices contributed positively for the electricity wholesale prices in Europe, penalizing institutions with open natural short positions on energy.
	ESG Trends			• The rise of sustainable investing has increased the focus in companies that comply with ESG factors (Environmental, Social and Governance), like EDP.

Dividend

In the Strategic Update held virtually on February 25th, 2021, EDP reiterated its dividend policy, comprising a dividend floor of 0.19€ per share on the dividend going forward, which we delivered in 2021. The announced dividend policy dictates that the dividend should continue to evolve in tandem to earnings per share, within a payout ratio interval of 75% to 85%.

Accordingly, for the 2020 financial year the Executive Board of Directors of EDP submitted to the approval of the General Shareholders' Meeting of April 14th, 2021, a proposal for the allocation of 2020 profits, including 753.5 million euros to be distributed to shareholders in the form of dividends. The proposal was approved at the General Meeting and a gross dividend of 0.19€ per share was paid on the April 26th, 2021.



1) 2018 Payout based on Net Profit excluding regulatory impacts (-€208m), impairments at coal plants in Iberia (-€21m), restructuring costs (-€21m), net gain on disposals (+€64m), debt prepayment fees and others (-€26m) and the extraordinary contribution for the energy sector (-€65m).

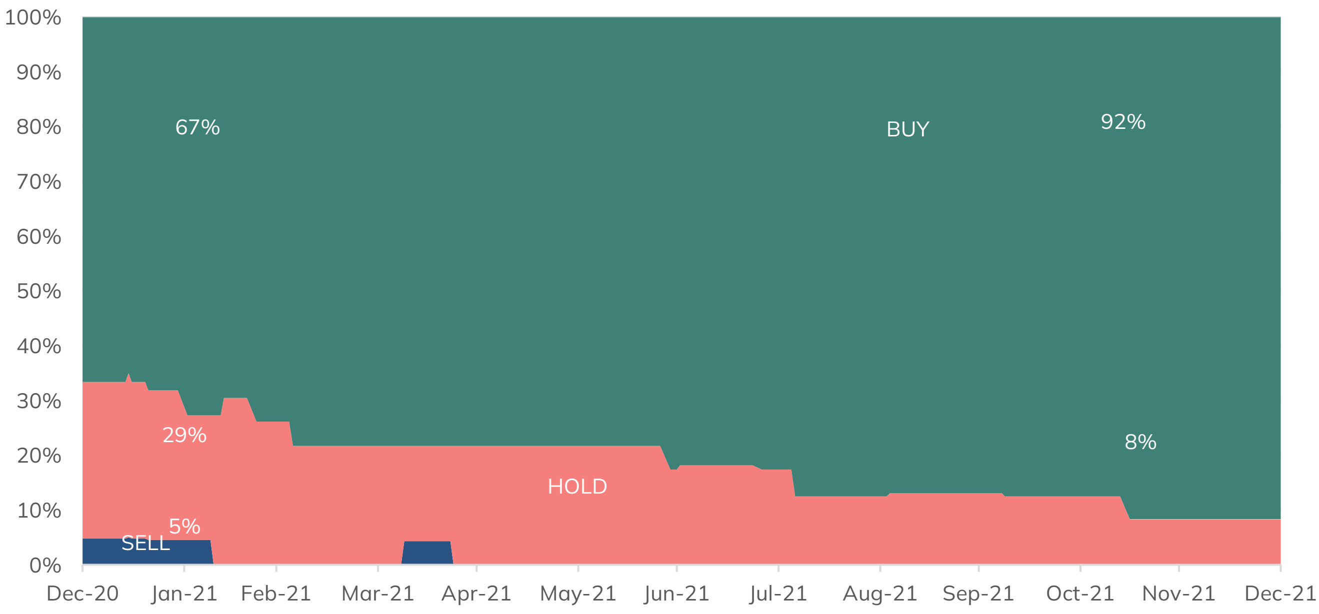
2) 2019 Payout based on Net Profit excluding impairments (-€224m), the provision for Fridão (-€59m), provision reversal at S. Manoel and the gain on the revaluation of Feedzai (+€28m), restructuring costs (-€8m), provision for the sharing of some gains with customers and gains following the change in medical plan of employees in Brazil (-€12m) and the extraordinary contribution for the energy sector (-€66m).

3) 2020 Payout based on Net Profit excluding the net gain from disposals and investments (+€325m), impairments (-€252m, mainly thermal in Iberia), liability management costs (-€55m), regulation related items and other (-€18m) and HR reestructuring costs (-€38m).

Analysts' Recommendations

There are currently 24 Equity sell side analysts with active coverage of EDP. During 2021, the weight of Buy recommendations by equity sell side analysts improved significantly to 92%, representing a 25 p.p increase, given the first quarter's unsupported sell-off, phase-out of negative Iberian regulatory news flow and smooth transition to the new Portuguese regulatory period. Hold recommendations decreased from 29% to 8%, whereas Sell recommendations decreased from 5% to 0%. The average Price Target as of December 31st, 2021, was €5.8 per share, according to Bloomberg, implying a 21% upside potential.

ANALYSTS' RECOMMENDATIONS

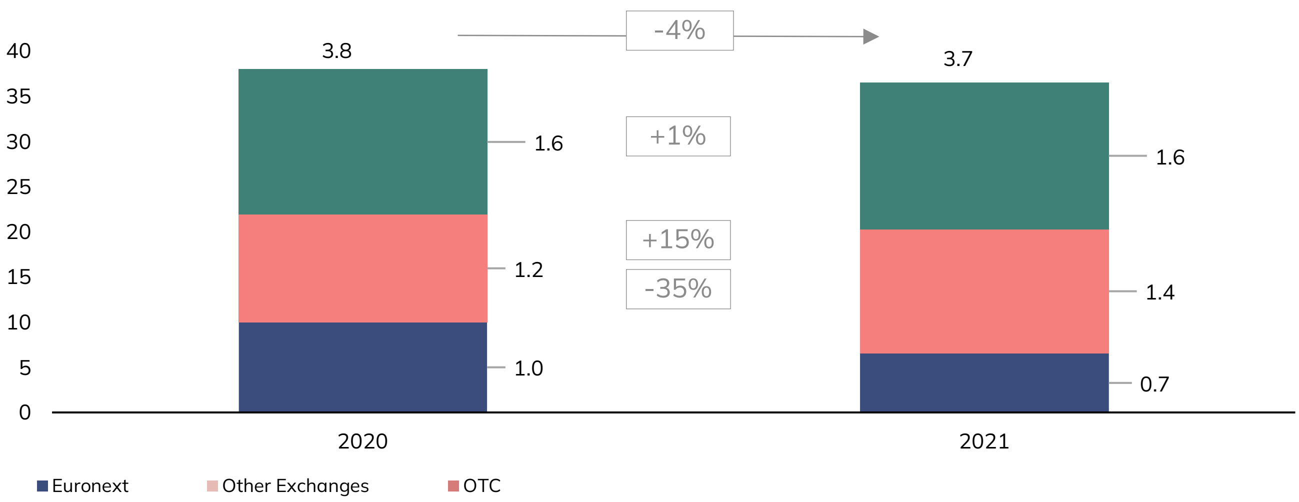


Fonte: Bloomberg

Volumes

EDP's ordinary shares are publicly traded not only in its main market (Euronext Lisbon), but also in other 27 stock exchanges (including Turquoise and Chi-X Europe) and 7 Over-the-Counter markets (including BATS Chi-X Europe and BOAT)

AVERAGE DAILY TRADING VOLUME PER TYPE OF MARKET IN 2021 (MILLION SHARES)



Fonte: Bloomberg

Markets and regulation

Fuels in the World and in Europe

The 2021 year was characterized by a **strong escalation on commodities prices**, mainly in the second half of the year, reflecting drivers such as economic recovery post-pandemic in a context of supply restrictions, and some climate phenomena at global level.

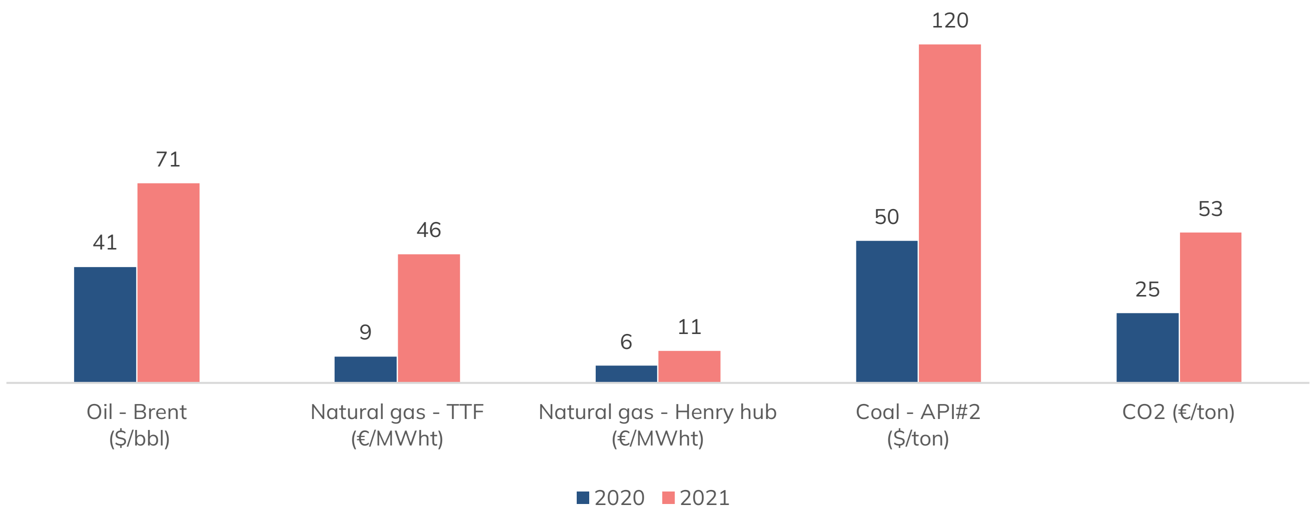
The **Brent** price gradually raised throughout 2021, reaching 74 $/bbl in December, which compares with 55 $/bbl in January. This raise is explained by the **increase in global demand for oil** (namely in Asia and in the United States), due to the economic recovery and, in the second half of the year, also due to some oil switching from gas in Asia. Furthermore, the first part of the year was characterized by **supply restrictions**, with the OPEC+ group not easing supply cuts that were in place since April 2020. Despite the fact that in the second half of 2021, these countries agreed to boost oil supply, it was still not enough to avoid the raise in prices. On average, the oil price in 2021 stood at 71 $/bbl, which represents a strong increase compared with 41 $/bbl as of 2020 average.

The **natural gas price in Europe** (TTF index) **reached record high levels in 2021**, with 111 €/MWht as of December average. Several drivers on the supply side contributed to this increase, namely the lower supply of gas coming from Russia by pipeline, lower production from the UK and Netherlands and liquified natural gas (LNG) restrictions -ex: Trinidad and Tobago, Nigeria, Norway and Peru-, which led to LNG deviation to Asian markets, backed on strong demand rise pushed by quick economic recovery, and to South America due to weak hydro resources. The reduction in supply contributed to **increasing concerns regarding the storage levels of gas in Europe**, which by the end of 2021 were much lower than the historical average. On top of this uncertainty, it is **the delay in the entry into operation of the Nord Stream 2 pipeline**, due to certification problems in Germany and the European Commission. On average, the TTF price stood at 46 €/MWht in 2021, which represents **an increase of almost 400% compared with 2020**.

In the United States, **the Henry Hub price** has almost doubled, to 11 €/MWht on the 2021 average. Still, it had a much more moderated evolution than TTF, due to limitations in the export of natural gas from this country, which means that this index is not such impacted by global dynamics in the natural gas markets.

The average **CO_2 price** also had a strong raise during 2021, from 33 €/ton in January to 80 €/ton in December average. This increase is mostly due to the **reinforcement of European decarbonization policies for 2030**, which necessarily imply a reduction in the future supply of CO_2 allowances. Additionally, the strong increase in the gas price benefits the relative competitiveness of coal plants, which in turn imply an increase in demand for allowances, with consequent increasing pressure in CO_2 prices.

FIGURE 1: ANNUAL AVERAGE PRICES OF FUELS AND CO_2



Source Reuters

Energy and Environmental Policy in Europe

In September 2020, as part of the Green Deal, the European Commission proposed the reduction of greenhouse gas emissions by at least 55% in 2030 vs. 1990 levels, which places the UE on the pathway of carbon neutrality by 2050.

In July and in December 2021, the European Commission released the "Fit for 55" package, which comprises a set of legislative proposals (including revision of current legislation and proposal of new laws), setting the base to reach the decarbonization target for 2030.

Some of the main legislative proposals include:

SUMMARY OF THE PROPOSALS

Emissions Trading System (ETS)	• Objective to **reduce emissions by 61% in ETS sectors in 2030 vs. 2005**, which implies to raise the linear reduction factor to 4.2% in phase 4 • **Inclusion of maritime transport** in the ETS • **Creation of a new ETS,** for the road transport and buildings sectors • **Creation of a "Social Climate Fund"**, to support vulnerable consumers (families and SME's) due to the increase in energy prices and the introduction of the new ETS in the road transport and buildings • 100% of the revenues from the Member States in the CO_2 auctions must be devoted to projects or policies related to the climate
Carbon Border Adjustment Mechanism (CBAM)	• New mechanism that allows the **taxing of CO_2 emissions in imported goods from outside the European Union**, related to goods from 5 sectors (electricity, cement, fertilizers, steel and iron and aluminum), to apply from 2026 onwards.
Renewable Energy Directive (RED)	• **Target of 40% renewables in final energy by 2030** (binding for Member States) • Creation of **sectoral targets** for renewables share: 49% in buildings by 2030, annual increase of 1.1. percentage points in the heating and cooling and in the industry, 13% reduction of carbon intensity in transports by 2030 • **Removal of barriers for renewables deployment**, namely for the rollout of PPA contracts and access to guarantees of origin • Introduction of a **credit trading mechanism in the transports sector**, under which economic operators that supply renewable electricity to electric vehicles via public charging stations will receive credits they can sell to fuel suppliers • Promotion of **renewable hydrogen**, with the creation of specific targets for the share of RFNBO (Renewable Fuels of Non-Biological Origins) in the industry and transports
Energy Efficiency Directive (EED)	• **Target of 36-39% energy efficiency by 2030** (binding for Member States) • Energy savings obligation of 1.5%/year in the 2024-30 period • **Fight to energy poverty**, with several measures to support vulnerable consumers through energy efficiency measures • Revision of the primary energy factor (PEF) to 2.1
Energy Tax Directive (ETD)	• **Energy taxation becomes based on the energy content and environmental performance** of the several energy products • **Enlargement of the taxable base**, by including more energy products and by removing some of the current exemptions and tax reductions

Effort Sharing Regulation (ESR)	• **40% target to reduce emissions in the non-ETS sectors in 2030 vs. 2005 in the European Union**, with distinct targets by Member States according to the GDP per capita
CO_2 standards for vehicles and vans Regulation	• All new **light-duty vehicles should be zero emissions from 2035** onwards
Alternative Fuels Infrastructure Regulation (AFIR)	• Definition of **targets for the expansion of public recharding stations** for electric and hydrogen vehicles, both light-duty and heavy-duty vehicles • Definition of common requirements about means of payment and prices
Legislative package for the gas and hydrogen markets	• Establishes a **market for hydrogen**, creating an adequate environment for investment and allowing the development of dedicated infrastructures • Easy the **access of renewable and low-carbon gases** to the existing gas network
Energy Performance of Buildings Directive (EPBD)	• Determines that from 2030 onwards, all **new buildings should be emissions zero**, target which is anticipated for 2027 for public buildings • Enlarges the situations where it is needed to have energy performance certificates

Iberian Peninsula

Macroeconomic context

2021 was the year of vaccination and economic rebound, but also brought a strong acceleration on prices and a crisis in the logistics and maritime transport. In this year, the **real GDP increased by 4.9% and by 5% year-on-year, in Portugal[1] and in Spain[2]** respectively, pushed by private demand from families and by private investment.

While in 2020, inflation was stagnant in the Euro Zone (+0.3%) and in negative territory in Portugal and in Spain, the 2021 year is marked by the **strong acceleration on consumer prices, with the inflation rate[3] reaching 2.6% in the Euro Zone in the average of the year, but with an escalation by the end of 2021, standing at 5% in December**. This is mainly driven by the prices of energy, which still were mitigated in many countries with extraordinary measures to contain the impact of the escalation of energy prices in the wholesale markets. On the average of the year, Portugal was the third country in the Euro Zone with the lowest inflation rate (+0.9%), while Spain was above the European average (+3%). Focusing on the prices at the end of 2021, Portugal had the second lowest inflation rate (2.8%), while Spain saw its prices accelerating 6.6% in December.

Regarding the **labor market**, the indicators are quite surprising, as the unemployment rate in Portugal is even slightly below the levels before the pandemic (6.3% in November-21 vs. 6.7% in November-19), with employed population reaching historical maximum. The scarcity of workforce in some sectors has increased pressure on wages, with a raise of 2.6% year-on-year in the third quarter of 2021. In Spain, there was a clear recovery in the indicators of the labor market during 2021, with the unemployment rate at 13.3% in the fourth quarter of 2021, below the pre-pandemic levels (13.8% in the fourth quarter of 2019).

Evolution of the power sector

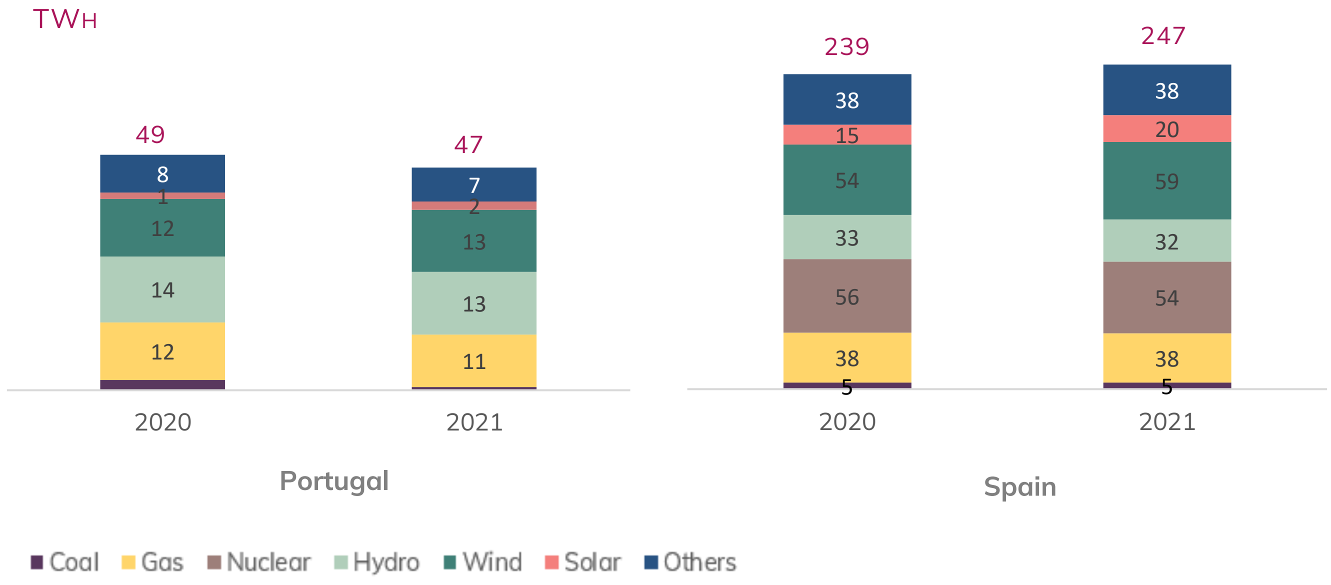
In 2021, the consumption of electricity in Portugal and in Spain increased year-on-year, reflecting the economic recovery from a particularly depressed 2020 year, but still fell short from 2019 levels.

- **Portugal:** Electricity demand increased 1.4% (+1.7% correcting for temperature and labor days), but was 1.7% below 2019 levels;

[1] "Instituto Nacional de Estatística" of Portugal
[2] "Instituto Nacional de Estadística" of Spain
[3] Eurostat

- **Spain:** Electricity demand grew 2.4% (the same figure if correcting for temperature and labor days), but was 2.8% short of 2019 levels.

FIGURE 2: ELECTRICITY GENERATION IN PORTUGAL AND IN SPAIN (MAINLAND)



Sources: REN, REE

Regarding the electricity generation mix in 2021, the main changes from the previous year are related with the **closure of coal plants in Portugal** (with the end of operations of Sines plant in January and of Pego plant in November) and with the **strong investment of photovoltaic solar in Spain**, with capacity increasing by 26% in 2021.

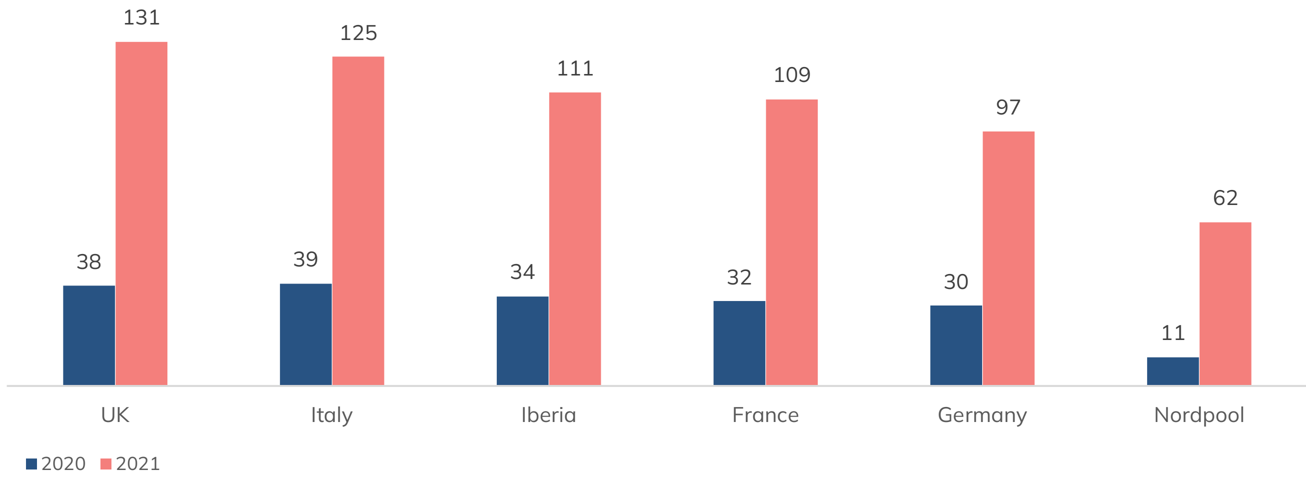
Globally, renewable generation supplied 59% of power energy in Portugal in 2021, with wind generation representing 26% of total and hydro with 23%. In Spain, renewables supplied almost 50% of electricity demand, a 10% increase in renewable generation year-on-year, pushed by the 3.8 GW increase in renewable capacity in the country.

In **Portugal**, in spite of the increased demand (+1.4%), electricity generation was 5.4% lower, showing that imports had to rise.

The **wholesale power prices in several European markets** had a strong increase throughout 2021, mostly reflecting the escalation in natural gas price, but also (in lower degree) the CO2 price. In Iberia, the average pool price was 111 €/MWh, aligned with the French market. It is worth noting that the average hides the huge volatility that occurred during the year, as the MIBEL average price fluctuated between the minimum of 28 €/MWh (February average) and reached historical high records in December (239 €/MWh average), having surpassed the 300 €/MWh threshold several times.

FIGURE 3: WHOLESALE POWER PRICES IN EUROPEAN MARKETS

€/MWh



Source: Reuters

Regulatory framework

Portugal

The most relevant legislative pieces released during 2021 are described below, being additional to the legal and regulatory framework already in place.

The Resolution of the Council of Ministers n.° 8-A/2021, published on February 3rd, approves the **Long-Term Strategy of Buildings Renovation** (ELPRE). The main roles of ELPRE include the improvement of the energy performance of the national building stock, aiming to reach by 2050 cumulative savings of energy primary of 34% and CO_2 emissions reduction of 77%, compared with 2018 levels, contributing for Portugal to reach its targets on energy and climate.

The Ministerial Order n°230-A/2021, published on October 29th, revokes the **interruptibility mechanism**, while establishing a transitory regime to extend the current contracts up to the end of 2021, since the alternative mechanism required the authorization from the European Commission with regard to State Aid procedures. The interruptibility mechanism was replaced by the implementation of the Regulation Reserve Band, approved by the Directive n°16/2021 from ERSE, of November 18th, producing effects from January 1st 2022, onwards.

On December 31st, the Law n° 98/2021 was published, defining the **Climate Basis Law**, aiming to reach carbon neutrality up to 2050 and with the possibility to analyze being anticipated to 2045, the latest. It establishes targets for reduction of GHG emissions (at least 55%), 2040 (at least 65-75%) and 2050 (at least 90%), in line with NECP 2030 and the long-term strategy. It also establishes some guidelines related with green taxation and energy transition matters.

On December 31st, it was published the Law n° 99/2021, which extends the application of the **Extraordinary Contribution over the Energy Sector** (CESE) for 2022, in the same conditions that were in force in previous years.

On January 14th 2022, it was published the Decree-Law n°15/2022, which establishes a **new organization and functioning of the National Electricity System** (SEN), where (i) 14 legal normative diplomas are consolidated into a single diploma; (ii) it is transposed the Directive of the Internal Electricity Market; (iii) it is partially transposed the Renewables Energy Directive; (iv) it is developed several matters that were lacking regulatory framework or changes. This decree-law applies to activities of generation, storage, selfconsumption, transmission, distribution, aggregation and supply of electricity, as well as to the logistic operation to change supplier and aggregator, the organization of the respective markets, the activity of emission of guarantees of origin, the activity of guarantees of SEN, the procedures that are applicable to the access to those activities and the protection of consumers. It does not apply to the activities of generation electricity through cogeneration and electric mobility.

Concerning the **power generation activities**, the Dispatch nº 866/2021, of January 21st, created a Working Group aiming to analyze potential benefits at local level from the transmission of the **Titles of Use of Hydro Resources** (TRH) regarding the following hydro plants: Miranda, Bemposta, Picote, Baixo Sabor and Foz Tua. The final report was presented in May 10th , 2021.

Within the scope of the competition balance mechanism ("**clawback"**) foreseen in Decree-Law nº 74/2013 of June 4th, changed by the Decree-Law nº 104/2019 of August 9th, the several legislative pieces were published:

- Dispatch nº 6398-A/2021, of June 29th, which suspends the application of clawback during the period between July 1st and September 30th 2021;
- Dispatch nº 9974/2021, of October 14th, which sets the final compensation to apply during 2020, considering ISP as the sole extra-market event – thus resulting in a value of 2.16 €/MWh for coal plants, 3.42 €/MWh for CCGT plants and 3.64 €/MWh for the remaining plants covered by the clawback regime;
- Dispatch nº 9975/2021, of October 14th, which suspends the application of clawback during the period between October 1st and December 31st 2021.

On November 27th, the Ministerial Order nº 686-A/2020 was published, concerning the **Just Transition Fund**, setting measures and actions to support workers and territories affected by the end of electricity generation from coal power plants, such as Sines power plant.

On December 23rd, the Ministerial Order nº 315/2021 was published, which suspends the update of the CO_2 added tax during January 1st to March 31st 2022. Thus, it remains at the same level of 2021, at 23.921 €/ton.

Regarding **renewable energy**, it is important to highlight the Resolution of the Council of Ministers nº 68/2021, of June 4th, approving the **National Strategy for the Sea** 2021-2030, and the Resolution of the Council of Ministers nº 120/2021, of September 1st, approving its respective Action Plan.

The Dispatch nº11740-B/2021, of November 26th, sets the opening of the procedure for the **third solar auction** (to attribute reserve of capacity to floating solar PV, that operate in hydro reservoirs). There will be a total of 263 MVA of capacity to be auctioned.

Concerning activities of **distribution of electricity**, to highlight the Dispatch nº 3759/2021, of April 13th, which extends the mandate of the Working Group to elaborate the procedure parts and the draft standard contract for the concession of the operation of the low voltage electricity distribution networks , created by the Dispatch nº 11814/2020, of November 30th, for more 4 months (until the end of July 2021). By the time of the publication of this report, these guidelines are not known.

On August 23rd, the Regulation nº758/2021 from ERSE was published (amended by the rectification statement nº813/2021 of November 16th), which approves the change in the **Tariff Regulation of the Electricity Sector**, aiming (among others) the update of the methodologies of regulation and calculation of the allowed revenues of regulated companies to be applied in the new period of regulation, that begins in 2022 and ends by 2025, having its parameters of regulation being defined in the document "Tariffs and Prices of Electricity Energy and Other Services in 2022 and Parameters for the Period of Regulation 2022-25", published by ERSE on December 15th. Regarding the distribution of electricity, it is important to highlight the enlargement of the application of regulation by incentives to the revenue cap type to the total controllable costs of distribution in HV and MV, along with the introduction of a mechanism of sharing of gains and losses of efficiency between the DSO and consumers. It is maintained the mechanism of indexation of the remuneration rate to the evolution of the yield of 10-years treasury bills (OT) of the Portuguese Republic, establishing as the starting point a rate of 4.7%, which corresponds to an average OT of 0.302%. Furthermore, the formula to compute the allowed revenues of the Last Resort Supplier is changed, now including a component for the costs of capital, using the same rate of the activity of electricity distribution.

Still regarding **electricity supply activities**, to highlight the Ministerial Order nº 6/2021, of January 6th, which extends the deadline for the right of final clients to choose a tariff equivalent to the regulated or transitory tariffs, from a supplier in the liberalized market, up to December 31st 2025.

On May 5th, the Regulation nº 373/2021 from ERSE was published, defining a **new regime for self-consumption and for renewable energy communities**, thus revoking Regulation nº 266/2020, from ERSE, of March 20th.

The Directive nº 11/202,1 from ERSE, of June 21st, approves the **update of the Electricity Tariff** by 5 €/MWh, due to the increase in wholesale power prices, becoming effective from July 1st 2021. Furthermore, Directive nº 15/2021 from ERSE, of September 28th, approves a new update of the Electricity tariff by 5 €/MWh, again explained by the increased wholesale prices, becoming effective from October 2021, onwards.

The Dispatch nº 10376/2021, of June 22nd, extends the deadline previously established in the nº1 of Dispatch nº 6453/2020, of June 19th, about the conditions for the **exemption of levies related to the costs of general economic interest** (CIEG), for self-consumption and renewable energy communities, which use the public power grid and obtain the conditions for the exercise of its activity until the end of 2022.

On June 30th, the Ministerial Order nº138/2021 was published, defining the methodology to compute the remuneration rate of the special regime deferral, as well as a profit-sharing mechanism with electricity consumers is also enshrined. .

Due to the increasing wholesale power prices, it was published the Regulation nº 951/2021, from ERSE, of November 2nd, adopting new measures to ensure higher flexibility in supplier activities, avoiding additional costs and risks for the energy consumers and, in parallel, prevent any eventual problems with the exit of suppliers in the liberalized market.

In the context of **COVID-19 pandemic**, a set of legislation was approved, aiming to adjust the activities of the energy sector to the new reality, defining **measures to protect consumers and to establish procedures of continuity of activities**, namely:

- Decree-Law nº 6-E/2021, of January 15th, establishing mechanisms of support in the context of the State of Emergency, such as the extraordinary support to consumers that benefits from the Social Tariff, due to the general lockdown, and to all residential consumers with contracted power equal or lower than 6.9 kVA, due to a period of very low temperatures.
- Regulation nº 180/2021 from ERSE, of March 2nd, which, given the continued pandemic context, sets exceptional measures to support consumers, such as rules for the payment of energy bills by tranches.
- Decree-Law nº 56-B/2021, of July 7th (afterwards, changed by Decree-Law nº70-A/2021, of August 6th), which establishes, among others, the prohibition to suspend the supply of essential services (such as electricity and natural gas) up to December 31st 2021, with effects from July 1st 2021, for consumers that suffered from unemployment, a decrease of at least 20% in their income or from COVID-19 infection.
- Regulation nº 836/2021 from ERSE, of September 7th, which extends the exceptional measures of supply of energy up to December 31st 2021, thus extending the measures defined in Regulation nº 180/2021 from ERSE.
- Decree-Law nº 119-B/2021, of December 23rd, forbidding the suspension of the supply of essential services until March 31st, 2022, again for consumers that suffered from unemployment, a decrease of at least 20% in their income or from COVID-19 infection.

Regarding the **electricity sector tariff debt**, the tariffs foresee an *ex-ante* debt by the end of 2021 of €1,709 million, which corresponds to a reduction of €1,048 million compared to the debt amount at the end of 2021. An annual reduction of the tariff debt total amount has been observed since 2015, year which it reached its peak, according to the sector's sustainability target.

Spain

Given the escalation in energy prices that occurred in the second half of 2021, some relevant measures have been adopted by Government in order to reduce the impact of energy costs on consumers, mainly:

- the **reduction of Value Added Tax** for electricity bills of certain customers from 21% to 10% and the suspension of the 7% tax on the value of electricity production, both measures established through the Royal Decree-Law 12/2021 in June;

- the introduction in the wholesale and retail electricity and natural gas markets of certain exceptional measures through Royal Decree-Law 17/2021 and Royal Decree-Law 23/2021 in September and October, respectively: (i) **reduction of the Special Tax on Electricity** from 5.1% to 0.5%; (ii) introducing a **mechanism to reduce the alleged over-remuneration** of certain facilities due to the marginal cost price setting of the energy market; (iii) new type of **long-term power purchase auction** and (iv) measures to extend **protection to vulnerable consumers** like increases the discounts of the electricity social bond from 40% to 70% for severe vulnerable consumers and from 25% to 60% for the remaining vulnerable consumers and prohibition of cut off of the electricity supply.

Regarding other regulatory developments published during 2021, at the beginning of the year was approved the Circular 1/2021 of CNMC, regarding the methodology and conditions of **access and connection to the electricity transmission and distribution networks** by electric power producers.

Likewise, the Government completed the **regulation of electricity charges** (that are aimed to finance other costs of this sector, namely the ones from the energy policies) with Royal Decree 148/2021 and Ministerial Order TED/371/2021. Regarding gas charges, the Government also published the Ministerial Order TED/1023/2021.

In May 2021, the Spanish Parliament approved a **law on climate change and energy transition** (Law 7/2021), which will bring the country into line with the EU's goal to become carbon neutral by 2050. As an intermediate target, the law targets to cut emissions 23% by 2030, compared with 1990 levels. Regarding the renewables' sector, the law foresees a reform of the electricity sector aimed at fostering: (i) the participation of consumers in the markets including aggregation and demand response and (ii) investment in variable and flexible renewables, distributed generation and energy storage among others. A fiscal reform is also foreseen focused on green taxation.

In December, the Government released a proposal for the future law that will create the ***Fondo Nacional de Sostenibilidad para el Sistema Eléctrico*** (Power System Sustainability Fund), which aims to alleviate the electricity sector from the costs coming from the feed-in-tariffs of renewables, cogeneration and waste (RECORE). With this future law, which is expected to come into force throughout 2022, RECORE will be financed by consumers of electricity, natural gas and petroleum products.

In addition, by the end of the year, CNMC has published the Informative Circular 8/2021 requesting information from electricity distribution companies for the supervision and calculation of the remuneration of the activity, that sets the regulatory framework of that activity and the properly implementation of the Circular 6/2019.

Markets for EDP's renewable energy activities

Evolution of renewables in the World

Wind

Global wind additions are expected to remain strong in 2021[4], with analysts[5] **forecasting around 81-93 GW of new capacity**. If confirmed, total additions would probably slightly drop from the record-breaking installations seen in 2020 (93 GW), but considerably above the average of the last 5 five years.

In 2021, the **offshore wind sector continued on its astonishing growth trajectory**. While analysts were forecasting around 11-14 GW of new installations worldwide, China reported that the country alone had commissioned 16.9 GW of new offshore capacity, which represents nearly half the world's total installed capacity in 2020YE. Therefore, worldwide offshore wind installations could amount to more than 20 GW, meaning that around 15-20% of total wind additions could have been offshore (the largest share ever). China remains the largest offshore market, as 16.9 GW were installed in 2021, reaching a cumulative total offshore capacity of around 27 GW. Other large markets include Vietnam (~0.7 GW commissioned), Netherlands (~1.1 GW) and Denmark (~0.6 GW). In total, around 55 GW of offshore wind could be operating worldwide.

[4] At the time of preparation of this report, final data from the Global Wind Energy Council (GWEC), the American Clean Power Association (ACP) or Wind Europe, had not been released

[5] Experts consulted include: GWEC, IHS Markit, Bloomberg New Energy Finance, Wood MacKenzie, IEA, Wind Europe and American Clean Power Association, among others.

Overall, **China has connected 48 GW of wind (and therefore, around 50% of worldwide wind additions)**, according to the National Energy Administration. It remains the largest onshore wind market and has also become the largest offshore wind market, overtaking the UK.

In **Europe, 2021 could prove to be a record year in wind installations**. According to Wind Europe[6], new wind facilities could account to 19.5 GW, mainly due to the high amount of projects that had suffered delays from the pandemic. 2021 could also prove to be a good year for offshore wind installations, with around 2-4 GW forecasted. Germany and Sweden are expected to remain the largest onshore markets, while Netherlands, Denmark and the UK could show positive offshore results. In Spain, wind became the leading energy source, overtaking nuclear and covering around 23% of total generation.

In **the US, renewables dominated new generating capacity additions** in 2021. According to the American Clean Power Association, 7,248 MW of wind were installed in the first nine months of 2021. Latest data show that the cumulative wind power capacity amounts to 129 GW. In addition, the wind industry currently has around 40 GW of wind projects in the pipeline, of which 14 GW correspond to offshore wind projects, suggesting that the offshore sector is set to take off.

Solar PV

2021 is on course to break a global record for solar PV growth. According to the International Energy Agency (IEA), **nearly 160 GW of new solar facilities could have been connected**[7], despite skyrocketing commodity prices and supply chain disruptions. With those additions, nearly 900 GW of solar PV could be operating worldwide. The IEA stresses that Solar PV, the so-called "new king of the world's electricity markets", is becoming increasingly competitive. Other analysts consulted are forecasting 2021 additions ranging 145-183 GW and most of them believe that the 200 GW landmark could be surpassed as soon as in 2022. Utility-scale projects are expected to remain the engine of growth (in 2021, they represented around 60% of total solar PV additions).

China remains the largest solar PV market worldwide, with around 53 GW[8] of solar PV installed in 2021, well above the previous year one (48.2 GW). The cumulative solar capacity reached 306 GW at the end of 2021, according to the latest data of the National Energy Administration (NEA). Other major markets in Asia include India (11.3 GW expected in 2021), Japan (6.1 GW) and Republic of Korea (4.1 GW).

According to preliminary estimations provided by Solar Power Europe, **the European Union could have added 25.9 GW of new solar PV capacity**, becoming the best year in history. As in 2020, Germany was again Europe's major solar market in 2021 with 5.3 GW of newly installed capacity, followed by Spain (3.8 GW), the Netherlands (3.3 GW), Poland (3.2 GW) and France (2.5 GW).

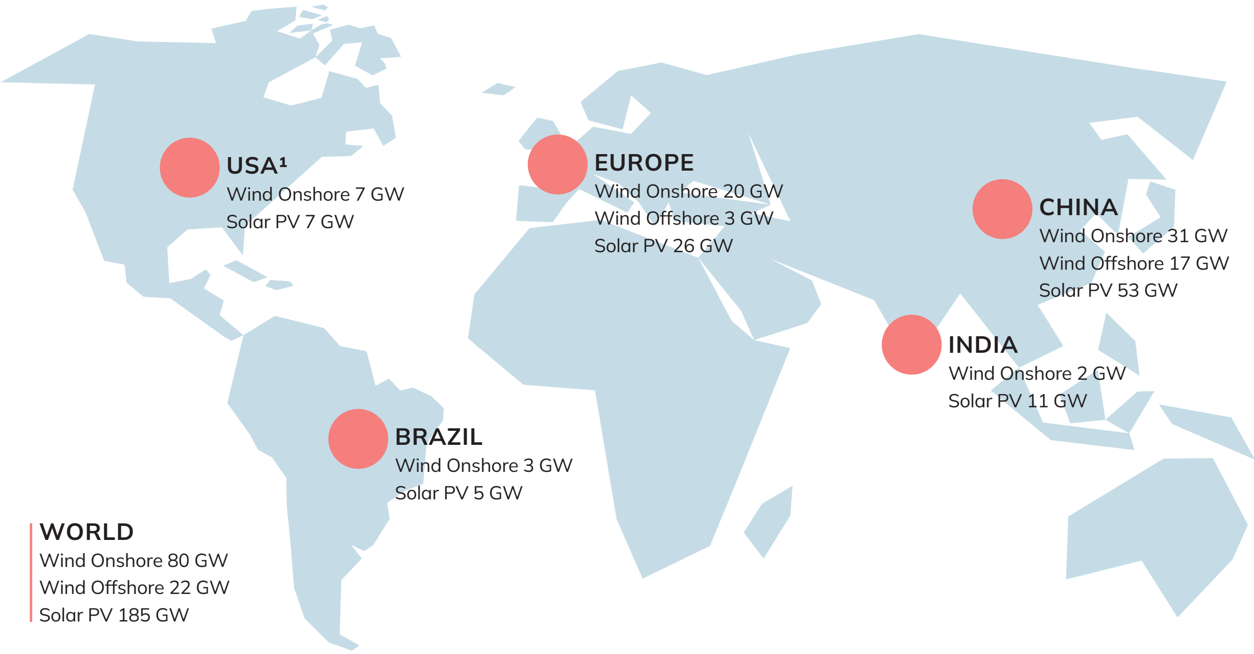
In the US, 6.8 GW of solar PV capacity was installed in the first three quarters of the year, 18% more compared to the same period in 2020. With that, total solar installed capacity amounts to more than 54 GW. California is the leading solar State with more than 14 GW of installed capacity. Solar also accounts for the largest share of development activity, with nearly 60 GW of projects in the pipeline. In the American continent, other important markets are: Brazil (4.8 GW), Mexico (2.5 GW) and Chile (1.7 GW), according to IEA preliminary forecasts.

[6] Wind Energy in Europe Statistics, 2020

[7] "Renewables 2021", published in December 2021

[8] According to the National Energy Administration

MAP WITH WIND AND SOLAR CAPACITY ADDITIONS IN SOME REGIONS OF THE WORLD



1 — US data refers to the third quarter of 2021.

Regulatory framework

Spain:

The first auction under the new auction framework (set by RD 960/2020) was held on 26 January 2021. In total 3,034 MW were awarded: 2,036 MW of solar PV projects (at an average price of 24.47 €/MWh) and 998 MW of onshore wind (at an average price of 25.31€/MWh). Winning bids were awarded 12-year power purchase agreements (PPAs).

The **second renewables auction of 2021** was held on October 19, awarding 2,258 MW capacity for onshore wind projects (at an average price of 36.68€/MW) and 866 MW solar PV (at an average of 31.65€/MWh) to the winners.

Portugal:

DL 35/2013 introduced the tariff extension regime for wind producers: in exchange of 5.8 k€/MW payment from 2013 to 2020, producers were entitled to enter a cap and floor regime of 74 and 90 €/MWh during seven years once the initial tariff is exhausted. Both payments and cap and floor values were subject to indexation:

- From 2023 to June 2020 based on the Kn factor, which envisages an annual adjustment for the difference between CPI and 2%
- After June 2021 with CPI, applied over the reference value

So far, ERSE has applied literally the indexation formulas, that is, individually on each year, without cumulation. Dispatch n.º 6304/2021, published in June 2021, set that kn shall be applied on a cumulative basis, meaning that in 2020 the initial floor value of 74 €/MWh would change to 66 €/MWh. The Dispatch mandated ERSE to regularize payments and to apply the new methodology from July 2021 onwards.

France:

In April 2021, the Energy Regulator (CRE) released the **new set of rules ("Cahier des Charges") that will govern auctions from 2H 2021 until 2026**. According to the document, there will seven types of tenders for a total of 34 GW of new renewable capacity, including: (i) ground-mounted solar PV, (ii) building-mounted solar PV, (iii) onshore wind, (iv) hydro, (v) innovative solar, (vi) self-consumption and (vii) technology neutral tenders. Winning projects will be supported by 20-year CfD

Italy:

The Italian government released the so-called "**Decreto Semplificazione**" in May 2021 and was officially converted into law in July. The Decree seeks to simplify administrative procedures (in particular, regarding public procurement and concessions). It defines the regulatory framework aimed at simplifying and facilitating implementation of the goals and objectives established in its "National Recovery and Resilience Plan" and in its "National Energy and Climate Plan". It also rationalizes the role of the Minister of Culture, whose opinion would not be binding in locations outside protected areas, and it provides a series of measures aimed at streamlining the obtention of the VIA (environmental authorization).

The Italian energy agency (GSE) conducted in September 2021 the **7th clean energy auction** for projects with capacities above 1 MW, allocating 594 MW of renewable projects. The auction was undersubscribed as the government had initially planned to award 2 GW of new projects. In total, 298 MW of solar and 296 MW of wind were awarded. All developers offered a discount ranging from 2-2.6% from the auction ceiling price of 70€/MWh.

UK:

In September 2021, the Department for Business, Energy and Industrial Strategy (BEIS) formally announced the **Fourth Allocation Round ("AR4") of the CfD scheme**, that opened in December 2021 with a target of 12 GW of capacity set to receive £285 million of support. Offshore wind will be supported by £200 million (in 2012 real terms), including £24 million ringfenced for floating offshore wind. Solar PV and onshore wind will be included in the scheme for the first time since 2015, supported by £10 million and with a cap of 3.5 GW per technology or 5 GW together.

Poland:

In February 2021, the Polish Government announced the approval of the "**Poland's energy policy until 2040**", which is based on 3 pillars: a just transition, a zero-emission energy system and a good air quality. According to the document, in 2040, zero-emission sources will constitute more than half of the installed capacity, with special focus on offshore wind and nuclear power plants. In the adopted assumptions, the use of coal for electricity production is expected to drop to 37% in 2030 (being the current level 70%) and 28% in 2040.

After months of consultations, the **offshore wind law** was finally published in February 2021. The law set the regulatory framework for the development of offshore wind energy in the Baltic Sea. The regulation approved a new remuneration scheme for offshore wind, that will be introduced in two phases. In the first one, support will be granted by administrative decision (for a total of 5.9 GW). Then, in a second phase, support will be granted via competitive auctions, with the first auction taking place in 2025.

A new **renewable auction** was held in June 2021, awarding CfDs to 1.2 GW of solar PV and 0.3 GW of onshore wind.

In December 2021 another auction was held. It was awarded to 570 MW of PV and 460 MW of onshore wind at an average price of 228 PLN/MWh.

Greece:

The latest **renewable auction** was held in May 2021, for both wind and solar PV although all the available capacity was win by solar PV projects (350 MW).

The European Commission approved in November 2021, under EU State aid rules, a **€2.27 billion Greek scheme for the production of electricity from renewable sources and high efficiency combined heat and power** (CHP). This approval came after Greece notified the Commission of its intention to approve a new scheme to support electricity for renewable sources. For both onshore wind and solar installations, support will be awarded through a joint competitive tendering procedure (although separate auctions are also envisaged in case targets are not met). Winning projects will be awarded two-way contract-for-difference contracts. The scheme is expected to start in March 2022 and will be opened until 2025.

Romania:

On 29 October 2021, the Romanian Parliament Endorsed Law 259/2021, which approved and put into action Government Emergency Ordinance 118/2021. The Ordinance immediately came into force on 1 November. It contains measures to alleviate the burden of the current rise in energy price such as direct financial support and a reduction of taxes paid by end-consumers. Also, the Law includes a **windfall tax for electricity producers**: until 31 March 2022, the additional income obtained by electricity producers and resulting from the difference between the average monthly selling price of electricity and the price of RON 450/MWh will be taxed at 80%. However, this tax only applies to CO_2-free generation facilities and will not apply to producers of electricity based on fossil fuels, including cogeneration.

Brazil:

On March 23rd, 2021, ANEEL published the rules to compensate the **lack of wind generation due to grid curtailments** caused by systemic electrical limitations. The regulation for solar plants is expected for 2022.

On December 6th, 2021, ANEEL published the normative resolution for the implementation of **hybrid power plants**, allowing potential synergies in terms of grid costs and energy production. In the same month, MME announced the regulated auctions scheduled for the next three years by means of Portaria MME nº 32/2021. A A-4 new energy auction will take place in May 27th,2022 starting supply as of January 1st 2026.

US:

In 2021, Democrat Joe Biden was inaugurated as President and the 117th Congress was inaugurated with Democratic majorities in both the House & Senate. Prior to the election, both President Biden and key members of Congress had indicated a willingness to pass **meaningful climate legislation** including, but not limited to, new tax credits for renewable energy and transmission, national targets for clean energy, funding for electric vehicles, and other various proposals.

In November 2021, **Congress passed the Infrastructure Investment and Jobs Act**, which fulfilled some of these proposals - including funding for grid upgrades, certain demonstration projects of renewable energy and storage, clean hydrogen production hubs, and electric vehicle charging stations.

Also in November 2021, the US House of Representatives passed a version of **the "Build Back Better" bill** which included, among other things, tax credit extensions for renewable energy and storage. However, negotiations around this legislation stalled in the Senate - leaving the future of this legislation unclear.

Canada:

In August 2021, Prime Minister Justin Trudeau called a **snap Federal election** for an election date of September 20th, 2021. After a 36-day campaign, Justin Trudeau's Liberal party added two seats to its previous totals. In terms of energy policy, the election results effectively solidified the Liberal party's ability to **continue increasing federal carbon prices** towards a goal of $170 CAD/ton by 2030. As currently configured, the tax is set at $50/ton in 2022 and slated to increase by $15/ton each year until 2030.

Mexico:

In March 2021, a **modification of the *Ley de la Industria Eléctrica*** ("LIE") proposed by Mexican President Andres Manuel López Obrador passed through both houses of congress where his MORENA party holds majorities. The law prescribes dispatch not on an economic basis, but rather prioritizing capacity owned by *Comisión Federal de Electricidad* ("CFE"), the state-owned electric utility of Mexico. On March 19, 2021, a federal judge granted an indefinite suspension of the LIE modification, protecting all participants in the market from its implementation.

On October 1st 2021, President Andrés Manuel López Obrador introduced to the Chamber of Deputies a bill to overhaul the electricity sector through a constitutional reform. The electricity reform contemplates the policies including cancelling all generation permits granted to private electricity companies, establishing a minimum market share of 56% for CFE in generation and distribution, eliminating the Energy Regulatory Commission ("CRE") and the independent system operator National Center of Energy Control ("CENACE"), and transferring their faculties to CFE. Anticipating that the opposition will reject the initiative, the President stated that he would present it anyway because it is important that “the people know that if the CFE is to be strengthened it cannot struggle with unfair competition from private foreign companies”. It is broadly expected that this initiative will be rejected by the opposition.

Brazil

Macroeconomic context

In Brazil, as well as in other geographies previously described, the 2021 year was marked by the recovery from the global shock caused by COVID-19 pandemic in 2020. From January to September 2021, **GDP[9] increased by 5.7%** in the relation to the same period last year. In this period, industry (+6.5%) and services (+5.2%) had a positive growth, while agriculture fell by 0.1%.

Despite the supply chain disruptions and lack of raw materials that has been observed during 2021, there was an **expressive growth of the industrial[10] output**. From January to November 2021, industrial output rose by 4.7% year-on-year, with positive results in all large economic categories, 18 out of 26 branches and 65% of the 805 products surveyed.

The increase in social mobility, due to the easing of lockdown restrictions, fueled the **growth of the services[11] sector**, with a 10.9% rise in the first eleven months on 2021, compared with the same period of the previous year. The main contributions came from the transports, ancillary services to transports and post mail (15.1%) and information and communication (9.4%).

The **retail[12] services** also benefited from increased social mobility, with a cumulative increase of 2.6% up to October 2021.

Nevertheless, there was an **escalation of inflation[13]** (driven by the increased oil prices, dollar appreciation and hydro crisis in Brazil), which posted a 10.06% growth at the end of 2021, which is becoming an increasing concern that could limit economic recovery.

Focusing on the **labor market**, the average real income fell on the quarter, standing at R$ 2,449 at October 2021, the lowest value of the whole historical series that began in 2012. Still, the unemployment rate (12.1%)[14] was reduced by 1.6 p.p., in the moving quarter from August to October 2021, when compared with the quarter from May to July 2021 (13.7%) and by 2.5 p.p. if compared with the same moving quarter of 2020 (14.6%).

Regulatory framework

The 2021 year was marked by the effects from the pandemic and from the hydro crisis, the worst one of the last 91 years. Additionally, there were some developments in key measures considered as structural by the sector.

Worth noting that as of January 1st 2021, the short-term price (PLD) comes into effect in an hourly basis, after two years of shadow operation, and thus replacing the previous weekly PLD. Although, since the previous year, the ONS has been operating based on the new dispatch model results, just in 2021 the hourly PLD became effective for the purpose of commercialization.

The main regulatory topics of 2021 to highlight are:

(i) Provisional Measure 1031/2021 – Eletrobras privatization

On February 23rd, the Federal Government released the Provisional Measure 1031/2021, which addresses the privatization of Eletrobras. In summary, the privatization will occur by an increase of capital, which could be accompanied by a secondary stock offer, if the operation does not reach the necessary level for the loss of control of the company. Furthermore, the Provisional Measures brings other highlights:

- Application of 50% (instead of one-third) of the resources to be paid to CDE for the tariff;
- 30-years extension of the hydro concession of Tucuruí;
- Authorization for new concessions of generation plants in 30 years, removing plants that are under the quotas regime, and forbidding the mechanism of sharing of hydrological risk.

[9] "Instituto Brasileiro de Geografia e Estatística" (IBGE). Quarterly national accounts. July/September 2021.
[10] IBGE. Monthly Survey of Industry - Physical Production. November/2021
[11] IBGE. Monthly Survey of Services. November/2021
[12] IBGE. Monthly Survey of Retail. November/2021
[13] IBGE. National System of Consumer price indexes IPCA and INPC – December/2021.
[14] IBGE. Continuous National Household Sample Survey. November/2021

(ii) Provisional Measure 1055/2021 – Creates the "House of Excepcional Rules for Hydro management" (CREG)

On June 28th, the Federal Government published the Provisional Measure 1055/2021, which created the CREG. Its main responsibility is to adopt measures, from the definition of inter-ministerial group, to ensure the supply of electric energy in the country, due to the hydro crisis and consequent low storage levels in the reservoirs of hydro plants. The roles attributed to CREG are:

- To define mandatory guidelines for, temporarily, establishing limits of use and management of hydro power plants and eventual mitigation measures associated to those limits;
- To set deadlines for the guidelines referred in the previous item;
- To request and define deadlines to the flows of data and technical issues; and
- Decide about the approval of recommendations from the Power Sector Monitoring Committee (CMSE), related to the emergency measures, aiming to have a mandatory character in the compliance of these decisions.

(iii) Result of the Public Hearing n° 35/20 – Impacts of the pandemic in the economic and financial equilibria of the distribution Companies

In November 23rd, ANEEL approved a methodology to compute the effects of the pandemic in the oversupply and financial equilibria of distribution companies, as well as the financial costs of COVID-Account. It was changed the understanding regarding some items of Parcel A (in particular, the difference between the amount received and the effective regulated assets, as well as part of the CVA of the previous tariff period). Previously these amounts were to be allocated to distribution companies, but now these costs should be allocated to consumers. Furthermore, to recognize the losses from bad debt from clients, the criteria should now include a more broad analysis.

(iv) Provisional Measure 1078/2021 – Measures to mitigate the economic and financial effects of the hydro crisis

On December 13th, the Provisional Measure (PM) 1078/2021 was released, addressing measures to mitigate the economic and financial effects from the hydro scarcity in 2021, which is the worst one of the last 91 years ("Conta-Escassez Hídrica"). This law allows the use of CDE for collecting resources for the amortization of financial operations related to hydro scarcity context, as well as the deferrals from previous tariff processes. The aim of this PM if to allow distribution companies to consider their additional costs driven by the hydro crisis. These costs will be passed-through all consumers, including regulated consumers that move to the ACL. Furthermore, the PM allows the creation of an extraordinary tariff flag to cover all extraordinary costs caused by the hydro crisis. This flag will not be applied to low income consumers that benefit from the Social Tariff. The content of the PM awaits for discussion and approval in the National Congress. After the approval, the publication of a decree must set the conditions and terms for financing, after which it must follow to ANEEL.

(v) Law 14300/2022 – Legal Framework for Distributed Generation

On January 7th 2022, the Law 14300/2022 was published, creating a regulatory framework for the development of Distributed Generation (DG) in the country. In summary, a transition period was established for the charge of levies over energy injected in the grid, offering improved legal security and regulatory stability to this type of investments, thus incentivizing clean energies. The main topics of this law are described below:

- Existing installations (current model up to 2045): Mini and micro generators already established will only pay a component of the tariff over the difference, if positive, between total consumption and energy production injected in the distribution grid, up to 2045. The waiver will also apply to new investments, if the access to distributor is requested within two months after the publication of the law;
- New installations (Tariff Transition): it is created a transition period, of six to eight years, for the payment of distribution charges, with a gradual percentual increase up to 2028. The difference will be borne by distribution companies through CDE.

3.5. Risk management in the year

The risk management at EDP Group looks for acting in an integrated way across 5 fundamental pillars:

	RECURRENT ACTIVITIES	DEVELOPMENTS IN 2021	PRIORITIES FOR 2022
IN-DEPTH KNOWLEDGE ABOUT KEY SOURCES OF RISK EXPOSURE	**Mapping of key risks** (and representation in a structured taxonomy). **Quantitative analysis of exposures** (based on average and maximum loss). **Identification of scenarios with disruptive potential and risks** for Business Continuity. **Presence in national and international forums** on the resilience of critical assets.	**Development of a risk map** with the key risks of 2022. **Deepen TCFD recommendations**, concretizing the scenario and quantification through the creation of a **process of climate risk assessment**. Review of taxonomy and quantification of operational risks.	**Update the annual exercise of risk map** with the key risks of 2023. **Update the annual exercise of climate risk assessment.** **In-depth analysis of supply chain risk management.**
DEFINITION OF MANAGEMENT STRATEGY	**Support the clarification and reflection around risk-return trade-offs** (and risk appetite) in key management decisions. **Periodical update of the risk appetite statement** disclosed in the Annual Report. **Support in defining specific strategies** for Business Continuity.	**Consolidation of risk-return methodologies** (marginal cost of risk). **Alignment of EDP Group's Risk Appetite Statement with the new Business Plan** for 2021-25. **Establishment and monitoring of a plan to improve operational risk management practices.** **Establishment of the Operational Risk Appetite Statement** and update of the framework.	**Strengthening the integrated management of energy markets and counterparty risks**, namely by revising quantification methodologies, exposure limits and mitigation instruments. **Assessment and self-reflection** on the **maturity of the enterprise risk management** framework
ACTIVE PARTICIPATION OF RISK IN KEY DECISIONS AND MANAGEMENT PROCESSES	**Risk advice/ support for the Business Plan and Budget exercises.** **Support for investment decisions** (incl. participation in Investment Committee). **Support the definition of coverage strategies** for key exposures. **Analysis and advice on topics with possible impact** in the risk profile of the Group. **Follow-up and control of key exposures** (through periodical reports at Group level and for the most relevant BUs). **Periodical Risk Committees** (for debate of key sources of risk exposure and treatment measures). **Monitoring and support of impact analysis and risk assessment**, as part of Business Continuity	**Update and standardization of risk policies.** **Risk analysis and asset composition** for the Group's Pension Fund. **Support the strengthening, standardization and formalization of practices for Crisis Management and Business Continuity.** **Analysis of the risk profile of EDP Group,** considering different asset portfolios. **Analysis of vertical integration of generation and retail** as a mean to mitigate risk. **Establishment of a Committee** to monitor Business Continuity and Crisis Management activities.	**Risk analysis** for the EDP Group Budget for 2023. **Structural integration of the ESG into risk management processes.** **Monitoring the level of risk and implementation of mitigation measures in the energy markets.**

	RECURRENT ACTIVITIES	DEVELOPMENTS IN 2021	PRIORITIES FOR 2022
FORMALIZATION OF RISK GOVERNANCE MODEL	**Establishment of policy and principles for risk management** at EDP Group. **Monitoring the adoption of the model for Crisis Management and Business Continuity.**	**Continuous disclosure of the risk governance model, and integration of the corporative structure with risk-officers of BUs** giving visibility over key risk topics to top management. **Establishment of structures and governance for Crisis Management** for the EDP Group. **Definition of policy and support practices** for operational risk management.	**Support the dynamization of risk-officers network and consolidation of the risk management function** (in BUs with more recent risk governance models). **Review of the enterprise risk management policy**, resulting from the recommendations of the assessment underway. Monitoring the adoption of the **policy and support practices for operational risk management.**
PROMOTION OF A SOLID RISK CULTURE, TRANSVERSAL TO THE ORGANIZATION	**Development of a wide set of initiatives for awareness,** customized for different audiences: • Sessions for top management. • Courses at EDP University for specialists, senior and intermediate managers.Specialized courses for all employees (e.g., ethics, health and safety, cyber security). Business Continuity meetings and newsletter.	Development of multiple sessions dedicated to risk: • **Top management** (executive and non-executives): four Risk Committees dedicated to the analysis of the main risk topics with executive top management; participation in two sessions of the Financial Matters Committee, and also one session highlighting the main risk topics (incl. strategy, business, financial and operational risks) with the General and Supervisory Board. • **Risk-officers meeting:** development of a workshop with the risk-officers network of EDP Group, to share best practices. • **Business Continuity meeting: holding a session with the Group's network of interlocutors to share best practices.** • **Establishment of an E-learning on resilience, operational risk and Business Continuity.** • **Transversal exercise of strategic crisis management**, with the participation of the EBD and Board of Directors.	**Consolidation of the risk culture strengthening programs.** **Development of a risk-officers meeting** to share best-practices.

In 2022, it is planned the creation of a Safety, Security & Business Continuity corporate area that will include all matters related to crisis management and business continuity and will work in strict articulation with the risk management of EDP Group.

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04 — CORPORATE GOVERNANCE

PART I - INFORMATION ON OWNERSHIP STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

PART I
Information on Ownership Structure, Organisation and Corporate Governance

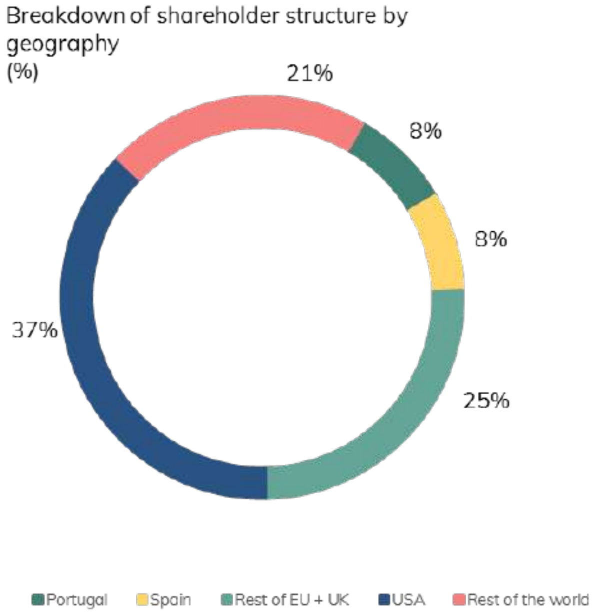
A. Ownership Structure

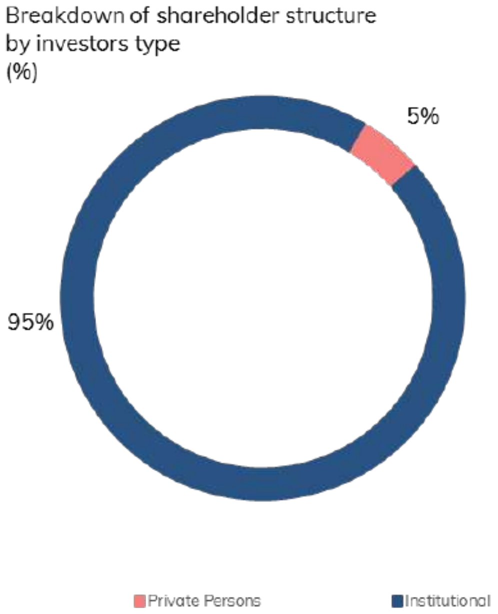
I. Capital Structure

1. Capital Structure

The share capital of EDP – Energias de Portugal, S.A. (Company or EDP) is of EUR 3,965,681,012 and is fully paid up, according to Article 4 of EDP's Articles of Association, being represented by 3,965,681,012 ordinary shares, which have a face value of 1 euro each.

The geographical and investor type breakdown of the EDP shareholder structure on 31 December 2021 was as follows:





Source: Interbolsa

2. Restrictions on Share Transferability

In statutory terms the shares are not subject to any limitations in terms of transferability, given that, according to the Portuguese Securities Code, shares traded in the market are fully transferable.

3. Treasury stock

As at 31 December 2021, EDP owned 19,103,158 treasury stock shares, corresponding to 0.48% of the share capital.

At the General Shareholders' Meeting held on 14 April 2021, shareholders resolved on the granting of authorization to the Executive Board of Directors for the acquisition and sale of own shares by EDP and subsidiaries of EDP for an eighteen-month period as from the proposal approved in the General Meeting.

4. Change of company control

EDP has not entered into any significant agreements that come into force, are amended or terminate in the event of a change in control of the Company following a takeover bid, except for normal market practice in terms of debt issuance. In fact, EDP is usually a party in financing agreements and issuer of bonds that include change of control clauses, which are typical set forth in such agreements and securities and are necessary for the completion of transactions, not considering that its existence is likely to harm the economic interest in the transfer of EDP shares, nor the free assessment by shareholders of the directors' performance.

5. Defensive measures

EDP has not taken any measures to prevent takeover bids that would put the interests of the Company and its shareholders at risk. The supplementary rules on this matter remain thus in force.

In this regard, it is important to note that, pursuant to Article 14 (3) of EDP's current Articles of Association, votes cast by a shareholder on his own behalf or representing another will not be considered if they exceed 25% of all the votes corresponding to the share capital.

Although EDP's Articles of Association impose this limitation on the exercise of voting rights, this limitation is not a measure to prevent successful takeover bids.

In fact, the inability of the limitation on voting rights to prevent the success of a takeover bid is the result of EDP's current capital structure and of the compliance of the deliberative quorum of two-thirds of the votes cast, which is set out in EDP's Articles of Association for an amendment to the company agreement on this matter with Article 182 - A (2) of the Portuguese Securities Code.

No defensive measures have been taken aimed at or resulting in serious erosion of EDP's assets in the event of transfer of control of the company or a change in the composition of the Executive Board of Directors, thereby prejudicing the free transferability of the shares and free appraisal by the shareholders of the performance of the members of the Executive Board of Directors.

6. Shareholder agreements

According to the Article 7 of EDP's Articles of Association, shareholder agreements regarding the Company must be communicated in full to the Executive Board of Directors and the General and Supervisory Board by the shareholders that have signed them in the 30 (thirty) days following their conclusion.

According to information provided to the Company by the shareholders, the Executive Board of Directors is aware of the existence of a single shareholder agreement, which was entered into on 11 April 2007 by Parpública, Caixa Geral de Depósitos, S.A. ("CGD") and Société Nationale pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures ("Sonatrach").

Although Parpública has sold its shareholdings in EDP's share capital and CGD does not own a qualifying shareholding in EDP's share capital, according to information at EDP's disposal this does not represent automatic cessation of the effects of the shareholder agreement. EDP has not been informed of any agreement to revoke or amend the said shareholder agreement.

EDP and Sonatrach agreed to terminate the partnership entered into in 2007, under which EDP assumed full control of the combined cycle natural gas plant, Soto 4, in Spain, with an installed capacity of 426MW, through the acquisition of 25% stake held by Sonatrach, and terminates the commercial relations with Sonatrach that were associated with this partnership.

II. Shareholdings and Bonds Owned

7. Qualifying holdings

Pursuant to Article 8 (1) (b) of CMVM Regulation 5/2008, we are providing the following information on qualifying holdings owned by EDP shareholders as at 31 December 2021 and attributable voting rights in accordance with Article 20 (1) of the Portuguese Securities Code.

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
CHINA THREE GORGES CORPORATION (*)		
Yangtze Three Gorges Investment Management Co.,Ltd		
China Three Gorges International Corporation		
China Three Gorges International Limited		
China Three Gorges (Europe), S.A.	760.872.884	19,19%
Total	760.872.884	**19,19%**
China Three Gorges (Europe), S.A. is fully owned by China Three Gorges International Limited, which is fully owned by China Three Gorges International Corporation. China Three Gorges Corporation holds 70% of the share capital of China Three Gorges International Corporation and fully owns Yangtze Three Gorges Investment Management Co. Ltd. Yangtze Three Gorges Investment Management Co. Ltd holds 30% equity of China Three Gorges International Corporation. (*) On 4 February 2022, pursuant to market disclosure, China Three Gorges (Europe) S.A. informed EDP that held a shareholding of 801,947,605 shares corresponding to 20.22% of the share capital of EDP.		
BLACKROCK, INC.(2)		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		
BlackRock HK Holdco Limited		
BlackRock Lux Finco S.a.r.l.		
BlackRock Japan Holdings GK		
BlackRock Japan Co., Ltd.		
BlackRock Holdco 2, Inc.		
BlackRock, Inc.		
Trident Merger, LLC		
BlackRock Investment Management, LLC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman 1 LP		
BlackRock Cayman West Bay Finco Limited		

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock Investment Management (UK) Limited		2.16%
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Australia Holdco Pty. Ltd.		
BlackRock Investment Management (Australia) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman 1 LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock International Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Holdco 4, LLC		
BlackRock Holdco 6, LLC		
BlackRock Delaware Holdings Inc.		
BlackRock Institutional Trust Company, National Association		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Holdco 4, LLC		
BlackRock Holdco 6, LLC		
BlackRock Delaware Holdings Inc.		
BlackRock Fund Advisors		2.0%
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BlackRock (Singapore) Holdco Pte. Ltd. BlackRock HK Holdco Limited BlackRock Asset Management North Asia Limited		
BlackRock, Inc. BlackRock Holdco 2, Inc. BlackRock Financial Management, Inc. BlackRock International Holdings, Inc. BR Jersey International Holdings L.P. BlackRock Holdco 3, LLC BlackRock Cayman 1 LP BlackRock Cayman West Bay Finco Limited BlackRock Cayman West Bay IV Limited BlackRock Group Limited BlackRock Finance Europe Limited BlackRock (Netherlands) B.V. BlackRock Asset Management Deutschland AG		
BlackRock, Inc. BlackRock Holdco 2, Inc. BlackRock Financial Management, Inc. BlackRock International Holdings, Inc. BR Jersey International Holdings L.P. BlackRock Holdco 3, LLC BlackRock Canada Holdings LP BlackRock Canada Holdings ULC BlackRock Asset Management Canada Limited BlackRock, Inc. BlackRock Holdco 2, Inc. BlackRock Financial Management, Inc. BlackRock Capital Holdings, Inc. BlackRock Advisors, LLC		
BlackRock, Inc. BlackRock Holdco 2, Inc. BlackRock Financial Management, Inc. BlackRock International Holdings, Inc. BR Jersey International Holdings L.P. BlackRock Holdco 3, LLC BlackRock Cayman 1 LP BlackRock Cayman West Bay Finco Limited BlackRock Cayman West Bay IV Limited BlackRock Group Limited BlackRock Finance Europe Limited BlackRock Advisors (UK) Limited		
BlackRock, Inc. BlackRock Holdco 2, Inc. BlackRock Financial Management, Inc.		

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		
BlackRock (Singapore) Limited		
BlackRock, Inc.		
Trident Merger, LLC		
BlackRock Investment Management, LLC		
Amethyst Intermediate, LLC		
Aperio Holdings, LLC		
Aperio Group, LLC		
Total	**292,858,021**	**7.38%**
The qualified shareholding above mentioned refers to the communication from BlackRock, Inc. occurred on 19 August 2021.		
OPPIDUM CAPITAL, S.L.		
Oppidum Capital, S.L.	285,414,883	7.20%
Total	**285,414,883**	**7.20%**
According to paragraph 1(b) of article 20 of the Portuguese Securities Code, the voting rights inherent to the share capital held by Oppidum Capital, SL and Flicka Forestal, SL are imputable to Fernando Masaveu Herrero. Oppidum Capital, SL is 55.9% owned by Masaveu Internacional, S.L. and 44.1% owned by Unicaja Banco S.A. In turn, Masaveu Internacional, SL is 100% held by Corporación Masaveu, SA. Corporación Masaveu, SA is 41.38% held by Fundación María Cristina Masaveu Peterson, 10.73% by Flicka Forestal, SL and 0.03% by Fernando Masaveu Herrero. Fernando Masaveu Herrero controls Fundación María Cristina Masaveu Peterson, Flicka Forestal, SL and Peña Maria, S.L. Additionally, Fernando Masaveu Herrero's spouse holds 18,467 shares of EDP's share capital. Also, three dependents of Fernando Masaveu Herrero - Pedro Masaveu Compostizo, Jaime Masaveu Compostizo and Elias Masaveu Compostizo - hold each 542 shares of EDP's share capital. In this sense, in total, 7.20% of the voting rights of EDP, corresponding to 285,434,976 shares of EDP's share capital, should be imputable to Fernando Masaveu Herrero.		
CANADA PENSION PLAN INVESTMENT BOARD		
CPPIB	204,634,446	5.16%
Total	**204,634,446**	**5.16%**
AMUNDI		
Amundi Asset Management		0.83%
CPR AM		0.13%
Amundi Hong-Kong Ltd		0.02%
Etoile Gestion		0.01%
Amundi SGR SpA		0.03%
Amundi Taiwan Ltd		0.01%
LYXOR Funds Solutions S.A		0.00%
Lyxor International Asset Management S.A.S.		0.55%
Lyxor Asset Management S.A.S.		1.06%
Amundi Austria GmbH		0.00%
Amundi Deutschland GmbH		0.00%
Amundi Canada GmbH		0.00%
Amundi Iberia SGIIC, SA		0.00%
Amundi Japan Ltd		0.00%
Total	**104,421,359**	**2.63%**
The qualified shareholding above mentioned refers to the communication from Amundi Asset Management occurred on 10 January 2022.		

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
NORGES BANK		
Norges Bank	95,783,685	2.42%
Total	**95,783,685**	**2.42%**
Norges Bank, the Central Bank of Norway, acts on behalf of the State of Norway.		
QATAR INVESTMENT AUTHORITY		
Qatar Holding LLC	89,915,722	2.27%
Total	**89,915,722**	**2.27%**
The company Qatar Holding LLC is wholly owned by Qatar Investment Authority.		
SONATRACH		
Sonatrach	87,007,433	2.19%
Total	**87,007,433**	**2.19%**
BANK OF AMERICA CORPORATION		
Bank of America Corporation NB Holdings Corporation BofAML Jersey Holdings Limited BofAML EMEA Holdings 2 Limited ML UK Capital Holdings Limited Merrill Lynch International		
Bank of America Corporation NB Holdings Corporation BAC North America Holding Company Bank of America, National Association Bank of America Corporation NB Holdings Corporation BofA Securities, Inc Bank of America Corporation NB Holdings Corporation BAC North America Holding Company Merrill Lynch, Pierce, Fenner & Smith Incorporated Managed Account Advisors LLC Bank of America Corporation NB Holdings Corporation BAC North America Holding Company Merrill Lynch, Pierce, Fenner & Smith Incorporated Bank of America Corporation NB Holdings Corporation BAC North America Holding Company Bank of America, National Association U.S Trust Company of Delaware		

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
Bank of America Corporation		
NB Holdings Corporation		
BofA Securities, Inc.		
Merrill Lynch Professional Clearing Corp.		
Total	**79,992,285**	**2.02%**
EDP (Treasury stock)	19,103,158	0.48%
Remaining Shareholders	1,947,677,136	49.06%
Total	**3,965,681,012**	**100.00%**

8. Financial instruments owned by members of the management and supervisory bodies

Financial instruments owned by members of the Executive Board of Directors

The financial instruments held by the members of the Executive Board of Directors in office until 19 January 2021 were as follows:

	EDP – ENERGIAS DE PORTUGAL, S.A.		EDP – ENERGIAS DO BRASIL, S.A.	
EXECUTIVE BOARD OF DIRECTORS (*)	NO. SHARES 19-01-2021	NO. SHARES 31-12-2020	NO. SHARES 19-01-2021	NO. SHARES 31-12-2020
António Luís Guerra Nunes Mexia	101,093	101,093	1	1
João Manuel Manso Neto	1,375	1,375	-	-
António Fernando Melo Martins da Costa	58,915	58,915	-	-
João Manuel Veríssimo Marques da Cruz	-	-	-	-
Miguel Stilwell de Andrade	151,904	151,904	-	-
Miguel Nuno Simões Nunes Ferreira Setas	8,104	8,104	6,000	6,000
Rui Manuel Rodrigues Lopes Teixeira	39,033	39,033	-	-
Maria Teresa Isabel Pereira	25,415	25,415	-	-
Vera de Morais Pinto Pereira Carneiro	7,000	7,000	-	-

(*) Between 31 December 2020 and 19 January 2021, the members of the Executive Board of Directors were not holders of EDP Renováveis, S.A.'s shares, and did not hold any bond of EDP – Energias de Portugal, S.A.

In turn, the financial instruments held by the members of the Executive Board of Directors in office as of 19 January 2021 are as follows:

	EDP – ENERGIAS DE PORTUGAL, S.A.		EDP RENOVÁVEIS, S.A.		EDP – ENERGIAS DO BRASIL, S.A.	
EXECUTIVE BOARD OF DIRECTORS (1)	No. SHARES 31-12-2021	No. SHARES 19-01-2021	No. SHARES 31-12-2021	No. SHARES 19-01-2021	No. SHARES 31-12-2021	No. SHARES 19-01-2021
Miguel Stilwell de Andrade	180,000	151,904	-	-	-	-
Miguel Nuno Simões Nunes Ferreira Setas	8,104	8,104	-	-	6,000	6,000
Rui Manuel Rodrigues Lopes Teixeira (2)	39,433	39,033	100	-	-	-
Vera de Morais Pinto Pereira Carneiro	7,000	7,000	-	-	-	-
Ana Paula Garrido de Pina Marques	-	-	-	-	-	-

(1) The Executive Board of Directors did not hold any bonds from EDP – Energias de Portugal, S.A.

(2) Transactions carried out under the terms of article 19, no. 8 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council, of 16 April 2014, worth less than 5,000.00 Euro (five thousand euros).

Financial instruments owned by members of the General and Supervisory Board

The following chart presents the financial instruments held by or imputable to the General and Supervisory Board members, under the terms set forth in article 447 (5) of the Portuguese Companies Code.

The financial instruments held or attributable to the members of the General and Supervisory Board in office until 14 April 2021 were as follows:

	EDP – ENERGIAS DE PORTUGAL, S.A.	
GENERAL AND SUPERVISORY BOARD [(1)]	No. SHARES 14-04-2021	No. SHARES 31-12-2020
Luís Filipe Marques Amado	-	-
China Three Gorges Corporation	754,736,441	854,736,441
Dingming Zhang (as representative of China Three Gorges Corporation)	-	-
China Three Gorges International Corp.	754,736,441	854,736,441
Shengliang Wu (as representative of China Three Gorges International Corp.)	-	-
China Three Gorges (Europe), S.A.	754,736,441	854,736,441
Ignacio Herrero Ruiz (as representative of China Three Gorges (Europe), S.A.)	-	-
China Three Gorges Brasil Energia Ltda.	-	-
Li Li (as representative of China Three Gorges Brasil Energia Ltda.)	-	-
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.	-	-
Eduardo de Almeida Catroga (as representative of China Three Gorges (Portugal) Sociedade Unipessoal, Lda.)	-	-
DRAURSA, S.A.	-	-
Felipe Fernández Fernández (as representative of Draursa, S.A.)	1,350	1,350
Fernando Maria Masaveu Herrero	285,434,976	285,434,976
Senfora BV	54,095,476	54,095,476
Mohammed Issa Khalfan Alhuraimel Alshamsi (as representative of Senfora BV)	-	-
Banco Comercial Português, S.A.	76,627,022	76,627,022
Nuno Manuel da Silva Amado (as representative of Banco Comercial Português, S.A.)	-	-
Sonatrach	87,007,433	87,007,433
Karim Djebbour (as representative of Sonatrach)	-	-
Maria Celeste Ferreira Lopes Cardona	-	-
Ilídio da Costa Leite de Pinho	-	-
Jorge Avelino Braga de Macedo	-	-
Jorge Avelino Braga de Macedo	-	-
Vasco Joaquim Rocha Vieira	3,515	3,515
Augusto Carlos Serra Ventura Mateus	-	-
João Carvalho das Neves	8,060	8,060
María del Carmen Fernández Rozado	-	-
Laurie Lee Fitch	-	-
Clementina Maria Dâmaso de Jesus Silva Barroso	-	-
Luís Maria Viana Palha da Silva	5,479	5,479

[(1)] Between 31 December 2020 and 14 April 2021, the members of the General and Supervisory Board did not hold any shares in EDP Renováveis SA and EDP – Energias do Brasil, SA, and did not hold any EDP – Energias de Portugal, S.A. bonds.

The financial instruments held or attributable to the members of the General and Supervisory Board in office as of 14 April 2021 are as follows:

	EDP – ENERGIAS DE PORTUGAL, S.A.	
GENERAL AND SUPERVISORY BOARD (*)	No. SHARES 31-12-2021	No. SHARES 14-04-2021
João Luís Ramalho de Carvalho Talone	-	-
China Three Gorges Corporation	760.872.884	754,736,441
Dingming Zhang (as representative of China Three Gorges Corporation)	-	-
China Three Gorges International Limited	760.872.884	754,736,441
Shengliang Wu (as representative of China Three Gorges International Limited)	-	-
China Three Gorges (Europe), S.A.	760.872.884	754,736,441
Ignacio Herrero Ruiz (as representative of China Three Gorges (Europe), S.A.)	-	-
China Three Gorges Brasil Energia Ltda.	-	-
Li Li (as representative of China Three Gorges Brasil Energia Ltda.)	-	-
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.	-	-
Miguel Pereira Leite (as representative of China Three Gorges (Portugal) Sociedade Unipessoal, Lda.)	-	-
DRAURSA, S.A.	-	-
Felipe Fernández Fernández (as representative of Draursa, S.A.)	1,350	1,350
Fernando Maria Masaveu Herrero	285,434,976	285,434,976
João Carvalho das Neves	8,060	8,060
María del Carmen Fernández Rozado	-	-
Laurie Lee Fitch	-	-
Esmeralda da Silva Santos Dourado	-	-
Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto	-	-
Sandrine Dixson-Declève	-	-
Zili Shao	-	-
Luís Maria Viana Palha da Silva	5,479	5,479

(*) The members of the General and Supervisory Board do not hold any shares in EDP - Energias do Brasil, S.A. and EDP Renováveis S.A., nor do they hold any bonds in EDP - Energias de Portugal, S.A.

9. Special powers of the managing body with regard to decisions to increase share capital

The Executive Board of Directors has the powers enshrined in the law and Articles of Association to perform its duties, which are indicated in detail in item 21.

In what concerns the approval of decisions on share capital increases, and according to Article 4 (3) of the Articles of Association, the Executive Board of Directors has the power to approve one or more share capital increases up to an aggregate limit of 10% of the current share capital via the issuance of shares to be subscribed by new entries in cash, in accordance with the issuance terms and conditions that it defines. The draft decision must be submitted to the General and Supervisory Board subject to a two-thirds voting majority of the respective members.

The General Shareholders' Meeting held on 14 April 2021 resolved to approve the renewal, for a period of five years, of the authorization granted to the Executive Board of Directors to increase the share capital of EDP, one or more times, up to a limit of 10% of share capital.

Additionally, the General Shareholders' Meeting held on 14 April 2021 also resolved to amend the Company's Articles of Association under which authorization is granted to the Executive Board of Directors to increase the share capital, one or more occasions, until 14 April 2026, up to the maximum amount of 10% of the current share capital, through the issuance of shares, to be made by contributions in cash and subscribed by qualified investors following accelerated book-building offers, in accordance with the terms and conditions of the issuance to be defined by the Executive Board of Directors, provided that the issuance price is not lower than (i) 95% of the weighted average price of the shares in Euronext Lisbon on the date on which the issuance price is set, or (ii) 95% of the weighted average price of the shares in Euronext Lisbon in the maximum period of ten days ending on the date in which the issuance price is set, and provided that the proposed resolution is approved in advance by the General and Supervisory Board by a qualified majority of two thirds of votes cast.

The authorizations granted to the Executive Board of Directors described in the two previous paragraphs are not cumulative, in the sense that any measures taken under one of these authorizations are written off to the maximum limit of the other.

10. Significant business relationships between owners of qualifying holdings and the company

In pursuit of its activity and regardless of its relevance, EDP conducts business with and enters into transactions under normal market conditions for similar operations with several entities, beyond which are included qualified shareholders of EDP or companies related to those.

Thus, with reference to the 2021 exercise, it should be pointed out the performance of the following operations between companies of EDP Group and owners of qualifying holdings in EDP's share capital:

- EDP Group, through EDP Clientes, S.A. provided electricity and gas supply services as well as the installation of solar panels to the company Cementos Tutela Veguín in the amount of approximately 19.4 million Euros and the estimated total amount of which could be approximately of 33.7 million Euros (Cementos Tutela Veguín is a subsidiary of the Group Masaveu, which, in turn, holds 55.9% of the company Oppidum Capital, SL);

- EDP Group provided payment management services to Liberbank in the amount of approximately 10,562 Euros. (Liberbank holds 44.1% of Oppidum Capital, SL).

- EDP and Sonatrach agreed to terminate the partnership entered into in 2007, under which EDP assumed full control of the combined cycle natural gas plant, Soto 4, in Spain, with an installed capacity of 426MW, through the acquisition of 25% stake held by Sonatrach, and terminates the commercial relations with Sonatrach that were associated with this partnership.

Additionally, and as disclosed to the market, (i) on 15 November 2021, EDP, through its subsidiary EDP Renováveis, S.A., signed a Sale and Purchase Agreement with China Three Gorges to sell a 100% equity stake in a 181 MW operating wind portfolio located in Spain for an estimated Enterprise Value of 307 million Euro (subject to customary closing adjustments), transaction that is subject to regulatory and other customary precedent conditions and (ii) on 10 December 2021, EDP and China Three Gorges agreed to update the partnership terms entered into in 2011 which considering the current context of the sector marked by the strong commitment to energy transition, aims to promote flexibility for the growth strategies of both companies, ensuring the application of the most rigorous corporate governance standards in the parties' future relations and preserving the instruments of cooperation and sharing of best practices, in order to potentiate the maximization of value for both companies and their shareholders.

As for the surrounding governance guidelines, on July 29, 2010, the General and Supervisory Board approved the first version of the "Regulation on Conflicts of Interest and Transactions with Related Parties", which was subject to review during 2015, having been a new version approved on 29 October 2015. On 17 May 2010, the Executive Board of Directors approved the rules on identification, in-house reporting and procedure in the event of conflicts of interest applicable to all EDP Group employees who play a decisive role in transactions with related parties.

Considering the amendments introduced by Law no. 50/2020, of 25 August, as well as the constant adoption of best practices by the Company, a review of the internal regulations that regulate conflicts of interest and business between related parties was promoted, having, in 2021, the Policy on Transactions with Related Parties came into force, and is available for consultation at EDP's website, www.edp.com.

The General and Supervisory Board noted in relation to 2021, in view of the cases analysed and the information provided by the Executive Board of Directors, that no evidence was found that the potential conflicts of interest underlying the transactions made by EDP may have been settled contrary to the interests of the Company.

The Financial Matters Committee / Audit Committee is responsible for supervising enforcement of the aforementioned policy and reports on its work to the General and Supervisory Board.

B. Corporate Bodies and Committees

I. General Meeting

A) Composition of The General Meeting

11. Name and position of officers of the General Meeting and their term of office

Pursuant to Article 12 of EDP's Articles of Association, the members of the Board of the General Meeting are composed by a Chairman, a Vice-Chairman, and the Company Secretary, who is appointed by the Executive Board of Directors.

The members of the Board of the General Meeting in office until 14 April 2021 were as follows:

BOARD OF THE GENERAL MEETING	
Chairman	Luís Maria Viana Palha da Silva
Vice Chairman	Rui Pedro Costa Melo Medeiros
Company Secretary	Ana Rita Pontífice Ferreira de Almeida Côrte-Real(*)

(*) Appointed by the Executive Board of Directors on 5 April 2018 for the position of Company Secretary, having also been appointed, on such date, Joana Gomes da Costa Monteiro Dinis, for the position of Alternate Company Secretary. The Company Secretary and the Alternate Company Secretary were reappointed by the Executive Board of Directors on 19 January 2021 following the Extraordinary General Shareholders' Meeting held on such date.

As of 14 April 2021, the composition of the Board of the General Meeting was as follows:

BOARD OF THE GENERAL MEETING	
Chairman	Luís Maria Viana Palha da Silva (1)
Vice Chairman	Clara Patrícia Costa Raposo (2)
Company Secretary	Ana Rita Pontífice Ferreira de Almeida Côrte-Real

(1) The Chairman of the Board of the General Shareholders' Meeting was re-elected at the General Shareholders' Meeting held on 14 April 2021 for the 2021-2023 three-year mandate.
(2) The Vice-Chairman of the Board of the General Shareholders' Meeting was elected at the General Shareholders' Meeting held on 14 April 2021 for the 2021-2023 three-year mandate. On 27 April 2021, Clara Patrícia Costa Raposo tendered her resignation from the office of Vice-Chairman of the Board of the General Shareholders' Meeting of EDP.

The Chairman of the General Meeting is automatically a member of the General and Supervisory Board, pursuant to Article 21 (2) of EDP's Articles of Association.

The Chairman of the General Meeting has the in-house human and logistic resources appropriate to his/her needs, including the support of the General Secretariat and Legal Department, the Investor Relations Office, the Communication Department, and the Brand Department plus external support from a specialised entity hired by EDP to collect, process, and count the votes. The logistic and administrative resources for the General Meeting are provided by the Company and the organisation is supervised by the Chairman of the Board of the General Meeting.

B) Exercise of Voting Rights

12. Restrictions on Voting Rights

Pursuant to Article 14 (2) of EDP's Articles of Association, each share corresponds to one vote.

According to Article 14 (9) of EDP's Articles of Association, the holders of rights representing shares under ADR (American Depositary Receipt) programs may instruct the respective depositary bank in order to see their voting rights exercised or, alternatively, grant proxy to a representative designated by EDP for such purpose, in compliance with applicable legal or statutory provisions; the depository contract should regulate terms and ways for exercising the voting rights, as well as for cases in which such instructions do not exist.

According to Article 14 (10) of the Articles of Association, EDP's shareholders can only participate and vote at the General Meeting, personally or through a representative, if on the date of registration, 00:00 hours (GMT) of the fifth day of trading prior to that of the General Meeting, they own at least one share.

Proof of ownership of the shares is provided by sending the Chairman of the General Meeting, by the fifth day of trading prior to that of the General Meeting, a statement issued, certified, and sent by the financial intermediary responsible for registering the shares, indicating the number of shares registered and the date of registration. It may be sent by email (Article 14 (13) of EDP's Articles of Association).

Participation in the General Meeting also requires the shareholder to express this intention to the Chairman of the General Meeting and the financial intermediary at which the individual registration account has been opened, by the end of the sixth day of trading prior to that of the General Meeting. The communication may be sent by email (Article 14 (11) of EDP's Articles of Association).

Shareholders who have expressed their intention to participate in a General Meeting pursuant to the Articles of Association and have transferred ownership of the shares between the fifth day of trading prior to that of the General Meeting and the end thereof, must inform the Chairman of the General Meeting and the CMVM immediately (Article 14 (11) of EDP's Articles of Association).

EDP shareholders may exercise their right to vote by correspondence, postal or electronic, on each of the items on the agenda by means of a communication addressed to the Chairman of the Board of the General Meeting, as provided for in number 6 and number 11 of article 14 of the Articles of Association.

Pursuant to Article 14 (7) of EDP's Articles of Association, voting rights may also be exercised electronically, in accordance with the requirements necessary to ensure their authenticity, which must be defined by the Chairman of the General Meeting in the invitation to the meeting.

Shareholders can find the necessary forms for postal or electronic votes at EDP's website (www.edp.com).

EDP has taken several measures to encourage shareholders to exercise their voting rights, such as elimination of financial obstacles that may affect their exercise. These measures include:

- general circulation of the notice of meeting of the General Meeting with an express indication of the channels available for the exercise of voting rights and in publications on the CMVM website (www.cmvm.pt) and EDP's website (www.edp.com), in the Justice Ministry and in the Interbolsa Platform (My Interbolsa) and on the NYSE Euronext Lisbon newsletter;

- payment of the costs of issuing declarations of ownership of shares for all shareholders who participate in the General Meeting.

As per EDP's Articles of Association, votes cast by a shareholder in his own name or as a representative of another exceeding 25% (twenty-five percent) of all the votes representing the share capital are not considered. This limitation applies to all decisions of the General Meeting, including those for which the law or EDP's Articles of Association provide for a qualified majority of the Company's share capital.

Pursuant to Article 14 (4) of EDP's Articles of Association, votes for which, under Article 20 (1) of the Securities Code or any legal rule that amends or replaces it, he is responsible will be considered cast by the same shareholder.

Pursuant to Article 15 (2) and (3) of the Articles of Association, EDP's shareholders are obliged to provide the Executive Board of Directors, in writing and in a complete, objective, clear, truthful form, and in a manner acceptable to the board, all information that it requests from them on facts concerning them and related to Article 20 (1) of the Securities Code. Noncompliance with this obligation shall result in prevention of the exercise of voting rights pertaining to the shares owned by the shareholder in question.

If the limitation on the counting of votes affects a number of shareholders, it will operate in proportion to the ordinary shares owned by each one (Article 14 (5) of the Articles of Association).

Furthermore, pursuant to Article 20 (1) of the Portuguese Securities Code, or any legal rule that amends or replaces it, shareholders who become owners of a shareholding of 5% (five percent) or more of the voting rights or share capital, must inform the Executive Board of Directors thereof within five business days of the date on which ownership occurred. They cannot exercise their voting rights until they have made this communication (Article 15 (1) of EDP's Articles of Association).

13. Maximum percentage of voting rights that can be exercised by a single shareholder or shareholders that are related in some of the relations of Article 20 (1)

See item 12.

14. Decisions of shareholders who, under the Articles of Association, can only be made by a qualified majority other than those provided for by law

Decisions by the General Meeting are taken by a majority of votes cast, unless the law or the Articles of Association require a qualified majority (Article 11 (3) of the Articles of Association).

Article 10 (1) of the Articles of Association defines the performance of functions in any corporate body is incompatible with:

- the status of a legal person that is a competitor of EDP or a company in a control or group relation with EDP;
- the status of a legal person or an individual related to a legal person that is a competitor of EDP;
- the exercise of functions, of any nature or for any reason whatsoever, notably by appointment to a corporate office, by employment contract or by services provision agreement, at a legal person that is a competitor of EDP or at a legal person related to a legal person that is a competitor of EDP;
- the appointment, even if only in fact, for a corporate body member by a competing legal person or a person, natural or legal, related to a legal person competing with EDP.

Nevertheless, Article 10 (4) defines that the incompatibilities set forth in the foregoing paragraphs may also not apply to the performance of functions as a member of the general and supervisory board, to the extent permitted by law, subject to authorization given by prior resolution, with the favour of two thirds of the votes cast at the elective general shareholders' meeting. The competition relation must be expressly referred to and precisely identified in the appointment proposal, and the authorization resolution may be subject to conditions, notably to a holding of no more than 10% of EDP's share capital.

It should also be highlighted that, according to Article 10 (10) of EDP's Articles of Association, it should not be deemed to be a competitor of EDP the legal person shareholder that individually holds at least 20% of the share capital of EDP, and that, directly or through a legal person which is in a domain relationship with it, enters into and maintains a medium or long term strategic partnership of business cooperation in the activities of generation, distribution or supply of electricity or natural gas, approved in accordance with legal and statutory provisions, with prior favourable opinion of the General and Supervisory Board.

In all other cases, the deliberative quorum set out in Article 383 (2) of the Portuguese Companies Code applies.

II. Management and Supervision

A) Composition

15. Corporate governance model

EDP's governance structure is a dual model one and consists of the General Meeting, Executive Board of Directors, General and Supervisory Board and the Statutory Auditor.

The separation of management and supervision roles is embodied in an Executive Board of Directors, which is responsible for the management of the Company's business, and a General and Supervisory Board, the highest supervisory body.

The division of competences, inherent to such model, between the Executive Board of Directors and the General and Supervisory Board, has been assuring an effective management of the Company, benefitted by a constant and attentive supervision. The dual model of corporate governance in place at EDP since July 2006 has allowed for an effective separation of the Company's supervision and management in pursuit of the goals and interests of EDP and its shareholders, employees, and other stakeholders, thereby contributing to achieving the degree of trust and transparency necessary for its adequate functioning and optimization.

It is also important to note that this governance model has proven to be adequate to the size and shareholder structure of the Company, allowing for constant supervision both by the reference shareholders and by the independent members, through the respective intervention in the General and Supervisory Board. Considering the transversal competences of the General and Supervisory Board and the specificities of the activities of the four Specialized Committees, the integration of members of the General and Supervisory Board and of the Executive Board of Directors of EDP should, according to the Selection Procedure of the members of the General and Supervisory Board and of the Executive Board of Directors, ensure diverse skills, professional experiences, diversity of knowledge, gender and cultures, taking into account the specificities of the Company's business. Along with the concern for the individual adequacy of each member, it is also sought that the composition of the governing bodies and corporate bodies demonstrate a collective adequacy, bringing together the professional and personal skills necessary for the proper performance of the functions of each body of EDP. Likewise, in determining the respective number of members, the size of the Company, the complexity of its activity and its geographical dispersion are considered, in addition to the costs and the desirable speed of operation of the administration.

According to Article 11 (2) (b) of the Articles of Association, it is the responsibility of the General Meeting of EDP to elect and dismiss the members of the Executive Board of Directors and the General and Supervisory Board, as well as their Chairmen and Vice-Chairmen, if any, and the Statutory Auditors, based on a proposal by the General and Supervisory Board (or by delegation to the Financial Matters Committee / Audit Committee). The General Meeting also appoints the members of the Environment and Sustainability Board, on proposal of the Executive Board of Directors, and Remuneration Committee of the General Meeting.

For a better understanding of EDP's corporate governance, EDP's website (www.edp.com) allows shareholders and the general public to view the up-to-date Articles of Association in Portuguese and English, the Internal Regulation of the Executive Board of Directors, General and Supervisory Board and its committees, documents that have been modified in order to accommodate best practices, notably the principles and recommendations set forth by the Corporate Governance Code issued by the Portuguese Institute for Corporate Governance.

Worth noting also that EDP has since 2010 a Corporate Governance Manual, whose primary objective consists of registering and sharing the provisions of the Executive Board of Directors and of General and Supervisory Board regarding best practices recommendations applicable to EDP on corporate governance. The Manual has a dynamic nature. It should therefore continue to be revised periodically, considering the contributions of all interested parties in the continuous development of EDP's governance model.

The Manual for the Corporate Governance of EDP is available to shareholders and general public at its website (www.edp.com).

In what concerns prevention and fighting against harassment at work, and complementing the commitments already taken on by EDP in its Code of Ethics, available at EDP's website (www.edp.com), the Good Conduct Code for the Prevention and Fight Against Harassment at Work entered into force as of 21 November 2017 and it is applicable to all EDP Group's employees. According to this Code, other service providers and suppliers are explicitly required to uphold or adhere to the principles established, in accordance with their obligations under qualification procedures or current contracts.

Additionally, the Integrity Policy approved by the Executive Board of Directors has implemented the mandatory execution to all EDP Group companies as well as to its employees, service providers acting on its behalf, in strict compliance with the legal framework applicable in geographies where the Group is present which aim to avoid unlawful conducts, in particular those associated with the practice of corruption acts, money laundering and terrorism financing. EDP Group is committed to promote an exempt, honest, integrated, professional, and fair action and requires that its employees and contracted third parties behave in accordance with such commitment, complying with the legislation and regulation in force. The EDP Group Companies has implemented and has disseminated prevention, detection, and control measures towards any form of corruption, prevarication, conduct on conflict of interest, influence peddling, money laundering, terrorism financing and other illegal acts. In this regard, the EDP Group Companies may adopt more demanding additional measures, according to local needs, always ensuring the compliance with the local applicable legislation. Additionally, the Compliance Department which independence is guaranteed through the reporting to the Executive Board of Directors and to the General and Supervisory Board / Financial Matters Committee / Audit Committee of EDP is responsible to biennially review this Policy or whenever any relevant legislative change occurs, submitting those amendments to the Executive Board of Directors for approval. The Integrity Policy of EDP Group are available at EDP's website (www.edp.com).

EDP intends to continue to assume a precursor and excellence role about the promotion of best government practices, in the hope that this initiative may also contribute to enrich the debate on these matters in the general context of the organization and functioning of public limited companies, particularly in Portugal.

The EDP Group has been publicly distinguished with several recognitions regarding the behaviours observed in terms of promoting integrity, ethics, and sustainability.

Among these recognitions, the following stand out:

- The results of the ETHISPHERE ranking, which, for the past ten years, has considered EDP as one of the "World Most Ethical Companies";
- A prominent position in the "Codes of Conduct / Compliance / Corruption and Bribery" criterion of the Dow Jones Sustainability Indexes (DJSI), which have presented EDP as one of the most sustainable companies in the world since 2008, integrating the respective indexes (DJSI World and DJSI Europe);
- The presence in the Ethibel Pioneer EXCELLENCE, ESI Europe and ESI Global of Investment Register of the Ethibel Forum, which presents a group of companies that have an above average performance in the respective sector of activity, with the assessment being carried out based on sustainability criteria;
- EDP's presence in the Solactive Global and Europe Corporate Social Responsibility Index based on information provided by Forum Ethibel;
- Obtained ISO 37001 (Anti-bribery Management Systems) certification by EDP Energias do Brasil.
- Obtained ISO 37001 (Anti-bribery management system) and certification UNE 19601 (Criminal Compliance Management Systema) by EDP Renováveis;
- Obtained ISO 37001 certification (Anti-bribery management system) and ISO 37301 certification (Compliance Management System) by EDP.

16. Articles of Association rules on procedural and material requirements for the appointment and replacement of members of the Executive Board of Directors and General and Supervisory Board

It is the role of the General Meeting to elect and remove members of the Executive Board of Directors and the General and Supervisory Board, including their chairmen.

In the event of permanent or temporary absence of any of the members of the Executive Board of Directors, the General and Supervisory Board arranges for his/her replacement and the appointment must be ratified by the next General Meeting, under Article 22 (1) (g) of the Company's Articles of Association.

In the event of permanent absence of any of the members of the General and Supervisory Board, the substitutes on the list submitted to the General Meeting must be summoned by the Chairman of this Board to replace him/her, following the order on the list. Pursuant to Article 21 (5) of EDP's Articles of Association, the substitutes on the list must all be independent. If there are no substitutes, they will be elected by the General Shareholders' Meeting.

17. Composition of the Board of Directors, Executive Board of Directors and General and Supervisory Board

The shareholders elected, at the Extraordinary General Shareholders' Meeting held on 19 January 2021, the members of the Executive Board of Directors for the three-year mandate 2021-2023.

At the Annual General Shareholders' Meeting held on 14 April 2021, shareholders elected the members of General and Supervisory Board for the three-year mandate 2021-2023, as well as the Chairman of the Board of the General Meeting which is, automatically, an independent member of the General and Supervisory Board.

General and Supervisory Board

In the exercise of its duties – see Article 441 of the Companies Code and Article 22 of EDP's Articles of Association - the main mission of the General and Supervisory Board is to constantly advise, monitor and supervise the management activities of EDP, cooperating with the Executive Board of Directors and the various other corporate bodies in pursuit of the Company's interests, pursuant to the Companies Code and the company's Articles of Association. It is elected by the shareholders at the General Meeting.

Pursuant to Article 21 (1) of the Articles of Association, the General and Supervisory Board consists of no fewer than nine effective members, but always more than the number of members of the Executive Board of Directors. Most of the elected members of the General and Supervisory Board must be independent, pursuant to Article 21 (4) of the Articles of Association.

Until 14 April 2021, the General and Supervisory Board was composed by the following members:

GENERAL AND SUPERVISORY BOARD		INDEPENDENT MEMBERS	FIRST APPOINTMENT DATE
Chairman	Luís Filipe Marques Amado	Independent	21/04/2015
Vice- Chairman	China Three Gorges Corporation represented by Dingming Zhang		20/02/2012
	China Three Gorges International Corp. represented by Shengliang Wu		05/04/2018
	China Three Gorges (Europe), S.A. represented by Ignacio Herrero Ruiz		20/02/2012
	China Three Gorges Brasil Energia Ltda. represented by Li Li		05/04/2018
	China Three Gorges (Portugal), Sociedade Unipessoal, Lda. represented by Eduardo de Almeida Catroga		21/04/2015
	DRAURSA, S.A. represented by Felipe Fernández Fernández		21/04/2015
	Fernando Maria Masaveu Herrero		20/02/2012
	Senfora BV represented by Mohammed Issa Khalfan Alhuraimel Alshamsi		21/04/2015
	Banco Comercial Português, S.A. represented by Nuno Manuel da Silva Amado		21/04/2015
	Société National pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (Sonatrach) represented by Karim Djebbour		12/04/2007
	Maria Celeste Ferreira Lopes Cardona	Independent	20/02/2012
	Ilídio da Costa Leite de Pinho	Independent	20/02/2012

GENERAL AND SUPERVISORY BOARD		INDEPENDENT MEMBERS	FIRST APPOINTMENT DATE
	Jorge Avelino Braga de Macedo	Independent	20/02/2012
	Vasco Joaquim Rocha Vieira	Independent	20/02/2012
	Augusto Carlos Serra Ventura Mateus	Independent	06/05/2013
	João Carvalho das Neves	Independent	21/04/2015
	María del Carmen Fernández Rozado	Independent	21/04/2015
	Laurie Lee Fitch	Independent	05/04/2018
	Clementina Maria Dâmaso de Jesus Silva Barroso	Independent	05/04/2018
	Luís Maria Viana Palha da Silva	Independent	24/04/2019

As from 14 April 2021, the General and Supervisory Board is composed by the following members:

GENERAL AND SUPERVISORY BOARD		INDEPENDENT MEMBERS	FIRST APPOINTMENT DATE
Chairman	João Luís Ramalho de Carvalho Talone	Independent	14/04/2021
	China Three Gorges Corporation represented by Dingming Zhang		20/02/2012
	China Three Gorges International Limited represented by Shengliang Wu		14/04/2021
	China Three Gorges (Europe), S.A. represented by Ignacio Herrero Ruiz		20/02/2012
	China Three Gorges Brasil Energia Ltda. represented by Li Li		05/04/2018
	China Three Gorges (Portugal), Sociedade Unipessoal, Lda. represented by Miguel Espregueira Mendes Pereira Leite		21/04/2015
	DRAURSA, S.A. represented by Felipe Fernández Fernández		21/04/2015
	Fernando Maria Masaveu Herrero		20/02/2012
	João Carvalho das Neves	Independent	21/04/2015
	María del Carmen Fernández Rozado	Independent	21/04/2015
	Laurie Lee Fitch	Independent	05/04/2018
	Esmeralda da Silva Santos Dourado	Independent	14/04/2021
	Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto	Independent	14/04/2021
	Sandrine Dixson-Declève	Independent	14/04/2021
	Zili Shao	Independent	14/04/2021
	Luís Maria Viana Palha da Silva	Independent	24/04/2019

The representatives of the companies China Three Gorges Corporation and China Three Gorges International Limited initiated their term of office on 11 May 2012, following the entry into force of the Strategic Partnership Agreement concluded on 30 December 2011.

Executive Board of Directors

The Executive Board of Directors is responsible for managing the Company's activities and representing the Company, pursuant to Article 431 of the Companies Code and Article 17 of the Articles of Association and was elected by the shareholders at a General Meeting.

Pursuant to Article 16 (2) of the Articles of Association of EDP, the Executive Board of Directors must have a minimum of five and a maximum of nine members.

The members of the Executive Board of Directors may not exercise executive functions in more than two companies not integrating EDP Group, and the exercise of the referred functions shall be subject to prior appraisal by the Executive Board of Directors, according to Article 7 of the Internal Regulation of such body.

At the Extraordinary General Shareholders' Meeting held on 19 January 2021, the members of the Executive Board of Directors were elected for the 2021-2023 term of office. The term of office of the members of this Board ends on 31 December 2023, without prejudice to their maintenance in office until a new appointment.

Until 19 January 2021, the Executive Board of Directors was composed as follows:

EXECUTIVE BOARD OF DIRECTORS		FIRST APPOINTMENT DATE
Chairman	ANTÓNIO LUÍS GUERRA NUNES MEXIA [1]	30/03/2006
	João Manuel Manso Neto [2]	30/03/2006
	António Fernando Melo Martins da Costa	30/03/2006
	João Manuel Veríssimo Marques da Cruz	20/02/2012
	Miguel Stilwell de Andrade [3]	20/02/2012
	Miguel Nuno Simões Nunes Ferreira Setas	21/04/2015
	Rui Manuel Rodrigues Lopes Teixeira	21/04/2015
	Maria Teresa Isabel Pereira	05/04/2018
	Vera de Morais Pinto Pereira Carneiro	05/04/2018

Members elected at the General Meeting of March 30, 2006 to hold office from June 30, 2006, date of entry into force of new Articles of Association of the Company and the two-tier corporate governance model

[1] On 6 July 2020, in the context of the judicial procedure investigating the early termination of Power Purchase Agreements regime and transition to the Costs of Maintenance for Contractual Balance regime, and also of the extension of the hydro public domain right of use Mr. António Luís Guerra Nunes Mexia was suspended from his executive functions. The procedure continues in the inquiry phase.

[2] On 6 July 2020, in the context of the judicial procedure investigating the early termination of Power Purchase Agreements regime and transition to the Costs of Maintenance for Contractual Balance regime, and also of the extension of the hydro public domain right of use Mr. João Manuel Manso Neto was suspended from his executive functions. The procedure continues in the inquiry phase.

[3] Appointed Interim Chairman of the Executive Board of Directors, on 6 July 2020, following the suspension of Mr. António Mexia.

As from 19 January 2021, the Executive Board of Directors is composed as follows:

EXECUTIVE BOARD OF DIRECTORS		FIRST APPOINTMENT DATE
Chairman	MIGUEL STILWELL DE ANDRADE	20/02/2012
	Miguel Nuno Simões Nunes Ferreira Setas	21/04/2015
	Rui Manuel Rodrigues Lopes Teixeira	21/04/2015
	Vera de Morais Pinto Pereira Carneiro	05/04/2018
	Ana Paula Garrido de Pina Marques	19/01/2021

18. Independent members of the Executive Board of Directors and General and Supervisory Board

EDP's Articles of Association (Article 9 (1), Article 10 (1), Article 11 (2) (d), Article 21 (4), Article 22 (1) (a), Article 23 and Article 27) and the Internal Regulation of the General and Supervisory Board (Article 8), both available on its website (www.edp.com), lay down the rules on independence and incompatibilities for members of any of the Company's corporate bodies.

The criteria of independence set out in EDP's Articles of Association are in line with those laid down in 414 (5) of the Companies Code and determine that independence means an absence of direct or indirect relations with the Company or one of its bodies and an absence of any circumstances that might affect impartiality of analyses or decisions, e.g. because the people in question own or are acting on behalf of owners of a qualifying shareholding of 2% (two percent) or more of the share capital of EDP or have been re-elected for more than two terms of office continuously or intermittently.

Pursuant to Article 9 (1) of EDP's Articles of Association, independence is “absence of direct or indirect relations with the Company or one of its bodies and an absence of any circumstances that might affect impartiality of analyses or decisions, e.g., because the people in question own or are acting on behalf of owners of a qualifying shareholding of 2% (two percent) or more of the share capital of EDP or have been re-elected for more than two continuous or intermittent mandates".

In view of the need to clarify the aforementioned Article 414 (5) of the Company Code, as there are diverging legal opinions, Associação de Emitentes de Valores Cotados em Mercado (“AEM”) requested an opinion from the CMVM , whose opinion was that the capacity as independent is only lost if, “on the basis of the criterion of number of terms of office, in a situation likely to affect his/her impartiality in analyses or decisions if the members of the supervisory bodies of public limited companies, having been elected for a first term of office and re-elected continuously or intermittently for a second and third term, are re-elected (for the third time, therefore) for a fourth term of office.”

Pursuant to its Internal Regulation, the General and Supervisory Board has in place a specific procedure regarding compliance with a large number of rules on incompatibilities and independence applicable to positions on this board (Articles 7 and 8 of the General and Supervisory Board Internal Regulation). This procedure includes the following aspects:

- acceptance of a position as member of the General and Supervisory Board is subject to a written statement setting out specifically (i) the inexistence of any incompatibility under the law or Articles of Association; (ii) compliance with the independence requirements set out in its Internal Regulation, if the person has been elected as an independent member; (iii) the members' obligation to report to the Chairman of the General and Supervisory Board or, for the Chairman, directly to the board any subsequent event that might generate incompatibility or loss of independence

- every year, the members of the General and Supervisory Board must renew their statements as to the inexistence of incompatibility and, if applicable, the compliance with the independence requirements.

Also, every year, the General and Supervisory Board conducts a general assessment of compliance with the rules of incompatibility and independence by its members.

At the same time, the Internal Regulation of the General and Supervisory Board (article 8) has broadened the independence criteria applicable to its members, going beyond the provisions of Article 414 (5) of the Companies Code and Article 9 of EDP's Articles of Association, and so people who directly or through their spouse or relative or similar in a straight line and to the collateral third degree, inclusive, are in one of the following situations cannot have independent status:

- being holder, director, having contractual ties or acting on behalf or on the account of owners of a qualifying shareholding of 2% (two percent) or more of the share capital or voting rights in EDP or the same percentage in a company of which it is a subsidiary;

- being a holder, director, having contractual ties or acting on behalf or on the account of owners of a qualifying shareholding of 2% (two percent) or more of the share capital or voting rights in a company that is a competitor of EDP;

- having been re-elected for more than two consecutive or non-consecutive terms of office;

- having exercised for twelve years, on a consecutive or non-consecutive basis, functions in any corporate body of the Company exception made to, from the end of its functions in any body and its new appointment, at least a three-year period has elapsed;

- having, in the last three years, provided services or had a significant commercial relation with the Company or one of its Subsidiaries; and,

- being a remuneration beneficiary paid by the Company or one of its Subsidiaries other than the remuneration deriving from the execution of its functions as a member of the General and Supervisory Board.

The rules of independence covering members of the General and Supervisory Board are particularly important regarding the following requirements:

- the board must consist of a majority of independent members (Article 434 (4) and Article 414 (5) and (6) of the Companies Code and Article 21 (4) of EDP's Articles of Association);

- the Financial Matters Committee/Audit Committee is composed, at least by, three independent members of the General and Supervisory Board (Article 23 (2) of EDP Articles of Association and Article 3 (1) of the Financial Matters Committee/Audit Committee's Internal Regulation);

- the Remuneration Committee of the General and Supervisory Board must comprise a majority of independent members (Article 27 (1) of the Articles of Association and Article 28 (b) of the General and Supervisory Board's Internal Regulation);

- the United States of America (USA) Business Affairs Monitoring Committee must be composed mainly of independent members (Article 3 (1) of the Internal Regulation of the Business Monitoring Committee in the United States of America).

In compliance with the above procedure, at the start of their terms of office, the members of the General and Supervisory Board stated that they were not in any of the situations of incompatibility set out in the Companies Code (Article 414-A (1) (a) to (e), (g) and (h) (ex vi Article 434 (4)) and Article 437 (1)) or under Article 10 (1) of the Articles of Association and, where applicable, that they complied with the independence requirements of the Internal Regulation of the General and Supervisory Board and the Articles of Association of EDP (article 9 (1), article 11 (2) (d) and article 21 (4)) . Of the incompatibility situations for the exercise of the role of member of the General and Supervisory Board, pursuant to the Article 414-A of the Companies' Code, it is considered the exercise of functions of administration or supervisory in five companies. Therefore, one may not be elected or designated a member of the General and Supervisory Board if holds office of administrator or supervisor in five companies.

At the end of 2021, the members of the outgoing General and Supervisory Board renewed their statements on incompatibilities and independence.

The above statements are available to the public at EDP's website, at www.edp.com.

The independent members of the General and Supervisory Board are shown in the chart in Item 17 above.

19. Qualifications of the members of the General and Supervisory Board and Executive Board of Directors

See Annex I of this Report.

20. Family, work-related and business relationships of the members of the General and Supervisory Board and Executive Board of Directors with shareholders owning a qualifying shareholding of over 2% of the voting rights

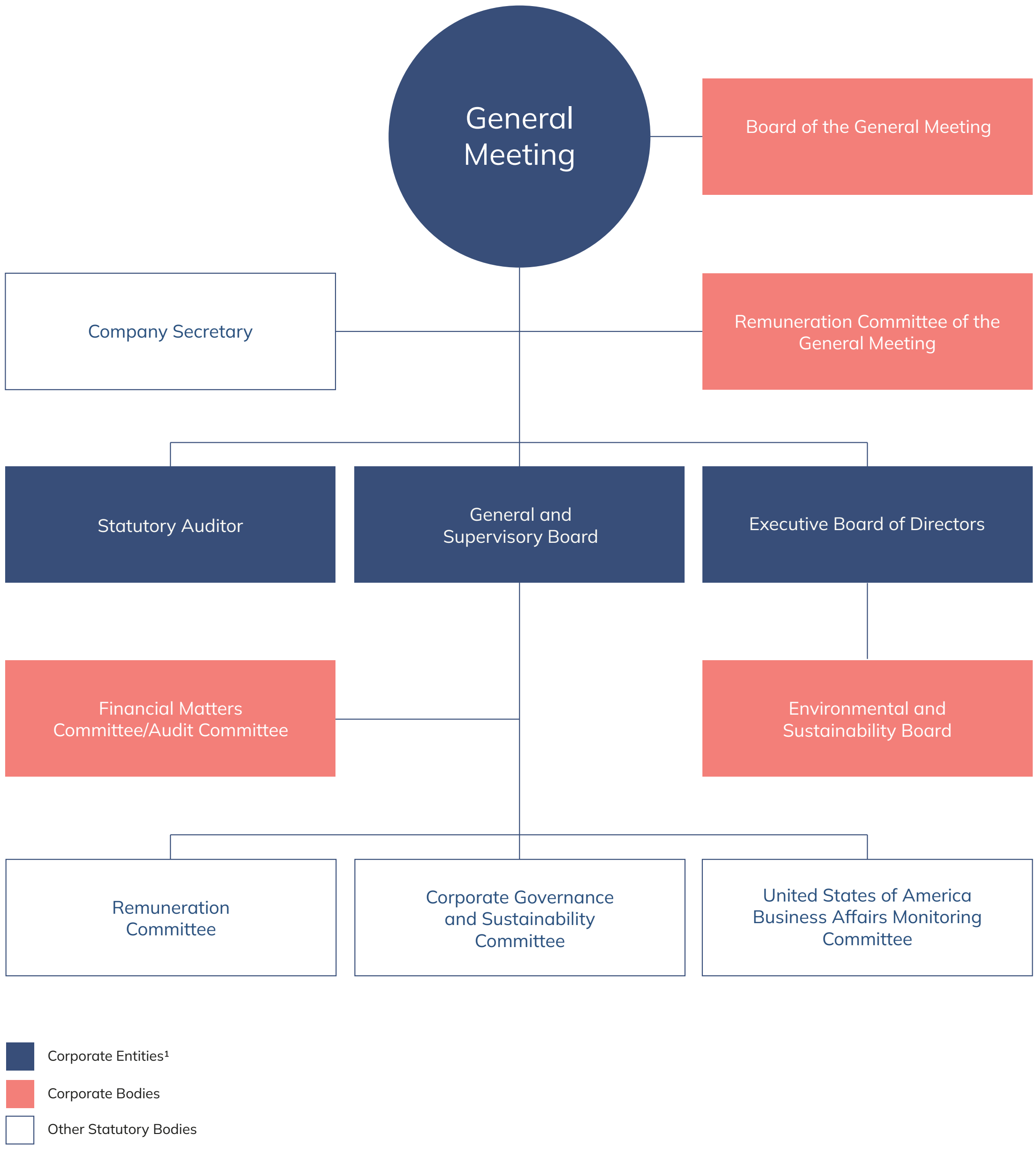
As for the General and Supervisory Board, there are professional relationships between Board members and shareholders attributed a qualifying holding of more than 2% of voting rights, as described below:

- Dingming Zhang, Shengliang Wu, Ignacio Herrero Ruiz, Li Li and Miguel Espregueira Mendes Pereira Leite were appointed representatives respectively of the members of the General and Supervisory Board, China Three Gorges Corporation, China Three Gorges International Limited, China Three Gorges (Europe), S.A., China Three Gorges Brasil Energia Ltda. e China Three Gorges (Portugal), Sociedade Unipessoal, Lda. China Three Gorges (Europe), S.A., held, on 31 December 2021, a 19.19% shareholding in EDP;

- the member of the General and Supervisory Board Fernando María Masaveu Herrero is chairman of the management body of Masaveu International, S.L. which owns 55.9% of Oppidum, S.L., a company with a 7.20% shareholding in EDP, on 31 December 2021. Fernando María Masaveu Herrero is also chairman of the administration body of Oppidum, S.L;

- the member of the General and Supervisory Board Felipe Fernández Fernández is a manager of Liberbank, S.A. which owns 44.1% of Oppidum, S.L., a company with a 7.20% shareholding in EDP, on 31 December 2021.

21. Organisation chart, delegation, and division of powers



[1] Corporate Entities are also Corporate Bodies, pursuing the article 8(4) of EDP's Articles of Association.

Powers of the General and Supervisory Board

Pursuant to Article 22 of the Articles of Association, the General and Supervisory Board is especially responsible for:

- permanently monitor the management of EDP and its subsidiaries and provide management advice and assistance to the Executive Board of Directors, particularly regarding strategy, goals, and compliance with the law;
- issue opinions on the annual report and accounts;
- permanently oversee the work of the Statutory Auditor and External Auditor and, regarding the former, issue an opinion on their election or appointment, dismissal, independent status, and other relations with the Company;
- oversee, on a permanent basis, and evaluate internal accounting and auditing procedures, the efficacy of the risk management system, internal control system and internal auditing system, including the way in which complaints and queries are received and processed, whether originating from employees or not;
- propose to the General Meeting the removal from office of any member of the Executive Board of Directors;

- monitor the definition of criteria and responsibilities required or appropriate for the structures and internal bodies of the Company or Group and their impact and draft follow-up plans;
- provide for the replacement of members of the Executive Board of Directors in the event of permanent or temporary absence, as required by law;
- issue an opinion on their annual vote of confidence in the directors set out in Article 455 of the Company Code, on its own initiative or when requested to do so by the CEO;
- monitor and assess matters of corporate governance, sustainability, internal codes of ethics and conduct and compliance with these codes and systems for appraising and resolving conflicts of interest, including those associated with the Company's relations with its shareholders, and issue opinions on these matters;
- obtain the financial or other resources that it reasonably deems necessary for its work and ask the Executive Board of Directors to take any measures or make any corrections that it considers pertinent, with the power to hire independent consultants, if necessary;
- receive regular information from the Executive Board of Directors on significant business relations between the Company or its subsidiaries and shareholders with a qualifying holding and persons related to them;
- appoint the Remuneration Committee and Financial Matters Committee/Audit Committee;
- represent the Company in its relations with the directors;
- supervise the work of the Executive Board of Directors;
- oversee compliance with the law and Articles of Association;
- select and replace the Company's External Auditor, giving the Executive Board of Directors instructions for engagement or dismissal;
- monitoring the bookkeeping, accounts and supporting documents and the status of any assets or securities held by the Company, as and when it deems appropriate;
- supervise the preparation and disclosure of financial information;
- call the General Meeting when it deems appropriate;
- approve its Internal Regulation, which includes rules on relations with the other corporate bodies;
- exercise any other powers that may be granted by law, the Articles of Association or by the General Meeting.

Under the corporate governance model in place at EDP, the General and Supervisory Board also has a power of particular importance. Although it does not have management powers, pursuant to Article 442 (1) of the Company Code, Article 17 (2) of the Articles of Association lays down that the approval of EDP's strategic plan and performance of the operations indicated below by EDP or its subsidiaries are subject to a prior favourable opinion from this board (see also Article 15 of the Internal Regulation of the General and Supervisory Board):

- acquisitions and sales of assets, rights, or shareholdings of significant economic value;
- financing operations of significant value;
- opening and closure of establishments, or important parts thereof, and substantial extensions or limitations of Company activity;
- other transactions or operations of significant economic or strategic value;
- formation or termination of strategic partnerships or other forms of lasting cooperation;

- plans for splits, mergers, or conversions;
- amendments to the Articles of Association, including changes of registered office and share capital increases when on the Executive Board of Directors' initiative.

The Chairman of the General and Supervisory Board is granted particular powers, and pursuant to Article 5 of the General and Supervisory Board Internal Regulation, is responsible for:

- convening and presiding over meetings of the General and Supervisory Board;
- representing the General and Supervisory Board institutionally;
- coordinating the work of the General and Supervisory Board and the correct operation of its committees, being entitled to attend any meeting, and being kept informed of their activities;
- proposing to the plenary General and Supervisory Board the members, the Chairman and, when appropriate, the Vice-Chairman of each committee;
- ensuring that the members of the General and Supervisory Board punctually receive the information they need for their duties;
- requesting from the Executive Board of Directors relevant information for the General and Supervisory Board and its committees to perform their duties and ensuring that the members of the General and Supervisory Board receive it in good time;
- taking the necessary measures to ensure that the General and Supervisory Board adequately monitors the activity of EDP and of subsidiaries;
- monitoring implementation of the General and Supervisory Board's budget and managing the material and human resources assigned to it;
- ensuring correct implementation of General and Supervisory Board decisions.

The Chairman of the General and Supervisory Board or, in his/her absence or incapacity, a member selected by the board for that purpose, may attend meetings of the Executive Board of Directors whenever s/he sees fit and take part in the discussion of matters to be submitted to the General and Supervisory Board, without having any voting rights pursuant to Article 21 (10) of EDP's Articles of Association.

The members of the Financial Matters Committee/Audit Committee have a right to attend the meetings of the Executive Board of Directors when the accounts are appraised (see Article 10 of the Financial Matters Committee/Audit Committee Internal Regulation).

Worth also noting that the General and Supervisory Board annually performs:

- a self-assessment of its activity and performance and those of its committees, the conclusions of which are set out in its annual report (see Article 12 of the General and Supervisory Board Internal Regulation);
- an independent assessment of the activity and performance of the Executive Board of Directors, the conclusions of which are submitted to the General Meeting and are presented in an annex to the annual report of the General and Supervisory Board.

On the initiative of the General and Supervisory Board, EDP has voluntarily established a formal, impartial process to assess the activity of this board and of the Executive Board of Directors. Experience of recent years has allowed the General and Supervisory Board to make some changes in the process to make it more effective and efficient. During the 2021 financial year, the method used comprises the following stages:

- carry out the collective evaluation process of the General and Supervisory Board, its Specialized Committees, and the Executive Board of Directors to an external entity, in order to have interviews supported by individual questionnaires to the General and Supervisory Board members support in completing and validating the treatment of information to support the evaluation process;

- in the beginning of 2022, each member of the General and Supervisory Board have answered an interview made by specialized consultants, answering to quantitative and qualitative matters, in particular on matters related to the composition, organization and functioning, activity performance of the General and Supervisory Board, relationship between the General and Supervisory Board and the Specialized Committees and other EDP corporate bodies as well as to proceed with the analysis of matters related with the composition, organization of the Executive Board of Directors, its activity performance and the relationship between the Executive Board of Directors and the General and Supervisory Board including to other interlocutors;

- reports were produced on the General and Supervisory Board evaluation, on its Specialized Committees and on the Executive Board of Directors, which were available for assessment in the General and Supervisory Board meeting;

- in its meeting, the General and Supervisory Board issues its assessment opinions and they are included in this board's annual report.

At the General Meeting, the Chairman of the General and Supervisory Board presents the board's opinion in the item of the agenda for assessment of the Executive Board of Directors.

Powers of the Executive Board of Directors

The Executive Board of Directors is a collegial body. No director is allowed to represent more than one other director at each meeting.

The powers of the Executive Board of Directors, in accordance with the Article 17 (1) of the Articles of Association, include:

- setting the goals and management policies of EDP and the EDP Group;

- drawing up the annual business and financial plans;

- managing corporate business and undertaking all actions and operations associated with the corporate object that do not fall within the responsibilities of other company bodies;

- representing the Company in and out of court, actively and passively, with the power to waive, transact and admit guilt in any legal proceedings and make arbitration agreements;

- buying, selling or by any other means disposing or encumbering rights or immovable assets;

- setting up companies and subscribing, purchasing, encumbering, and selling shareholdings;

- deciding on the issue of bonds and other securities in accordance with the law and the Articles of Association, in compliance with the annual quantitative limits set by the General and Supervisory Board;

- establishing the technical and administrative organisation of EDP and the Internal Regulation, particularly in relation to personnel and their remuneration;

- appointing proxies with such powers as it sees fit, including the power to delegate;

- appointing the Company Secretary and alternate;

- hiring and dismissing the External Auditor on recommendation of the General and Supervisory Board;

- exercising any other powers that may be granted to it by law or by the General Meeting;

- establishing its own Internal Regulation.

As executed in 2021, proposals to amend EDP's Articles of Association regarding share capital increases submitted by the Executive Board of Directors require a favourable prior opinion from the General and Supervisory Board, pursuant to Article 17 (2) (g) of the Articles of Association.

The Chairman of the Executive Board of Directors sends the Chairman of the General and Supervisory Board the notices of meetings, support documents and minutes of the meetings and, on request, provides appropriate, timely information, which is accessible to all the members of the General and Supervisory Board.

When so requested by other members of the corporate bodies, the Executive Board of Directors also provides all the required information in a timely and appropriate fashion. There is an information sharing portal for the Executive Board of Directors and General and Supervisory Board, which is accessible to all their members, without prejudice to restrictions on access to information regarding members who are in a situation of conflict of interests.

The Chairman of the Executive Board of Directors is granted particular powers by Article 18 of the Articles of Association. These powers are:

- representing the Executive Board of Directors;

- coordinating the work of the Executive Board of Directors and convening and presiding over its meetings;

- ensuring proper execution of the decisions of the Executive Board of Directors.

The Chairman of the Executive Board of Directors is entitled to attend the meetings of the General and Supervisory Board, whenever considered appropriate, except when these concern decisions on the supervision of the work of the Executive Board of Directors and, in general, any situations that may involve a conflict of interest, pursuant to Article 18 (2) of the Articles of Association.

In the Executive Board of Directors there is a functional division of management areas to each of its members. The college of directors is responsible for making decisions on all matters within its remit. Delegated powers are not granted to directors individually, because of the board's particular nature.

As previously explained, the activity and performance of the Executive Board of Directors are assessed continuously and independently by the General and Supervisory Board on an annual basis.

Until 19 January 2021, the assignment of Corporate Departments and Business Units to the members of the Executive Board of Directors was the following:

MIGUEL STILWELL DE ANDRADE

CORPORATE GOVERNANCE SUPPORT AREA
- Office of the Chairman of the Executive Board of Directors
- Internal Audit Department

STRATEGY AREA
- Business Analysis Department
- Energy Planning Department
- Studies and Competition Department

FINANCIAL AREA
- Consolidations, IFRS Reporting and Tax Global Coordination Department
- Corporate Planning and Management Control Department
- Financial Management Department
- Investor Relations Department

RESOURCES AREA
- Transformation and Talent Unit
- People Experience Unit
- EDP University

BRAND AND COMUNICATION AREA
- Brand, Marketing and Communication Coordination Department

BUSINESS
- EDP Inovação
- EDP Finance BV
- Energia RE
- EDP Sucursal en España

ANTÓNIO MARTINS DA COSTA

CORPORATE GOVERNANCE SUPPORT AREA
- Ethics Ombudsman Office

STRATEGY AREA
- Markets and Regulation Department
- Sustainability Department
- Risk Management Department

RESOURCES AREA
- Digital Global Unit

BRAND AND COMUNICATION AREA
- Institutional Relations and Stakeholders Department

JOÃO MARQUES DA CRUZ

BUSINESS
- E-REDES
- EDP Internacional (and respective subsidiaries)
- EDP International Investment and Services SL
- EDP Inovação
- Labelec

MIGUEL SETAS

RESOURCES AREA
- *Transformation and Talent Unit*
- *People Experience Unit*
- Universidade EDP

BUSINESS
- EDP Brasil (and respective subsidiaries)
- EDP Produção ((and respective subsidiaries)
- EDP Produção Bioeléctrica

SHARED SERVICES
- Sãvida
- SCS

RUI TEIXEIRA

BUSINESS
- EDP Renováveis (and respective subsidiaries)
- UNGE - Energy Management Business Unit
- EDP Gas.Com
- Portsines
- EDP España (and electricity sector subsidiaries)

MARIA TERESA PEREIRA

CORPORATE GOVERNANCE SUPPORT AREA
- General Secretariat
- Legal Department
- Compliance Department
- Internal Audit Department

STRATEGY AREA
- Studies and Competition Department

BUSINESS
- EDP Estudos e Consultoria

SHARED SERVICES
- EDP Global Solutions
- EDP Real Estate

VERA PINTO PEREIRA

STRATEGY AREA
- Energy Planning Department

BRAND AND COMUNICATION AREA
- Brand, Marketing and Communication Coordination Department

BUSINESS
- EDP Comercial
- SU Eletricidade
- EDP Gás Serviço Universal

SHARED SERVICES
- EDP Soluções Comerciais

Corporate Areas
Management Areas

Following the General Shareholders' Meeting held on 19 January 2021 and the resulting changes in EDP's governing bodies, modifications were made to the allocation of Corporate Departments and Business Units to the members of the Executive Board of Directors, which on 31 December 2021 was as follows:

MIGUEL STILWELL DE ANDRADE

CORPORATE GOVERNANCE SUPPORT
- Office of the Chairman of the Executive Board of Directors
- Internal Audit Department
- Compliance Department
- Office of the Ethics Ombudsman
- General Secretarial and Legal Office Department

STRATEGY AND FINANCIAL AREA
- Business Analysis Department

HUMAN RESOURCES
- People & Organizational Development Global Unit

COMUNICATION AND TRADEMARK
- Communication Department

BUSINESS
- EDP Renováveis (and respective subsidiaries)

OTHERS
- EDP Sucursal en España

MIGUEL SETAS

RISK MANAGEMENT AND SUSTAINABILITY AREA
- Risk Management Department
- Sustainability Department

BUSINESS
- E-Redes
- IE2/EDP Redes España
- Companhia de Electricidade de Macau (CEM)

GEOGRAPHIES
- EDP Brasil[1] (and respective subsidiaries)

SHARED SERVICES, INNOVATION AND SOCIAL AND CULTURAL ACTIVITY
- EDP Global Solutions - Shared Services
- Sãvida
- Energia Re
- EDP - Estudos e Consultoria

RUI TEIXEIRA

STRATEGY AND FINANCIAL AREA
- Business Analysis Department
- Energy Planning Department
- Consolidations, IFRS Reporting and Tax Global Coordination Department
- Corporate Planning and Management Control Department
- Financial Management Department
- Investor Relations Department

BUSINESS
- UNGE – Unidade de Negócio de Gestão de Energia (including project EMIR)
- EDP Gas.Com

GEOGRAPHIES
- EDP España (and respective subsidiaries in the electric sector, excluding IE2/EDP Redes España)

OTHERS
- EDP Finance BV

VERA PINTO PEREIRA

COMUNICATION AND TRADEMARK
- Trademark Department
- Social Impact Coordination Office

BUSINESS
- EDP Comercial (and respective subsidiaries)
- SU Eletricidade
- EDP Gás Serviço Universal
- EDP Clientes
- EDP Solar
- EDP Energia Polska
- EDP Energía Italia

SHARED SERVICES, INNOVATION AND SOCIAL AND CULTURAL ACTIVITY
- Fundação EDP[2]

ANA PAULA MARQUES

DIGITAL
- Digital Global Unit

REGULATION AND INSTITUTIONAL RELATIONS AREA
- Markets and Regulation Department
- Studies and Competition Department
- Institutional Relations and Stakeholders Department

BUSINESS
- EDP Produção (and respective subsidiaries)
- EDP Internacional (and respective subsidiaries)
- Hydro Global

SHARED SERVICES, INNOVATION AND SOCIAL AND CULTURAL ACTIVITY
- EDP Inovação (and respective subsidiaries)
- Labelec (and respective subsidiaries)

Corporate Areas | Management Areas

[1] The CEO of EDP Energias do Brasil has hierarchical reporting to the Chairman of the Executive Board of Directors.
[2] Without prejudice of the competencies led by the General and Supervisory Board under the Articles of Association of Fundação EDP.

EDP's functional structure

Group's organisational model

The Executive Board of Directors is responsible for defining the EDP Group's organisational model and splitting competences among the different Business Units, the Shared Services companies, and the central structure. This structure consists of a Corporate Centre that provides assistance to the Executive Board of Directors in defining and monitoring the execution of strategies, policies, and goals.

Apart from the Corporate Centre, EDP has Business Units, allowing for optimisation and greater efficiency of the organisational structure.

The Executive Board of Directors is also assisted by specialised committees, which ensure more effective monitoring of matters and contribute to the decision-making process.

On 31 December 2021, the corporate centre structure was as follows:

CORPORATE CENTRE • BUSINESS UNITS	
DEPARTMENTS	
Corporate Governance Support Area	
General Secretariat and Legal Department	Rita Ferreira de Almeida
Office of the Chairman of the Executive Board of Directors	Teresa Lobato [1]
Internal Audit Department	Azucena Viñuela Hernández
Compliance Department	Rita Sousa
Office of the Ethics Ombudsman	Maria Manuela Silva
Strategy and Financial Area	
Energy Planning Department	Jorge Casillas
Business Analysis Department	Pedro Vasconcelos [2]
Financial Management Department	João Pedro Summavielle
Consolidation, IFRS Reporting Global Coordination Department	Miguel Ribeiro Ferreira
Management Planning and Control Department	Rui Antunes
Investor Relations Department	Miguel Henriques Viana
Social Impact Coordination Office	Martim Salgado
Risk and Sustainability Area	
Sustainability Department	António Castro [3]
Risk Management Department	Rui Eustáquio
Regulation and Institutional Relations Area	
Markets and Regulation Department	Sandra Pinto Ferreira
Studies and Competition Department	Ricardo Ferreira
Institutional Relations and Stakeholders Department	Filipa Ricciardi [4]
Resources Area	
Digital Global Unit	João Nascimento
People & Organizational Development Global Unit	Paula Carneiro
Communication and Brand Area	
Communication Department	Rui Cabrita
Brand Department	Catarina Barradas
Business Units	
Energy Management Business Unit	Pedro Neves Ferreira

Notes:
[1] On 1 January 2022, Mónica Gameiro replaced Teresa Lobato as Chief of Staff of the Chairman of the Executive Board of Directors;
[2] On 15 February 2022, André Fernandes replaced Pedro Vasconcelos as responsible for the Business Analysis Department;
[3] On 7 January 2022, Miguel Henriques Viana replaced António Castro as responsible for the Sustainability Department;
[4] On 16 February 2022, Maria Marta Geraldes replaced Filipa Ricciardi as responsible for the Institutional Relations and Stakeholders Department.

The **General Secretariat and Legal Department** provides administrative and logistical assistance to the Executive Board of Directors, provides advice to EDP and to EDP Group's companies with their head offices in Portugal, in order to ensure the effective operation of the Corporate Centre, compliance with applicable legislation and ensures the harmonisation of the corporate governance policies within the Group.

The **Office of the Chairman of the Executive Board of Directors** assists the CEO in all matters within his/her remit in order to help maximise the effectiveness of decisions and instructions.

The mission of the **Internal Audit Department** is to increase and protect the value of the organization, providing assurance, advisory and insight, by assessing and issuing recommendations to improve the Company's governance processes and contributing to the improvement of the company's risk, control and governance management processes at EDP.

The **Compliance Department** is responsible for promoting and coordinating the implementation of Compliance mechanism within the Group aiming to improve and protect the value and the operations of the Group and contribute to improve the risk management procedures, control, and governance of EDP Group and ensure the implementation of the Internal Financial Reporting Control System (SCIRF).

The **Ethics Ombudsman's Office** is responsible for supporting the General and Supervisory Board and the Executive Board of Directors regarding the definition, communication, implementation and assessment of objectives, policies, and management instruments of corporate ethics. Additionally, it manages the processes of claims of ethical nature, regarding the commitments established concerning confidentiality and protect rights associated with these procedures.

The mission of the **Energy Planning Department** is to draft studies and opinion to assist the Executive Board of Directors in decision-making process regarding strategy definition to the planning and development in several Business Units of the Group.

The **Business Analysis Department** coordinates studies to assist with the Group's overall business strategy and performs development operations via investments, divestitures and/or partnerships in order to assist the Executive Board of Directors in optimising EDP's business portfolio and promoting and taking new business opportunities.

The mission of the **Risk Management Department** is to promote an integrated view of corporate risk, ensure the alignment of risk policies and limits with the appetite defined for the Group and coordinate risk-return studies at Group level, aiming to support the Executive Board of Directors in monitoring and mitigating the main risks.

The **Regulation and Markets Department** designs, orchestrates, and executes the Group's regulatory strategy, anticipating challenges, ensuring an integrated perspective, analysing economic and financial impacts, and supporting the Executive Board of Directors in planning, prioritization, and decision-making.

The **Studies and Competition Department** coordinates strategic studies on the legal framework for the sector and competition, with the aim of supporting the Executive Board of Directors in developing a global vision on issues related to the legal framework and market design, coordinates actions regulatory/legal consultation at European level and promotes compliance on competition issues.

The mission of the **Sustainability Department** is to support the Executive Board of Directors in the definition and implementation of the Group's sustainability policy and strategy, defining corporate objectives and targets, streamlining their operation and continuous improvement in the Business Units, executing the reporting of non- consolidated financial statement to interested parties within defined timeframes.

The remit of the **Financial Management Department** is to propose and implement the Group's financial management policy and analyse and monitor management of its pension fund in order to optimise and guarantee financial sustainability and control financial liabilities in accordance with Group policy.

The **Global Coordination Department for Consolidation, IFRS Reporting, and Taxation** guarantees the process of consolidation of accounts and ensures the rendering of IFRS accounts for the Group, with the objective of complying with the defined schedules and ensures the processes, criteria, and accounting rules necessary to guarantee the adequate and consistent accounting treatment and recording of operations in all Group companies.

The **Management Planning and Control Department** is responsible for the Group's management planning and oversight, to ensure alignment with strategic goals and monitor implementation of the Business Plan.

The **Investor Relations Department** communicates with analysts and investors in Group companies to ensure the sustainability of EDP's image and reputation and fulfil the information requirements of regulators and financial supervisors.

The mission of the **Digital Global Unit** is to define a global technology strategy and vision for the Group, making EDP a truly digital organization, integrating digital technology into business domains and transforming the way of working and delivering value.

The mission of the **People and Organizational Development Global Unit** is to define a global strategy for the development of people and organization, which provides an engaging and inclusive experience, enabling the EDP Group to face the challenges of the energy transition.

The mission of the **Brand Department** is to define and develop EDP Group's brand strategy, as well as the EDP Group's Brand Activation and Sponsorship Policy, ensuring their alignment with the Group's values and vision.

The mission of the **Communication Department** is to develop and implement the EDP Group's global communication strategy, in order to maximize the positive impact on brand perception and reinforce the involvement of employees with Society, as well as ensuring the monitoring of reputation, the relationship with the media and the management of digital platforms for internal and external communication.

The **Institutional Relations and Stakeholders Department** ensures an integrated and consistent narrative with the Group's stakeholders, in line with the vision and strategy adopted, aiming to maximize the Group's communication potential vis-à-vis its stakeholders and contributing to information fluid and systematized information on the Group and its actions.

The mission of the **Social Impact Coordination Office (SICO)** is to define the global social investment strategy, with a view to maximize EDP Group's social impact, ensuring the alignment of all the EDP Group's social investment vehicles.

The **Energy Management Business Unit (UNGE)** is responsible for negotiating the physical and forward purchase of fuels and contracting their transport, in the name and on behalf of the relevant EDP Group companies. It is responsible for carrying out forward and spot transactions for the purchase and sale of electricity on the market, of a physical or financial nature, namely in energy-derived products and foreign exchange transactions. It is also responsible for deciding on the exploration and dispatch programs of the EDP Group's power generation centres whose energy management is under its responsibility, with a view to optimizing the portfolio and satisfying the energy supply to the customers of the EDP Group's suppliers. It also manages operations related to "CO_2 emission permits" and "green certificates" of EDP Group

In 2021, changes were made to the existing departments and their respective powers, in the following terms:

- Merger of the General Secretariat and the Legal Department into a single department, General Secretariat and Legal Department.
- Extinction of the Global Brand, Marketing and Communication Coordination Department and autonomization of the Communication Department and the Brand Department.
- Merger of the People and Experience Unit, Transformation & Talent Unit and EDP University into a single Department, the People & Organizational Development Global Unit.
- Incorporation of the Social Impact Coordination Office (SICO).
- Incorporation of the Safety, Security & Business Continuity Unit, effective on 7 January 2022, under the responsibility of Miguel Amaro. Its mission is to support the Executive Board of Directors in defining the strategy and drawing up global Safety, Security policies and Business Continuity, in accordance with best practices, ensuring its operation and monitoring within the EDP Group.

EDP Platforms

As a result of EDP Group's Business Plan for the period 2021-2025 objectives, and the necessary introduction of changes to the Group's structure that respond to the challenges contained in such Business Plan, in 2021, EDP Group established a management model by platforms with the inherent coordination mechanisms, respecting the existing structures in the different geographies where the Group is present.

The established model is based on the balance between platforms and geographies, compliance with the legal and regulatory framework and considers the specificities existing in each of the geographies and business areas in which the Group operates, allowing, at the same time, to respond in a consistent, synergistic, and global manner, to the path that EDP Group advocated following the approval of its Business Plan

Specific EDP committees (Functional Structures)

The EDP organizational model provides for management committees that contribute in two ways to the Company's decision-making process:

- they input information to assist the Executive Board of Directors in its decision-making reflecting opinions and information from the areas in the organisation most affected by the proposal in question

- they are used by an organisational unit (belonging to the Corporate Centre, a Business Unit or shared service unit to assist in gathering information, alignment, decisions and implementation of policies and practices with an impact on a number of areas in the organization.

Considering the principle of continuous improvement by which the EDP Group is governed and the importance of the Management Committees in the organizational model of the Group, the Executive Board of Directors approved, on 9 February 2021, changes in the structure and organizational characterization of the Management Committees, maintaining only the strategic and functional committees, which became Corporate Committees.

In view of the changes that have taken place in the structure of the EDP Group, in 2021, Business Committees as well as the Compliance and Purchasing Committees were eliminated, and the Committees on Prices and Volumes, Energy Planning and Iberian Market and Commercial Committees were deformalized.

On 31 December 2021, the Committees structure configuration was as follows:

CORPORATE COMMITTEES
Risk Committee
Sustainability Committee
Investments Committee
Regulation Committee
Innovation Commitee
Financing Committee
Stakeholders Committee
Fund Plan and Pension Committee
P&O Committee
Digital and Information Technology Committee
Prevention and Safety Committee

Corporate Committees

Risk Committee

The main duties of the Risk Committee are:

The main duties of the Risk Committee are:

- share information on the EDP Group's key risks and risk profile

- discuss the result of significant risk assessment projects undertaken in conjunction with the Business Units

- discuss and issue opinions or recommendations on policies, procedures, significant risks, risk limits and extraordinary risk situations

- promote and monitor maintenance of the inventory of the most significant risks (risk portal)

- approve the periodical reporting model to be submitted by the Business Units or the Risk Management Department and other mechanisms for reporting and monitoring EDP's risks.

The Risk Committee is presided by Director Ana Paula Marques and the person responsible for the Risk Management Department has secretarial duties.

The Risk Committee held four meetings in 2021.

Sustainability Committee

The Sustainability Committee's responsibilities are as follows:

- share information and discuss the implications of major legislative packages in the field of sustainability

- share the Group's environmental performance indicators and benchmarks

- discuss and give opinions on the annual Operational Environment and Sustainability Plans (POSA) and the annual consolidated budget

- discuss and give opinions on the annual action plans and the EDP Group's goals and targets

- monitor the progress of approved action plans and the activities of the EDP Group companies' sustainability management structures.

The Sustainability Committee is presided by Director Miguel Setas and the person responsible for the Sustainability Department has secretarial duties.

The Sustainability Committee held one meeting in 2021.

Investments Committee

The Investments Committee discusses and issues opinions on proposed investment and disinvestment projects and WACC proposals for the Business Units.

The Investments Committee is presided by Director Rui Teixeira and a representative of the Business Analysis Department has secretarial duties.

The Investments Committee held ninety-three meetings in 2021.

Regulation Committee

The mission of the Regulation Committee is as follows:

- share regulatory practices in the Iberian Peninsula and the rest of Europe and those followed in Brazil;

- analyse the European Commission's energy strategy and policies and the implementation of directives by the internal market and the competition and policies, legislation, regulations and organisation of the energy sectors in Portugal and Spain;

- analyse prices evolutions and the implications of tariff policies and decisions on regulated activities;

- discuss and clarify the regulatory developments and modification, as well as the respective impacts.

The Regulation Committee is presided by Director Ana Paula Marques and the person responsible for the Regulation and Markets Department has secretarial duties.

The Regulation Committee held three meetings in 2021.

Innovation Committee

The Innovation Committee's main duties are:

- discuss and propose strategic areas of innovation in the EDP Group
- follow the governance model and EDP's innovation results Discuss and propose changes
- monitor the EDP Group's ongoing innovation initiatives and EDP Group projects in progress and propose corrective action.

The Innovation Committee is presided by Director Ana Paula Marques and the Director of EDP Inovação has secretarial duties.

Financing Committee

The Financing Committee's main duties are:

- develop an integrated view of corporate financial matters and processes together with the Business Units;
- follow-up on initiatives of a financial nature across the Group, namely regarding efficiency;
- promote internal and external benchmarking with a view to adopting best practices in the financial areas;
- analyse and assess the information provided to the market, as well as the internal control and disclosure mechanisms.
- The Financing Committee is presided by Director Rui Teixeira and, on a rotating basis, by the head of the Control and Management Department, the head of the Financial Department, the head of the Investor Relations Department and the head of the Global Coordination Department for Consolidation, IFRS Reporting and Taxation.

The Financing Committee held one meeting in 2021.

Stakeholders' Committee

The duties of the Stakeholders' Committee are as follows:

- evaluate the alignment and consistency of stakeholder relationship strategies in the different markets and geographical areas where the EDP Group operates;
- discuss priorities and propose guidelines and a management model for the Group's relations with stakeholders;
- assess compliance with the Group's stakeholder management policy.

This Committee is presided by Director Ana Paula Marques and the person responsible for the Institutional Relations and Stakeholders Department has secretarial duties.

Pension Plan and Fund Committee

The Pension Plan and Fund Committee's main responsibilities are:

- share significant information with an impact on management of the pension fund;
- analyse the performance of assets under management, fund profitability and management mandates and the performance of the different asset managers;
- monitor the value of the fund's liabilities and level of financing;
- issue an opinion on investment policy and/or management mandates, actuarial assumptions used in calculating the fund's liabilities and members' contributions to the fund.

The Pension Plan and Fund Committee is presided by Director Rui Teixeira and the person responsible for the Financing Management Department has secretarial duties.

The Pension Plan and Fund Committee held four meetings in 2021.

P&O Committee

The duties of the P&O Committee are as follows:

- Present the P&O Division's annual action plan and its execution;
- Align key policies that allow the promotion of best practices in the different areas;
- Monitor KPIs and main initiatives in different areas.

This Committee is presided by the Chairman of the Executive Board of Directors, Miguel Stilwell de Andrade, and the person responsible for the *People & Organizational Development Global Unit* has secretarial duties.

The P&O Committee held one meeting in 2021.

Digital and Information Technology Committee

The Digital and Information Technology Committee's duties are as follows:

- align the global strategy with Information technologies, including information safety;
- define and consolidate the digital and information technology budget, including information safety;
- monitor the main Digital and information technology projects.

The Digital and Information Technology Committee is presided by Director Ana Paula Marques and the person responsible for Digital Global Unit has secretarial duties.

The Digital and Information Technology Committee held two meetings in 2021.

Prevention and Safety Committee

The Prevention and Safety Committee's duties are as follows:

- issue an opinion on proposals for defining the EDP Group's objectives in terms of prevention and safety at work;
- analyse the Annual Activity Report and give an opinion on EDP's Prevention and Safety Activities Plan;
- assess the evolution of the main occupational safety indicators and propose improvement actions;
- issue an opinion on the normative documents of the safety management system that have a general scope within the EDP Group or have a transversal impact on various sectors and activities

The Prevention and Safety Committee is presided by Director Miguel Setas and the person responsible for Sustainability Department has secretarial duties.

The Prevention and Safety Committee held two meetings in 2021.

Ethics Commission

The Ethics Committee, as initially formed, was set up following the approval of the EDP Group's Code of Ethics, being appointed by the General and Supervisory Board, on a proposal from the Executive Board of Directors, and after the opinion of the Corporate Governance and Sustainability Committee.

In 2021, as a result of an exercise conducted internally regarding best practices in Corporate Ethics, EDP proceeded (i) to change the name from “Committee” to “Ethics Commission”, in order to move away from the concept of “Management Committee”, used at EDP for organizational figures of different nature and content (ii) to the adoption of an identical basic structure in different geographies, independent from the executive management, with a relatively small number of members, which includes two independent members of the General Supervisory Board, the respective Chairman being simultaneously Chairman of the Ethics Committee, and members with certain specific functions, namely, Ethics Ombudsman, Human Resources, Compliance and Legal.

The main mission of this Committee is to independently ensure the monitoring and application of the EDP Code of Ethics, also proceeding with the assessment and deliberation, in accordance with the respective competences, of the matters submitted to it, as well as promoting and supporting the development and implementation of mechanisms for establishing the principles of business ethics in the Group.

In 2021, the Ethics Commission held four meetings, two of which were still under the Ethics Committee format.

Customer Ombudsman

The Customer Ombudsman is an independent entity that was created in 2008 to reinforce the EDP Group's customer care policy. Its responsibilities, pursuant to Article 9 of the EDP Group Companies' Customer Ombudsman Regulation, are as follows:

- receive and examine complaints filed by customers and directly related to actions or omissions by EDP Group companies
- enter into dialogue with customers making a complaint
- arbitrate disputes and conflicts between customers and EDP Group companies
- issue opinions on matters relating to the activity of EDP Group companies, if requested to do so by any of their corporate bodies
- propose measures to improve quality of service and customer satisfaction
- contact third parties to obtain specialist information so that recommendations can be made to the EDP Group companies on measures to be taken to improve their customer relations.

Branch in Spain

EDP – Energias de Portugal, Sociedad Anonima, Sucursal en España (EDP Spanish Branch) aims to manage and coordinates the energy interests of the EDP Group's dependent subsidiaries in Spain. Its management and supervisory bodies ensure optimisation of synergies and creation of value in operations and activities in Spain. It is also the organisational platform to lead the Iberian integration for support services. In this regard, EDP Spanish Branch owns all the corporate holdings in EDP España, S.A.U., EDP Servicios Financieros España S.A.U. and EDP International Investments & Services, S.L. as well as 74.98% of EDP Renováveis, S.A share capital.

EDP Spanish Branch has offices in Madrid and Oviedo. It is represented in relations with third parties by permanent representatives, who have been appointed members of the EDP Executive Board of Directors for that purpose.

The Branch's steering, coordination, management, and representation structure consists of an Executive Committee and Management Committee. The Executive Committee is composed of five permanent EDP representatives, one Corporate General Director (Group Controller for activities in Spain), and front-line managers in charge of the Business Units in Spain. This committee basically serves as the coordinator of the permanent representatives' activities. The Management Committee is chaired by the Group Controller and is a natural extension of the management departments at the EDP Corporate Centre, i.e. Environment, Sustainability and Innovation Department, Legal Department, Internal Audit Department, Financial, Management and Human Resources Department, a Procurement Department and Information Technology Department, Projects and Prevention Department, a Fundação EDP España Department and a Communication, Marketing, and Trademark Department, ensuring and regrouping homogeneously these position of subsidiaries of EDP Group in Spain.

B) OPERATION

22. Location where the operating regulations of the General and Supervisory Board and Executive Board of Directors can ser consulted

The functioning of the General and Supervisory Board and Executive Board of Directors are governed by their Internal Regulation, available on EDP's website, at www.edp.com.

23. Meetings and attendance rate of each member of the General and Supervisory Board and Executive Board of Directors

Ordinary meetings of the General and Supervisory Board are held at least once every quarter and extraordinary meeting take place whenever convened by the Chairman, on his/her own initiative or at the request of any of its members, the Executive Board of Directors, or its Chairman, pursuant to Article 24 (1) of the Articles of Association and Article 20 (1) of the Internal Regulation of the General and Supervisory Board.

The General and Supervisory Board met eleven times in 2021 and minutes were kept of all the meetings. Information on the attendance of each member of the board is provided in Annex II to this Report.

Pursuant to the provisions of Article 20(1) of the Articles of Association and Article 7(1) of the Executive Board of Directors Internal Regulation, this body will have ordinarily met at least twice a month, as fortnightly meetings were compulsory. Nevertheless, the Executive Board of Directors meets weekly, as a rule.

The Executive Board of Directors met seventy-one times in 2021 and minutes were kept of all the meetings. Information on the attendance of each member of the board is provided in Annex III of this Report.

24. Company bodies with powers to evaluate performance of executive directors

The Remuneration Committee of the General and Supervisory Board is responsible for, namely, the annual evaluation of the Executive Board of Directors, considering, among other factors, the fulfilment of the Company's strategy and the previously set goals, plans and budgets for the purpose of considering and determining the variable remuneration of the Chairman and of the other members of the Executive Board of Directors. It also evaluates the individual performance of each member of the Executive Board of Directors, including this evaluation the contribution of each member to the mode of operation of this body and the relationship between the various corporate bodies of the Company.

Additionally, the General and Supervisory Board evaluates the Executive Board of Directors accordingly with the abovementioned Item 21.

25. Pre-determined criteria for performance evaluation of executive directors

These criteria for evaluating the performance of the Members of the Executive Board of Directors are set out in points 69 and 71 of the Corporate Governance Report.

26. Positions held at other Group or non-group companies by each member of the General and Supervisory Board and Executive Board of Directors

The positions held by members of the General and Supervisory Board and Executive Board of Directors in other EDP Group or non-group companies are shown in Annex I and IV of this Report.

C) Committees of the managing or supervisory body

27. Committees set up in the General and Supervisory Board and Executive Board of Directors

The Internal Regulation of the General and Supervisory Board as well as the provisions of the law and of the Articles of Association regarding the Financial Matters Committee/Audit Committee provide for the establishment of permanent committees and temporary committees, composed of some of its members, without prejudice to its responsibility for the exercise of its duties as a corporate body. These committees may be set up whenever it sees fit and appropriate and have specific duties delegated to them. It should be noted that, in the case of the Financial Matters Committee / Audit Committee, the respective existence derives from the law, considering the governance model in force at EDP.

The main remit of the permanent and temporary committees is the specific and continuous monitoring of the matters entrusted to them, in order to ensure informed resolutions by the General and Supervisory Board or provide it with information on certain matters.

The committees' activity is coordinated by the Chairman of the General and Supervisory Board, who ensures proper articulation of the committees with the plenary board through their chairmen, who keep him informed by sending notices and the minutes of meetings.

The General and Supervisory Board believes that the committees are important to the regular functioning of the Company as they can perform certain delegated duties, especially monitoring the Company's financial information, reflecting on its governance system, assessing the performance of directors, and evaluating its own overall performance.

Currently, the General and Supervisory Board holds four Specialized Committees: the Financial Matters Committee/Audit Committee, the Remuneration Committee, the Corporate Governance and Sustainability Committee, and the United States of America Business Affairs Monitoring Committee, as the Strategy and Performance Committee was extinct on 15 April 2021 following a decision of the General and Supervisory Board.

28. Membership of the executive committee and/or name of managing director(s)

Not applicable to EDP's governance model.

29. Duties of each committee and summary of work performed while carrying them out

A. The Committees of the General and Supervisory Board

Financial Matters Committee/Audit Committee

Currently, the Financial Matters Committee/Audit Committee is made up of three independent members with the appropriate qualifications and experience, including at least one member with a degree in the area of the committee's duties and specific knowledge of auditing and accounting, as confirmed by the Curriculum Vitae of Chairman, which can be viewed in Annex I of the current Report.

Until 14 April 2021, the Financial Matters Committee/Audit Committee was composed as follows:

FINANCIAL MATTERS COMMITTEE / AUDIT COMMITTEE		FIRST APPOINTMENT DATE
Chairman	Luís Filipe Marques Amado	06/04/2018
Vice-Chairman	João Carlos Carvalho das Neves	22/04/2015
	Clementina Maria Dâmaso de Jesus da Silva Barroso	06/04/2018
	Maria Celeste Ferreira Lopes Cardona	18/04/2012
	María del Carmen Ana Fernández Rozado	22/04/2015

Following the General Shareholders' Meeting held on 14 April 2021, the new members of the Financial Matters Committee/Audit Committee were appointed on 15 April 2021, and the Committee is now composed of the following members:

FINANCIAL MATTERS COMMITTEE / AUDIT COMMITTEE		FIRST APPOINTMENT DATE
Chairman	João Carlos Carvalho Das Neves	22/04/2015
	María del Carmen Ana Fernández Rozado	22/04/2015
	Helena Sofia da Silva Borges Salgado Fonseca Cerveira Pinto	15/04/2021

In accordance with Articles of Association and the Internal Regulation of the Financial Matters Committee/Audit Committee and under the applicable law, are assigned to this Committee, by delegation from the General and Supervisory Board, the following powers:

- financial matters and financial practices;
- internal audit practices and procedures;
- internal mechanisms and procedures of the Internal Control System for Financial reporting (ICSFR);
- matters relating to risk management and control system;
- activities and mechanisms of the compliance management system;
- activity and independence of the Statutory Auditor (SA) / Society of Chartered Accountants (SROC) of the company;
- systems for assessing and resolving conflicts of interest, particularly regarding the Company's relations with shareholders.

The composition, role and functioning of the Financial Matters Committee/Audit Committee are in line with the applicable legislation and regulation, including the European Commission Recommendation of 15 February 2005 (2005/162/EC), the European Commission Recommendation of 30 April 2009 (2009/385/EC) as well as the recommendations provided for by the Corporate Governance Code of the Portuguese Institute for Corporate Governance, having the respective Internal Regulation been updated in December 2021.

The Financial Matters Committee/Audit Committee held sixteen meetings in 2021, as envisaged in its Activity Plan. The main matters addressed in those meetings were: the supervision of financial and business information and the monitoring of the activity of Internal Audit, the Internal Control System for Financial Reporting (SCIRF), the Compliance Management System and the Risk Management System. In this context, it also monitored and supervised litigation procedures, transactions with related parties, ongoing investment procedures, the performance of the EDP Group Pension Fund, the received communications of irregularities, the relationship with Audit Committees of subsidiaries. the contractual relationship, and the assessment of the objective conditions for the activity and independence of the Statutory Auditor.

Remuneration Committee of the General and Supervisory Board

The Remuneration Committee appointed by the General and Supervisory Board, pursuant to Article 27 of EDP's Articles of Association, submits a proposal for a remuneration policy to the members of the Executive Board of Directors to the approval of the General Shareholders' Meeting, at least every four years and whenever there is a material change in the currently in force remuneration policy.

The mission of this Specialized Committee is to:

- prepare and submit the company policy and objectives regarding the Executive Board of Directors Chairman' and Directors' remuneration determination;
- set the Executive Board of Directors Chairman' and Directors' remuneration;
- monitor and assess the Executive Board of Directors Chairman' and Directors' performance for the purposes of determination of the variable remuneration;
- monitor the dissemination of external information on remuneration and the Executive Board of Directors remuneration policy, in particular th§e Remuneration Report.

Until 14 April 2021, the Remuneration Committee of the General and Supervisory Board was composed as follows:

REMUNERATION COMMITTEE OF THE GENERAL AND SUPERVISORY BOARD		FIRST APPOINTMENT DATE
Chairman	Shengliang Wu	13/12/2018
	Fernando Maria Masaveu Herrero	22/04/2015
	Ilídio da Costa Leite de Pinho	22/05/2012
	João Carlos Carvalho das Neves	22/04/2015
	Vasco Joaquim Rocha Vieira	22/04/2015

Following the General Shareholders' Meeting held on 14 April 2021, the new members of the Remuneration Committee of the General and Supervisory Board were appointed on 15 April 2021, and the Committee is now composed of the following members:

REMUNERATION COMMITTEE OF THE GENERAL AND SUPERVISORY BOARD		FIRST APPOINTMENT DATE
Chairman	Miguel Espregueira Mendes Pereira Leite	15/04/2021
	Esmeralda da Silva Santos Dourado	15/04/2021
	Felipe Fernández Fernández	15/04/2021
	João Carvalho das Neves	22/04/2015
	Zili Shao	15/04/2021

In accordance with statutory amendment approved on 14 April 2021, and under the applicable law, the Remuneration Committee of the General and Supervisory Board must submit a remuneration proposal of the members of the Executive Board of Directors to the Annual General Shareholders' Meeting for approval.

Throughout 2021, and considering its competencies, the Remuneration Committee of the General and Supervisory Board held four meetings, two more than those provided for in its activity plan, due to the conclusion of the work to review the Remuneration policy for the Executive Board of Directors, having proceeded (i) to the determination of the annual variable remuneration for the year 2020, as well as the multiannual remuneration of the members of the Executive Board of Directors and (ii) to the approval of the proposed remuneration policy for the members of the Executive Board of Directors to be submitted for approval of the General Shareholders' Meeting of 14 April 2021.

Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee is a specialised committee of the General and Supervisory Board. Its purpose is to permanently monitor and supervise all matters related with the following:

- corporate governance;
- sustainability in all its dimensions;
- Internal codes of ethics and conduct;
- Systems for evaluating and resolving conflicts of interest in relations between the Company and its shareholders, through the analysis of the proposals for remedies regarding situations reported to this Committee by the Financial Matters Committee/Audit Committee (AUDC);
- internal proceedings and relationship between the Company and Subsidiary or Group companies and their employees, clients, providers, and remaining stakeholders;
- succession plans;
- the evaluation process of the General and Supervisory Board and the different Specialized Committees.

The Corporate Governance and Sustainability Committee is made up of members of the General and Supervisory Board, the majority of whom are independent, with the appropriate qualifications and experience for their duties.

Until 14 April 2021, the composition of the Corporate Governance and Sustainability Committee was the following:

CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE		FIRST APPOINTMENT DATE
Chairman	Luís Filipe Marques Amado	22/04/2015
	Augusto Carlos Serra Ventura Mateus	06/04/2018
	Felipe Fernández Fernández	22/04/2015
	Ignacio Herrero Ruiz	13/12/2018
	Jorge Avelino Braga de Macedo	22/04/2015
	Li Li	23/01/2020
	Maria Celeste Ferreira Lopes Cardona	18/04/2012

Following the General Shareholders' Meeting held on 14 April 2021, the new members of the Corporate Governance and Sustainability Committee were appointed on 15 April 2021, and the Committee is now composed of the following members:

CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE		FIRST APPOINTMENT DATE
Chairman	João Luís Ramalho de Carvalho Talone	15/04/2021
	Ignacio Herrero Ruiz	13/12/2018
	Fernando Maria Masaveu Herrero	15/04/2021
	Laurie Lee Fitch	15/04/2021
	Li Li	23/01/2020
	María del Carmen Ana Fernández Rozado	15/04/2021
	Sandrine Dixson-Declève	15/04/2021

Considering the competencies of the Corporate Governance and Sustainability Committee, the following topics addressed should be highlighted in the five meetings held in 2021: (i) Ethics at EDP - monitoring the implementation of the Ethics Program, analysis of the opinions issued by the Ethics Commission regarding reported ethical complaints, and monitoring of the Ethical Climate Study; (ii) our people – monitoring of the 2020 Climate Study; monitoring and approval of the Strategic Plan in the area of People and Organization management, the Succession Plan for top management and the EDP Group's 2021-2022 Gender Equality Plan, and analysis of the study "organizations in a post-pandemic future, the case of EDP"; (iii) Environment, Sustainability and Governance – analysis and appreciation of the EDP Group's "ESG Excelence Roadmap 2030", monitoring of EDP's action with regard to the European agenda for a Just Transition in the energy sector; (iv) thematic analysis of Sustainable Finance and the establishment of the EU Taxonomy and monitoring of EDP's ratings at ESG level, where the Dow Jones Sustainability Index stands out.

United States of America Business Affairs Monitoring Committee

The mission of the United States of America Business Affairs Monitoring Committee is the monitoring and passing of resolutions on matters related with the activity undertaken by companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America, notably regarding:

- strategic/business plans, assessing the different developing scenarios in which they rest and their implementation, including the resources necessary to its execution (human and financial);
- annual budget;
- investment, divestment, merger, acquisition and restructuring projects of significant value businesses;
- financing transactions;
- alliances /strategic partnerships entered into, the specific actions deriving therefrom and evolution of counterpart risks;
- issuance of prior opinions including in cases of urgency following the requests presented by the Executive Board of Directors;
- compliance of the assumed commitments regarding public safety;
- performance, risk assessment, value at risk and the respective management.

The Committee is further responsible for defining compliance procedures on the obligations assumed by EDP regarding the development of the business of companies wholly or majority held by and/or subsidiary of EDP Group in the United States of America with respect to the General and Supervisory Board activity.

Until 14 April 2021, the United States of America Business Affairs Monitoring Committee was composed of the following members:

UNITED STATES OF AMERICA BUSINESS AFFAIRS MONITORING COMMITTEE		FIRST APPOINTMENT DATE
Chairman	Luís Filipe Marques Amado	16/03/2020
	Augusto Carlos Serra Ventura Mateus	16/03/2020
	Clementina Maria Dâmaso de Jesus da Silva Barroso	16/03/2020
	Felipe Fernández Fernández	16/03/2020
	João Carvalho das Neves	16/03/2020
	Jorge Avelino Braga de Macedo	16/03/2020
	Vasco Joaquim Rocha Vieira	16/03/2020

Following the General Shareholders' Meeting held on 14 April 2021, the new members of the United States of America Business Affairs Monitoring Committee were appointed on 15 April 2021, and the Committee is now composed of the following members:

UNITED STATES OF AMERICA BUSINESS AFFAIRS MONITORING COMMITTEE		FIRST APPOINTMENT DATE
Chairman	João Luís Ramalho de Carvalho Talone	15/04/2021
	Esmeralda da Silva Santos Dourado	15/04/2021
	Felipe Fernández Fernández	16/03/2020
	Laurie Lee Fitch	15/04/2021
	Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto	15/04/2021

In 2021, the United States of America Business Affairs Monitoring Committee held eight meetings, covering, among other matters, the monitoring of the 2021-2025 Business Plan and EDP Renováveis' action strategy in the United States of America; the ongoing investment and divestment projects at EDPR North America; monitoring of the EDP Group's financial information in the United States of America; monitoring the strategic partnership between EDP Renováveis and Engie in the offshore wind segment in the United States of America; the status of compliance mechanisms in the United States of America; monitoring EDPR North America's regulatory strategy and the evolution of renewables legislation in the United States of America; the company's sustainability strategy in the United States of America; business risk analysis in the United States of America; monitoring of EDPR North America's talent management; monitoring logistical bottlenecks in the United States of America supply chain and possible impact on EDPR North America operations; and monitoring of EDPR North America's 2022 Group Budget.

B. Other company bodies

Environment and Sustainability Board

The Environment Board was set up as a company body in 1991. Its name was changed to Environment and Sustainability Board by decision of the Annual General Meeting of 30 March 2006.

As a corporate body, the Environment and Sustainability Board has powers to advise the Executive Board of Directors on environment and sustainability matters. In particular, it provides advice and support in defining the Company's environmental and sustainability strategy and drafting opinions and recommendations on the environmental impact of projects planned by the EDP Group (Article 28 (1) of EDP's Articles of Association).

The members of the Environment and Sustainability Board, pursuant to Article 28 (2) of EDP's Articles of Association, have acknowledged competence in the field of environmental protection and sustainability.

Until 14 April 2021, the composition of the Environment and Sustainability Board was as follows:

ENVIRONMENTAL AND SUSTAINABILITY BOARD	
Chairman	José Manuel Caré Baptista Viegas
	António José Tomás Gomes de Pinho
	Joana Pinto Balsemão
	Joaquim Poças Martins
	Pedro Manuel Sousa Mendes Oliveira

As from 14 April 2021, the composition of the Environment and Sustainability Board was as follows:

ENVIRONMENTAL AND SUSTAINABILITY BOARD	
Chairman	José Manuel Caré Baptista Viegas
	Joana Pinto Balsemão
	Joaquim Poças Martins
	Maria Mendiluce
	Pedro Manuel Sousa Mendes Oliveira

The Environment and Sustainability Board held two meetings in 2021.

Remuneration Committee of the General Meeting

The Remuneration Committee elected by the General Meeting is responsible for setting the remuneration of the members of the governing bodies, with the exception of the members of the Executive Board of Directors, in accordance with the proposed remuneration policy to be submitted for approval by the General Shareholders' Meeting (paragraph d) of number 2 of article 11 of EDP's Articles of Association).

Pursuant to this Article of the Articles of Association, the majority of the members of the Remuneration Committee of the General Meeting must be independent.

The members of the Remuneration Committee of the General Shareholders' Meeting were reappointed at the Annual General Shareholders' Meeting held on 14 April 2021 for the 2021-2023 term-of-office, with the following composition:

REMUNERATION COMMITTEE OF THE GENERAL MEETING	
CHAIRMAN	LUÍS MIGUEL NOGUEIRA FREIRE CORTES MARTINS
	José Gonçalo Maury
	Jaime Amaral Anahory

In 2021, the Remuneration Committee of the General Shareholders' Meeting held two meetings.

III. Supervision

A) Composition

30. The supervisory body

EDP's two-tier model of corporate governance has made possible an effective separation between supervision and management of the Company. The General and Supervisory Board is the highest supervisory body.

31. Membership Financial matters committee - effective members and term of office

The duties of the Financial Matters Committee / Audit Committee are described in Item 29 of the Corporate Governance Report.

The Financial Matters Committee / Audit Committee is composed by three independent members with the appropriate qualifications and experience, including at least one member with a degree in the area of the committee's duties and specific knowledge of auditing and accounting, as confirmed by the Curriculum Vitae of the Chairman, which, as previously stated, can be consulted in Annex I of this Report.

Under article 23 no. 3 of EDP's Articles of Association, this Committee is presided by an independent member.

The Financial Matters Committee / Audit Committee currently has the following composition:

FINANCIAL MATTERS COMMITTEE / AUDIT COMMITTEE		FIRST APPOINTMENT DATE
Chairman	João Carlos Carvalho Das Neves	22/04/2015
	María del Carmen Ana Fernández Rozado	22/04/2015
	Helena Sofia da Silva Borges Salgado Fonseca Cerveira Pinto	15/04/2021

32. Independent members of the Financial Matters Committee

See Item 31 of this Report.

33. Qualifications of members of the Financial Matters Committee

See Annex I of this Report.

B) Operation

34. Location at which the operating procedures of the Financial Matters Committee/Audit Committee can be viewed

The Financial Matters Committee / Audit Committee's work is governed by Internal Regulation, available on EDP's website at www.edp.com.

35. Meetings and attendance rate of each member of the Financial Matters Committee / Audit Committee

During 2021, the Financial Matters Committee / Audit Committee held sixteen meetings, and minutes of the respective meetings were drawn up. Information regarding the attendance of members of the aforementioned Committee is described in Annex V of this Report as well as in the Annual Report of the General and Supervisory Board.

36. Positions held in other companies within and outside the Group by each Financial Matters Committee / Audit Committee member

See Annex I of this Report.

C) Powers and Duties

37. Procedures and criteria governing the supervisory body's involvement in hiring additional services from the external auditor

The proposal for hiring additional services of the Statutory Auditor is presented by the Executive Board of Directors to the Financial Matters Committee / Audit Committee and any contracting requires the prior authorisation of that Committee.

Internal Regulation on the Provision of Services by the Statutory Auditor of EDP are in force, in this regard, and the implications on the hiring of additional services are described in Item 46.

There are other internal regulations adopted by the Executive Board of Directors that ensure all EDP Group companies comply with the rules contained in the referred Internal Regulation.

38. Other duties of the supervisory bodies and, if applicable, of the Financial Matters Committee/Audit Committee

The duties of the Financial Matters Committee / Audit Committee pursuant to the Articles of Association and the Internal Regulation of the Financial Matters Committee / Audit Committee are described in Item 29 as well as in the Annual General and Supervisory Board Report.

IV. Statutory Auditor

39. The statutory auditor and the certified auditor representing it

At the General Shareholders' Meeting held on 14 April 2021, PriceWaterhouseCoopers & Associados - Sociedade de Revisores de Contas, Lda., Sociedade Revisor Oficial de Contas number 183, represented by João Rui Fernandes Ramos (ROC no. 1333), was re-elected as Statutory Auditor for the three-year period 2021-2023, and on the same date, Aurélio Adriano Rangel Amado (ROC no. 1074) was re-elected as Alternate of the Statutory Auditor, to perform duties during the aforementioned three-year period

40. Number of years for which the statutory auditor has worked consecutively with the company and/or Group

The statutory auditor PricewaterhouseCoopers & Associados - Sociedade de Revisores de Contas, Lda. has worked with the Company since 5 April 2018.

41. Other services provided to the company by the statutory auditor

The Statutory Auditor is the company body responsible for the examination of the accounting documents. It is elected by the General Meeting for a three-year term, pursuant to Article 25 of EDP's Articles of Association and Article 446 of the Portuguese Company Code.

According to the Companies Code and the Company's Articles of Association, the Statutory Auditor is responsible for checking (see Article 446 (3) of the Company Code):

- the regularity of the Company's books, accounting records and their supporting documents
- the cash and all assets or securities belonging to the company or received by it as guarantees, deposits or for any other purpose, whenever and however it sees fit
- the accuracy of the accounting documents
- whether the company's accounting policies and valuation criteria result in an accurate assessment of its assets and results.

A description of the services provided by the Statutory Auditor can be found on Item 46.

V. External Auditor

42. The external auditor and certified auditor partner representing it

Since the General Shareholders' Meeting held on 5 April 2018, date of its respective election, is PriceWaterhouseCoopers was appointed External Auditor, being João Rui Fernandes Ramos the partner in charge of overseeing and performing audits of the EDP Group's accounts, and was reappointed for the 2021-2023 period, at the General Shareholders' Meeting held on 14 April 2021.

PriceWaterhouseCoopers is registered before the Portuguese Securities Commission under number 20161485.

The External Auditor performs the necessary audit work to ensure the reliability of the financial reporting and credibility of the accounting documents.

The External Auditor's duties include checking compliance with remuneration policies and systems, the efficacy of internal control mechanisms and reporting of any significant deficiencies to the General and Supervisory Board.

EDP takes measures specifically aimed at ensuring the independence of the External Auditor, in view of the scope of services provided by audit firms.

43. Number of years for which the external auditor and certified auditor partner representing it have worked consecutively with the company and/or group.

EDP's External Auditor is as from its election on 5 April 2018, PriceWaterhouseCoopers, having been appointed João Rui Fernandes Ramos as the partner in charge on such date and who was reelected on 14 April 2021.

44. Policy on and frequency of rotation of external auditor and certified auditor partner representing it

The rotation of the External Auditor and certified auditor partner representing it depends on the strict assessment by the Financial Matters Committee / Audit Committee of the independence and quality of the work done and consideration of the independence of the Statutory Auditor and External Auditor and the advantages and costs of replacing them.

Considering the rules referring to the mandatory rotation of the External Auditor and of the Statutory Auditor, pursuant to Article 54 (3)(4) of the By-Laws of the Association of the Statutory Auditors, and the fact that the mandate of KPMG has terminated on 31 December 2017, such rotation was fulfilled for the service provision of Statutory Auditor and External Auditor for the triennium of 2018-2020.

In this sense, and under a Financial Matters Committee / Audit Committee proposal, the General and Supervisory Board resolved to launch a consultation process in order to select the Statutory Auditor of EDP Group for the 2018-2020 mandate, as well as to create two specific Committees to develop the consultation process, specifically, (i) Monitoring and Analysis Committee, with the purpose of monitoring the tender process and analysing the proposals, as well as to prepare a summary of the respective conclusions, to report to the Assessment Committee and (ii) Assessment Committee , with the aim of assessing the results presented by the Monitoring and Analysis Committee and preparing a proposal to the Financial Matters Committee / Audit Committee.

From the work performed and from the assessment conducted to the presented proposals, both accomplished with autonomy and without third parties influence, two proposals were selected in accordance with the selection criteria identified in the consultancy program which were presented to the Annual Shareholders General Meeting, which took place on 5 April 2018, having been elected PriceWaterhouseCoopers as statutory audit for the 2018-2020 triennium.

To the extent that PricewaterhouseCoopers & Associados - Sociedade de Revisores de Contas, Lda. was elected for the mandate corresponding to the 2018-2020 term, in the second half of 2020, the General and Supervisory Board and the Financial Matters Committee / Audit Committee started preparing the process for the presentation, at the 2021 Annual General Shareholders' Meeting, of a proposal for the re-election of the EDP statutory auditor for the 2021-2023 triennium.

Such work was carried out by the Financial Matters Committee / Audit Committee, under the delegation granted by the General and Supervisory Board. This work is concluded, and considering that, according to paragraphs 3 and 4 of article 54 of the Statute of the Order of Statutory Auditors, in publicly traded entities the maximum period of exercise of statutory audit functions by the statutory auditor accounts is for two or three terms, depending on whether they are, respectively, four or three years, the referred Committee submitted to the supervisory body the presentation, to the EDP 2021 Annual General Meeting, of a proposal for the renewal of PriceWaterHouseCoopers to the position of EDP's statutory auditor for the term corresponding to the 2021-2023 triennium.

The General and Supervisory Board approved the proposal for the reappointment of PriceWaterhouseCoopers to the position of Statutory Auditor at EDP for the 2021-2023 period at the meeting held on 26 November 2020 which was submitted by the General and Supervisory Board and approved at the General Shareholders' Meeting held on 14 April 2021.

45. Body responsible for assessing the external auditor and frequency of assessment

The Financial Matters Committee / Audit Committee presents annually to the General and Supervisory Board the report on the assessment of the activity and independence of the External Auditor and EDP's Statutory Auditor. The result of the appreciation is published in the report of the General and Supervisory Board.

46. Non-Audit Services done by the external auditor for the company and/or subsidiaries and internal procedures for approving hiring of these services and reasons for hiring them

Proposals to hire non-audit services from the External Auditor and Statutory Auditor are presented by the Executive Board of Directors to the Financial Matters Committee / Audit Committee and their hiring requires prior authorisation from this Committee.

The Regulation on Services Provided by EDP's Statutory Auditor and External Auditor determines, regarding the contracting of non-audit services, that the Financial Matters Committee / Audit Committee may deny authorisation of those services if one such service is prohibited and/or involves a possible threat to the independence of the Statutory Auditor. The above-mentioned regulations are available on the EDP's website www.edp.com

In 2021, the following services were performed by the External Auditor:

AUDIT SERVICES AND STATUTORY AUDIT:

- necessary services (including internal control procedures required as part of audits) for the issue of the External Auditor's annual on the accounts
- services required for compliance with local legislation (including internal control procedures required as part of audits) for the issue of Legal Certifications of Accounts.

OTHER ASSURANCE OF RELIABILITY SERVICES:

Services with a specific or limited purpose or scope, namely:

- necessary services for the issue of the interim reports and quarterly information on the accounts
- audit services (pre-assurance) related to the accounting impacts of a subsidiary's capital increase documented in a technical document prepared by EDP;
- assurance of reliability on the Internal Control System on Financial Reporting
- assurance of reliability on the Sustainability information
- assurance of reliability on annual financial information of regulated activities
- comfort letters issuance

- opinion over carve-out and mergers under the terms of Portuguese Companies Code.

- assurance of reliability on the Billing report for the entities covered by the Framework Agreement of the Public Administration Shared Services Entity (“ESPAP”);

- Audit reports related to increase, reductions of share capital under the Code of Commercial Companies.

OTHER SERVICES:

- Support on the file generation of the Country-by-Country reporting (CbCr) from 2020, in XML, according to the current legislation

The reasons for hiring these services were essentially related with i) better understanding of the Group's business, ensuring appropriate knowledge of the relevant information, which promotes greater agility and efficiency in providing solutions and ii) it was considered that the hiring of such services was not considered a threat to the independence of the External Auditor and did not foster any situation of personal interest in relation to the guarantee of independence given by the External Auditor.

The services that are not related with Audit and statutory audit of accounts requested by Group entities to the External Auditor and to other entities belonging to the same network, amounted to 1,497,340 Euro.

47. Annual remuneration paid by the company and/or subsidiary or group companies to the auditor and other natural or legal persons belonging to the same network and breakdown of percentage for the following services:

PriceWaterhouseCoopers is responsible for conducting an independent External Audit of all the EDP Group companies in Portugal, Spain, Brazil (only in EDP Renováveis) and USA, as well as in other countries in which the Group operates. In the subgroup of EDP Brasil independent external auditing is conducted by KPMG.

In 2021, the recognised, specialised costs of the fees of PriceWaterhouseCoopers and KPMG for audit and statutory audit of accounts, other assurance of reliability services and other services than auditing for Portugal, Spain, Brazil, United States of America, and other countries were as follows:

PRICEWATERHOUSE COOPERS

EUROS	PORTUGAL		SPAIN		BRAZIL		USA		OTHER COUNTRIES		TOTAL	
Audit and statutory audit of accounts	2.497.251		1.313.630		188.719		1.290.216		1.084.298		6.374.114	
Other assurance of reliability services (*)	928.094		316.214		6.000		-		14.865		1.265.173	
Total of audit and assurance of reliability services	3.425.345		1.629.844		194.719		1.290.216		1.099.163		7.639.287	98%
Tax consultancy services	-		-		-		-		-		-	
Other services	18.800		1.542		168.483		-		-		188.825	
Total of other services	18.800		1.542		168.483		-		-		188.825	2%
Total	3.444.145	44%	1.631.386	21%	363.202	2%	1.290.216	16%	1.099.163	14%	7.828.112	100%

(*) Includes assurance of reliability services of the exclusive competence and responsibility of the Statutory Auditor and External Auditor in accordance with the Regulations on Provision of Services by Statutory Auditor or Statutory Auditing Company approved by the General and Supervisory Board.

The audit and statutory audit of accounts in Portugal include 1,711,710 Euro related with statutory audit fees, on a company and in consolidated basis, of EDP - Energias de Portugal, S.A.

KPMG

EUROS	BRAZIL		TOTAL	
Audit and statutory audit of accounts	432,913		432,913	
Other assurance of reliability services	43,342		43,342	
Total of audit and assurance of reliability services	476,254		476,254	100%
Tax consultancy services	-		-	
Other additional services	-		-	
Total of other services	-		-	-%
Total	476,254	100%	476,254	100%

C. Internal Organisation

I. Articles of Association

48. Rules on amendments to the company’s Articles of Association

EDP's Articles of Association do not set forth special rules on their amendment and the general rule set out in 3 Article 386 (3) of the Companies Code therefore applies, i.e., decisions to amend the Articles of Association must be approved at a General Meeting by two-thirds of the votes cast.

EDP's Articles of Association may also be amended under the powers of the Executive Board of Directors to move EDP's registered office (Article 2 (1) of EDP's Articles of Association) and increase EDP's share capital (Article 4 (3) of EDP's Articles

of Association) provided that a favourable prior opinion of the General and Supervisory Board is obtained (article 17 (2) paragraph g) of EDP's Articles of Association). Pursuant to the general rule set out in Article 410 (7) of the Company Code, by reference to Article 433 of this code, these decisions by the Executive Board of Directors must be passed by a majority of the votes of the directors present or represented.

II. Whistleblowing

49. Whistleblowing policy and channels

The EDP Group has consistently implemented measures to ensure the good governance of its companies, including the prevention of incorrect practices, particularly in matters related to accounting, internal accounting controls, auditing, complaints, denouncements or other irregularities and fight against corruption, banking, and financial crime and, for this purpose, updated in April 2020, the Whistleblowing Procedures Regulation.

EDP provides Group employees, shareholders, Statutory Auditor or to any other stakeholders with a channel that enables them to report irregularities on such matters directly and confidentially to the Financial Matters Committee / Audit Committee of the General and Supervisory Board.

With the creation of this channel for reporting irregularities, EDP aims at:

- ensuring that any stakeholder can freely communicate his/her concerns in these fields to the Financial Matters Committee / Audit Committee

- facilitating the early detection of irregular situations that, if they occurred, might cause serious damage to the EDP Group, its employees, customers, shareholders, and stakeholders.

The contact with the Financial Matters Committee / Audit Committee is made through a platform that supports the operation of the channel, with security and encryption mechanisms for all information, allowing to establish an interaction with the respective author, maintaining anonymity.

The communications of irregularities are treated as confidential information, namely by the General and Supervisory Board, the Financial Matters Committee / Audit Committee, and the persons in charge of the operational management of the mechanisms and procedures for receiving, retaining, and handling irregularity communications. Knowledge of its existence and the conclusions of the analysis will be limited to those who need this information to carry out their professional tasks.

The Company may not dismiss, threaten, suspend, suppress, harass, withhold, or suspend payments of wages and / or benefits, demote, transfer, or otherwise take any disciplinary or retaliatory action related to the terms and conditions of a work contract of an employee, agent, or representative of the Company, insofar as that person legally reports an irregularity or provides some information or assistance in the scope of the analysis of the reported irregularities presented.

The Financial Matters Committee / Audit Committee informed the General and Supervisory Board of the work carried out regarding the mechanism for reporting irregularities in the financial year of 2021, and mentioned that, during this period, the Financial Matters Committee / Audit Committee received and analysed by four reports of irregularities.

These communications are covered within the "subjects covered" defined in the Whistleblowing Procedures Internal Regulation, and the aforementioned Specialized Committee is responsible for instructing, conducting, and supervising the inherent investigation processes. As a result of the analysis carried out by the Financial Matters Committee/Audit Committee on the four communications received, it was concluded that two of them were closed and did not confirm the reported irregularities, another was closed and was considered valid (the reported irregularity was confirmed, and was related to theft of energy, with a claim for compensation of the amount receivable) and another one was considered valid and is under analysis and investigation by the competent services of EDP. The authors of the referred communications were informed, in accordance with the provisions of the Whistleblowing Procedures Internal Regulation, about their status.

EDP makes available, at its website, greater detail regarding the Whistle Blowing Procedures' Regulation to adopt in what concerns to Communication of Erroneous Procedures www.edp.com/en/edp/irregularities-communication-channel.

III. Internal Control and Risk Management

50. People, bodies, or committees responsible for internal audits or implementation of internal control systems

The EDP Group's Compliance Management System, aligned with the risk management model, is founded on an internal control system based on the "three lines of defence", in order to properly identify and manage the risks arising from the activity, under the terms of the which:

- The **First line of defence** (Business): it has, among others, the responsibility for the daily and proactive management of compliance risks, in line with the established regulations. The top management of each functional, business or support unit and all employees who are part of them are identified.

- The **Second line of defence** (Compliance): it has, among others, the responsibility of ensuring business support in the identification, analysis, evaluation, mitigation, and monitoring of risk, as well as challenging and questioning the potential risks that may arise. The Compliance Department supported by the Compliance Departments of EDP España, EDP Energias do Brasil and EDP Renováveis, and the performance of a network of Compliance Partners, Compliance Business Partners and the Local SCIRF Managers (Reporting on Internal Control Systems).

- The **Third line of defence** (Internal Audit): it has, among others, the responsibility for carrying out independent audits to the Compliance Management System. These audits may also be carried out by independent external entities with recognized capacity for that purpose.

As defined, this model allows the rationalization of resources and efforts, promotes coordination between functions and homogenization of language and links all Business Units / Departments through a common infrastructure, which shares the same information systems and processes.

The Group's Compliance Management System, formalized by EDP's compliance standard, updated in 2021, considers the particularities of the size and activity of each Business Unit and geography. In this sense, the compliance function is supported by a structure composed of the Compliance Department, the Local Compliance Departments (subgroups / geographies), Compliance Partners, Compliance Business Partners and Local SCIRF Managers, which complement the network dedicated to compliance management in the EDP Group, allowing for an optimization of resources and the effective diffusion / implementation of compliance mechanisms at the various levels of the organization.

In addition, EDP Group has implemented a Compliance Management System approved by the Executive Board of Directors and the Financial Matters Committee / Audit Committee, in line with the best international practices, namely with the references of ISO 37301:2021 Compliance Management Systems - Guidelines and with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) framework for risk management, internal control and fraud prevention. The aforementioned Compliance Management System reinforces the special importance that the Group attaches to compliance with legislation and regulations, good professional and industry practices, as well as respect for the principles and values contained in the Code of Ethics and the Integrity Policy which are fundamental instruments to achieve the objectives and proceed with the rigorous execution of the respective strategy.

On the other hand, it shows the EDP Group's commitment to ensure (i) an adequate identification, assessment, and management of compliance risks, in order to minimize the risk of sanctions, namely financial and possible operational and reputational impacts, and (ii) the confidence of the stakeholders, reinforcing the competitiveness of the EDP Group.

The Compliance Management System allows the harmonization of guidelines and methodologies for compliance management, across the organization and different regulatory spheres, ensuring alignment with other internal policies and procedures, namely with the Integrity Policy and the Code of Conduct EDP Group Ethics, seeking the continuous improvement of the actions developed.

The compliance function's mission is to promote a culture of compliance and integrity, by identifying relevant compliance risks and by disseminating and coordinating the implementation of mechanisms that promote compliance, providing proactive and systematic advice to the entire organization.

Through the work developed over the years, EDP Group's Compliance Management System currently has different mechanisms, such as specific policies and procedures, channels for communicating internal and external irregularities, periodic training / awareness initiatives and monitoring instruments that enable the identification of situations to analyse in a logic of continuous improvement, responding to internal and external challenges.

The Compliance Department's activity is essentially based on four pillars, namely:

- identification and analysis of compliance risks;
- promotion and coordination of the implementation of policies, procedures, and other control mechanisms, in order to mitigate the identified compliance risks;
- monitoring of procedures and other compliance mechanisms adopted, in order to assess the maintenance of their adequacy and efficiency;
- periodic reporting to the Executive Board of Directors and the Financial Matters Committee / Audit Committee of the most relevant topics that may represent a significant risk for the Group.

The Compliance Department also has as main responsibilities to contribute to the improvement of risk management processes associated, in an external plan, with legal and regulatory compliance and, in an internal plan, with compliance with the regulations and other internal regulations in force, also ensuring implementation of the Internal Control System for Financial Reporting (SCIRF).

In the performance of its duties, the Compliance Department reports hierarchically to the Executive Board of Directors and functionally to the Financial Matters Committee / Audit Committee.

For its part, the Executive Board of Directors establishes a culture of tone at the top in Compliance matters, approving, disseminating, and ensuring the implementation of EDP's Compliance Management System in line with the Group's strategic objectives.

The General and Supervisory Board, through the Financial Matters Committee / Audit Committee, monitors and supervises the implementation of the referred compliance culture and approves the business plan of the Compliance Department, also ensuring the follow-up of the respective execution.

The Compliance Management System is based on a Global Compliance Program composed of different Specific Compliance Programs.

The Global Compliance Program is developed at corporate level and covers all activities, businesses, and geographies, defining the organization and functioning model of the Compliance Function and identifying the most relevant specific regulatory spheres, for which the development of a Specific Compliance Program is foreseen.

EDP Group adopted a model for structuring its Compliance Management System, applicable both to the Global Compliance Program and to Specific Compliance Programs, based essentially on nine components, which can be classified into three action levels.

COMPLIANCE MANAGEMENT SYSTEM	
PREVENTION	
1.	Implementation of a governance model
2.	Identification and management of compliance risks
3.	Development of Internal Compliance Standards, Policies and Procedures and other control mechanisms, including compliance mechanisms over third parties
4.	Promotion of Training and Awareness / Communication actions
DETECTION	
5.	Monitoring, follow-up, supervision and reporting mechanisms and corresponding definition of improvement action plans
6.	Management of communication channels / issues
7.	Audits and respective definition of action plans
CONTINUOUS IMPROVEMENT	
8.	Monitoring and reporting the implementation of improvement action plans
9.	Definition of investigation procedures / application of corrective measures

Based on the defined governance model, the EDP Group's Compliance Management System develops from a risk assessment, which is reviewed periodically or whenever there are material changes in the legal and regulatory context or in the organizational context, and that allows the identification of the compliance obligation or most relevant normative scopes for the organization, resulting in the structuring and development of Specific Compliance Programs, through a process that goes through different sequential phases: (i) planning, (ii) conceptual structuring and design , (iii) support for implementation; (iv) monitoring of implementation and (v) ongoing maintenance and continuous improvement.

The identification of these most relevant topics is carried out based on the identification and assessment of the legal and other compliance obligations applicable to the activities carried out by the Group, whose analysis is organized into normative blocks (corporate governance, energy sector, reporting, environment, health, and safety; information, among others), resulting in the development of Specific Compliance Programs.

At the Specific Compliance Program level, and as a function of specific risks identification and assessment, policies, procedures, and other compliance mechanisms are developed, through which the fundamental principles in compliance management are formalized and detailed control rules and mechanisms implemented, reflecting on the activities developed internally or by third parties on behalf of EDP, and which are key elements for the dissemination of a culture of compliance across the Group.

Another fundamental element for the development of Specific Compliance Programs is the training and awareness actions carried out both at the transversal level of the Group and specific to certain Business Units or regulatory areas.

The compliance function ensures the follow-up and monitoring of the development, operation, and implementation of Specific Compliance Programs. For its part, and in accordance with the respective annual activity plan, the Audit function conducts specific audit work, addressing compliance issues. In addition, the Compliance Management System and several Specific compliance programs are still subject to independent external works review.

The results of the monitoring and any recommendations for internal and / or external auditing are considered for the purpose of improving compliance management, in a perspective of continuous improvement.

The compliance function reports the activities carried out to the Executive Board of Directors and to the Financial Matters Committee / Audit Committee.

Without prejudice to other mechanisms previously developed, since the definition of the methodological approach to compliance management in the EDP Group, it was possible to structure the different relevant compliance issues at the corporate and local level, reflecting this work in the evolution of the different Specific Programs of Compliance, with emphasis among others on the following areas:

- *Integrity / Corruption Prevention*. The systematization of this Specific Compliance Program had as fundamental element the definition of an Integrity Policy in which the commitments, general principles of action and the duties of the entities of the Group, its employees and business partners were defined, with regard to prevention illicit acts, complementing the set of norms and compliance mechanisms that already exist both at the corporate level (namely the Code of Conduct for Suppliers, the Code of Conduct for Senior Management and Senior Financial Officers, Transaction with Related Parties Policy and the Social Investment Policy, in addition to the EDP Group's own Code of Ethics and the irregularity communication channels made available), as in the different companies of the group, namely the models of prevention and control of criminal liability in EDP Spain and EDP Renováveis and EDP's corruption prevention Compliance program Brazil (which in turn include a significant set of specific compliance policies and procedures). The EDP Group's Integrity Policy, periodically reviewed, is disclosed to all employees (in the case of a mandatory reading document, with record of the respective acknowledgment) and available at EDP’s website (www.edp.com), reinforces the tolerance policy zero regarding the adoption of practices that could be perceived as acts of corruption or bribery, clarifies the ban on facilitation payments and details the principles related to the prevention of conflicts of interest, donations and sponsorships, contributions to political parties and prevention of money laundering and combating the financing of terrorism, as well as guidelines regarding the conduct of third party integrity due diligences, the relationship with public officials and politically exposed people, the acceptance and assignment of offers and invitations to events and the monitoring international sanctions. Within the scope of the reporting of irregularities, the principle of non-retaliation remains, the different channels available internally and externally and the process of investigating potential situations of non-compliance and the identification and implementation of possible corrective actions is addressed are listed. These principles and guidelines were implemented in specific internal procedures developed within the scope of the Specific Integrity Compliance / Corruption Prevention Program. In 2021, the review of risks and control mechanisms implemented in terms of Integrity was carried out and training initiatives were launched across the different Business Units and geographies, addressing the main internal procedures undertaken.

- *Specific Compliance Program for Money Laundering and Fight the Financing of Terrorism*. In 2021, the Integrity Policy as well as the other procedures and compliance mechanisms associated with this program were subject to internal training for employees and were also internally disclosed EDP's internal communication channels. As part of the structuring of the Specific Compliance Program for Money Laundering and Combating the Financing of Terrorism, specific internal regulations and a transversal procedure related to the reporting of suspicious transactions were implemented by the obliged entities. The corporate Whistleblowing Communication Channel, implemented since 2006 to report potential irregularities in financial matters, currently also discloses a specific communication channel for potential irregularities related to money laundering and fighting terrorism financing. The obliged companies, proceeded to designate a Responsible for Normative Compliance, according to the legal requirements, whose performance is articulated with the governance model defined in the scope of this program. Throughout 2021, compliance with the applicable legal requirements was ensured, with emphasis on compliance with identification and diligence duties of counterparties with business relationships and/or occasional transactions with EDP group entities subject to the legal regime for the prevention of money laundering.

- *Protection of Personal Data. This program aims to ensure the adequacy of the EDP Group entities to the applicable legal* requirements in terms of Data Protection, under which Data Protection Officers were appointed in situations subject to this legal obligation and specific teams were identified, with the responsibility to promote the dissemination, knowledge, training, and implementation of the compliance program in the respective areas of activity, with the coordination of the Compliance Department. In this context, EDP has implemented a Personal Data Protection Policy, available on the EDP website (www.edp.com), of generalized and transversal application to all the Group's Business Units, which reinforces the commitments and the position assumed by EDP in terms of privacy and protection of personal data and defines the principles of action to ensure compliance. This policy thus embodies the company's values and principles, which are reflected in its operation and in the various privacy policies that govern the processing of data carried out by the different Business Units. Additionally, there is also a set of cross-cutting methodologies and procedures that internally regulate the risk assessment process and conducting impact assessments of personal data processing operations, the development of Privacy by Design procedures, matters such as the response to the exercise of rights, the management of subcontractors, the handling of personal data breaches is complemented by specific procedures and control activities defined at the level of the business areas. Within the scope of the communication and training plans defined annually at the level of each geography, different specific initiatives were carried out and directed according to the exposure of employees to the risks associated with the processing of personal data.

- *Competition.* The Specific Competition Compliance Program aims to reinforce the guarantee of compliance by the EDP Group companies, in Portugal, with the legal requirements in terms of competition, namely regarding contracts signed and the performance of its employees in accordance with the highest standards of the ethics, integrity and competitive Compliance, contributing to the sustainability and development of the markets in which EDP operates. A similar approach to preventing and mitigating practices that potentially restrict competition is being implemented for the rest of the geographies, without prejudice to the codes and manuals already applied. This Specific Competition Compliance Program is, like the others, subject to a continuous improvement scrutiny, having been monitored throughout 2021. In 2021, specific training and awareness initiatives on competition matters were also promoted, based on the review of the Competition Manual and other internal procedures implemented in this area.

- *Prevention of Criminal Legal Risks.* The Criminal Legal Risk Prevention Program was implemented in a first phase in companies in Spain (also including a specific program at EDP Renováveis), following different reforms of criminal law in this country, which introduced and deepened the concept of criminal liability of individuals with respect to certain crimes, also defining the requirements to be considered when implementing compliance models. The Compliance programs implemented under this scope at EDP, meanwhile extended to other geographies with similar legal frameworks, provide the organization with a management system that includes supervision and control measures to prevent the occurrence of crimes or mitigate the risk of their occurrence, highlighting the issues of preventing corruption, bribery and other similar offenses (which allows the capture of synergies with other Compliance programs with a transversal scope at the level of the EDP Group, such as the Integrity Compliance / Corruption Prevention Program).

These compliance programs have been evolving and adapting over time, both in terms of changes in the context of EDP companies and their businesses, and in terms of legal and regulatory changes with an impact on this matter. They also have their own government models, in line with the compliance management model in general and provide for the identification and assessment of risks applicable to the activity and their mitigation through policies, procedures, specific control activities for that purpose and other mechanisms of control. Complementary compliance (training, awareness, communication channels, among others).

From the established governance model, and with the objective of identifying, assessing, monitoring, and controlling the risks to which the EDP Group is exposed, the role, in addition to the Compliance Department, the Risk Management Department and the Internal Audit Department.

The Risk Management Department is primarily responsible for coordinating risk assessment studies for the Group, with the aim of supporting the Executive Board of Directors in their control and mitigation and providing integrated risk-return analyses, as presented the respective chapter, which activity is detailed in items 52 to 54 of this Annual Report.

In turn, internal audit is an objective and independent activity, of guarantee and advisory, aimed at adding value and improving operations of EDP Group, assisting the organization in pursuing its objectives, through a systematic and disciplined approach in assessing and improving the effectiveness of risk management, control, and governance procedures.

The internal audit function has the mission of increasing and protecting the value of EDP, providing assurance, advisory and insight, covering several fields of action.

The EDP Group's internal audit is a corporate function performed by the Internal Audit Department (DAI), which has a double dependency, on the one hand administrative structure of the Executive Board of Directors and, on the other, functional of the General and Supervisory Board, to which reports the respective exercise.

The EDP Group's Internal Audit Departments are present in Portugal, Spain, the United States of America, and Brazil, depending functionally on DAI.

In addition to conducting operational and regulatory audits to Business Units in Portugal and auditing information systems at the Iberian level, DAI's main duties are to propose audit policies and objectives, in accordance with the law and with the best international practices, ensuring the harmonization of internal audit methods, processes and manuals and with a view to implementing the respective support tools, establishing and managing the systematic planning of internal audits at the Group level.

Regarding the areas that make up the DAI, although each area has (operational and regulatory audits and information systems audits) its specific duties, multidisciplinary and the growing interaction between the operational audit and information systems audit teams (with an Iberian scope) have allowed synergies in the analysis of information and data extracted from computer systems to support business processes and, therefore, a better quality of the conclusions obtained, a closer proximity to the business and an increasing monitoring of the degree of evolution of the projects most relevant.

On the other hand, DAI's commitment to quality and the continuous improvement of the processes and activities it carries out led to the creation of the Quality and Continuous Improvement Office at DAI, which, in a fundamentally methodological aspect, ensures an internal service with a view to increasing value added in relation to the internal audit activity in the EDP Group.

The Internal Audit Departments, as well as all professionals assigned to this function, govern their performance by the Fundamental Principles for the Practice of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing approved by The Institute of Internal Auditors (IIA).

EDP Group has internal auditors experienced in several areas (e.g., finance, accounting, legal, information systems), with a deep knowledge of the Group, allowing a multipurpose and transversal analysis of the issues in question and of the activities carried out. In addition to specific training and experience in the area, the employees assigned to the information systems audit area know the systems implemented in the Group and follow market trends, allowing them to obtain a broad view of the systems and processes with the greatest technological risk. and of greater relevance for the different Business Units.

The internal audit activities are developed based on plans aligned with the objectives and mission of the function, in which the audit works that comprise them have as main inputs the consultation with the government bodies and the alignment with the Group's Strategic Plan and with the sustainability objectives, the prioritization of processes based on the risk analysis carried out by DAI, the interactions with the external auditor throughout the year and the consideration of topics of interest that it has identified in the scope of the SCIRF audit and the financial audit, international trends and best practices in matters of internal audit, and the identification and assessment of the control environment existing in the various lines of defence that affect each process, in a perspective of Combined Assurance.

DAI's lines of activity are the analysis of the effectiveness and efficiency of operations, reliability, and integrity of information, both financial and operational, compliance with internal procedures and standards, compliance with external standards, auditing of information systems and integrity of assets.

The changing macroeconomic, social, and political context, as well as the growing technological transformations and the news and changes that have been affecting the energy sector in general and the EDP Group in particular have forced a constant adaptation of the internal audit activity in order to maintain an ability to respond adequately to the challenges ahead, aiming to maximize the added value that this activity can and should offer to its stakeholders.

DAI has been monitoring the extent and development of the Group's activity in new markets, business lines and geographies, incorporating in its business plan, actions aimed at evaluating and reinforcing the existing internal control environment.

The continuous auditing model has evolved consistently, consolidating the methodology, continuing existing audits, implementing new audits to evaluate different business areas, some with real-time analysis, with a set of new indicators and automation of communication exceptions to the audited entity at the time they are detected. It is a robust monitoring and evaluation model, very relevant for the automatic processing of a high volume of data, allowing to obtain efficiency gains in terms of internal control and in the prevention and detection of irregularities.

Within the scope of information systems audits, actions have been carried out covering several areas of high criticality, considering, in particular, the digitization program underway at the EDP Group, which has been a lever for strengthening and growing business processes, the increase in processes / activities analysed by continuous auditing and the expansion of routine automation in order to speed up the monitoring of the Group's information systems.

In recent years, the existing competencies in the field of information systems and data analytics have been strengthened by recruiting employees who are specialists in these matters in an internal audit perspective, complementing the profiles already existing in the information systems and operational audit teams.

The relationship with the various stakeholders is developed, mainly, through periodic meetings with the Financial Matters Committee / Audit Committee and the members of the Executive Board of Directors, interactions with the Business Units, both at the level of the Boards of Directors and with those in charge of the audited areas, interactions with other areas of the Group, such as risk, sustainability, legal advice, human resources, regulation, strategy, management control, compliance, information systems, in order to identify risk areas and to ensure the update on the various matters of the organization.

DAI carries out, annually, a process of self-assessment of the Group's internal audit activity, which consists of a reflection and analysis on the structure, composition, skills, relationship, reports, methodologies, DAI procedures and work carried out throughout the year, among others, and includes a global conclusion expressed by the responsible person of DAI's activity in line with the best practices of the function.

On the other hand, DAI's activity and performance is evaluated annually by the Financial Matters Committee / Audit Committee based, among others, on the analysis of the interaction that the Commission develops throughout the year with DAI and on the analysis of information and documentation made available by it regarding the process of its self-assessment.

DAI's activity has been subject to external evaluations since 2010 by the IIA (every 5 years, as established in the International Standards for the Professional Practice of Internal Auditing) and, since that date, the opinion of the evaluation teams has been that the internal audit activity "Generally Complies" with the International Standards for the Professional Practice of Internal Auditing and the IIA Code of Ethics, this qualification being the highest granted by the IIA.

The last external evaluation took place in 2020, in all locations where the internal audit function is developed, with the aim of obtaining joint independent certification, with the opinion issued in the external evaluation reports being that the internal audit activity “generally complies” with the Standards and Code of Ethics issued by the IIA in all locations (Portugal, Spain, United States and Brazil), in all its aspects (government, personnel, management and procedures).

It is also worth mentioning, and in line with the information described above, the competence of the General and Supervisory Board, which, under legal terms, permanently monitors and evaluates the internal procedures related to accounting and auditing matters, as well as the effectiveness of the risk management system, the internal control and compliance, including the reception and handling of complaints and related doubts, whether or not from employees. This competence is attributed to the Financial Matters Committee / Audit Committee, which is responsible, among other tasks, for permanently monitoring and supervising: (i) financial matters and accounting practices; (ii) internal audit practices and procedures; (iii) the internal mechanisms and procedures of the Financial Reporting Internal Control System (SCIRF); (iv) matters relating to the risk management and control system; (v) the activities and mechanisms of the compliance management system and (vi) the activity and independence of the Statutory Auditor / Company of Statutory Auditors.

51. Description of hierarchical and/or functional dependency on other company bodies or committees

In the performance of their duties, the Internal Audit Department (DAI) administratively reports to the Executive Board of Directors and functionally reports to the General and Supervisory Board that supervises its activity through the Financial Matters Committee / Audit Committee. On the other hand, the Compliance Department (DCO) reports hierarchically to the Executive Board of Directors, and functionally to the Financial Matters Committee / Audit Committee of the General and Supervisory Board.

The Risk Management Department reports hierarchically to the Executive Board of Directors, without prejudice to the permanent monitoring, by the Financial Matters Committee/Audit Committee, of risk-related matters, as described in item 52 below.

52. Other company areas with risk control duties

The risk management is an integral part of the common practices of business management, and it is the responsibility of all, from the Executive Board of Directors right down to the individual staff member. Each one is responsible for knowing the risks existing in their area of intervention and for managing them in accordance with their role, expertise, and delegated responsibilities.

The EDP Group manages its meaningful risks in a portfolio approach, optimizing the risk/ return trade-off transversely across its business areas, aiming to create value and to stand out in the markets where it operates. The EDP Group also works towards a permanent progress of its risk management processes in order to reflect the evolution of its needs and to maintain its alignment with international risk management best practices.

The integration of risk management in the most relevant business and decision-making processes is promoted as part of i) strategic development, ii) investment decisions, iii) business plan and iv) operations management, with the purpose of ensuring stability in results and optimize its response to changes in context and opportunities.

The risk management process is structured around 3 lines of defence (business operation, risk management/ compliance and internal and external auditing), each led independently and ensuring an adequate level of segregation relative to one another. The functions of risk identification, analysis, evaluation, treatment, and monitoring are followed by a set of bodies with clearly established roles and responsibilities, typified by Group policies that are approved and ratified by the competent bodies of the Group:

- **The General and Supervisory Board**, in particular the Financial Committee/ Audit Committee, is responsible for permanently monitoring and evaluating internal procedures relating to accounting and auditing matters, as well as for the effectiveness of the risk management system, namely in terms of identifying, evaluating, controlling and managing risks and assessing the degree of compliance of the Company's risk management system, continuously monitoring its performance and effectiveness, in conjunction with the Executive Board of Directors, namely risk control policies, identification of key risk indicators (KRI) and integrated assessment methodologies of risk, having to evaluate and pronounce on the strategic lines and the policy of the corporate risk management of the EDP Group prior to the respective final approval by the Executive Board of Directors. The General and Supervisory Board is additionally involved in the Group's Strategic Plan, ensuring, implicitly, an alignment between management and shareholders regarding risk appetite. The General and Supervisory Board also receives regular reports on key risk indicators that are aligned with performance metrics and allow monitoring the evolution of the company's risk profile.

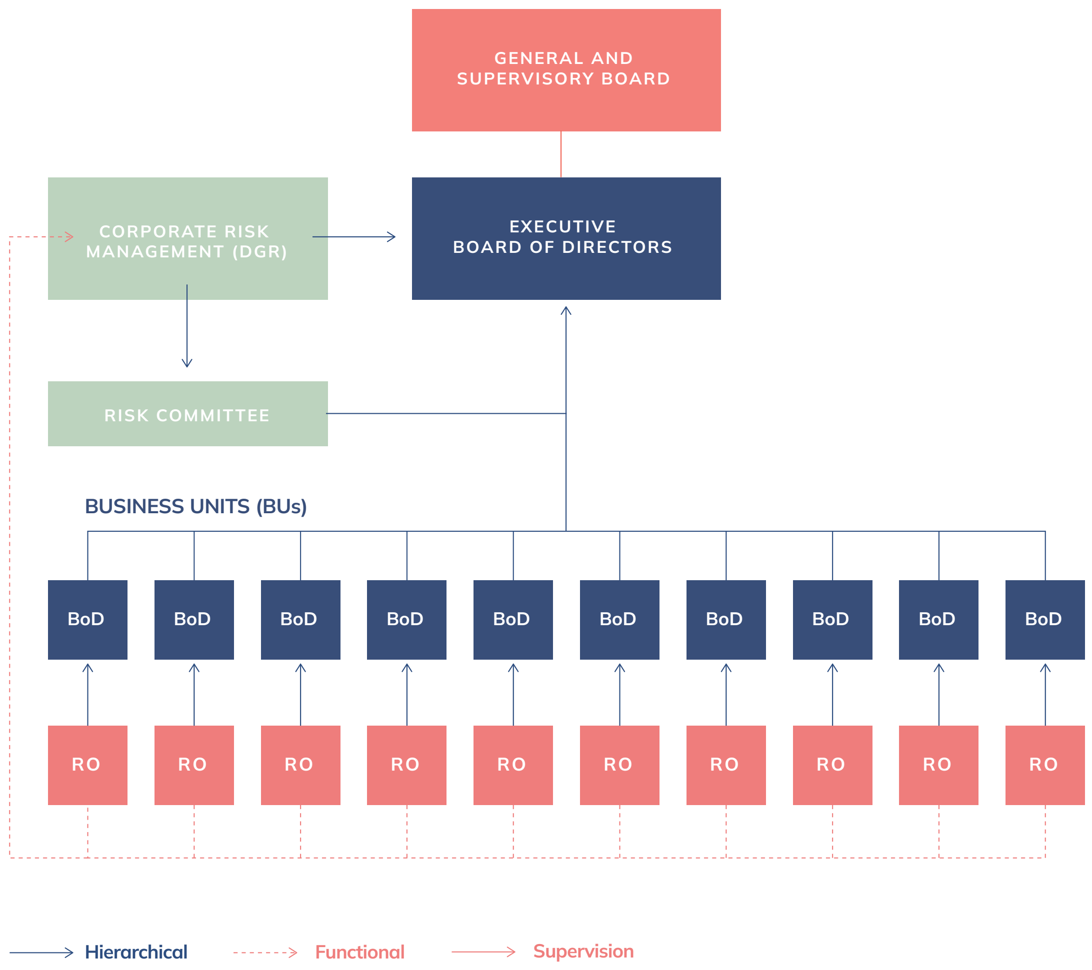
- **The Executive Board of Directors** is the highest body responsible for risk-related decision-making, supervision, and management control. It is responsible for the approval of the business plan, for setting the management objectives and policies of the EDP Group. It is responsible, among other duties, for defining the Group's risk exposure, in line with the best practices in risk management procedures and policies (namely, the respective exposition limits by risk category), as well as the allocation of resources, depending on the risk-return profile of the various options available.

- **The Risk Management Department, headed by the Chief Risk-Officer**, establishes an integrated and holistic view of the Group's risk position (top-down perspective), supporting the prioritization and coordination of cross-cutting initiatives, offering a segregated and business-independent view regarding key risks. Its main responsibilities are: i) to maintain and update an inventory of the Group's most significant risks and fostering their implementation in the various Business Units and Corporate Departments; ii) to promote and monitor the implementation of the management and control actions regarding the Group's most significant risks; iii) to systematically measure specific risks and conduct risk-return analyses, noting and reporting adjustment needs when necessary; iv) to define main concepts, methods and risk measures and Key Risk Indicators (KRI), supplementary, but aligned with the Key Performance Indicators (KPI); and v) to develop and support projects and initiatives aimed at the effective improvement of the management process of significant risks.

- **The Management of Business Units and Corporate Departments** is the first responsible for an integrated risk management in each of their business areas. Its main responsibilities are: i) to propose and approve (through the respective Board of Directors) the definition of key principles for risk management, aligned with the orientations defined by corporate policies; ii) to ensure that the risks within the scope of their activity are identified, analysed and evaluated broadly, rigorously and consistently throughout the Group, using established methodologies; iii) to optimize the risk/ return trade-off of their activity, aligned with the orientations established by the Executive Board of Directors, regarding the definition and implementation of risk management strategies, implementation of effective initiatives in treatment costs of key risks, the clear and equilibrated allocation between parties in case of internal or external contract of products or services and the definition of mechanisms and levels of residual risk transference (insurance); iv) to monitor and report periodically their risk position, by the definition and regular monitoring of KRIs, risk reports and the evaluation of existing risk controls; and v) to highlight key aspects of risk management to their respective risk-officers, Risk Management Department and appropriate decision makers.

- **Local structures for risk management (risk-officers)** assume a key role on operationalizing risk management. Typically, they report hierarchically to a member of the respective Board of Directors, and in coordination with EDP Group Chief Risk-Officer, acting independently from business operation. In large and/ or particularly complex Business Units local replicas of risk management corporate structure exist, articulated with the Risk Management Department. Their responsibilities include: i) to identify and characterize through quantification and qualification the materiality of key risks (both threats and opportunities), within the scope of their activity and in articulation with the business; ii) to perform studies on key strategic issues and associated risks, in close articulation with the business and the Risk Management Department; iii) to support the Board of Directors and Departments on decision making, in the perspective of risk; iv) to advise on mitigation and hedging strategies for key risks; v) to monitor and report key risks to decision makers and Risk Management Department, to implement policies and procedures, including the follow-up of expositions vs. established risk limits, the systematic register of incidents and quasi-incidents, including the characterization of events and its quantitative impact; vi) to develop and promote methodologies to analyse, evaluate and treat actual and emerging risks and support its implementation; vii) to coordinate initiatives regarding crisis management and business continuity; viii) to coordinate the existing Risk Committees (if applicable); and ix) to provide adequate risk related information to the Risk Management Department, decision makers, and remaining relevant stakeholders.

Model for risk function report at EDP Group (and communication with the corporate centre)



Furthermore, there are several regular forums for the discussion, analysis, and issue of opinions on risk-related topics:

- **EDP Group Risk Committee** has the main objective of supporting the decisions of the Executive Board of Directors in the identification, assessment, management and control of risk, in terms of: i) supporting the identification of significant risks and the characterization of the EDP Group's risk profile; ii) discussing relevant risk analysis and evaluation projects results developed with Business Units and Corporate Departments; iii) advising and/ or recommending risk management strategies (e.g., regarding policies, procedures and limits); and iv) monitoring and controlling the evolution of significant risks. This Committee is held at half-yearly intervals (at least). It is composed of the key decision makers and those responsible for the Group's risk management (the Executive Board of Directors, the Corporate Centre, and selected Business Units).

- **The Individual Risk Committees** are set up and held at Business Unit levels when the degree of complexity of risk management justifies such, taking on a structure replicated from the Group's Risk Committee. These Committees are composed of the key decision makers and those responsible for risks of each Business Unit, typically coordinated by the respective risk officer.

53. The main types of economic, financial, and legal risk to which the company is exposed in its business

The taxonomy of risks for the EDP Group combines in an integrated approach and in common language the various mapped risks existing in relation to the Group's several Business Units, structured around four major families: strategic, business, financial and operational.

Strategic
- Strategic (internal)
- Surrounding context (external)

Business
- Energy markets
- Regulation

Financial
- Financial markets
- Credit and couterparty
- Liquidity and solvency
- Social liabilities

Operational
- Physical assets
- Process execution
- Human resources
- Systems
- Legal, Compliance and Ethics

In 2020, the pandemic situation caused by the COVID-19 virus had a transversal impact on business, financial and operational risks. In particular, the main impacts for EDP Group were at the business level, with the reduction in energy consumption caused by the confinement and deceleration of economic activity, and at the level of the financial markets, with the depreciation of exchange rates.

Strategic risks

The EDP Group closely monitors and reports on strategic risks, since it considers that these risks may have a significant impact if they occur. The strategic risks can be broken down into two different types:

- **Risks of the surrounding context**, associated with external developments that may have a negative material impact on the Group, in particular but not limited to, severe macro-economic, social/ or political crisis in core geographies for the Group, technological disruptions of various kinds, profound changes resulting from climate change and disruptive changes in competitive paradigm.

- **Regarding the risk of a macro-economic**, social and/ or political crisis in the geographies where the Group is present, the stability of public deficit and of the interest rate of public debt in Portugal and Spain, as well as the stability of political context, suggest a material reduction of the probability of actual occurrence of these risks.

However, some geographies where EDP operates, namely Brazil, are living challenging macroeconomic cycles, which may be materialized in increased volatility of financial markets with direct impact in EDP operations.

- **Regarding technological disruption**, the EDP Group has sought to position itself at the forefront of technological development in the sector, looking at this issue not as a threat but as a central vehicle for promoting growth in the future. The EDP Group has accordingly actively and transversely invested in and investigated the promotion of new technologies in the various stages of the value chain (namely EDP Inovação activity level, and through the development of the digital acceleration program EDPX in 2018, resulting in the creation of a unit dedicated to digitalization – Digital Global Unit).

- **Regarding climate change**, such changes may have a significant and across-the-board impact on the various stakeholders over the medium to long term (e.g., in terms of average temperatures, average sea levels, structural changes in water and/or wind volumes, or the incidence of extreme climatic events). In this regard, the Group has decisively invested over the recent years in strengthening its portfolio of renewable energy as well as in a concerted strategy of environmental sustainability, which has been internationally recognized, not only in order to reduce its ecological footprint, but also to ensure its resilience to the possible materialization of risks deriving from climate change.

- **Regarding disruptive changes to the competitive paradigm**, the Group recognizes the risks associated with changes to the business model paradigm (e.g., in relation to distributed generation). The EDP Group addresses this risk through meticulous analyses and prospective investments, allowing to proactively anticipate and adapt the business model to possible market development trends.

- **Strategy risks**, associated with investment decisions, relationships with key partners (shareholders and others), internal governance and corporate planning (in its various forms).

- **Regarding investment decisions**, EDP's growth strategy implies the constant evaluation and decision-making in relation to investment options that allow it to implement the strategy established and approved by its shareholders. Accordingly, a meticulous and consistent process is defined across the Group, with pre-established criteria[1] for analysis, decision-making and monitoring of projects. This process is conducted at the corporate level by the Business Analysis Department, locally supported by the various Business Units. Additionally, Investment Committees regularly meet to discuss, monitor and advice on i) investment analysis and decisions; ii) compliance with investment implementation schedules; and iii) evaluation of impact of detected or potential deviations. These forums are performed both at the Business Unit level and at the corporate level, involving decision-makers and key experts of the Group in the relevant fields.

- **Regarding the relationship with partners** (shareholders and others), the EDP Group has a solid and stable core of shareholders, which is aligned with and actively participates in the Group's strategy. On the other hand, the EDP Group is guided by strict criteria at all levels for the selection of its partners in the various countries and business areas in which it operates, the management of which is led by the Executive Board of Directors, Business Units and Institutional Relations and Stakeholders Department.

- **Regarding internal governance**, the Group considers that the design and implementation of its various corporate bodies ensures compliance with the best international practices on this topic (see previous section for more information).

- **Regarding corporate planning** (particularly in terms of brand and communication, investor relations, human resources, information systems, business strategy, and others) the Group believes that the current structures and processes allow it to adequately manage these risks.

[1] Particularly related to the definition of minimum return levels, up to date and geography/ business line-specific discount rates as well as to the resilience to multiple adverse scenarios of delays, overruns, fluctuations in key business variables, political environment, and regulations.

Business risks

The business risks encompass all risk factors intrinsically related with the remuneration of the core activities of the EDP Group in the generation, distribution, and sale of energy in the various countries and markets where it operates. The business risks can be broken down into two different types:

- **Energy market risks**, related to electricity prices (pool) and other commodities, renewable energy generating volumes (hydro, wind, and solar power), energy consumption (associated with demand) and supply margins.

- **Regarding price of electricity**, the impact is limited by the fact that a significant share of generation is contracted in the long term, especially in relation to EDP Renováveis and most of the installed capacity in Brazil. Currently, generation subject to market price fluctuations includes: i) all ordinary status generation in Portugal and Spain; ii) generation in Brazil in excess of or in deficit to the PPA; and iii) part of the wind energy farms of EDP Renováveis in Spain, US, Poland and other geographies. The Energy Management Business Unit (UNGE) is responsible for proactively acting in the MIBEL[2] and other forward markets (including OTC) in order to optimize the margin of market generation and limit the respective risk, according to the delegation of powers clearly established and ensuring periodic P@R - "Profit at Risk" reporting, based on a proprietary model. Energy Management Business Unit (UNGE)'s operations are adequately framed by a specific risk policy, including exposure limits.

- **Regarding the price of other commodities** (mostly fuel and CO_2), subject to fluctuation due to supply and demand dynamics or changes in international legislation and relevant only to power plants exposed to market risk, this risk is monitored and proactively managed by the Energy Management Business Unit (UNGE), which negotiates and manages coal and gas contracts and CO2 allowances. It is also responsible for mitigation of the fuel prices risk via hedging (including foreign exchange risk in USD, in coordination with the Financial Management Department).

- **Regarding renewable energy generation volumes**, the EDP Group has a degree of material exposure to this risk, particularly in relation to water volume (Wind Energy Capability Index[3] tends to be less volatile than the Hydroelectric Capability Index[4], on an annual basis), arising from its increasing focus on a generation portfolio with ever greater renewable energy, as well as its hydro portfolio in Portugal and Brazil. It should be noted that although this risk may introduce some volatility in annual results, it has a significantly lower impact on the long-term value of EDP's generation assets portfolio, since it i) diversifies inter-annually; ii) diversifies through technologies, somehow compensating volume vs. price with the remaining technologies (lower hydro productivity is, in part, compensated by higher thermal production at typically higher prices) and iii) is uncorrelated with the market. On the other hand, exposure in Brazil is significantly mitigated by i) the fact that there is hydrological diversification throughout the country (through financial coupling mechanisms); as well as ii) the fact that a PPA on fixed energy generation is established; and iii) the fact that the Group joined, in the end of 2015, the hydro risk renegotiation mechanism, which combined with the cap on PLD price limits the exposure to the deficit of allocated energy relative to energy sold in PPA (for the Regulated Environment).

- **Regarding energy consumption** (electricity and gas), the EDP Group is subject to fluctuations in the amounts of energy sold depending, among others, on factors such as economic activity and annual temperatures, as well as extraordinary events (such as the COVID-19 pandemic in 2020). Besides such economic cycle fluctuations and energy efficient solutions, consumption can also be affected by situations of rationing (as happened in Brazil in 2001). Given the difficulty to mitigate these risks, EDP chooses to manage them through diversification across multiple technologies, countries and business lines.

- **Regarding sales margins**, the current customer migration to the free market enhances the competitiveness of offers from suppliers and can add additional volatility in terms of market shares and unit margins. Moreover, there is risk associated with deviations in actual consumption from the forecasting model adopted by the Group. These risks are managed by the Group's energy sales companies, with particular emphasis on initiatives to i) strengthening the core offer (e.g., through combined electricity and gas products); and ii) introducing innovative products and services (e.g., Funciona and Re:dy). In addition, a team dedicated to the prices and volumes matters evaluates and regularly makes recommendations for the dynamic management of this risk.

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[2] Iberian Electricity Market.

[3] Ratio between the yearly wind energy output vs. reference year.

[4] Ratio between the yearly hydro energy output vs. reference year.

- **Regulatory risks**, related to changes in legislation and regulations that the Group is required to comply with in the various countries and markets in which it operates (in particular, but not limited to, sectoral packages, regulatory frameworks, environmental legislation, and taxes, and other). This risk is managed proactively by the EDP Group, through monitoring and thorough preparation of the various dossiers and adopting a constructive and cooperative attitude in their discussion. This allows the materialization of options out of synch with reality in the different market contexts in which the Group operates to be anticipated and minimized.

Financial risks

The financial risks encompass the market risk factors linked to the (non-operational) energy business of the EDP Group in the various countries and markets where it operates. Financial risks can be divided into four different types:

- **Financial markets risks**, associated with fluctuations in international markets in interest rates, exchange rates, inflation and valuation of financial assets held by the Group.

- **Regarding interest rates**, the risk is mainly associated with the percentage of debt at floating rates, as well as any increases in costs associated with fixed rate debt refinancing needs in a context of rising current interest rates. This risk is managed and mitigated by the Group's Financial Management Department, which ensures compliance with the risk profile, using the procedures and tools provided by the Group's risk policies. Periodic reports on the evolution of these variables and sources of risk are prepared.

- **Regarding foreign currency exchange rates**, the risk is associated with fluctuations in the cost of the purchase and sale of electricity and fuel and with the cost of investments denominated in foreign currencies, as well as fluctuations in the value of net assets, debt and income denominated in foreign currencies. The EDP Group acts proactively in order to ensure a broadly balanced net structural exposure (assets - liabilities) in USD, GBP and CAD. On the other hand, the geographical diversification (and exposure to multiple currencies) contributes for the reduction of annual result volatility. The remaining risks are managed and mitigated by the Group's Financial Management Department, in conjunction with the Energy Management Business Unit (UNGE), EDP Renováveis and EDP Energias do Brasil, in the same way as above.

- **Regarding inflation**, the risk is mainly associated with the fluctuation of operating revenues and costs in the various countries where the EDP Group operates. In terms of mitigation, the revenue models of regulated activities as well as part of the PPAs include inflation pegging components in order to preserve adequate revenue for the business activity. A significant component of the Group's current business activities is also focused on markets with stable inflation rates. For the remaining risk, as well as active management of the various supply and services contracts, the EDP Group addresses this risk from an integrated perspective, mitigating it through an appropriate debt profile (fixed rate/floating rate) aligned with the revenues profile.

- **Regarding the valuation of financial assets**, EDP adopts a conservative risk policy with reduced levels of exposure, based on a reduced weight of strategic financial assets and short-term cash investments mainly based on bank deposits (without market risk). This risk mainly results from the possibility of devaluation of the financial assets that EDP holds (traded on securities markets). It is managed according to the procedures and tools provided by the Group's risk policies.

- **Counterparty and credit risks**, associated with unexpected changes in the compliance capacity with obligations by customers, financial counterparties (mainly associated with deposits in financial institutions and financial derivatives) and energy counterparties.

- **Regarding financial counterparties**, this risk is managed through: i) a careful selection of counterparties; ii) an appropriate diversification of risk over multiple counterparties; iii) an exposure based on financial instruments of reduced complexity, high liquidity and of a non-speculative nature; and iv) regular monitoring of the positions held.

- **Regarding energy counterparties**, this risk is reduced for operations in an organized market. For operations in over-the-market markets and fuel purchases, the Energy Management Business Unit (UNGE), which is responsible for monitoring and the interface with wholesale markets, monitors transactions by applying exposure and negotiation limits that have been established and approved in advance by a higher management according to the counterparty rating (external whenever possible, or internally rated if the former is unavailable), and using clearing houses for clearing. The counterparty risk is also associated with the sale of long-term energy agreements (PPA), which is minimized by the fact that a significant proportion of counterparties in this context are sovereign entities (governments or state-owned electricity systems). Meticulous scrutiny and approval criteria are likewise applied for private counterparties.

- **Regarding customers**, the Group is exposed to default risk in Portugal, Spain, and Brazil. The average level of risk in Spain is structurally mitigated in terms of expected loss due to a mix of customers with greater weight of the B2B segment (which has less relative weight of average default). The risk in Brazil is mitigated through financial collateral to mitigate the loss (for the Free Contracting Environment), and through the partial recovery of non-compliance by the regulated tariff (for the Regulated Contracting Environment). This is monitored by E-Redes and EDP Comercial (in Portugal) and EDP España, which are responsible for carrying out the meter reading cycles and cutting off the service/taking legal action and debt recovery. In addition, mitigation tools such as credit insurance and setting up bank collateral are used, whenever this is deemed necessary.

- **Liquidity/solvency risk**, associated with specific cash shortfalls, difficulties in access/ cost of credit and rating reduction risk.

- **Regarding possible sporadic cash shortfalls**, there is a risk of possible default of the EDP Group in meeting all its short-term liabilities in the committed time periods, or just being able to do so under unfavourable conditions. This risk is mitigated through careful liquidity management, by means of: i) centralization (cash pooling) of all the Group's liquidity at the holding company except for Brazil; ii) keeping adequate levels of liquidity (cash and firmly committed credit lines) based on detailed forecasting of cash requirements (reviewed in 2016 to cover two years of refinancing); iii) an appropriate strategy to diversify funding sources; and iv) the diversification of debt type and maturity profiles.

- **Regarding access to and the cost of credit**, the EDP Group has achieved, despite the adverse economic context, all funding necessary for the usual roll over of debt and to finance the Group's business. EDP's Group has successfully continued with its strategic commitment to reduce leverage (expressed as Net Debt/EBITDA excluding Regulatory Assets) over forthcoming years. Additionally, the Group has acted towards increasing the average maturity of its debt and reducing its average cost.

- **Regarding the risk of a ratings decline**, the EDP Group can be impacted in its access to and cost of financing by adverse changes in its rating profile (assigned by international agencies). EDP proactively manages this risk by maintaining a low risk profile and maintaining stable contractual standards, which assure that its liquidity position does not depend on mechanisms as financial covenants or rating triggers.

- **Social liabilities' risk**, associated with obligations relating to the capitalization of the Defined Benefit Pension Fund of the Group for Portugal, Spain and Brazil (which has a risk associated with the market value of its assets), and additional costs associated with early retirement as well as medical expenses. The liabilities for employee social benefits are calculated annually by an Independent Actuary on the basis of IFRS-IAS assumptions (taking various factors into account, including interest rate, demographic aspects, economic variables and the applicable requirements). The Defined Benefit Pension Fund is regularly monitored by the Pension Fund Committee that meets at an established frequency, in terms of the value of its assets and the variations in terms of its liabilities (e.g., actuarially related).

Operational risks

The operational risks encompass the risk factors other than those linked to the energy and financial business of the EDP Group in the various countries and markets where it operates, associated with the planning, construction and operation of physical assets, implementation of processes, human resources, systems and legal litigation, compliance, and ethics. The operational risks can be broken down into five different types:

- Physical assets risks, related to unforeseen occurrences in projects under development/construction, damage to physical assets in operation and (technical and non-technical) operating losses, associated with the operation of the assets (mainly in distribution).

- Regarding projects under development/ construction and assets in operation, the EDP Group is exposed to incidents derived from external causes (e.g., atmospheric phenomena, fire, damage to structures, burglary and theft, environmental pollution) or internal causes (e.g., damage caused by defects of origin and/or faulty installation), which can result in, among others, threats to the physical integrity of the Group's employees or third parties, repair or replacement costs of equipment, asset unavailability and consequential loss of profit or compensation to third parties. These risks are initially managed and mitigated by the various operational areas of the Group's Business Units, which propose and implement in an articulated manner the best practices in terms of the different policies, standards and operating procedures, inspection, and regular preventive maintenance as well as crisis management plans and business continuity for catastrophic events. To this regard, it should be noted the revision of crisis management and business continuity policies in 2015, in order to ensure the continuous alignment with international best practices. Secondly, a significant portion of the remaining risk is mitigated through a comprehensive range of insurance policies (particularly in terms of property damage, civil liability, and the environment), insured in an integrated manner through a special area for this field - the Insurable Risks' Unit. This approach ensures consistency in the risk management policies, guarantees the dissemination of best practices, and strengthens the negotiating position of the Group. The existing insurance policies contribute to significantly mitigate the impact of large-scale events (e.g., associated with extreme and comprehensive weather phenomena, non-availability of revenue generating assets or significant compensation to third parties) as well as much less frequent incidents with catastrophic impact (e.g., earthquakes).

- Regarding operating losses, the EDP Group is, firstly, liable for regulatory penalties if it does not meet the objectives set for distribution efficiency (technical losses) and also, on the other hand, for the loss of revenue associated with increased consumption of non-invoiced energy (non-technical losses). The various energy distribution Business Units (E-Redes, EDP España, Espírito Santo and São Paulo) are responsible for this risk. Programs are continuously developed to monitor and mitigate this risk (including the launch of comprehensive programs to combat fraud).

- Process execution risks, associated with irregularities in the implementation of various processes (particularly, but not limited to, commercial activities, supplier selection and management, billing and collection from customers, planning and budgeting of activities). This risk is monitored by the various Business Units. Its mitigation regarding financial reporting is controlled through the group-wide Financial Reporting Internal Control System (SCIRF), which systematically assess both quantitatively and qualitatively the existence and adequacy of the design and documentation of the various existing processes, as well as their internal control mechanisms, based on annual cycles.

- Human Resources Risks, associated with incidents impacting on the physical integrity of employees, the impact of unethical conduct and labour and trade union relations.

- Regarding incidents impacting on the physical integrity of employees, the Group directs its activity around a zero accidents culture, with awareness of employees concerning the risks involved in the various activities, as well as continuous identification and implementation of best practices for the prevention and meticulous analysis of incidents.

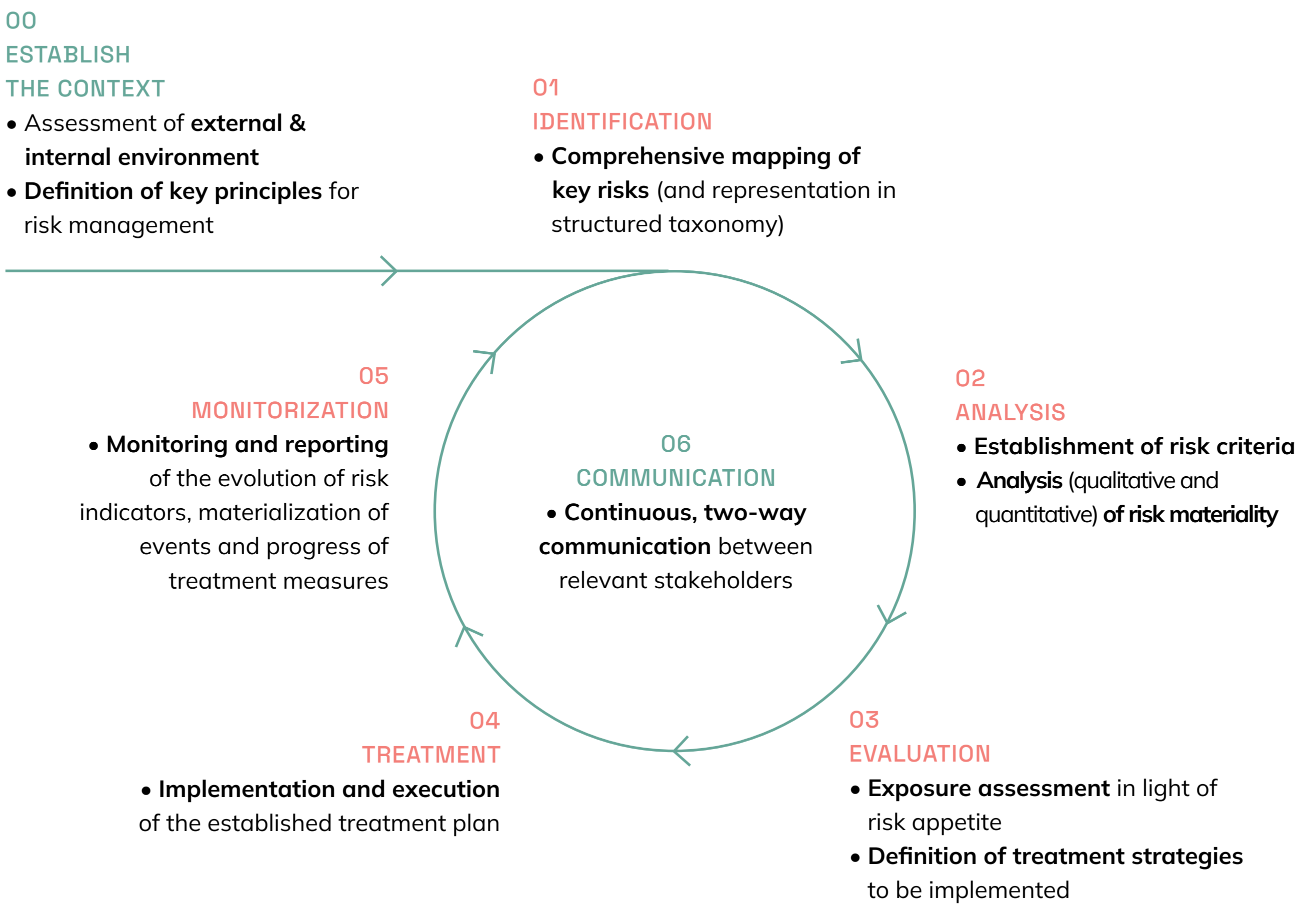
- Systems risks, associated with both the non-availability of information systems, as well as failure in the integrity and security of their data, due to a growing sophistication and integration of the several informatic systems and technologies. These risks are managed by dedicated areas within each the Business Unit (centralized in the Digital Global Unit for Portugal and Spain). To mitigate IT risks, there were established in collaboration with Business Units (end-users) critical levels and maximum unavailability timings allowed for each key application. Disaster recovery redundant systems have also been sized and implemented to address the business specifications (particularly strict for critical systems related with, for example, the implementation of financial transactions, communication and grid operation and trading of energy). Business Units with operational information systems (i.e., EDP Produção and E-Redes) have specialized teams to guarantee the security and integrity of systems. Additionally, regarding cyber security there has been developed a number of mitigation measures, namely i) the creation of a Security Operations Centre (SOC) dedicated to the continuous monitoring of the security of IT/ OT infrastructures, ii) the creation of a cyber range to simulate and test the reaction of employees in case of cyber-attack, iii) insurance coverage of cyber risks, and iv) the development of training and other awareness initiatives about the key principles of information security.

- Legal and compliance risks, associated with losses arising from non-compliance with existing tax, labour, administrative, or civil legislation, or any other, that has an economic (penalties, compensation and agreements) and reputation impact. EDP Group analyses, monitors, and reports the aggregate exposure and material developments to all relevant bodies, whether at the level of the Board of Directors or the General and Supervisory Board. In addition to overall exposure and by country, all cases deemed to be of a material nature (contingency over EUR 2.5 million) are collected, analysed, and reported individually. All ongoing processes are evaluated and classified individually by legal advisors as probable, possible, or remote, according to their probability of resulting in a negative impact on the EDP Group. EDP and its subsidiaries' board of directors, based on the information provided by legal advisors and on the analysis of pending lawsuits, recognizes provisions to cover the losses estimated as probable, related with litigations in progress. This treatment includes not only ongoing disputes (litigation in courts and out-of-court), but also the main contingencies in dispute and not materialized (and which may also translate into a negative impact, through the materialization of a dispute).

- Regarding potential unethical conduct by employees or other associated entities, the EDP Group provides regular training (for all employees) on ethical models of action and behaviour in case of transgressions in the ethical field. This risk is monitored by the EDP Group's Ethics Ombudsman Office, an internal structure responsible for collecting, analysing and assessing, in the Ethics Committee, all allegations of unethical behaviour, under strict conditions of confidentiality and protection of the respective sources. In addition, the EDP Group's Ethics Committee is responsible for defining lines of action to mitigate and sanction unethical behaviour, whenever necessary, according to the facts collected and reported by the Ombudsman. Risks associated with non-compliance with processes or corruption are also monitored by the Compliance Department.

54. Identification, analysis, evaluation, treatment, and monitoring of risks

Given the size of EDP Group and its geographical diversity, it is important to define a common process for all Business Units that recognizes and manages the heterogeneity of businesses and activities in which the Group operates. Accordingly, risk management in the EDP Group can be divided into five major integrated and structured phases (identification, analysis, evaluation, treatment, and monitoring), complemented by a previous phase of establishment of context, and adequate levels of communication between all stakeholders:



Complementary Phases
Fundamental Phases

- The **identification** of risks concerns the survey and update of the main risks associated with the Group's business, as well as their representation in a structured repository - the taxonomy of risks. Each of the Business Unit and Corporate Departments is primarily responsible for this exercise, within their scope. The Risk Management Department, in coordination with risk-officers, is responsible for the validating and integrating the different exercises and for obtaining and maintaining a global perspective (at the EDP Group level). The Group updated its top-down global risk map, based on interviews and in conjunction with the Group's main risk-owners. More recently, it also developed a reference taxonomy of risks, promoting a common language and facilitating the structure of different exercises for risk identification across all Business Units.

- The **analysis** of risks concerns the establishment of criteria to assess its nature and order of relative magnitude, as well as the analysis of individual and aggregated exposition according to the defined criteria. Each Business Unit and Corporate Department is primarily responsible for this exercise, within their scope of activity, being supported by the Risk Management Department, in coordination with risk-officers, namely through the development of adequate methodologies. This standardization and systematization of analysis and assessment criteria helps make risks of a heterogeneous nature comparable, informs the various decision makers of the orders of magnitude of the various risks and guides the prioritization of management and mitigation initiatives and the definition of clear risk management policies at various levels (including the definition of limits). In addition to this perspective, risk-return analyses are performed systematically (based on EBITDA@Risk, CF@Risk or other methods) associated with the main strategic guidelines and decisions of the Group (e.g., regarding the Group's Strategic Plan, key investment decisions or other topics deemed to be relevant).

- The **evaluation** of risks is related to the comparison between the risk profile and the risk appetite of the Group (stated both implicitly or explicitly), as well as on the definition of adequate strategies for treatment, when necessary. This exercise is responsibility of the Executive Board of Directors and Business Units, supported by the risk-officers, who act in coordination with the business operation (or risk-owners) and the Risk Management Department (leaded by the Chief Risk-Officer). It is important to highlight the recent formalization of EDP Group's risk appetite statement, with the external objective of structuring a holistic narrative around the strategic pillar of controlled risk, as well as the internal objective of promoting a reflection on the risk-return trade-off of strategic options.

- The **treatment** of risks concerns the adequate implementation of the risk strategies previously established, including the definition of adequate mechanisms of control. This exercise is responsibility of each Business Unit and Corporate Department, within the scope of their activity.

- The **monitoring** of risks ensures the effectiveness of action on identified risks, both in terms of control and periodic reporting of the Group's position as regards several risk factors, as well as the effective implementation of the policies, standards and procedures established for risk management. This role is ensured by the Boards of Directors of the various Group Business Units. The Risk Management Department and risk-officers are responsible for promoting and enhancing risk control and management measures, disseminating best practices and supporting the disclosure of concepts, methods, risk measures and key risk indicators (KRI). Additionally, the Risk Management Department, supported by the network of risk-officers, develops a set of bi-weekly or quarterly reports sent to the Executive Board of Directors and to the Board of Directors of each Business Unit. These reports allow the organisation to regularly follow KRIs that are aligned with performance metrics and, as such, reflect the risk profile at each moment. In addition, these indicators are subject to risk limits that are aligned with the objectives and strategy of the EDP Group, thus allowing this strategy to be implemented at the operational level. This information and the evolution of the company's risk profile are also reported to the General and Supervisory Board, namely through the Risk Appetite dashboard that is shared quarterly.

55. Main features of the risk management and internal control systems in place in the company for the disclosure of financial information

EDP Group has incorporated, into its management, the Internal Control System of Financial Reporting (SCIRF), based on criteria established by the regulatory framework of internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013), in relation to business processes and entity level controls, and the Control Objectives for Information and Related Technologies (COBIT), in relation to the general controls of information technology.

According to the adopted methodology and approved responsibilities model, activities were carried out related to the implementation, maintenance, monitoring and assessment of the internal control system, within the competence of those responsible that participating in it at the corporate level, business unit level, and shared services unit companies.

The monitoring and maintenance work were carried out through: (i) corporate (ii) business units and shared services companies.

The activities at corporate level were as follows:

- Planning and monitoring cycle, maintenance and review of reference models, conceptual and methodological support to business and shared services unit companies;

- Defining SCIRF 2021 scope based in the consolidated financial information, supported on materiality and risk criteria on a "top down" (Compliance Department) and "bottom up" basis, from which the companies and Corporate Centre Departments and respective processes considered relevant were identified. Autonomously, they were covered by the scope, the most relevant companies in Portugal, Spain, and Brazil Geographies and in aggregate, the units that make up EDP Renewables, SA, EDP Renewables Europe, SL and EDP Renewables North America, LLC;

- Support for business units and shared services unit companies in the documentation and review of new controls and redesigned of the existing, resulting from the inclusion of new topics, by materiality and/or risk and legal, structural, procedural and/or accounting changes;

- Identification of relevant computer applications that support SCIRF and analysis of "service organizations", for monitoring the issuance of the ISAE 3402 International Standard on Assurance Engagements, reports corresponding to an independent assessment of the control environment used by EDP's information technology service providers;

- Monitoring the cycle evaluation process, by the External Auditor, in terms of work planning, interaction with business and shared services unit companies;

- Attendance and support provided to business and shared services unit companies, resolution of identified non-compliances and improvement opportunities and reporting to those internal responsible and supervisors;

- Launch and monitoring of the self-certification process, through which those responsible for the internal control of the business and shared services unit companies, declare their explicit recognition about the (i) sufficiency or insufficiency of the controls documentation in terms of updating and adjustment, (ii) its execution and maintenance of evidence, (iii) actions approval and implementation related to the resolution of non-compliance and improvement opportunities and (iv) compliance with the Code of Ethics and the Integrity Policy of EDP Group;

- Completion of the self-assessment process for SCIRF 2021 cycle, through which the Executive Board of Directors, represented by the Chairman and the member of the Executive Board of Directors responsible for the financial areas, emit a responsibility report on the safety and reliability degree of consolidated financial statements preparation and presentation.

The activities at business units and shared services companies' level of EDP Group were as follows:

- Analysis of the results of the scope model application to the financial statements on an individual basis and inclusion of new topics and relevant applications, following the risk analysis bottom up;

- Application on “stand alone” scope level for the EDP España, EDP Renewables and EDP Brasil subgroups, with the profile of materiality and risk appropriate to their size;

- Identification, review, and appointment of SCIRF responsible, depending on the result of the scope model application and on the review and/or update due to organizational, structural, legislative and operational changes in the business and shared services unit companies;

- Documentation of new controls and redesign of the controls documented in previous cycles, subject to revision due to changes at different levels of the business and shared services unit companies;

- Implementation of actions necessary for the resolution of non-compliances and improvement opportunities identified in the assessment tests made by the External Auditor;

- Self-certification by which the SCIRF leaders assess, at all levels of the chain, the sufficiency and updating of documentation and maintenance of evidence in the execution of control activities;

- Self-assessment by the President of the Board and by the board member in charge of the financial matters of EDP España, EDP Renewables and EDP Brasil subgroups, through the issue of responsibility reports on the degree of safety and reliability of the preparation and presentation of financial statements;

- Evaluation of the SCIRF 2021 was made by the Group's External Auditor, PriceWaterhouseCoopers, according to the "ISAE 3000 - International Standard on Assurance Engagements" in all geographies covered by the scope model and with the support of KPMG, in the specific case of EDP Brasil.

The External Auditor issued an independent report on the Group's Internal Control System of Financial Reporting related to the financial statements of December 31, 2021, without reservations nor qualifications, presented in the annex "Reporting Principles", concluding with a reasonable degree of assurance regarding the effectiveness of internal controls system on financial reporting of EDP Group.

IV. Investor Relations

56. Composition, duties and information provided by these services and their contact information

The essential role of the Investor Relations Department is to act as the interlocutor between EDP's Executive Board of Directors and investors and the financial markets in general. It is responsible for all the information provided by the EDP Group, in terms of disclosure of privileged information and other market communications and publication of periodic financial statements.

In carrying out its duties, the department is in constant contact with investors and financial analysts, providing all the information that they request, while observing the applicable legal and regulatory provisions.

EDP's Investor Relations Department comprises six people and is coordinated by Miguel Viana. It is located at the Company’s head office:

Avenida 24 de Julho, n.° 12, 4.° Piso – Poente
1249-300 Lisboa
Telefone: +351 21 001 2834
E-mail: ir@edp.com
Site: www.edp.com

The following chart shows the communication channels through which EDP provides its shareholders with information on each type of documentation.

CHANNELS	IN PERSON [1]	WWW.EDP.COM	E-MAIL	IR PHONE NUMBER [2]	WWW.CMVM.PT
ELEMENTS REQUIRED BY LAW OR REGULATION [3]					
Notice of meeting	√	√	√	√	√
Executive Board of Directors' proposals	√	√	-	√	√
Amendment of the Articles of Association	√	√	-	√	√
Other proposals	√	√	-	√	-
Annual Report	√	√	√	-	√
Management and supervisory positions held in other Group companies by company officers	√	√	-	√	√
ADDITIONAL ELEMENTS					
Ballots for voting by proxy	√	√	√	√	-
Ballots for voting by mail	√	√	√	√	-
Ballots for voting by e-mail	√	√	√	√	-
Clarification of any issues	√	√	√	√	-
EDP Articles of Association and Regulations	√	√	√	√	√

[1] At EDP's headquarters;

[2] IR phone number +351 21 001 2834;

[3] Art. 289 of Companies Code and Regulation of CMVM 5/2008.

57. Representative for market relations

The representative for market relations is director Rui Manuel Rodrigues Lopes Teixeira.

58. Percentage of and response time to queries received in the year or pending from previous years

EDP's goal is for communication with the market to consist of objective, transparent information that is understandable to all stakeholders. In order to achieve such intent and bearing in mind the importance of keeping a trustworthy and sustainable behaviour, EDP has adopted a financial reporting policy based on transparent and consistent information properly conveyed to investors and analysts.

On 25 February 2021, EDP presented its “Strategic Update” in Lisbon, where it was announced the business plan for the period 2021-2025. Additionally, during 2021, EDP participated in numerous events with analysts and investors to inform the market of the Company's strategy and operational and financial performance. These included roadshows, presentations to analysts and investors, meetings, and conference calls.

In 2021, 115 market communications were made. The Investor Relations Department received several requests for information during the year and the average response time to queries was less than 24 hours.

The Company's efforts have been rewarded at several events. In 2021, EDP was nominated for the IR Magazine Europe Awards 2021, having been considered the second-best company in the Utilities sector, it was also considered the twelfth best company in Investor Relations in all sectors in Europe and reached the same position in the ranking of the best Investor Relations by the Management Team (CEO+CFO). In addition to being recognized by IR Magazine, EDP was also awarded by the Institutional Investor, in the All-Europe Executive Team award, with the CEO coming in second place in the Sell-side ranking, the CFO in third place in the Sell-Side ranking, and EDP in fifth place in the Utilities sector.

V. Website

59. Website Address

EDP's website (www.edp.com) provides comprehensive legal or corporate governance information, updates on the Group's activity and complete financial and operational data in order to facilitate searches and access to information by shareholders, financial analysts and others.

The information made available through this channel in Portuguese and English includes data on the Company, financial statements and accounts, privileged information, the Articles of Association and Internal Regulation of corporate bodies, the Group’s shareholder structure, preparatory documentation for General Meetings, historical performance of EDP share prices, a calendar of Company events, the names of members of the corporate bodies and the representative for market relations, contact information for the Investor Relations Department and other information of potential interest about the Group. EDP's website also allows visitors to consult accounting documents for any financial year since 1999.

60. Location of information about the company, its status as a public limited company, head office and other details mentioned in Article 171 of the Company Code

The information set out in Article 171 of the Companies Code is available on EDP's website on:

www.edp.com/en/investors/corporate-governance/principles-govern-us#by-laws---regulations.

61. Location of the Articles of Association and regulations of bodies or committees

The Articles of Association and regulations of bodies and committees are available on EDP's website on:

www.edp.com/en/investors/corporate-governance/principles-govern-us#by-laws---regulations.

62. Location of information on the names of members of the corporate bodies, market relations representative, investor relations office or equivalent body, their duties and forms of access

The names of members of the corporate bodies, market relations representative, investor relations office or equivalent body, their duties and forms of access are available on EDP's website on:

www.edp.com/en/investors/corporate-governance/governing-bodies
www.edp.com/en/investors/corporate-governance/principles-govern-us#by-laws---regulations

63. Location of accounting documents, which must be available for at least five years and the six-monthly calendar of company events disclosed at the start of each half year, including General Meetings, disclosure of annual, six-monthly and, if applicable, quarterly accounts

The accounting documents and calendar of company events are available on EDP's website on:

www.edp.com/en/investors/investor-information/results-reports#reports-and-accounts
www.edp.com/en/investors-0

64. Location of notice of meeting for General Meetings and all their preparatory and subsequent information

The notice of meeting for General Meetings and all their preparatory and subsequent information are available on EDP's website on: https://www.edp.com/en/investors/general-meetings.

65. Location of history of decisions made at the company's General Meetings, the share capital represented and result of votes for the previous three 3 years

The history of decisions made at the Company's General Meetings, the share capital represented, and result of votes are available on EDP's website on:

https://www.edp.com/en/investors/general-meetings.

D. Remuneration

I. Power to set Remuneration

66. Power to set the remuneration of corporate bodies and company directors

As provided for in the EDP Articles of Association until the amendments resulting from the General Meeting held on 14 April 2021, the remuneration of the members of the governing bodies was fixed by a Remuneration Committee appointed by the General Meeting, with the exception of the remuneration of the members of the Board of Directors Executive Board, which were set by a Remuneration Committee appointed by the General and Supervisory Board.

These Committees submitted annually to the General Meeting a declaration on the remuneration policy of the members of the governing bodies, pursuant to the provisions of paragraph 1 of article 2 of Law no. 28/2009, of 19 June. With the entry into force of Law no. 50/2020, of 25 August, and the and the resulting statutory amendment approved at the General Shareholders' Meeting, it is up to the Remuneration Committee to submit to the Company's General Shareholders' Meeting a proposal for a Remuneration Policy for the Members of the Governing Bodies, and both Committees have submitted to the shareholders' approval the respective proposal to the General Shareholders' Meeting held on 14 April 2021, under the terms of the statutory modification approved by the General Shareholders' Meeting.

The Remuneration Committee elected by the General Meeting takes into account, for the purposes of the proposed remuneration policy for the members of the General and Supervisory Board, the Board of the General Meeting and the

Statutory Auditor, namely, their fixed nature, as well as the mandatory rules on their determination, in particular the provisions of number 2 of article 440 of the Commercial Companies Code, which explains the criteria for determining the remuneration of the General and Supervisory Board, in article 374-A of the Commercial Companies Code, pursuant to Law no. 50/2020, of 25 August, on the remuneration of members of the Board of the General Meeting and in article 60 of Decree-Law no. 224/2008, of 20 November, on the remuneration of the Statutory Auditor.

II. Remuneration Committee

67. Membership of the Remuneration Committee, including names of the natural or legal persons hired to assist and declaration on independence of each member and consultant

The membership of the Remuneration Committee of the General Meeting and of the Remuneration Committee appointed by the General and Supervisory Board is set out in Item 29.

In 2021, the Remuneration Committee of the General and Supervisory Board hired an external consultant – Mercer (Portugal), Lda. – to support it in the validation and certification of the calculation of the annual and multi-annual variable remuneration of the Executive Board of Directors.

In January 2022, the General and Supervisory Board also hired Mercer (Portugal), Lda. to provide services concerning the certification of the evaluation process of the abovementioned body, of its Specialized Committees and of the Executive Board of Directors. The referred certifications may be consulted at the 2021 Annual Report of the General and Supervisory Board.

68. Knowledge and experience of remuneration policy of the members of the Remuneration Committee

The Remuneration Committee of the General and Supervisory Board is composed of members of the General and Supervisory Board with qualifications and experience in remuneration policy, according to Annex I of the current Report. On the other hand, the Remuneration Committee appointed by the General Meeting is composed of a number of members not less than three, with adequate knowledge and experience in matters of remuneration policy, in accordance with article 2 of the respective Internal Regulation and in accordance with the curricular notes attached to the proposal for election at the General Meeting available at www.edp.com.

III. Remuneration Structure

69. Remuneration policy of management and supervisory bodies

Executive Board of Directors

The Executive Board of Directors' Remuneration Policy ensures a (fixed) base remuneration, the payment of which is not dependent on performance evaluation, which must be fair, competitive, and sufficiently relevant in relation to the total remuneration, in order to allow greater flexibility in the conformation of the variable component of the remuneration.

The Remuneration Policy of the Executive Board of Directors comprises a variable remuneration, with an annual component, and a multi-annual component, with the nature of reward/incentive appropriate to the individual and collective performance of the members of the Executive Board of Directors and the promotion of good conduct, taking into account EDP's short- and long-term, financial, and non-financial objectives that are achieved, and the way in which they were achieved (pay for performance).

The annual variable component is linked to financial and non-financial objectives established in accordance with EDP's Annual Budget, evaluated annually, with an impact on the year and subject to evaluation and consequent repercussion in the following years, being paid in cash. The annual variable remuneration must be determined after the approval of EDP's accounts at the Annual General Meeting each year, by reference to the previous year/period of annual performance. The payment of multi-annual variable remuneration is partially deferred.

The multi-annual variable component is linked to the quantitative and qualitative objectives of EDP's Business Plan, the fulfilment of which will be evaluated at the end of a period of three years, with the respective payment subject to partial deferral. The multi-annual variable remuneration is paid exclusively in shares representing the share capital of EDP.

The determination of the variable annual and multi-annual remuneration of the members of the Executive Board of Directors in accordance with the Remuneration Policy is the responsibility of the Remuneration Committee of the General and Supervisory Board.

The payment of the variable remuneration is subject to the permanence of the member of the Executive Board of Directors at EDP until the end of the annual or three-year period of relevant performance, without prejudice to the provisions of the remuneration policy.

The remunerations policy approved at the General Shareholders' Meeting held on 14 April 2021 determines therefore the following:

- **Fixed remuneration** - The base remuneration of the members of the Executive Board of Directors must be aligned with the base remuneration practiced by a group of companies comparable with EDP, of the national market (PSI 20 Index) and of the international electricity sector, in terms of size, market capitalization, risk profile, relevance and geographic implantation, also considering, at all times, the complexity of the functions performed, the remuneration conditions of EDP workers and the non-increase of the average remuneration gap of the market between workers and managers. Considering the reduction in the number of members of the Executive Board of Directors and the organizational / functional review of the same with the consequent increase in responsibilities resulting therefrom, in particular the lower remuneration level of the Executive Board of Directors, and without prejudice to the possibility that amendments to this Remuneration Policy may be proposed to the General Shareholders Meeting during the current term, as a result of a complete analysis of the functions of the members of the Executive Board of Directors as a result of the reorganization verified, it was considered adequate to eliminate a remuneration level in the Executive Board of Directors, reducing, in this phase, from three to two, the levels of remuneration of the members of the Executive Board of Directors, under the following terms: (i) annual base remuneration of the CEO: 800,000.00 Euro; and (ii) annual base remuneration of the other members of the Executive Board of Directors: 560,000.00 Euro. The base remuneration of the members of the Executive Board of Directors is paid in 14 monthly instalments.

- **Annual variable remuneration** - The maximum annual variable remuneration may not be higher than 80% of the base remuneration in force in the year to which the referred annual variable remuneration refers, being determined, and falling due, after the approval of accounts for the year to which it relates. The annual variable remuneration has the nature of an incentive / performance bonus linked to short-term financial and non-financial objectives (linked to the business plan and budget), analysed annually, with a reflection on the year under evaluation and possible repercussions in the following years, being paid in cash. The amount of the annual performance bonus will be determined within three months after the approval of EDP's accounts at the Annual General Shareholders Meeting each year, by reference to the previous annual performance period. Key annual performance indicators (and weightings) pursuant to the budget for the year at stake are as follows:

    - *Regarding the quantitative component: (i)* Growth – Earnings per share recurring (20%), (ii) shareholder remuneration – Total Shareholder return vs Eurostoxx utilities (20%), (iii) Balance sheet solidity – Funds from Operations/Net Debit (10%), (iv) Operational efficiency – Recurring Cash OPEX (10%); (v) ESG indicator(s)(20%) including Dow Jones Sustainability Index Results, performance in the employees' yearly climate study and performance in the customer satisfaction index; and,

    - *Regarding qualitative component: (i) i*mplementation of the Business Plan in the year (25%), (ii) team management (25%), (iii) Teamwork (25%) and (iv) Stakeholder management (25%). This 20% weighting results from an individual qualitative assessment carried out by the Remuneration Committee of the General and Supervisory Board, based on the individual performance of each member of the Executive Board of Directors and, after consultation with the Executive Board of Directors.

- **Multiannual variable remuneration** - The multiannual variable remuneration will be calculated and will be due within 3 months after the approval of accounts for the last financial year of the three-year period to which it relates and will be paid in EDP Shares. The number of EDP shares to be awarded to each member of the Executive Board of Directors will be the one resulting from the quotient between the value of the remuneration calculated as to be paid in EDP shares after performance evaluation, and the price attribution of EDP shares corresponding to the average price of EDP shares in the last month prior to the General Shareholders' Meeting on 14 April 2021: 4.95 Euros. The multi-annual variable remuneration will be measured according to the fulfilment of long-term financial and non-financial objectives in accordance with the Business Plan approved by EDP, including the Company's sustainability metrics within the scope of ESG (Environment, Social and Governance) policies and objectives. Key multi-annual performance indicators for the three-year term of office (and weightings) against the 2021-2025 Business Plan subject to a prior favourable opinion of the General and Supervisory Board of 24 February 2021, after approval by the Executive Board of Directors:

- Regarding the quantitative component: (i) Shareholder remuneration - Total shareholder return vs Eurostoxx utilities (40%); (ii) Growth - Earnings per share recurring cumulative (20%) and (iii) ESG indicators (20%) including increase of share of renewable energy production, emissions reduction and Bloomberg Gender Diversity Index Performance. The 80% resulting from the weighted sum of these indicators reflects a performance that is common to all members of the Executive Board of Directors.

- The remaining 20% result from an individualized qualitative assessment carried out by Remuneration Committee, based on the individual performance of each of the members of the Executive Board of Directors, and after consulting the Executive Board of Directors. Regarding qualitative component (i) strategy and execution (25%), (ii) employee development (25%), (iii) teamwork and new forms of working and (25%) stakeholders management (25%).

For more detailed information please see Chapter 5 – Remuneration Report.

General and Supervisory Board

In compliance with the provisions of article 440 of the Commercial Companies Code, the remuneration of the members of the General and Supervisory Board is of a fixed nature, taking into account the duties performed.

The remuneration of the Chairman of the General and Supervisory Board was fixed considering, namely, the necessary availability for the exercise of the respective functions as well as the significant institutional representation component required. The remuneration of the Chairman of the General and Supervisory Board also includes the costs associated with the use of the vehicle and its driver.

The Remuneration Committee elected by the General Meeting defined the remuneration policy for the members of the General and Supervisory Board, having as a guiding principle that it should be simple, transparent, moderate, adapted to the working conditions performed and the Company's economic situation, but, also competitive and equitable, in order to guarantee the purpose of creating value for shareholders and other stakeholders.

Based on these criteria and considering the challenges that the Company intends to pursue during the next term of office, the Remuneration Committee elected by the General Meeting decided that the following guidelines should apply

(i) A distinction must be maintained between the remuneration attributed to the members of the General Supervisory Board and those fixed to the members of the Executive Board of Directors, with the former not being allocated a variable remuneration component or any other remuneration supplement.

(ii) The performance with merit and the complexity of the functions performed by the members of each body must be considered, so that the cohesion, stability, and development of the Society are not jeopardized.

(iii) Regarding the Chairman of the General Supervisory Board, it must be considered that the functions require great availability and include a strong component of institutional representation. He may also chair the Financial Matters Committee/Audit Committee, without additional remuneration.

(iv) If the chairmanship of the Financial Matters Committee/Audit Committee is assigned to another member of the General Supervisory Board, other than its Chairman, he/she must have a compatible remuneration, depending on the responsibility of the position and the requirement of availability.

(v) In any case, the Chairman of the General Supervisory Board, or the Chairman of the Financial Matters Committee/Audit Committee, if they are separate persons, may not accumulate any other remuneration in relation to the basis assigned to them.

(vi) It is also important to differentiate the performance of other specific functions, within the scope of the General Supervisory Board, namely the participation of members of the General Supervisory Board in other committees, as well as the functions performed in these committees.

(vii) Finally, it should be considered that, historically, the remuneration of the Chairman of the Board of the General Meeting is similar to the remuneration attributed to the Chairman of a Committee. For this reason, the remuneration of the Chairman of the Board is aligned accordingly, and his inherent membership of the position of Member of the General Supervisory Board is also considered.

For more detailed information please see Chapter 5 – Remuneration Report.

70. How remuneration is structured to allow alignment of the interests of the members of the managing body with the company's long-term interests and how it is based on assessment of performance and discourages excessive risk-taking

As set out in the Remuneration report, the Remuneration Policy of the Executive Board of Directors comprises a variable remuneration, with an annual component, and a multi-annual component, with the nature of reward/incentive appropriate to the individual and collective performance of the members of the Executive Board of Directors and the promotion of good conduct, taking into account EDP's short- and long-term, financial and non-financial objectives that are achieved, and the way in which they were achieved (pay for performance).

Pursuant to the principles set out in the Remuneration Policy approved at the General Shareholders’ Meeting, the remuneration of the members of the Executive Board of Directors should be aligned with the interests of shareholders, be focused on the creation of long-term value and be compatible with adequate risk management and rigorous, thus contributing to the Company's strategy, to its values and long-term interests and to its sustainability.

The right to variable remuneration and its effective payment is conditioned to the non-performance, by the members of the Executive Board of Directors, of any malicious illegal acts known after the evaluation has been carried out, and which cause damage to EDP or jeopardize the sustainability of performance of EDP and are the subject of a claim for compensation to EDP, by shareholders or third parties.

EDP’s Executive Board of Directors Members do not enter into contracts, either with the Company or with third parties, the effect of which is to mitigate the risk associated with the variability of the remuneration determined for them by the Company.

For more detailed information please see Chapter 5 – Remuneration Report.

71. Reference to a variable remuneration component and any impact of performance evaluation on this component

As described above, in item 69, the remuneration policy in force is composed of three components: (i) fixed remuneration, (ii) annual variable remuneration and (iii) multi-annual variable remuneration.

For more detailed information please see Chapter 5 – Remuneration Report.

72. Deferral of payment of variable component of remuneration and its length

The payment of annual performance bonus is partially deferred in 30% of its value throughout a 2-year period, with the payment to be carried out in 50% each year, with EDP reserving through the Remuneration Committee of the General and

Supervisory Board the possibility of not applying such deferral when the annual amount of the bonus is not higher than 20% of the relevant base remuneration.

The multi-annual variable component is linked to the quantitative and qualitative objectives of EDP's Business Plan, the fulfilment of which will be evaluated at the end of a period of three years, with the respective payment subject to partial deferral. The multi-annual variable remuneration is paid exclusively in shares representing the share capital of EDP.

The payment of two thirds of the multi-annual variable remuneration payable in EDP shares will be deferred and must be paid in two equal and successive annual instalments, ensuring that the payment of the multi-annual variable remuneration is made in the third year after each year of performance of the plan. multiannual year in reference, the first one due, respectively, and the second two years after the annual General Meeting at which the EDP accounts corresponding to the last year of the term in question are approved.

For more detailed information please see Chapter 5 – Remuneration Report.

73. Criteria on allocation of variable remuneration in shares and executive directors' maintenance of these shares, any agreements concluded concerning these shares, such as hedging or risk transfer contracts, their limit, and their association with total annual remuneration

The multiannual variable remuneration will be calculated and will be due within three months after the approval of accounts for the last financial year of the three-year period to which it relates and will be paid in EDP Shares.

The number of EDP shares to be awarded to each member of the Executive Board of Directors will be the one resulting from the quotient between the value of the remuneration calculated as to be paid in EDP shares after performance evaluation, and the price attribution of EDP shares corresponding to the average price of EDP shares in the last month prior to the General Shareholders' Meeting on 14 April 2021: EUR. 4.95.

The multi-annual variable remuneration will be measured according to the fulfilment of long-term financial and non-financial objectives in accordance with the Business Plan approved by EDP, including the Company's sustainability metrics within the scope of ESG (Environment, Social and Governance) policies and objectives.

The payment of two thirds of the multi-annual variable remuneration payable in EDP shares will be deferred and must be paid in two equal and successive annual instalments, ensuring that the payment of the multi-annual variable remuneration is made in the third year after each year of performance of the plan. multiannual year in reference, the first one due, respectively, and the second two years after the annual General Meeting at which the EDP accounts corresponding to the last year of the term in question are approved.

The payment of a significant part of the component of the multiannual variable remuneration in EDP shares reinforces the focus on the capital market and the alignment of interests of the members of the Executive Board of Directors with those of shareholders.

74. Criteria on allocation of variable remuneration in options, period of deferral and price of exercise

EDP has no variable remuneration option schemes.

75. Main parameters and basis of any annual bonus system and any non-monetary benefits

The members of the Executive Board of Directors also benefit from the following additional benefits:

- Payment of an annual Life Insurance and Personal Accident Insurance premium (along with the other associated costs), under the terms that will take as reference the policies in force at EDP;

- Payment of an annual premium for / co-payment of / access to Health Insurance, extendable to spouse and children (along with other associated costs), under the terms that will take as reference the policies in force at EDP;
- Use of a vehicle, in terms of the culture and practice consistently followed at EDP for service vehicles, which includes, for the members of the Executive Board of Directors, the assignment of a driver, payment of costs and expenses related to the vehicle and its use.

The benefits and rights granted to the members of the Executive Board of Directors under the employment contracts they have entered into with EDP will be suspended during the exercise of their duties as members of the Executive Board of Directors, thus not adding to the benefits and rights above indicated.

The benefits and rights attributed to the members of the Executive Board of Directors under the terms of the Remuneration Policy may, by decision of the Remuneration Committee of the General and Supervisory Board, with a favourable opinion from the Corporate Governance and Sustainability Committee, be adjusted according to the practices market and continued alignment with EDP's general Human Resources policy applicable at any given time, and must be justifiably reported in the first remuneration report that is presented after the aforementioned adjustment.

Pursuant to Article 402 of the Portuguese Companies Code and Article 27(1) of EDP's Articles of Association, the Company may create old-age or disability retirement pension supplements in favour of the members of the Executive Board of Directors. EDP has not created a supplementary retirement pension fund or plan for directors, instead making annual contributions / or co-contributions with the director to a Retirement Savings Plan (PPR) in a net amount corresponding to 10% of the respective remuneration base. The PPR is subscribed by EDP with the insurance company of its choice, indicating the director as an insured person, with EDP's defined contribution paid in 12 monthly instalments. The PPR characteristics will correspond to the usual characteristics in the market for this type of product, being refundable before the end of the respective term, under the terms legally applicable to these financial products. The PPR currently available to the members of the Executive Board of Directors may, with a favourable opinion from the Remuneration Committee of the General and Supervisory Board, be replaced by unit linked capitalization insurance or equivalent vehicle, depending on the offer and market practices at any given time.

76. Main characteristics of supplementary pension or early retirement schemes for directors and date of approval individually at a General Meeting

As described above, in item 75, and under the terms of the Remuneration Policy approved by the General Shareholders' Meeting held on 14 April 2021, EDP has not created a supplementary retirement pension fund or plan for directors, instead making annual contributions / or co-contributions with the director to a Retirement Savings Plan (PPR) in a net amount corresponding to 10% of the respective remuneration base. The PPR is subscribed by EDP with the insurance company of its choice, indicating the director as an insured person, with EDP's defined contribution paid in 12 monthly instalments. The PPR characteristics will correspond to the usual characteristics in the market for this type of product, being refundable before the end of the respective term, under the terms legally applicable to these financial products. The PPR currently available to the members of the Executive Board of Directors may, with a favourable opinion from the Remuneration Committee of the General and Supervisory Board, be replaced by unit linked capitalization insurance or equivalent vehicle, depending on the offer and market practices at any given time.

IV. Disclosure of Remuneration

77. Annual aggregate and individual remuneration paid to the members of the company's managing body by the company, including fixed and variable remuneration and its different components

The gross global amount paid by EDP to the members of the Executive Board of Directors in 2021 was 10,691,416 Euros.

The table below shows, in Euros, the gross remuneration amounts paid in 2021, individually, to the members of the Executive Board of Directors in office until 19 January 2021, regarding the 2018-2020 term of office:

	GROSS REMUNERATION PAID BY EDP [1]			
	FIXED	ANNUAL COMPONENT (2020)	MULTIANNUAL COMPONENT (2018)	TOTAL
António Luís Guerra Nunes Mexia	48,424	558,626	727,952	1,335,002
João Manuel Manso Neto	33,897	391,038	500,629	925,564
António Fernando Melo Martins Costa	24,902	329,251	383,146	737,299
João Manuel Veríssimo Marques da Cruz	14,518	211,361	250,876	487,262 [2]
Miguel Stilwell de Andrade	32,932	402,942	500,629	936,503
Miguel Nuno Simões Nunes Ferreira Setas	110,184 [3]	224,388	289,559	864,131 [4]
Rui Manuel Rodrigues Lopes Teixeira	27,366	340,771	413,789	781,926
Maria Teresa Isabel Pereira	25,485	329,251	413,789	768,525
Vera de Morais Pinto Pereira Carneiro	28,016	333,859	421,450	783,325

[1] The remuneration of the members of the Executive Board of Directors includes the amounts related to the Retirement Savings Plan.
[2] The total amount includes EUR. 10,507 paid by companies of the EDP Group (according to the remuneration table paid by companies in a controlling relationship).
[3] This amount includes an exchange/tax adjustment in the amount of Eur. 96,170 relative to the previous year.
[4] The total amount includes 240,000 Euros paid by companies of the EDP Group (as per the table below of remuneration paid by companies in a controlling relationship).

The table below shows, in Euros, the gross remuneration amounts paid in 2021, individually, to the members of the Executive Board of Directors in office since 19 January 2021, in relation to the 2021-2023 term of office, as well as the total earned by each of these members in 2021:

	GROSS REMUNERATION PAID BY EDP (*)			
	FIXED FROM 19 JANUARY 2021 TO 14 APRIL 2021	FIXED FROM 14 APRIL 2021 TO 31 DECEMBER 2021	TOTAL (TERM 2021-2023)	TOTAL 2021 (TERM 2018-2020 AND 2021-2023)
Miguel Stilwell de Andrade	230,863	686,701	917,564	1,854,067
Miguel Nuno Simões Nunes Ferreira Setas	72,262	440,647	512,909	1,377,040
Rui Manuel Rodrigues Lopes Teixeira	160,789	481,442	642,231	1,424,157
Vera de Morais Pinto Pereira Carneiro	144,197	481,036	625,233	1,408,557
Ana Paula Garrido de Pina Marques	143,299	481,150	624,450	624,450

(*) The remuneration of the members of the Executive Board of Directors includes the amounts related to the Retirement Savings Plan.

78. Amounts paid for any reason by other subsidiary or Group companies or companies under common control

The amounts of variable remuneration were fixed based on the tax treatment applicable in the country in which the Director was tax resident. The amounts paid by companies' majority owned by EDP refer exclusively to the period of residence abroad.

The table below shows the gross remuneration paid to members of the Executive Board of Directors by other companies in a controlling or group relationship or that are subject to a common control.

EUROS	FIXED	ANNUAL COMPONENT (2020)	GROSS REMUNERATION PAID BY EDP COMPANIES IN CONTROLLING RELATIONSHIP
João Manuel Veríssimo Marques da Cruz	10,507	0	EDP - Asia Soluções Energéticas, Lda.
Miguel Nuno Simões Nunes Ferreira Setas	240,000	0	EDP - Energias do Brasil, S.A.

79. Remuneration in the form of profit-sharing and/or payment of bonuses and reasons for these bonuses or profit sharing

EDP has no schemes in place for payment of remuneration in the form of profit-sharing and/or payment of bonuses.

80. Compensation paid or owed to former executive directors for termination in the financial year

For information regarding Item 80, please see Chapter 5 – Remuneration Report

81. Annual aggregate and individual remuneration paid to the members of the company's supervisory bodies

1. General and Supervisory Board

The gross global amount paid by EDP to the members of the General and Supervisory Board in 2021 was 2,053,113.70 Euros.

The following table shows the amounts of remuneration paid during the 2021 financial year to members of the General and Supervisory Board in office, during the 2018-2020 term, until 14 April 2021:

MEMBERS OF THE GENERAL AND SUPERVISORY BOARD	FIXED
	EUROS
Luís Filipe Marques Amado	148,778
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.[1]	55,828
China Three Gorges Corporation	27,181
China Three Gorges International Corp.	16,778
China Three Gorges (Europe), S.A.	19,640
China Three Gorges Brasil Energia Ltda	16,984
Banco Comercial Português, S.A.	16,467
DRAURSA, S. A. ([2])	26,716
SONATRACH	16,467
Senfora BV	16,467
Fernando Maria Masaveu Herrero	19,169
Maria Celeste Ferreira Lopes Cardona	23,111
Ilídio Costa Leite Pinho	16,467
Jorge Avelino Braga Macedo	19,356
Vasco Joaquim Rocha Vieira	19,356
Augusto Carlos Serra Ventura Mateus	19,356
João Carvalho das Neves	32,903
María del Carmen Fernández Rozado	20,028
Laurie Lee Fitch	16,308
Clementina Maria Dâmaso de Jesus Silva Barroso	31,041
Luís Maria Viana Palha da Silva	20,028

(1) Remuneration paid to the representative Eduardo de Almeida Catroga

(2) Of the total amount, EUR. 7,500 are due to adjustments in relation to the 2020 financial year

The following table shows the amounts of remuneration paid during the 2021 financial year to the members of the General and Supervisory Board in office, for the 2021-2023 term, as of April 14, 2021:

MEMBERS OF THE GENERAL AND SUPERVISORY BOARD	FIXED
	EUROS
João Luís Ramalho de Carvalho Talone	397,653
China Three Gorges Corporation	49,972
China Three Gorges International Limited	49,503
China Three Gorges (Europe), S.A.	63,779
China Three Gorges Brasil Energia Ltda.	63,575
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.[1]	67,819
DRAURSA, S. A.	78,481
Fernando Maria Masaveu Herrero	64,250
João Carvalho das Neves	102,086

MEMBERS OF THE GENERAL AND SUPERVISORY BOARD	FIXED EUROS
María del Carmen Fernández Rozado	82,097
Laurie Lee Fitch	78,528
Esmeralda da Silva Santos Dourado	78,528
Helena Sofia da Silva Borges Salgado Fonseca	82,097
Zili Stephen Shao	64,250
Sandrine Dixson-Declève	64,250
Luís Maria Viana Palha da Silva	67,819

(1) Remuneration paid to the representative Miguel Espregueira Mendes Pereira Leite

2. Other company bodies

Environment and Sustainability Board

Under the terms of the current remuneration policy, approved by the General Shareholders' Meeting on 14 April 2021, the members of the Environment and Sustainability Board are entitled to receive an attendance fee per meeting in the amount of 1,750 Euros.

In the 2021 financial year, the members of the Environment and Sustainability Board earned the remuneration indicated in the following table:

ENVIRONMENT AND SUSTAINABILITY BOARD (1)	FIXED EUROS
José Manuel Caré Baptista Viegas	8,750 (2)
Joana Pinto Balsemão (3)	-
Joaquim Manuel Veloso Poças Martins	7,000 (4)
Maria Mendiluce	0
Pedro Manuel Sousa Mendes Oliveira	7,000 (5)

(1) António José Tomás Gomes de Pinho, member of the Environment and Sustainability Board during the 2018-2020 term, earned EUR. 5,250 related to previous years.
(2) Of the total amount, EUR. 5,250 are due to adjustments related to previous years.
(3) Waived the respective remuneration.
(4) Of the total amount, EUR. 1,750 are due to adjustments related to previous years.
(5) Of the total amount, EUR. 1,750 are due to adjustments related to previous years.

Remuneration Committee of the General Meeting

The members of the Remuneration Committee of the General Meeting received, in 2021, the following remunerations:

REMUNERATION COMMITTEE OF THE GENERAL SHAREHOLDER'S MEETING (*)	FIXED EUROS
Luís Miguel Nogueira Freire Cortes Martins	29,278
José Gonçalo Ferreira Maury	20,708
Jaime Amaral Anahory	20,708

(*) Due to a processing error, a payment of EUR 15,000 was advanced to the Chairman and of EUR 10,000 to the two other members of the Remuneration Committee of the General Shareholders' Meeting, amounts that will be settled during the 2022 financial year.

82. Remuneration of the Chairman of the General Meeting

The Chairman and Secretary of the General Meeting do not earn any remuneration in that capacity, given that they are remunerated as a member of the General and Supervisory Board and Company Secretary, respectively.

In 2021, the Vice-Chairman of the General Meeting during the 2018-2020 term-of-office, received the amount of EUR 3,000.

V. Agreements Affecting Remuneration

83. Contractual limitations for compensation payable to directors for dismissal without due cause and their association with the variable component of remuneration.

In addition to the situations reported in the Remuneration Report, there are no contracts in force at EDP that provide for payments in the event of dismissal or termination by agreement of the director's duties.

84. Description and amounts of agreements between the company and members of the managing body and directors, as set out in Article 248-B (3) of the Securities Code, providing for compensation in the event of dismissal without due cause or termination of employment following a change of company control

Under the European Union legislation regarding market abuse, EDP has no directors other than the members of the General and Supervisory Board and of the Executive Board of Directors.

In fact, apart from the members of those bodies, there is no person who has regular access to inside information and participates in management and business strategy decision of the Company.

On the other hand, it is reiterated that, in addition to the situations reported in the Remuneration Report, there are no agreements in force at EDP that provide for payments in the event of dismissal or termination by agreement of director's duties.

VI. Stock Purchase Option Plans or Stock Options

85. Plan and its beneficiaries

There are no option rights granted for the acquisition of shares (stock options) from which the Company's employees and employees are beneficiaries.

86. Description of the plan (conditions for award, clauses on non-saleability of shares, shares price criteria, price of options in financial year, period in which options can be exercised, characteristics of shares or options, incentives for purchase of shares or exercise of options)

There are no option rights granted for the acquisition of shares (stock options) from which the Company's employees and employees are beneficiaries.

87. Stock options of company employees

There are no option rights granted for the acquisition of shares (stock options) from which the Company's employees and employees are beneficiaries.

88. Control mechanisms set out in any employee share scheme so that they do not exercise their voting rights directly

The Company has no such control mechanisms.

E. Transactions with Related Parties

I. Mechanisms and Procedures of Control

89. Company mechanisms for monitoring transactions with related parties

The General and Supervisory Board approved in 2009 objective, transparent rules on the identification, prevention, and resolution of relevant corporative conflicts of interest called Framework on Handling of Conflicts of Interest. Following a resolution made by the General and Supervisory Board, on 17 May 2010 the Executive Board of Directors approved the rules on identification, in-house reporting, and procedure in the event of conflicts of interest applicable to all EDP Group employees who play a decisive role in transactions with related parties. As part of its improvement of governance practices, on 29 July 2010, the General and Supervisory Board approved EDP's Regulation on Conflict of Interest and Transactions between Related Parties, which was reviewed in 2015 and a new version was approved on 29 October 2015.

Considering the changes introduced by Law no. 50/2020, of 25 August, as well as the constant adoption of best practices by the Company, a review of the internal regulations that regulate conflicts of interest and business between related parties was promoted, and, in 2021, the Policy on Transactions with Related Parties came into force, available for consultation on the EDP website, www.edp.com.

The Financial Matters Committee / Audit Committee is responsible for issuing a reasoned opinion on matters subject to a prior opinion by the General and Supervisory Board, which concern transactions between related parties, supported, whenever applicable, by reasoned opinions from the Risk and Compliance Departments, which must be made known to the General and Supervisory Board.

90. Transactions that underwent controls in the year

Attentive to the current reporting obligations, the Executive Board of Directors, during 2021, submitted to the General and Supervisory Board the information concerning the transactions between related parties. Such information concerned the transactions listed below:

- EDP Group, through EDP Clientes, S.A. provided electricity and gas supply services as well as the installation of solar panels to the company Cementos Tutela Veguín in the amount of approximately 19.4 million Euros and the estimated total amount of which could be approximately of 33.7 million Euros (Cementos Tutela Veguín is a subsidiary of the Group Masaveu, which, in turn, holds 55.9% of the company Oppidum Capital, SL);

- EDP Group provided payment management services to Liberbank in the amount of approximately 10,562 Euros. (Liberbank holds 44.1% of Oppidum Capital, SL).

- EDP and Sonatrach agreed to terminate the partnership entered into in 2007, under which EDP assumes full control of the combined cycle natural gas plant, Soto 4, in Spain, with an installed capacity of 426MW, through the acquisition of 25% stake held by Sonatrach, and terminates the commercial relations with Sonatrach that were associated with this partnership.

Additionally, and as disclosed to the market, (i) on 15 November 2021, EDP, through its subsidiary EDP Renováveis, S.A., signed a Sale and Purchase Agreement with China Three Gorges to sell a 100% equity stake in a 181 MW operating wind portfolio located in Spain for an estimated Enterprise Value of 307 million Euro (subject to customary closing adjustments), transaction that is subject to regulatory and other customary precedent conditions and (ii) on 10 December 2021, EDP and China Three Gorges agreed to update the partnership terms which considering the current context of the sector marked by the strong commitment to energy transition, aims to promote flexibility for the growth strategies of both companies, ensuring the application of the most rigorous corporate governance standards in the parties' future relations and preserving the instruments of cooperation and sharing of best practices, in order to potentiate the maximization of value for both companies and their shareholders. It should be noted that the General and Supervisory Board issued a favourable prior opinion on the two aforementioned operations with China Three Gorges.

The General and Supervisory Board noted that, with basis on the cases analysed and information provided by the Executive Board of Directors for 2021, there was no evidence that the potential conflict of interests in EDP operations were resolved contrarily to the company's interests.

At the same time, it is important to highlight Article 17(2) of EDP Articles of Association, that defines a number of matters subject to prior opinion from the General and Supervisory Board. This corporate body has competences to set the parameters for measuring the economic or strategic value of the operations that must be submitted for its opinion, and these were updated by the referred Board on the 13 May 2021.

In this context, and in addition to the 2021 financial year, 8 investment/divestment operations were submitted to the General and Supervisory Board for a prior opinion, with an average amount above 300 million Euros, as well as three financing operations, with the approximate average amount of 1.5 billion Euros, namely the two aforementioned operations with China Three Gorges.

Regarding the waiver of a prior opinion and the use of the expedited mechanism for issuing a prior opinion, five operations were submitted to the General and Supervisory Board, two related to participation in auctions (in Spain and in Brazil), one for the acquisition of EDP bonds (Bond Buy Back) and two for amendment of articles of association (of EDP Renováveis and of EDP Energias do Brasil).

Also in this context, during the 2021 financial year, five operations were submitted to the United States of America Business Affairs Monitoring Committee for a prior opinion, with an average value of 300 million dollars, with the maximum value of which was 345 million dollars. dollars. Regarding the waiver of prior opinion and the issuance of a prior opinion by an expedited mechanism, three operations were submitted to the United States of America Business Affairs Monitoring Committee, with an average value of 258 million dollars, with the operation with the maximum value being 307 million dollars.

Regarding transactions analysed by the United States of America Business Affairs Monitoring Committee, none of them had a related party transaction underlying them.

91. Procedures and criteria applicable to the supervisory body's prior assessment of transactions between the company and holders of qualifying shareholdings or entities related to them in any way

The rules in force applicable to the issuance of a prior opinion and to the expedited mechanisms of opinion in urgent cases of the General and Supervisory Board were updated on 13 May 2021, as well as the procedures for communication and provision of clarifications between that corporate body and the Executive Board of Directors.

The Articles of Association of EDP also establish that the General and Supervisory Board should set the parameters for measuring the economic or strategic value of the operations that must be submitted to it for an opinion, as well as establish expedited mechanisms for issuing an opinion in urgent cases or when the nature of the matter justifies it and the situations in which exemption from issuing such an opinion is permitted (Article 21 (7)). In fact, the expedited mechanism for issuing an opinion by the General and Supervisory Board can only occur in situations of exceptional urgency or when the nature of the matter justifies it, as set out in the EDP's Articles of Association and the Internal Regulations of the General and Supervision (Article 15(5)).

With reference to prior opinion mechanism, General and Supervisory Board of EDP established a set of demanding rules regarding the conclusion of business between related parties, aimed at preventing situations of conflict of interests.

In this context, it is important to highlight the provisions of the Transaction with Related Parties Policy – reviewed in 2021 - regarding the procedures and criteria applicable to the intervention of the supervisory body for prior assessment of the business purposes to be carried out between the Company and holders of qualifying holdings or entities that are in any relationship with them. In particular, in legal transactions or de facto situations between related parties that are likely to give rise to a conflict of interest between the parties involved, relevant to the pursuit of EDP's interest, together with the request for a prior opinion from the General and Supervisory Board or its waiver, the Executive Board of Directors must provide the following information:

- Summary description of the operations and the responsibilities taken up by the parties;
- Outline of the procedures used to select the counterparty, i.e., whether the operation was based on a call for tenders/market consultation procedure or direct contract award;
- In the event of direct contract award, the reasons for this decision;
- In cases of calls for tenders/market consultation procedures, the type of contact established with the potential interested parties and the identity of those parties;
- In case of competitive tenders, the details of the different tenders and the criteria used for selection;
- The parameter used to check whether the transaction was performed under "normal market conditions for similar operations";
- Measures adopted to prevent, mitigate risks, or solve potential conflicts of interests, namely the issuing of fairness opinions by independent entities prior to taking a decision regarding the performance of a Transaction with a Related Party;
- Indication, if applicable, of the multi-annual nature of the operation, in which case the initial date of the award/contract must be reported, as well as the date on which the supplies and/or services are provided.

With respect to legal business or cases that exist between related parties that are likely to give rise to a conflict of interests between those involved, which could impact the interests of EDP, these should be subject to a preliminary opinion from the General and Supervisory Board:

- if the Financial Matters Committee/Audit Committee can meet before the General and Supervisory Board meeting, an opinion from this Committee should be requested, which should be presented to the General and Supervisory Board for decision-making purposes;
- if it is not possible for the Financial Matters Committee/Audit Committee to meet, the assessment of the potential conflict of interests must be made directly by the General and Supervisory Board within its decision-making authority.

II. Business Information

92. Location of accounting documents providing information on transactions with related parties, pursuant to IAS 24, or reproduction of the information

Information on transactions with related parties, pursuant to IAS 24, is set out in Note 43 of the consolidated and individual financial statements.

PART II
Assessment of Corporate Governance

1. Corporate Governance Code in Effect

EDP – Energias de Portugal, S.A. (EDP) is a listed company whose securities are admitted to trading on the NYSE Euronext Lisbon stock market.

Following the entry into force of the Protocol between the CMVM and the Portuguese Institute for Corporate Governance (*Instituto Português de Corporate Governance* - IPCG), on 13 October 2017, the Corporate Governance Code issued by CMVM was revoked, and changes were made to the Corporate Governance Code issued by the IPCG, available at www.cgov.pt

The choice of EDP to adopt the Corporate Governance Code issued by the IPCG, from the moment it entered into force, and under the current version, reflects the concern of always ensuring the implementation of best corporate governance practices.

According to the CMVM Circular, dated 11 January 2019, this Report is structured in accordance with Article 1(4) of CMVM Regulation 4/2013, and therefore abides by the model in its Annex I, not including the sections not applicable to EDP's governance model.

2. Compliance assessment of the adopted Corporate Governance Code

The following table sets out IPCG's corporate governance principles and recommendations as included in the Corporate Governance Code, along with the identification, for each case, of EDP's compliance or non-compliance with said principles or recommendations or, as the case may be, that the provisions to not apply to the Company. Complimentary information has been included where the description of the Company's shareholder structure and governance model does not exhaust the scope of the underlying explanation of the respective principles or recommendations.

COMPLIANCE DECLARATION

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
CHAPTER I · GENERAL PROVISIONS			
General Principle: Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.			
I.1. Company's relationship with investors and disclosure			
Principle: Companies, in particular its directors, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and		Regarding the disclosure of information, it is important to refer the existence of, on one hand, information flow mechanisms and, on the other hand, of corporate bodies and specialized committees purposefully favouring information sharing. On that regard, EDP relies on an information sharing platform between the Executive Board of Directors and the General and Supervisory Board as well as between the Specialized Committees, accessible to all members of such bodies and committees, without prejudice to restrictions on access to information regarding members who are in a situation of conflict	Item 15 | Item 21 | Item 22 | Item 27 | Item 29 | Item 52 | Items 55 to 65

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
disclosure of information		of interests. Such information tool allows all members to have knowledge of the most important documents, namely minutes and supporting documents to resolutions. The Executive Board of Directors provides to all other corporate body members all the requested information in a timely and appropriate manner. Furthermore, the Investor Relations Department aims to ensure the communication with analysts and investors of the Group companies in order to guarantee the sustainability of the Company's image and EDP's notoriety, as well as to answer all information requests of regulatory entities and financial supervisory authorities. Moreover, the Stakeholders and Institutional Relations Department ensures the institutional communication of the Company through an integrated and consistent narrative before the Group's stakeholders, in line with the adopted vision and strategy in order to maximize the communication potential of the Group towards its stakeholders and to contribute to a fluid and systematized information flow about the Group and its activities. Finally, EDP has established a Corporate Centre that assumes a supporting role to the Executive Board of Directors in the definition and control of the execution of the defined strategies, policies and objectives. The Corporate Centre is organized by Corporate Departments and Business Units, allowing a better optimization and efficiency of the organizational structure.	
Recommendation I.1.1. The Company should establish mechanisms to ensure, in a suitable and rigorous form, the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.	**ADOPTED**		Item 15 | Item 21 | Item 22| Item 27 | Item 29 | Item 52 | Items 55 to 65
I.2. Diversity in the composition and functioning of the company's governing bodies			
Principle I.2.A Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders.		The respect for diversity within the governing bodies and in the appointment, procedures constitute one of the structuring elements of EDP's corporate purpose. The Internal Regulations of the corporate bodies, corporate entities and Specialized Committees which form part of EDP's structure set forth several provisions related to reputation, independence, and incompatibilities applicable to the members of those bodies. Regarding the General and Supervisory Board and the Executive Board of Directors, EDP has a specific policy entitled "Policy on Selection of the Members of the General and Supervisory Board and Executive Board of Directors" according to which the integration of several skills, professional experiences, and knowledge, as well as genre and cultural diversity should always be assured, considering the specificities of the Company's business. Such policy establishes that the election proposal of any candidate to be submitted to the Shareholders' General Meeting should be duly substantiated in what concerns the candidate's profile and function to be performed, so as to enable the shareholders to verify the adequacy of the candidate's profile, knowledge, and curriculum to the functions to be performed. Under the abovementioned policy, some of the general selection criteria are: (i) promotion of equality of rights and opportunities in a context of diversity; (ii) enhancement of diversity, notably regarding age, gender, geographical origin, skills, competences, qualifications, and experience; (iii) promotion of the increase in the number of members of the under-represented gender; and (iv) prevention of potential conflicts of interest. Said selection policy also foresees the competences that the members of the Executive Board of Directors and of the General and Supervisory Board should possess, among which we highlight the following: (i) technical-professional competences suitable for the function; (ii) integrity, ethics and professional and personal values; (iii) sufficient knowledge of the legal, regulatory and statutory rules applicable to its functions and to the Company; (iv) sufficient availability to comply with the respective legal and statutory functions; (v) fulfilment of the independence requirements established by law and in the Articles of Association; (vi) commitment with the provisions set forth in policies, codes and Internal Regulations of the Company; (vii) commitment towards compliance with the best corporate governance practices; (viii) competences and experience in company management, risk management and supervision	Items 11 | Items 15 to 17 and 30 to 33 | Annex I
Principle I.2.B Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions.			Item 21 | Items 27 to 31
Principle I.2.C Companies ensure that the functioning of their bodies and committees is duly recorded, namely in minutes, to allow an understanding not only of the meaning of the decisions taken, but also of their grounds and opinions expressed by their members.			Item 23 | Item 27 | Item 35
Recommendation I.2.1. Companies should establish standards	**ADOPTED**		Items 11 | Items 15 to 17 | Items 30 to 33 | Annex I

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.		suitable for the function and (ix) industry knowledge and experience in the sector. In particular, regarding gender diversity, it is convened by compliance with Law 62/2017, of 1 August, related to the balanced representation between men and women in governing and supervisory bodies in public sector entities and listed companies. Furthermore, EDP has a diversity policy according to which it undertakes to (i) promote mutual respect and equal opportunity, (ii) acknowledge the differences as a source of strengthening human potential and valuing diversity in organizing, managing and in the strategy, and (iii) adopt positive discrimination and awareness measures, not only internally but also towards the community in order to have an effective and efficient implementation of the diversity policy. Under the terms of Law no. 62/2017, of 1 August, and in full compliance with applicable law, EDP shareholders have resolved on 5 April 2018 to appoint new members of the management and supervisory bodies of the Company for the 2018-2020 triennium, in a way that safeguards a 20% representation of persons of each sex in the Executive Board of Directors and the General and Supervisory Board. The members of the Executive Board of Directors for the 2021-2023 triennium were appointed at the Extraordinary General Shareholders Meeting held on 19 January 2021, with representation at that body now standing at 40%, above legal requirements. At the General Shareholders' Meeting held on 14 April 2021, the members of the General and Supervisory Board were elected and therefore the representativeness of this body is also higher than that provided for in the applicable legislation. As set out in EDP's Gender Equality Policy, updated for the 2021-2022 period, available at www.edp.com and at www.cmvm.pt, gender equality is of civilizational importance, as a corollary of the equality of rights, freedoms, guarantees, opportunities and recognition between genders. It also enables the enhancement of skills and knowledge through the inclusion of all, promoting a better and more motivating work environment and, consequently, greater levels of productivity and retention of talent.	
Recommendation I.2.2. The company's managing [I.2.2.(1)] and supervisory boards [I.2.2.(2)], as well as their committees [I.2.2.(3)], should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning, and the duties of their members — disclosed in full on the company's website. Minutes [I.2.2.(4)] / [I.2.2.(5)] / [I.2.2.(6)] of the meetings of each of these bodies should be drawn out.	**ADOPTED**	The General and Supervisory Board, the Executive Board of Directors, the Financial Matters Committee / Audit Committee (FMC/AC), the Corporate Governance and Sustainability Committee (CGSC), the Remuneration Committee (RC) and the United States of America Business Affairs Monitoring Committee (BAMC) have specific Internal Regulations that establish its functioning (in particular the exercise of the respective duties, chairmanship, periodicity of meetings, functioning, duties of their members and duty to draft detailed minutes of the respective meetings). In relation to the applicable specific articles, please see the chart below: Internal Regulation EBD [I.2.2 (1)] Duties — 4.º Chairmanship — 5.º Periodicity of meetings — 8.º Functioning — 8.º Duties of their members — 2.º, 4.º and 7.º Duty to draft Minutes — 10.º [I.2.2 (4)] Internal Regulation GSB [I.2.2 (2)] Duties — 2.º Chairmanship — 5.º Periodicity of meetings — 4.º Functioning — 4.º	Items 22 and 23 | Items 27 to 29 | Item 34 | Item 61

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
		Duties of their members 11.º Duty to draft Minutes 26.º [I.2.2 (5)] Internal Regulation FMC/AC [I.2.2 (3)] Duties 2.º Chairmanship 5.º Periodicity of meetings 4.º Functioning 4.º Duties of their members 10.º Duty to draft Minutes 4.º [I.2.2 (6)] Internal Regulation RC [I.2.2 (3)] Duties 2.º Chairmanship 5.º Periodicity of meetings 4.º Functioning 4.º Duties of their members 10.º Duty to draft Minutes 4.º [I.2.2 (6)] Internal Regulation CGSC [I.2.2 (3)] Duties 2.º Chairmanship 5.º Periodicity of meetings 4.º Functioning 4.º Duties of their members 10.º Duty to draft Minutes 4.º [I.2.2 (6)] Internal Regulation BAMC [I.2.2 (3)] Duties 2.º Chairmanship 5.º Periodicity of meetings 4.º Functioning 4.º Duties of their members 9.º Duty to draft Minutes 4.º [I.2.2 (6)]	
Recommendation I.2.3. The composition [I.2.3.(1)] and the number of annual meetings [I.2.3.(2)] of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	**ADOPTED**	[I.2.3.(1)] www.edp.com/en/investors/corporate-governance/governing-bodies-0 [I.2.3.(2)] This information is made available at EDP's website, is disclosed at EDP's Annual Report as well as on the General and Supervisory Board Annual Report.	Item 59
Recommendation I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those	**ADOPTED**	The Whistleblowing Procedures Regulation is in force and has been reviewed in 2020. Such Regulation sets forth reception mechanisms and procedures, irregularities communication retention and processing on several matters received by the Company. Under the terms of this Regulation, the communication of irregularities is handled as confidential information, namely by the General and Supervisory Board, by the Financial Matters Committee / Audit Committee and by the supporting employees that are responsible for the operational	Item 15 | Item 49 | Items 50 to 55

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.		management of reception, retention and handling mechanisms and procedures of the irregularity's communication. Further information is available at https://www.edp.com/en/edp/irregularities-communication-channel, and the Whistleblowing Procedures Regulation is available at https://www.edp.com/sites/default/files/2020-04/Regulations%20Whistleblowing%20Procedures.pdf. Without prejudice to other mechanisms used in different geographies, EDP has an additional channel, the Ethics Ombudsperson channel, which allows all employees, clients, suppliers, or other interested parties to report ethics violations and ask ethical questions, where the addressee is the Ethics Ombudsperson. For further information: https://www.edp.com/en/contact-ethics-ombudsperson. In 2021, the Integrity Policy as well as the remaining procedures and compliance mechanisms associated to this program where the object of training directed at the employees and have been internally disclosed for review in EDP's internal communication channels. Within the scope of the Anti-Money Laundering and Terrorist Financing Compliance Program, obliged entities have implemented specific internal regulations and a horizontal procedure for the communication of suspicious operations- The Irregularities Communication Channel, which was initially set up in 2006 to enable the reporting of potential financial irregularities, has been restructured in 2020 to include the possibility of reporting potential violations related to money laundering and terrorist financing. https://edp.whispli.com/pt-pt/comunicacaodeirregularidadespt	
I.3. Relationships between the company bodies			
Principle: Members of the company's boards, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in possession of the suitable amount of information to carry out their respective duties.		EDP's Article of Association expressly set forth that all corporate bodies of the Company should, to the extent of their competences, create the necessary conditions for a harmonious, articulated and informed performance of their duties, with reporting and information sharing mechanisms implemented in accordance with recommendation I.1.1. In addition, the Internal Regulations of the General and Supervisory Board, the Executive Board of Directors and of the specialized committees contain several provisions that set forth the need to report, namely to supervisory bodies, information regarding annual activity plans, resolutions and minutes.	Items 21 to 45

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
Recommendation I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	**ADOPTED**	This recommendation is also complied with considering article 5 of the Internal Regulation of the Executive Board of Directors. Currently, EDP also has an internal instrument that systematizes the operating principles and rules to be observed in the interaction of the Executive Board of Directors with the General and Supervisory Board, developing the legal framework, the Articles of Association and the Internal applicable to such matters.	Items 21 to 45
Recommendation I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.	**ADOPTED**	All Internal Regulations set forth reporting and information sharing mechanisms. In particular, it should be highlighted the relevance of the information sharing platform between the General and Supervisory Board and the Executive Board of Directors. Regarding the applicable provisions, one should highlight: - Articles of Association: Article 22 (1) (L); - Internal Regulation of the Executive Board of Directors: Articles 5 (1) (e) and 10 (4); - Internal Regulation of the General and Supervisory Board: Article 5 (c) and (e), and Article 11 (1) (a); Article 14 and Article 17; - Internal Regulation of the Financial Matters / Audit Committee: Article 5 (1) (f), Article 10 (1) (a) and Article 13; - Internal Regulation of the Remuneration Committee: Article 5 (1) (d); Article 10 (1) (a) and (2); - Internal Regulation of the Corporate Governance and Sustainability Committee: Article 5 (e); Article 10 (1) (a), (2), and (3) (c); Articles 12 and 13; - Internal Regulation of the United States of America (USA) Business Affairs Monitoring Committee: Article 5 (d); article 9 (1) (a).	Items 21 to 45
I.4. Conflict of interests			
Principle: The existence of current or potential conflicts of interest, between members of the company's boards or committees and the		Since 17 May 2010, EDP has implemented rules on identification, internal reporting and actions to be carried out should a case of conflict of interests occur. This Regulation is applicable to all EDP Group employees that have a decision-making role on the completion of a transaction with related parties.	Item 10 | Item 18 | Item 20 | Item 21 | Item 91

<table>
<tr><th>PRINCIPLES AND RECOMMENDATIONS</th><th>ADOPTED
NOT ADOPTED
NOT APPLICABLE</th><th>COMMENTS</th><th>REPORT DESCRIPTION</th></tr>
<tr><td>company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.</td><td></td><td rowspan="3">In 2021, and with the review of internal regulations, the Transaction with Related Parties Policy came into force, aiming to establish general principles of action and reporting in order to identify, prevent, detect and settle situations of conflicts of interest in Related Party Transactions. In addition, it aims to contribute to the promotion of ethics and integrity in the development of the business of EDP and other companies and/or entities forming part of the EDP Group, ensuring compliance with legislation and the principles and rules laid down.
The Internal Regulations of EDP's bodies and committees set forth provisions by which the members of such bodies and committees should inform the respective body or committee on facts that could constitute or give cause to a conflict between his/hers interests and the corporate interest, the communication of a conflict of interest occurs whenever there are facts that may constitute or give rise to it, and not limited to the deliberative context. All corporate bodies and Specialized Committees' Internal Regulations set forth a specific provision on the conduct to be adopted by the respective body or committee member in case of an effective or apparent conflict of interests, as well as a duty to provide information or clarifications. The respective articles that specifically set forth this recommendation are the following:
- Internal Regulation GSB: Article 10
- Internal Regulation EBD: Article 6
- Internal Regulation FMC/AC: Article 9
- Internal Regulation RC: Article 9
- Internal Regulation CGSC: Article 9
- Internal Regulation BAMC: Article 8</td><td></td></tr>
<tr><td>Recommendation I.4.1. The members of the managing and supervisory boards and the internal committees are bound, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.</td><td>ADOPTED</td><td>Item 10 | Item 18 | Item 20 | Item 21 | Item 91</td></tr>
<tr><td>Recommendation I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.</td><td>ADOPTED</td><td>Item 10 | Item 18 | Item 20 | Item 21 | Item 91</td></tr>
<tr><td colspan="4">I.5. Related party transactions</td></tr>
<tr><td>Principle: Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.</td><td></td><td rowspan="2">Regarding this matter, in addition to the legal and statutory provisions, there is an internal regulation on conflicts of interest and transactions with related parties, reviewed in 2021 - Transactions with Related Parties Policy – which is available for consultation at EDP's website www.edp.com. Under the terms of EDP's Articles of Association and the applicable law, the Executive Board of Directors is responsible for the management of the Company and for transaction with related parties purposes, are deemed decision-makers: (i) the members of EDP's corporate bodies; (ii) the members of the management bodies of the companies controlled by EDP, which the EBD qualifies as such, because the persons concerned, by virtue of the fact that the persons in question, because of their roles in these entities, have direct or indirect authority and responsibility for planning, directing and controlling the activities of the EDP Group; (iii) front-line managers reporting directly to the board of directors; (iv) employees of the EDP Group, among the permanent staff, with an individual employment contract of fixed or undefined term, even if their employment relationship is temporarily suspended, who, in accordance with the limits of their delegated powers, may perform acts at an individual cost equal to or greater than EUR 25,000; (v) other employees working for the EDP Group, even if under a contract of assignment or requisition, on a permanent or occasional basis and regardless of the nature of the contractual tie, on a commission basis or under a service provision contract, as well as carrying out activities under internship or vocational training programmes, who, in accordance with the limits arising from the respective legal</td><td>Item 10 | Items 89 to 92</td></tr>
<tr><td>Recommendation I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.</td><td>ADOPTED</td><td>Item 10 | Items 89 to 92</td></tr>
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PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
		relationships established, may perform acts at an individual cost equal to or greater than EUR 25,000; (vi) employees who perform roles in the EDP Group within other categories and regardless of the monetary limits of those competences, that the EBD qualifies as such by virtue of having direct or indirect authority and responsibility for planning, directing and controlling the EDP Group's activities. All decision-making persons should therefore report any information deemed relevant over transactions performed or to be performed with related parties, namely with controlled companies or with the own decision-makers. There are also identified in Transaction with Related Parties Policy, transactions of significant relevance, specifying the type and scope of the transactions subject to prior opinion. Furthermore, article 17 (2) of EDP's Articles of Association sets forth a range of matters subject to favourable prior opinion of the General and Supervisory Board, with the Board retaining power to set the parameters, in terms of economic or strategic value of the transactions, that should be subject to opinion, namely regarding acquisitions and disposals of goods, rights or shareholdings of a significant amount, under the terms of article 21 (7) of EDP's Articles of Association and article 15 of the General and Supervisory Board Internal Regulation. The General and Supervisory Board is responsible for, under the scope of the annual and interim management EDP report assessment and taking into consideration the activity performed by the Financial Matters Committee/Audit Committee, analyse, and issue an opinion regarding transactions with related parties. In effect, the General and Supervisory Board contains a Specialized Committee, the Financial Matters Committee/Audit Committee, whose attributions include reviewing related party transactions. Its Internal Regulation clarifies that the final decision is up to the General and Supervisory Board, in accordance with article 12 (1) (i). Furthermore, the Corporate Governance and Sustainability Committee is responsible for monitoring and supervising the systems for evaluating and resolving conflicts of interest, namely regarding the Company's relations with shareholders, by analysing the proposed remedies for situations that reported to it by the Committee by the Financial Matters Committee/Audit Committee. EDP also displays a set of rules on the issuance of prior opinion by the General and Supervisory Board, as well as the communication procedures between the General and Supervisory Board and the Executive Board of Directors. In addition, the Executive Board of Directors should, within 20 days of the end of each quarter, inform the General and Supervisory Board of all "significant transactions", being set forth in the respective policy the elements that should be submitted on such communication (see Article 22 (1) (l) of the Articles of Association and article 14 (1) (k) of the General and Supervisory Board Internal Regulation). The General and Supervisory Board intervention in the assessment made to such transaction is always preceded of the analysis and scrutiny of the Executive Board of Directors. Also under the terms of the Internal Regulation in force regarding this matter, the General and Supervisory Board and, more specifically, the Financial Matters Committee/Audit Committee analyses all transactions between EDP and subsidiaries in the amount equal or superior to: (i) EUR 75M, for subordinated and standard loans; (ii) EUR 75M for purchase, sale, marketing or supply of electricity and natural gas (and connected products and services) and (iii) EUR 5M for all other transactions.	
Recommendation I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the	**ADOPTED**	For Transaction with Related Parties Policy purposes, the Executive Board of Directors should inform the General and Supervisory Board, within 20 days after the end of each quarter, of all transactions that constitute relevant situations.	Item 10 | Items 89 to 92

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
transactions under analysis, at least every six months.			
CHAPTER II – SHAREHOLDERS AND GENERAL MEETINGS			
Principle II.A As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the shareholders in matters of corporate governance is a positive factor for the company's governance.			Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56
Principle II.B The company should stimulate the personal participation of shareholders in general meetings, which is a space for communication by the shareholders with the company's boards and committees and also of reflection about the company itself.			Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56
Principle II.C The company should implement adequate means for the participation and remote voting by shareholders in meetings.			Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56
Recommendation II.1. The company should not set an excessively high number of shares to confer voting rights [II.1.(1)], and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote [II.1.(2)].	**ADOPTED**	[II.1.(1)] EDP establishes in Article 14 (1) and (2) of its Articles of Association that to each share corresponds one vote and that all shareholders with voting rights may participate in the Shareholders' General Meeting provided that they have such capacity on registration date. [II.1.(2)] - Not applicable.	Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56
Recommendation II.2. The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum	**ADOPTED**	Article 11 (3) of EDP's Articles of Association establishes that Shareholders' General Meeting resolutions are adopted by a majority of voting cast, unless a legal or statutory provision requires a qualified majority.	Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
higher than that established by law.			
Recommendation II.3. The company should implement adequate means for the participation and remote voting by shareholders in meetings.	**ADOPTED**	While EDP has always favoured maximizing shareholder participation in general meetings, which entails direct interaction with the holders of its share capital, which constitutes a positive factor for the proximity with its shareholding structure, for the efficient functioning of the Company and for the pursuit of its corporate purpose, the COVID-19 pandemic context has inevitably altered that understanding. EDP has held three General Shareholder Meetings in a state of emergency, in 16 April 2020, in 19 January 2021 and in 14 April 2021, and this has required the implementation of procedures to allow the meetings to take place remotely, as per the convening notices available at https://www.edp.com/en/investors/general-meetings. The quorum in the aforementioned Annual and Extraordinary General Shareholders' Meetings were respectively of 67,3% in April 2020, of 73,9068% in January 2021 and of 74.415 in April 2021. Due to these exceptional circumstances, all voting rights were exercised remotely, either by post or by electronic means, as provided in Article 384(8) and (9) of the Portuguese Companies Code, Article 22 of the Portuguese Securities Code, and in Article 14(6) and (8) of EDP's Articles of Association. Holding the General Shareholders' Meeting remotely has allowed all duly registered Shareholders to access the live audio and video feed of the meeting. To that effect, a hyperlink to a digital platform was sent the day prior to the meeting to the registered e-mail address of each shareholder who had communicated its intent to attend. Besides being able to ask questions in writing, through the platform, about the topics included in the Agenda which warranted clarification during the meeting, shareholders were allowed to submit questions in advance, up to two days prior to the respective General Shareholder Meeting dates. In the Extraordinary General Shareholders' Meeting held on 19 January 2021 and the Annual General Shareholders' Meeting held on 14 April 2021, and in order to allow for the complete clarification of the shareholder's questions before they exercised their voting rights – without prejudice to the timely disclosure of documents supplementing the Agenda and the abovementioned alternative, shareholders were allowed to submit questions within the scope of information rights as foreseen in Article 290 of the Portuguese Companies Code, up to eight days before the meeting, so that shareholders have all the questions they had before the exercise of voting rights were fully clarified.	
Recommendation II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.	**ADOPTED**	EDP's Articles of Association enable the exercise of voting rights by post (Article 14 (6)), they also, on the other hand, determine the procedure for the exercise of postal vote, including by electronic means, in accordance with requirements that ensure its authenticity (Article 14 (6) to (8). At EDP's website (www.edp.com) shareholders may find the necessary drafts for postal and e-mail voting. Due to the abovementioned exceptional circumstances, all voting rights in the General Shareholder Meetings held in April 2020 and January and April 2021 were exercised remotely, either by post or by electronic means, as provided in Article 384(8) and (9) of the Portuguese Companies Code, Article 22 of the Portuguese Securities Code, and in Article 14(6) and (8) of EDP's Articles of Association. Holding the General Shareholder Meeting remotely has allowed all duly registered Shareholders to access the live audio and video feed of the meeting. EDP has been actively seeking technological solutions that are safe and ensure audio quality, transparency and voting secrecy, which are compatible with the Portuguese legal framework, in order to implement real-time electronic voting.	Item 5 | Item 6 | Item 7 | Item 10 | Items 12 to 16 | Item 56

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
Recommendation II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution — without increased quorum in comparison to the legally established — and in that resolution, all votes cast will be counted without observation of the imposed limits.	**NOT ADOPTED**	Considering the current shareholder structure of the Company, this recommendation does not have any practical applicability. However, over the past few years, the subject of statutory limitation on voting rights has already been discussed by the General Shareholders Meeting of EDP on three occasions, the last of which on 24 April 2019. The shareholders have thus been called on to decide on limiting the number of votes. The continued existence of the limitation has prevailed, and the reflection on the adjustment of the relevant ceiling for counting voting rights has been precisely to progressively increase this level. The shareholding dynamics of the Company has thus proven to be perfectly in tune with the sense advocated in this recommendation, and to be sufficiently apt for pursuing its goals, avoiding rigid formulas for this review set down in the Articles of Association, which has also fostered a particularly intense scrutiny of this clause by shareholders, and does not constitute an impediment to adequate functioning of the market for corporate control. These circumstances confirm that the voting cap does not prevent the relevant shareholders' involvement in EDP's corporate governance, again bearing in mind that three resolutions of the General Shareholders' Meeting have been adopted, from 2011 to 2019, regarding this statutory limitation. In effect, the voting limitation set forth in article 14 of the Articles of Association reflects the express wish of EDP's shareholders through the General Meeting resolutions, in the defence of the Company's specific interests: (i) the increase of the limit from 5% to 20% was approved by the shareholders at the General Meeting of 25 August 2011, involving the participation of 72.25% of the share capital and the approval of a majority of 94.16% of the votes cast; (ii) a subsequent increase to the current 25% cap was approved at the General Meeting of 20 February 2012, involving the participation of 71.51% of the share capital and the approval by a majority of 89.65% of votes cast and (iii) the removal of the voting cap set out in the Articles of Association was rejected by a majority of 56.61% of votes cast, with the participation of 64.29% of the share capital.	
Recommendation II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.	**ADOPTED**	As provided for in EDP's Corporate Governance Manual, there are no known measures in place that prevent free transmission of shares and free performance assessment of the members of the Executive Board of Directors. Identically, EDP has not entered into any significant agreements that come into force, are amended or terminate in the event of a change in control of the Company following a takeover bid, except for normal market practice in terms of debt issuance. In fact, EDP is usually a party in financing agreements and issuer of bonds that include change of control clauses, which are typical set forth in such agreements and securities and are necessary for the completion of transactions, not considering that its existence is likely to harm the economic interest in the transfer of EDP shares, nor the free assessment by shareholders of the directors' performance.	Items 4 and 5
CHAPTER III – NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION			
Principle III.A The members of governing bodies who possess non-executive management duties or monitoring and supervisory duties should, in an effective and judicious manner,			Items 15 to 19 | Item 21 | Item 29

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
carry out monitoring duties and incentivize executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance.			
Principle III.B The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.		The election proposal of any candidate of the General and Supervisory Board and of the Executive Board of Directors to be submitted to the General Shareholder Meeting should be duly substantiated, considering the candidate's profile and function to be performed so as to enable the verification of the adequacy of the candidate's profile, knowledge and curriculum. Among the established criteria are (i) the promotion of equality of rights and opportunities in a context of diversity; (ii) the enhancement of diversity, notably in matters of age, gender, geographical origin, skills, competences, qualifications and experience; (iii) the promotion of the increase in the number of members of the under-represented gender; (iv) prevention of potential conflicts of interest. As provided in recommendation I.2.1, a selection policy is in force which sets forth specifically the skills that the members of such bodies should possess.	Item 21 | Item 29 | Item 31 | Item 68
Principle III.C The supervisory body should carry out a permanent oversight of the company's managing body, also in a preventive perspective, following the company's activity and, in particular, the decisions of fundamental importance.			Items 15 to 19 | Item 21 | Item 29
Recommendation III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator, from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in	**NOT APPLICABLE**	This recommendation is not applicable considering the Company's governance model in force.	

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
recommendation V.1.1.			
Recommendation III.2. The number of non-executive members in the managing body [III.2.(1)], as well as the number of members of the supervisory body [III.2.(2)] and the number of the members of the committee for financial matters [III.2.(3)] should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.	**ADOPTED**	[III.2(1)] This sub-recommendation is not applicable in light of the governance model in force at the Company. [III.2.(2)] The General and Supervisory Board is composed of a minimum of nine members, but always higher than the number of directors, under Article 21 (1) of the Articles of Association. [III.2.(3)] The Financial Matters Committee / Audit Committee should be composed by at least three independent members according to Article 3 of the Financial Matters Committee / Audit Committee Internal Regulation, which is entirely proportional to the Company's features.	Item 15 | 17 | Item 21 | Item 29 |
Recommendation III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.	**NOT APPLICABLE**	This recommendation is not applicable considering the Company's governance model in force.	
Recommendation III.4. Each company should include several non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to: i. having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;	**NOT APPLICABLE**	This recommendation is not applicable considering the Company's governance model in force.	

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
ii. having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years; iii. having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person; iv. having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties; v. having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or vi. having been a qualified holder or representative of a shareholder of qualifying holding.			
Recommendation III.5. The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has	**NOT APPLICABLE**	This recommendation is not applicable considering the Company's governance model in force.	

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
elapsed (cooling-off period).			
Recommendation III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines [III.6.(1)] and the risk policy prior to its final approval by the management body [III.6.(2)].	**ADOPTED**	EDP's current governance model foresees the attribution to the General and Supervisory Board of a significant function in this respect. While it does not have managerial attributes, as provided in Article 422(1) of the Portuguese Companies Code, Article 17(2) of EPD's Articles of Association provides (as does Article 15 of the Internal Regulation of the General and Supervisory Board) that the Company's strategic plan as well as the performance, by EDP or any of its subsidiaries, of the following transactions are subject to prior favourable opinion of this body: (i) acquisition and sale of assets, rights or shareholdings of significant economic value, (ii) contracting financing operations of significant value, (iii) the opening and closure of establishments, or important parts thereof, and important increases or reductions in activity, (iv) other transactions or operations of significant economic or strategic value, (v) the commencement or termination of strategic partnerships or other forms of lasting cooperation, (vi) plans for divisions, mergers or transformations, and (vii) changes to the EDP's Articles of Association, including moving the head office and increasing the share capital proposed by the Executive Board of Directors. Also relevant are the specific attributions of the Financial Matters Committee / Audit Committee regarding financial and accounting matters, internal auditing practices and procedures, the functioning of the Internal Control System of Financial Reporting (SCIRF), matters relating to risk management procedures and compliance mechanisms, as well as the work and independence of the Company's statutory auditors. The Financial Matters Committee/Audit Committee is responsible for monitoring, on a permanent basis, the assessment of internal procedures regarding the effectiveness of the risk management system, internal control and internal audit systems, including the reception and handling of complaints and related doubts, whether or not arising from employees, and must evaluate and comment on the strategic lines and policy of the EDP Group's corporate risk management prior to the respective final approval by the Executive Board of Directors, under the terms of article 12 (2) (i) of the Internal Regulation of the FMC/AUDC. The General and Supervisory Board is also involved in the EDP Group's Business Plan, implicitly ensuring an alignment between management and shareholders with regard to the Group's risk appetite. Key risk indicators are also regularly reported to the General and Supervisory Board, in line with performance metrics and which allow this body to monitor the evolution of the Company's risk profile.	Item 21 | Item 24 | Item 29 | Items 49 to 55
Recommendation III.7. Companies should have specialized committees, separately or cumulatively, on matters related to corporate governance [III.7.(1)], appointments [III.7.(2)], and performance assessment [III.7.(3)]. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this	**ADOPTED**	[III.7(3)] The Remuneration Committee elected by the General Meeting (CVEN AG) is responsible for submitting a proposal for a remuneration policy for the members of the General and Supervisory Board, the members of the Board of the General Meeting, the ROC and the members of the Environment and Sustainability Board. One of the guiding principles of CVEN AG's activity is based on the definition of a simple, clear, transparent policy in line with EDP's culture, so that the remuneration practice can be based on uniform, consistent, fair, and balanced criteria. In this context, the remuneration policy proposed by CVEN AG aims to ensure levels of homogeneity and stability compatible not only with the necessary cohesion of the governing bodies and bodies, but also and above all with their non-executive nature, not being considered desirable to attribute variable remuneration mandatorily conditional on the performance of the respective members. In this context, it is considered appropriate to defend the - growing - differentiation between the remuneration treatment of directors with executive functions, on the one hand, and that of the remaining members of the other governing bodies, namely supervisory and supervisory bodies, on the other hand. Thus, and in line with the	Item 21 | Item 29 | Remuneration Report

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters		provisions of the applicable legislation, the fixed remuneration safeguards the distance between the exercise of supervisory and/or supervisory functions and the risk inherent to business activity, as well as the fundamental independence within the scope of supervision and/or unbiased and effective supervision. The aforementioned differentiating treatment is even reflected in the IPCG Code itself, namely under the terms of the Chapter V Principle, according to which "Society shall promote the evaluation of the performance of the executive body and its individual members and also of the overall performance of the body". of administration and of the specialized committees constituted within it.". In this instance, the preliminary exclusion from the performance evaluation of members of corporate bodies other than the members of the executive bodies and the specialized committees constituted within them does not seem to us to be unreasonable, but also reveals an intrinsic relationship between variable remuneration and the evaluation of performance of the member of the executive body, and for the other bodies, namely supervision and/or inspection, solid mechanisms of checks and balances and internal control are sufficient. In this sense, in addition to the shareholder prerogative at the General Shareholders' Meeting, there are internal mechanisms, of an instrumental nature, to evaluate, at first hand and with in-depth knowledge, the performance of the members of the governing bodies and bodies, there are no benefits to establish a mechanism additional measure to assess the individual performance of each of the members of EDP's corporate members and bodies. In this sense, the evaluation mechanisms are duly safeguarded, namely through the evaluation and self-evaluation process of the General and Supervisory Board, certified by a specialized external entity, including the Chairman of the Board of the General Meeting, of the evaluation process of the Statutory Auditor by the FMC/AUDC, with the Environment and Sustainability Board being a social body with consultative functions. Considering that the Remuneration Policy proposed by CVEN AG only proposes to provide for the remuneration - always with a fixed nature - of the aforementioned governing bodies and bodies and the Company having established effective and resilient internal mechanisms of evaluation and control to assess the individual performance of each one of the members, including their contribution to the functioning of the body and the relationship between the various bodies of the Company, this sub-recommendation [III.7(3)] should be considered as equivalent to adoption.	
CHAPTER IV – EXECUTIVE MANAGEMENT			
Principle IV.A As a way of increasing the efficiency and the quality of the managing body's performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company's objectives			Item 17 | Item 18 | Item 19 | Item 21

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
and aiming to contribute towards the company's sustainable development.			
Principle IV.B In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread.			Item 17 | Item 18 | Item 19 | Item 21
Recommendation IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.	**ADOPTED**	The Internal Regulation of the Executive Board of Directors expressly addresses this issue. In particular, Article 6 provides that board members cannot hold executive functions in more than two companies outside of the EDP Group, and the performance of such functions must be subject to prior appraisal by the Executive Board of Directors.	Item 17 | Item 18 | Item 19 | Item 21
Recommendation IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company [IV.2.(1)]; ii) the organization and coordination of the business structure [IV.2.(2)]; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics [IV.2.(3)].	**NOT APPLICABLE**	This recommendation is not applicable in light of the Company's governance model in force. In fact, in accordance with the dual governance model, the Executive Board of Directors does not delegate any powers provided for in this recommendation.	Item 17 | Item 18 | Item 19 | Item 21
Recommendation IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	**ADOPTED**		Item 21 | Items 50 to 55 | Sustainability Report
CHAPTER V – EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENTS			

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
V.1 Annual evaluation of performance			
Principle The company should promote the assessment of performance of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees.			Item 21 | Item 24 and 25 | Item 27 | Item 29 | Item 52 | Item 54 | Remuneration Report | Annual Report of the General and Supervisory Board
Recommendation V.1.1. The managing body should annually evaluate its performance [V.1.1(1)] as well as the performance of its committees [V.1.1(2)] and executive directors [V.1.1(3)], taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	**ADOPTED**	[V.1.1.(1)] Under the terms of Article 5(4) of the Internal Regulation of the Executive Board of Directors, the Chairman of the board should ensure the adoption of adequate mechanisms for the annual evaluation of the functioning of the Executive Board of Directors and the performance of each of its members. In addition, EDP has voluntarily implemented a formal and objective evaluation procedure of the Executive Board of Directors' activity that allows it to evaluate the compliance level of the adopted measures. This is a distinctive practice adopted by the General and Supervisory Board which is aligned with the evaluation criteria of the Dow Jones Sustainability Index and matches the recognition of the continuous excellence efforts of corporate governance practices that the General and Supervisory Board and the Executive Board of Directors have been undertaking. It should be noted that this evaluation process, its content, questionnaire format, and respective conclusions was analysed and certified by an external consultant. At the beginning of each year, the General and Supervisory Board members are invited, during an interview, to answer a questionnaire that allows to assess each personal perception regarding the performance of the Executive Board of Directors. In this questionnaire several topics are analysed: (i) composition and organization; (ii) performance of the Executive Board of Directors' activity; (iii) the relationship between the Executive Board of Directors and the General and Supervisory Board; (iv) the relationship between the Executive Board of Directors and other parties. The purpose of the questionnaire is to be an objective reflection support that may be used by the General and Supervisory Board to prepare an evaluation opinion on the performance of the Executive Board of Directors that will then be presented to EDP shareholders to be voted. Such evaluation is available at the Annual Report of the General and Supervisory Board – Statement of the Evaluation Process of the Executive Board of Directors of EDP.	Item 21 | Item 24 and 25 | Item 27 | Item 29 | Item 52 | Item 54
V.2 Remuneration			
Principle V.2.A The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, induce the alignment of the member's interests with those of the company's shareholders — taking			Items 66 to 88 | Remuneration Report

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
into account the wealth effectively created by the company, its financial situation and the market's — and constitute a factor of development of a culture of professionalization, sustainability, promotion of merit, and transparency within the company.			
Principle V.2.B Directors should receive compensation: i) that suitably remunerates the responsibility taken, the availability and the expertise placed at the disposal of the company; ii) that guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and iii) that rewards performance.			Items 69 and 70 | Remuneration Report
Recommendation V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Portuguese Companies Code.	**ADOPTED**	The Remuneration Committee appointed by the General and Supervisory Board is independent from the management and aims to submit a proposal for the remuneration policy of the members of the Executive Board of Directors for approval by the General Shareholders' Meeting, at least every four years and whenever a relevant change in the current remuneration policy, as provided for in article 27 of the Articles of Association and article 28(b) of the Internal Regulations of the General and Supervisory Board. On the other hand, the Remuneration Committee of the General Meeting is responsible for setting the remuneration of the governing bodies, with the exception of the members of the Executive Board of Directors, under the terms of the proposed remuneration policy to be submitted for approval by the General Shareholders' Meeting, as set out in the provided for in article 11 of the Articles of Association.	Item 29 | Remuneration Report
Recommendation V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	**ADOPTED**		Item 29 | Remuneration Report
Recommendation V.2.3. For each term of office, the remuneration committee, or the general meeting, on a	**ADOPTED**	As started in Article 12 of it's a Internal Regulation, the Remuneration Committee of the General and Supervisory Board is responsible for (i) preparing and submitting, at least every four years and whenever a relevant change to the policy in force takes place, the remuneration policy for the Executive Board of	Item 29 | Items 66 to 88 | Remuneration Report

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.		Directors Chairman and Members in line with the corporate governance best practices, namely by foreseeing criteria for the remuneration's variable component, pursuant to applicable law and current best practices; (ii) proposing the several components of base and variable remuneration, particularly the pension plans for retirement or incapacity; (iii) proposing remunerations according to the proposed policy, allowing the Company to attract, within a reasonable economic cost, qualified professionals, induce the alignment of shareholders' interests and constitute a development factor of a professionalization culture, promotion of merit and transparency within the Company; (iv) proposing the significant part of the multi-year variable remuneration to be deferred in time, at least for a period of three years. The payment of which is conditional on not undertaking intentional unlawful acts known after completion of the assessment and which jeopardise the sustainability of the company's performance; (v) annually evaluating the executive management body considering, among other factors, compliance with the company's strategy and previously defined objectives, plans and budgets, in order to ponder and determine the variable remuneration of the EBD Chairman and Directors; (vi) assessing the individual performance of each member of the EBD, including in this assessment the contribution of each member to the operating efficiency of the body and relations with the different bodies of the company; (vii) monitoring the contractual changes of the mandates of the Chairman of the EBD and the executive directors, that reflect on their remuneration, particularly in the event of suspension or termination of those mandates; (viii) proposing the maximum amount of compensation payable to the Chairman of the EBD and the executive directors in the event of termination of office; (ix) evaluating the consequences, in the scope of the adopted remuneration policy, of the possible remuneration to EBD Chairman or Directors for holding an office in participated or Subsidiary Companies; (x) submitting to the approval of the General Shareholders Meeting a proposal for the remuneration policy for EBD Chairman and Directors, prepared in accordance with applicable law; (xi) establishing the necessary mechanisms to coordinate its activity with the Remuneration Committee elected by the General Shareholders Meeting in order to submit the remuneration determination proposal for the remaining corporate bodies; (xii) monitoring the definition of the remuneration policies of the Directors of Subsidiaries; (xiii) accompanying the publication of the remuneration policy approved by the General Shareholders Meeting in the Company's website, pursuant to applicable law and (xiv) contributing to the preparation of the Remuneration Report in accordance with applicable law, verifying its conformity and clarity. The Remuneration Report identifies two extraordinary situations that resulted in the attribution of remuneration instalments to be paid between 2021 and 2023, resulting from termination agreements and non-compete agreements entered into with directors of EDP Group officers with the approval of the Remuneration Committee of the General and Supervisory Board, pursuant to article 429 of the Commercial Companies Code, article 27 of EDP's Articles of Association and article 12 (h) of the Internal Regulations of the Remuneration Committee of the General and Supervisory Board at a meeting held on 13 November 2020, and the General and Supervisory Board, at the meeting held on 17 November 2020, expressed its agreement to the respective execution and granted powers to two members of the Remuneration Committee of the General and Supervisory Board to represent the Company in the signing of such agreements.	
Recommendation V.2.4. In order to provide	**ADOPTED**	Article 5 (2) of the Remuneration Committee Internal Regulation expressly sets forth that in order to provide information or clarification to shareholders, the Chairman, or in his absence,	Item 29 | Remuneration Report

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.		other Remuneration Committee member, shall ensure the presence in the Annual Shareholders' General Meeting or in any other General Shareholders Meeting if the agenda covers any matter related to the remuneration of the members of the Company's bodies or committees, or if such presence is required by shareholders.	
Recommendation V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.	**ADOPTED**	Both the Remuneration Committee of the General and Supervisory Board and the Remuneration Committee elected by the General Shareholders Meeting freely decide on the hiring by the Company of the necessary or convenient consultancy services for the exercise of the respective functions, as provided, namely, in Article 4 (6) of the Remuneration Committee of the General and Supervisory Board Internal Regulation and in article 4, no. 4 and no. 5 of the Internal Regulations of the Remuneration Committee appointed by the General Meeting. In particular, the members of the Remuneration Committee appointed by the General Meeting may propose to the respective Chairman, according to the budgeted amount, the hiring of technical and specialist services that they deem necessary for the performance of their duties, pursuant to article 10 (1) (b).	Item 29 | Item 67 | Remuneration Report
Recommendation V.2.6 The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	**ADOPTED**	In accordance with Article 4 (5) of its Internal Regulation, the Remuneration Committee of the General and Supervisory Board ensures that the consultancy services on remuneration matters are provided with independence and that the respective service providers are not hired for the provision of any other services to the Company or any other controlled by the Company or subsidiary of the Company without express consent of the Committee. In accordance with Article 4(5) of its Internal Regulations, the Remuneration Committee appointed by the General Meeting ensures that consultancy services on remuneration matters are provided independently and that the respective providers will not be contracted to provide any other services to the Company itself or to others that are in a domain or group relationship with it without the express authorization of the Commission.	Item 29 | Item 67 | Remuneration Report
Recommendation V.2.7 Considering the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.	**ADOPTED**	The adoption of this recommendation results in particular of item 69 of this chapter and the Remuneration Report (Chapter V).	Items 69 and 70 | Remuneration Report

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
Recommendation V.2.8 A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.	**ADOPTED**	The adoption of this recommendation results in particular of items 69 and 70 of this chapter and the Remuneration Report (Chapter V).	Item 69 | Items 70 and 72 | Remuneration Report
Recommendation V.2.9 When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	**NOT APPLICABLE**	There are no stock option plans or other direct or indirect instruments dependent on the value of shares.	Items 85 to 88 | Remuneration Report
Recommendation V.2.10 The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	**NOT APPLICABLE**	This recommendation is not applicable considering the Company's governance model in force.	
V.3. Appointments			
Principle. Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the executive staff, should be suited to the functions carried out.			Items 17 to 19
Recommendation V.3.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification regarding	**ADOPTED**	The Selection Policy in force for the members of the General and Supervisory Board was implemented in accordance with the best practices and is aimed at implementing transparent and objective selection procedures. The appointment of the members of the General and Supervisory Board and of the Executive Board of Directors Members results from a transparent and objective selection procedure that evaluates the adequacy of the candidates, both individually and collectively, taking into consideration the legal and statutory competences of such corporate bodies, despite the fact that it is an attribution of the General Shareholders Meeting. In the scope of the selection process, the integration of a range of skills, professional experiences, diversity of knowledges, gender and culture must be ensured, bearing in mind the specificities of the companies'	Items 17 to 19

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.		businesses. The election proposal of any candidate of the General and Supervisory Board and of the Executive Board of Directors to be submitted to the General Shareholder Meeting should be duly substantiated, so that shareholders may assess the candidates' profile, knowledge, and curriculum considering the functions to be carried out. Noe also the specific competences set forth in the Corporate Governance and Sustainability Committee Internal Regulation, in particular the powers to monitor, together with the Executive Board of Directors, the selection criteria, the provision of necessary competences to the internal bodies and structures of the Company, its subsidiaries and other entities in which the Company has the right to appoint members corporate bodies, and their repercussions in the respective composition, all in articulation with EDP's Selection Policy and the criteria set out therein of merit, adequacy to function and diversity. In this regard, EDP effectively promotes that the presentation of resolution proposals by shareholders is made in accordance with the Selection Policy in force, by which said proposals are required to be duly grounded.	
Recommendation V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	**NOT APPLICABLE**	This recommendation is not applicable considering the Company's governance model in force.	
Recommendation V.3.3. This nomination committee includes a majority of nonexecutive, independent members.	**NOT APPLICABLE**	This recommendation is not applicable considering the Company's governance model in force.	

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
Recommendation V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.	**NOT APPLICABLE**	The Corporate Governance and Sustainability Committee, in coordination with the Executive Board of Directors, shall oversee the preparation of the succession plans regarding the internal structures and bodies of the Company and its subsidiaries, as well as of other entities in which the Company has the right to appoint members of their corporate bodies. In this respect, a stated objective is to identify in advance potential additional human resources needs, in order to ensure the continuity of the Company's operations. Under the selection procedure of the candidates, it is considered advisable to resort to external independent consultants with specific expertise on these matters, which should comply with the criteria and skills sets forth in the Selection Policy in force when selecting candidates. The Corporate Governance and Sustainability Committee should carry out a periodic review on the execution and compliance of the Selection Policy and should propose any changes deemed necessary, reporting its conclusions on the adoption of the policy to the General and Supervisory Board. The members to be appointed for the General and Supervisory Board and the Executive Board of Directors shall be individuals of recognized national and/or international prestige, with professional knowledge and experience which are adequate to the exercise of the respective functions. The curricula of candidates to the corporate bodies should be made available on the institutional website of the Company. Along with the concern for each member's individual adequacy, it is also intended that the composition of the corporate bodies demonstrates a collective adequacy, by gathering as a whole the professional and personal qualities required for the proper performance of the functions of each of EDP's corporate bodies. Likewise, in order to determine the number of members of the Executive Board of Directors, the costs and the desirable operational agility of the management, the size of the Company, the complexity of its activity and the geographical dispersion shall be pondered.	Items 17 to 19
CHAPTER VI – INTERNAL CONTROL			
Principle. Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company's activity.			Items 50 to 55
Recommendation VI.1. The managing body should debate and approve the company's strategic plan [VI.1.(1)] and risk policy, which should include the establishment of limits on risk-taking [VI.1.(2)].	**ADOPTED**	[VI.1.(1)] The Executive Board of Directors is the highest responsible for the risk management decision-making, supervision, and control, and is in charge to set objectives and management policies within the EDP Group. Among other attributions, the Executive Board of Directors is responsible for the Business Plan, definition of risk policies, namely the respective exposure limits by risk category and by resources allocation, according to the risk profile. On the other hand, the General and Supervisory Board permanently monitors and assesses the efficiency of the risk management system. As set forth in Article 17(2) of the Company's Articles of Association, the approval of the Company's strategic plan and the execution of relevant transactions by the Company its subsidiaries are subject to favourable prior opinion of the General and Supervisory Board. [VI.1.(2)] As stated in Article 4 (2) (n) of its Internal Regulation, the Executive Board of Directors should "ensure that the Company risks are identified, assessed, controlled and managed, define risk objectives, set risk profiles of the Company and coordinate the decisions related to material	Items 50 to 55

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
		risks management.". In this regard, the definition of EDP's strategic objectives on risk assumption matters should be subject to the appraisal of the General and Supervisory Board and the Financial Matters Committee/Audit Committee, following a proposal of the Executive Board of Directors, namely within the scope of the appraisal of the Company's business plan. Furthermore, the Executive Board of Directors should develop a continuous effort to improve the internal control and risk management systems, assessing its efficiency and implementing measure deemed adequate to reinforce the assured quality levels. It should also be noted that, periodically, the Executive Board of Directors reports to the General and Supervisory Board and to the Financial Matters Committee/Audit Committee on the identification and evolution of the main risks related to EDP's activity, quantifying its impact and the probability of occurrence of the risks deemed relevant.	
Recommendation VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.	**ADOPTED**	In accordance with Article 12(2)(i) of its Internal Regulation, the Financial Matters Committee/Audit Committee shall, in carrying out its functions, pay special attention to the identification, evaluation, risk management and control and evaluations of the internal level of compliance as well as the continuous monitoring of performance and risk management system efficiency of the Company, jointly with the Executive Board of Directors, following namely the risk control policies, the key risk indicators (KRI) identification and the integrated risk evaluation methodologies, having the possibility to request to the Risk Management Department and to the Corporate Risk Department the information deemed convenient, and should implement necessary mechanisms and procedures adequate to that effect. The monitoring of risks ensures the effectiveness of action on identified risks, both in terms of control and periodic reporting of the Group's position as regards several risk factors, as well as the effective implementation of the policies, standards and procedures established for risk management. This role is ensured by the Boards of Directors of the various Group Business Units. The Risk Management Department and risk-officers are responsible for promoting and enhancing risk control and management measures, disseminating best practices, and supporting the disclosure of concepts, methods, risk measures and key risk indicators (KRI). Additionally, the Risk Management Department, supported by the network of risk-officers, develops a set of bi-weekly or quarterly reports sent to the Executive Board of Directors and to the Board of Directors of each Business Unit. These reports allow the organisation to regularly follow KRIs that are aligned with performance metrics and, as such, reflect the risk profile at each moment. In addition, these indicators are subject to risk limits that are aligned with the objectives and strategy of the EDP Group, thus allowing this strategy to be implemented at the operational level. This information and the evolution of the company's risk profile are also reported to the General and Supervisory Board, namely through the Risk Appetite dashboard that is shared quarterly. Pursuant to Article 12(3) of its Internal Regulation, the Financial Matters Committee/Audit Committee is additionally authorized to (i) propose to the General and Supervisory Board the contracting of specialist services and independent consultants in accordance with the appropriate budgets, (ii) carry out other inquires in departments of the Company and its subsidiaries or group companies, when necessary in order to enable it to fulfil its duties, (iii) obtain all the information it requires in order to carry out its duties, either directly or indirectly through the Chairman of the General and Supervisory Board, (iv) Attend meetings of the Executive Board of Directors, where attendance at meetings at which the annual accounts are to be considered is mandatory, (v) assess, annually, the activity and performance of the Internal Audit Department as well as the work conditions adequacy namely the human resources and technical means levels, (vi) assess, annually, the activity and performance of the Compliance	Items 50 to 55 | Annual Report of the General and Supervisory Board
Recommendation VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	**ADOPTED**		Item 50 | Items 53 and 54 | Annual Report of the General and Supervisory Board

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
		Department as well as the work conditions adequacy namely the human resources and technical means levels, (vii) review, annually, in coordination with the Executive Board of Directors, the Internal Audit Basic Standard, (viii) review, annually, in coordination with the Executive Board of Directors, the Compliance System Regulation, and (ix) monitor on a permanent basis the communication of the Company to the Statutory Auditors Association the conclusion of contracts, on behalf of the Company, the nature and duration of the service to be provided.	
Recommendation VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance, and internal audit functions, and may propose the adjustments deemed to be necessary.	**ADOPTED**		Item 50 | Items 53 and 54 | Annual Report of the General and Supervisory Board
Recommendation VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.	**ADOPTED**	In accordance with Article 12(1)(p) of its Internal Regulation, the Financial Matters Committee/Audit Committee shall supervise and monitor the accounts review and the individual and consolidated accounting documents namely taking into consideration eventual remarks of the Portuguese Securities Market Commission (CMVM) and assess the content of the certification of accounts and audit annual reports with the Statutory Auditor, being the Financial Matters/Audit Committee the first recipient of such documents, namely regarding eventual reservations for recommendation presentation purposes to the General and Supervisory Board and the Executive Board of Directors. It shall also receive the reports prepared by the internal control services, including risk management, compliance, and internal auditing, at least whenever they relate to the preparation of accounts, the identification or solution of conflicts of interest, and the detection of potential irregularities. In also ensures the activity and independence of the Statutory Auditor, as foreseen in Annex II of its Internal Regulation and in applicable laws and regulations, in order to assess its independence and compliance with applicable laws, regulations and agreements, as well as principles and best practices applicable to auditing companies and their representatives with the audited entities.	Item 50 | Items 53 and 54 | Annual Report of the General and Supervisory Board
Recommendation VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity [VI.6.(1)]; (ii) the probability of occurrence of those risks and their respective impact [VI.6.(2)]; (iii) the devices and measures to adopt towards their mitigation [VI.6.(3)]; and (iv) the monitoring procedures, aiming at their accompaniment [VI.6.(4)].	**ADOPTED**	EDP has set several internal rules that set forth provisions on risk management strategies and policies. On the Group Business Risk Management Manual of EDP it should be highlighted the specific chapters on business risk management structures, on risks management procedures, on business risk management tools and on periodic updating. Regarding EDP's Risk Appetite Execution document, the objective is to formalize and to disclose EDP's risk approach, as a relevant element of alignment and transparency towards shareholders and other stakeholders, as well as further explain the controlled risk pillar. For further information please see: https://www.edp.com/en/investors/corporategovernance/risk-management https://www.edp.com/en/edp/suppliers/sustainable-procurement/risk-management-supply-chain#risk-analysis [VI.6.(1)] Items 53 and 54 of this Report set forth the main risks that EDP is subject to in the performance of its activity. [VI.6.(2)] Under item 53 of this Report, EDP identifies the probability of occurrence of each risk associated with its activity and the respective impact.	Item 50 | Items 53 and 54

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
		[VI.6.(3)] Regarding the instruments and measures adopted in order to mitigate risk, EDP adopts such sub-recommendation as set out in items 53 and 54 of this Report. [VI.6.(4)] The adoption of this sub-recommendation regarding the monitoring procedures is set forth in item 54 of this Report being the respective risk management structured in six main phases, being the "monitorization" phase the penultimate one.	
Recommendation VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	**ADOPTED**	As referred in the comments to recommendation VI.I, the Executive Board of Directors of EDP should develop a continuous effort on improving the internal risk control and management systems, assessing their efficiency, and implementing the adequate measures to reinforce the quality assurance levels. It should also be noted that, periodically, the Executive Board of Directors reports to the General and Supervisory Board and to the Financial Matters Committee / Audit Committee on the identification and evolution of the main risks associated with EDP's activity, quantifying the impact and the occurrence probability of the deemed relevant risks. The Financial Matters Committee/Audit Committee should according to Article 12 (2) (i) of its Internal Regulation, monitor with special attention the risk identification, evaluation, control and management and to assess the internal compliance standards, as well as to continuously monitor the risk management system performance and efficiency with the Executive Board of Directors, accompanying namely the risk control policies, the key risk indicators (KRI) identification and the integrated risk assessment methodologies, having the possibility to request to the Risk Management Department and to the Risk Committee the information deemed relevant, and should, whenever necessary, implement the appropriate mechanisms and procedures for this purpose, and should assess and pronounce on the strategic lines and policy of the EDP Group's corporate risk management prior to the respective final approval by the Executive Board of Directors. In addition to Article 12 (1) (e) of the respective Internal Regulation provision which specifically sets forth the Financial Matters Committee/Audit Committee competence to supervise the risk management, the internal control and internal audit systems efficiency, it should be noted that the Financial Matters Committee/Audit Committee is authorized to propose to the General and Supervisory Board and to the Executive Board of Directors the measures aimed to guarantee the integrity of financial information and improve the operation of financial information internal control systems, risk and compliance management systems, in accordance with Article 12 (3) (a). It is also important to point out that, according to Article 12 (3) (f) of the respective Internal Regulation, the Financial Matters Committee/Audit Committee should annually evaluate the activity and performance of the Internal Audit Department, as well as the working conditions namely on human resources and technical means adequacy.	Items 50 to 55
CHAPTER VII – FINANCIAL INFORMATION			
VII.1 Financial Information			
Principle VII.A The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable		The General and Supervisory Board is responsible for the monitoring and permanent assessment of internal proceedings related to accounting and auditing matters as well the monitoring of the risk profile of the Company, the risk management system efficiency, the internal control system and the internal auditing system including the reception and processing of claims and complaints whether or not arising from employees under Article 14 (1) (e) of the General and Supervisory Board Internal Regulation. In particular, the Financial Matters Committee/Audit Committee has the authority to (i) verify if the accounting policies and metrical criteria adopted by the Company are consistent with the general accounting principles accepted and adequate to the correct presentation of its assets, liabilities and results (under Article 12	Item 15 | Item 17 | Item 21 | Item 29 | Items 30 to 41

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
systems of financial reporting, risk management, internal control, and internal audit.		(1) (a)) of the Financial Matters Committee/Audit Committee Internal Regulation and (ii) supervise the internal audit, financial reporting control (SCIRF), risk, and compliance management systems, under Article 12 (1) (e) of such Committee Internal Regulation.	
Principle VII.B The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts.		The General and Supervisory Board is responsible for the monitoring and permanent assessment of internal proceedings related to accounting and auditing matters as well the monitoring of the risk profile of the Company, the risk management system efficiency, the internal control system and the internal auditing system including the reception and processing of claims and complaints whether or not arising from employees under Article 14 (1) (e) of its Internal Regulation. In particular, the Financial Matters Committee/Audit Committee has the authority to (i) verify if the accounting policies and metrical criteria adopted by the Company are consistent with the general accounting principles accepted and adequate to the correct presentation of its assets, liabilities, and results (under Article 12 (1) (b)) and (ii) supervise the internal audit, financial reporting control (SCIRF), risk, and compliance management systems, under Article 12 (1) (e). The Internal Regulation of the Financial Matters Committee/Audit Committee specifically sets forth the competence to monitor, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services, under Article 12 (2) (j).	Item 15 | Item 17 | Item 21 | Item 29 | Items 30 a 41
Recommendation VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure, and its consistent application between financial years, in a duly documented and communicated form.	**ADOPTED**	The Internal Regulation of the Financial Matters Committee/Audit Committee sets forth in Article 12 (2) (g) the competence to supervise the adequacy of the preparation and financial disclosure of information process as well as to prepare a report addressed to the General and Supervisory Board which includes the analysis of the Financial Matters Committee/Audit Committee of such process, namely on the adequacy of accounting policies, estimates, judgements and relevant disclosure procedures and its consistent implementation between financial years.	Item 21 | Item 27 | Item 29 | Item 46 | Item 50 | Item 55
VII.2 Statutory audit of accounts and supervision			
Principle. The supervisory body should establish and monitor clear and transparent formal procedures on the relationship of the company with the statutory auditor and on the supervision of compliance, by the auditor, with rules		Article 14 (1) (d) of the General and Supervisory Board Internal Regulation sets forth that this body should permanently monitor the activity of the Statutory Auditor and give its opinion on the respective election or appointment, its exoneration, its independency, and its other relationships with the Company. Particularly, the Financial Matters Committee/Audit Committee is responsible for the (i) proposal to the General and Supervisory Board of the hiring and the dismissal of the Statutory Auditor as well as its remuneration under Article 12 (1) (o), (ii) issuance of a reasoned opinion, in accordance with applicable law, on the renewal and extension of the Statutory Auditor's mandate to be submitted to the General and Supervisory Board under Article 12	Item 29 | Item 42 | Items 44 to 46 | Item 50

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
regarding independence imposed by law and professional regulations.		(1) (n), (iii) monitoring, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services, under Article 12 (2) (j) and (iv) supervise the activity and the independence of the Statutory Auditor and compliance with applicable laws, regulations and agreements, as well as principles and best practices applicable to auditing companies and their representatives with the audited entities under Article 12 (1) (p).	
Recommendation VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	**ADOPTED**	The duties of the Financial Matters Committee / Audit Committee are set forth in Article 12 of its Internal Regulation, and they include supervising the activity and the independence of the Statutory Auditor in accordance with applicable laws and regulations, in order to assess its independence and compliance with applicable laws, regulations and agreements, as well as principles and best practices applicable to auditing companies and their representatives with the audited entities. It should also approve the provision of audit and non-auditing services by the Statutory Auditor to the Company or its subsidiaries, ensuring an adequate prior review of any threats to the independence of the Statutory Auditor that the provision of such services may entail, as well as any safeguards to be applied in order to mitigate them. Within the scope of its attributions, the Financial Matters Committee / Audit Committee must monitor, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services. Consider also that Article 12 (1) (g) sets out the competence to supervise the adequacy of the preparation and financial disclosure of information process, as well as to prepare a report addressed to the General and Supervisory Board which includes the analysis of the Financial Matters Committee/Audit Committee of such process, namely on the adequacy of accounting policies, estimates, judgements and relevant disclosure procedures and its consistent implementation between financial years. Furthermore, EDP has an Internal Regulation on Services Provided by the Statutory Auditor which defines and promotes criteria and methodologies to ensure the independence of the Statutory Auditor when providing audit and non-audit services to EDP or to its subsidiaries. This Regulation is available at EDP's website: https://www.edp.com/en/corporate-governance/governing-bodies/statutory-auditor The supervisory procedures aiming to ensure the independence of the Statutory Auditor are set forth in the aforementioned Regulation, as well as in Annex II of the Internal Regulation of the Financial Matters Committee / Audit Committee, which specifically sets forth the annual evaluation process of the Statutory Auditor of the Company.	Items 39 to 41
Recommendation VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first	**ADOPTED**	[VII.2.2 (1)] The Financial Matters Committee/Audit Committee is responsible for assessing the contents of the annual accounts' certification reports (Article 12 (1) (p) of its Internal Regulation), and [VII.2.2 (2)] for monitoring, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of	Item 21 | Item 29

PRINCIPLES AND RECOMMENDATIONS	ADOPTED NOT ADOPTED NOT APPLICABLE	COMMENTS	REPORT DESCRIPTION
recipient of the respective reports [VII.2.2 (1)], having the powers, namely, to propose the respective remuneration [VII.2.2 (2)] and to ensure that adequate conditions for the provision of services are ensured within the company.		the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services, under Article 12 (2) (j). Furthermore, this Internal Regulation sets forth the specific competences of the Financial Matters Committee/Audit Committee to propose, to the General and Supervisory Board, the hiring and dismissal of the Statutory Auditor.	
Recommendation VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence, and their suitability in carrying out their functions and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	**ADOPTED**	The Internal Regulation of the Financial Matters Committee/Audit Committee establishes specific prerogatives and competences to annually assess the activity pursued by the Statutory Auditor namely on (i) submitting to the General and Supervisory Board proposals on the hiring and dismissal of the Statutory Auditor, as well as its remuneration under Article 12 (1) o), (ii) issuing a reasoned opinion in accordance with the applicable law on the renewal or extension of the Statutory Auditor's mandate, to be presented to the General and Supervisory Board under Article 12 (1) (n), (iii) monitoring, with special care, the activity and contractual relations with the Statutory Auditor, without interfering with its performance, being allowed to formulate recommendations or request clarifications within the context of the relationship between the General and Supervisory Board, the Executive Board of Directors and the Statutory Auditor regarding financial information, as well to monitor and evaluate, pursuant to applicable law, the objectivity and independence of the Statutory Auditor, namely regarding the provision of non-audit services, under Article 12 (2) j) and (iv) supervise the activity and the independence of the Statutory Auditor and compliance with applicable laws, regulations and agreements, as well as principles and best practices applicable to auditing companies and their representatives with the audited entities under Article 12 (1) p). During this exercise, the annual evaluation of the Statutory Auditor of EDP has been carried out under the terms set forth in Annex II of the Internal Regulation of the Financial Matters Committee /Audit Committee.	Item 21 | Item 29 | Item 45

3. Other information

The following documents are attached to this Report, forming an integral part thereof:

Annex I – Brief curricula of the members of the General and Supervisory Board and the Executive Board of Directors

Annex II - Attendance list of the meetings of the General and Supervisory Board

Annex III - Attendance list of the meetings of the Executive Board of Directors

Annex IV - Positions held in other companies

Annex V – Attendance lists for:

(i) The Financial Matters Committee/Audit Committee

(ii) The Remuneration Committee of the General and Supervisory Board

(iii) The Corporate Governance and Sustainability Committee

(iv) The United States of America Business Affairs Monitoring Committee

(v) The Strategy and Performance Committee

ANNEX I

General and Supervisory Board

João Luis Ramalho Carvalho Talone

STATUS
Independent

POSITION
Chairman of the General and Supervisory Board

COMMITTEES
Corporate Governance and Sustainability Committee Chairman

USA Business Affairs Monitoring Committee Chairman

ACADEMIC QUALIFICATIONS

- Assistant Professor of "Operational Research" and "Statistics" – IST (1972-1975);
- Invited Auxiliar Professor of "International Finance" – Nova SBE (1985-1987);
- Degree in Advanced Management Program - Harvard Business School (2002);
- Master of Science degree in Civil Engineering - Technical University of Lisbon (1974);
- Certificate in Corporate Governance - INSEAD (2018);
- Executive Program - Singularity University in Silicon Valley (2020).

SKILLS AND EXPERIENCE

- Executive Board Member – BCP (1987-2001);
- Chairman - Foreign & Colonial in London;
- Special Commissioner for the Portuguese Government - IPE (2002-2003);
- CEO – EDP – Energias de Portugal, S.A. (2003-2006);
- Vice-Chairman – HidroCantábrico (2005);
- Co-founder – Hyperion (2006);
- Chairman – IBERWIND (2008-2015);
- Member - Corporate Finance Standing Committee – ESMA (2010-2013);
- Advisory Board member - Banco de Portugal (2018-2020);
- MBA - Nova SBE/Wharton (1982);
- Non-executive Board Member – ITA CARE (2016 – 2021);
- Non-executive Board Member – Lexer (2019 – 2021);
- Board Member of Alfred Santos Foundation – Financial Sponsor of Nova SBE (2021).

COMPANY BACKGROUND

- General and Supervisory Board Chairman (since April 2021).

CURRENT EXTERNAL APPOINTMENTS

- Co-founder - Magnum Capital (2006);
- Non-executive Board Member – Miranza (2019);
- Non-executive Board Member – ROQ (2018);
- Member - Engineers Academy (2012).

Dingming Zhang

STATUS
Non-Independent

POSITION
General and Supervisory Board Member

ACADEMIC QUALIFICATIONS

- Bachelor's degree in Power System and Automation - Huazhong University of Science and Technology (1984);
- Master's degree in Management - Huazhong University of Science and Technology (2001);

SKILLS AND EXPERIENCE

- Deputy Director of Power Production Department - China Three Gorges Corporation (2002);
- Executive Vice President - China Yangtze Power Company (2002-2011);
- Director - Guangzhou Development Industry.

COMPANY BACKGROUND

- General and Supervisory Board Vice Chairman, in representation of China Three Gorges Corporation (February 2012 – April 2015);
- General and Supervisory Board Member, in representation of CWEI (Europe), S.A. (April 2015 - April 2018);
- General and Supervisory Board Member, in representation of China Three Gorges International Corporation (March 2018 - December 2018);
- General and Supervisory Board Vice Chairman, in representation of China Three Gorges Corporation (December 2018 - April 2021).

CURRENT EXTERNAL APPOINTMENTS

- President - Beijing Yangtze Power Capital (since 2015);
- Vice-President - China Three Gorges Corporation (December 2018-to date).

Shengliang Wu

STATUS
Non-Independent

POSITION
General and Supervisory Board Member

ACADEMIC QUALIFICATIONS

- Bachelor's degree in Engineering –Wuhan University (1992);
- Master's degree in Technical Economics and Management – Chongqing University (2000);

SKILLS AND EXPERIENCE

- Secretary of Corporate Affairs Department - Gezhouba Hydropower Plant (1998-2000);
- Deputy Director of the Board - China Yangtze Power Company (2002-2003);
- Director of Capital Operating Department - China Yangtze Power Company (2004-2006);
- Executive Vice-President - Beijing Yangtze Power Capital (2006-2011);
- Executive Vice President of Beijing Yangtze Power Capital Co. Ltd (2008-2011);
- Deputy Director of Strategic Planning Department – China Three Gorges Corporation (2011-2015);
- Executive Vice-President - China Three Gorges International Corporation (2015-2020);
- Chairman - China Three Gorges (Europe), S.A. (2015-2020);
- Chairman – China Three Gorges International Limited (2020-).

COMPANY BACKGROUND

- General and Supervisory Board Member, in representation of China Three Gorges International (Europe), S.A. (February 2012 – April de 2015);
- General and Supervisory Board Member, in representation of China Three Gorges (Portugal), Sociedade Unipessoal, Lda. (April 2015 - April 2018);
- General and Supervisory Board Member, in representation of China Three Gorges (Europe), S.A (April 2018 - December 2018);
- General and Supervisory Board Member, in representation of China Three Gorges International Corporation, (December 2018 - April 2021);
- General and Supervisory Board Member, in representation of China Gorges International Limited, (April 2021-).

CURRENT EXTERNAL APPOINTMENTS

- Chairman – China Three Gorges International Limited (since 2020);

Ignacio Herrero Ruiz

STATUS
Non-Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Corporate Governance and Sustainability Committee Member

ACADEMIC QUALIFICATIONS

- Degree in Economics - Carlos III University (Madrid) (1997);

SKILLS AND EXPERIENCE

- Credit Risk Management Department - Citigroup (1997-1998);
- Mergers and Acquisitions Department - Deutsche Bank (1998- 2007);
- Mergers and Acquisitions Department - Credit Suisse (2007-2016).

COMPANY BACKGROUND

- General and Supervisory Board Member, in representation of China Three Gorges (Europe), S.A., since December 2018.

CURRENT EXTERNAL APPOINTMENTS

- Holds senior positions in China Three Gorges Corporation (Europe), S.A. (since 2016)[1]

1-Ignacio Herrero Ruiz is not a member of the Board of Directors of China Three Gorges (Europe), S.A.

Li Li

STATUS
Non-Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Corporate Governance and Sustainability Committee Member

ACADEMIC QUALIFICATIONS
- Bachelor's degree in International Business with a major in Hydropower Engineering;

SKILLS AND EXPERIENCE
- First-class Constructor in China | Assistant Engineer at Planning Department – CWE (1984-85);
- Assistant Engineer/Engineer – CWE Tunisian Branch (1985-89);
- Engineer at Hydropower Department – CWE (1989-93);
- Engineer – CWE Romanian Branch (1994-95);
- Senior Engineer at Hydropower Department – CWE (1995-99);
- Project Manager (the Odaw Drainage Channel) – CWE (1999-00);
- Deputy General Manager - CWE (2000-01);
- Project Manager (the Water Mains)– CWE (2001-03);
- Deputy/General Manager at International Business Department – CWE (2003-11);
- Vice-Chairman – CWE (2011-15);
- Chairman – CWE (2015-17);
- Executive Director – CWE (2017-19).

COMPANY BACKGROUND
- General and Supervisory Board Member, in representation of China Three Gorges Brasil Energia Ltda., since December 2019 (re-elected in April 2021).

CURRENT EXTERNAL APPOINTMENTS
- Deputy Chief Economist – China Three Gorges (since 2019);
- General and Supervisory Board Member –IHA (September 2021–September 2023).

Miguel Espregueira Mendes Pereira Leite

STATUS
Non-Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Remuneration Committee Chairman

ACADEMIC QUALIFICATIONS
- Degree in Law - Portuguese Catholic University (1987);
- Management Course – Executive Program - PBS – Porto Business School (1996);

SKILLS AND EXPERIENCE
- Founder - Atlantic SGOIC, S.A. (2005);
- Chairman and CEO - Morgan Stanley Portugal SGFIM SA (2001-2003);
- Head of Morgan Stanley´s local operation in Portugal (1999-2003);
- Manager - Morgan Stanley – Portugal (Holding) (2001-2003);
- Management Committee - Morgan Stanley SV SA (Spain) (2000-2003);
- Executive Director - Morgan Stanley International (2001-2003);
- Board Member - Banco Chemical Finance (1998-1999);
- Member of the Executive Committee - Banco Chemical Finance (1998-1999);
- Managing Director - private banking division of Banco Pinto & Sotto Mayor (1996 -1999);
- Managing Director - private banking division of Banco Totta & Açores (nowadays Bank Santander Portugal) (1998-1999);
- Chairman of the Board - M.C. Geste - Asset Management Company (latter on called Santander Gest SGP) (1997-1999);
- Private banking director - Millennium BCP (1987-1996).

COMPANY BACKGROUND
- General and Supervisory Board Member, in representation of China Three Gorges (Portugal), Sociedade Unipessoal, Lda., since April 2021.

CURRENT EXTERNAL APPOINTMENTS
- Chairman and CEO - Atlantic SGOIC, S.A. (since 2005);
- Board Member - Liminorke S.A. (since 2009);
- Member – Oporto Municipal Assembly (since 2009) – Chairman from 2014 to 2021.

Felipe Fernández Fernández

STATUS
Non-Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Remuneration Committee Member

USA Business Affairs Monitoring Committee Member

ACADEMIC QUALIFICATIONS
- Degree in Administrative and Economic Sciences – Bilbao University (1975);

SKILLS AND EXPERIENCE
- Professor of Business and Economic Faculty – Oviedo University (1984-1990);
- Director of Economics and Regional Planning - Principality of Asturias (1984-1990);
- Counsellor of Organization of the Territory and Housing – Principality of Asturias (1990-1991);
- Counsellor of countryside and fishing - Principality of Asturias (1991-1993);
- Manager on several companies on numerous fields.

COMPANY BACKGROUND
- General and Supervisory Board Member in representation of Cajastur Inversiones S.A., (February 2012 - April 2015);
- General and Supervisory Board Member, in representation of DRAURSA, S.A., since April 2018 (re-elected in April 2021).

CURRENT EXTERNAL APPOINTMENTS
- Board of Directors Member – Unicaja Banco (since 2011);
- Chairman of Board of Directors - Lico Leasing (since 2017);
- Executive Commission Member - Lico Leasing (since 2018);
- Board of Director Member - Tudela Veguín (since 2011);
- Masaveu Inmobiliaria (2014);
- Cimento Verde do Brasil (since 2014);
- Board of Directors Member – Molecular Oncology Medicine Institute of Asturias (since 2014).

Fernando Maria Masaveu Herrero

STATUS
Non-Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Corporate Governance and Sustainability Committee Member

ACADEMIC QUALIFICATIONS
- Law Degree – Navarra University (1992);

SKILLS AND EXPERIENCE
- Chairman on several companies of Masaveu Group in numerous fields such as energy, finance, industrial, cement and real state, among others.

COMPANY BACKGROUND
- General and Supervisory Board Member, since February 2012 (re-elected in April 2015, April 2018, and April 2021).

CURRENT EXTERNAL APPOINTMENTS
- Chairman - Masaveu Corporation;
- Chairman - Cementos Tudela Veguín;
- Chairman of the Board – Oppidum Capital;
- Chairman of the American companies - Masaveu Real Estate US Delaware LLC, Oppidum Renewables USA Inc. and Oppidum Green Energy USA LLC;
- Board Member – American Cement Advisors Inc.;
- Board Member – EGEO Internacional and EGEO, SGPS;
- Board Member – EDP España;
- Joint Manager – Flicka Forestal;
- Board Member – Bankinter;
- Executive Committee Member – Bankinter;
- Remuneration Committee Member – Bankinter;
- Board Member – Línea Directa Aseguradora;
- Chairman - Maria Cristina Masaveu Peterson Foundation;
- Chairman - San Ignacio de Loyola Foundation;
- Trustee – Princess of Asturias Foundation;
- Delegate Committee Member - Princess of Asturias Foundation;
- Assets Committee Member - Princess of Asturias Foundation;
- Member of the International Council – MET, New York;
- International Trustee – Friends of the Prado Museum Association.

João Carvalho das Neves

STATUS
Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Remuneration Committee Member

Financial Matters Committee / Audit Committee Chairman

ACADEMIC QUALIFICATIONS

- Ph. D. in Business Administration - Manchester Business School Manchester University (1992);
- Master's in management/MBA – ISEG – Institute of Economics and Management (1985);
- Bachelor's in business administration – ISEG Institute of Economics and Management - Lisbon University (1981).
- Executive training: Finance and Control - IMD (1986);
- Management Control - HEC Paris (1987);
- International Finance - INSEAD (1987);
- Leadership - Kennedy Harvard Government School (2009);
- Leadership Development Program - Creative Leadership Center (2010);
- Coaching for Performance - London Business School (2010);
- Diploma in Advanced Mindfulness and Emotional Intelligence Teachers Training (2017) - Search Inside Yourself – Leadership Institute (SIYLI) in San Francisco.

SKILLS AND EXPERIENCE

- Certified accountant (1981);
- Statutory Auditor (1995. Asked for voluntary suspension in 2022.);
- FRICS - Fellow of Royal Institution of Chartered Surveyors (2008);
- Recognized European Valuer (REV) (2018) and Recognized Business Valuer (REV-BV) (2021) by TEGoVA;
- Certified Teacher of MBSR by the University of California San Diego Center for Mindfulness Professional Training Institute (MBPTI) (2016);
- Member of the Board (as CFO) of Montepio Geral – Associação Mutualista (2022 - ..);
- Vice-President of ISEG School Council (2021-2022);
- Head of Scientific Area of Finance of ISEG (2020-2022);
- Independent non-executive board member - Montepio - Valor SGOIC (2017-2022);
- Member of the Board - ERES European Real Estate Society (2019-2021);
- President of Central Administration of the Portuguese Health System (2011-2014);
- Chairman of the Management Department – ISEG (2010-2011);
- Board Member - BPN (2008);
- CEO and CFO - SLN (2008-2009);
- Chairman of the Management Department - ISEG (2007-2008);
- Partner and Statutory Auditor - Neves, Azevedo Rodrigues e Batalha, SROC (1995-2008);
- Judicial Manager of Torralta (1993-1998); Casino Hotel de Tróia (1994-1995); TVI (1997-1998);
- Associate Consultant - Coopers & Lybrand (1992-1993);
- General Manager and Trainer in Finance and Control - CIFAG/IPE (1987-1992);
- Trainer for executives in Finance and Control - CIFAG/IPE (1985-1987);
- Executive Deputy Controller - Cometna SA (1981-1985);

COMPANY BACKGROUND

- General and Supervisory Board Independent Member since April 2015 (re-elected in April 2018 and April 2021).

CURRENT EXTERNAL APPOINTMENTS

- Board Member (CFO) of Montepio Geral – Associação Mutualista (since 2022);
- Member of Valuation Professional Group - RICS Portugal (since 2020);
- Member of the European Business Valuation Standards Board - TEGoVA (since 2020);
- Mentor of Mindfulness Center of the University of California at San Diego (since 2021).

Maria Del Carmen Fernández Rozado

STATUS
Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Financial Matters\ Committee/Audit Committee Member

Corporate Governance and Sustainability Committee Member

ACADEMIC QUALIFICATIONS
- Degree in Economics and Business Administration and Political Sciences and Sociology - Complutense University of Madrid (1978);
- PhD in Public Finance - Complutense University of Madrid (1998);
- PADE Management Program MBA - IESE Business School (2004-05);

SKILLS AND EXPERIENCE
- State Tax Inspector (1984);
- Account Auditor (1988);
- Chief-Inspector in Spanish Ministry of Economy and Finance (1985-86);
- Deputy Head of the State Tax Inspection Office (1987- 96);
- Head of the State Tax Inspection Office (1996-99);
- President of the Task Force for Renewable Energies, Sustainability and Carbon Markets - ARIAE (1999-2011);
- Member of the Advisory Board - Ernst & Young (2012-13).

COMPANY BACKGROUND
- General and Supervisory Board Independent Member since April 2015 (re-elected in April 2018 and April 2021).

CURRENT EXTERNAL APPOINTMENTS
- Member of the executive committee – ACS group (since 2020)
- Member of Audit Committee – ACS Group (since 2017)
- Member of The Appointments and Remuneration Committee – ACS group
- Member of the Board – ACS group (since 2017)
- Member of the Advisory Board - Beragua Capital (since 2015)
- Member of the board – Primafrio SL. (since 2021)
- Chairman of Audit committee – Primafrio SL (sice 2021)
- Member of the The Appointments and Remuneration Committee- Primafrio SL (since 2021)

Laurie Lee Fitch

STATUS
Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Corporate Governance and Sustainability Committee Member

USA Business Affairs Monitoring Committee Member

ACADEMIC QUALIFICATIONS
- B.A. in Arabic - American University in Washington DC. (1991);
- M.A. - Georgetown University's School of Foreign Service (1994);

SKILLS AND EXPERIENCE
- Assistant Vice-President – Middle East and Africa Division of The Bank of New York (1994-1999);
- Equity analysis - Schroders (1999-2000);
- Equity analysis - UBS Warburg (2000-2002);
- Manager investing in the global utilities, infrastructures, and industrials sectors for TIAA and Artisan Partners (2002-2006);
- Analyst and Portfolio Manager - Artisan Partners (2006-2011);
- Co-Head of Morgan Stanley's Global Industrials Group (2012-2016);
- Partner at the investment banking firm PJT Partners (since 2016);
- Chairman of the Remuneration Committee and member of the safety and risk Committee - Enquest PLC (2018-2021).

COMPANY BACKGROUND
- General and Supervisory Board Independent Member since April 2018 (re-elected in April 2021).

CURRENT EXTERNAL APPOINTMENTS
- Member of both Audit and Finance & Operations Audit sub-committees - Tate Board of Trustees in London (since 2015);
- Trustee of The American University in Cairo (since 2019);
- Partner at the investment banking firm PJT Partners (since 2016) where she advises utilities and industrials chief executives and their boards on long term value creation in the energy transition;
- Board Chair of Georgetown University's Center for Contemporary Arab Studies;

Esmeralda da Silva Santos Dourado

STATUS
Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Remuneration Committee Member

USA Business Affairs Monitoring Committee Member

ACADEMIC QUALIFICATIONS
- Degree in Chemical Industry Engineering – Instituto Superior Técnico (1975);
- Advanced Corporate Finance - Harvard University (1985);

SKILLS AND EXPERIENCE
- Responsible for Industrial area and New Business Development (1978);
- Vice-President and Chief Corporate Banking Head - Citibank (1985 – 1990);
- Board Member Banco Fonsecas & Burnay;
- Board Member - União de Bancos Portugueses;
- Board Member - Interbanco (currently Banco Santander Consumer Portugal);
- CEO - SAG SGPS SA Portugal (2000-2009);
- Chairwoman - SAG SGPS SA Brazil (2000-2009);
- Chairwoman PARTAC SGPS SA (2018-2021);
- Non-Executive Board Member and Member of the investment Committee - BCP Capital SA (2013-2020);
- Chairwoman - PNCB - Bank Credit Restructuring Platform, A.C.E. (2018-2020);
- CEO - FAE - Forum de Administradores e Gestores de Empresas (2007-2013);
- Member of Executive Committee - EMCE - Mission Structure for Company Capitalization (2015-2017);
- President of Supervisory Board - Fundação Luso-Brasileira (2005-);
- Member of General Council - IPCG - Instituto Português de Corporate Governance (2010-);
- CEO - AMC - Associação Missão Crescimento (2013-2015);
- Member of the General Council - Universidade de Coimbra (2017-2020);
- Non-Executive Board Member and Audit Committee Chairwoman – TAP SGPS SA (2017-2021).

COMPANY BACKGROUND
- General and Supervisory Board Independent Member.

CURRENT EXTERNAL APPOINTMENTS
- Supervisory Member Board - Mystic Invest Holding SA (2018-);
- Chairwoman Advisory Board ACTIVE CAP – Capital Partners, S.A. (2021-).

Helena Salgado Fonseca Cerveira Pinto

STATUS
Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Financial Matters Committee/ Audit Committee Member

USA Business Affairs Monitoring Committee Member

ACADEMIC QUALIFICATIONS
- PhD in Business Studies - Warwick University (UK);
- MSc and BSc in Management - Universidade Católica Portuguesa;
- High Potentials Leadership Program Certificate - Harvard (2012);
- International Directors Program – INSEAD (2019);

SKILLS AND EXPERIENCE
- Dean - Católica Porto Business School (2013 – 2020);
- Professor - Católica Porto Business School (since 1997);
- Hospitality and Entertainment Industry;
- Author of a book, book chapters, articles, and opinion articles.

COMPANY BACKGROUND
- General and Supervisory Board Member since April 2021.

CURRENT EXTERNAL APPOINTMENTS
- Independent Board Member - Mota-Engil SGPS (Since April 2018);
- President of the Fiscal Board - Media Capital, SA (since November 2020);
- Member of the EQUIS Board - EFMD (Brussels) (since 2019);
- Member of the International Advisory Board of 2 international Business Schools in • UK (since 2019) and France (since 2020);
- Member - Porto Coordination Group of ACEGE (Association of Christian Managers) (since 2013);
- Member - Diocesan Commission for the Interreligious Dialogue (since 2020).

Sandrine Dixson-Declève

STATUS
Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Corporate Governance and Sustainability Committee Member

SKILLS AND EXPERIENCE

- Co-founder - Women Enablers Change Agent Network (WECAN) (since 2017);
- Chief Partnership Officer - UN Agency Sustainable Energy for All 2016-2017;
- Director - Prince of Wales's Corporate Leaders Group (2009 - 2016);
- EU office - Cambridge Institute for Sustainability Leadership (2009-2016);
- Executive Director - Green Growth Platform (2013-2016);
- Advising - HRH The Prince of Wales (2009-2016)
- Advising - Members of the European Parliament, European Commission Presidents, Commissioners and officials, Governments in Asia, Africa and the Middle East, international organizations OPEC, ADB, OECD, UNEP, USAID, UNFCCC, IEA) and business leaders of large international, European, and African companies (1990-Ongoing)
- Vice Chair - European Biofuels Technology Platform (2008-2016);
- Board member - We Mean Business (2014-2016);
- Member – The Guardian's Sustainable Business Advisory Board (2014-2016);
- Member of Sustainability Advisory Board - Oil and Gas major Sasol (2007-2010);
- Published articles, book chapters and given presentations on green growth and competitiveness, innovation, low carbon energy solutions, climate change, sustainable development, transport, conventional and alternative fuel quality legislation as well as on trade & environment (1990-Ongoing);
- Recognised by GreenBiz GreenBiz as one of the 30 most influential women across the globe driving change in the low carbon economy and promoting green business. Bring together business leaders, policy makers, academia and NGO's.

COMPANY BACKGROUND

- General and Supervisory Board Independent Member (since April 2021).

CURRENT EXTERNAL APPOINTMENTS

- Co-President – The Club of Rome (2018-Ongoing);
- Chair and Expert Group on Economic and Societal Impact of Research & Innovation (ESIR) - European Commission (2020-Ongoing);
- Assembly Member - Climate Mitigation & Adaptation Mission (DGR&I) (2019-2020)
- TEG Sustainable Finance Taxonomy and Sustainable Finance Platform (DGFISMA) (2018-2021);
- Food Summit Action Track 5 Resilience - United Nations (2020-2021);
- Senior Associate and faculty Member - Cambridge Institute for Sustainability Leadership (CISL) (2016-Ongoing);
- Senior Associate - E3G (2017-Ongoing);
- Ambassador - Energy Transition Commission (ETC) 2018-Ongoing and WEALL (2020-Ongoing). Advisory Boards: ClimateKIC 2018-Ongoing), BMW (2020-Ongoing), UCB (2020-Ongoing), UCL Bartlett School (2020-Ongoing), IEEP (2020-Ongoing).

Zili Shao

STATUS
Independent

POSITION
General and Supervisory Board Member

COMMITTEES
Remuneration Committee Member

ACADEMIC QUALIFICATIONS

- Bachelor of Laws - China University of Political Science and Law (1980–1984);
- LLM - University of Melbourne (1988–1991);

SKILLS AND EXPERIENCE

- Citic Group, Beijing (1984-1986);
- Solicitor - Mallesons Stephen Jaques, Melbourne (1990–1994);
- Partner - Allens Arthur Robinson, Sydney (1995-1998);
- Partner - Linklaters LLP; Managing Partner of Asia Pacific; Member of Global Management Committee (1998 –2009);
- Chairman & CEO - J.P. Morgan China (2010–2014);
- Vice Chairman - J.P. Morgan Asia Pacific (2014–2015);
- Co-Chairman and partner - King & Wood Mallesons, China (2015–2017);
- Qualified lawyer - PRC, UK, HK and Australia.

COMPANY BACKGROUND

- General and Supervisory Board Independent Member since April 2021.

CURRENT EXTERNAL APPOINTMENTS

- Independent Director - Bank of Montreal (China) Limited, subsidiary bank of BMO Financial Group (since December 2016);
- Independent Director - Yum China Holdings, Inc., listed in New York and Hong Kong Stock Exchanges (since October 2016);
- Founder and Chairman - MountVue Capital Management Co. Ltd (since 2017);
- Senior Advisor - Fangda Partners, a leading PRC law firm (since June 2017);
- Advisory Board Member - Ares SSG Capital Management (since April 2019.

Luís Maria Viana Palha da Silva

STATUS
Independent

POSITION
General and Supervisory Board Member

ACADEMIC QUALIFICATIONS

- Degree in Economics - Higher Institute of Economics (1978);
- Degree in Management – Portuguese Catholic University (1981);

SKILLS AND EXPERIENCE

- CFO – Covina – Companhia Vidreira Nacional, S.A.R.L (1987-91);
- Member of the Board of Directors - IPE – Investimentos e Participações Empresariais, SGPS, S.A. (1991);
- Secretary of State for Trade (1991-95);
- CFO – CIMPOR – Cimentos de Portugal, SGPS, S.A. (1997-2001);
- CFO and CEO – Jerónimo Martins (2001-11), Advanced Management Program – University of Pennsylvania (2005);
- Vice-Chairman of the Board of Directors - Galp Energia, SGPS, S.A. (2012-15);
- Member of the Board of Directors - Oi, S.A. (2015-18);
- Chairman of the Board - AEM – Associação dos Emitentes Portuguese (2013-14);
- Non-executive Member of the Board of Directors - NYSE Euronext (2011-16);
- Member of the Audit Committee - NYSE Euronext (2013-14);
- Chairman - APETRO – Associação Portuguesa de Empresas Petrolíferas (2012-15).

COMPANY BACKGROUND

- General and Supervisory Board Member since April 2019 (re-elected in April 2021);
- Chairman of the Board of the General Shareholders' Meeting of EDP since April 2019 (re-elected in April 2021).

CURRENT EXTERNAL APPOINTMENTS

- Pharol, SGPS, S.A. (Chairman of the Board of Directors and CEO) (since 2015) 2015-...);
- Bratel B.V. (2015-...) and Bratel S.à.r.l. (Director) (2018-...);
- Nutrinveste, SGPS, S.A. (Non-executive Board Member) (2018-...);
- Member of the Board of Directors of Oi, S.A. (2015-2018; 2021-...);
- Chairman of the Audit Committee of Fórum para a Competitividade (2015-...).

Miguel Stilwell d'Andrade

POSITION
Chairman of the Executive Board of Directors, elected in January 2021

ACADEMIC QUALIFICATIONS
- MEng with Distinction – University of Strathclyde (98);
- MBA – Massachusetts Institute of Technology - Sloan School of Management (03).

SKILLS AND EXPERIENCE
- Mergers and Acquisitions – UBS Investment Bank (UK) (98-00);
- Strategy & Corporate Development/M&A – EDP (00-01 & 03-05);
- Head of Strategy & Corporate Development/M&A – EDP (05-09);
- Non-executive Member of the Board of Directors – EDP Inovação (07-12);
- Member of the Board of Directors – E-Redes (09-12);
- Non-executive Member of the Board of Directors – EDP Gás Distribuição (09-12);
- Chairman – InovGrid ACE (09-11);
- CEO – EDP Comercial and EDP España (12-18);
- Member of the Executive Board of Directors – EDP (12-18);
- CFO – EDP (18-21);
- Interim Chairman of the Executive Board of Directors – EDP (20-21);
- CFO e Vice- Chairman of the Board of Directors - EDP Renováveis (21);
- Chairman of the Executive Board of Directors – EDP (21).

CURRENT EXTERNAL APPOINTMENTS
- General Board Member – AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado (21).

Miguel Nuno Simões Nunes Ferreira Setas

STATUS
Independent

POSITION
Member of the Executive Board of Directors, elected in 2015 (reappointed in 2018 and 2021)

ACADEMIC QUALIFICATIONS
- Physics Engineering Degree - Instituto Superior Técnico (93);
- Electrical and Computing Engineering Masters - Instituto Superior Técnico (95);
- MBA - Nova University, Lisbon (96);
- Executive Training – Harvard, Wharton, IESE (Barcelona) and CEIBS (Shanghai) (19).

SKILLS AND EXPERIENCE
- Consultant - Mckinsey & Co (95-97);
- Corporate Director - GDP - Gás de Portugal (98);
- Member of the Board of Directors - Setgás (99-01);
- Member of the Executive Board of Directors - Lisboagás (00-01);
- Strategic Marketing Director - Galp Energia (01-04);
- Member of the Board of Directors - Comboios de Portugal (04-06);
- Chief of Staff of the Chairman of the Executive Board of Directors - EDP (06-07);
- Member of the Board of Directors – EDP Comercial (07-08);
- Member of the Board of Directors – EDP Inovação (07-08 & 12-14);
- Vice-Chairman of the Board of Directors - EDP Energias do Brasil (08-13);
- CEO – EDP Brasil (14-21);
- Chairman of the Board of Directors – EDP Produção (20-21);
- Member of the Board of Directors - EDP España (21);
- Chairman of the Board of Directors - EDP Energias do Brasil (21);
- Member of the Board of Directors - EDP Renováveis (21);
- Chairman of the Board of Directors - E-Redes España (21).

CURRENT EXTERNAL APPOINTMENTS
- Board Vice-Chairman - BCSD Portugal (21).

Rui Manuel Rodrigues Lopes Teixeira

STATUS
Independent

POSITION
Member of the Executive Board of Directors, elected in 2015 (reappointed in 2018 and 2021)

ACADEMIC QUALIFICATIONS

- Naval Architecture and Marine Engineering Graduate- Instituto Superior Técnico (95);
- MBA - Nova University Lisbon (01);
- Advanced Management Program - Harvard Business School (13).

SKILLS AND EXPERIENCE

- Naval Commercial Department Assistant Director - Gellweiler (96-97);
- Project Manager and Ship Surveyor - Det Norske Veritas (97-01);
- Consultant- McKinsey & Company (01-04);
- Head of Corporate Planning and Control - EDP (04-07);
- Member of the Board of Directors - EDP Renováveis (08-15);
- Chairman of the Board of Directors - EDP Produção (15-20);
- Member of the Board of Directors (CEO) - EDP España (18);
- Member of the Board of Directors (CFO) - EDP Renováveis (19);
- CFO – EDP (21);
- Member of the Board of Directors (CFO) - EDP Energias do Brasil (21).

CURRENT EXTERNAL APPOINTMENTS

- Board Member – OMIP SGPS, S.A. and OMEL (21);
- Strategic Board Member – ISEG MBA (21).

Vera de Morais Pinto Pereira Carneiro

STATUS
Independent

POSITION
Member of the Executive Board of Directors, elected in 2018 (reappointed in 2021)

ACADEMIC QUALIFICATIONS

- Economics Degree - Nova University Lisbon (96);
- Economics Post-Graduate Degree - Nova University Lisbon(98);
- MBA - INSEAD, Fontainebleau (00);
- Executive Education Program - Harvard Business School (21).

SKILLS AND EXPERIENCE

- Associate - Mercer (96-99);
- Founder - Innovagency Consulting (01-03);
- Head of TV Business Unit - TV Cabo - PT Multimédia (03-07);
- Head of TV Business Unit - MEO (07-14);
- Board of Directors Member – Pulsa Media (14-18);
- Executive Vice-President and General Director PT & ESP Member of Executive Leadership Team Europe & Africa - Fox Networks Group (14-18);
- Board of Directors Chairperson - EDP Comercial (18);
- Member of the Board of Directors - EDP España (18);
- Member of the Board of Directors - EDP Renováveis (19);
- Board of Directors Chairperson – Fundação EDP (21);
- Member of the Board of Directors - EDP Energias do Brasil (21).

CURRENT EXTERNAL APPOINTMENTS

- Governing Board Chairman – Portuguese-Chinese Chamber of Commerce and Industry;
- General Board Member – Charge Up Europe;
- General Board Member – Fundação Alfredo de Sousa;
- Board Member – IPCG.

Ana Paula Garrido de Pina Marques

STATUS
Independent

POSITION
Member of the Executive Board of Directors, elected in 2021

ACADEMIC QUALIFICATIONS

- Economics Degree - Faculdade de Economia do Porto (96);
- MBA - INSEAD, France and Singapore (02);
- Executive Education Program - IMD in Lausanne and Harvard Business School (09).

SKILLS AND EXPERIENCE

- Marketing - Procter & Gamble (96-98);
- SMEs Business Unit - Optimus (98-03);
- Head of Marketing, Brand and Communication - Optimus (03-07);
- Head of Marketing & Sales of the Mobile Residential Business Unit - Optimus (08-09);
- Member of the Executive Board of Directors - Optimus (10-13);
- President - APRITEL, Portuguese Association of Telecom Operators (11-14);
- Member of the Executive Board of Directors - NOS, SGPS, S.A. (13–20);
- Non-Executive Member of the Board of Directors - SportTV (16-20);
- Vice-Chairperson of the Executive Board of Directors - NOS, SGPS, S.A. (19-20);
- Member of the Board of Directors - EDP Renováveis, EDP España and EDP Energias do Brasil (21);
- CEO - EDP Produção and Labelec (21).

CURRENT EXTERNAL APPOINTMENTS

- Governing Board Chairman – ELECPOR;
- General Board Member – COTEC Portugal;
- General Board Member - IPCG;
- General Board Member – Porto Business School;
- Guest Professor - FEP & Porto Business School.

ANNEX II

Meetings of the General and Supervisory Board and each member's attendance:

Mandate 2018-2020:

NAME	28-JAN	24-FEB	25-MAR	%
Luís Filipe Marques Amado	P	P	P	100
Augusto Mateus	P	P	P	100
Clementina Barroso	P	P	P	100
Eduardo de Almeida Catroga	P	P	A	67
Ilídio Pinho	A	R	P	67
Jorge Braga de Macedo	A	P	P	67
Karim Djebbour	P	P	P	100
Maria Celeste Cardona	P	P	P	100
Mohammed Al-Shamsi	A	A	A	0
Nuno Amado	A	P	P	67
Vasco Rocha Vieira	P	P	P	100
Dingming Zhang	R	R	R	100
Shengliang Wu	R	R	R	100
Li Li	P	P	P	100
Ignacio Herrero Ruiz	P	P	P	100
Luís Maria Viana Palha da Silva	P	P	P	100
Fernando Masaveu Herrero	P	P	P	100
Felipe Fernández Fernández	P	P	P	100
João Carvalho das Neves	P	P	P	100
Laurie Lee Fitch	P	P	P	100
María del Carmen Rozado	P	P	P	100

P = Present; A = Absent; R = Represented

Average participation: 89%: (includes present and represented)

Mandate 2021-2023:

NAME	15-APR	28-APR	13-MAI	23-JUN	29-JUL	23-SEP	4-NOV	16-DEC	%
João Luís Ramalho de Carvalho Talone	P	P	P	P	P	P	P	P	100
Dingming Zhang	R	R	R	R	R	R	R	R	100
Shengliang Wu	P	R	P	R	P	P	R	P	100
Li Li	P	P	R	P	P	P	P	P	100
Zili Shao	P	P	P	P	P	P	P	P	100
Ignacio Herrero Ruiz	P	P	P	P	P	P	P	P	100
Luís Maria Viana Palha da Silva	P	P	P	P	P	P	P	P	100
Miguel Espregueira Mendes Pereira Leite	P	P	P	P	P	P	P	P	100
Fernando Maria Masaveu Herrero	P	R	P	R	P	R	P	P	100
Felipe Fernández Fernández	P	P	P	P	P	P	P	P	100
João Carvalho das Neves	P	P	P	P	P	P	P	P	100
Laurie Lee Fitch	P	P	P	P	P	P	P	P	100
María del Carmen Rozado	P	P	P	P	P	P	P	P	100
Esmeralda da Silva Santos Dourado	P	P	P	P	P	P	P	P	100

Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto	P	P	P	P	P	P	P	P	100
Sandrine Dixson-Declève	P	P	P	A	P	P	P	P	88

P = Present; A = Absent; R = Represented
Average participation: 99%: (includes present and represented)

ANNEX III

Meetings of the Executive Board of Directors and each member's attendance:

Mandate 2018-2020:

NAME	5-JAN	15-JAN
António Luís Guerra Nunes Mexia	-	-
João Manuel Manso Neto	-	-
António Fernando Melo Martins da Costa	P	P
João Manuel Veríssimo Marques da Cruz	P	P
Miguel Stilwell de Andrade	P	P
Miguel Nuno Simões Nunes Ferreira Setas	P	P
Rui Manuel Rodrigues Lopes Teixeira	P	P
Maria Teresa Isabel Pereira	P	P
Vera Morais Pinto Pereira Carneiro	P	P

Mandate 2021-2023:

NAME	19-JAN	26-JAN	02-FEB	09-FEB	15-FEB	17-FEB	23-FEB	24-FEB	25-FEB	28-FEB	02-MAR	03-MAR	03-MAR	09-MAR
Miguel Stilwell de Andrade	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Miguel Nuno Simões Nunes Ferreira Setas	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Rui Manuel Rodrigues Lopes Teixeira	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Vera Pinto Pereira Carneiro	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Ana Paula Garrido de Pina Marques	P	P	P	P	P	P	P	P	P	P	P	P	P	P

NAME	16-MAR	18-MAR	23-MAR	30-MAR	06-APR	11-APR	13-APR	14-APR	20-APR	27-APR	04-MAI	06-MAI	06-MAI	11-MAI
Miguel Stilwell de Andrade	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Miguel Nuno Simões Nunes Ferreira Setas	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Rui Manuel Rodrigues Lopes Teixeira	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Vera Pinto Pereira Carneiro	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Ana Paula Garrido de Pina Marques	P	P	P	P	P	P	P	P	P	P	P	P	P	P

NAME	13-MAI	18-MAI	20-MAI	25-MAI	01-JUN	04-JUN	08-JUN	15-JUN	17-JUN	22-JUN	29-JUN	6/7-JUL	13-JUL	20-JUL
Miguel Stilwell de Andrade	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Miguel Nuno Simões Nunes Ferreira Setas	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Rui Manuel Rodrigues Lopes Teixeira	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Vera Pinto Pereira Carneiro	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Ana Paula Garrido de Pina Marques	P	P	P	P	P	P	P	P	P	P	P	P	P	P

NAME	22-JUL	27-JUL	29-JUL	01-AUG	24-AUG	31-AUG	07-SEP	09-SEP	14-SEP	21-SEP	27-SEP	30-SEP	04-OCT	12-OCT
Miguel Stilwell de Andrade	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Miguel Nuno Simões Nunes Ferreira Setas	A	P	P	P	P	P	P	P	P	P	P	P	A	P
Rui Manuel Rodrigues Lopes Teixeira	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Vera Pinto Pereira Carneiro	P	P	P	P	A	P	P	P	P	P	P	P	P	P
Ana Paula Garrido de Pina Marques	P	P	P	P	P	P	P	A	P	P	P	P	P	P

NAME	20-OCT	26-OCT	28-OCT	02-NOV	04-NOV	09-NOV	16-NOV	23-NOV	30-NOV	07-DEC	10-DEC	15-DEC	21-DEC	%
Miguel Stilwell de Andrade	P	P	P	P	P	P	P	P	P	P	P	P	P	100%
Miguel Nuno Simões Nunes Ferreira Setas	P	P	P	P	A	P	P	P	P	P	P	P	P	95,8%
Rui Manuel Rodrigues Lopes Teixeira	P	P	P	P	P	P	P	P	P	P	P	P	P	100%
Vera Pinto Pereira Carneiro	A	P	P	P	P	P	P	P	A	P	P	P	P	95,8%
Ana Paula Garrido de Pina Marques	P	P	P	P	P	P	P	P	P	P	P	P	P	98,6%

P = Presence; A = Absent

Total meetings held in 2021: 71

Average participation: 98.1%

ANNEX IV

Positions held by the members of the Executive Board of Directors in other companies belonging or not to the EDP Group:

	MIGUEL STILWELL ANDRADE	MIGUEL SETAS	RUI TEIXEIRA	VERA PINTO PEREIRA	ANA PAULA MARQUES
Comercializadora Energética Sostenible, S.A.U.	-	-	R	-	-
EDP - Energias de Portugal Sociedade Anónima, Sucursal en España	PR	PR	PR	PR	PR
EDP - Energias do Brasil, S.A.	-	CBD	D	D	D
EDP - Gestão da Produção de Energia, S.A.	-	-	-	-	CBD
EDP Comercial - Comercialização de Energia, S.A.	-	-	-	CBD	-
EDP España, S.A.U.	-	D	VP/MD	D	D
EDP Finance BV	R	R	R	R	R
EDP Gás.Com - Comércio de Gás Natural, S.A.	-	-	CBD	D	-
EDP Iberia, S.L.U.	-	-	CBD	-	-
EDP IS - Investimentos e Serviços, Sociedade Unipessoal, Lda.	-	-	M	-	-
EDP Redes España, S.L.U.	-	CBD	-	-	-
EDP Renewables Europe S.L.U.	CBD	-	VP	-	-
EDP Renováveis Brasil, S.A.	CBD	-	D	-	-
EDP Renováveis Servicios Financieros S.A.	-	-	CBD	-	-
EDP Renováveis, S.A.	VP/CD	D	D	D	D
EDP Solar España, S.A.U.	-	-	-	R	-
EDP Ventures Brasil S.A.	-	-	-	-	CBD
EDP Ventures España, S.A.	-	-	-	-	CBD
Empresa Hidroeléctrica do Guadiana, S.A.	-	-	-	-	CBD
Fresco Redes Internacional, S.L.	-	CBD	-	-	-
Fresco Redes Investments, S.L.U.	-	CBD	-	-	-
Generaciones Eléctricas Andalucía, S.L.U.	-	-	CBD	-	-
Hydro Global Investment Limited	-	-	-	-	CBD
Labelec - Estudos, Desenvolvimento e Actividades Laboratoriais, S.A.	-	-	-	-	CBD
OW Offshore S.L.U.	-	-	VP	-	-
SCNET – Sino-Portuguese Centre for Energy Technologies (Shangai) co., Ltd.	-	-	-	-	D
Transporte GNL, S.A.U.	-	-	R	-	-
OMIP – Operador do Mercado Ibérico (Portugal), SGPS, S.A.	-	-	D	-	-
Operador del Mercado Ibérico de Energía, Polo Español, S.A. (OMEL)	-	-	D	-	-
Viesgo Infraestructuras Energéticas, S.L.U.	-	CBD	-	-	-

D – Director

M – Manager

CBD – Chairman of the Board of Directors

R – Representative

PR –Permanent Representative

VP – Vice-President

VP/MD – Vice-President and Managing Director

ANNEX V

Attendance list of the Financial Matters Committee/Audit Committee

Mandate 2018-2020:

NAME	11-JAN	26-JAN	17-FEB	24-FEB	17-MAR	%
Luís Filipe Marques Amado	P	P	P	P	P	100
João Carvalho das Neves	P	P	P	P	P	100
Clementina Dâmaso Barroso	P	P	P	P	P	100
Maria Celeste Ferreira Lopes Cardona	P	P	P	P	P	100
Maria del Carmen Fernandez Rozado	P	P	P	P	P	100

P = Present; A = Absent; R = Represented

Average participation: 100%

Mandate 2021-2023:

NAME	21-APR	06-MAI	13-MAI	16-JUN	22-JUL	29-JUL	22-SEP	28-OCT	04-NOV	17-NOV	15-DEC	%
João Carvalho das Neves	P	P	P	P	P	P	P	P	P	P	P	100
Maria del Carmen Fernandez Rozado	P	P	P	P	P	P	P	P	P	P	P	100
Helena Sofia Salgado Cerveira Pinto	P	P	P	P	P	P	P	P	P	P	P	100

P = Present; A = Absent; R = Represented

Average participation: 100%

Attendance list of the Remuneration Committee

Mandate 2018-2020:

NAME	5-MAR	11-MAR	9-APR	%
Shengliang Wu	P	P	P	100
Fernando Maria Masaveu Herrero	A	P	P	67
Ilídio Pinho	A	A	A	0
João Carvalho das Neves	P	P	P	100
Vasco Rocha Vieira	P	P	P	100

P = Present; A = Absent; R = Represented

Average participation: 73%

Mandate 2021-2023:

NAME	30-SEP	%
Miguel Espregueira Mendes Pereira Leite	P	100
Esmeralda da Silva Santos Dourado	P	100
Felipe Fernández Fernández	P	100
João Carvalho das Neves	P	100
Zili Shao	P	100

P = Present; A = Absent; R = Represented

Average participation: 100%

Attendance list of the Corporate Governance and Sustainability Committee

Mandate 2018-2020:

NAME	23-FEB	%
Luís Filipe Marques Amado	P	100
Augusto Mateus	P	100
Felipe Fernández Fernández	P	100
Jorge Braga de Macedo	P	100
Maria Celeste Cardona	P	100
Ignacio Herrero Ruiz	A	0
Li Li	A	0

P = Present; A = Absent; R = Represented
Average participation: 71,4%

Mandate 2021-2023:

NAME	12-MAI	28-JUL	03-NOV	14-DEC	%
João Luís Ramalho de Carvalho Talone	P	P	P	P	100
Ignacio Herrero Ruiz	P	P	P	A	75
Fernando Maria Masaveu Herrero	A	P	P	A	50
Laurie Lee Fitch	P	P	P	P	100
Li Li	A	R	P	A	50
María del Carmen Fernandez Rozado	P	P	P	P	100
Sandrine Dixson-Declève	P	P	A	P	75

P = Present; A = Absent; R = Represented

Average participation: 79% (includes present and represented)

Attendance list of the United States of America (USA) Business Affairs Monitoring Committee

Mandate 2018-2020:

NAME	26-JAN	18-FEB	17-MAR	%
Luís Filipe Marques Amado	P	P	P	100
Augusto Mateus	P	P	P	100
Clementina Barroso	P	P	P	100
Felipe Férnandez Férnandez	A	P	P	67
João Carvalho das Neves	P	P	P	100
Jorge Braga de Macedo	A	P	P	67
Vasco Rocha Vieira	P	P	P	100

P = Present; A = Absent; R = Represented
Average participation: 90%

Mandate 2021-2023:

NAME	12-MAI	28-JUL	23-SEP	03-NOV	14-DEC	%
João Luís Ramalho de Carvalho Talone	P	P	P	P	P	100
Esmeralda da Silva Santos Dourado	P	P	P	P	P	100
Felipe Fernández Fernández	P	P	P	P	P	100
Laurie Lee Fitch	P	P	P	P	P	100
Helena Sofia Silva Borges Salgado Fonseca Cerveira Pinto	P	P	P	P	P	100

P = Present; A = Absent; R = Represented
Average participation: 100%

Attendance list of the Strategy and Performance Committee (extinct in April 2021)

Mandate 2018-2020:

NAME	27-JAN	18-FEB	23-FEB	%
Eduardo de Almeida Catroga	P	P	P	100
Augusto Carlos Serra Ventura Mateus	P	P	P	100
Fernando Maria Masaveu Herrero	P	P	P	100
Ignacio Herrero Ruiz	A	P	A	33
Jorge Avelino Braga de Macedo	A	P	P	67
Karim Djebbour	P	P	P	100
Laurie Fitch	P	A	A	33
Mohammed Alshamsi	A	A	A	0
Nuno Amado	P	P	P	100
Shengliang Wu	R	R	P	100
Vasco Rocha Vieira	P	P	P	100

P = Present; A = Absent; R = Represented
Average participation: 76% (includes present and represented)

05 — REMUNERATIONS REPORT

Under the terms of the Securities Code, this Remuneration Report aims to provide a comprehensive and integrated description of the remuneration earned by the members of the governing bodies and bodies of EDP – Energias de Portugal, SA ("EDP" or "Company"), including all benefits , regardless of the respective form, attributed or due during the 2021 financial year.

As provided for in the EDP Articles of Association until the amendments resulting from the General Meeting held on 14 April 2021, the remuneration of the members of the governing bodies was fixed by a Remuneration Committee appointed by the General Meeting, with the exception of the remuneration of the members of the Board of Directors Executive Board, which were set by a Remuneration Committee appointed by the General and Supervisory Board. These Committees submitted annually to the General Shareholders' Meeting a declaration on the remuneration policy of the members of the governing bodies, pursuant to the provisions of paragraph 1 of article 2 of Law no. 28/2009, of 19 June.

With the entry into force of Law no. 50/2020, of 25 August, which transposes Directive (EU) no. 2017/828 of the European Parliament and of the Council of 17 May 2017, is the Remuneration Committee's responsibility to submit to the Company's General Shareholders' Meeting a proposal for a Remuneration Policy for the Members of the Governing Bodies.

Following the General Meeting held on 14 April 2021, the proposal for the conformation of EDP's Articles of Association was approved, as were the proposal for the remuneration policy of the members of the governing bodies submitted by the Remuneration Committee appointed by the General Meeting, as well as the proposed policy remuneration of the members of the Executive Board of Directors, which was submitted by the Remuneration Committee appointed by the General and Supervisory Board.

A. Remuneration policy applicable to members of the Executive Board of Directors approved by the Remuneration Committee appointed by the General and Supervisory Board

Procedures for adopting the policy

Until the General Shareholders' Meeting held on 14 April 2021, the definition of the remuneration policy for the members of the management body was defined by the Remuneration Committee appointed by the General and Supervisory Board, which established a fixed component and a variable component. Regarding the variable component, this Committee established the remuneration to be awarded to the directors, seeking to ensure that it reflected the performance of each of the members of the Executive Board of Directors in each year of the mandate (annual variable remuneration), as well as their performance for the entire term of office, by setting a variable component consistent with maximizing EDP's long-term performance (multi-annual variable remuneration). The remuneration policy was revised annually[1] and, with the same periodicity, was subject to the General Shareholders' Meeting appreciation.

The General Shareholders' Meeting held on 14 April 2021 approved the proposed remuneration[2] policy for the members of the Executive Board of Directors, submitted by the Remuneration Committee appointed by the General and Supervisory Board.

As stated in the remuneration policy for the members of the Executive Board of Directors prepared by the Remuneration Committee appointed by the General and Supervisory Board, under the terms of Law no. 50/2020, 25 August, which transposes Directive (EU) no. 2017/828, of the European Parliament and of the Council of 17 May 2017, and considering the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) adopted by EDP, the beginning of a mandate with a new Executive Board of Directors, and also the approval of a new business plan and the feedback received from analysts and investors on the remuneration system of the Executive Board of Directors, understood the Remuneration Committee of the General and Supervisory Board it was opportune to review the Remuneration Policy of the Executive Board of Directors, submitting the proposal for the Remuneration Policy of the Executive Board of Directors of EDP resulting from the aforementioned revision to the EDP General Shareholders' Meeting for approval.

The policy review work that gave rise to the proposal presented to the General Shareholders' Meeting was also based on the conclusions of a study requested by the Remuneration Committee of the General and Supervisory Board and carried out

[1] For more information, see: Remuneration Report EDP 2020 e Remuneration policy submitted to the General Shareholders Meeting from April 16th 2020
[2] For more information, see: Remuneration Policy approved at the General Shareholders Meeting of April 14th 2021

by an independent consultant, as well as on the advice obtained by the aforementioned Committee in relation to corporate governance matters, good international practices and, in general, the matter of remuneration policy as an instrument to promote the business strategy and the long-term and sustainability interests of EDP, provided by a law firm, based on a benchmark analysis of the remuneration model, both qualitative and quantitative, of companies in the PSI 20 Index and comparable companies in the international electricity sector.

In the proposed Executive Board of Directors' Remuneration Policy, the evolution of the remuneration system for directors and other EDP employees, the reduction in the number of members of the Executive Board of Directors, with the functional reorganization of that Board and consequent increase in responsibilities resulting therefrom, in particular for the lower remuneration level of the Executive Board of Directors, also taking into account the reasonable expectations of its members, elected in January 2021, regarding the remuneration model and its adequacy and competitiveness. The consideration of current employment conditions and the remuneration model for EDP's workers and the current economic and financial situation in the country and worldwide also contributed to this end. In fact, the consideration of these elements advised that, on this occasion, and without prejudice to the reduction in the number of levels of fixed remuneration of the members of the Executive Board of Directors, as mentioned below, no further review of the fixed component of the remuneration should be carried out. of the members of the Executive Board of Directors, with the impact that such an option has on the other components of the remuneration, although from the point of view of analysing the functions of the current five members of the Executive Board of Directors and the sector benchmark, such a review could prove to be appropriate.

EDP, as the apex of a responsible multinational business group (“Group”) has a solid governing culture that ensures the management, monitoring, control, and supervision of the risks that the Group, its shareholders, employees, customers and, in general, all its stakeholders face, including those arising from the remuneration systems it adopts. EDP adopts remuneration practices transversal to the Group, consistent and based on common principles, which comply with the regulations applicable in the jurisdictions where it carries out its activity.

EDP's remuneration systems, including those of the Executive Board of Directors, are defined to promote a culture of merit and high performance that ensures that people and teams are recognized, encouraged and rewarded according to their responsibility, availability, loyalty and competence placed at the service of EDP, guaranteeing action in line with the long-term interests of shareholders and its stakeholders and the promotion of sustainable performance by EDP aligned with ESG (Environment, Social and Governance) objectives.

The proposal for the Remuneration Policy for the members of the Executive Board of Directors was also aimed at simplification, transparency, and clarity, favouring a complete understanding of the framework of principles and rules that constitute it, and which will be applied by the Remuneration Committee of the General Board and Supervision.

Definition, review, and renewal of the Policy

The definition of the remuneration policy of the Executive Board of Directors is submitted for approval by the General Meeting of EDP, at the proposal of the Remuneration Committee of the General and Supervisory Board.

Recent changes to the Internal Regulations of the Remuneration Committee of the General and Supervisory Board include the process of reviewing and applying the Remuneration Policy of the Executive Board of Directors, in accordance with the following principles:

- The Remuneration Committee of the General and Supervisory Board meets at least once a semester in order to monitor the situation of EDP in relevant matters for the purposes of determining and fixing the variable remuneration of the Chairman of the Executive Board of Directors and the other Directors and for the analysis of relevant information that may justify the consideration of adjustments to the application of the Remuneration Policy, proceeding as necessary and convenient to the hearing of the Financial Matters Committee/Audit Committee and the Corporate Governance and

Sustainability Committee of the General and Supervisory Board, of the Executive Board of Directors or any of EDP's corporate body in terms of compliance, risk management and Human Resources;

- The definition and possible proposals for reviewing the Remuneration Policy are based on the articulation of EDP's long-term objectives, measured according to its strategic plan at any given moment, on the conclusions of comparative remuneration studies with national listed companies and with peers' foreign sectors and in an articulation of principles with the remuneration plan of other workers and employees of EDP;

- On an annual basis, the Remuneration Committee of the General and Supervisory Board will assess the opinions expressed by shareholders and analysts on EDP's Remuneration Policy;

- The Remuneration Committee of the General and Supervisory Board may hire the consultants and external support necessary to carry out studies on comparative remuneration and best corporate governance practices within the scope of remuneration policies for directors, assessing their independence conditions to the provision of services that may be requested.

Without prejudice to (extraordinary) revision proposals, the Remuneration Committee of the General and Supervisory Board should, at least at the end of each term of office, when assessing compliance with the objectives set for the term in question, specifically analyse and decide on a reasoned basis, on the opportunity to propose the revision/update (ordinary) of the Remuneration Policy in any of its components, in order to ensure, at all times and with adequate agility, the fulfilment of the objective of the remuneration policy of retention and attraction of talent.

The review of the base remuneration must also imply the weighting, according to benchmark criteria, of the total remuneration model practiced by comparable companies, in order to always ensure that the remuneration model of the members of the Executive Board of Directors of EDP remains balanced, fair, and competitive.

Whenever a remuneration policy is proposed for reviewed, all relevant changes introduced will be described and how these changes reflect the votes and opinions expressed by shareholders on the remuneration policy, as well as the remuneration reports issued based on the aforementioned policy.

Principles and General Characteristics

The Remuneration Policy of the Executive Board of Directors of EDP aims to comply with the applicable legislation, also in terms of its content, under the terms of Article 26-C of the Securities Code (as amended by Law No. 50/2020, of 25 August), the IPCG Corporate Governance Code adopted by EDP and good international practices, being coherent and consistent with the remuneration policy and remuneration practices applied to Group employees.

Regardless of the functions performed in companies of the Group, namely at EDP Renováveis, in accordance with the Remuneration policy of the members of the Executive Board of Directors, the members of this Board do not receive any remuneration or benefit from any other company of the Group, being exclusively remunerated through EDP. The remuneration of the members of the Executive Board of Directors must be aligned with the interests of shareholders, be focused on the creation of long-term value and be compatible with adequate and rigorous risk management, thus contributing to the Company's strategy, to its long-term values and interests and for its sustainability.

Total remuneration and the remuneration model, in general, must be competitive, aligned with the practices of the international electricity sector and the market, facilitating the attraction and retention of talent, and the commitment to the company's challenges and ambitions.

The competitiveness of the remuneration model/system of the Executive Board of Directors must be regularly and periodically assessed, namely through the analysis of the functions performed and benchmark exercises to be carried out with the support of independent entities, which is assumed to be done with a minimum triennial frequency, corresponding to the duration of the term-of-office of the Executive Board of Directors.

The Executive Board of Directors' Remuneration Policy ensures a (fixed) base remuneration, the payment of which is not dependent on performance evaluation, which must be fair, competitive, and sufficiently relevant in relation to the total remuneration, in order to allow greater flexibility in the conformation of the variable component of the remuneration.

The Remuneration Policy of the Executive Board of Directors comprises a variable remuneration, with an annual component, and a multi-annual component, with the nature of reward/incentive appropriate to the individual and collective performance of the members of the Executive Board of Directors and the promotion of good conduct, considering EDP's short- and long-term, financial, and non-financial objectives that are achieved, and the way in which they were achieved (pay for performance).

The annual variable component is linked to financial and non-financial objectives established in accordance with EDP's Annual Budget, evaluated annually, with an impact on the year and subject to evaluation and consequent repercussion in the following years, being paid in cash. The annual variable remuneration must be determined after the approval of EDP's accounts at the Annual General Meeting each year, by reference to the previous year/period of annual performance. The payment of the annual variable remuneration is partially deferred.

The multi-annual variable component is linked to the quantitative and qualitative objectives of EDP's Business Plan, the fulfilment of which will be evaluated at the end of a period of three years, with the respective payment subject to partial deferral. The multi-annual variable remuneration is paid exclusively in shares representing the share capital of EDP ("EDP Shares").

The determination of the variable annual and multi-annual remuneration of the members of the Executive Board of Directors in accordance with the Remuneration Policy is the responsibility of the Remuneration Committee of the General and Supervisory Board.

The payment of the variable remuneration is subject to the permanence of the member of the Executive Board of Directors at EDP until the end of the annual or three-year period of relevant performance, without prejudice to the provisions of the remuneration policy.

In the event that EDP or members of the Executive Board of Directors are responsible, by shareholders or third parties, for intentional unlawful acts of management, the annual and multiannual variable remuneration of the directors in question may, by decision of the Remuneration Committee of the General and Supervisory Board, be suspended or not awarded, until such claims are determined and, in case they are considered valid, the variable remuneration paid during the period of practice of the facts, overdue, or to be awarded, will be reimbursed, retained or not awarded for compensation for damages caused up to the full amount thereof (malus and clawback clauses).

In assessing the annual and multi-annual performance of the members of the Executive Board of Directors and determining the amount of the variable remuneration due to them, the Remuneration Committee of the General and Supervisory Board may take into account exceptional circumstances with which EDP does not comply, caused by decisions of a political or administrative nature beyond the control of the members of the Executive Board of Directors, which have an impact on EDP's performance and level of achievement of objectives, neutralizing their impacts on annual and multi-annual performance metrics, provided that it ensures that, in case of reversal of the decisions of a political or administrative nature in question, by means of an arbitration, judicial or arbitration procedure, the members of the Executive Board of Directors will also not benefit from the effects of such reversal decision. Likewise, the Remuneration Committee of the General and Supervisory Board may consider other exceptional conjunctural and exogenous circumstances that EDP is faced with, which have an impact on the Company's performance and the level of achievement of objectives set for its members. of the Executive Board of Directors, adjusting or justifiably adopting appropriate solutions to neutralize, for the benefit of EDP or the members of the Executive Board of Directors, as the case may be, in whole or in part, the impact of said consequences on annual and multi-annual performance metrics.

In addition to some of the benefits provided to EDP employees, which the members of the Executive Board of Directors also benefit from, the members of this Board must also benefit, by virtue of the duties performed and in accordance with market practices and EDP's culture from a set of additional benefits, of a non-financial nature.

As with EDP employees and in accordance with the legislation and Article 27(1) of EDP's Articles of Association, the Company must provide directors with a supplementary retirement pension due to old age or disability or, in its place, and in accordance with the practice consistently followed by the company, a retirement savings plan or equivalent instrument, namely a unit linked capitalization insurance.

The Financial Matters Committee / Audit Committee and the Corporate Governance and Sustainability Committee of the General and Supervisory Board shall, together with the Remuneration Committee of the General and Supervisory Board and at its request, monitor the adequacy and application of the Policy of Remuneration of the Executive Board of Directors and other documents, namely of a regulatory nature that develop it, with a view to ensuring its compliance with the legislation and internal policies and risk culture of EDP, as well as evaluating its effects on the appetite for risk and how such effects are managed.

The Remuneration Committee of the General and Supervisory Board ensures certification, by an independent entity, of the application of performance metrics in accordance with the approved Remuneration Policy.

Without prejudice to a proposal for an extraordinary review during the term of office according to benchmark criteria, the Remuneration Policy will be valid for a period of three years (2021-2023) and must be the subject of a proposal for renewal or revision to be submitted to the General Meeting of EDP to be held in 2024.

EDP’s Executive Board of Directors Members do not enter into contracts, either with the Company or with third parties, the effect of which is to mitigate the risk associated with the variability of the remuneration determined for them by the Company.

Apart from the situations described in this Remuneration Report, there are no contracts in force at EDP that foreseeing payments in the event of dismissal or termination by agreement of the directors' duties.

Components of the remuneration of the members of the Executive Board of Directors

Fixed Component – Base Remuneration

The base remuneration of the members of the Executive Board of Directors must be aligned with the base remuneration practiced by a group of companies comparable with Executive Board of Directors, of the national market (PSI 20 Index) and of the international electricity sector, in terms of size, market capitalization, risk profile, relevance and geographic implantation, also considering, at all times, the complexity of the functions performed, the remuneration conditions of EDP workers and the non-increase of the average remuneration gap of the market between workers and managers.

Considering the reduction in the number of members of the Executive Board of Directors and the organizational / functional review of this structure with the consequent increase in responsibilities resulting therefrom, in particular the lower remuneration level of the Executive Board of Directors, and without prejudice to the possibility that amendments to this Remuneration Policy may be proposed to the General Shareholders Meeting during the current term, as a result of a complete analysis of the functions of the members of the Executive Board of Directors as a result of the reorganization verified and of the provision in point 2.1.2 below, it was considered adequate to eliminate a remuneration level in the EBD, reducing, in this phase, from three to two, the levels of remuneration of the members of this Board, under the following terms:

a) Annual base remuneration of the CEO: € 800,000.00; and

b) Annual base remuneration of the other members of the Executive Board of Directors: € 560,000.00.

The base remuneration of the members of the Executive Board of Directors is paid in 14 monthly instalments.

Variable remuneration

The variable remuneration of the members of the Executive Board of Directors is based on the success of the short and long-term performance of EDP, pursuant to the budget and business plan in effect, considering the performance of that Board and the individual performance of each member of the Executive Board of Directors, determined based on parameters of a financial and non-financial nature, individual and collective, absolute, and relative, in the terms indicated below.

Annual Component

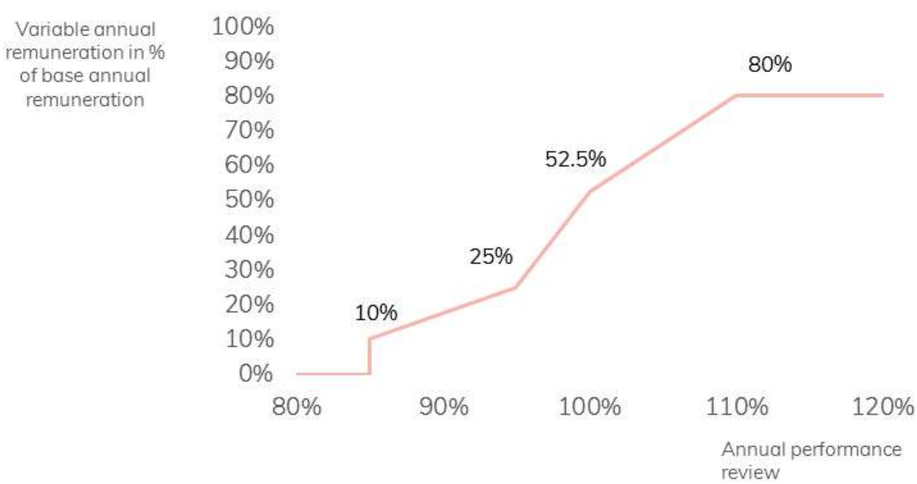
The maximum annual variable remuneration may not be higher than 80% of the base remuneration in force in the year to which the referred annual variable remuneration refers, being determined, and falling due, after the approval of accounts for the year to which it relates.

The annual variable remuneration has the nature of an incentive / performance bonus linked to short-term financial and non-financial objectives (linked to the business plan and budget), analysed annually, with a reflection on the year under evaluation and possible repercussions in the following years, being paid in cash. The amount of the annual performance bonus will be determined within three months after the approval of EDP's accounts at the Annual General Shareholders Meeting each year, by reference to the previous annual performance period / period.

The annual variable component is limited to 80% of the base remuneration in force in the year to which the referred annual variable remuneration refers, being attributed according to the following parameters, calculated linearly:

- If the performance reaches less than 85% of the defined objectives, there is no place for the attribution of an annual variable component;
- If the performance achieved is between 85% and 95% of the defined objectives, an amount within the range of 10% and 25% of the fixed reference remuneration of each EBD member is due;
- If the performance achieved is between 95% and 100% of the defined objectives, an amount within the range of 25% and 52.5% of the fixed reference remuneration of each EBD member is due;
- If the performance achieved is between 100% and 110% of the defined objectives, an amount within the range of 52.5% and 80% of the fixed reference remuneration of each EBD member is due;
- If the performance achieved reaches more than 110% of the objectives set, the amount corresponding to 80% of the reference fixed remuneration of each EBD member is due.

Graphically:



The payment of annual performance bonus is partially deferred in 30% of its value throughout a 2-year period, with the payment to be carried out in 50% each year, with EDP reserving through the REMC the possibility of not applying such deferral when the annual amount of the bonus is not higher than 20% of the relevant base remuneration.

Key annual performance indicators (and weights) against the year of reference.

- Quantitative component:
    - Growth – Earnings per share recurring (20%)
    - Shareholder remuneration – Total Shareholder return vs Eurostoxx utilities (20%)
    - Balance sheet solidity – Funds from Operations/Net Debit (10%)
    - Operational efficiency – Recurring Cash OPEX (10%)
    - ESG indicator(s) (20%)
        - Dow Jones Sustainability Index Results
        - Performance in the employees' yearly climate study
        - Performance in the customer satisfaction index

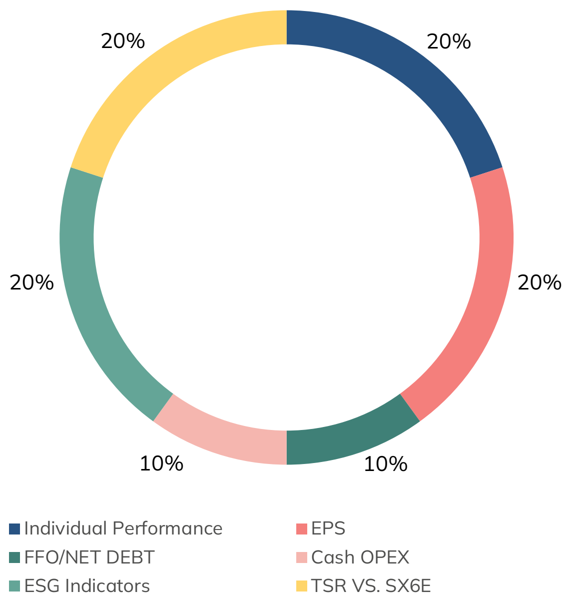
The 80% resulting from the weighted sum of these indicators reflects a performance that is common to all members of the EBD.

The performance level of a given quantitative objective must be greater than or equal to 85% for that same objective to be considered in the calculation of the total performance, and each quantitative objective will have a maximum performance limit of 120%.

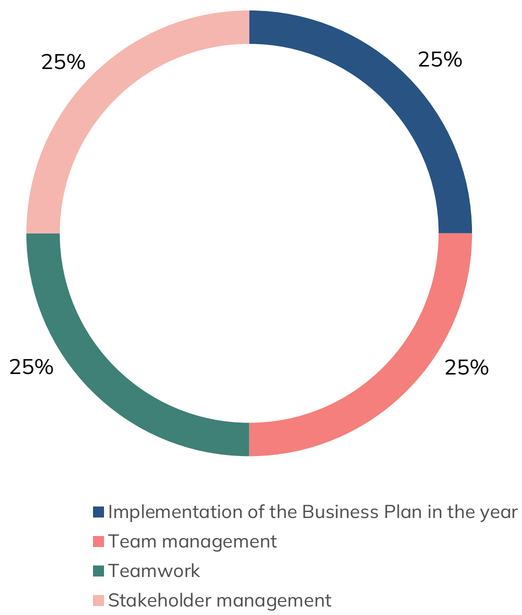
The remaining 20% result from an individualized qualitative assessment carried out by REMC, based on the individual performance of each of the members of the Executive Board of Directors, and after consulting the EBD, based on the following indicators:

- Qualitative component:
    - Implementation of the Business Plan in the year (25%)
    - Team management (25%)
    - Teamwork (25%)
    - Stakeholder management (25%)

ANNUAL PERFORMANCE INDICATORS (%)



QUALITATIVE COMPONET (%)



	KPI	WEIGHT	COMPARATIVE	DESCRIPTION
QUANTITATIVE COMPONENT (80%)	*Growth – Earnings per share recurring*	20%	Budget 2021	Comparison of the net earnings per share for the year under review with the objective previously defined in the annual budget object of prior favourable opinion by the General and Supervisory Board.
	Shareholder remuneration – Total Shareholder return vs Eurostoxx utilities	20%	SX6E	Comparison of profitability for EDP shareholders on the market (TSR) with the TSR of a benchmark index, the Eurostoxx utilities (SX6E, which includes the main companies in the utilities sector in the Euro zone).
	Balance sheet solidity – Funds from Operations/Net Debit	10%	Budget 2021	Comparison of the ratio between Funds from operations and net debt with the objective previously defined in the annual budget approved by the General and Supervisory Board.
	Operational efficiency – Recurring Cash OPEX	10%	Budget 2021	Comparison between the OPEX cash achieved in the year under evaluation with the same indicator considered in the annual budget approved by the General and Supervisory Board.
	ESG indicators	20%	Annual evolution of indices and studies	Results of the Dow Jones Sustainability Index, Performance in the annual study of employee climate and performance in the customer satisfaction index.
QUALITATIVE COMPONENT (20%)	Individual Performance Assessment	20%	-	Individual qualitative assessment carried out by the Remuneration Committee of the General and Supervisory Board, based on the individual performance of each of the members of the Executive Board of Directors, and after consulting this body, based on the following indicators: • Implementation of the Business Plan in the year (25%) • Team management (25%); • Teamwork (25%); • Stakeholders' management (25%)
	Total	**100%**		

The payment of annual variable remuneration is subject to the permanence of the members of the Executive Board of Directors in office until the end of the relevant annual period of performance, without prejudice to the provisions of the Remuneration Policy.

Multiannual Component

The multiannual variable remuneration will be calculated and will be due within 3 months after the approval of accounts for the last financial year of the three-year period to which it relates, and will be paid in EDP Shares.

The number of EDP shares to be awarded to each member of the Executive Board of Directors will be the one resulting from the quotient between the value of the remuneration calculated as to be paid in EDP shares after performance evaluation, and the price attribution of EDP shares corresponding to the average price of EDP shares in the last month prior to the General Shareholders' Meeting on 14 April 2021: EUR. 4.95.

The multi-annual variable remuneration will be measured according to the fulfilment of long-term financial and non-financial objectives in accordance with the Business Plan approved by EDP, including the Company's sustainability metrics within the scope of ESG (Environment, Social and Governance) policies and objectives.

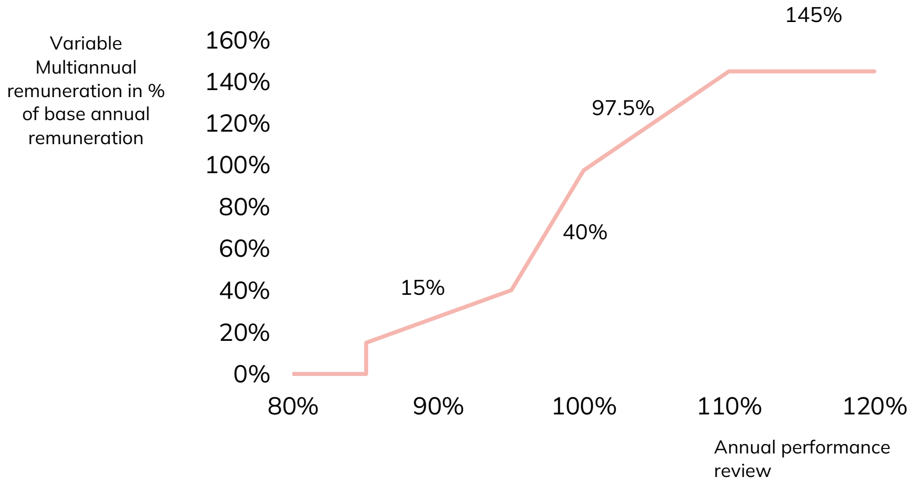
The payment of two thirds of the multi-annual variable remuneration payable in EDP shares will be deferred and must be paid in two equal and successive annual instalments, ensuring that the payment of the multi-annual variable remuneration is made in the third year after each year of performance of the plan. multiannual year in reference, the first one due, respectively, and the second two years after the annual General Meeting at which the EDP accounts corresponding to the last year of the term in question are approved.

The payment of a significant part of the component of the multiannual variable remuneration in EDP shares reinforces the focus on the capital market and the alignment of interests of the members of the Executive Board of Directors with those of shareholders.

The maximum multiannual variable remuneration cannot be higher than 145% of the base remuneration earned during the three-year benchmark period, being attributed according to the following parameters, calculated on a linear basis:

- If the performance achieved is less than 85% of the defined objectives, there will be no multiannual variable remuneration attribution;
- If the performance achieved is between 85% and 95% of the defined objectives, it is due an amount within the range of 15% and 40% of the base total remuneration of each EBD member;
- If the performance achieved is between 95% and 100% of the defined objectives, it is due an amount within the range of 40% and 97.5% of the base total remuneration of each EBD member;
- If the performance achieved is between 100% and 110% of the defined objectives, it is due an amount within the range of 97.5% and 145% of the base total remuneration of each EBD member;
- If the performance achieved meets the defined objectives in more than 110%, it is due an amount equal to 145% of the fixed remuneration of each EBD member.

Graphically:



Key multi-annual performance indicators for the three-year term of office (and weightings) against the 2021-2025 Business Plan subject to a prior favourable opinion of the General and Supervisory Board of 24 February 2021, after approval by the Executive Board of Directors

- Quantitative component:
    - Shareholder remuneration - Total shareholder return vs Eurostoxx utilities (40%)
    - Growth - Earnings per share recurring cumulative (20%)
    - ESG indicators (20%)
        - Increase of share of renewable energy production
        - Emissions reduction
        - Bloomberg Gender Diversity Index Performance

The 80% resulting from the weighted sum of these indicators reflects a performance that is common to all members of the EBD.

The performance level of a given quantitative objective must be greater than or equal to 85% for that same objective to be considered in the calculation of the total performance and each quantitative objective will have a maximum performance limit of 120%.

The remaining 20% result from an individualized qualitative assessment carried out by the REMC, based on the individual performance of each of the members of the EBD, and after consulting the EBD, based on the following indicators:

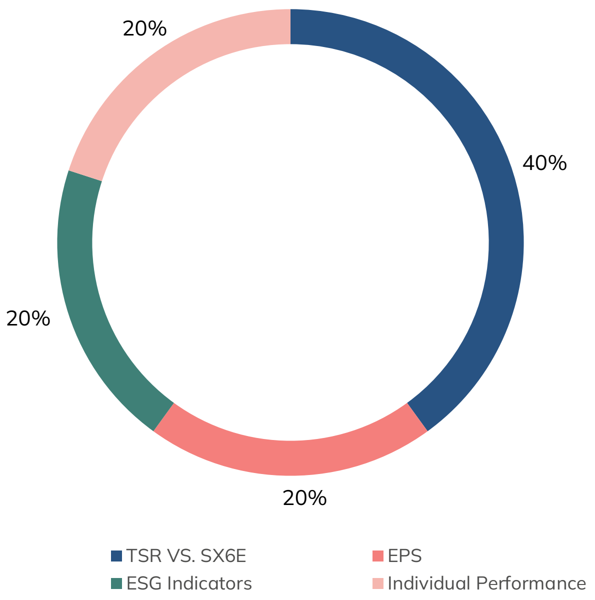
- Qualitative component:
    - Strategy and execution (25%)
    - Employee development (25%)
    - Teamwork and new forms of working (25%)
    - Stakeholders Management (25%)

The multiannual variable remuneration will only be due if, at the end of the mandate and considering the entire term of the mandate, an average of 85% of the objectives set has been reached.

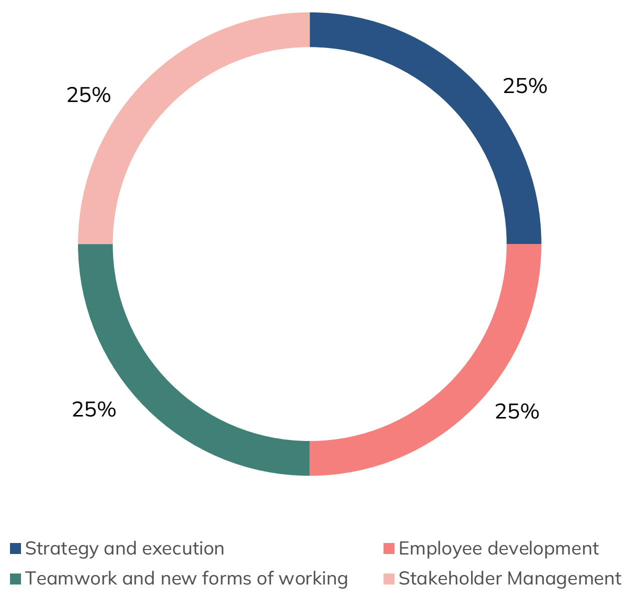
The payment of the multi-annual variable remuneration is subject to the permanence of the members of the Executive Board of Directors in office until the end of the three-year period of relevant performance, without prejudice to the provisions of the Remuneration Policy.

The members of the Executive Board of Directors are prohibited from entering into contracts, either with EDP or with third parties, which have the effect of mitigating the risk inherent to the variability of the remuneration set for them by EDP.

MULTIANNUAL PERFORMANCE INDICATORS (%)



QUALITATIVE COMPONENT (%)



	KPI	WEIGHT	COMPARATIVE	DESCRIPTION
QUANTITATIVE COMPONENT (80%)	Total shareholder return (TSR) vs Eurostoxx utilities	40%	SX6E	Comparison of the return generated for EDP shareholders on the market (TSR) with that of the Eurostoxx utilities benchmark index (SX6E, which includes the main companies in the utilities sector in the Euro zone). This comparison is made between quotations at the end of the three-year period and considers the reinvestment of dividends received in the period.
	Earnings per Share recurring cumulative	20%	Business plan	Comparison of net earnings per share with the target previously defined for that year in the multi-annual Business Plan object of prior favourable opinion by the General and Supervisory Board.
	ESG indicators	20%	Multi-annual evolution of renewables penetration, emission reduction and index	This indicator assesses the increase in penetration of renewables, reduction of emissions, Bloomberg Gender Diversity Index.
QUALITATIVE COMPONENT (20%)	Individual Performance Assessment	20%	-	Individual assessment of the performance in the period considered of each of the members of the Executive Board of Directors carried out by the Remuneration Committee of the General and Supervisory Board, and after consulting the Executive Board of Directors, based on the following indicators: ❖ Strategy and execution (25%) ❖ Employees' development (25%) ❖ Teamwork and new forms of working (25%) ❖ Stakeholders' management (25%)
	Total	**100%**		

Below is a summary table of the remuneration framework applicable to members of the Executive Board of Directors:

	ELEMENT	Approved at GSM 2021	2021	2022	2023	2024	2025	2026
FIXED COMPONENT	Fixed Remuneration	Defined by REMC						
	Retirement Savings Plan	Net amount corresponding to 10% of the base remuneration						
	Other benefits	Insurance, use of car						
VARIABLE REMUNERATION – ANNUAL COMPONENT	Variable Remuneration	Maximum of 80% of fixed remuneration		70% - award 2021	15% - award 2021	15% - award 2021		
					70% - award 2022	15% - award 2022	15% - award 2022	
						70% - award 2023	15% - award 2023	15% - award 2023
VARIABLE REMUNERATION – MULTIANNUAL COMPONENT	Variable Remuneration	Maximum of 145% of fixed remuneration	Performance period			1/3 of award 2021-23	1/3 of award 2021-23	1/3 of award 2021-23
OTHER CORPORATE GOVERNANCE TOPICS	Clawback and Malus rules	Remuneration paid during the period in which the facts were committed, overdue, or to be awarded, will be refunded, retained, or not awarded	Clawback and Malus: the right to variable remuneration and its effective payment is conditioned to the non-performance, by the members of the Executive Board of Directors, of any wilful unlawful acts known after the evaluation has been carried out and that cause damage to EDP or jeopardize the sustainability of performance of EDP and are the subject of a claim for damages against EDP, presented by shareholders or third parties.					

Performance evaluation to be carried out by the Remuneration Committee of the General and Supervisory Board

Under the terms of the remuneration policy in force, the remuneration of directors comprises a qualitative component, namely in relation to the annual variable remuneration (weighted by the individual performance evaluation of each of the members of the Executive Board of Directors, representing 20% and taking into account performance during one year) and in relation to the multi-annual variable remuneration (weighted by the individual performance evaluation of each of the members of the Executive Board of Directors, representing 20%, and taking into account the performance during the three-year period).

For this purpose, the General and Supervisory Board carries out a self-assessment of its activity and performance, as well as of the respective Committees, whose conclusions are presented in the annual activity report of the General and Supervisory Board (Article 12 of the Internal Regulations of the General and Supervisory Board). This corporate body also carries out an independent assessment of the activity and performance of the Executive Board of Directors, conclusions of which are presented to the General Shareholders' Meeting and annexed to above referred report.

EDP, on the initiative of the General and Supervisory Board, voluntarily instituted a formal and objective process to assess both the activity of this body and the activity of the Executive Board of Directors. The experience of recent years has allowed the General and Supervisory Board to introduce some changes to the process with a view to making it more effective and efficient. During 2021, the methodology adopted comprised the following steps:

- Conduction of the process of collective evaluation of the General and Supervisory Board, its Specialized Committees, and the Executive Board of Directors by an external entity, with a view to carrying out interviews based on individual questionnaires to the members of the supervisory body and to support in completing and validation of the treatment of information supporting the evaluation process;
- At the beginning of 2022, each member of the General and Supervisory Board responded to an interview conducted by specialized consultants, answering questions of a quantitative and qualitative nature; namely, issues related to the composition, organization and functioning, performance of the General and Supervisory Board's activity and the relationship of this Board with its Specialized Committees and with other EDP governing bodies were analysed; Likewise, issues related to the composition and organization of the Executive Board of Directors, performance of the respective activity and the relationship between the Executive Board of Directors and the General and Supervisory Board were analysed, including with other interlocutors;
- Assessment reports were produced by the General and Supervisory Board, its Specialized Committees, and the Executive Board of Directors, which are made available for consideration at a meeting of the General and Supervisory Board;
- At a meeting, the General and Supervisory Board issued the respective assessment opinions, which are included in this body's annual activity report;
- At the General Meeting, in the point concerning the assessment of the Executive Board of Directors, the Chairman of the General and Supervisory Board presents the respective opinion.

In 2021, the Remuneration Committee of the General and Supervisory Board hired an external consultant, Mercer (Portugal), Lda., to provide support in the validation and certification of the calculation of the annual and multi-annual variable remuneration of the members. of the Executive Board of Directors.

In January 2022, the General and Supervisory Board also contracted Mercer (Portugal), Lda. to provide services within the scope of certification of the evaluation process of the aforementioned body, its Specialized Committees, and the Executive Board of Directors. These certifications can be consulted in the 2021 Annual Report of the General and Supervisory Board.

Maximum potential amount in case of full compliance with the defined objectives

By reference to each year of term-of-office, the maximum potential amount to be attributed to the members of the Executive Board of Directors per mandate, in the event of full compliance with the defined objectives, which implies the payment of the maximum amounts fixed for the annual and multi-annual variable remuneration, under the terms described above, is the following:

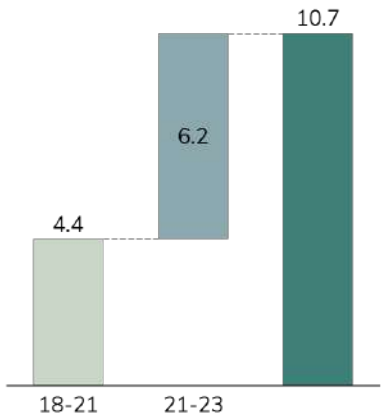
- Chairman of the Executive Board of Directors: 2,600,000 Euros
- Remaining members of the Executive Board of Directors: 7,280,000 Euros
- Total amount: 9,880,000 Euros

Itemized Remuneration

The gross global amount paid by EDP to the members of the Executive Board of Directors in 2021 was 10,691,416 Euros, of which 6,249,774 Euros refer to the 2021-2023 term of office starting on 19th January 2021.

The following chart illustrates the breakdown between the amounts paid, in millions of Euros, during 2021 for each of the mandates:

Remuneration of the Executive Board of Directors
(millions of EUR.)



The table below shows, in Euros, the gross remuneration amounts paid in 2021, individually, to the members of the Executive Board of Directors in office until 19 January 2021, regarding the 2018-2020 term of office:

	GROSS REMUNERATION PAID BY EDP [1]			
	FIXED	ANNUAL COMPONENT (2020)	MULTIANNUAL COMPONENT (2018)	TOTAL
António Luís Guerra Nunes Mexia	48,424	558,626	727,952	1,335,002
João Manuel Manso Neto	33,897	391,038	500,629	925,564
António Fernando Melo Martins Costa	24,902	329,251	383,146	737,299
João Manuel Veríssimo Marques da Cruz	14,518	211,361	250,876	487,262 [2]
Miguel Stilwell de Andrade	32,932	402,942	500,629	936,503
Miguel Nuno Simões Nunes Ferreira Setas	110,184 [3]	224,388	289,559	864,131 [4]
Rui Manuel Rodrigues Lopes Teixeira	27,366	340,771	413,789	781,926
Maria Teresa Isabel Pereira	25,485	329,251	413,789	768,525
Vera de Morais Pinto Pereira Carneiro	28,016	333,859	421,450	783,325

(1) The remuneration of the members of the Executive Board of Directors includes the amounts related to the Retirement Savings Plan.
(2) The total amount includes EUR. 10,507 paid by companies of the EDP Group (according to the remuneration table paid by companies in a controlling relationship).
(3) This amount includes an exchange/tax adjustment in the amount of Eur. 96,170 relative to the previous year.
(4) The total amount includes 240,000 Euros paid by companies of the EDP Group (as per the table below of remuneration paid by companies in a controlling relationship).

The table below shows, in Euros, the gross remuneration amounts paid in 2021, individually, to the members of the Executive Board of Directors in office since 19 January 2021, in relation to the 2021-2023 term of office, as well as the total earned by each of these members in 2021:

	GROSS REMUNERATION PAID BY EDP (*)			
	FIXED From 19 January 2021 to 14 April 2021	FIXED From 14 April 2021 to 31 December 2021	TOTAL (term 2021-2023)	TOTAL 2021 (term 2018-2020 and 2021-2023)
Miguel Stilwell de Andrade	230,863	686,701	917,564	1,854,067
Miguel Nuno Simões Nunes Ferreira Setas	72,262	440,647	512,909	1,377,040
Rui Manuel Rodrigues Lopes Teixeira	160,789	481,442	642,231	1,424,157
Vera de Morais Pinto Pereira Carneiro	144,197	481,036	625,233	1,408,557
Ana Paula Garrido de Pina Marques	143,299	481,150	624,450	624,450

(*) The remuneration of the members of the Executive Board of Directors includes the amounts related to the Retirement Savings Plan.

The amounts of variable remuneration were fixed based on the tax treatment applicable in the country in which the Director was tax resident. The amounts paid by companies' majority owned by EDP refer exclusively to the period of residence abroad.

The table below shows the gross remuneration paid to members of the Executive Board of Directors by other companies in a controlling or group relationship or that are subject to a common control.

EUROS	FIX	ANNUAL COMPONENT (2020)	GROSS REMUNERATION PAID BY EDP COMPANIES IN DOMAIN RELATIONSHIP
João Manuel Veríssimo Marques da Cruz	10,507	0	EDP - Asia Soluções Energéticas, Lda.
Miguel Nuno Simões Nunes Ferreira Setas	240,000	0	EDP - Energias do Brasil, S.A.

Additional benefits

The members of the Executive Board of Directors also benefit from the following additional benefits:

- Payment of an annual Life Insurance and Personal Accident Insurance premium (along with the other associated costs), under the terms that will take as reference the policies in force at EDP;
- Payment of an annual premium for / co-payment of / access to Health Insurance, extendable to spouse and children (along with other associated costs), under the terms that will take as reference the policies in force at EDP;
- Use of a vehicle, in terms of the culture and practice consistently followed at EDP for service vehicles, which includes, for the members of the Executive Board of Directors, the assignment of a driver, payment of costs and expenses related to the vehicle and its use.

The benefits and rights granted to the members of the Executive Board of Directors under the employment contracts they have entered into with EDP will be suspended during the exercise of their duties as members of the Executive Board of Directors, thus not adding to the benefits and rights above indicated.

The benefits and rights attributed to the members of the Executive Board of Directors under the terms of the Remuneration Policy may, by decision of the Remuneration Committee of the General and Supervisory Board, with a favourable opinion from the Corporate Governance and Sustainability Committee, be adjusted according to the practices market and continued alignment with EDP's general Human Resources policy applicable at any given time, and must be justifiably reported in the first remuneration report that is presented after the aforementioned adjustment.

Pursuant to Article 402 of the Portuguese Companies Code and Article 27(1) of EDP's Articles of Association, the Company may create old-age or disability retirement pension supplements in favour of the members of the Executive Board of Directors. EDP has not created a supplementary retirement pension fund or plan for directors, instead making annual contributions / or co-contributions with the director to a Retirement Savings Plan (PPR) in a net amount corresponding to 10% of the respective remuneration base. The PPR is subscribed by EDP with the insurance company of its choice, indicating the director as an insured person, with EDP's defined contribution paid in 12 monthly instalments. The PPR characteristics will correspond to the usual characteristics in the market for this type of product, being refundable before the end of the respective term, under the terms legally applicable to these financial products. The PPR currently available to the members of the Executive Board of Directors may, with a favourable opinion from the Remuneration Committee of the General and Supervisory Board, be replaced by unit linked capitalization insurance or equivalent vehicle, depending on the offer and market practices at any given time.

Malus and clawback rules

The right to variable remuneration and its effective payment is conditioned to the non-performance, by the members of the Executive Board of Directors, of any malicious illegal acts known after the evaluation has been carried out, and which cause damage to EDP or jeopardize the sustainability of performance of EDP and are the subject of a claim for compensation to EDP, by shareholders or third parties.

If the provisions of the previous paragraph are verified, the variable remuneration paid during the period of practice of the facts, overdue, or to be awarded, will be reimbursed, withheld, or not awarded to compensate for the damages caused up to the competition of the full amount thereof.

Exceptional payments arising from termination of service and non-compete agreements

Following the suspension of duties, during 2020, of Dr. António Luís Guerra Nunes Mexia, Chairman of the Executive Board of Directors for the three-year period 2018-2020, and of Dr. João Manuel Manso Neto, Director of the Company in the same term, by court order issued within the scope of the process concerning the termination of Energy Acquisition Contracts and transition to the Contractual Balance Maintenance Costs regime and the extension of the use of the Public Hydric Domain, and the conclusion with EDP, on 20 November 2020, of termination of office and non-compete agreements, it was agreed that EDP would maintain the obligation to pay the aforementioned Directors the monetary amounts due as remuneration in relation to the mandate elapsed between 2018 and 2020, including the respective fixed and variable, annual and pluriannual, whose evaluation is the responsibility of the Remuneration Committee of the General and Supervisory Board, under the terms in force in the respective the remuneration policy statement approved by this Committee and submitted to the appreciation of the General Meeting.

Given that the aforementioned Directors had access, as a result and inherent in the performance of their duties, for a period of fourteen years, to knowledge and extensive privileged and particularly sensitive information in terms of competition in relation to the strategy and business of the EDP Group , non-compete pacts were also signed with reference to the period after termination of duties. According to the analysis that preceded the conclusion of the termination of functions and non-compete agreements, the interests of the signatory parties were duly safeguarded, with the respective final terms being based on the best market practices.

As consideration for the non-compete obligation, EDP undertook to pay to Dr. António Luís Guerra Nunes Mexia, for a period of three years, the amount of 800,000 Euros and the maintenance, during the same period, of the payment of insurance premiums and life insurance, as well as the PPR Life Insurance whose net amount represents 10% of the fixed annual remuneration, and to Dr. João Manuel Manso Neto, for a period of three years, the amount of 560,000 Euros and the maintenance , during the same period, of the payment of a PPR Life Insurance premium, the net amount of which represents 10% of the fixed annual remuneration. The termination and non-compete agreements entered into were subject to approval by the Remuneration Committee of the General and Supervisory Board, under the terms of article 429 of the Commercial Companies Code, article 27 of the EDP Statutes and the article 12, point h) of the Internal Regulations of the Remuneration Committee of the General and Supervisory Board at a meeting held on 13 November 2020, and the General and Supervisory Board, at the meeting held on 17 November 2020, expressed its agreement to the respective conclusion and conferred powers to two members of the Remuneration Committee of the General and Supervisory Board to represent the Company in the signature of the referred agreements.

In this context, in 2021, 400,000 Euros were paid to Dr. António Mexia as consideration for the non-compete obligation, in January and July, totalling 800,000 Euros, as well as the aggregate amount of 65,069.17 Euros relating to insurance premiums health and life insurance and PPR Life Insurance.

In January 2021, the gross amount of 280,000 Euros was paid to Dr. João Manuel Manso Neto, and in March 2021, Dr. João Manso Neto refunded the net amount of 233,800.00 Euros, as a result of the unilateral termination, regarding the non-compete obligations, relating to the Termination of functions and Non-Compete Agreement. In May 2021, the amount of 5,548.39 Euros, which had been credited in the PPR of Dr. João Manso Neto, was also refunded to EDP.

B. Remuneration policy applicable to members of the Governing Bodies approved by the Remuneration Committee elected by the General Meeting

The Remuneration Committee elected by the General Meeting takes into account, for the purposes of the proposed remuneration policy for the members of the General and Supervisory Board, the Board of the General Meeting and the Statutory Auditor, namely, their fixed nature, as well as the mandatory rules on their determination, in particular the provisions of number 2 of article 440 of the Commercial Companies Code, which explains the criteria for determining the remuneration of the General and Supervisory Board, in article 374-A of the Commercial Companies Code, pursuant to Law no. 50/2020, of 25 August, on the remuneration of members of the Board of the General Meeting and in article 60 of Decree-Law no. 224/2008, of 20 November, on the remuneration of the Statutory Auditor.

It is therefore incumbent upon the Remuneration Committee elected at the General Meeting to set the remuneration of the members of the following governing bodies: Board of the General Meeting, Chairman and members of the General and Supervisory Board, Statutory Auditor and the Environment and Sustainability Board. The Financial Matters Committee/Audit Committee is treated together with the other Specialized Committees of the General and Supervisory Board.

Considering the competence of the Remuneration Committee elected at the General Meeting, its attributions aim to define fixed remuneration, so the legal determinations and others relating to variable remuneration, with their various dimensions, are not applicable here, without prejudice to the necessary alignment, underlying the principles that shape remuneration policies, anchored, namely in the EDP Business Plan for the period 2021-2025.

Procedures for adopting the policy

In the definition of the Remuneration Policy, proposals are made to ensure that remuneration is adequate, contribute to the business strategy and sustainability of EDP and reflect the risk profile and the long-term objectives and interests of EDP, showing still complying with legal norms, principles, and relevant national and international recommendations.

The Remuneration Committee elected by the General Shareholders' Meeting is also attentive to market references, following benchmark studies carried out in due course.

Also in defining this policy, the Remuneration Committee elected by the General Meeting maintains interactions both with members of the relevant governing bodies and with the Company's stakeholders.

As is the case of the Executive Board of Directors, the General and Supervisory Board and its Specialized Committees, the Remuneration Committee elected by the General Shareholders' Meeting develops mechanisms for the prevention and management of conflicts of interest, under the terms set out in article 10 of the EDP Statutes, observing the following essential rules:

(i) When a member of the Remuneration Committee is in a situation of actual or apparent conflict of interest in a decision to be taken by this body, he must previously inform the Committee of the facts that may constitute or give rise to a conflict between his interests and the Social.

(ii) In the situation referred to in the previous number, the member of the Remuneration Committee must abstain from participating and voting at the meeting in which the topic is discussed and voted on, without prejudice to the duty to provide information and clarifications that the Committee or the respective members ask you.

It should also be noted that, under the statutory terms, the Remuneration Committee elected by the General Meeting is composed of a majority of independent members.

General Definition and Characterization

When defining the remuneration policy presented by the Remuneration Committee and approved at the General Meeting, held on 14 April 2021, the following factors were considered:

(i) There is a renewal of the governing bodies with some depth, with the decrease in the number of members of the General Supervisory Board being highlighted;

(ii) Experience has shown that the functions are increasingly demanding and complex, which requires greater availability of this body, and it should be noted that, in 2020, instead of the eleven annual meetings that were usually held, there were nineteen;

(iii) The remuneration of the governing bodies, with the exception of the remuneration of the Chairman of the General Supervisory Board, has not changed since 2009, and in that year there was a reduction in relation to the 2006/2008 term of office;

(iv) Remuneration must also consider market comparables and be sufficiently attractive and adjusted to the responsibilities of the functions;

(v) The current remuneration of the members of the General Supervisory Board is, for the reasons mentioned above, well below market comparables, namely in the sector in which EDP operates.

The proposed Remuneration Policy for the Members of the Governing Bodies aims to comply with the provisions of Law no. 50/2020, 25 August, and incorporate the corporate governance guidelines set out in the IPCG Corporate Governance Code and adopted by the Company, framing within the guidelines that have been defined by the Company's reference shareholders, which are formulated in accordance with the aforementioned applicable rules and recommendations and with the best practices existing in the sector.

It should be noted, as already mentioned, that the proposal for the Remuneration Policy for the Members of the Governing Bodies has a necessarily limited and reduced scope, since the definition of the remuneration policy for the members of the Executive Board of Directors is in charge of the Remuneration of the General and Supervisory Board.

Therefore, the scope of the proposed Remuneration Policy does not include any variable remuneration to directors, remuneration based on shares or any other remuneration complement, a matter that is the responsibility of the Remuneration Committee of the General and Supervisory Board. For this reason, several legal provisions deriving from Law no. 50/2020, 25 August, concerning the referred matters, notably, those set forth in Article 26-C (3) (4).

Principles underlying the remuneration policy of the members of the Governing Bodies (excluding that of the Executive Board of Directors)

The Remuneration Committee elected by the General Shareholder's Meeting defined the remuneration policy for the members of the General and Supervisory Board, having as a guiding principle that it should be simple, transparent, moderate, adapted to the working conditions performed and the Company's economic situation, but, also competitive and equitable, in order to guarantee the purpose of creating value for shareholders and other stakeholders.

The Remuneration Committee elected by the General Shareholders' Meeting based its decisions on remuneration policy on the following main guiding principles:

(i) Definition of a simple, clear, understandable, transparent policy in line with EDP's culture, so that the remuneration practice can be based on uniform, consistent, fair, and balanced criteria.

(ii) Definition of a policy consistent with effective risk management and control, to avoid excessive exposure to risk and conflicts of interest and seeking consistency with the Company's long-term objectives and values.

(iii) Evaluation and encouragement of a judicious action in which merit must be duly rewarded, ensuring levels of homogeneity compatible with the necessary cohesion of the General Supervisory Board, while also considering the economic and financial situation of the company and the country, even though EDP operates on a global scale.

(iv) Alignment of the remuneration of the various members of the governing bodies by companies with the highest market capitalization and European counterparts, naturally adapted to the Portuguese market.

(v) The most recent recommendations issued by the European Union and the Securities Market Commission.

(vi) Alignment of remuneration with the specific responsibilities inherent to the position in question.

(vii) Alignment of remuneration with the time required to spend in each position.

(viii) Simplification of the remuneration policy.

Structure of the remuneration policy for the members of the Governing Bodies (excluding that of the Executive Board of Directors)

Based on these criteria and considering the challenges that the Company intends to pursue during the next term of office, the Remuneration Committee elected by the General Meeting decided that the following guidelines should apply

(i) A distinction must be maintained between the remuneration attributed to the members of the General Supervisory Board and those fixed to the members of the Executive Board of Directors, with the former not being allocated a variable remuneration component or any other remuneration supplement.

(ii) The performance with merit and the complexity of the functions performed by the members of each body must be considered, so that the cohesion, stability, and development of the Society are not jeopardized.

(iii) Regarding the Chairman of the General Supervisory Board, it must be considered that the functions require great availability and include a strong component of institutional representation. He may also chair the Financial Matters Committee/Audit Committee, without additional remuneration.

(iv) If the chairmanship of the Financial Matters Committee/Audit Committee is assigned to another member of the General Supervisory Board, other than its Chairman, he/she must have a compatible remuneration, depending on the responsibility of the position and the requirement of availability.

(v) In any case, the Chairman of the General Supervisory Board, or the Chairman of the Financial Matters Committee/Audit Committee, if they are separate persons, may not accumulate any other remuneration in relation to the basis assigned to them.

(vi) It is also important to differentiate the performance of other specific functions, within the scope of the General Supervisory Board, namely the participation of members of the General Supervisory Board in other committees, as well as the functions performed in these committees.

(vii) Finally, it should be considered that, historically, the remuneration of the Chairman of the Board of the General Meeting is similar to the remuneration attributed to the Chairman of a Committee. For this reason, the remuneration of the Chairman of the Board is aligned accordingly, and his inherent membership of the position of Member of the General Supervisory Board is also considered.

C. Specifics applicable to the remuneration of the members of the General and Supervisory Board

In compliance with the provisions of article 440 of the Commercial Companies Code, the remuneration of the members of the General and Supervisory Board is of a fixed nature, considering the duties performed.

The remuneration policy currently in force was approved at the General Shareholders' Meeting held on 14 April 2021.

The remuneration of the Chairman of the General and Supervisory Board was set considering, namely, the necessary availability for the performance of his duties as well as the important component of institutional representation required. The remuneration of the Chairman of the General and Supervisory Board also includes the costs associated with the use of the vehicle and its driver.

Remuneration limits

Accordingly, and considering the aforementioned, the Remuneration Committee elected by the General Shareholders' Meeting submitted to the shareholders the proposal for the gross remuneration of the members of the governing bodies identified below, for the financial year that began on 14 April 2021 and until the term of office, under the terms that follow:

GENERAL AND SUPERVISORY BOARD	ANNUAL REMUNERATION
Chairman of the General and Supervisory Board:	EUR. 515,000.00
Member of the General and Supervisory Board:	EUR. 70,000.00

FINANCIAL MATTERS COMMISSION / AUDIT COMMITTEE: the following values add to the base remuneration	ANNUAL REMUNERATION

President:	+ EUR. 73,000.00 ([3]) (total de EUR. 143,000.00)
Member:	+ EUR. 25,000.00

OTHER COMMITTEES: MEMBER OF THE GENERAL AND SUPERVISORY COUNCIL WHO ACCUMULATES FUNCTIONS IN ONE OR MORE COMMITTEES:	ANNUAL REMUNERATION
For each Commission in which he participates as President:	+ EUR. 25,000.00
For each Committee in which you participate as a Member:	+ EUR. 20,000.00

Regarding the establishment of the remunerations listed above, the following rules are also added:

- The Chairman of the General and Supervisory Board and the Chairman of the Financial Matters Committee/Audit Committee (if not the Chairman of the General Supervisory Board), even if they form part of other committees, will not have any additional remuneration.
- No other Member of the General and Supervisory Board may, in addition to the basic remuneration, accumulate remuneration in more than two committees, in accordance with the rules referred to above, even if they participate in a greater number.

Amounts earned broken down

The gross global amount paid by EDP to the members of the General and Supervisory Board in 2021 was 2,053,113.70 Euros.

The following table shows the amounts of remuneration paid during the 2021 financial year to members of the General and Supervisory Board in office, during the 2018-2020 term, until 14 April 2021:

MEMBERS OF THE GENERAL AND SUPERVISORY BOARD	FIX EUROS
Luís Filipe Marques Amado	148,778
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.([1])	55,828
China Three Gorges Corporation	27,181
China Three Gorges International Corp.	16,778
China Three Gorges (Europe), S.A.	19,640
China Three Gorges Brasil Energia Ltda	16,984
Banco Comercial Português, S.A.	16,467
DRAURSA, S. A. ([2])	26,716
SONATRACH	16,467
Senfora BV	16,467
Fernando Maria Masaveu Herrero	19,169
Maria Celeste Ferreira Lopes Cardona	23,111
Ilídio Costa Leite Pinho	16,467
Jorge Avelino Braga Macedo	19,356
Vasco Joaquim Rocha Vieira	19,356
Augusto Carlos Serra Ventura Mateus	19,356
João Carvalho das Neves	32,903
María del Carmen Fernández Rozado	20,028
Laurie Lee Fitch	16,308
Clementina Maria Dâmaso de Jesus Silva Barroso	31,041
Luís Maria Viana Palha da Silva	20,028

[3] Applicable in this term of office, since the function is not performed by the Chairman of the General Supervisory Board.

(1) Remuneration paid to the representative Eduardo de Almeida Catroga
(2) Of the total amount, EUR. 7,500 are due to adjustments in relation to the 2020 financial year

The following table shows the amounts of remuneration paid during the 2021 financial year to the members of the General and Supervisory Board in office, for the 2021-2023 term, as of April 14, 2021:

MEMBERS OF THE GENERAL AND SUPERVISORY BOARD	FIX EUROS
João Luís Ramalho de Carvalho Talone	397,653
China Three Gorges Corporation	49,972
China Three Gorges International Limited	49,503
China Three Gorges (Europe), S.A.	63,779
China Three Gorges Brasil Energia Ltda.	63,575
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.([1])	67,819
DRAURSA, S. A.	78,481
Fernando Maria Masaveu Herrero	64,250
João Carvalho das Neves	102,086
María del Carmen Fernández Rozado	82,097
Laurie Lee Fitch	78,528
Esmeralda da Silva Santos Dourado	78,528
Helena Sofia da Silva Borges Salgado Fonseca	82,097
Zili Stephen Shao	64,250
Sandrine Dixson-Declève	64,250
Luís Maria Viana Palha da Silva	67,819

(1) Remuneration paid to the representative Dr. Miguel Espregueira Mendes Pereira Leite

D. Specifics applicable to the remuneration of the Statutory Auditor

Contractual nature

At the General Shareholders' Meeting held on 14 April 2021, PriceWaterhouseCoopers & Associados - Sociedade de Revisores de Contas, Lda., Sociedade Revisor Oficial de Contas number 183, represented by João Rui Fernandes Ramos (ROC n.º 1333), was re-elected to Statutory Auditor for the three-year period 2021-2023, having, on the same date, been re-elected Aurélio Adriano Rangel Amado (ROC n.º 1074), as Substitute of the Statutory Auditor, to perform duties during the aforementioned three-year period.

The Remuneration Committee elected by the General Shareholders' Meeting decided that the remuneration of the Statutory Auditor will correspond to the amounts contained in the "Agreement for the Provision of Legal Audit Services" entered into between EDP and PricewaterhouseCoopers & Associados - Sociedade de Revisores de Contas, Lda.

Scope of activity and services provided

PriceWaterhouseCoopers is responsible for carrying out the independent external audit of all the companies that make up the EDP Group, namely in Portugal, Spain, Brazil (only EDP Renováveis companies) and the United States of America, as well as in other countries where the Group is located. gift. In the EDP Energias do Brasil sub-group, the independent external audit is performed by KPMG.

All services provided by the Statutory Auditor during the 2021 financial year are detailed in chapter 4, point 46, of this Annual Report.

Fees earned

PRICEWATERHOUSECOOPERS

EUROS	PORTUGAL		SPAIN		BRAZIL		USA		OTHER COUNTRIES		TOTAL	
Audit and statutory audit of accounts	2,497,251		1,313,630		188,719		1,290,216		1,084,298		6,374,114	
Other assurance of reliability services (*)	928,094		316,214		6,000		-		14,865		1,265,173	
Total of audit and assurance of reliability services	3,425,345		1,629,844		194,719		1,290,216		1,099,163		7,639,287	98%
Tax consultancy services	-		-		-		-		-		-	
Other services	18,800		1,542		168,483		-		-		188,825	
Total of other services	18,800		1,542		168,483		-		-		188,825	2%
Total	**3,444,145**	**44%**	**1,631,386**	**21%**	**363,202**	**2%**	**1,290,216**	**16%**	**1,099,163**	**14%**	**7,828,112**	**100%**

(*) Includes assurance of reliability services of the exclusive competence and responsibility of the Statutory Auditor and External Auditor in accordance with the Regulations on Provision of Services by Statutory Auditor or Statutory Auditing Company approved by the General and Supervisory Board.

The amount of fees for "Audit and statutory auditing" in Portugal includes 1,711,710 Euros corresponding to the fees for statutory audit of the annual, individual and consolidated accounts of EDP - Energias de Portugal, S.A.

KPMG

EUROS	BRAZIL		TOTAL	
Audit and statutory audit of accounts	432,913		432,913	
Other assurance of reliability services	43,342		43,342	
Total of audit and assurance of reliability services	476,254		476,254	100%
Tax consultancy services	-		-	
Other additional services	-		-	
Total of other services	-		-	-%
Total	**476,254**	**100%**	**476,254**	**100%**

Services other than Audit and Legal Review of Accounts requested by Group companies from the External Auditor and other entities belonging to the same network, amounted to 1,497,340 Euros.

E. Particulars applicable to the remuneration of the Environment and Sustainability Board

Under the terms of the current remuneration policy, approved by the General Shareholders' Meeting on 14 April 2021, the members of the Environment and Sustainability Board are entitled to receive an attendance fee per meeting in the amount of 1,750 Euros.

In the 2021 financial year, the members of the Environment and Sustainability Board earned the remuneration indicated in the following table:

ENVIRONMENT AND SUSTAINABILITY BOARD ([1])	FIXED EUROS
José Manuel Caré Baptista Viegas	8,750 ([2])
Joana Pinto Balsemão ([3])	-
Joaquim Manuel Veloso Poças Martins	7,000 ([4])
Maria Mendiluce	0
Pedro Manuel Sousa Mendes Oliveira	7,000 ([5])

(1) António José Tomás Gomes de Pinho, member of the Environment and Sustainability Board during the 2018-2020 term, earned EUR. 5,250 related to previous years.
(2) Of the total amount, EUR. 5,250 are due to adjustments related to previous years.
(3) Waived the respective remuneration.
(4) Of the total amount, EUR. 1,750 are due to adjustments related to previous years.
(5) Of the total amount, EUR. 1,750 are due to adjustments related to previous years.

F. Particulars applicable to the remuneration of the Remuneration Committee of the General Meeting

Together with the re-election of the members of the Remuneration Committee of the General Meeting, the Meeting approved the respective remuneration, for the 2021-2023 term, in the following terms:

REMUNERATION COMITTEE:	ANNUAL REMUNERATION
President:	EUR. 20,000.00
Members:	EUR.15,000.00

The members of the Remuneration Committee of the General Meeting received, in 2021, the following remunerations:

REMUNERATION COMMITTEE OF THE GENERAL SHAREHOLDER'S MEETING (*)	FIXED EUROS
Luís Miguel Nogueira Freire Cortes Martins	29,278
José Gonçalo Ferreira Maury	20,708
Jaime Amaral Anahory	20,708

(*) Due to a processing error, a payment of EUR 15,000 was advanced to the Chairman and of EUR 10,000 to the two other members of the Remuneration Committee of the General Shareholders' Meeting, amounts that will be settled during the 2022 financial year

G. Particulars applicable to the remuneration of the Chairman of the General Meeting

The remuneration policy submitted by the Remuneration Committee elected by the General Meeting, approved at the General Meeting held on April 14, 2021, provides, as regards the members of the Board of the General Meeting, as follows:

BOARD OF THE GENERAL MEETING:	ANNUAL REMUNERATION[1]
President:	EUR. 70,000.00, plus EUR. 25,000.00
Vice-President:	EUR. 5,000.00

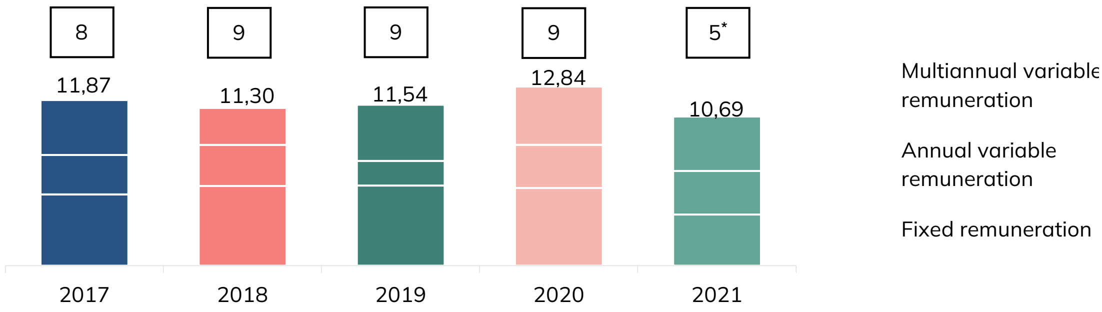
(1) Gross amounts

The Chairman and Secretary of the Board of the General Shareholders' Meeting do not receive remuneration in this capacity, given that they are remunerated as a member of the General and Supervisory Board and as Company Secretary, respectively.

In 2021, the Vice-Chairman of the General Meeting, during the 2018-2020 term, earned a remuneration of 3,000 Euros.

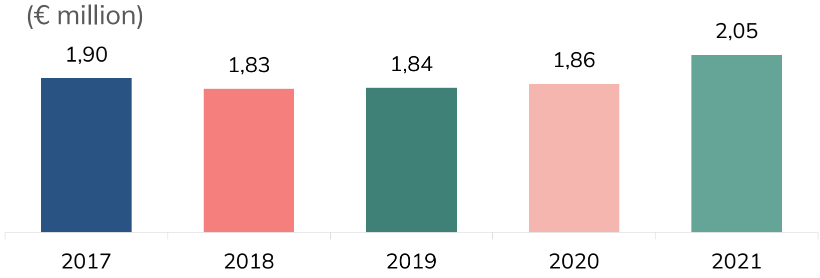
H. Evolution of the remuneration and performance

Remuneration of the Executive Board of Directors
(€ million)

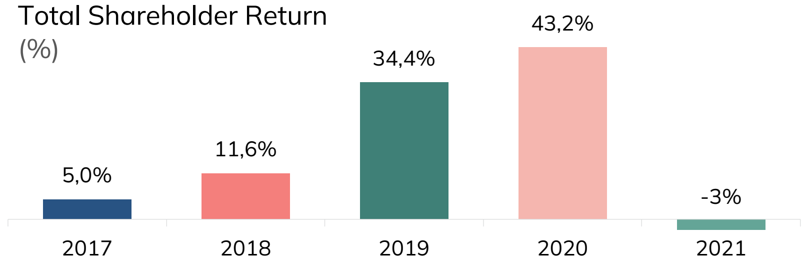


* As a result of the Extraordinary General Meeting of 19 January 2021, the Executive Board of Directors elected for the 2021-2023 term is composed of 5 members. The amount of EUR 10.69 million refers to the amounts of remuneration paid in 2021, relating to the terms of office of 2018-2020 (9 members) and 2021-2023 (5 members).

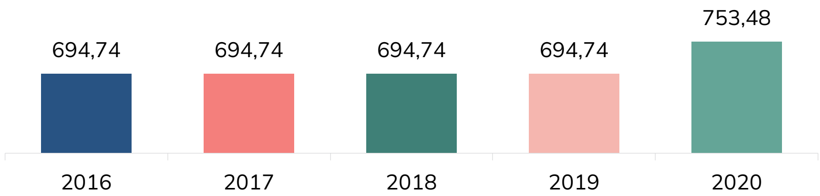
Remuneration of the General and Supervisory Board
(€ million)



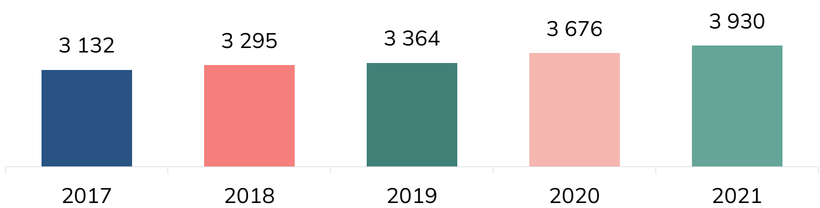
Total Shareholder Return
(%)



Dividends
(€ million)



Average Employees' Remuneration
(€)



Note: Exchange rate at constant values (average from 2015 to 2017) 3.72 EUR/BRL, applied to the period from 2016 to 2021.

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06
— FINANCIAL STATEMENTS

Financial Statements
31 December 2021

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EDP - Energias de Portugal

Consolidated Income Statements
for the periods ended at 31 December 2021 and 2020

Thousand Euros	Notes	2021	2020
Revenues from energy sales and services and other	7	14,982,909	12,448,205
Cost of energy sales and other	7	-10,148,018	-7,356,487
		4,834,891	5,091,718
Other income	8	1,023,988	1,077,689
Supplies and services	9	-888,954	-856,519
Personnel costs and employee benefits	10	-666,459	-667,313
Other expenses	11	-655,694	-635,180
Impairment losses on trade receivables and debtors	26	-32,828	-63,690
		-1,219,947	-1,145,013
Joint ventures and associates	21	108,106	3,257
		3,723,050	3,949,962
Provisions	36	-60,510	-112,093
Amortisation and impairment	12	-1,731,755	-1,631,831
		1,930,785	2,206,038
Financial income	13	364,883	226,702
Financial expenses	13	-875,816	-897,326
Profit before income tax and CESE		1,419,852	1,535,414
Income tax expense	14	-261,892	-309,112
Extraordinary contribution to the energy sector (CESE)	15	-53,314	-65,109
		-315,206	-374,221
Net profit for the period		**1,104,646**	**1,161,193**
Attributable to:			
Equity holders of EDP		**656,717**	**800,692**
Non-controlling Interests	33	**447,929**	**360,501**
Net profit for the period		**1,104,646**	**1,161,193**
Earnings per share (Basic and Diluted) - Euros	30	0.17	0.21

LISBON, 17 FEBRUARY 2022

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

The following notes form an integral part of these financial statements

EDP - Energias de Portugal

Consolidated Statements of Comprehensive Income
for the periods ended at 31 December 2021 and 2020

Thousand Euros	2021 Equity holders of EDP	2021 Non-controlling Interests	2020 Equity holders of EDP	2020 Non-controlling Interests
Net profit for the period	656,717	447,929	800,692	360,501
Items that will never be reclassified to profit or loss (i)				
Actuarial gains/(losses) (iii)	51,153	1,889	-78,961	4,226
Tax effect from the actuarial gains/(losses)	-15,725	-758	25,671	-1,436
Fair value reserve with no recycling (financial assets) (ii)	8,050		-5,203	-
Tax effect from the fair value reserve with no recycling (financial assets) (ii)	-1,624	-	927	-
	41,854	1,131	-57,566	2,790
Items that may be reclassified to profit or loss (i)				
Currency translation reserve	40,453	97,975	-508,945	-472,807
Fair value reserve (cash flow hedge) (ii)	-1,053,285	-147,287	-61,451	-6,196
Tax effect from the fair value reserve (cash flow hedge) (ii)	280,203	37,395	17,898	-197
Fair value reserve of assets measured at fair value throught other comprehensive income with recycling (ii)	-1,053	797	1,404	-755
Tax effect of Fair value reserve of assets measured at value throught other comprehensive income with recycling (ii)	353	-	-442	-
Share of other comprehensive income of joint ventures and associates, net of taxes	795	685	-8,312	-6,644
	-732,534	-10,435	-559,848	-486,599
Other comprehensive income for the period (net of income tax)	-690,680	-9,304	-617,414	-483,809
Total comprehensive income for the period	-33,963	438,625	183,278	-123,308

(i) See Consolidated Statement of Changes in Equity
(ii) See Note 32
(iii) See Note 35

LISBON, 17 FEBRUARY 2022

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

The following notes form an integral part of these financial statements

EDP - Energias de Portugal

Consolidated Statements of Financial Position
as at 31 December 2021 and 31 December 2020

Thousand Euros	Notes	2021	2020*
Assets			
Property, plant and equipment	16	21,099,241	20,390,294
Right-of-use assets	17	1,007,029	1,030,193
Intangible assets	18	4,915,025	4,998,235
Goodwill	19	2,379,386	2,335,964
Investments in joint ventures and associates	21	1,350,445	940,362
Equity instruments at fair value	22	189,942	184,748
Investment property	23	20,668	21,378
Deferred tax assets	24	1,509,092	1,206,603
Debtors and other assets from commercial activities	26	2,668,506	2,747,012
Other debtors and other assets	27	1,841,147	1,020,788
Non-Current tax assets	28	173,846	251,770
Collateral deposits associated to financial debt	34	23,397	22,848
Total Non-Current Assets		37,177,724	35,150,195
Inventories	25	575,849	323,945
Debtors and other assets from commercial activities	26	5,928,004	3,545,611
Other debtors and other assets	27	2,810,855	851,594
Current tax assets	28	551,842	414,302
Collateral deposits associated to financial debt	34	26,678	9,221
Cash and cash equivalents	29	3,222,409	2,954,302
Non-Current Assets held for sale	41	700,791	22,248
Total Current Assets		13,816,428	8,121,223
Total Assets		50,994,152	43,271,418
Equity			
Share capital	30	3,965,681	3,965,681
Treasury stock	31	-52,660	-54,025
Share premium	30	1,196,522	1,196,522
Reserves and retained earnings	32	3,556,549	3,673,785
Consolidated net profit attributable to equity holders of EDP		656,717	800,692
Total Equity attributable to equity holders of EDP		9,322,809	9,582,655
Non-controlling Interests	33	4,654,756	3,488,321
Total Equity		13,977,565	13,070,976
Liabilities			
Financial debt	34	15,299,588	14,023,940
Employee benefits	35	940,266	1,138,237
Provisions	36	976,588	994,105
Deferred tax liabilities	24	989,078	871,242
Institutional partnerships in North America	37	2,259,741	1,933,542
Trade payables and other liabilities from commercial activities	38	1,806,925	1,702,005
Other liabilities and other payables	39	3,039,975	1,739,448
Non-current tax liabilities	40	124,362	122,743
Total Non-Current Liabilities		25,436,523	22,525,262
Financial debt	34	1,518,348	2,262,823
Employee benefits	35	179,534	204,067
Provisions	36	110,319	260,154
Trade payables and other liabilities from commercial activities	38	6,320,011	3,952,213
Other liabilities and other payables	39	2,781,101	597,178
Current tax liabilities	40	582,686	398,634
Non-Current Liabilities held for sale	41	88,065	111
Total Current Liabilities		11,580,064	7,675,180
Total Liabilities		37,016,587	30,200,442
Total Equity and Liabilities		50,994,152	43,271,418

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

Consolidated Statements of Changes in Equity
for the periods ended at 31 December 2021 and 2020

Thousand Euros	Total Equity	Share capital (i)	Share premium (i)	Reserves and retained earnings (ii)					Treasury stock (iv)	Equity attributable to equity holders of EDP	Non-controlling Interests (iii)
				Legal reserve	Other reserves and retained earnings	Fair value reserve (cash flow hedge)	Fair value reserve (financial assets)	Currency translation reserve			
Balance as at 31 December 2019	**12,632,013**	**3,656,538**	**503,923**	**739,024**	**4,518,226**	**40,541**	**15,202**	**-554,047**	**-61,220**	**8,858,187**	**3,773,826**
Comprehensive income:											
Net profit for the period	1,161,193	-	-	-	800,692	-	-	-	-	800,692	360,501
Changes in the fair value reserve (cash flow hedge) net of taxes	-49,946	-	-	-	-	-43,553	-	-	-	-43,553	-6,393
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	-4,069	-	-	-	-	-	-3,314	-	-	-3,314	-755
Share of other comprehensive income of joint ventures and associates net of taxes	-14,956	-	-	-	-16,453	-1,356	-	9,497	-	-8,312	-6,644
Actuarial gains/(losses) net of taxes	-50,500	-	-	-	-53,290	-	-	-	-	-53,290	2,790
Exchange differences arising on consolidation	-981,752	-	-	-	-	-	-	-508,945	-	-508,945	-472,807
Total comprehensive income for the period	59,970	-	-	-	730,949	-44,909	-3,314	-499,448	-	183,278	-123,308
Dividends paid	-690,739	-	-	-	-690,739	-	-	-	-	-690,739	-
Dividends attributable to non-controlling interests	-132,436	-	-	-	-	-	-	-	-	-	-132,436
Share Capital increase	1,001,742	309,143	692,599	-	-	-	-	-	-	1,001,742	-
Share-based payments	7,354	-	-	-	159	-	-	-	7,195	7,354	-
Changes resulting from acquisitions/sales, equity increases/decreases and other	193,072	-	-	-	222,833	-	-	-	-	222,833	-29,761
Balance as at 31 December 2020 *	**13,070,976**	**3,965,681**	**1,196,522**	**739,024**	**4,781,428**	**-4,368**	**11,888**	**-1,053,495**	**-54,025**	**9,582,655**	**3,488,321**
Comprehensive income:											
Net profit for the period	1,104,646	-	-	-	656,717	-	-	-	-	656,717	447,929
Changes in the fair value reserve (cash flow hedge) net of taxes	-882,974	-	-	-	-	-773,082	-	-	-	-773,082	-109,892
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	6,523	-	-	-	-	-	5,726	-	-	5,726	797
Share of other comprehensive income of joint ventures and associates net of taxes	1,480	-	-	-	4,940	-4,030	-	-115	-	795	685
Actuarial gains/(losses) net of taxes	36,559	-	-	-	35,428	-	-	-	-	35,428	1,131
Exchange differences arising on consolidation	138,428	-	-	-	-	-	-	40,453	-	40,453	97,975
Total comprehensive income for the period	404,662	-	-	-	697,085	-777,112	5,726	40,338	-	-33,963	438,625
Transfer to legal reserve	-	-	-	43,908	-43,908	-	-	-	-	-	-
Dividends paid	-749,763	-	-	-	-749,763	-	-	-	-	-749,763	-
Dividends attributable to non-controlling interests	-151,090	-	-	-	-	-	-	-	-	-	-151,090
Purchase and sale of treasury stock	-479	-	-	-	-	-	-	-	-479	-479	-
Share-based payments	2,684	-	-	-	840	-	-	-	1,844	2,684	-
Dilution in the financial interest by capital increase EDP Renováveis S.A.	1,470,481	-	-	-	564,281	620	-252	-16,320	-	548,329	922,152
Aquisition of partnership in Central Térmica de Ciclo Combinado Grupo 4	-5,000	-	-	-	-69,684	-	-	-	-	-69,684	64,684
Changes resulting from acquisitions/sales, equity increases/decreases and other	-64,906	-	-	-	43,030	-	-	-	-	43,030	-107,936
Balance as at 31 December 2021	**13,977,565**	**3,965,681**	**1,196,522**	**782,932**	**5,223,309**	**-780,860**	**17,362**	**-1,029,477**	**-52,660**	**9,322,809**	**4,654,756**

(i) See note 30
(ii) See note 32
(iii) See note 33
(iv) See note 31

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal

Consolidated and Company Statements of Cash Flows
for the periods ended at 31 December 2021 and 2020

Thousand Euros	Notes	Group 2021	Group 2020	Company 2021	Company 2020
Operating activities					
Profit before income tax and CESE		1,419,852	1,535,414	765,586	817,731
Adjustments for:					
Amortisation and impairment	12	1,731,755	1,631,831	31,649	40,726
Provisions	36	60,510	112,093	1,899	301
Joint ventures and associates	21	-108,106	-3,257	-	-
Financial (income)/expenses	13	510,933	670,624	-984,777	-791,838
(Gains) / Losses on disposal and scope effects except Asset Rotations		-	-234,818	-	-699
Changes in working capital:					
Trade and other receivables		-1,267,111	5,928	-1,161,229	-139,245
Trade and other payables		785,560	16,411	1,302,765	-54,349
Personnel		-170,055	-101,616	1,250	6,018
Regulatory assets		906,892	-47,293	-	-
Other changes in assets/liabilities related with operating activities		-1,184,866	-523,418	-324,307	-135,624
Income tax and CESE		-89,845	-172,788	71,161	71,184
Net cash flows from operations		2,595,519	2,889,111	-296,003	-185,795
Net (gains) / losses with Asset Rotations		-575,610	-433,900	-	-
Net cash flows from operating activities		2,019,909	2,455,211	-296,003	-185,795
Investing activities					
Cash receipts relating to:					
Sale of assets/subsidiaries with loss of control i)		763,279	3,835,863	-	-
Other financial assets and investments ii)		110,545	130,227	5,860	1,613,045
Other financial assets at amortised cost		-	-	52,711	527,282
Changes in cash resulting from consolidation perimeter variations		5,847	85,579	-	-
Property, plant and equipment and intangible assets		98,322	12,484	251	6,123
Other receipts relating to tangible fixed assets		12,234	6,683	-	-
Interest and similar income		22,996	26,940	35,796	55,349
Dividends		53,468	48,478	774,979	883,690
Loans to related parties		628,556	326,071	98,603	600,260
		1,695,247	4,472,325	968,200	3,685,749
Cash payments relating to:					
Acquisition of assets/subsidiaries iii)		-98,381	-1,097,339	-	-
Other financial assets and investments iv)		-507,926	-431,182	-178,919	-7,919
Other financial assets at amortised cost		-	-	-676,890	-122,442
Changes in cash resulting from consolidation perimeter variations		-26,865	-38,825	-	-
Property, plant and equipment and intangible assets		-3,351,506	-2,409,812	-50,318	-45,272
Loans to related parties		-488,519	-780,652	-10,969	-46,160
		-4,473,197	-4,757,810	-917,096	-221,793
Net cash flows from investing activities		-2,777,950	-285,485	51,104	3,463,956
Financing activities					
Receipts relating to financial debt (include Collateral Deposits)		3,080,716	5,927,683	2,452,048	1,942,863
(Payments) relating to financial debt (include Collateral Deposits)		-2,649,517	-6,463,566	-2,068,048	-4,365,029
Interest and similar costs of financial debt including hedge derivatives		-481,329	-570,155	-235,199	-349,697
Receipts/(payments) relating to loans from non-controlling interests		-53,679	216,858	-	-
Interest and similar costs relating to loans from non-controlling interests		-18,244	-9,831	-	-
Receipts/(payments) relating to loans from related parties		-	-	1,156,028	406,597
Interest and similar costs of loans from related parties including hedge derivatives		-	-	-	-3,145
Governmental grants received		-	37	-	-
Share capital increases/(decreases) (includes subscribed by non-control. interests) v)		1,415,106	920,598	-	996,392
Receipts/(payments) relating to derivative financial instruments		10,317	12,776	20,585	-68,248
Dividends paid to equity holders of EDP vi)		-749,763	-690,739	-749,763	-691,026
Dividends paid to non-controlling interests		-135,058	-112,001	-	-
Treasury stock sold/(purchased)		1,365	7,195	-479	-
Receipts/(payments) related with transactions with non-controlling interest without change of control		-	-1,007	-	-
Lease (payments) vii)		-98,772	-80,364	-12,502	-11,853
Receipts/(payments) from institutional partnerships in North America viii)		692,164	248,728	-	-
Net cash flows from financing activities		1,013,306	-593,788	562,670	-2,143,146
Changes in cash and cash equivalents		255,265	1,575,938	317,771	1,135,015
Effect of exchange rate fluctuations on cash held		28,023	-170,198	51	223
Cash and cash equivalents reclassified as held for sale		-15,181	5,840	-	-
Cash and cash equivalents at the beginning of the period		2,954,302	1,542,722	2,172,631	1,037,393
Cash and cash equivalents at the end of the period ix)		3,222,409	2,954,302	2,490,453	2,172,631

i) Relates essentially to the receivement related to the sale of a group of companies located in North America and Brazil (see note 6);
ii) Relates essentially to the receivement of notes (see note 27) and the receivements related to the sales of CIDE HC Energia, S.A. and Porsines and partial disposal of shares of Feedzai, as well as companies located at North America (see note 6);
iii) Relates, mainly, to the impact with the acquisition of Enertrel Group S.r.l., Evoikos Voreas A.E., Sofrano, AES Tietê Inova Soluções de Energia LTDA, Trina Solar Investment First Pte. Ltd and Vento Ludens Ltd. as well a solar portfolio located in North America (see note 6);
iv) Relates essentially to payments made for the capital increases in OW Offshore S.L., Hydro Global Investment, Ltda. and other companies located in Europe and North America, as well the acquisition of treasury stock of EDP Energias do Brasil;
v) Relates, mainly, to the capital increase of EDP Renováveis, S.A;
vi) See note 32;
vii) Includes capital and interest;
viii) On a consolidated basis, refers to the receipts and payments net of transaction costs (transactions included in note 37);
ix) See details of Cash and cash equivalents in note 29 and the Consolidated and Company Reconciliation of Changes in the responsibilities of Financing activities in note 52 of the Financial Statements.

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

The following notes form an integral part of these financial statements

EDP - Energias de Portugal, S.A.

Company Income Statements
for the periods ended at 31 December 2021 and 2020

Thousand Euros	Notes	2021	2020
Revenues from energy sales and services and other	7	5,201,964	2,863,316
Cost of energy sales and other	7	-5,139,933	-2,555,001
		62,031	308,315
Other income		14,310	16,646
Supplies and services	9	-169,556	-159,748
Personnel costs and employee benefits	10	-80,652	-79,382
Other expenses		-11,757	-18,917
Impairment losses on trade receivables and debtors		-19	6
		-247,674	-241,395
		-185,643	66,920
Provisions		-1,899	-301
Amortisation and impairment	12	-31,649	-40,726
		-219,191	25,893
Financial income	13	1,459,316	1,486,782
Financial expenses	13	-474,539	-694,944
Profit before income tax		765,586	817,731
Income tax expense	14	58,484	60,420
Net profit for the period		**824,070**	**878,151**

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THE EXECUTIVE BOARD OF DIRECTORS

The following notes form an integral part of these financial statements

EDP - Energias de Portugal, S.A.

Company Statements of Comprehensive Income
for the periods ended at 31 December 2021 and 2020

Thousand Euros	2021	2020
Net profit for the period	824,070	878,151
Items that will never be reclassified to profit or loss (i)		
Actuarial gains/(losses)	649	628
Tax effect from the actuarial gains/(losses)	-143	-159
	506	469
Items that may be reclassified to profit or loss (i)		
Fair value reserve (cash flow hedge) (ii)	468,352	176,802
Tax effect from the fair value reserve (cash flow hedge) (ii)	-105,379	-39,780
	362,973	137,022
Other comprehensive income for the period (net of income tax)	363,479	137,491
Total comprehensive income for the period	1,187,549	1,015,642

(i) See Company Statement of Changes in Equity
(ii) See note 32

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EDP - Energias de Portugal, S.A.

Company Statements of Financial Position
as at 31 December 2021 and 31 December 2020

Thousand Euros	Notes	2021	2020
Assets			
Property, plant and equipment	16	37,056	27,958
Right-of-use assets	17	101,630	106,911
Intangible assets	18	132,660	115,223
Investments in subsidiaries	20	15,065,364	14,396,105
Investments in joint ventures and associates		2	2
Equity instruments at fair value		1,227	1,252
Investment property	23	101,700	87,289
Deferred tax assets	24	37,218	123,626
Debtors and other assets from commercial activities		867	730
Other debtors and other assets	27	3,745,567	3,203,422
Total Non-Current Assets		19,223,291	18,062,518
Inventories	25	79,960	-
Debtors and other assets from commercial activities	26	2,047,936	733,926
Other debtors and other assets	27	5,816,675	853,407
Current tax assets	28	94,426	51,314
Cash and cash equivalents	29	2,490,453	2,172,631
Total Current Assets		10,529,450	3,811,278
Total Assets		29,752,741	21,873,796
Equity			
Share capital	30	3,965,681	3,965,681
Treasury stock	31	-52,660	-54,025
Share premium	30	1,196,522	1,196,522
Reserves and retained earnings	32	3,279,491	2,786,784
Net profit for the period		824,070	878,151
Total Equity		9,213,104	8,773,113
Liabilities			
Financial debt	34	9,081,678	8,134,429
Employee benefits		8,097	8,366
Provisions		4,000	2,051
Trade payables and other liabilities from commercial activities		7	363
Other liabilities and other payables	39	1,823,998	497,290
Total Non-Current Liabilities		10,917,780	8,642,499
Financial debt	34	3,952,621	3,349,143
Employee benefits		969	1,075
Provisions		798	848
Trade payables and other liabilities from commercial activities	38	2,192,662	662,559
Other liabilities and other payables	39	3,430,452	423,337
Current tax liabilities	40	44,355	21,222
Total Current Liabilities		9,621,857	4,458,184
Total Liabilities		20,539,637	13,100,683
Total Equity and Liabilities		29,752,741	21,873,796

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The following notes form an integral part of these financial statements

EDP - Energias de Portugal, S.A.

Company Statements of Changes in Equity
for the periods ended at 31 December 2021 and 2020

Thousand Euros	Total Equity	Share capital (i)	Share premium (i)	Legal reserve	Other Reserves and retained earnings (Reserves and retained earnings (ii))	Fair value reserve (cash flow hedge) (Reserves and retained earnings (ii))	Treasury stock (iii)
Balance as at 31 December 2019	**7,445,497**	**3,656,538**	**503,923**	**739,024**	**2,672,405**	**-71,269**	**-55,124**
Comprehensive income:							
Net profit for the period	878,151	-	-	-	878,151	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	137,022	-	-	-	-	137,022	-
Actuarial gains / (losses) net of taxes	469	-	-	-	469	-	-
Total comprehensive income for the period	1,015,642	-	-	-	878,620	137,022	-
Share Capital increase	1,001,742	309,143	692,599	-	-	-	-
Dividends paid	-691,026	-	-	-	-691,026	-	-
Share-based payments	1,258	-	-	-	159	-	1,099
Balance as at 31 December 2020	**8,773,113**	**3,965,681**	**1,196,522**	**739,024**	**2,860,158**	**65,753**	**-54,025**
Comprehensive income:							
Net profit for the period	824,070	-	-	-	824,070	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	362,973	-	-	-	-	362,973	-
Actuarial gains / (losses) net of taxes	506	-	-	-	506	-	-
Total comprehensive income for the period	1,187,549	-	-	-	824,576	362,973	-
Transfer to legal reserve	-	-	-	43,908	-43,908	-	-
Dividends paid	-749,763	-	-	-	-749,763	-	-
Purchase and sale of treasury stock	-479	-	-	-	-	-	-479
Share-based payments	2,684	-	-	-	840	-	1,844
Balance as at 31 December 2021	**9,213,104**	**3,965,681**	**1,196,522**	**782,932**	**2,891,903**	**428,726**	**-52,660**

(i) See note 30
(ii) See note 32
(iii) See note 31

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COVID 19 - Macroeconomic, Regulatory, Operational, Accounting Impact and Stakeholders

In late 2019, in the Chinese city of Wuhan, a virus, SARS-COV-2, that can cause a serious respiratory infection like pneumonia was first identified in humans. During the year 2020, the disease caused by the virus, the COVID-19, was classified by the World Health Organization (WHO) as a pandemic. COVID-19 has forced the world to change its habits and is having several social, economic, regulatory, operational, accounting and public health impacts.

The current global crisis with the COVID-19 pandemic incorporates significant risks to the economy and society, remaining an uncertainty regarding the duration of the epidemic crisis and its long term economic impacts.

In global macroeconomic terms, COVID-19 has impacted the EDP Group's activity in its various geographies and across the value chain. However, a prudent strategy to hedge energy and financial market risks, the maintenance of robust liquidity levels as well as an active management of suppliers and critical supplies, have allowed to significantly mitigate the impacts of this crisis.

EDP Group has not applied any different classifications from those normally used in its income statement, as a result of COVID-19. To assess possible accounting impacts arising from COVID-19, the Group reassessed the estimates it considers relevant and which may have been impacted by this fact. Thus, on 31 December 2021, the Group carried out a series of analyses of the relevant estimates and has not determined any materially relevant impacts compared to 31 December 2020.

i) Impairment losses of trade receivables (expected credit losses) (see note 2);

ii) Provision for employee benefit liabilities (see note 35);

iii) Impairment losses on non-financial assets (see notes 12 and 19);

iv) Investment in joint ventures and associates (see note 21);

v) Fair value of financial instruments (see note 22);

vi) Derivatives – “Own use” and hedging relationships (see note 42);

vii) Provisions for risks and charges (see note 36);

viii) Recoverability of deferred tax assets (see note 24); and

ix) Subsequent events (see note 46).

1. Economic activity of EDP Group

EDP - Energias de Portugal, S.A. (hereinafter referred to as EDP), currently with head office in Lisbon, Avenida 24 de Julho 12 and with its shares listed on the Euronext Lisbon stock exchange, results from the transformation of Electricidade de Portugal, E.P., incorporated in 1976 following the nationalization and consequent merger of the main companies in the electricity sector in Portugal. During 1994, as established by Decree-laws 7/91 and 131/94, the EDP Group (EDP Group or Group) was set up following the split of EDP, which led to a number of directly or indirectly wholly owned subsidiaries of EDP.

The Group's businesses are currently focused on the generation, transmission, distribution and supply of electricity and supply of gas. Additionally, the Group also operates in related areas such as engineering, laboratory tests, professional training, energy services and property management.

EDP Group operates essentially in the European (Portugal, Spain, France, Poland, Romania, Italy, Belgium, United Kingdom and Greece) and American (Brazil and North America) energy sectors.

2. Accounting policies

a) Basis of presentation

The accompanying consolidated and company financial statements of EDP - Energias de Portugal, S.A. reflect the results of the company's operations and its subsidiaries (EDP Group or Group) and the Group's interest in its joint ventures and associated companies, for the periods ended on 31 December 2021 and 2020 and EDP S.A.'s Executive Board of Directors approved them on 17 February 2022, after that they are subject to General Meeting approval. The financial statements are presented in thousand Euros, rounded to the nearest thousand.

In accordance with Regulation (EC) 1606/2002 of the European Council and Parliament, of 19 July 2002, as transposed into Portuguese legislation through Decree-law 35/2005 of 17 February 2005, with changes updated by the Decree-law 158/2009 of 13 July and Decree-law 98/2015 of 2 June, the company's financial statements and the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (E.U). IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and their predecessor bodies. The EDP Group's consolidated and company financial statements for the years ended 31 December 2021 and 2020 were prepared in accordance with IFRS as adopted by the E.U. and effective since 1 January 2021.

The accounting policies used by the Group in preparing the consolidated financial statements described in this note were adopted in accordance. The new standards and interpretations recently issued but not yet effective and that the Group has not yet applied on its consolidated financial statements, are detailed in note 3.

The financial statements have been prepared on a going concern basis and under the historical cost convention, modified by the application of the fair value accounting to derivative financial instruments, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Assets and liabilities that are hedged under hedge accounting are stated at fair value in respect of the hedged risk. Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell. Liabilities for defined benefit plans are recognised at the present value of the obligation net of plan assets fair value.

In accordance with IFRS 3 - Business Combinations, if the initial purchase price allocation of assets, liabilities and contingent liabilities acquired is identified as provisional, in the subsequent 12 months after the business combination transaction, the legal acquirer should make the final allocation of the purchase price related to the fair value of the assets, liabilities and contingent liabilities acquired. These adjustments with impact on the amount of goodwill determined and booked in previous periods, originate a restatement of the comparative information, which is reflected on the statement of financial position, with effect from the date of the business combination transaction.

Updating the fair value of identifiable assets and liabilities - Acquisition of Viesgo

On 16 December 2020, EDP Iberia S.L. completed the acquisition of Viesgo, framed within the scope of IFRS 3. With reference to the acquisition date, the EDP Group, based on an assessment carried out by an independent external entity, proceeded to a provisional determination of the fair value of the acquired assets and the assumed liabilities.

In the last quarter of 2021, the Group, based on a more detailed assessment carried out by an independent external entity, proceeded to the definitive update of the fair value of the assets acquired and the liabilities assumed, restating the comparative data.

Thus, the effect on the statement of financial position with reference to the date of the acquisition of Viesgo is detailed as follows:

Thousand Euros	Dec 2020	Adjustment	Dec 2020 Restated
Assets			
Property, plant and equipment	1,165,228	227,073	1,392,301
Right-of-use assets	2,438	-	2,438
Intangible assets	1,043,291	-	1,043,291
Deferred tax assets	293,185	67,060	360,245
Other debtors and other assets	679,111	-	679,111
Cash and cash equivalents	52,672	-	52,672
Total Assets	3,235,925	294,133	3,530,058
Liabilities			
Financial Debt	1,283,988	-	1,283,988
Employee benefits	144,409	-	144,409
Provisions	162,805	1,240	164,045
Deferred tax liabilities	411,656	56,768	468,424
Other liabilities and other payables	207,933	266,999	474,932
Total liabilities	2,210,791	325,007	2,535,798
Net Assets	1,025,134	-30,874	994,260
Net assets acquired at fair value (75.1% of Distribution business + 100% Generation business)	758,731	-23,441	735,289
Acquisition cost	1,102,696	6,220	1,108,916
Goodwill	343,965	29,661	373,627

The main changes are:

i) Adjustment to acquisition cost as a result of some price adjustments, mostly related to the use of negative tax bases, generated in 2020, of the electricity generating companies included in the acquisition perimeter of Grupo Viesgo; and

ii) Transfers of assets from customers concession arrangement and out of the scope of IFRIC 12, in accordance with IFRS 15, are related to payments of performance obligations fulfilled over the useful life of the underlying asset. Accordingly, the assets are recognised by the estimated construction cost and are depreciated over their useful lives, and the liabilities are recognised as revenue based on the corresponding useful life of the underlying asset. Thus, at the acquisition date, EDP recognised a liability related to the contractual obligations that Viesgo had to fulfill after the acquisition date and an asset based on the construction costs to be incurred to fulfill those obligations. The performance obligation is measured at fair value on the acquisition date in accordance with the general measurement principle and assets are recognised at fair value.

The preparation of financial statements in conformity with IFRS requires the Executive Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The issues involving a higher degree of judgment or complexity, or where assumptions and estimates are considered to be significant, are presented in note 4 - Critical accounting estimates and judgments in preparing the financial statements.

Accounting policies have been applied consistently by all Group companies and in all periods presented in the consolidated and company financial statements.

b) Basis of consolidation

The accompanying consolidated financial statements reflect the assets, liabilities and results of EDP, S.A. and its subsidiaries (Group or EDP Group) and the equity and results attributable to the Group, through the investments in associates and jointly controlled entities.

Controlled entities

Investments in subsidiaries where the EDP Group has control are fully consolidated from the date the Group assumes control over their financial and operating activities and/or over their assets and liabilities until the moment that control ceases to exist.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, independently of the percentage of voting rights held.

Accumulated losses are attributed to non-controlling interests in the corresponding proportions held, implying that the Group can recognise negative non-controlling interests.

On a step acquisition process resulting in the acquisition of control the revaluation of any interest previously held is booked against the income statement when goodwill is calculated. On a partial disposal resulting in loss of control over a subsidiary, any participation retained is revalued at market value on the sale date and the gain or loss resulting from this revaluation is booked against the income statement, as well as any gain or loss resulting from the disposal.

Jointly controlled entities

EDP Group classifies an arrangement as a joint arrangement when the jointly control is contractually established. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. After determining the existence of joint control, the Group classifies joint arrangements into two types - joint operation or joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets and obligations for the liabilities relating to the arrangement, so the assets and liabilities (and related revenues and expenses) in relation to its interest in the arrangement are recognised and measured in accordance with relevant IFRS applicable.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint ventures) have rights to the net assets of the arrangement, so these investments are included in the consolidated financial statements under the equity method.

The consolidated financial statements include the Group's attributable share of total reserves and profits or losses of joint ventures, included under the equity method. When the Group's share of losses exceeds its interest in a joint venture, it's carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has a legal or contractual obligation to cover such losses on behalf of that entity.

Entities over which the Group has significant influence

Investments in associates are included in the consolidated financial statements under the equity method from the date the Group acquires significant influence to the date it ceases. Associates are entities over which the Group has significant influence, but not control, over its financial and operating policies.

The existence of significant influence by the Group is usually evidenced by one or more of the following:
- Representation on the Executive Board of Directors or equivalent governing body of the investee;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Existence of material transactions between the Group and the investee;
- Interchange of managerial personnel; and
- Provision of essential technical information.

The consolidated financial statements include the Group's attributable share of total reserves and profits or losses of associates, included under the equity method. When the Group's share of losses exceeds its interest in an associate, it's carrying amount is reduced to zero and recognition of further losses is discontinued, except to the extent that the Group has a legal or constructive obligation to cover such losses on behalf of the associate.

Accounting for investments in subsidiaries, joint ventures and associates in the company's financial statements

Investments in subsidiaries, joint ventures and associates not classified as held for sale or not included in a disposal group which is classified as held for sale are accounted for at cost in the company's financial statements, and are subject to periodic impairment tests, whenever indication exists that certain financial investment may be impaired.

Goodwill

Following the transition to International Financial Reporting Standards (IFRS) on 1 January 2004 and as permitted under IFRS 1 - First-time Adoption of International Financial Reporting Standards, the EDP Group decided to maintain the goodwill resulting from business combinations that occurred prior to the transition date, calculated in accordance with the Group's previous accounting policies.

Costs directly attributable to the acquisition of a subsidiary are booked directly in the income statement.

As from the transition date to IFRS, total positive goodwill arising from acquisitions is recognised as an asset carried at acquisition cost and is not subject to amortisation. Goodwill arising on the acquisition of subsidiaries, joint ventures and associates is defined as the difference between the cost of acquisition and the corresponding share of the fair value of the net assets acquired.

The EDP Group has the possibility to book non-controlling interests at fair value or at cost, implying that the full amount of goodwill can be booked in the financial statements, including the portion attributable to the non-controlling interests, against non-controlling interests, if the first option is chosen. Goodwill arising on the acquisition of subsidiaries, joint ventures and associates is defined as the difference between the cost of acquisition and the total or corresponding share of the fair value of the net assets acquired, depending on the option taken.

Negative goodwill arising on an acquisition is recognised directly in the income statement in the period when the business combination occurs.

The recoverable amount of the goodwill is assessed annually, regardless of the existence of any impairment triggers. Impairment losses are recognised in the income statement. The recoverable amount is determined based on the value in use of the assets, calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, the time value of money and the business risks.

Goodwill is not adjustable due to changes in the initial estimate of the contingent purchase price and the difference is booked in the income statement.

Purchases of non-controlling interests and dilution

In acquisitions (dilutions not resulting in a loss of control of non-controlling interests), the difference between the fair value of the non-controlling interests acquired and the consideration paid, is accounted against reserves. The acquisitions of non-controlling interests through written put options related with investments in subsidiaries held by non-controlling interests, are recorded as a liability for the fair value of the amount payable, against non-controlling interests. The fair value of the liability is determined based on the contractual price which may be fixed or variable. In case of a variable price, the changes in the liability are recognised against the income statement as well as the effect of the financial discount of the liability (unwinding).

Investments in foreign operations

The financial statements of the foreign subsidiaries, joint ventures and associates of the Group are prepared using their functional currency, defined as the currency of the primary economic environment in which they operate. In the consolidation process, the assets and liabilities of foreign subsidiaries are translated into Euros at the official exchange rate at the balance sheet date.

Regarding the investments in foreign operations that are consolidated using the full consolidation method and equity method, the exchange differences between the amount of equity expressed in Euros at the beginning of the period and the amount translated at the official exchange rates at the end of the period, on a consolidated basis, are booked against reserves.

Foreign currency goodwill arising on the acquisition of these investments is remeasured at the official exchange rate at the balance sheet date directly against reserves.

The income and expenses of foreign subsidiaries are translated into Euros at the approximate exchange rates at the dates of the transactions. Exchange differences from the translation into Euros of the net profit for the period, arising from the differences between the rates used in the income statement and those prevailing at the balance sheet date are recognised in reserves.

On disposal of a foreign subsidiary, the related exchange differences previously recognised in reserves, are accounted for in the income statement.

Balances and transactions eliminated on consolidation

Inter-company balances and transactions, including any unrealised gains and losses on transactions between Group companies, are eliminated in preparing the consolidated financial statements. Unrealised gains and losses arising on transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in those entities.

Business combinations achieved in stages

In a business combination achieved in stages, on the date of obtaining control, the excess of the aggregate of (i) the consideration transferred; (ii) the amount of any non-controlling interest recognised in the acquiree; and (iii) the fair value of the previously held equity interest in the acquired business; over the net of amounts of the identifiable assets acquired and liabilities assumed, is recognised as goodwill.

If applicable, the negative difference, after evaluating the consideration transferred, of the amount of any non-controlling interest recognised in the acquiree and the fair value of the previously held equity interest in the acquired business; over the net value of the identifiable assets acquired and liabilities assumed, is recognised in the income statement. The Group recognises the difference between the fair value of the previously held equity interest in the acquired business and the carrying value in consolidated results in Other income. Additionally, the Group reclassifies the deferred amounts in other comprehensive income relating to the previously held equity interest to the income statement or consolidated reserves, according to their nature.

c) Foreign currency transactions

Foreign currency transactions are translated at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into Euros at the exchange rates at the balance sheet date. These exchange differences arising on translation are recognised in the income statement as financial results.

Foreign currency non-monetary assets and liabilities accounted for at historical cost are translated using the exchange rates at the dates of the transactions. Foreign currency non-monetary assets and liabilities stated at fair value are translated into Euros at the exchange rates at the dates the fair value was determined.

d) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised on the trade date at fair value. Subsequently, the fair value of derivative financial instruments is remeasured on a regular basis, being the gains or losses on re-measurement recognised directly in the income statement, except for derivatives designated as cash flow hedging instruments. Recognition, in the income statement, of the resulting gains and losses on re-measurement of hedging derivatives depends on the hedge model used.

The fair value of derivative financial instruments corresponds to their market value, if available, or to quotes indicated by external entities through the use of valuation techniques accepted by the market, which are compared in each date of report to fair values available in common financial information platforms, namely Bloomberg and Reuters.

Hedge accounting

The Group uses financial instruments to hedge interest rate risk, exchange rate risk and price risk resulting from its operational and financing activities. Derivatives not qualified for hedge accounting under IFRS 9 are accounted for as trading instruments.

Hedging derivatives are recorded at fair value, being the gains and losses recognised in accordance with the hedge accounting model applied by the Group. Hedge relationship exists when:

(i) The hedging relationship consists only of hedging instruments and hedged items that are eligible as per determined in IFRS 9;

(ii) At the inception of the hedge there is formal documentation of the hedging relationship and the Group's risk management objective and strategy for the hedge;

(iii) There is an economic relationship between the hedged item and the hedging instrument;

(iv) The effect of credit risk does not dominate the value changes that result from that economic relationship; and

(v) The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets and liabilities or group of hedged assets and liabilities that are attributable to the hedged risk. For cross currency interest rate swaps, the currency basis spread is excluded from the hedge designation, but considered as a hedging cost in other comprehensive income, in cost of hedging reserve. When the hedging relationship ceases to comply with the requirements for hedge accounting, the accumulated gains or losses concerning the fair value of the risk being hedged are amortised over the residual period to maturity of the hedged item.

Cash flow hedge

Changes in the fair value of derivatives qualified as cash flow hedges are recognised in reserves.

The cumulative gains or losses recognised in reserves are reclassified to the income statement when the hedged item affects the income statement.

When a hedging relation of a future transaction is discontinued, the changes in the fair value of derivative recognised in reserves remain recognised in reserves until the future hedged transaction occurs. When the future transaction is no longer expected to occur, the cumulative gains or losses recognised in reserves are recorded immediately in the income statement.

Net investment hedge

The net investment hedge model is applied on a consolidated basis to investments in subsidiaries in foreign currencies. This model allows that the exchange differences recognised in the currency translation reserve to be offset by the foreign exchange differences in foreign currency loans or currency derivatives contracted, recognised in Currency translation reserve - Net investment hedge. For cross currency interest rate swaps, the cross currency basis spread and forward points are not designated into the hedge relationship, but deferred as a hedging cost in other comprehensive income, in Currency translation reserve - Net investment hedge - Cost of hedging, and recognized in profit or loss over the period of the hedge. The ineffective portion of the hedging relationship is recognised in the income statement.

The accumulated foreign exchange gains and losses regarding the net investment and the related hedging instrument recognised in equity are transferred to the income statement when the foreign currency subsidiary is sold, as part of the gain or loss resulting from the disposal.

Effectiveness

For a hedge relationship to be classified as such, in accordance with IFRS 9, its effectiveness must be demonstrated. Therefore, the Group performs prospective tests at the inception date and at each balance sheet date, in order to demonstrate its effectiveness, showing that any adjustments to the fair value of the hedged item attributable to the risk being hedged are offset by adjustments to the fair value of the hedging instrument. Any ineffectiveness is recognised in the income statement when it occurs.

e) Debtors and Other assets

The financial assets are classified based on the business model for managing the financial assets ("business model test") and their contractual cash flow characteristics ("SPPI test"). EDP Group classifies its financial assets, at the initial recognition, in accordance with the aforementioned requirements introduced by IFRS 9, on the following categories:

Financial assets at amortised cost

A financial asset is measured at amortised cost if: (i) it is held within a business model whose objective is to hold assets in order to collect its contractual cash flows; and (ii) the contractual cash flows represent solely payments of principal and interest. Financial assets included within this category are initially recognised at fair value and subsequently measured at amortised cost. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

Loans and trade receivables are generally held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest, thus they meet the criteria for amortised cost measurement under IFRS 9.

Financial assets measured at fair value through other comprehensive income (FVOCI)

A financial asset is measured at fair value through other comprehensive income if (i) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and (ii) the asset's contractual cash flows represent solely payments of principal and interest. Financial assets included within this category are initially recognised and subsequently measured at fair value, with the changes in the carrying amount booked in other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets that do not meet the criteria to be classified under the previously referred categories, are classified at fair value through profit or loss, deemed to be a residual category under IFRS 9.

Regardless of the business model assessment, EDP Group can elect to classify a financial asset at fair value through profit or loss if doing so reduces or eliminates a measurement or recognition inconsistency ("accounting mismatch").

Changes in the business model assessment over time

Financial assets are not reclassified subsequent to their initial recognition. However, if the Company changes its business model for managing financial assets, it will classify newly originated or newly purchased financial assets under the new business model, but will keep the classification of existing assets under the previous business model.

Recognition and derecognition of financial assets

Purchases and sales of financial assets are recognised on the trade date, which is the date on which the Group commits to purchase or sell these financial assets.

Financial assets are derecognised when: (i) the Group contractual rights to receive their future cash flows have expired, (ii) the Group has transferred substantially the risks and rewards of ownership, or (iii) although retaining some, but not substantially all the risks and rewards of ownership, the Group has transferred control over the assets.

Impairment

EDP Group recognises an impairment loss based on the Expected Credit Loss (ECL) model, before the objective evidence of a loss event from past actions. This model is the basis for the recognition of impairment losses on held financial assets that are measured at amortised cost or at fair value through other comprehensive income (which includes cash and cash equivalents, trade receivables, loans and debt securities).

The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. If the credit risk on a financial asset does not increase significantly since its initial recognition, EDP Group measures the loss allowance for that financial asset at an amount equal to 12-month expected credit losses. If the credit risk increases significantly since its initial recognition, EDP Group measures the loss allowance for that financial asset at an amount equal to lifetime expected credit losses.

Regardless of the above, a significant increase in credit risk is presumed if there is an objective evidence that the financial asset is impaired, including if there is observable data that comes to the attention of the holder of the asset about the following loss events, among others: significant financial difficulty of the issuer or obligor; restructuring of an amount due to the Group in terms that it would not consider otherwise; a breach of contract, such as a default or delinquency in interest or principal payments; or it becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

As soon as the loss event occurs in terms of IFRS 9, the impairment allowance would be allocated directly to financial asset affected, that is, the asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed in profit or loss, if the decrease can be related objectively to an event occurring after the impairment loss was recognised.

Trade receivables, including contract assets

EDP Group applies the simplified approach and records lifetime expected losses on all trade receivables and contract assets, including those with a significant financing component. The estimated ECL are calculated based on actual credit loss experience over a period that, per business and type of customers, is considered statistically relevant and representative of the specific characteristics of the underlying credit risk. When applicable, EDP Group estimated the ECL rates separately for corporates and individuals.

Considering the particularities of each business, exposures are segmented based on common credit risk characteristics such as credit risk grade, geographic region and/or industry - for corporates; and type of product purchased - for individuals, as applicable. Actual credit loss experience is adjusted by scalar factors to reflect differences between economic conditions during the period over which historical data was collect, current conditions and EDP Group's view of economic conditions over the expected lives of the receivables.

Other receivables and financial assets

For receivable assets related to regulatory assets, loans, financial entities and State carried at amortised cost and FVOCI, EDP Group performes an analysis based on the general approach. On making its assessment, the company has to make assumptions about risk of default and expected loss rates, which requires judgement. The inputs used for risk assessment and for calculation of the loss allowances for financial assets includes: (i) credit ratings (as far as available) from external credit rating companies such as Standard and Poors, Moody's and Fitch; (ii) significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower; (iii) public market data, namely on probabilities of default and loss given default expectations; and (iv) macroeconomic information (such as market interest rates or growth rates).

f) Trade payables and other liabilities

An instrument is classified as a financial liability when there is a contractual obligation for the issuer to liquidate capital and/or interests, through delivering cash or other financial asset, regardless of its legal form. Financial liabilities are recognised at the issuance date (trade date): (i) initially at fair value less transaction costs; and (ii) subsequently at amortised cost, using the effective interest method. All financial liabilities are booked at amortised cost, with the exception of the financial liabilities hedged at fair value hedge, which are stated at fair value on risk component that is being hedged.

Initial measurement of the lease liabilities

As provided by IFRS 16, the lease liabilities on the commencement date are measured by the Group based on the present value of the future payments of that lease contracts, discounted using EDP Group's incremental borrowing rate for each portfolio of leases identified.

EDP Group determines the lease term as the non-cancellable period of a lease, together with both: (i) periods covered by an option to extend the lease, if the lessee is reasonably certain to exercise that option; and (ii) periods covered by an option to terminate the lease, if the lessee is reasonably certain not to exercise that option.

EDP Group applies the recognition exemption provided by IFRS 16 for the leases which lease term is 12 months or less, or that are for a low-value asset.

After the commencement date, the lease liabilities are increased to reflect interest on the liability and reduced to reflect the lease payments made.

Remeasurement of the lease liabilities

EDP Group remeasures the lease liabilities, and adjusts the corresponding right-of-use assets, by discounting the revised lease payments, using an unchanged discount rate, if either:
i) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments; or
ii) there is a change in the amounts expected to be payable under a residual value guarantee.

If there is a lease modification that do not qualifies to be accounted as a separate lease, EDP Group remeasures the lease liabilities and adjusts the corresponding right-of-use assets, by discounting the revised lease payments, using a revised discount rate at the effective date of the modification.

The variable lease payments that do not depend in an index or a rate are not included in the measurement of the lease liabilities, nor the right-of-use asset. Those payments are recognised as cost in the period in which the event or condition that gives rise to the payments occurs.

Derecognition of financial liabilities

EDP Group derecognises a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, the obligation specified in the contract is discharged, cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability, or a part of it, is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

g) Equity instruments

A financial instrument is classified as an equity instrument when there is no contractual obligation at settlement to deliver cash or other financial asset to another entity, regardless of its legal form, and there is a residual interest in the assets of an entity after deducting all its liabilities.

Costs directly attributable to the issuance of equity instruments are recognised in equity, as a deduction to the amount issued. Amounts paid or received relating to sales or acquisitions of equity instruments are recognised in equity, net of transaction costs.

Distributions related to equity instruments are deducted from equity, as dividends, when declared.

Preference shares issued by the Group are considered as an equity instrument when there is no contractual obligation to redeem the shares and dividends are paid at the discretion of the Group. Preference shares issued by subsidiaries, classified as equity instruments and held by third parties, are recognised as non-controlling interests.

Equity instruments at fair value

EDP Group classifies the equity instruments that are held for trading at fair value to profit or loss. For all other equity instruments, management has the ability to make an irrevocable election on initial recognition, on an instrument-by-instrument basis, to present changes in fair value in other comprehensive income.

If this election is made, all fair value changes, excluding dividends that are a return on investment, will be included in other comprehensive income. There is no recycling of amounts from other comprehensive income to profit and loss (for example, on sale of an equity investment) being, at that time, transferred to retained earnings.

h) Property, plant and equipment

Property, plant and equipment is stated at acquisition cost less accumulated depreciation and impairment losses. On transition to IFRS, on 1 January 2004, the Group decided to consider as deemed cost the revalued amount of Property, plant and equipment in accordance with the Group's previous accounting policy, which was comparable in general terms to the depreciated cost determined in accordance with IFRS.

Subsequent costs are recognised as Property, plant and equipment only when it is probable that future economic benefits associated with the item will flow to the Group. Repair and maintenance costs are charged in the income statement as incurred, according to the accrual principle.

The Group carries out impairment tests whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount, being any impairment recognised in the income statement.

The recoverable amount is the higher of fair value less costs to sell and value in use, the latter being calculated by the present value of the estimated future cash flows obtained from continued use of the asset and its sale at the end of its useful life.

Land is not depreciated. Depreciation of tangible assets is calculated on a straight-line basis over their estimated useful lives, as follows:

	Number of years
Buildings and other constructions	8 to 50
Plant and machinery:	
- Hydroelectric generation	30 to 75
- Thermoelectric generation	25 to 45
- Renewable generation	30 to 35
- Electricity distribution	10 to 40
- Other plant and machinery	4 to 25
Transport equipment	4 to 25
Office equipment and tools	2 to 16
Other property, plant and equipment	3 to 50

According to IFRS, the estimate of the useful life of assets should be reviewed whenever a change in the expected economic benefits flowing from the assets occurs as well as when the technical use planned for the assets differs from previous estimates. Changes occurring in the depreciation charge for the year are accounted prospectively.

Capitalisation of borrowing costs and other directly attributable costs

Borrowing costs that are directly attributable to the acquisition or construction of assets are capitalised as part of the cost of these assets. A qualifying asset is an asset that needs a substantial period of time to be ready for its intended use or sale. The amount of interest costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on those assets. The capitalisation rate corresponds to the weighted average of the borrowing costs applicable to the outstanding borrowings during the period. The capitalisation of borrowing costs begins when expenditure for the assets is being incurred, borrowing costs have been incurred and activities necessary to prepare all or part of the assets for their intended use or sale are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use or sale are completed. Other expenses directly attributable to the acquisition and construction of the assets, such as cost of consumed materials and personnel costs, are also capitalised as part of the cost of the assets.

Investment government grants

Investment government grants are initially booked as Trade payables and other liabilities from commercial activities - Non Current only when there is reasonable certainty that the grant will be received and that the Group will fulfil the grant term conditions. Grants that compensate the Group for expenses incurred are booked in the income statement on a linear basis, on the same period in which the expenses are incurred. Grants that compensate the Group for the acquisition of assets are recognised in the income statement over the related assets useful life.

Transfers of assets from customers

Transfers of assets from customers concession arrangement and out of the scope of IFRIC 12, in accordance with IFRS 15, are related to payments of performance obligations fulfilled over the useful life of the underlying asset. Accordingly, when they are received from the customers, they are booked as liabilities instead of revenue. The assets are recognised by the estimated construction cost and are depreciated over their useful lives. The liabilities are recognised as revenue based on the corresponding useful life of the underlying asset.

i) Intangible assets

The Group's intangible assets are booked at acquisition cost less accumulated amortisation and impairment losses.

The Group performs impairment tests whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, being any impairment recognised in the income statement. The recoverable amount is the higher of fair value less costs to sell and value in use, the latter being calculated by the present value of the estimated future cash flows obtained from continued use of the asset and its sale at the end of its useful life.

Acquisition and development of software

The costs of purchasing software and the costs incurred by the Group to implement it are capitalised and amortised on a straight-line basis over the expected useful life of the asset.

Costs incurred by the Group directly related to the development of software, that are expected to generate economic benefits beyond one year, are recognised as intangible assets. Such costs include employee costs directly associated to the project and are amortised on a straight-line basis over its estimated useful life.

Software maintenance costs are charged to the income statement when incurred.

Concession rights on distribution of electricity

The concession rights on distribution of electricity in Brazil are recorded as intangible assets and amortised on a straight-line basis over the concessions period, not exceeding 30 years.

Concession rights to use the public hydric domain

Portuguese concession rights to use the public hydric domain are booked as intangible assets and depreciated on a straight-line basis over the concession period, which does not exceed 74 years. EDP Group records as concession rights the financial compensations for the use of public domain assets, whenever these compensations are paid and for all the Group subsidiaries.

The accounting policy related to intangible assets assigned to concessions in the scope of IFRIC 12 is described in z), Group concession activities.

Concession rights on generation of electricity

The concession rights on generation of electricity in Brazil are recorded as intangible assets and amortised on a straight-line basis over the concession period.

Industrial property and other rights

Industrial property and other rights are amortised on a straight-line basis over the estimated useful life of the assets, not exceeding 6 years.

j) Right-of-use assets

EDP Group presents the information related to lease contracts in the caption Right-of-use assets, in a separate line in the Statement of Financial Position. These assets are accounted for at cost less accumulated depreciation and impairment losses. The cost of these assets comprises the initial costs and the initial measurement of the lease liabilities, deducted from the prepaid amounts and any incentives received.

Depreciation of right-of-use assets is calculated on a straight-line basis over their estimated useful lives, considering the lease contract terms.

Remeasurement of right-of-use assets

If EDP Group remeasures the lease liability (see f)), the corresponding right-of-use assets shall be adjusted accordingly.

k) Investment property

The Group classifies as investment property, property held for capital appreciation and/or for rental purposes.

Investment property is recognised initially at acquisition or production cost, including directly attributable transaction costs, and is subsequently measured at cost less accumulated depreciation and any impairment losses.

Subsequent expenditures on investment property are only added to the cost of the asset when it is probable that additional future economic benefits will arise when compared to initial recognition.

Investment property is amortised on a straight-line basis over the estimated useful life of the assets (between 8 and 50 years).

l) Inventories

Inventories are measured at the lower of acquisition cost and net realisable value. The cost of inventories includes purchases, conversion and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs.

The cost of inventories is determined by using the weighted average cost method.

CO2 Licenses held by the Group for trade purposes are booked as inventories and measured at fair value, at each balance sheet date, against the income statement.

m) Employee benefits

Pensions

Some EDP Group companies grant post-employment benefits to employees under defined benefit and defined contribution plans, namely pension plans that grant complementary retirement benefits for age and early retirement pensions.

Defined benefit plans

In Portugal, the defined benefit plan is assured by (i) a closed pension fund managed by an external entity, covering responsibilities with benefits that are complementary to those provided under the Social Security System (namely retirement and early retirement pensions); and (ii) by a complementary specific provision, recognised in the statement of financial position. Benefits are generally determined and assigned through the combination of one or more factors, such as age, years of service and the relevant base retribution (pensionable salary). The responsibilities for early retirement are not covered by the fund's assets, being adequately provisioned through a specific provision.

In the pension plans in Portugal, and according with the Pension Funds regulation, the surplus amount of the assets fund, under certain conditions, can be reimbursed to the company.

In Spain, the defined benefit plan is partially covered by insurance policies, and complemented by a specific provision, recognised at the balance sheet. Benefits are generally determined and assigned through the combination of one or more factors, such as age, years of service and the relevant base retribution (pensionable salary).

In Brazil, EDP São Paulo and EDP Espírito Santo have defined benefit plans managed by a closed complementary welfare entity, external to EDP Group, covering responsibilities associated with retirement and early retirement pensions, according to factors such as age, years of service and the relevant base retribution.

In the pension plans in Brazil, the surplus amount of the assets fund generally can not be reimbursed to the company, since there are very strict rules on the amount that can be recovered, therefore the asset amount to be recognised is greatly reduced.

The Group's pension liability for each plan is calculated by independent experts annually, for each plan, at the balance sheet date, using the projected unit credit method. The discount rate used in the calculation is determined based on market interest rates of high quality corporate bonds denominated in the currency in which the benefits will be paid and that have similar maturity to the related pension liability.

Actuarial gains and losses presented in consolidated statement of comprehensive income comprise: (i) the actuarial gains and losses resulting from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments; (ii) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and (iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

The increase in past service costs arising from early retirements (retirements before the normal retirement age) or plan amendments is recognised in the income statement when incurred.

The Group recognises as operational results, in the income statement, current and past service costs. Net interest on the net defined benefit liability (asset) is recognised in financial results.

The assets of the plan comply with the recognition criteria established by IFRIC 14 - IAS 19 and the minimum funding requirements established by law or by contract.

Defined contribution plans

Some Group companies in Portugal, Spain and Brazil have defined contribution social benefit plans that complement those granted by the Social Security System, under which they pay an annual contribution to the plans, calculated in accordance with the rules established in each plan. These contributions represent a percentage of the fixed and variable remuneration of the employees included in this plan and are accounted for as cost for the period in which they are due.

Other benefits granted - Defined Benefit Type

Medical benefits

Some EDP Group companies provide medical benefits under which employees and immediate eligible family members have favourable conditions in medical assistance and health care services, namely:

- Concerning EDP Group companies in Portugal, through the provision of medical assistance that is complementary to the one provided under the National Health System, provided using infrastructures owned and managed internally;

- Concerning EDP Group companies in Spain and Brazil, through the share of costs in eligible medical and health expenses, in an external agreed network.

In Portugal, the medical benefit and death benefits plan is assured by (i) a closed fund managed by an external entity, created in December 2016, and (ii) a complementary specific provision, recognised in EDP Group company's statement of financial position.

In Spain, the medical care and death subsidy benefits plan is partially covered by insurance policies, and complemented by a specific provision, booked in EDP Group company's statement of financial position.

In Brazil, the liability is being covered by provisions booked in EDP Group company's statement of financial position.

Measurement and recognition of the medical benefits liabilities are similar to the defined benefit pension plans liabilities, explained above.

Other benefits

In addition, EDP Group grants other benefits, supporting charges arising from responsibilities for disability benefit's complements, survival benefits, life insurance, antiquity and retirement benefits, power tariff discounts, among others. These responsibilities are fully covered by a provision.

Benefits included in each Plan for Portugal and Brazil are detailed in EDP's Collective Labor Agreement, published in the Labor Bulletin of 8 October 2014 and in the website of the Plan management entity Enerprev (www.enerprev.com.br), respectively.

n) Provisions

Provisions are recognised when: (i) the Group has a present legal, contractual or constructive obligation; (ii) it is probable that settlement will be required in the future; and (iii) a reliable estimate of the obligation can be made.

Provisions for dismantling and decommissioning in electric power plants

The Group accounts for provisions for dismantling and decommissioning of assets at the end of the assets' useful life when there is a legal, contractual or constructive obligation. Therefore, such provisions have been booked for the electric power plants to cover the cost of restoring the location and land to their original condition. The provisions are calculated at the present amount of the expected future liability and are accounted for as part of the cost of the related property, plant and equipment being depreciated on a straight-line basis over the useful life of those assets.

Decommissioning and dismantling provisions are remeasured on an annual basis based on the best estimate of the settlement amount. The unwinding of the discount at each balance sheet date is charged to the income statement.

o) Recognition of revenue from contracts with customers

EDP Group recognises revenue to depict the transfer of control of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services, as provided in the 5 steps methodology introduced by IFRS 15, namely: (i) identify the contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to performance obligations; and (v) recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue in EDP Group arises essentially from electricity generation and distribution and energy (electricity and gas) supply activities.

Revenue related to the **sale of energy and access tariffs** to energy distribution network is measured at fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after elimination of intra-group sales.

Regarding the **electricity generation**, the transfer of control occurs when the energy is generated and injected into the transport/distribution grids. The electricity generated is sold under free market conditions or through the establishment of medium/long term power purchase agreements.

The **energy distribution** is a regulated activity, which is remunerated through tariffs set by each country Regulatory Body (Entidade Reguladora dos Serviços Energéticos (ERSE) in Portugal, Comisión Nacional de Energía (CNE) in Spain and Agência Nacional de Energia Elétrica (ANEEL) in Brazil). In Portugal and Spain, revenue arises mainly from the sale of access tariffs, as well as from the recovery, from the commercialisation entities, of the costs related to the global management activity of the system. In Brazil, revenue results from the electricity sales to final consumers, in the regulated market, based on the tariffs determined by ANEEL, which are included the use of the distribution and transport system tariff, among other components. In Portugal and Brazil, these activities are subject to public service concession arrangements (see z)).

Following the Directive 13/2018, of 15 December, on tariffs to be in force in 2019, and the premisses of IFRS 15, E-Redes – Distribuição de Eletricidade, S.A. acts as an agent in the purchase and sale of access to the transmission network (CVART) and therefore, as from this date onwards the associated amounts of costs and revenues are recorded at net value in the caption Revenues and cost of Energy Sales and Services and Other.

The **energy supply** is carried out in regulated and non-regulated markets. In non-regulated market, revenue is recognised based on commercial agreements. In regulated market, revenue is recognised according to the tariffs determined by each country Regulatory Body.

For contracts with customers in which the sale of energy and access tariffs are generally expected to be the only performance obligation, EDP Group recognises the revenue at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue recognition includes two components: (i) energy sales already invoiced, based on actual consumption readings and/or in estimated consumption based on the historical data of each consumer; and (ii) estimates of energy supplied and not yet invoiced (energy into energy meter). Differences between estimated and actual amounts are recorded in subsequent periods.

For pluriannual contracts with customers for energy sales including a termination clause determined based on the estimated consumption and contractual set prices, revenue is recognised based on the "Input Method". Under this method, revenue is recognised according to the percentage of the contract execution and the corresponding contractual margin. The margin is reviewed annually, on a contract-by-contract basis, based on the updating of estimated energy supply volumes until the end of the contract

Additionally, it should be noted that, in energy distribution and supply activities, there is a tariff adjustment mechanism through which gains or losses of a certain year are recognised in the period to which they relate and recovered in the future years tariffs – Tariff Adjustments (see w)).

EDP Group recognises the revenue related with **services rendered** over time in accordance with IFRS 15, given that the customer simultaneously receives and consumes the benefits provided by the Group.

EDP Group also sells products and services as a part of an **integrated commercial offer ("bundled")**. In a bundled sale arrangement, the Group accounts the sale of each product and/or service separately if they are distinct, that is, if the product or service is separately identifiable in the context of the integrated offer and the customer benefits from it. The consideration paid is allocated between the goods or services separately identifiable based on their relative stand-alone selling prices. The stand-alone selling price is determined based on EDP Group price lists on goods or services sold separately or, if they are not listed, based on the market valuation approach.

In what concerns variable transaction prices, EDP Group only recognises revenue when it is highly probable that there will not be any significant reversal of the recognised revenue, when it becomes certain.

EDP Group considers the facts and circumstances when analysing the terms of each contract with customers, applying the requirements that determine the recognition and measurement of revenue in a harmonized manner, when considering contracts with the same characteristics and in similar circumstances.

Contract liabilities

As provided by IFRS 15, EDP Group presents a contract liability if the Group has an obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

<u>Contract assets</u>

As provided by IFRS 15, EDP Group presents a contract asset if the Group has a right to consideration that is conditional on something other than the passage of time. This is common when the Group has transferred goods or services to a customer usually before invoicing and the payment is due, excluding any amounts presented as a Trade receivables (unconditional rights to consideration).

<u>Incremental costs of obtaining a contract</u>

EDP Group establishes certain contracts with third parties for the promotion (sale) of energy and related services. These third parties act as sales agents and are paid through sales commissions. The Group recognises incremental costs of obtaining contracts with customers as an asset if the entity expects to recover these costs over the respective contracts. The costs incurred by an entity to obtain a contract with a customer are considered as incremental costs whenever it is clear that the entity would not incur these costs if the contract had not been obtained (for example, a sales commission).

Therefore, EDP Group understands that the incremental costs to obtain a contract are eligible for capitalisation, accounting for a contract asset under the caption Debtors and other assets of commercial activities - Non-current. This asset shall be recognised in the income statement as amortisation, on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. Considering the analysis carried out on the set of goods and services provided by the EDP Group to which these commissions relate, the useful life allocated to them varies between 6 and 8 years.

p) Financial results

Financial results include interest costs on borrowings, interest income on funds invested, dividend income, foreign exchange gains and losses, realised gains and losses, changes in fair value of derivative financial instruments related to financing activity classified by the Group, within IFRS 9, as held for trading and consequently measured at fair value through profit or loss, and changes in the fair value of hedged risks, when applicable.

Interest is recognised in the income statement on an accrual basis. Dividend income is recognised on the date the right to receive is established.

Considering the accounting model provided by IFRS 16, the financial results includes the interest expenses (unwinding) calculated on the lease liabilities.

q) Income tax

Income tax recognised in the income statement includes current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is also recognised in equity.

Deferred taxes arising from the revaluation of assets (debt instruments) measured at fair value through other comprehensive income and cash flow hedge derivatives recognised in equity are recognised in the income statement in the period the results that originated the deferred taxes are recognised.

Current tax is the tax expected to be paid on the taxable income for the period, using tax rates enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

Deferred taxes are calculated in accordance with the balance sheet liability method, considering temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax basis, using the tax rates enacted or substantively enacted at the balance sheet date for each jurisdiction and that are expected to be applied when the temporary differences are reversed.

Deferred tax liabilities are recognised for all taxable temporary differences except for goodwill not deductible for tax purposes, differences arising on initial recognition of assets and liabilities that affect neither accounting nor taxable profit and differences relating to investments in subsidiaries, to the extent that these will probably not be reversed in the future. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available to absorb deductible temporary differences for taxation purposes.

The compensation between deferred tax assets and liabilities is performed at each subsidiary, and therefore the consolidated financial statements reflect in its assets the total of the deferred tax of subsidiaries that have deferred tax assets and in its liabilities the total of the deferred tax of subsidiaries that have deferred tax liabilities.

The Group offsets, as established in IAS 12, the deferred tax assets and liabilities if, and only if:
(i) the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in future periods in which deferred tax liabilities or assets are expected to be settled or recovered.

When accounting for interest and penalties related to income taxes, EDP Group considers whether a particular amount payable or receivable is, in its nature, a taxable income and, if so, applies IAS 12 to this amount. Otherwise, IAS 37 is applied.

Regarding the IFRIC 23 regarding IAS 12 – Income tax, when there is uncertainty over income tax treatments, EDP Group measures its current or deferred tax asset or liability applying the requirements in IAS 12. Additionally, the Group analises all the pending litigations or disputes with tax authorities regarding income tax and records contingency and litigation provisions whenever necessary.

r) Earnings per share

Basic earnings per share are calculated by dividing the consolidated and the company net profit attributable to the equity holders of EDP, S.A. by the weighted average number of ordinary shares outstanding during the period, excluding the average number of shares held by the Group and by EDP, S.A., respectively.

For the diluted earnings per share calculation, the weighted average number of ordinary shares outstanding is adjusted to consider conversion of all dilutive potential ordinary shares, such as convertible debt and stock options granted to employees. The dilution effect corresponds to a decrease in earnings per share resulting from the assumption that the convertible instruments are converted or the options granted are exercised.

s) Share based payments

The stock options remuneration program enables the Group's employees to acquire parent company shares. The exercise price of the options is calculated based on the listed price of the shares at the grant date.

The fair value of the options granted, determined at the grant date, is recognised in the income statement against equity during the vesting period, based on their market value calculated at the grant date.

In case the option is exercised, the Group acquires shares in the market to grant them to employees.

Shareholders of EDP Brasil structured and implemented a Share based Compensation Policy, which began in June 2016. The referred policy comprises two types of programs to be granted to certain employees (incentive and retention programs), being the eligible beneficiaries and assignment requirements subject to the conditions established.

t) Non-current assets held for sale and discontinued operations

Non-current assets or groups of non-current assets held for sale (groups of assets and related liabilities that include at least one non-current asset) are classified as held for sale when their carrying amounts will be recovered mainly through sale, the assets or groups of assets are available for immediate sale and its sale is highly probable.

The Group also classifies as non-current assets held for sale, non-current assets or groups of assets acquired exclusively for its subsequent resale, that are available for immediate sale and its sale is highly probable.

Prior to their classification as held for sale, the measurement of all non-current assets and all assets and liabilities included in a disposal group, is adjusted in accordance with the applicable IFRS standards. Subsequently, these assets or disposal groups are measured at the lowest between their carrying amount and fair value less costs to sell.

u) Cash and cash equivalents

Cash and cash equivalents include balances with maturity of less than three months from the contract date, including cash and deposits in banks. This caption also includes other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and specific demand deposits in relation to institutional partnerships that are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships.

On a company basis, EDP S.A. classifies as Cash and cash equivalents the current account balances with Group companies formalized through Cash Pooling Agreements (Group's financial system).

v) Operating segments

The Group presents the operating segments based on internal management information.

In accordance with IFRS 8, an operating segment is a Group component:
(i) that engages in business activities from which it may earn revenues and incur expenses;
(ii) whose operating results are reviewed regularly by the entity's chief operating decision maker in order to make decisions about resources to be allocated to the segment and assess its performance; and
(iii) for which discrete financial information is available.

w) Tariff adjustments

Classification and measurement of regulatory assets, which qualify as financial assets in EDP Group’s financial statements, is analysed based on the business model used in the management of the assets and the characteristics of the contractual cash flows (see e)).

In this sense, deviations and tariff deficits exclusively recovered or returned through electricity and gas tariffs, applicable to customers in subsequent periods, are recognised at amortised cost.

On the other hand, deviations or deficits that can be recovered, either through electricity rates (receipt of capital and interest) or through sales with recourse to third parties (bilateral contracts or securitization operations) are recognised at fair value through comprehensive income. This classification results from the existing history of sales to third parties and from the management's perspective regarding the existing assets.

In regulated activities, the regulator establishes, through the tariff adjustment mechanism, the criteria to recognise gains or losses of one period in future periods. The tariff adjustments accounted for in the EDP Group financial statements represent the difference between the amounts invoiced by Portuguese regulated companies (based on the applicable tariffs published by ERSE in December of the previous year) and the regulated revenue calculated based on actual costs. The assets or liabilities resulting from the tariff adjustments are recovered or returned through the electricity and gas tariffs charged to customers in subsequent periods.

Decree-Law 165/2008 of 21 August recognised the unconditional right of the regulated operators of the electric sector to recover the tariff adjustments under a regime identical to the one used for the tariff deficits. Consequently, EDP Group booked under the income statement caption Revenues from energy sales and services and other - Energy and access, the effects resulting from the recognition of tariff adjustments, against Debtors and other assets from commercial activities. According to the referred Decree-Law, the tariff adjustments determined annually, will be recovered by the regulated operators even in case of insolvency or cease of operations. ERSE is the entity responsible to establish the method to ensure that the entity entitled to these rights continues to recover the tariff adjustments until its complete payment. The Decree-Law also allows the transfer of the right to receive the tariff adjustment to third parties, in whole or in part, through future electricity tariffs.

Decree-Law 87/2011 of 18 July establishes the unconditional right of regulated operators in the natural gas sector to recover tariff adjustments and related interest expenses, notwithstanding the form of the future payment or situations of insolvency and cessation of operations, and allows the transfer to third parties of the right to receive tariff adjustments. The EDP Group recorded in the income statement, under the caption Revenues from energy sales and services and other - Gas, the effects of the recognition of tariff adjustments of Natural Gas, against Debtors and other assets from commercial activities and Trade payables and other liabilities from commercial activities.

x) CO2 Licenses and greenhouse gas emissions

The Group holds CO2 Licenses in order to deal with gas emissions resulting from its operational activity and Licenses for trading. The CO2 and gas emissions Licenses held for its own use are booked as intangible assets at the acquisition cost. CO2 licenses consumption is recorded in accordance with the weighted average price of the CO2 and gas emissions Licenses held for consumption in that year.

The Licenses held by the Group for trading purposes are booked under Inventories (see l)).

y) Statement of Cash Flow

The Statement of Cash Flow is presented under the indirect method, by which gross cash flows from operating, financing and investing activities are disclosed.

The Group classifies cash flows related to interest and dividends paid as financing activities and interest and dividends received as investing activities.

z) Group concession activities in the scope of IFRIC 12

EDP Group applies IFRIC 12 to the public-private concession contracts in which the public entity controls or regulates the services rendered through the utilisation of certain infrastructure as well as the price for such services and also controls any significant residual interest in the infrastructure. The infrastructures allocated to concessions are not recognised by the operator as property, plant and equipment or as financial leases, as the operator does not control the assets. These infrastructures are recognised according to one of the following accounting models, depending on the type of remuneration commitment of the operator assumed by the grantor within the terms of the contract:

Financial Asset Model

This model is applicable when the operator has an unconditional right to receive certain monetary amounts regardless of the level of use of the infrastructure within the concession and results in a financial asset recognition, booked at amortised cost.

Intangible Asset Model

This model is applicable when the operator, within the concession, is remunerated on the basis of the level of use of the infrastructure (demand risk) and results in an intangible asset recognition.

Mixed Model

This model is applicable when the concession includes simultaneously guaranteed remuneration and remuneration based on the level of use of the infrastructure within the concession.

Intangible assets within concessions are amortised over their respective useful lives during the concession period.

The Group carries out impairment tests to the intangible assets within concessions whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount, being any impairment recognised in the income statement.

Grants received from customers related to assets within concessions are delivered to the Group on a definitive basis, and, therefore, are not reimbursable. These grants are deducted from the value of the assets allocated to each concession.

The concession contracts that currently exist in EDP Group are mainly based in the Intangible Asset Model, namely in the electricity special regime production concessions (PRE) in Portugal and in the Mixed Model, namely in the electricity distribution concessions in Portugal and in Brazil.

aa) Institutional partnerships in North America

The Group has entered in several partnerships with institutional investors in North America, through operating agreements with limited liability companies that apportion the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTCs), Investment Tax Credits (ITC) and accelerated depreciation, largely to the investor.

The institutional investors purchase their minority partnership interests for an upfront cash payment with an agreed targeted internal rate of return over the period that the tax credits are generated. This anticipated return is computed based on the total anticipated benefit that the institutional investors will receive and includes the value of PTC's / ITC's, allocated taxable income or loss and cash distributions received.

The control and management of these wind farms are a responsibility of EDP Group and they are fully consolidated in these financial statements.

The financial instruments held by the institutional investors issued by the partnerships represent compound financial instruments as they contain characteristics of both financial liabilities and equity. The Group has determined that at the funding dates, the fair values of the original proceeds is equal to the fair values of the liabilities at that time and no value was assigned to the equity component. Subsequently, these liabilities are measured at amortized cost.

This liability is reduced by the value of tax benefits provided and cash distributions made to the institutional investors during the contracted period. The value of the tax benefits delivered, primarily accelerated depreciation and ITC are recognised as Income from institutional partnerships on a pro-rata basis over the useful life of the underlying projects and, from 1 January 2021 onwards, over the 5-year recapture period, respectively (see note 8). The value of the PTC's delivered are recorded as generated. This liability is increased by an interest accrual that is based on the outstanding liability balance and the targeted internal rate of return agreed.

After the flip date, the institutional investor retains a non-significant interest for the duration of the structure. This non-controlling interest is entitled to distributions ranging from 2.5% to 10% and taxable income allocations ranging from 5% to 10%. EDPR NA has an option to purchase the institutional investor's residual interest at fair market value during a defined period following the flip date. Post flip non-controlling interests is the portion of equity that is ascribed to the institutional investor in the institutional equity partnership at flip date. This amount is reclassified from the total equity attributable to the Parent to non-controlling interests caption in the period in which the flip date takes place.

ab) Disposal of assets under Asset Rotation strategy

The Asset rotation strategy allows EDP Group to crystallize the value of a project by selling with loss of control, and reinvesting the proceeds in another projects, targeting greater growth. Typically, the developer retain the role of O&M supplier. The gains on disposals under this strategy are recognised in the caption Other income.

3. Recent accounting standards and interpretations issued

Standards, amendments and interpretations issued effective for the Group

The amendments that have been issued and that are already effective and that the Group has applied on its financial statements, with no significant impacts, are the following:

- IFRS 4 (Amended) - Deferral of effective dates to apply two optional solutions (temporary exemption from IFRS 9 and overlay approach);
- IFRS 16 (Amended) - Covid-19 Related Rents Concessions beyond 30 June 2021.
  The amendments to IFRS 16 - Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021 have been issued by the International Accounting Standards Board (IASB) on March 2021 and endorsed by EU on 30 August 2021. The Group has adopted these amendments early on after 1 January 2021.; and
- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 due to the Interest Rate Benchmark Reform (IBOR Reform):

  Inter-bank offered rates (IBOR) are benchmark interest rates used in various financial instruments, including loans, deposits or derivative financial instruments. EURIBOR and LIBOR are examples of this type of interest rates.

  Following the financial crisis, global regulators identified the need to replace the IBORs, due to the fact that they are based less on market-observable transactions and more on the opinion of experts, recommending that they be replaced by risk-free rates.

  Due to these recommendations, the transition from IBOR to risk-free rates ("RFR") has begun. In this regard, several IBOR are being reformed: (i) LIBOR GBP – due to end on 31 December 2021; (ii) EONIA - scheduled for 31 December 2021; and (iii) LIBOR USD - scheduled for 30 June 2023. Regarding EURIBOR, after the change in 2019, it is expected to continue and there are no indications that it will end in the near future.

  The changes in the IFRS from the interest rate benchmark reform were issued by the International Accounting Standards Board (IASB) in two phases, Phase 1, which deals with pre-substitution issues - issues prior to the replacement of a benchmark interest rate -, and Phase 2, which deals with issues of replacing a benchmark rate.

Given the significant number of financial instruments held by the EDP Group indexed to a benchmark interest rate, the EDP Group set up a working group to analyse the impacts of IBOR Reform in its different phases, involving the Financial Departments and the Risk Department of the EDP Group.

Regarding Phase 1, the amendments entered into force from 1 January 2020, with retrospective application. These amendments clarify that entities continue to apply certain hedging accounting requirements, assuming that the benchmark interest rate on which the hedged cash flows and cash flows of the hedging instrument are based will not be changed as a result of this reform; and include a set of exemptions that apply to all interest rate risk hedging relationships that are affected by the interest rate benchmark reform, which cease to apply when: (i) there is no longer uncertainty as to the timing and amount of the underlying cash flows; or (ii) the hedging relationship ends.

The EDP Group retrospectively adopted the changes planned for Phase 1 on 1 January 2020. As at 31 December 2020, as alternative rates had not been defined yet, EDP Group did not recognize any impact on its consolidated financial statements.

Regarding Phase 2, the amendments entered into force from 1 January 2021, with retrospective application. These amendments essentially clarify: (i) the impacts on hedge accounting when Phase 1 exemptions no longer apply; (ii) the time at which the basis for determining the contractual cash flows required for financial instruments measured at fair value should be updated; and (iii) the impacts on the measurement of lease liabilities when there is a change in the basis for determining the respective contractual cash flows resulting from this reform.

The EDP Group retroactively adopted the changes planned for Phase 2 on 1 January 2021. Within the implementation of this phase and as for hedging accounting, the Group only updated the documentation of existing hedging relationships when one of these situations occurred: (i) designation of an alternative benchmark rate (specified contractually or not) as a hedged risk; (ii) change in the description of the hedged item, including a description of the designated part of cash flows or fair value to be hedged; or (iii) change in the description of the hedging instrument.

When the existing hedge relationships are updated, the accumulated value in the cash flow hedge reserve is considered based on the new benchmark rate. In the event of discontinuation of hedge relationship when the benchmark interest rate on which the hedged future cash flows were based is changed as required by the reform, the accumulated value in the cash flow hedge reserve is also considered based on the alternative benchmark rate for the purpose of assessing whether the future hedged cash flows are still expected to occur. During 2021, no changes were made to hedge relationships or documentations, resulting from changes to benchmark interest rates.

For financial instruments measured at amortised cost, the impact is reflected by the adjustment of the respective effective interest rate and there is no recognition of any gain or loss.

For lease liabilities, there were no contracts identified for which the basis for determining contractual cash flows has been amended as a result of this reform.

To summarize, according to the analysis made, the following categories of assets and liabilities were identified as potentially subject to the application of a benchmark interest rate: Cash and cash equivalents, Trade receivables, Tariff adjustments, Amount receivable under IFRIC 12, Lease liabilities, Financial debt, Amounts payable under institutional partnerships in North America and Derivative financial instruments. From the analysis carried out, it is concluded that only the following categories would be impacted by this reform: Cash and cash equivalents, financial debt and derivative financial instruments. It should be noted that a significant part of the EDP Group's financial debt is being remunerated at fixed interest rates and therefore without exposure to the change in the benchmark interest rates.

Given the announced end of the LIBOR GBP and EONIA rates for 31 December 2021, the Group began its analysis by the contractual relations which had these rates as a benchmark and throughout the year gradually replaced these rates in its contracts with risk-free rates, such as the SONIA and the €STER rates.

For LIBOR USD (announced end date 30 June 2023) and EURIBOR (replacement is not expected in the near future), the Group has not made as of 31 December 2021 any change in its contracts and is monitoring the contractual relationships that will potentially be affected by this reform in order to minimise uncertainty regarding the applicable interest rate and the timing of the flows associated with the benchmark interest rate.

Thus, with reference to 31 December 2021, the EDP Group's exposure to IBOR benchmark rates is as follows (derivative financial instruments are presented at notional value while the remaining instruments are presented at their net book value):

	Interest rates subject to the reform				
Thousand Euros	LIBOR USD	CAD CDOR	EURIBOR	Other	Total
Cash and cash equivalents	46 697	-	-	3,175,712	3,222,409
Collateral deposits associated to financial debt	-	-	1,866	48,209	50,075
Financial debt	203 309	155,411	116,760	16,342,456	16,817,936
Derivative financial instruments (notional):					
Interest rate swaps					
Cash flow hedge	86 437	123,812	64,920	13,763	288,932
Fair value hedge	-	-	1,457,859	-	1,457,859
Trading	-	-	313,197	190,171	503,368
Currency interest rate swaps					
Fair value hedge	80 891	-	410,314	-	491,205
Net investment hedge	-	91,378	-	1,609,918	1,701,296
Trading	-	-	-	297,617	297,617

Other includes amounts subject to other variable rates that are not included in the reform or fixed rate amounts.

Standards, amendments and interpretations issued but not yet effective for the Group

The standards, amendments and interpretations issued but not yet effective for the Group (whose effective application date has not yet occurred or, despite their effective dates of application, they have not yet been endorsed by the EU) for which no significant impact is expected, are the following:

- IFRS 17 - Insurance Contracts (and amendments related to initial application and comparative information);
- IAS 1 (Amended) - Classification of Liabilities as Current or Non-current;
- IFRS 3 (Amended) - Reference to the Conceptual Framework;
- IAS 16 (Amended) - Proceeds before Intended Use;
- IAS 37 (Amended) - Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvement Project (2018-2020);
- IAS 1 (Amended) - Disclosure of Accounting Policies;
- IAS 8 (Amended) - Disclosure of Accounting Estimates; and
- IAS 12 (Amended) - Deferred tax related to assets and liabilities arising from a Single Transaction.

4. Critical accounting estimates and judgements in preparing the financial statements

IFRS requires the use of judgement and the making of estimates in the decision process regarding certain accounting treatments, with impact in total assets, liabilities, equity, costs and income. The actual effects may differ from these estimates and judgements, namely in relation to the effect of actual costs and income.

The main accounting estimates and judgements used in applying the accounting policies are discussed in this note in order to improve the understanding of how its application affects the Group's reported results and disclosures. A broader description of the accounting policies employed by the Group is disclosed in note 2 - Accounting policies.

Considering that in many cases there are alternatives to the accounting treatment adopted by EDP Group, the reported results could differ if a different treatment was chosen. The Executive Board of Directors believes that the choices made are appropriate and that the financial statements present fairly the Group operations in all material respects.

Financial asset related with infrastructure concession contracts in Portugal

The caption "Amounts receivable from concessions - IFRIC 12", refers to the financial assets receivable by EDP Group companies that operate infrastructures under concession contracts, and arises from the unconditional right to receive this amount regardless of the utilisation level of the infrastructures covered by the concession. In these companies is included E-Redes – Distribuição de Eletricidade, S.A. as the National Distribution Network's (RND) concessionaire, which comprises the medium and high voltage network (MT and HT), and low voltage distribution networks (LT), being these concessions exercised exclusively through public service concession contracts.

The RND's operation, which is part of the HT and MT, is carried out through a public service concessions' attribution, by the Portuguese State. On the other hand, the right to distribute low voltage electricity is attributed to the Portuguese mainland municipalities. The legislation that establishes the basis of each concession sets up that the ownership or possession of the goods assigned to these concessions revert to the concessionaires at the end of their respective concessions. They also establish that in return for the assets returned to grantors, whether State or municipalities, compensation corresponding to the assets' book value assigned to the concession, net of amortisations, financial contributions and non-refundable subsidies will be paid. Therefore, the assets' estimated residual value at the end of each concession constitutes a financial asset, and the remaining fair value component of the concession assets is an intangible asset to be amortised over its useful life. Hence, the end date of each concession is one of the main assumptions to determine the amount of the financial and intangible assets.

In May 2017 Law 31/2017 was approved, which lays down the principles and general rules concerning the organisation of public tendering procedures for the awarding, by contract, of the municipal LT concessions' operation in the Portuguese mainland. This Law foresees the simultaneous launch, in 2019, of public tender procedures for all municipalities that do not opt for direct management of the electricity distribution activity, as well as to all municipalities whose current concession contracts reach their end before 2019, and do not opt for direct management. In these cases, both parts shall enter into a written agreement extending the term of their respective concessions until the new concession contracts enter into force. The awarding decisions will be taken by municipalities or by the territorial area's intermunicipal entity attached to the referred proceedings.

The new DL 15/22 provides that the coordination of the operation of the distribution networks will continue to be ensured under the current concessions until the integrated manager of the distribution networks takes over.

Thus, it is expected that this legislation and the concessions renewal proceedings will have a significant impact on the amount of the financial and intangible assets determined E-Redes – Distribuição de Eletricidade, S.A., namely through the concessions' termination anticipation, that currently extend beyond 2019. However, at this date it is not possible to predict the end date of the concession contracts currently in force, as the process is still in an initial phase, by doing studies and legislation. With reference to 31 December 2021, financial assets and intangible assets were determined based on the end dates of each of the contracts currently in force, and do not consider any changes arising from the already mentioned legislation. The use of different assumptions could result in different amounts of financial and intangible assets, with the consequential impact in the Statement of Financial Position (see note 26).

Measurement criteria of the concession financial receivables under IFRIC 12 in Brazil

In 2012, the Provisional Measure 579/12 was published in Brazil, meanwhile converted into Law 12.783/13, which determines that the amount of the indemnisation payable to the distribution companies regarding the assets not amortised or depreciated at the end of each concession, should be determined based in the methodology of the Value of Replacement as New (VNR). The indemnisation amount variation is booked against Revenues from energy sales and services and other. This amount corresponds to the difference between the residual value determined based on the value of replacement as new and the residual value determined based on the historical cost.

ANEEL reviews the VNR, through the valuation report of the Regulatory Remuneration Base, every three years for EDP Espírito Santo and every four years for EDP São Paulo, as established in the concession contracts. Within these periods the distribution companies use their best estimate for the VNR. The use of different assumptions could result in different values of financial assets, with the consequent impact in the Statement of Financial Position (see note 26).

Impairment of long term assets and Goodwill

Impairment tests are performed whenever there is a trigger that the recoverable amount of property, plant and equipment and intangible assets is less than the corresponding net book value of the assets.

On an annual basis, the Group reviews the assumptions used to assess the existence of impairment in goodwill resulting from acquisitions of shares in subsidiaries. The assumptions used are sensitive to changes in macroeconomic indicators and business assumptions used by management. The investments in subsidiaries, on a company basis, and in associates are reviewed when circumstances indicate the existence of impairment.

Considering the uncertainties regarding the recoverable amount of property, plant and equipment, intangible assets and goodwill as they are based on the best information available, changes in the assumptions could result in changes on the determination of the amount of impairment and, consequently, in results (see notes 12 and 19).

Measurement of the fair value of financial instruments

Fair values are based on listed market prices, if available. Otherwise, fair value is determined either by the price of similar recent transactions under market conditions, or determined by external entities, or based on valuation methodologies, supported by discounting future cash flows techniques, considering market conditions, time value, yield curves and volatility factors. These methodologies may require the use of assumptions or judgements in determining fair values.

Consequently, the use of different methodologies and different assumptions or judgements in applying a particular model, could generate different financial results from those reported.

Classification of the fair value of financial instruments

Financial instruments' classification as debt or equity requires judgement in the interpretation of contractual clauses and in the evaluation of the existence of a contractual obligation to deliver cash or other financial assets.

Review of the useful life of the assets

The Group reviews annually the reasonableness of the assets' useful lives that are used to determine the depreciation rates of assets assigned to the activity. When applicable, the Group changes the depreciation charge of the year, prospectively, based on such review.

Useful lives of generation assets - Hydro independent generator in Brazil

The hydro generation assets in Brazil for independent generators are amortised during their estimated useful lives, considering the existing facts and circumstances at the date of preparation of the financial statements. This includes, among other issues, EDP's best expectations of the useful lives of such assets, which are consistent with the useful lives defined by ANEEL, the respective contractual residual indemnification values at the end of each concession period, as well as related technical and legal opinions. The remaining period of amortisation and the indemnification values at the end of the concessions may be influenced by changes in the regulatory legal framework in Brazil (see note 16).

Lease Liabilities

The Group recognises right-of-use assets and lease liabilities, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: i) the contract involves the use of an identified asset; ii) it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and iii) it has the right to direct the use of the asset. EDP Group uses judgement on its assessment, namely concerning the termination and extension contract options and the determination of the incremental borrowing rate to be applied for each portfolio of leases identified (see notes 17 and 39).

Tariff adjustments

Portugal

Tariff adjustments in Portugal represent the difference between costs and income of the National Electricity, estimated at the beginning of each period for purposes of calculating the tariff, and the actual costs and income of the System established at the end of each period. The tariff adjustments assets or liabilities are recovered or returned through electricity and gas tariffs to customers in subsequent periods.

Decree-Law 237-B/2006 of 19 December, and Decree-Law 165/2008 of 21 August, recognised an unconditional right of the operators of the electricity sector to recover the tariff adjustments and related interest expenses, notwithstanding the form of the future payment or situations of insolvency and cessation of operations. Additionally, the legislation allows the transfer to third parties of the right to receive tariff adjustments. Therefore, under this legislation, regulated companies may provide to third parties, in whole or in part, the right to receive the tariff adjustments through the electricity tariffs. In accordance with the accounting policy in force, the EDP Group books under the caption Revenues from energy sales and services and other - Electricity and network access, the effects of the recognition of tariff adjustments in the electricity sector, against Debtors and other assets from commercial activities and Trade payables and other liabilities from commercial activities.

Brazil

On 25 November 2014, ANEEL made addendums to the concession contracts with brazilian electric distribution companies to reduce significant uncertainties regarding to the recognition and realization of regulatory assets/liabilities that existed since 2010, when the IFRS were adopted in Brazil. As a consequence, the CPC ("Comitê de Pronunciamentos Contábeis") issued on 28 November 2014, the OCPC 08 (Recognition of Certain Assets and Liabilities in Accounting and Financial Reports of Electric Distribution) which determines how to treat these regulatory assets/liabilities in the financial statements.

Therefore, on 10 December 2014, EDP Brasil signed the Fourth and Fifth Addendum to the Concession Agreement, where it was established that, in the case of concession termination, the outstanding balances of any failure of payment or reimbursement by the tariff (assets and liabilities), will be considered on the indemnity calculation, based on the regulator pre-established regulations.

EDP Group considers, based on the issued legislation (Portugal and Brazil), that the requirements for the recognition of tariff deficits as receivables and payables against the income statement of the period have been satisfied (see notes 7, 26 and 38).

Revenue recognition

Energy sales revenue is recognised when the monthly energy invoices are issued, based on actual meter readings or estimated consumption based on the historical data of each consumer. Revenue relating to energy to be invoiced, regarding consumption up to the balance sheet date but not measured, is booked based on estimates that take into consideration factors such as consumption in prior periods and analysis relating to the energy balance of the operations.

The use of different estimates and assumptions could affect the Group's revenue and, consequently, its reported results (see note 7).

Income taxes

The Group is subject to income taxes in several jurisdictions. Certain interpretations and assumptions are required in determining the global amount of income tax.

There are several transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. It is the Group's understanding that, in general, the tax treatment follows the accounting treatment, and therefore, no significant tax adjustments have been made to the accounting records arising from the implementation of the new standards. Different interpretations and assumptions could result in a different level of income taxes, current and deferred, recognised in the period (see note 14).

Pensions and other employee benefits

Determining pension and other employee benefits liabilities requires the use of assumptions, including actuarial projections, estimated rates of return on investments, discount rates and pension and salary growth and other factors that can impact the cost and liability of pension plans, medical plans and other benefits. Changes in the assumptions could materially affect the amounts determined (see note 35).

Provisions for dismantling and decommissioning of power generation units

EDP considers to exist legal, contractual or constructive obligations to dismantle and decommission property, plant and equipment assets allocated to electricity generation operations. The Group records provisions in accordance with existing obligations to cover the present value of the estimated cost to restore the locations and land where the electricity generation units are located. EDP Group provisions include the calculation of the present value of the expected future liabilities.

The use of different assumptions and judgement from those referred could lead to different financial results than those considered (see note 36).

Entities included in the consolidation perimeter

In order to determine which entities must be included in the consolidation perimeter, EDP Group evaluates whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee ("de facto" control).

This evaluation requires the use of judgement and assumptions in order to conclude whether the Group is in fact exposed to the variability of returns and has the ability to affect those returns through its control over the investee.

Other assumptions and judgements could lead to a different consolidation perimeter of the Group, with direct impact on the consolidated financial statements (see note 6).

Business combination

Under IFRS 3 (Business Combination) in a business combination, the acquirer shall recognise and measure in the consolidated financial statements the assets acquired and liabilities assumed at fair value at the acquisition date. The difference between the purchase price and the fair value of the assets and liabilities acquired leads to the recognition of goodwill or a gain from a purchase at a low price (bargain purchase).

The fair value determination of the assets acquired and liabilities assumed is carried out internally or by independent external evaluators, using the discounted cash flows method, using the replacement cost or other fair value determination techniques, which rely on the use of assumptions including macroeconomic indicators such as inflation rates, interest rates, exchange rates, discount rates, sale and purchase prices of energy, cost of raw materials, production estimates and business projections. Consequently, the determination of the fair value and goodwill or gain from a purchase at a low price is subject to numerous assumptions and judgments and therefore changes could result in different impacts on results (see note 49).

Fair value measurement of contingent consideration

Contingent consideration from a business combination or a sale of a financial investment is measured at fair value at the acquisition date as part of the business combination or at the date of the sale in the event of a sale of a financial investment. This contingent consideration is subsequently remeasured at fair value at each report date. Fair value is based on discounted cash flows. The main assumptions consider the probability of achieving each objective and the discount factor, corresponding to the best estimates of management at each report date. Changes in assumptions could have significant impact on the values of contingent assets and liabilities recognised in the financial statements (see notes 27 and 39).

Acquisition of assets out of the scope of IFRS 3

In order to assess whether an acquisition of an asset or a group of assets is a business, the Group identifies the elements in the acquired entity (inputs, processes and outputs), assesses the capability to create outputs (it should have at a minimum, an input and a substantive process to be assessed as a business) and, finally, assesses the capability of market participants to continuing to create outputs (conducting the activities as a business).

In the case of an integrated set of activities that is in an early-stage of development and has not started to generate outputs, the Group considers other factors to determine whether it constitutes a business, such as if: (i) planned principal activities have begun; (ii) employees, intellectual property, and other inputs and processes are present; (iii) a plan to produce outputs is being pursued; and/or (iv) access to customers who will purchase the outputs can be obtained. Generally, an early-stage entity that has employees capable of developing an output will be considered a business.

Therefore, in application of the above, the Group concludes that IFRS 3 is not applicable when there are no outputs at the acquisition date due to an early-stage of development, and the acquired process(es) cannot be considered substantive. Thus, the acquisition of an asset or a group of assets that does not fulfill the conditions to be considered a business is classified as an acquisition of a company out of scope of IFRS 3.

Contractual stability compensation - CMEC

i) Contractual stability compensation – Annual revisibility mechanism

The approval in 2004 of the Decree-Law 240/2004, of 27 December, determined the early Power Purchase Agreements (PPA) extinction, and the adoption of a contractual stability compensation (CMEC), which EDP Produção entered into after signing the Contractual stability on 27 January 2005, approved by the competent Government member (Order 4672/2005, of 4 March). This mechanism includes three types of compensation: initial compensation, annual adjustment (or revisibility) and final adjustment.

During period I (2007/2017) of the contractual stability compensation mechanism, there was a correction on an annual basis, resulting from positive or negative deviations between the estimates made for the initial stability compensation calculation and actual amounts arising from an efficient performance, using the "Valorágua" model, as established in the Decree-Law 240/2004. Later, Order 4694/2014 was published to define the guidelines of the annual revisibility calculation with respect to the revenues from the ancillary services market, regarding power plants under CMEC.

Revisibility amounts for the years 2007 to 2014 were determined and approved by the Member of the Government responsible for the energy sector, and were contested by EDP Produção:

a) As regards the approval of the 2011 and 2012 revisibilities, the fact that it did not consider the costs incurred with the social tariff in the calculation of the revisibilities; and

b) As regards the approval of the 2014 revisibility, the fact that it did not take into account in the calculation of the revisibility the costs incurred with the social tariff and CESE.

The annual revisibility of 2015 was approved by the Government member responsible for the energy sector in 20 October 2020 in the amount of 62.7 million Euros, after deducting an amount of 72.9 million Euros related to the alleged overcompensation of CMEC, due to their participation in the ancillary services market, in the period between 2009 and the first quarter of 2014 (see section Ancillary Services). EDP Produção challenged the order for ratifying the annual revisibility for the year 2015 on 19 January 2021, as it did not agreed with the assumption of overcompensation within the scope of its performance in the system services market, between 2009 and 2014 and, consequently, do not agree with the deduction of the underlying value (72.9 million Euros) in that revisibility. It should also be noted that EDP Produção has already contested the imposition of a fine by the Competition Authority on matters of the same scope. The challenge also covered the non-consideration of the Social Tariff and CESE amounts paid by the centrals operating under the CMEC regime and also the non-approval of the annual revisibilities from 2016 to 2017, which still await the respective approval by the Government member responsible for the area of energy.

ii) Contractual stability compensation – Final Adjustment

The CMEC's Final Adjustment is calculated in accordance with number 7 of article 3rd and Annex IV of Decree-Law 240/2004, of 27 December. The State budget for 2017 (Law 42/2016 of 28 December) determined, in its article 170, that the final adjustment amount is determined and based on a study prepared and presented by ERSE. This entity had the technical support of EDP Produção and REN (Work Team), legally enforced.

Accordingly, the technical group EDP/REN has presented to ERSE its report on the CMEC final adjustment calculation, which was achieved by strictly following the calculation methodology described in Decree-Law 240/2004, of 27 December. This calculation, performed by the technical group EDP/REN was presented to ERSE and comes to a range of amounts between 256.5 and 271 million Euros.

At the end of September 2017, ERSE has also presented to the Government its report on the calculation of the CMEC final adjustment, reaching an amount of 154 million Euros, which was provisionally considered in the document of tariffs and prices for 2018.

In the Financial statements as at 31 December 2017, EDP Group has included its best estimate of the CMEC final adjustment, by recognising an asset in the amount of 256.5 million Euros against deferred income, based on the methodology established for this purpose in Decrew-Law 240/2004, of 27 December, and in the legal opinions obtained in the meantime on this understanding.

On 3 May 2018, EDP was notified (through a DGEG's letter from 25 April 2018) that the CMEC final adjustment had been officially approved, according to ERSE's proposal, in the amount of 154 million Euros. EDP reflected this reality in its financial statements as of 31 December 2018, recognising a provision by the difference in the final adjustment amounts already recognised in the Group's revenues. On 31 December 2021 EDP maintains the provision in its accounts (see note 36).

Considering that the administrative act contained in the Dispatch of approval of the SSE of 25 April 2018 lacks technical, economic and legal basis, and that, in particular, it does not apply the calculation methodology contained in Decree-Law 240/2004, of 27 December, and which would lead to the determination of an amount close to the one determined by the technical group, on 3 September 2018, EDP Produção has legally contested it.

"Clawback" - Regulatory mechanism to ensure the competitive balance in the wholesale electricity market in Portugal

Following some tax changes occurred in Spain, which affected electricity generators operating in this country, Decree-Law 74/2013, of 4 June, was approved in Portugal, which aimed to rebalance the competition between electricity generators operating in Portugal and other players operating in Europe.

Pursuant to relate diploma and its regulations, in order to restore such balance, the power plants operating on a market regime situated in Portugal, which were not covered by the PPA or CMEC regime, should pay to the System an amount per MWh produced.

The amount payable should consider, on one hand, an estimate of the impact that the off-market events in the European Union (such as the above-mentioned tax changes in Spain) would have in pool prices, and on the other hand, the existence of extra-market events - national markets that affect the competitiveness of electricity generators operating in Portuguese territory. Consequently, a net competition advantage would allegedly arise to generators operating in Portugal.

Under this mechanism regulation – commonly known as clawback – Social tariff and CESE were approved by Dispatch 11566-A/2015, of 3 October, as off-market events that should be considered as competitive disadvantages of generators operating in Portugal.

Dispatch 7557-A/2017, of 25 August, superseded Dispatch 11566-A/2015 (which defined the variables for the computation formula of the amount to be paid by each of the power-generating plants under Decree-Law 74/2013, of 4 June, for each injected MWh) in its entirety. It states that ERSE, after consulting DGEG, shall present proposals for a new definition of the variables, as well as reference terms for the new study.

Subsequently, the Dispatch 9371/2017, of 24 October, partially nulled the Dispatch 11566-A/2015, from the SSE, in relation to the decisions presented under its numbers 11 and 12 (the deduction of social tariff and CESE costs in the unit price). ERSE was asked to consider in 2018 UGS tariff, the recovery, in benefit of the consumers, of the amounts allegedly unproperly included in previous years' tariffs (2016 and 2017). Dispatch 9955/2017, of 17 November, defines a new amount for the estimate of the off-market events' impact in EU, which is -4.75 €/MWh, with retroactive effects as at August 24. Following these Dispatches, the document of prices and tariffs for 2018 has included a clawback amount of around 90 million Euros to be returned to tariffs, which includes power plants operating under CMEC and estimated generation.

Based on its interpretation of the Law, as well as on legal opinions obtained in the meantime, EDP Produção considers that the Decree-Law 74/2013, of 4 of June, aims to reestablish a situation of competition balance between generators operating in Portugal and their peers operating in other European countries, which means to consider as off-market events all the taxes and contributions that fall only over generators located outside of Portugal (particularly in Spain), as well as all the taxes and contributions that fall only over generators located in Portugal. Consequently, in the EDP Produção's understanding, Dispatch 9371/2017 and 9955/2017 have completely distorted the clawback mechanism, having filed its legal action in January 2018.

In the Financial statements as at 31 December 2018, EDP Group has included the clawback amount as calculated by EDP Produção, regarding the legislation in place in each period, namely Decree-Law 74/2013, of 4 of June, Order 225/2015, Ordinance 9371/2017 and Dispatch 9955/2017. It is important to notice that this mechanism is not applicable to power plants in 2018 still operating under CMEC regime. However, this situation was subsequently changed and disputed by EDP Produção.

On 5 October 2018, the Spanish legislature, by the sixth and seventh additional lines on Article 21 of Royal Decree-Law 15/2018, suspended the 7% tax on electricity generation approved in 2012 for a period of six months, from the beginning of October 2018 to the end of March 2019. This tax suspension corresponds to the suspension of the off-market event verified within the European Union, which is considered in the clawback calculation.

Following the temporary suspension of the tax on electricity production in Spain:
- Order 895/2019 of 23 January, establishing the suspension of the "Clawback" was approved for a period of 6 months as from 1 October 2018;
- The Tariff and Price Document for 2019, published on 17 December 2018, estimates a Clawback value of € 4.18/MWh, to be applied after the end of the suspension period (more specifically from 6 April 2019);
- ERSE informed EDP Produção that any clawback invoicing relating to the referred suspension period should be deleted or cancelled;
- The State Budget Law for 2019 provided that "the Government shall, until the end of the first quarter of 2019, review the regulatory mechanism designed to ensure the balance of competition in the wholesale electricity market in Portugal, provided for under DL 74/2013, of 4 June, adapting it to the new rules of the Iberian Electricity Market, with the aim of creating harmonized regulatory mechanisms that reinforce competition and protect consumers".

On 1 April 2019, the suspension of the tax on the production of electric energy in Spain was terminated, and it became effective again. From that moment, the "clawback" invoiced to EDP Produção was resumed, based on a value of 4.75€/MWh.

On 9 August 2019, Decree-Law 104/2019 was published, which makes the first amendment to Decree-Law 74/2013, of 4 June, by changing the scope of the clawback mechanism. Previously, "electricity producers under the ordinary regime and other producers not covered by the guaranteed remuneration regime" were subject to clawback. With the publication of this diploma, the CMEC centrals are now included in the scope of the clawback. Considering that this scope contradicts the Decree Law 240/2004, of 27 of December, EDP Produção proceeded to its challenge.

The same Decree-Law introduced the possibility to define CIT (corporate income tax) – advanced payment, and on 26 September 2019 was published the Order 8521/2019, which set the amounts of advanced payment related to the clawback mechanism at 2.71€/MWh for coal-fired power plants and 4.18€/MWh for other power plants.

In the Tariff and Price Document for 2020, published on 16 December 2019, ERSE considered the unit values defined in Dispatch 8521/2019, correcting only the value applicable to coal to 1.23 € / MWh, due to the increase in the ISP tax percentage and CO2 addition planned for 2020. EDP Produção presented on 10 March of 2020 an action seeking a declaration of nullity or annulment of that administrative act by ERSE.

On 27 December 2019, Dispatch 12424-A / 2019 was published, which identifies as national extra-market events to be considered in the Study to be prepared by ERSE until April 2020 (with reference to 2019) under the Clawback mechanism, the taxation of petroleum and energy products used in the production of electricity (ISP), CESE and the Social Electricity Tariff.

On 20 March 2020 ERSE Directive 4/2020 was published, which approves the operational rules of the commercial relationship between the Transmission System Operator (ORT) and the producers covered by the application of Decree-Law 74/2013, of 4 June, with the amendment given by Decree-Law 104/2019, of 9 August, revoking Directive 15/2016, of 14 September 2016, regarding the "Clawback" regime. The main change of this Directive is: i) the breakdown of the amount of power plants with CMEC and, ii) the monthly aggregation by balance sheet area, instead of by power generation center.

On 30 June 2020, Dispatch 6740/2020 was published by the Secretary State of Energy (SEE) which establishes the CIT (corporate income tax) – advanced payment to be applied in 2020 to electric power producers covered by the "Clawback" mechanism. The value of CIT (corporate income tax) – advanced payment for the year 2020 is set at € 2.24/MWh for plants that are not subject to extra market internal events, that is, only to some renewable energy producers in the market with the exception of the power generation centers included in the scope of internal extra-market events identified.

On 22 October 2020, Dispatch 10177/2020, issued by the SEE Office, was published, which determines the final compensation of the "Clawback" for the year 2019, considering the ISP regime as the only internal off-market event within the National Electrical System (SEN), thus determining a value of € 2.24 / MWh for hydro, gas and PRE on the market and 0.68€/MWh for coal power plants. This determination is not consistent with that contained in Dispatch 12424-A/2019, of 27 December, which identifies ISP, CESE and Social Tariff as internal off-market events for 2019. EDP Produção challenged Order 10177/2020 on 22 January 2021.

On 25 June 2021, the Spanish legislator, within the scope for the adoption of urgent measures regarding energy taxation due to the high prices verified in the MIBEL in recent months, published the Royal Decree-Law 12/2021, which, among others, proceeds the suspension of the 7% tax on the production of electricity, approved in 2012, for a period between 1 July and 30 September 2021 (3 months), and with effects on the determination of the "Clawback". More recently, and following Royal Decree-Law 17/2021, the Spanish legislator has once again suspended the 7% tax on electricity production for another 3 months, between 1 October and 31 December of 2021.

Following the temporary suspension of the tax on the production of electricity in Spain, Dispatch 6398-A/2021, of 29 June, was published, which established the suspension of the "Clawback" in the period between 1 July 2021 and 30 September 2021, and Order 9975/2021, of 14 October, which determines the suspension of this mechanism between 1 October and 31 December 2021.

On 15 October 2021, Order 9974/2021, of the SEAE Office, was published, which determines the final compensation of the "Clawback" for the year 2020, considering as the only extra-market event within the National Electric System the regime of ISP (noting that it is consistent with the Dispatch that approved the final value for the year 2019), resulting in the following "Clawback" values: 3.64€/MWh for hydro plants and Special Regime Production (PRE) in the PRE market in Marketplace; 3.42€/MWh for CCGTs; and 2.16€/MWh for coal plants. This determination is not coherent with the goals and rationale underlying the "Clawback" mechanism, as it does not admit the Social Tariff and CESE as internal extramarket events. EDP Produção challenged Order 9974/2021 at 14 January 2022.

Social Tariff Scheme

Following the periodic litigation assessment, EDP Group filed a request to the European Commission to assess the compliance of the Social Tariff funding mechanism, fully supported by ordinary regime generators, with the rules and principles of European Union law. On this, since 2011, EDP has already been charged more than 460 million Euros (including ERSE's estimate for 2021). EDP does not question the existence of the Social Tariff, and agrees with its purpose, but cannot, in light of the current regime, conform with the terms in which the legislator enshrined its method of financing.

The verification request aims to obtain confirmation on the inadequacy of the current national social tariff financing mechanism and to prompt the review of national legislation on this financing mechanism. The European Commission is expected to complete its review by the end of 2021 during the first quarter of 2022.

Ancillary Services

i) Secondary regulation band service

On 3 September 2018 the Autoridade da Concorrência (AdC) adopted a Note of Illegality, under which it intended to attribute to EDP Produção a behaviour of abuse of a dominant position in the secondary regulation band service. AdC claimed that EDP Produção restricted the offer of a segment of the Electricity System (the secondary regulation band or teleregulation service) between January 2009 and December 2013, limiting the capacity offer of its plants under CMEC regime to benefit market power plants, in order to benefit twice, to the detriment of consumers. On 28 November 2018, EDP Produção exercised its right to be heard and to defend itself in relation to the wrongful act was imputed and the sanctions it could incur, that is, it responded to the Note of Illegality.

On 18 September 2019, AdC informed EDP Produção of its decision to condemn, imposing a fine of 48 million Euros, for alleged abuse of dominant position in the secondary regulation band market in mainland Portugal between January 2009 and December 2013.

According to AdC, EDP Produção would have manipulated its offer of tele-regulation service or secondary regulation band, limiting the capacity offer of its CMEC power plants to offer it through its market power plants, benefiting in two ways:

- Highest compensation paid to CMEC plants (annual revisability), as their lower participation in the provision of secondary regulation band service would be below what would be expected (according to competitive market criteria); and

- The increase of the market price of the secondary bandwidth service, as a result of the limited supply by CMEC plants, favouring market-based power plants.

On 30 October 2019, EDP Produção filed an appeal against this decision before the Competition, Regulation and Supervision Court (TCRS), awaiting the AdC's counter-allegations. On 20 May 2020, EDP Produção was notified of an order from TCRS, which, among other things, admitted its Appeal of Judicial Contestation, establishing a purely return effect and determining the payment of the fine imposed within 20 days. In this context, EDP Produção submitted requests, invoking supervening facts to demonstrate the considerable damage associated with a putative payment of the fine, and arguing defects in the decision that determined the attribution of a merely devolutive effect to the Judicial Challenge Appeal. However, despite EDP Produção's well-founded convictions about the possibility of providing a bank guarantee or bond, instead of paying the fine, the TCRS ended up determining the payment of the fine, which occurred on 20 October 2021 (see note 36). The trial started in September 2021 and the witness hearing period has already started.

The EDP Group considers that EDP Produção did not abuse any dominant position, having acted strictly in accordance with the legal framework in force.

On 29 September 2021, EDP Produção was cited in a class action filed by Associação IUS Omnibus based on the alleged abuse of dominant position in the secondary regulation band market between the beginning of 2009 and the end of 2013, requesting, in representation of consumers, a compensation in the amount of 94.8 million euros, as estimated by AdC in the scope of process PRC/2016/05. Given the date of service, the process is at a very early stage, and the company is currently analyzing its possible implications.

ii) CMEC's revisibility overcompensation

On 20 October 2020, EDP Produção became aware, by letter sent by DGEG, of the dispatch of the SEE regarding the approval of the revisibility for the year 2015, which is deducted in the amount of 72.9 million Euros, relating to the alleged overcompensation. In this respect, the EDP Group has registered a provision in the amount of 72.9 million Euros (see note 36), and carried out a judicial appeal against the order of SEAE at the Administrative Court of the Lisbon Circle.

Innovative Features

On 9 July 2018, EDP has been notified, within the scope of a stakeholder hearing promoted by the DGEG, to present its opinion on the possibility of DGEG proposing to the Secretary of State for Energy an amount associated with the alleged "innovative features" introduced in CMEC regime regarding PPA, to a maximum amount of 357.9 million Euros. According to DGEG, this amount shall be associated with the lack of legal scope for tests on the availability of the CMEC plants (285 million Euros) and the ancillary services, mentioned above (72.9 million Euros).

On 26 September 2018, EDP Produção was notified of the Order of the SEE of 29 August, which considers as an "innovative features" the topic "procedures for calculating the verified availability coefficient", quantified at 285 million Euros. This Order refers to the alleged lack of legal forecast of availability tests of CMEC plants. Considering that the Order in question lacks technical, economic and legal basis, on 8 October 2018 EDP Produção has submitted an administrative appeal.

Subsequently, EDP Produção received a letter from ERSE dated 12 November 2018 and became aware of the Order of the SEE of 4 October, which, following the Order of 29 August, declared the annulment of the annual adjustments in the part in which they considered the alleged "innovative features" concerning the procedures for calculating the coefficient of availability. In the Tariff and Price Document for 2019, ERSE considered the refund of an amount of 90 million Euros for a portion of the 285 million Euros referred to, expecting that the remaining portion will be paid for a number of years that allow the CMEC to have zero tariff impact by including the 86.5 million Euros in the tariffs of 2020, 86.5 million Euros in tariffs of 2021 and 21.9 million Euros in 2022.

Without having received any response to the gracious complain filed on 1 February 2019, EDP Produçao challenged in court the Orders of 29 August and 4 October and the Tariff and Price Document for 2019.

In the Electricity Tariffs and Prices Document for 2020, approved by ERSE on 16 December 2019, that entity charged again 86.5 million Euros, as it had foreseen the previous year.

Although the EDP Group considers that there were no innovative features weighted in CMEC adjustments, this aspect was reflected in these financial statements as of 31 December 2018, by recognising a provision of 285 million Euros. In 2019 EDP made the payment of 92,458 thousand Euros, during 2020 made the payment of 110,963 thousand Euros and during 2021 made the payment of 69,374 thousand Euros(see note 36), using this provision, so that at 31 December 2021 this provision amounts 12.105 thousand Euros.

Hydro power plants of Fridão and Alvito

On 17 December 2008, EDP Produção and the Portuguese State signed the Contract for the Implementation of the National Program for High Hydroelectric Potential Power Plants (PNBEPH) regarding the Hydro Power Plants of Fridão (AHF) and Alvito (AHA), with the payment, by EDP Produção of 231.700 thousand Euros. Of this amount, 217,798 thousand Euros relates to the right to implement and exploit the AHF.

EDP Produção followed up on the procedures for the implementation of these projects, having, in the case of the AHF, obtained a Favourable Environmental Impact Declaration and an Environmental Compliance Report of the Execution Project (RECAPE).

On 22 October 2013, EDP Produção requested to the Minister of the Environment, Land Management and Energy, based on a change of circumstances, to postpone the signing of the concession contract for the AHF. This request was formally rejected on 2 May 2014, and the terms of the concession contract, were subsequently negotiated between EDP Produção and the Portuguese Environmental Agency (APA) and a specific date for the respective signature for 30 September 2015, which was revoked by the Government without rescheduling a new date.

In 2016, following the beginning of the XXI Constitutional Government, the Government Program provided the reassessment of the PNBEPH. In this context, it was suspended, for three years, the execution of the Contract for the implementation of the AHF, as well as the annulment of the implementation Contract regarding AHA, through a Memorandum of Understanding signed on 5 December 2016, concluded by an agreement between the Portuguese State and EDP Produção on 11 April 2017.

This deferral decision was taken based on public interest reasons, considering the evolution of installed power and energy demand since 2008 (conclusion date of the Implementation Contract) until 2016. It is not clear that the AHF would be an energy surplus that would offset the environmental impacts resulting from its implementation.

On 16 April 2019 EDP Produção received, by email, an official letter from the Ministry of the Environment and Energy Transition, dated 11 April 2019, informing the State's conclusion that there is no need for implementation of AHF to meet national targets for energy production from renewable sources and for reducing the emission of Greenhouse Gases, as well as "that the State does not find any reason to inhibit the construction of the Fridão Hydro Power Plant".

Simultaneously, the Minister of the Environment and Energy Transition (MATE) announced at the National Assembly, in a hearing at the Environment, Land-use Planning, Decentralization, Local Power and Housing Committee, that the State's decision was not to build the AHF and that "the State will always comply with the contract but believes there are no reasons for any repayment of the amount that was given to the State ten years ago". It acknowledged, however, that there was no agreement with EDP on this matter.

EDP Produção notified the Portuguese State to clarify that at no time did EDP express its intention to not proceed with the construction of power plants and to return all the investment already made, including the consideration paid on the provisional award, and, as well, to compensate it for other losses and damages resulting from the non-compliance, to be settled in a timely manner. The Group reclassified these Assets under construction to Other debtors and other assets and valued in accordance with the principles defined in IFRS 9 (see note 27).

Currently, the arbitral proceedings, initiated by EDP Produção on 24 January 2020, are in progress, and the Portuguese State presented a Reply on 20 November 2020. A preliminary hearing took place in the first quarter of 2021, and arbitration hearings during the month of April 2021. In July 2021 the closing arguments were presented and the decision being expected until the end of the first quarter of 2022.

Sale of real estate by E-Redes – Distribuição de Eletricidade, S.A.

In the 2009-2018 period, E-Redes – Distribuição de Eletricidade, S.A. disposed a set of real estate that were unused for the activities of the various electricity distribution concessions, in the amount of approximately 52 million Euros, obtaining a total net value of gains of 33.9 million Euros (35.7 million Euros of gains and 1.7 million Euros of losses).

In the regulated accounts sent to ERSE in April 2018, E-Redes – Distribuição de Eletricidade, S.A. identified the amount to be returned into tariffs related to the depreciation of the properties that were sold in the period 2012-2017. ERSE did not consider this amount in the 2019 rates and submitted the topic for further analysis.

In the Tariffs for 2020, ERSE recognized the principle of profit sharing with the system and assumed the return into the tariffs of approximately 16.6 million Euros referring to half of the net gains obtained from the sale of real estate by E-Redes – Distribuição de Eletricidade, S.A. between 2009 and 2018, having mentioned that the position to be taken by the respective grantors of the Concession Contract for the National Distribution Network (RND) and the electricity distribution network concessions in BT mav determine the revision of this amount.

E-Redes did not question the return to the tariff of half of the capital gains generated with the sale of real estate not allocated to any of the activities included in the RND concession and in the concessions of the municipal low voltage electricity distribution networks, having the respective representative on the ERSE Tariff Board voted in favor of this solution.

Subsequent to the publication of the Tariffs for 2020, in 17 December 2019, the Government approved an Order that stipulates that the total value of the gains generated by the sale of real estate by E-Redes – Distribuição de Eletricidade, S.A. between 2009 and 2018, and which were subject to remuneration for the tariffs, “reverts entirely to the grantor ”, and should be “fully reflected in the electricity tariffs”.

On 17 March 2020, E-Redes – Distribuição de Eletricidade, S.A. initiated an arbitration process at the Commercial Arbitration Center, in which claims, moreover, (i) the principle of sharing benefits in this case, may not result in the granting ownership of all the gains generated from the sale of real estate; (ii) that the maintenance of the alienated properties would entail costs for the system, so that their alienation proves to be correct; (iii) that, in relation to all E-Redes real estate where no specific technical installations for each voltage level are installed, as is the case, it is not possible to make any distinction between the respective allocation to the RND concession, or to the municipal concessions for low voltage electricity distribution networks. The State, represented by the Ministry for the Environment and Climate Action (MAAC), submitted its response on 3 July 2020. In January 2021, the first preliminary hearing was held, followed by the pleadings phase, in which E-Redes presented its initial petition and the State reiterated in its response the arguments already listed, noting that it does not call into question the management carried out, the value of the transactions and that there was never any intention to prevent E-Redes from proceeding with the sale of the assets in question, maintaining, however, that all real estate sold are included in the concession of the RND and that the respective concession contract determines that the proceeds from the sale of properties must revert to the concession. Between July and September 2021, the written testimonies of the witnesses appointed by the parties were presented and in October 2021 these witnesses provided additional clarifications to the Arbitration Court, which agreed to notify E-Redes to attach to the process additional documentation relating to the properties referred to in process. Thus, after the fulfilment of this notification took place in the first half of November, the parties presented new witnesses who gave their testimony in mid-December 2021 and a session was held on 28 January 2022 for the presentation of closing arguments. A decision is awaited from this moment on, for which the Arbitral Tribunal has a period of 60 days, subject to extension.

On 15 December 2020, the Regulator published the tariffs for 2021 and it was considered the return to the system of the remaining amount of 16.6 million Euros referring the net gains obtained from the sale of properties in the period between 2009 and 2018, in accordance with the Dispatch sent by MAAC, despite the ongoing arbitration process.

E-Redes acted in a transparent manner and within the framework of regulatory efficiency standards dictated by ERSE itself, as is evident from the values that have always been evidenced in the published Reports and Accounts and in the Regulated Accounts presented.

Sale of the portfolio of Hydroelectric Projects

The project for the sale of the portfolio of Hydroelectric Projects located in the Douro basin falls within the scope of EDP's strategic plan for 2019-2022, as presented to the market in March 2019 and reinforced with EDP's Strategic Plan for 2021-2025 presented in February 2021, in particular within the scope of the strategy of portfolio balancing and capital reallocation, as a way to finance new investments, particularly in renewable energy, including in Portugal.

The transaction was concluded on 16 December 2020, through the sale of the entire share capital of the company Camirengia Hidroelétricos S.A. ("Camirengia"), by its sole shareholder, EDP - Energias de Portugal, S.A. ("EDP"), to the company Movhera - Hidroeléctricas do Norte, S.A. (previously known as Águas profundas, S.A., company incorporated in Portugal and therefore resident for tax purposes in Portugal, owned by the consortium formed by GDF International SAS, from ENGIE Group, by 40%, Mirova S.A. by 35% and Predica Prevoyance Dialogue du Credit Agricole, S.A. in 25%). The company Camirengia was incorporated under the simple demerger of EDP - Gestão da Produção de Energia, S.A. ("EDP Produção"), under which a complex set of items was carved-out from this company, comprising not only the titles of use of the hydric resources related to the portfolio mentioned above, but also by a multiplicity of assets, liabilities, resources and contractual positions associated and necessary for the development of the exploration activity.

From a strictly operational, regulatory, technical and legal point of view, the demerger was the only viable and feasible option to proceed with the detachment of the portfolio, considering its size and complexity. In this sense, EDP followed the only model, the demerger and the subsequent sale of shares, that guaranteed the continuity of operations and the maintenance of all the commitments (including environmental nature and towards the municipalities) necessary for the portfolio normal operation and also to respond to the need of the buyer of acquiring a functional and autonomous company that would ensure the operation of all activity, without disruption, immediately after the sale - which was also required by the regulator. On the other hand, the contractual model used in the implementation of the transaction is fully in line with market standards.

After its conclusion, the transaction was subject to media attention, based on the assumption that it constitutes a transfer of concessions and that, therefore, would be subject to Stamp Duty (under paragraph 27.2 of the Stamp Duty General Table). In EDP's view, that assumption is not at all applicable, and Stamp Duty is not due, as the transaction did not entail a transfer of concessions, but rather a demerger followed by the sale of the entire share capital of a company (Camirengia) holding the patrimonial assets assigned to the portfolio, operations that are not subject to Stamp Duty.

In this context, on 16 March 2021, the President of the EDP Executive Board of Directors was requested to attend the Environment, Energy and Spatial Planning Commission of the Portuguese Parliament, in order to address the abovementioned transaction, where EDP had the opportunity to clarify all questions addressed by the Members present. In addition, on 1 April 2021, that Commission sent EDP a request for information and questions about the transaction. On 15 April, EDP, committed to contribute to the swift, full and definitive clarification of the questions that were presented, sent to the Portuguese Parliament answers to all the questions raised, and made available all the requested documentation, despite its private and confidential nature, as a testament to the collaborative, transparent and good faith attitude with which EDP has been guiding its relationship with the State and its institutions.

In this spirit of collaboration, transparency and good faith in its relationship with the State and its institutions, EDP proactively contacted the Tax Authority, making itself available to clarify the tax aspects of the operation.

On 6 July 2021, EDP became aware that DCIAP is investigating the sale of the Douro portfolio, with searches carried out at the premises of EDP and EDP Produção. During the diligence, and basing its action on a cooperative posture, all cooperation and assistance was provided to the authorities.

EDP scrupulously fulfils all of its obligations, including tax obligations, adopting very strict practices in the technical framework of all issues, having made this transaction under the tax framework applicable, assessing the tax rules in force on the date of the transaction, a framework that was also subject to validation by Opinions requested from reputable tax experts.

5. Financial risk management policies

The Group monitors regularly the financial risks to which it has exposure to. During 2021, considering the COVID-19 pandemic and the impacts on the markets, namely on interest and foreign exchange rates to which the Group has exposure to, there was a revaluation of the risks involved, having concluded that the current Financial Risk Management Policies already incorporate worst case scenarios sufficiently conservative and therefore adequate to the Group profile, not being necessary its revision. However, given that the pandemic duration and global impacts are still unknown, the EDP Group continues to monitor the risks, seeking to anticipate and manage possible impacts not currently contemplated.

Exchange-rate and interest rate risk management

Financial risk management

The EDP Group's business is exposed to a variety of financial risks, including the effect of changes in market prices, foreign exchange and interest rates. The Group's exposure to financial risks arises essentially from its debt portfolio, its investments and from the volatility of commodity prices, resulting in interest and exchange rate exposures as well as commodity market price exposure. The status and evolution of the financial markets are analysed on an on-going basis in accordance with the Group's risk management policy.

The management of financial risks of EDP, S.A. and other EDP Group entities is undertaken centrally by EDP, S.A., in accordance with policies approved by the Executive Board of Directors. The Financial Department, the Energy Management Business Unit and the Risk Management Department identify, evaluate and submit to the Board, for approval, hedging mechanisms appropriate to each exposure. The Executive Board of Directors is responsible for the definition of general risk management principles and the establishment of exposure limits.

As for the subsidiaries of EDP Energias do Brasil, the management of the financial risks inherent to the variation of interest rates, exchange rates and commodities is carried out locally, according to the rules set by EDP Energias do Brasil's Management and aligned with the principles/policies set by EDP Group for this geographical area.

Exchange-rate risk management

EDP Group operates in different geographies, therefore becoming exposed to exchange rate risk in US Dollar (USD), Brazilian Real (BRL), Polish Zloty (PLN), Romanian Leu (RON), Canadian Dollar (CAD), Pound Sterling (GBP), Hungarian Forint (HUF) and Colombian Pesos (COP). Currently, these exposures result essentially from investments of EDP Group in wind parks (and solar) in the USA, Poland, Romania, Canada, United Kingdom, Hungary and Colombia. The exposure to Brazilian Real results essentially from investments of EDP Group in EDP Energias do Brasil and EDP Renováveis Brasil. The majority of these investments were financed with debt contracted in the respective local currency which allows to mitigate the exchange rate risk related to these assets, and such financing is complemented in certain cases with derivatives to hedge exchange-rate risk on net investment.

The policy implemented by the EDP Group consists of undertaking derivative financial instruments to hedge exchange rate risk with similar terms to those of the hedged asset or liability. The operations are revalued and monitored throughout their useful lives and, periodically, their effectiveness in controlling and hedging the risk that gave rise to them is assessed.

Investments in the Brazilian subsidiaries of EDP Energias do Brasil, whose net assets expressed in Brazilian Real expose EDP Group to the exchange rate risk from its conversion to Euros, are monitored through analysis of the evolution of the BRL/EUR exchange rate.

In the hedge relationships, the main source of ineffectiveness is the effect of the counterparties' and the Group's own credit risk on the fair value of the forward foreign exchange contracts and cross currency interest rate swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates.

Sensitivity analysis - exchange rate

Regarding the financial instruments that result in an exchange rate risk exposure, a fluctuation of 10% in the EUR/USD exchange rate, as at 31 December 2021 and 2020, would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

	Dec 2021			
	Profit or loss		Equity	
Thousand Euros	+10%	-10%	+10%	-10%
USD	-14,282	17,456	-64,579	78,930

	Dec 2020			
	Profit or loss		Equity	
Thousand Euros	+10%	-10%	+10%	-10%
USD	-22,673	27,712	-68,188	83,341

This analysis assumes that all other variables, namely interest rates, remain unchanged.

Interest rate risk management

The aim of the interest rate risk management policies is to manage the impact on financial charges, from contracted debt, related to the exposure to interest rate risk from market fluctuations.

In the floating rate financing context, the EDP Group enters, when considered appropriate, into interest rate derivative financial instruments to hedge the cash flows associated with future interest payments, which have the effect of converting floating interest rate loans into fixed interest rate loans.

Long-term debt engaged at fixed rates is, when appropriate, converted into floating rate debt through interest rate derivative financial instruments designed to level them to current and expected market conditions.

All the operations are undertaken on liabilities in the EDP Group's debt portfolio and mainly involve perfect hedges, resulting in a high level of correlation between changes in fair value of the hedging instrument and changes in fair value of the interest rate risk or future cash flows.

In the hedge relationships, the main source of ineffectiveness is the effect of the counterparty's and the Group's own credit risk on the fair value of the interest rate swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates.

The EDP Group has a portfolio of interest rate derivatives with maturities up to 18 years. The Group's Financial Departments undertake sensitivity analyses of the fair value of financial instruments to interest rate fluctuations. As at 31 December 2021, after the hedging effect of the derivatives 69% of the Group's liabilities are at fixed rate.

Sensitivity analysis - Interest rates (excluding the Brazilian operations)

Based on the Group's debt portfolio, except for Brazil, and the related derivative financial instruments used to hedge the related interest rate risk, a 50 basis points change in the reference interest rates at 31 December 2021 and 2020 would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

	Dec 2021			
	Profit or loss		Equity	
Thousand Euros	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Cash flow effect:				
Hedged debt	-9,341	9,341	-	-
Unhedged debt	-1	1	-	-
Fair value effect:				
Cash flow hedging derivatives	-	-	8,917	-8,917
Trading derivatives (accounting perspective)	2,773	-2,773	-	-
	-6,569	6,569	8,917	-8,917

	Dec 2020			
	Profit or loss		Equity	
Thousand Euros	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Cash flow effect:				
Hedged debt	-10,052	10,052	-	-
Unhedged debt	-1,362	1,362	-	-
Fair value effect:				
Cash flow hedging derivatives	-	-	6,392	-6,392
Trading derivatives (accounting perspective)	5,159	-5,159	-	-
	-6,255	6,255	6,392	-6,392

This analysis assumes that all other variables, namely exchange rates, remain unchanged.

Brazil - Exchange and interest rate risk management

Stress tests and sensitivity analysis are carried out for purposes of risk management in the Brazilian subsidiaries. Through these two tools, the financial impact in different market scenarios is monitored.

For sensitivity analysis, the exposure of portfolio of operations is evaluated through 25% and 50% changes in the main risk factors, currency and interest rates, and the scenario with the highest probability of occurrence is presented (25%). The stress test is performed on the fair value of the operations and uses as premise the interest rate curve projections of the Brazilian basic macroeconomic scenario.

Brazil - Sensitivity analysis - exchange rate

Two Brazilian subsidiaries are mainly exposed to the USD/BRL exchange rate, arising from USD debt for which the exposure is completely offset by cross currency interest rate swaps.

Brazil - Sensitivity analysis - Interest rates

Based on the portfolio of operations, a 25% change in the interest rates, to which the Brazilian subsidiaries are exposed to, would have an impact to EDP Energias do Brasil Group, at 31 December 2021 and 2020, in the amount of:

	Dec 2021		Dec 2020	
Thousand Euros	+ 25%	- 25%	+ 25%	- 25%
Financial instruments - assets	11,328	-10,913	2,676	-2,437
Financial instruments - liabilities	-110,495	109,851	-75,183	70,936
Derivative financial instruments	-7,580	8,137	-306	306
	-106,747	107,075	-72,813	68,805

Counterparty credit risk management

EDP Group's policy in terms of counterparty risk on financial transactions (see note 2 e)) is managed through an analysis of the technical capacity, competitiveness, credit rating and exposure to each counterparty, avoiding significant concentrations of credit risk. Counterparties in derivative financial instruments are institutions with high credit rating so the risk of counterparty default is not considered to be significant. Therefore, guarantees and other collaterals are not typically required for these transactions.

EDP Group has documented its financial operations in accordance with international standards. Derivative financial instruments are mainly contracted under ISDA Master Agreements.

The amount receivable from customers is mainly generated by operations in Portugal, Spain and Brazil, with a diversified customer base, both geographically and in terms of segments (business clients, private and public sector) and size (Supply companies, Business to Business (B2B) and Business to Consumer (B2C)). EDP is present in 20 countries and 4 continents, with more than 8.7 million customers in the electricity sector and 0.7 million customers in the gas sector, and usually the contractual relationship with the counterparty tends to be long-lasting.

The maximum exposure to customer credit risk by counterparty type is detailed as follows:

Thousand Euros	Dec 2021	Dec 2020
Corporate and private sector:		
Supply companies	81,366	74,119
B2B	443,937	415,342
B2C	354,586	326,927
Other	652,790	196,966
	1,532,679	1,013,354
Public sector:		
Debt with payment agreement	4,059	1,238
Debt without payment agreement	202,896	114,639
	206,955	115,877
	1,739,634	1,129,231

Trade receivables by geographical market for the Group EDP, is as follows:

	Dec 2021					
Thousand Euros	Portugal	Spain	Brazil	USA	Other	Group
Corporate and private sector	860,518	281,042	350,076	22,287	18,756	1,532,679
Public sector	38,780	149,831	18,034	-	310	206,955
	899,298	430,873	368,110	22,287	19,066	1,739,634

	Dec 2020					
Thousand Euros	Portugal	Spain	Brazil	USA	Other	Group
Corporate and private sector	498,733	96,125	393,449	17,162	7,885	1,013,354
Public sector	25,450	66,466	23,914	-	47	115,877
	524,183	162,591	417,363	17,162	7,932	1,129,231

The amounts receivable from supply companies are concentrated mainly in Portugal, Brazil and EDP Renováveis Group, as follows:

- In Portugal, these counterparties present a significantly reduced days sales outstanding, about 20 days, and these entities are subject to the sector regulation that establishes collaterals to reduce credit risk. The collateral provided is updated based on the average of the last quarter monthly sales, which reinforces a low risk profile;

- In Brazil, it refers mainly to: (i) the amounts from sale of electricity to wholesale dealers and supply companies, (ii) accounts receivable relating to energy traded in the Electric Energy Trading Chamber - CCEE; and (iii) charges for the electricity network access;

- In EDPR EU, main customers are utilities and regulated entities in the different countries. Credit risk is not significant due to the limited average collection period for customer balances and the quality of its debtors. Additional counter-party risk comes from the countries with renewables incentives, which it is usually treated as regulatory risk; and

- In EDPR NA, main customers are regulated utility companies and regional market agents in the US. As it occurs in Europe, credit risk is not significant due to the limited average collection period for customer balances and the quality of the debtors. However, the exposure due to the mark-to-market of long term contracts may be significant. This exposure is managed by a detailed assessment of the counter-party before signing any long term agreement and by a requirement of collaterals when financial soundness of the counterparty deteriorates.

Regarding the remaining receivables from companies and individual customers, resulting from the current activity of EDP Group, the credit risk is essentially the result of customers defaults, whose exposure is limited to the supply made until the possible date of supply disruption. A very criterious credit risk analysis made for new costumers, as well as the large number of customers and their diversity in terms of sectors of activity are some of the main factors that mitigate the concentration of counterparty credit risk.

Amounts receivable from public sector customers include amounts receivable from renegotiated debt with payment agreements, which, as the counterparty is a public entity and has already recognised the debt through payment protocols, present a lower risk. These amounts also include debt without payment agreements arising from the normal power supply activity similar to that described for the corporate and individual sector.

In accordance with accounting policies - note 2 e), impairment losses are determined using the simplified approach precluded in IFRS 9, based on life time expected losses.

Regarding third-party receivables generated by the Group's day-to-day business, the credit risk arises essentially from customers default, whose exposure is limited to the Low Tension Eletricity supplied with usual delays in payments. The very criterious credit risk analysis made for new costumers, as well as the large number of customers and their diversity in terms of sectors of activity are some of the main factors that mitigate the concentration of counterparty credit risk.

EDP Group believes that the amount that best represents the Group's exposure to credit risk corresponds to the carrying amount of customers and of Contract assets related to energy sales net of the impairment losses recognised. The Group believes that the credit quality of these receivables is adequate and that no significant impaired credits exist that have not been recognised as such and provided for.

As at 31 December 2021, in accordance with the methodology for determining impairment losses on amounts receivable from the electric sector, no impairment loss has been booked. The risk levels for amounts receivable from the electric sector have been considered to be the same as the country risk levels for Brazil, Portugal and Spain, which have high credit ratings.

The maximum exposure to credit risk of Contract assets related to energy sales and Amounts receivable from the electric sector is as follows:

Thousand Euros	Dec 2021	Dec 2020
Contract assets related to energy sales:		
Contract assets receivable from energy sales contracts	1,727,613	1,032,629
	1,727,613	1,032,629
Amounts receivable from the electric sector:		
Amounts receivable from tariff adjustments - Electricity (see note 26)	860,661	563,580
Amounts receivable relating to CMEC (see note 26)	657,734	697,171
Amounts receivable from concessions - IFRIC 12 (see note 26)	1,208,888	1,115,215
	2,727,283	2,375,966
	4,454,896	3,408,595

Liquidity risk management

The EDP Group undertakes management of liquidity risk through the engagement and maintenance of credit lines and financing facilities, with a firm underwriting commitment with international reliable financial institutions, as well as term deposits, allowing immediate access to funds. These credit lines are used to complement and backup national and international commercial paper programmes, allowing the EDP Group's short-term financing sources to be diversified (see note 34). Considering the COVID-19 pandemic, the Group assessed the potential impacts on additional liquidity needs, having concluded that the current Liquidity Risk Management Policy remains adequate.

The table below shows the contractual undiscounted cash flows and the estimated interests due, computed using the rates available at 31 December 2021:

Thousand Euros	Dec 2022	Dec 2023	Dec 2024	Dec 2025	Dec 2026	Following years	Total
Bank loans	238,385	212,429	116,702	85,009	51,145	578,049	1,281,719
Bond loans	1,227,879	1,777,840	2,221,977	1,774,009	2,040,793	2,262,749	11,305,247
Hybrid Bond	48,081	-	-	-	-	3,750,000	3,798,081
Commercial paper	2,769	154,796	47,543	320,060	-	-	525,168
Other loans	2,504	1,202	1,011	1,031	1,052	21,836	28,636
Interest Payments (i)	404,148	559,603	472,657	292,542	192,802	545,187	2,466,939
	1,923,766	2,705,870	2,859,890	2,472,651	2,285,792	7,157,821	19,405,790

(i) The coupons of the hybrid bonds were included taking into consideration the earliest possible call date.

Energy market risk management

Energy market risk management (excluding the Brazilian operations)

In the sphere of its operations in the Iberian market for both electricity and gas, EDP Group purchases fossil fuels to generate electric energy which is sold in organized markets (OMIE and OMIP) as well as to third parties or, in the gas business, sells natural gas to clients either through EDP Group's trading companies or directly to third parties. As a result, the Group is fully exposed to energy market risks.

As a result of its energy management operations, EDP Group has a portfolio of operations related to electricity and gas businesses. The portfolio is managed through the engagement of operations with financial and physical settlement on the forward energy markets. The objective of the operations is to reduce volatility of the financial impact resulting from the managed positions and to benefit from arbitration or positioning within the trading limits approved by the Executive Board of Directors. The financial instruments traded include swaps (electricity, coal and gas) and futures to fix prices.

In the hedge relationships, the main source of ineffectiveness is the effect of the counterparty's and the Group's own credit risk on the fair value of the derivative financial derivatives, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in market prices.

Energy management activity is subject to a series of variables which are identified and classified based on their common uncertainty characteristics (or risk). Such risks include market price evolution risk (electricity and fuel) with impact in the expected energy volume generated, as well as credit risk of the counterparties.

Monitoring the price, volume and credit risks includes their quantification in terms of positions at risk which can be adjusted through market operations. This quantification is made by using specific models that value positions to determine the maximum loss that can be incurred, with a given probability and a determined time frame.

Risks are managed in accordance with the strategies defined by the Executive Board of Directors, which are subject to a periodic review based on the evolution of the operations, to change the profile of the positions and adjust them to the established management objectives.

Risks are monitored by means of a series of actions involving daily monitoring of the different risk indicators, of the operations grouped in the systems and the prudence limits defined by management area and risk component, as well as regular backtesting and supplementary validation of the models and assumptions used. This monitoring not only ensures the effectiveness of the strategies implemented, but also provides elements to enable initiatives to be taken to correct them, if necessary.

The main price and volume risk indicator used is the margin at risk (P@R), which estimates the impact of the variation of the different risk factors (price of electricity and hydrological) on the next 24 month's margin, P@R corresponding to the difference between an expected margin and a margin of a pessimistic scenario with a probability to occur of 5% (confidence interval of 95%) considering a time frame of 2 years. Both the volumes which are certain and those, which although uncertain, are expected, namely production of the plants and the corresponding consumption of fuel, are considered. The P@R distribution by business segment is as follows:

Thousand Euros		P@R Distribution by business segment Dec 2021	Dec 2020
Business	**Portfolio**		
Electricity	Trading	2,391	5,000
Electricity	Trading + Hedging	369,883	80,412
Gas	Hedging	77,363	38,725
Diversification effect		-17,505	-26,668
		432,131	97,469

Regarding credit risk, the quantification of exposure considers the amount and type of transaction (e.g. swap or forward), the rating of the counterparty risk that depends on the probability of default and the expected value of credit to recover, which varies depending on the guarantees received or the existence of netting agreements. The EDP Group's exposure to credit risk rating is as follows:

	Dec 2021	Dec 2020
Credit risk rating (S&P)		
AAA to AA-	0.00%	4.44%
A+ to A-	47.53%	26.08%
BBB+ to BBB-	34.70%	60.95%
No rating assigned	17.77%	8.53%
	100.00%	100.00%

Brazil - Energy market risk management

Arising from the energy trading activity in Brazil, EDP Trading Comercialização e Serviços de Energia, S.A. and EDP Smart Energia Lda. are exposed to market price risk associated with future commitments, resulting from bilateral contracts for the purchase and sale of energy.

At reporting date, the result of future commitment contracts is determined as the differential, for each maturity term, between the prices of the bilateral contracts for the purchase and sale of energy and their mark-to-market valuation using forward price curves. The result of future commitment contracts presents volatility associated with energy price fluctuation, generating market price risk.

The management of market price risk is carried out through the determination and daily monitoring of the risk respecting the limits approved by the Management of EDP Brazil, and framed within the Risk Management Policy of the EDP Group, for the purchase and sale of energy using a methodology established in the Energy Risk Policy. The methodology adopted is a VaR (Value at Risk) with 95% confidence that considers a forward curve of market prices, the exposure of the portfolio (difference between purchase and sell) and the volatility and liquidity observed in the free market for each period.

For sensitivity analysis, the exposure of portfolio of operations is evaluated through 25% and 50% changes in the forward curve of market energy prices. Below shows the scenario with the highest probability of occurrence (25%).

	Dec 2021	
Thousand Euros	+ 25%	- 25%
Differences Settlement Price - PLD	-1,795	1,795

Capital management

EDP is not an entity subject to regulation in terms of capital or solvency ratios. Therefore, capital management is carried out within the financial risk management process of the entity.

Additionally, management describes this aspect of its strategic objectives, policies and processes to manage risks, including the financial risks, in the chapters of the Annual Report of 2021:
02 Strategic Approach
2.2.2 Strategic Guidelines Compliance - Continue Financial Deleveraging; and
2.3 Risk Management: Key Risks - Financial; Risk Appetite - Financial.
04 Corporate Governance
53 The main types of economic, financial and legal risk - Financial risks.

The Group's goal in managing capital is to safeguard the Group's capacity to continue operating as a going concern, grow steadily to meet established objectives and maintain an optimum capital structure to reduce equity cost.

In conformity with other groups operating in this sector, the Group controls its financing structure based on several control mechanisms and ratios.

6. Consolidation perimeter

During the year of 2021, the following changes occurred in the EDP Group consolidation perimeter:

Companies acquired:

The following acquisitions were classified as asset purchases, out of scope of IFRS 3 – Business Combinations, due to the substance of these transactions, the type of assets acquired and the very early stage of the projects:

- EDP Renováveis, S.A. and EDP Renewables Europe, S.L.U. acquired 100% of the company Aioliki Oitis Energiaki Single-Member LLC;
- EDP Renewables Europe, S.L.U. acquired 100% of the companies Kadmeios Anemos Energiaki, A.E., Voiotikos Anemos Anonimi Energiaki Etaireia e Energopark, S.R.L., International Solar Energy, S.R.L., Solar Phoenix, S.R.L., Beta Wind, S.R.L. and Nyírség Watt, Kft. and 51% of the companies Evoikos Voreas A.E. and Sofrano;
- EDP Energias do Brasil, S.A. acquired 100% of the company Mata Grande Transmissora de Energia LTDA;
- EDP Renewables Italia Holding, S.R.L. acquired 100% of the company C & C Tre Energy S.r.l.;
- EDP Renewables Polska, Sp. z o.o. acquired 100% of the companies Elektrownia Kamienica, Sp. z o.o., Neo Solar Chotków, Sp. z o.o., Neo Solar Przykona II, Sp. z o.o., Farma Fotowoltaiczna Koden, Sp. z o.o. and WF Energy III, Sp. z o.o.;
- EDP Renováveis, S.A. acquired 100% of the companies Los Llanos Solar, SpA, Parque Eólico San Andrés, SpA, Parque Eólico Victoria, SpA and Parque Eólico Punta de Talca, SpA. and 60% of the company OMA Haedori Co., Ltd.;
- EDP Renováveis Brasil, S.A. acquired 100% of the companies Central Geradora Fotovoltaica Monte Verde Solar II S.A., Central Geradora Fotovoltaica Monte Verde Solar III S.A., Central Geradora Fotovoltaica Monte Verde Solar IV S.A., Central Geradora Fotovoltaica Monte Verde Solar VI S.A., Central Geradora Fotovoltaica Monte Verde Solar VII S.A., Central Eólica Amanhecer I, S.A., Central Eólica Amanhecer II, S.A., Central Eólica Amanhecer III, S.A., Central Eólica Amanhecer IV, S.A., Central Eólica Amanhecer V, S.A., Central Eólica Amanhecer VI, S.A., Central Eólica Amanhecer VII, S.A., Central Solar Novo Oriente I, S.A., Central Solar Novo Oriente II, S.A., Central Solar Novo Oriente III, S.A., Central Solar Novo Oriente IV, S.A., Central Solar Novo Oriente V, S.A. and Central Solar Novo Oriente VI, S.A.; and
- Adittionally, were acquired 100% of three companies in North America.

Additionally, the following companies were acquired in the scope of IFRS 3 – Business Combinations:

- EDP Energia Itália S.R.L. acquired 100% of the company Enertel Group S.r.l.;
- EDP Ventures Brasil S.A. acquired 40% of the company Blue Sol Participações S.A.;
- EDP Energias do Brasil, SA acquired 100% of the company AES Tietê Inova Soluções de Energia LTDA., which holds 100% of the companies Nova Geração Solar LTDA. and AES Tietê Inova Soluções de Energia II LTDA.;
- EDP Renewables Italia Holding, S.R.L. acquired 100% of the company Aria del Vento (see note 49);
- EDP Renováveis, SA acquired 100% of Trina Solar Investment First Pte. Ltd., which holds 100% of LYS Energy Investment Pte. Ltd. which owns 100% of Trung Son Energy Development JSC. (see note 49);
- EDP Renewables North America LLC acquired, in the first quarter of 2021, an 85% stake in a distributed solar generation portfolio (C2) (see note 49); and
- EDP Renewables Europe, S.L.U. acquired 100% of the company Vento Ludens Ltd., which owns 79% of Muirake Wind Farm Ltd. and 100% of Lurg Hill Wind Farm Ltd.

Sale of companies with loss of control:

- In the second quarter of 2021, EDP Renewables North America LLC sold to Greencoat Fuji LLC for 232,713 thousand Euros, the equivalent of 280,500 thousand US Dollars, 68% of its interest in the company 2019 Vento XX LLC with a subsequent loss of share interest in the following companies:
  - Lexington Chenoa Wind Farm LLC; and
  - Broadlands Wind Farm LLC.

  In accordance with the Shareholders Agreement and other relevant contracts, it has been established a shared control of the Company which led to a loss of control over the company and its consolidation by the equity method. This disposal with loss of control generated a gain on a consolidated basis of 100,809 thousand Euros, recorded in the income statement (see note 8). Within this transaction, on the third quarter, EDP Renewables North America LLC sold an additional 12% of its financial interest, for an amount of 41,380 thousand Euros, the equivalent of 49,500 thousand US Dollars, generating a gain of 801 thousand Euros (see note 21).

  Additionally to the above sale price, it should be considered a contingent consideration, according to the relevant agreements signed, which fair value as of 31 December 2021 is a negative amount of 20 million Euros; and
- In the fourth quarter of 2021, EDP Renewables North America LLC., sold to CC&L Java Solar USA LLC, by 131,051 thousand Euros the equivalent of 154,999 thousand US Dollars, 80% of its interest in the project Riverstart.

  In accordance with the Shareholders Agreement and other relevant contracts, it has been established a shared control of the Company which led to a loss of control over the company and its consolidation by the equity method. This disposal with loss of control generated a gain on a consolidated basis of 34,825 thousand Euros (see note 8).

Companies sold:

- The companies CIDE HC Energía, S.A. and Comercializador de Referencia Energético, S.L.U. , in which EDP Iberia, S.L. held, directly or indirectly, the 50% financial interest, were sold. This transaction generated a gain in the amount of 20,705 thousand Euros (see note 21);
- On 1 April 2021, EDP Real Estate Global Solutions - Imobiliária e Gestão Participações SA ("EDP RE") agreed to sell the entire stake it held in Portsines - Terminal Multipurpose de Sines, SA ("Portsines") to the other shareholder of the Company, Empresa de Tráfego e Estiva, S.A. for the amount of 7,100 thousand Euros. In this agreement, it was established that EDP RE received all the dividends, referring to the year 2020, paid by Portsines. This agreement resulted in a global gain for EDP RE of 6,237 thousand Euros (see note 21);
- The companies Aliseo, S.r.l. and Elecdey Carcelén, S.A., of which EDP Renewables Europe, S.L.U. held a financial interest of 100% and 23%, respectively, were sold;
- The company ESC ERŐMŰ, Kft., of which EDP Renewables Europe, S.L.U. held a financial interest of 85%, was sold;

- EDP Energias do Brasil, S.A. Sold the entire stake in the companies EDP Transmissão, S.A., EDP Transmissão MA I, S.A. e EDP Transmissão MA II, S.A. for the amount of 139,315 thousand Euros, the equivalent to 879,090 thousand of Brazilian Reals. This transaction generated a gain of 45,584 thousand Euros (see note 8);
- EDP Renewables, SGPS S.A., sold to Onex Renewables, S.A.R.L. the entire stake in the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. Total shares proceeds for the transaction amount to 325,103 thousand Euros. This transaction has generated a gain of 307,699 thousand Euros (see note 8);
- EDP Renewables North America LLC sold to Northern Indiana Public Service Company LLC its entire stake in the wind project Indiana for 466,878 thousand Euros the equivalent of 538,667 thousand US Dollars, that includes an amount to be received of 269,799 thousand Euros (see note 27). This transaction resulted in a gain of 62,995 thousand Euros (see note 8);
- The entire stake of a company in North America was sold.

Companies liquidated:

- The company SGORME - Sociedade Gestora de Operações da Rede de Mobilidade Eléctrica, S.A., in which E-Redes - Energia S.A. held, directly or indirectly, a 91% financial interest, was liquidated;
- The company Dunkerque Éoliennes en Mer, S.A.S., in which EDP Renewables Europe, S.L.U., directly or indirectly held a 32% stake, was liquidated;
- The company Quatro Limited Partnership, in which the companies EDP Renewables Canada Ltd. and Nation Rise Wind Farm GP II Inc., held, directly or indirectly, a 100% stake was liquidated;
- The company IE2 Innovación, S.L., in which Viesgo Infraestructuras Energéticas, S.L. held a 100% stake was liquidated;
- The company Aprofitament D'Energies Renovables de la Terra Alta, S.A., in which the company EDP Renovables España, S.L.U., held directly or indirectly, a 36,40% financial interest, was liquidated; and
- 2 companies in North America were liquidated.

Companies merged:

- The merger of Nation Rise Wind Farm GP II Inc. into EDP Renewables Canada Ltd.;
- The merger of Le Chemin de Saint Druon, S.A.S. into Le Chemin de la Corvée, S.A.S.;
- The merger of Vaudrimesnil Energie, S.A.R.L., Parc Eolien de la Côte du Cerisat, S.A.S., La Plaine de Nouaille, S.A.S., Parc Éolien des 7 Domaines, S.A.S., Parc Éolien de Paudy, S.A.S., Parc Éolien de Flavin, S.A.S., Parc Éolien de Prouville, S.A.S., Parc Éolien de Marchéville, S.A.S., Parc Eolien Louvières, S.A.R.L., Parc Éolien des Longs Champs, S.A.R.L., Parc Éolien de Mancheville, S.A.R.L., Parc Éolien de La Hetroye, S.A.S., Parc Éolien de la Champagne Berrichonne, S.A.R.L., Bourbriac II, S.A.S. and Parc Éolien de Boqueho-Plouagat, S.A.S. into EDPR France Holding, S.A.S.;
- The merger of Cernavoda Power, S.A., Pestera Wind Farm, S.A., VS Wind Farm, S.A. e Sibioara Wind Farm, S.R.L. into EDPR România, S.R.L.; and
- The merger of EDP Real Estate Global Solutions - Imobiliária e Gestão de Participações, S.A. into EDP Global Solutions - Gestão Integrada de Serviços S.A.

Companies incorporated:

- EDP Renewables Chile, SpA;
- EDPR México, S.L.U.;
- IAM Caecius, S.L.;
- Site Sunwind Energy, S.L.;
- EDPR Centro Italia PV, S.r.l.;
- EDP Transmissão Norte S.A.;
- Desarrollos Renovables de Teruel, S.L.;
- Biomasa Puente Nuevo S.L.U.;
- PCH Santa Leopoldina S.A.;
- EDPR Investment Hungary, Kft.; and
- 20 companies incorporated in North America.

Other changes:

- EDP España, S.A.U. acquired 38.24% of the company Ceprastur, A.I.E., which was already 56.76% owned by EDP Renovables España, S.L.U., whereby the Group now holds control over it;
- On April 16, 2021, EDP Renováveis S.A. concluded a capital increase of 1,500,250,000 Euros through the issue of 88,250,000 new shares at a subscription price of 17.00 Euros per share. Following the capital increase, EDP holds the same 720,191,372 shares of EDP Renováveis that it previously held, and its stake was diluted from 82.56% to 74.98% in EDPR and its subsidiaries. This dilution of EDP's holding resulted in a global gain of 548,329 thousand Euros. As it is an operation with an impact on minority interests and, therefore, without loss of control, this gain was recorded in equity. As a current operation with non-controlling interests and therefore with no loss of control, this gain was recorded in equity (see Condensed Consolidated Statements of Changes in Equity, note 32 and 33);
- During the second quarter of 2021, EDPR sold 50.01% of its stake in Nation Rise to Grupo Algonquins of Pikwakanagan First Nation (AOPFN). At the same time, EDPR granted a loan to this Group to acquire this participation. From a consolidated accounting perspective, this sale, as well as the loan granted, is not considered effective. Thus, EDPR continues to consolidate this company at 100% without recognizing any non-controlling interests;
- In May of 2021, EDP - Soluções Comerciais, S.A. was divided and incorporated in EDP Comercial - Comercialização de Energia, S.A., E-Redes – Distribuição de Eletricidade, S.A., SU Eletricidade, S.A. and EDP Global Solutions - Gestão Integrada de Serviços S.A.; and
- In September of 2021, EDP España, S.A.U. acquired the remaining 25% of Central Térmica Ciclo Combinado Grupo 4, S.L.

The companies included in the consolidation perimeter of EDP Group as at 31 December 2021 are disclosed in Annex I.

7. Revenues and cost of Energy Sales and Services and Other

Revenues from energy sales and services and other, by sector, are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Energy and access	13,774,589	11,564,720	4,277,707	2,223,156
Revenue from assets assigned to concessions	709,052	622,826	-	-
Other	499,268	260,659	924,257	640,160
	14,982,909	12,448,205	5,201,964	2,863,316

Revenues from energy sales and services and other, by geographical market, for the Group, are as follows:

	Dec 2021					
Thousand Euros	Portugal	Spain	Brazil	USA	Other	Group
Energy and access	6,406,904	3,869,408	2,436,152	563,951	498,173	13,774,589
Revenue from assets assigned to concessions	252,406	-	456,647	-	-	709,052
Other	271,222	99,180	106,989	16,364	5,514	499,268
	6,930,532	3,968,588	2,999,788	580,315	503,687	14,982,909

	Dec 2020					
Thousand Euros	Portugal	Spain	Brazil	USA	Other	Group
Energy and access	5,990,422	2,622,963	2,046,186	623,547	281,602	11,564,720
Revenue from assets assigned to concessions	230,796	-	392,030	-	-	622,826
Other	113,724	55,894	73,841	9,932	7,268	260,659
	6,334,942	2,678,857	2,512,057	633,479	288,870	12,448,205

The caption Energy and network access in Portugal, on a consolidated basis, includes a revenue of 232,552 thousand Euros (revenue in 31 December 2020: 1,462,407 thousand Euros) regarding tariff adjustments of the period (see notes 26 and 38). This caption also includes, in Brazil, a net revenue of 91,111 thousand Euros (31 December 2020: net revenue of 61,596 thousand Euros) related to recognition of tariff adjustments for the period in Brazil (see note 38).

Additionally, the caption Energy and network access includes, on a consolidated basis, a positive amount of 51,529 thousand Euros (31 December 2020: positive amount of 61,777 thousand Euros) related to the contractual stability compensation (CMEC) as a result of the power purchase agreements (PPA) termination, including an income of 19,282 thousand Euros related to the CMEC final adjustment (31 December 2020: positive amount of 21,629 thousand Euros), net from the recognised provision due to the final adjustment official approval.

The caption Others includes, on a consolidated basis, 241,605 thousand Euros (31 December 2020: 95,053 thousand Euros) related to the sale of CO2 licenses.

The caption Energy and network access, on a company basis, includes 1,140,333 thousand Euros (31 December 2020: 1,097,464 thousand Euros) related with energy sales under the purchase and sale agreement of evolutive energy between EDP, S.A. and EDP Comercial S.A.

The caption Other includes, on an individual basis, 749,759 thousand Euros (31 December 2020: 473,678 thousand Euros) related to the sale of CO2 licenses.

The breakdown of Revenues from energy sales and services and other by segment, are as follows (see note 51 - Operating Segments):

	Dec 2021					
	Reported Operating Segments					
Thousand Euros	Renewables	Networks	Client Solutions & Energy Managt.	Total	Other Segments	Group
Energy and access	1,286,677	1,343,149	11,144,770	13,774,596	-7	13,774,589
Revenue from assets assigned to concessions	-	709,029	24	709,053	-1	709,052
Other	65,089	122,865	294,181	482,135	17,133	499,268
	1,351,766	2,175,043	11,438,975	14,965,784	17,125	14,982,909

	Dec 2020					
	Reported Operating Segments					
Thousand Euros	Renewables	Networks	Client Solutions & Energy Managt.	Total	Other Segments	Group
Energy and access	1,308,733	502,673	9,753,359	11,564,765	-45	11,564,720
Revenue from assets assigned to concessions	-	622,823	3	622,826	-	622,826
Other	49,685	48,417	157,653	255,755	4,904	260,659
	1,358,418	1,173,913	9,911,015	12,443,346	4,859	12,448,205

The segment "Client Solutions & Energy Management" includes sales of renewable energy, hydro and wind, carried out by EDP SA's energy management business unit, as part of its intermediation activity.

Revenues from energy sales and services and other by segment are considered globally as "overtime" and not as "at a point in time".

Cost of energy sales and other are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Cost of energy	7,544,255	5,978,560	3,299,117	1,953,992
Expenditure with assets assigned to concessions	589,634	531,861	-	-
Changes in inventories and cost of raw materials and Consumables used				
Fuel, steam and ashes	401,558	177,253	-	-
Gas	638,799	248,850	906,212	169,310
CO2 Licenses	460,639	261,784	741,768	458,007
Other	513,133	158,179	192,836	-26,308
	2,014,129	846,066	1,840,816	601,009
	10,148,018	7,356,487	5,139,933	2,555,001

Cost of electricity includes, on a company basis, includes the cost of 1,167,199 thousand Euros (31 December 2020: 1,047,943 thousand Euros) with the purchase of energy under the agreement for management, purchase and resale of energy signed between EDP, S.A. and EDP Gestão da Produção de Energia, S.A.

Under the terms of concession contracts of EDP Group to which IFRIC 12 is applicable, the construction activities are outsourced to external specialised entities. The revenue and the expenditure with the acquisition of these assets are as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Revenue from assets assigned to concessions	709,052	622,826
Expenditure with assets assigned to concessions		
Subcontracts and other materials	-456,112	-417,609
Personnel costs capitalised (see note 10)	-75,706	-70,709
Capitalised borrowing costs (see note 13)	-57,816	-43,543
	-589,634	-531,861

Revenue from assets assigned to concessions include 424,454 thousand Euros relative to electricity distribution concessions in Portugal and in Brazil resulting from the application of the mixed model. Additionally, it also includes the revenue related to the asset to be received by EDP Group under the transmission concessions in Brazil (see note 26).

The main variations on the captions Revenues and cost of Energy Sales and Services and Other are described in the Chapter 3 - Performance mainly in 3.1 - Group's financial analysis and 3.4 - Business area analysis.

8. Other income

Other income, for the Group, are as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Income arising from institutional partnerships (see note 37)	177,205	201,783
Gains on disposals - electricity business assets - Asset Rotation	586,988	444,338
Gains on disposals - electricity business assets	-	245,738
Gains from contractual indemnities and insurance companies	39,956	25,373
Other	219,839	160,457
	1,023,988	1,077,689

Income arising from institutional partnerships relates to income arising from production and investment tax credits (PTC/ITC), mostly from accelerated tax depreciation, regarding wind farms and solar plants in North America (see note 37).

The caption Gains on disposals - electricity business assets - Asset Rotation corresponds to gains from asset rotation strategy. This strategy aimed at crystallizing the value of a project by selling with loss of control, and reinvesting the proceeds in another projects, targeting greater growth. Typically, the developer may retain the role of O&M supplier. The caption includes: i) the gain in the amount of 198,629 thousand Euros resulting from the loss of control over the sale of three portfolios of companies in North America (see note 6); ii) a gain of 307,699 thousand Euros, resulting from the sale of two companies fully owned by EDP Renewables SGPS, S.A. (see note 6); iii) a gain of 45,584 thousand Euros resulting from the sale of three companies 100% owned by EDP Energias do Brasil, S.A. (see note 6) and; iv) the amount of 29,950 thousand Euros which refers to changes in the fair value of contingent considerations, related to the sale in 2020 to OW Offshore S.L. of Mayflower Wind Energy LLC (see note 27).

The caption Other includes gains on: i) reinsurance activity; ii) gains on the sale of property, plant and equipment; iii) changes in fair value of contingent prices of sales transactions; and iv) a gain of 44 million euros resulting from a favorable decision of the Regional Economic-Administrative Court of the Principality of Asturias in favor of EDP España regarding the fee for using the public hydraulic domain known as “Canon Hidráulico”.

9. Supplies and services

Supplies and services are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Consumables and communications	29,114	27,300	6,262	6,681
Rents and leases	37,302	31,619	5,425	6,183
Maintenance and repairs	342,835	353,442	19,192	16,878
Specialised works:				
- Commercial activity	142,433	142,404	217	656
- IT services, legal and advisory fees	163,980	140,076	79,435	77,442
- Other services	61,439	52,584	28,282	23,988
Provided personnel	-	-	8,052	9,156
Other supplies and services	111,851	109,094	22,691	18,764
	888,954	856,519	169,556	159,748

10. Personnel costs and employee benefits

Personnel costs and employee benefits are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Personnel costs				
Board of Directors remuneration	16,424	16,997	5,758	7,050
Employees' remuneration	488,711	466,762	45,948	42,501
Social charges on remuneration	119,546	112,117	11,457	10,918
Performance, assiduity and seniority bonus	97,710	84,138	18,713	16,753
Other costs	21,350	22,972	1,503	294
Own work capitalised:				
- Assigned to concessions (see note 7)	-75,706	-70,709	-	-
- Other (see note 16)	-93,494	-77,367	-9,360	-6,660
	574,541	554,910	74,019	70,856
Employee benefits				
Pension plans costs	20,636	18,673	1,486	4,967
Medical plans costs and other benefits (see note 35)	6,867	14,843	208	348
Pension plans past service cost (Curtailment/Plan amendments) (see note 35)	6,844	36,848	-	-
Other benefits plans past service cost (Curtailment/Plan amendments) (see note 35)	8,469	1,068	-	-
Other	49,102	40,971	4,939	3,211
	91,918	112,403	6,633	8,526
	666,459	667,313	80,652	79,382

Pension plans costs include 5,221 thousand Euros (31 December 2020: 5,202 thousand Euros) related to defined benefit plans (see note 35) and 15,415 thousand Euros (31 December 2020: 13,471 thousand Euros) related with defined contribution plans.

As at 31 December 2020, Pension plans past service cost (Curtailment/Plan amendments) were essentially related to the increase in liabilities due to the closure of Sines power plant (see note 35).

During 2021, EDP Group distributed treasury stocks to employees (554,583 shares) totalling 2,684 thousand Euros.

The breakdown by management positions and category of professional staff is as follows:

	Group		Company	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Executive Board of Directors	5	9	5	9
Senior management	962	861	113	102
Managers	865	777	18	28
Specialists	5,276	4,717	463	441
Support, Operational and Administrative Technicians	5,128	5,246	70	72
	12,236	11,610	669	652

11. Other expenses

Other Expenses are as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Concession rents paid to local authorities and others	281,209	283,486
Direct and indirect taxes	228,055	207,487
Donations	21,219	24,822
Write-off of tangible assets	31,195	33,755
Other	94,016	85,630
	655,694	635,180

The caption Concession rents paid to local authorities and others includes essentially the rents paid to the local authorities under the terms of the low tension electricity distribution concession contracts and rents paid to city councils where the power plants are located.

The increase in the caption Direct and indirect taxes essentially results from the new taxes on generation in Spain, as a result of the new legislation issued in September 2021 to reduce the impact of the high price of gas on the sale price of generation and the adjustments of 2020 Clawback made in 2021 after the publication of the final figures on 14 October 2021. This impact was partially offset by the suspension, as of 1 July 2021, of the 7% tax on electricity generation in Spain and corresponding suspension of Clawback in Portugal (see note 4).

In 2021, the EDP Group proceeded to the write-off of tangible assets, which mainly relate to losses in materials, equipment and discontinuation of projects in EDP Brasil and Portugal in the amount of 18,839 thousand Euros (31 December 2020: 31,747 thousand Euros).

The caption Others includes losses in the reinsurance activity, losses in fixed tangible assets and an indemnity of 21.5 million Euros related to the cancellation of the gas acquisition contracts that existed with Sonatrach, as part of an agreement to terminate commercial relations between the companies.

12. Amortisation and impairment

Amortisation and impairment are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Depreciation/impairment of Property, plant and equipment (see note 16)	1,214,239	1,112,667	5,519	6,045
Depreciation/impairment of Right of use asset (see note 17)	77,640	62,282	5,661	5,519
Amortisation/impairment of Intangible assets (see note 18)	449,362	455,783	16,673	17,858
	1,741,241	1,630,732	27,853	29,422
Amortisation/impairment of Investment property (see note 23)	297	8,042	3,796	11,304
	1,741,538	1,638,774	31,649	40,726
Compensation of depreciation Partially-funded property, plant and equipment (see note 38)	-22,517	-22,176	-	-
Amortisation of Incremental costs of obtaining contracts with customers	7,747	12,841	-	-
Impairment of Goodwill (see note 19)	4,987	2,392	-	-
	1,731,755	1,631,831	31,649	40,726

During 2021, due to the revision of market assumptions (in mainly, commodity prices and energy sales prices), as well as the entry of renewable energy capacity, the Group carried out a review of its future estimates of value by carrying out impairment tests for some of the production assets.

The above impairment tests carried out led to the recording of the following impairments on assets in Portugal: 82,626 thousand Euros at the combined cycle thermoelectric plant in Lares and 53,213 thousand Euros at the combined cycle thermoelectric plant in Ribatejo (see note 16). Impairments were also recorded in Spain at the combined cycle thermoelectric plants in Soto 4 and Soto 5 (27,188 thousand Euros and 51,356 thousand Euros, respectively) and in Los Barrios and Puente Nuevo coal powerplants (3,898 thousand Euros and 6,089 thousand Euros, respectively) (see note 16).

In the scope of impairment tests on these assets, sensitivity analyzes were performed on key variables, namely discount rates. A sensitivity analysis of +0.5% in discount rate would determine an additional impairment loss of around: 12,922 thousand Euros in Lares power station, 14,333 thousand Euros in Ribatejo power station, 5,651 thousand Euros in Soto 4 and 10,673 thousand Euros in Soto 5.

13. Financial income and expenses

Financial income and expenses, for the Group, are as follows:

Thousand Euros	Group Dec 2021	Group Dec 2020
Financial income		
Interest income from bank deposits and other investments	15,097	20,294
Interest from derivative financial instruments	16,558	24,161
Interest income on tariff deficit:		
- Portugal - Electricity (see note 26)	2,733	1,147
- Brazil - Electricity (see note 38)	6,057	2,205
Other interest income	53,476	47,604
Derivative financial instruments	53,936	-9,076
Foreign exchange gains	100,746	59,315
CMEC:		
- Interest on the initial CMEC	27,336	30,570
- Financial effect considered in the calculation	7,198	7,792
Gains on the sale of the electricity tariff deficit - Portugal (see note 26)	230	992
Other financial income	81,516	41,698
	364,883	226,702
Financial expenses		
Interest expense on financial debt	523,928	513,692
Bonds buyback	24,248	70,436
Capitalised borrowing costs:		
- Assigned to concessions (see note 7)	-57,816	-43,543
- Other (see note 16)	-33,086	-26,989
Interest from derivative financial instruments	33,411	24,387
Interest expense on tariff deficit:		
- Portugal - Electricity (see note 38)	53	42
- Brazil - Electricity (see note 38)	3,989	7,191
Other interest expense	22,435	19,559
Derivative financial instruments	106	8,759
Foreign exchange losses	126,165	65,228
CMEC	7,681	10,655
Unwinding of discounted liabilities	123,248	142,421
Unwinding of lease liabilities (see note 39)	39,511	39,743
Net interest on the net pensions plan liability (see note 35)	3,300	2,197
Net interest on the medical liabilities and other benefits (see note 35)	13,290	13,372
Losses on the sale of the electricity tariff deficit - Portugal	-	1,037
Other financial expenses	45,353	49,139
	875,816	897,326
Financial income/(expenses)	-510,933	-670,624

Capitalised borrowing costs includes the interest capitalised in assets under construction according to Group accounting policy (see note 2 h)). Regarding the rate applicable to borrowing costs related with tangible/intangible assets under construction that is used in the determination of the amount of borrowing costs eligible for capitalisation (see notes 16 and 18), it varies depending on business unit, the country and currency, since EDP Group incorporates in its scope of consolidation a significant number of subsidiaries in several geographies with different currencies. Therefore, for the most representative geographies, the weighted average funding rates, in use in 2021, ranged from 0.6% to 3.26% in Portugal, from 1.8% to 4.42% in Spain and from 0.43% to 7.75% in North America, depending on related assets under construction and related financing.

The costs related to the Unwinding liabilities at discounted value refer essentially to: (i) the financial update of the provision for dismantling and decommissioning of production assets in the amount of 3,753 thousand Euros (31 December 2020: 6,432 thousand Euros) (see note 36); (ii) the implied financial return in institutional partnerships of 79,023 thousand Euros (31 December 2020: 94,718 thousand Euros) (see note 37); and (iii) the financial expenses related to the discount of the liability associated to the concessions of Alqueva/Pedrógão, Investco and Enerpeixe of 26,256 thousand Euros (31 December 2020: 26,721 thousand Euros).

The Derivative financial instruments caption includes income and expenses related with financial assets and liabilities measured and fair value through profit and loss, while the remaining captions of financial income and expenses are registered at amortised cost, based on the effective interest rate method.

In the third quarter of 2021, EDP S.A. has bought an amount of 647,040 thousand Euros issued by Finance B.V., booking a cost related to the transactions of 24,248 thousand Euros (see notes 27 and 34).

Under the agreement entered into with Sonatrach with a view to ending commercial relations between the companies, it was agreed a debt cancellation that EDP had with Sonatrach companies in the amount of 79 million of Euros for a payment of 15 million Euros (see note 39). The impact of this operation is included in the caption Other Financial Income.

Financial income and expenses, for the Company, are as follows:

	Company	
Thousand Euros	Dec 2021	Dec 2020
Financial income		
Interest income from loans to subsidiaries and related parties (see note 44)	37,906	53,123
Interest from derivative financial instruments	81,127	124,800
Derivative financial instruments	164,763	151,540
Income from equity investments (see note 44)	1,164,310	908,690
Gains on the sale of financial investments	-	215,650
Other financial income	11,210	32,979
	1,459,316	1,486,782
Financial expenses		
Interest expense on financial debt	195,422	209,513
Bonds Buyback	16,525	120,042
Interest from derivative financial instruments	102,457	136,141
Derivative financial instruments	136,176	207,352
Unwinding of lease liabilities	4,949	7,062
Other financial expenses	19,010	14,834
	474,539	694,944
Financial income/(expenses)	984,777	791,838

On December 2021, EDP S.A. has ought an amount of 150 million Euros from the issue "EUR1.000.000.000 Fixed Rate Notes due 2025", booking a cost related to the transaction of 16,525 thousand Euros.

The fluctuation of Financial Costs and Profit on an individual basis is mainly explained by the increase in income from equity investments and by the reduction of the cost of debt, both by a reduction of the average cost of debt and by the debt buybacks occurred in 2020, with an impact of 120,042 thousand Euros.

The fluctuation of Financial Costs and Profit in EDP Group is mainly explained by the above mentioned fact on an individual basis and by the income accounted under the agreement entered into with Sonatrach.

On December 2020, EDP S.A. sold its stake in the company that owns the portfolio of 6 Hydroelectric Power Plants (Miranda, Bemposta, Picote, Foz Tua, Baixo Sabor e Feiticeiro), by a total amount of 2,173,000 thousand Euros, generating a gain of 215,609 thousand Euros in the Caption Gains on the sale of financial investments.

14. Income tax

The following note includes an analysis on the reconciliation between the theoretical and the effective income tax rate applicable at an individual level and at the level of the EDP Group, on a consolidated basis. In general terms, this analysis aims to quantify the impact of the income tax, recognised in the income statement, which includes both current and deferred tax.

As the EDP Group prepares and discloses its financial statements in accordance with IFRS, an alignment between the accounting of income tax expense or income and the corresponding cash flow is not mandatory. Accordingly, this analysis does not represent the income tax paid or received by the EDP Group for the correspondent reporting period.

The overall tax contribution borne by the EDP Group (which includes comments on the contributions paid to the respective states where the Group operates), as well as other relevant information (such as EDP Group's tax footprint, specific taxation over energy sector and procedures to control and manage adverse tax exposures), are disclosed on the annual Sustainability Report, available on EDP website (www.edp.com).

The general principles concerning EDP Group's mission and tax policy are also addressed in the same report. This document also describes the key principles with respect to transfer pricing policy applicable to the EDP Group, under which the Group's policy is to abide within the international rules, guidelines and best practices applicable in the various geographies where it operates.

It should be noted that, as a multinational group, the EDP Group fully complies with the annual obligation of communication and report, which results from the transposition to the Portuguese domestic Law of the disposals of Action 13 of the Base Erosion and Profit Shifting (named Country-by-Country Reporting), as a part of a set of measures adopted by OECED and G20 countries to enhance transparency for tax administrations. Furthermore, this obligation is fulfilled in Portugal by the parent company, within the deadlines foreseen by law.

Main features of the tax systems of the countries in which EDP Group operates

The statutory corporate income tax rates applicable in the main countries in which EDP Group operates are as follows:

	Dec 2021	Dec 2020
Europe:		
Portugal	21% - 31,5%	21% - 31.5%
Spain	24% - 25%	24% - 25%
Netherlands	25%	25%
Belgium	25%	25%
France	26,5% - 27.5%	28%
Italy	24% - 28,8%	24% - 28.8%
Poland	19%	19%
Romania	16%	16%
United Kingdom	19%	19%
America:		
Brazil	34%	34%
United States of America	24.91%	24.91%
Canada	26.5%	26.5%
Mexico	30%	30%

EDP Group companies are taxed, whenever possible, on a Group consolidated basis as allowed by the tax legislation of the respective countries.

As per the applicable legislation, in general terms, tax periods may be subject to review and reassessment by the various tax authorities during a limited number of years. Statutes of limitation differ from country to country, as follows: Portugal 4 years or, if tax losses or credits have been used, the number of years that such tax losses or credits may be carried forward; Spain 4 years; USA and The Netherlands 3 years; and Brazil 5 years. In remaining main jurisdictions, the deadline for review and reassessment by the various tax authorities ranges between 3 and 10 years.

Tax losses generated in each year are also subject to tax authorities' review and reassessment and may be used to offset yearly taxable income assessed in the subsequent periods, in the main jurisdictions in which EDP is present, as follows: in Portugal 5 years (for tax losses of 2017 to 2019, not being considered the years 2020 and 2021 for the purposes of this period); and 12 years (for tax losses of 2014 to 2016, being also applicable the suspension of two years previously referred; 2020 and 2021); in the Netherlands 6 years (for tax losses incurred from 2019 onwards); 9 years (for tax losses incurred before 2019), and without term in the USA, Brazil and Spain. Moreover, in the Netherlands the tax losses of a given year may be used to recover current tax of the previous year. However, the deduction of tax losses in the USA, Portugal, Spain and Brazil may be limited to a percentage of the taxable income of each period.

EDP Group companies may, in accordance with the law, benefit from certain tax benefits or incentives in specific conditions, namely the Production Tax Credit in North America (see note 1), which are the dominant form of wind remuneration in this country, and represent an extra source of revenue per unit of electricity, over the first 10 years of the asset's life. Wind facilities that qualify for the application of the Production Tax Credits prior to 1 January 2017, benefit from 100% of the credit ($25/MWh in 2020 and in 2021, being adjusted to inflation in subsequent years). The credit amount is reduced by 20% for wind facilities qualifying in 2017, 40% in 2018 and 60% in 2019. Additional legislation in 2020 and 2021 extended the aforementioned regime to wind facilities, with start of construction in 2020 or 2021, attributing 60% of the tax credit amount. Additionally, EDP Group companies benefit from the Investment Tax Credit which avails solar projects to a credit based upon its capital expenditures. This credit amount equates to 26% for projects that start construction before 2022 and 22% for projects starting construction in 2023 as long as these projects go into service by 2025.

Relevant events for EDP Group with impact in 2021

EDP is monitoring, in the countries where it is present, tax measures designed to help mitigate the economic effects of the COVID-19 outbreak. To date, these measures have not constitute material impacts in the geographies where the EDP Group is present.

The Spanish state budget for 2021 introduced amendments to the participation exemption regime, under which the exemption for dividends and capital gains from domestic and foreign subsidiaries would be limited to 95% of the income. Given the standard Corporate Income Tax (CIT) rate in Spain, the effective tax rate on dividends and capital gains derived by Spanish companies would be 1.25%, not susceptible of elimination under Spanish CIT group taxation.

Corporate income tax provision

Income tax expense is as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Current tax	-191,433	-139,751	38,028	25,411
Deferred tax	-70,459	-169,361	20,456	35,009
	-261,892	-309,112	58,484	60,420

Reconciliation between the theoretical and the effective income tax expense

The effective income tax rate is as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Profit before tax and CESE	1,419,852	1,535,414	765,586	817,731
Income tax expense	-261,892	-309,112	58,484	60,420
Effective income tax rate	18.4%	20.1%	-7.6%	-7.4%

The difference between the theoretical and the effective income tax expense results from the application of the law provisions, in the various countries where EDP operates, in the determination of the taxable base, as demonstrated below.

The reconciliation between the theoretical and the effective income tax expense for the Group, in December 2021 and 2020, is as follows:

Thousand Euros	Dec 2021	Dec 2020
Profit before income tax and CESE	1,419,852	1,535,414
Theoretical income tax rate *	29.5%	29.5%
Theoretical income tax expense	418,856	452,947
Different tax rates (includes state surcharge) and CIT rate changes	-74,081	36,624
Tax losses and tax credits	14,579	-33,846
Dividends	-15,327	1,867
Tax benefits	-21,686	-19,530
Differences between accounting and fiscal provisions/depreciations	11,062	20,661
Accounting/fiscal differences on the recognition/derecognition of assets	-69,764	-130,804
Taxable differences attributable to non-controlling interests	-16,576	-15,776
Other adjustments and changes in estimates	14,829	-3,031
Effective income tax expense as per the Consolidated Income Statement	261,892	309,112

* Average tax rate considering the different tax rates applicable to EDP Group companies in Portugal.

The caption Accounting/fiscal differences on the recognition/derecognition of assets mainly includes the impacts inherent to transactions of production and energy supply business assets, in the several geographies in which the Group operates as a result of its business activity (see note 6).

The caption Different tax rates (includes state surcharge) and CIT rate changes mainly refer to the difference between the tax rates applicable in the countries in which the EDP Group operates as compared to the tax rate used as reference for the theoretical income tax expense calculation. The caption Taxable differences attributable to non-controlling interests (North America) include the effect inherent in the attribution of taxable income to non-controllable interests in EDPR Group in the USA, as determined by the tax legislation of that geography.

The reconciliation between the theoretical and the effective income tax expense for the Company, in 2021 and 2020, is as follows:

Thousand Euros	Dec 2021	Dec 2020
Profit before income tax	765,586	817,731
Nominal income tax rate (*)	22.5%	22.5%
Theoretical income tax expense	172,257	183,989
Tax losses and tax credits	26,461	-1,258
Dividends	-261,970	-204,455
Accounting/fiscal temporary differences on the recognition / derecognition of assets	-	-48,762
Other adjustments and changes in estimates	4,768	10,066
Effective income tax expense as per the Company Income Statement	-58,484	-60,420

* Statutory Corporate Income Tax rate applicable in Portugal (21%) and municipal surcharge (1.5%),

15. Extraordinary contribution to the energy sector (CESE)

Law 83-C/2013, of the State Budget 2014 ("Lei do Orçamento de Estado 2014"), approved by the Portuguese Government on 31 December 2013, introduced CESE, with the objective of financing mechanisms that promote the energy sector systemic sustainability, through the establishment of a fund which aims to contribute for the reduction of tariff debt and to finance social and environmental policies in the energy sector. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transportation or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CESE is calculated based on the companies' net assets as at 1 January, which comply, cumulatively, to: (i) property, plant and equipment; (ii) intangible assets, except industrial property elements; and (iii) financial assets assigned to concessions or licensed activities. In the case of regulated activities, CESE focuses on the value of regulated assets if it is higher than the value of those assets.

The general rate is 0.85%. However, in case of natural gas combined cycle power plants with an annual utilization equivalent of installed capacity equal or higher to 1,500 hours and lower than 3,000 hours, is expected a reduced rate of 0.565%. Nevertheless, this rate could be 0.285% in case the annual utilization of installed capacity is lower than 1,500 hours.

The CESE system has been successively extended and is now valid for 2021 through Law nº 75-B/2020 of 31 December.

Since January 2016, EDP Groups contests the legal basis and constitutionality of this contribution. Furthermore, EDP undertakes periodic assessments of the company's ongoing legal proceedings. From this analysis and taking into account the current public health and economic crisis, caused by the COVID-19 pandemic, the litigation related to CESE has been considered for a possible withdrawal and the relevant legal procedures have been initiated in 2020 and 2021.

EDP has paid 506,671 thousand Euros relating to CESE so far.

16. Property, plant and equipment

This caption is as follows, for the Group:

Thousand Euros	Land and natural resources	Buildings and other construct.	Plant and machinery	Other tangible assets	Assets under construct.	Total
Gross Amount	74,057	364,648	35,685,856	553,586	2,800,419	39,478,566
Accumulated depreciation and impairment losses	-	163,937	18,426,670	416,164	81,501	19,088,272
Carrying Amount at 31 December 2020 *	74,057	200,711	17,259,186	137,422	2,718,918	20,390,294
Gross Amount	76,453	378,107	36,861,822	595,029	2,678,691	40,590,102
Accumulated depreciation and impairment losses	-	171,331	18,796,511	449,112	73,907	19,490,861
Carrying Amount at 31 December 2021	76,453	206,776	18,065,311	145,917	2,604,784	21,099,241
Balance as at 1 January 2020	82,310	214,417	17,653,425	91,281	1,634,789	19,676,222
Additions	770	8,319	577,859	16,557	2,179,260	2,782,765
Depreciation and impairment (see note 12)	-	-8,303	-1,072,363	-31,378	-623	-1,112,667
Disposals/Write-offs	-1,425	-1,048	-18,885	-846	-2,418	-24,622
Transfers	-	4,317	1,009,091	23,874	-992,291	44,991
Exchange Difference	-13,465	-44,991	-1,095,810	-1,548	-199,023	-1,354,837
Perimeter Variations and Other	5,867	28,000	205,869	39,482	99,224	378,442
Balance as at 31 December 2020 *	74,057	200,711	17,259,186	137,422	2,718,918	20,390,294
Additions	2,371	770	336,875	22,113	2,492,713	2,854,842
Depreciation and impairment (see note 12)	-	-8,614	-1,161,118	-43,739	-768	-1,214,239
Disposals/Write-offs	-57	-148	-19,174	-1,551	-19,627	-40,557
Transfers	-133	12,741	1,964,656	29,709	-2,412,161	-405,188
Exchange Difference	1,354	1,234	603,249	681	115,499	722,017
Perimeter Variations and Other	-1,139	82	-918,363	1,282	-289,790	-1,207,928
Balance as at 31 December 2021	76,453	206,776	18,065,311	145,917	2,604,784	21,099,241

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

This caption is as follows, for the Company:

Thousand Euros	Land and natural resources	Buildings and other construct.	Plant and machinery	Other tangible assets	Assets under construct.	Total
Gross Amount	4,581	28,575	468	82,297	11,486	127,407
Accumulated depreciation and impairment losses	-	26,661	323	63,945	8,520	99,449
Carrying Amount at 31 December 2020	4,581	1,914	145	18,352	2,966	27,958
Gross Amount	4,581	28,586	724	88,197	9,900	131,988
Accumulated depreciation and impairment losses	-	26,728	341	67,863	-	94,932
Carrying Amount at 31 December 2021	4,581	1,858	383	20,334	9,900	37,056
Balance as at 1 January 2020	4,581	1,945	159	20,296	1,944	28,925
Additions	-	-	-	2,587	2,595	5,182
Depreciation and impairment (see note 12)	-	-78	-14	-5,953	-	-6,045
Disposals/Write-offs	-	-52	-	-48	-	-100
Transfers	-	103	-	1,470	-1,573	-
Other	-	-4	-	-	-	-4
Balance as at 31 December 2020	4,581	1,914	145	18,352	2,966	27,958
Additions	-	7	243	5,785	8,944	14,979
Depreciation and impairment (see note 12)	-	-68	-18	-5,440	7	-5,519
Disposals/Write-offs	-	-	-	-362	-	-362
Transfers	-	5	13	1,999	-2,017	-
Balance as at 31 December 2021	4,581	1,858	383	20,334	9,900	37,056

Gross amount of Assets under construction are as follows:

Thousand Euros	Dec 2021	Dec 2020
Wind and solar farms in North America	1,079,633	1,485,274
Wind and solar farms in Europe	824,808	711,455
Wind and solar farms in South America	509,951	373,541
Hydric Portugal	43,123	32,680
Other assets under construction	221,176	197,468
	2,678,691	2,800,419

The capitalised costs for Property, plant and equipment for the period, except Land and natural resources, are as follows:

Thousand Euros	Dec 2021	Dec 2020
Subcontracts and other materials	2,625,744	2,356,170
Purchase price allocation	70,622	256,054
Dismantling and decommissioning costs (see note 36)	29,525	65,415
Personnel costs (see note 10)	93,494	77,367
Borrowing costs (see note 13)	33,086	26,989
	2,852,471	2,781,995

Additions include the investment in wind and solar farms by North America, Europe and Brazil. In Portugal, the Group is carrying out hydroelectric investments in several power plants (Ribeiradio-Ermida and Alqueva I) and improvements and repairs in thermoelectric power plants (Lares and Ribatejo).

Transfers refers to the transfer of Europe onshore wind and Hydro Brazil to non-current assets held for sale, by the net amount of 405,188 thousand Euros (cost in the amount of 563,204 thousand Euros and accumulated depreciation and impairment losses in the amount of 158,016 thousand Euros) (see note 41).

Charge/Impairment losses include impairment in combined cycle thermoelectric plants in Portugal in the amount of 135,839 thousand Euros as well as impairments in Spain in the amount of 88,531 thousand Euros (see note 12).

The movement in Exchange differences in the period results mainly from the appreciation of US Dollar, Canadian Dollar and Brazilian Real, against the Euro.

Perimeter Variations and Other mainly include: (i) the impact of a solar distributed generation portfolio acquisition in the amount of 134,949 thousand Euros (see notes 6 and 49); and (ii) the impact of the sale of North America and Portugal onshore wind portfolios in the amount of 1,398,893 thousand Euros (see note 6). Additionally, additions include the effect of the price allocation exercise of Europe onshore wind portfolio assets in the amount of 27,193 thousand Euros.

17. Right-of-use assets

This caption is as follows, for the Group:

Thousand Euros	Land and natural resources	Buildings and other construct.	Plant and machinery	Other tangible assets	Total
Gross amount	723,690	250,301	153,316	11 744	1,139,051
Accumulated depreciation and impairment losses	49,350	45,303	7,282	6,923	108,858
Carrying Amount at 31 December 2020	674,340	204,998	146,034	4,821	1,030,193
Gross amount	746,422	261,627	167,316	10 117	1,185,482
Accumulated depreciation and impairment losses	77,730	64,317	30,552	5,854	178,453
Carrying Amount at 31 December 2021	668,692	197,310	136,764	4,263	1,007,029
Balance as at 1 January 2020	623,389	196,233	3,639	5 242	828,503
Additions (see note 39)	138,008	38,120	149,754	1,879	327,761
Depreciation and impairment (see note 12)	-28,135	-24,308	-6,473	-3,366	-62,282
Disposals/Write-offs	-7	-680	-	-5	-692
Transfers	-	47	-	127	174
Exchange Difference	-45,573	-4,492	-886	-657	-51,608
Perimeter Variations	-13,342	78	-	1,601	-11,663
Balance as at 31 December 2020	674,340	204,998	146,034	4 821	1,030,193
Additions	136,730	15,787	1,079	2,609	156,205
Depreciation and impairment (see note 12)	-28,877	-24,042	-22,004	-2,717	-77,640
Disposals/Write-offs	-210	-480	-1	-446	-1,137
Transfers	-12,328	-32	-13	-	-12,373
Exchange Difference	40,446	1,055	10,894	5	52,400
Perimeter Variations	-141,409	24	775	-9	-140,619
Balance as at 31 December 2021	668,692	197,310	136,764	4 263	1,007,029

This caption is as follows, for the Company:

Thousand Euros	Buildings and other construct.	Other tangible assets	Total
Gross amount	117,135	709	117,844
Accumulated depreciation and impairment losses	10,532	401	10,933
Carrying Amount at 31 December 2020	106,603	308	106,911
Gross amount	117,334	676	118,010
Accumulated depreciation and impairment losses	15,993	387	16,380
Carrying Amount at 31 December 2021	101,341	289	101,630
Balance as at 1 January 2020	110,534	413	110,947
Additions	1,391	92	1,483
Depreciation and impairment	-5,322	-197	-5,519
Balance as at 31 December 2020	106,603	308	106,911
Additions	199	181	380
Depreciation and impairment	-5,461	-200	-5,661
Balance as at 31 December 2021	101,341	289	101,630

Additions include, essentially, new lease contracts registered, under IFRS16, in North America.

Transfers include, mainly, the reclassification to held for sale of certain European onshore wind portfolios (see note 41).

Perimeter Variations mainly include the sale of North America and Portugal onshore wind portfolios (see note 6).

18. Intangible assets

This caption is as follows, for the Group:

Thousand Euros	Concession rights	CO2 Licenses	Other intangibles	Intangible assets in progress	Total
Gross amount	12,355,618	198,555	2,227,892	169 842	14,951,907
Accumulated depreciation and impairment losses	9,291,434	-	662,238	-	9,953,672
Carrying Amount at 31 December 2020	3,064,184	198,555	1,565,654	169,842	4,998,235
Gross amount	12,375,147	213,938	2,319,353	203 996	15,112,434
Accumulated depreciation and impairment losses	9,444,968	-	752,441	-	10,197,409
Carrying Amount at 31 December 2021	2,930,179	213,938	1,566,912	203,996	4,915,025
Balance as at 1 January 2020	3,337,501	224,992	442,326	219 004	4,223,823
Additions	31,209	237,892	595,549	145,967	1,010,617
Depreciation and impairment (see note 12)	-381,476	-	-74,307	-	-455,783
Disposals/Write-offs	-5,183	-269,172	-9,681	-64	-284,100
Transfers	147,435	-	183,230	-195,754	134,911
Exchange Difference	-151,560	-	-12,372	-4,043	-167,975
Perimeter Variations	86,258	4,843	440,909	4,732	536,742
Balance as at 31 December 2020	3,064,184	198,555	1,565,654	169 842	4,998,235
Additions	972	417,398	17,189	121,711	557,270
Depreciation and impairment (see note 12)	-362,813	-	-86,549	-	-449,362
Disposals/Write-offs	-4,828	-402,015	-1,282	-519	-408,644
Transfers	205,084	-	71,648	-79,476	197,256
Exchange Difference	4,195	-	2,775	340	7,310
Perimeter Variations and Other	23,385	-	-2,523	-7,902	12,960
Balance as at 31 December 2021	2,930,179	213,938	1,566,912	203 996	4,915,025

This caption is as follows, for the Company:

Thousand Euros	Other intangibles	Intangible assets in progress	Total
Gross amount	183,691	54 412	238,103
Accumulated depreciation and impairment losses	122,880	-	122,880
Carrying Amount at 31 December 2020	60,811	54,412	115,223
Gross amount	203,204	69 009	272,213
Accumulated depreciation and impairment losses	139,553	-	139,553
Carrying Amount at 31 December 2021	63,651	69,009	132,660
Balance as at 1 January 2020	48,720	44 633	93,353
Additions	9,647	30,081	39,728
Depreciation and impairment	-17,858	-	-17,858
Transfers	20,302	-20,302	-
Balance as at 31 December 2020	60,811	54 412	115,223
Additions	112	33,998	34,110
Depreciation and impairment	-16,673	-	-16,673
Transfers	19,401	-19,401	-
Balance as at 31 December 2021	63,651	69 009	132,660

Additions of Intangible assets in progress essentially include the implementation and development of information systems projects.

Additions of CO2 Licenses includes 76,355 thousand Euros refering to CO2 Licenses granted free of charge to EDP Group power plants operating in Portugal and Spain and 341,043 thousand Euros of licences purchased in the market for own consumption.

Disposals/Write-offs in CO2 Licenses essentially includes the delivery in April 2021 of the 2020 consumption licenses.

Transfers essentially refer to the intangible assets assigned to concessions that became operational, in the amount of 222,641 thousand Euros (see note 26).

The capitalised costs of the period related to construction of intangible assets are included in own work capitalised in notes 7, 10 and 13.

19. Goodwill

Goodwill for the Group, resulting from the difference between the acquisition price and the fair value of the net assets acquired, at the acquisition date, is organized by segment, and is as follows:

Thousand Euros	Renewab.	Networks	Client Solutions & Energy Manag.	Total
Balance as at 1 January 2020	1,627,099	300,207	192,556	2,119,862
Increases	143,700	373,627	-	517,327
Decreases	-57,310	-	-180,434	-237,744
Impairment	-2,759	-	367	-2,392
Exchange differences	-59,148	-	-1,941	-61,089
Balance as at 31 December 2020 *	1,651,582	673,834	10,548	2,335,964
Increases	4,462	-	6,688	11,150
Decreases	-15,160	-	-	-15,160
Impairment	-	-	-4,987	-4,987
Exchange differences	52,412	-	7	52,419
Balance as at 31 December 2021	1,693,296	673,834	12,256	2,379,386

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

Renewables

In the first quarter of 2021, EDP Renováveis, S.A. acquired, through a North American subsidiary, an 85% stake in a distributed solar generation (DG) business, for an amount of 46,530 thousand Euros. This transaction has been framed within the scope of IFRS 3 – Business combinations and that has implied the recognition of goodwill in the consolidated financial statements in the amount of 1,575 thousand Euros (see notes 6 and 49).

In the second quarter of 2021, EDP Renováveis, S.A. acquired 100% of the companies Trung Son Energy Development LLC, Trina Solar Investment First Pte. Ltd. and LYS Energy Investment Pte. Ltd., for an amount of 13.187 thousand Euros. This business combination has resulted in the recognition of goodwill in the amount of 2.343 thousand Euros, in accordance with IFRS 3 requirements (see notes 6 and 49).

A goodwill amounting to 544 thousand Euros, related to the business combination for the acquisition of the companies Vento Ludens Ltd and Muirake Wind Farm Ltd, has also been recognized (see note 6).

During 2021, the closing of the sale transactions of the onshore windfarms in North America resulted in a decrease in goodwill in the amount of 11,506 thousand Euros (see note 6).

Additionally, the decreases in this caption include the amount of 3,654 thousand Euros referring to the reclassification of goodwill related to the company Energest S.A. to non-current assets held for sale (see note 41).

Client Solutions & Energy Management

In the first quarter of 2021, EDP Energia Italia S.r.l. acquired 100% of Enertel Group S.r.l. for the amount of 5,980 thousand Euros and generated goodwill in the amount of 5,724 thousand Euros (see note 6).

In the second quarter of 2021, EDP Smart Serviços, S.A. (ex EDP Grid S.A.) acquired 100% of AES Tietê Inova Soluções de Energia Ltda. for the amount of 15,581 thousand Euros and generated goodwill in the amount of 964 thousand Euros (see note 6).

Goodwill impairment test analysis – EDP Group

The recoverable amount of the goodwill in subsidiaries is assessed annually, as at 30 September, independently of the existence of any indicators of impairment. The recoverable amount is determined based on the value in use of the assets, calculated using valuation methodologies supported by discounted cash flow techniques, considering market conditions, the time value of money and the business risks. Any impairment losses are recognised in the income statement for the period.

EDP Group segments based on which the Group monitors its activity are as follows (see note 51):

• Renewables - corresponds to the activity of producing electricity through renewable energy sources, with emphasis on hydro, wind and solar;
• Grids - corresponds to the electricity distribution and transmission activity, including regulated energy retailers;
• Client Solutions and Energy Management - includes the following activities: production of electricity using non-renewable energy sources, with emphasis on coal and gas; commercialization of electricity and gas and energy solutions services to customers; and the intermediation business responsible for managing the purchase and sale of energy in the Iberian and Brazilian markets, as well as for the respective hedging operations;

For the purposes of these tests, the EDP Group has defined a set of assumptions to determine the recoverable amount of the main investments by each cash generating unit, being presented by aggregation in each business units after the impairment tests carried out at each subgroup/cash generating unit.

Goodwill impairment test analysis – Renewables Segment

The future cash flows are based on the useful life of wind farms, solar and hydro assets. This projection also considers long-term energy sales contracts and long-term energy price estimates, for assets with market exposure.

The main assumptions on which impairment tests are based are as follows:

- Regarding the production of wind and solar energy, the "net capacity factors" used for each cash-generating unit consider: (i) the installed capacity and the forecast resulting from the studies on the occurrence of wind in the long term; and (ii) that regulatory mechanisms in almost all geographies determine the production and priority of energy dispatch whenever weather conditions permit;

- Regarding hydro production, the "net capacity factors" used for each cash-generating unit consider: (i) the installed capacity and the forecast for hydraulic production; and (ii) that the regulatory mechanisms in each geography;

- Energy remuneration: the approved or contracted remunerations were considered in the event of long-term energy sales contracts for the total or partial useful life of the assets or remunerations determined by the regulatory framework in force in each geography. In the remaining cases, the long-term market price curves projected by the Group were used based on past experience and internal models built on the basis of external information sources;

- Operating costs: the land and maintenance contracts in force were used. The other operating costs were projected consistently based on the experience acquired, on the Budget approved for the next year and taking into account internal analysis models;

- Terminal value: considered as a 15% of the initial investment in each wind farm, considering inflation; and

- Discount rate: the discount rates used are post-tax, reflect EDP Group's best estimate of the risks specific to each CGU and range as follows:

	2021	2020
Europe (EUR)	2.9% - 4.0%	3.5% - 5.3%
North America (USD)	4.8% - 6.7%	4.8% - 6.5%
Brazil (BRL)	7.6% - 9.3%	8.5% - 10.2%

Impairment tests were performed taking into account the regulatory changes in each country.

The impairment tests carried out on Goodwill did not lead to any impairment registration.

Goodwill impairment test analysis – Grids Segment

The cash flow projection assumes the extent of the concessions related to the electricity distribution business in Brazil. In the case of the concession in Spain, it is perpetual. These cash flows are estimated considering the volume of production and expected consumption, installed capacity, the evolution forecast of the tariff and the energy purchase / sale agreements.

The discount rates after taxes used in the grids segment for the purposes of impairment tests ranged between 3.2% (Spain) and 7.4% (Brazil in BRL) (2020: between 3.6% and 7.8% respectively).

The main assumptions used to project cash flows are as follows:

- Investment costs: the best available estimates of the investments to be made were used to ensure regular use of current assets, as well as those resulting from legislative changes;

- Regarding operating costs, the projections made considered the current operating costs projected based on the historical experience acquired, in the Budget approved for the next year and taking into account internal models of analysis;

- The most recent remuneration rates proposed by ANEEL and CNMC ("Comisión Nacional de los Mercados y la Competencia") were considered, applying the updating mechanisms as provided for in the regulation;

- The projections for the electricity distribution businesses are based on long-term estimates of the various assumptions considered in the analysis;

- The terminal value of the distribution assets corresponds to the present value of the net assets at the end of the concession ("Net Regulatory Asset Base").

Sensitivity analyzes were carried out on the results of the impairment tests carried out, namely at discount rates. The results of the sensitivity analyzes carried out conclude that an increase of 50 basis points in the different discount rates, does not determine the existence of signs of impairment in "goodwill" or concession rights.

20. Investments in subsidiaries (Company basis)

This caption is as follows:

Thousand Euros	Company	
	Dec 2021	Dec 2020
Acquisition cost	16,076,429	15,414,830
Effect of equity method (transition to IFRS)	-785,593	-785,593
Equity investments in subsidiaries	15,290,836	14,629,237
Impairment losses on equity investments in subsidiaries	-225,472	-233,132
	15,065,364	14,396,105

On the date of transition to IFRS, EDP, S.A. ceased to apply the equity method of accounting to its investments in its separate financial statements, having considered this method in the determination of the deemed cost at transition date.

Investments in subsidiaries are as follows:

Thousand Euros	Company	
	Dec 2021	Dec 2020
	Net amount	Net amount
Equity investments in subsidiaries:		
EDP Renováveis, S.A.	4,154,431	4,154,431
EDP Gestão de Produção de Energia, S.A.	4,470,776	4,470,776
EDP España, S.A.U.	2,105,002	2,105,002
E-Redes – Distribuição de Eletricidade, S.A. de Energia, S.A.	1,691,145	1,686,158
EDP International Investments and Services, S.L.	1,488,181	988,849
EDP Servicios Financieros España, S.A.U.	482,695	482,695
EDP Comercial - Comercialização de Energia, S.A.	344,444	299,091
SU Eletricidade, S.A., S.A.	243,407	145,104
Other	85,283	63,999
	15,065,364	14,396,105

In order for entities to focus on their core business, a corporate restructuring was carried out, which resulted from the transfer of the stake held by EDP Servicios Financieros in EDP International Investments and Services to EDP Sucursal. With this transaction, EDP Servicios Financieros now has as its mission only the management of the EDP Group's debt in Spain. The transaction was carried out on 5 November 2021, through the distribution of dividends in kind in the amount of 499,332 thousand Euros, consisting of the delivery of 3,006 shares of EDP International Investments and Services held by EDP Servicios Financieros España, which constitute 32.97% of the capital of that company.

The remaining variation in the caption Investments in subsidiaries results from capital increases carried out in some subsidiaries.

In the context of impairment tests carried out at EDP Group, the financial investments held by EDP, S.A. in subsidiaries are reviewed, based on the higher of the value in use and the fair value less costs related to the sale. The main assumptions considered in the valuation models of the main financial holdings in Portugal of EDP, S.A. are as follows:

- The discount rates used reflect the best estimate regarding the specific risks associated to each subsidiary activity within a range between 3.2% and 5.1% (2020: between 3.6% and 4.8%);

- For the activities subject to regulation, the remunerations currently in force and/or approved were considered, applying the updating mechanisms as provided for in the regulation, and incorporates the expectation of renewal of the concessions currently in force and the best estimate of CAPEX and the future regulatory framework;

- Fuel prices (brent, gas, coal and CO2 licenses) and electricity prices forecast were defined considering market expectations for future prices and the application of internal models for building price curves, taking into account the regulatory framework in force and the best expectation regarding its future evolution. Regarding fuel prices, the prices and clauses established in long-term supply contracts, including gas purchase contracts, were also considered. Production assets were valued from a portfolio management perspective, without prejudice to an individual analysis as to recoverability, based on the estimate of the evolution of the market share;

- The production estimates were based on an average hydrological year over the projection period for the hydroelectric plants, the estimated evolution of demand, market share projections and current installed and under construction capacity, as well as the best estimate of the plants to be decommission in the projection period;

- Additionally, other system costs are considered, such as: ISP and CO2 addition fee, CESE, social tariff, and other income;

- The operating costs considered were based on extrapolations from current operating costs based on the knowledge acquired in each activity.

The impairment tests did not lead to the recording of impairment in these financial investments, in addition to the already recognized.

To the assets that were subject to impairment tests, the sensitivity analyzes carried out at the discount rate considering an increase of 50 basis points did not determine a relevant additional impairment in the financial investments of EDP, S.A.

The assumptions used in the valuation models of EDP S.A.'s financial holdings in other geographies, as well as the respective sensitivity analyses are described in note 19.

21. Investments in joint ventures and associates

This caption is as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Investments in joint ventures	1,140,454	753,056
Investments in associates	209,991	187,306
	1,350,445	940,362

As at 31 December 2021, for the Group, this caption includes goodwill in investments in joint ventures of 8,047 thousand Euros (31 December 2020: 8,047 thousand Euros) and goodwill in investments in associates of 27,647 thousand Euros (31 December 2020: 24,599 thousand Euros).

The movement in Investments in joint ventures and associates, for the Group, is as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Balance at the beginning of the period	940,362	1,098,512
Acquisitions/Entries	36,753	71,495
Increases/Decreases of share capital	456,186	126,647
Disposals	-10,224	-79,833
Share of profit in joint ventures and associates	80,086	6,938
Dividends	-50,077	-52,739
Exchange differences	46,675	-187,621
Cash flow hedging reserve	-5,376	-1,642
Transfer to Assets held for sale (see note 41)	-149,182	-10,103
Other	5,242	-31,292
Balance at the end of the period	1,350,445	940,362

The caption Joint ventures and associates in the Consolidated Income Statement includes a positive amount of 80,086 thousand Euros from result of these investments, a gain of 20,705 thousand Euros from the sale of CIDE HC Energía, S.A., a gain of 6,237 thousand Euros from the sale of the entire stake on Portsines - Terminal Multipurpose de Sines, S.A. ("Portsines") and a gain of 801 thousand Euros from the sale of 12% stake of 2019 Vento XX LLC (see note 6).

The caption Increases/Decreases of share capital essentially refers to a capital increase of 331,519 thousand Euros of EDP Renováveis S.A. in OW Offshores, S.L. and to the revaluation of a 20% stake in a portfolio of North American companies, in the amount of 98.052 thousand Euros, as a result of the sale of 80% of the same and consequent loss of control (see note 6).

The movement in Exchange differences in the period results mainly from the appreciation of US Dollar and Brazilian Real, against the Euro.

The following table resumes the companies' financial information of joint ventures whose investment is included under the equity method in the Group consolidated accounts, as at 31 December 2021:

Thousand Euros	Goldfinger Vento	Goldfinger Vento II	Energia São Manoel	Flat Rock Windpower II	Flat Rock Windpower	Hydro Global Investment
Companies' financial information of joint ventures						
Non-Current Assets	209,580	313,792	570,694	81,368	198,882	266,899
Current Assets	554	1,685	34,461	1,893	5,205	89,958
Cash and cash equivalents	-47	870	14,864	1,704	4,282	75,491
Total Equity	141,812	194,044	287,008	80,735	197,721	101,327
Long term Financial debt	-	-	282,747	-	-	229,312
Non-Current Liabilities	65,228	112,157	294,927	1,554	4,080	233,356
Short term Financial debt	98	101	13,747	-	-	-
Current Liabilities	3,094	9,276	23,220	972	2,287	22,175
Revenues	11,063	10,657	58,805	3,723	9,711	-
Property plant and equipment and intangibles amortization/impairment	-9,212	-7,372	-20,449	-5,117	-13,097	-181
Other financial expenses	-1,708	-3,202	-31,130	-24	-53	-11,308
Income tax expense	-	-	6,426	-	-	574
Net profit for the period	9,187	12,931	-12,514	-6,184	-14,667	-11,889
Amounts proportionally attributed to EDP Group						
Net assets	63,217	84,775	95,671	40,367	102,608	40,336
Goodwill	-	-	-	-	-	-
Dividends paid	3,270	4,539	-	-	9,809	-

Thousand Euros	Portfolio Vento XX	EDP Asia Group	OW Offshore, S.L.	Portfolio Vento XVII	Portfolio Vento XIX	Others
Companies' financial information of joint ventures						
Non-Current Assets	644,158	132,238	1,187,928	525,211	477,624	350,117
Current Assets	16,121	-	266,754	5,453	13,913	34,392
Cash and cash equivalents	9,429	-	82,639	-159	-86	14,281
Total Equity	215,942	132,238	713,524	177,215	133,497	118,385
Long term Financial debt	-	-	50,037	-	-	-
Non-Current Liabilities	415,353	-	650,372	344,720	351,971	148,605
Short term Financial debt	456	-	3,720	-	-	3,864
Current Liabilities	28,983	-	90,786	8,729	6,068	117,519
Revenues	30,600	-	10,040	34,952	22,019	41,133
Property plant and equipment and intangibles amortization/impairment	-15,714	-	-4,532	-19,352	-16,498	-3,109
Other financial expenses	-26,102	-	-69,164	-14,259	-17,347	-83
Income tax expense	-	-	1,080	-	-	-548
Net profit for the period	534,542	21,561	34,813	20,545	13,463	39,725
Amounts proportionally attributed to EDP Group						
Net assets	67,457	87,723	358,986	57,919	47,447	93,948
Goodwill	-	-	5,352	-	-	2,695
Dividends paid	-	6,758	-	3,885	3,118	4,278

The following table resumes the companies' financial information of joint ventures whose investment is included under the equity method in the Group consolidated accounts, as at 31 December 2020:

Thousand Euros	Companhia Energética do Jari	Energia Cachoeira Caldeirão	Energia São Manoel	Flat Rock Windpower II	Flat Rock Windpower	Hydro Global Investment
Companies' financial information of joint ventures						
Non-Current Assets	246,874	204,661	584,212	80,247	196,644	221,071
Current Assets	25,393	18,184	30,361	2,334	3,022	70,163
Cash and cash equivalents	12,093	11,873	13,875	1,085	1,927	61,241
Total Equity	143,409	90,781	296,676	79,905	192,900	90,166
Long term Financial debt	77,237	109,317	273,868	-	-	163,107
Non-Current Liabilities	100,115	113,752	283,510	1,411	3,714	178,743
Short term Financial debt	8,477	14,396	24,184	-	-	1,381
Current Liabilities	28,743	18,312	34,387	1,265	3,052	22,325
Revenues	46,749	24,204	61,243	2,726	7,106	-
Property plant and equipment and intangibles amortization/impairment	-9,005	-7,885	-22,952	-5,351	-13,703	-366
Other financial expenses	-10,329	-12,453	-30,815	-25	-55	-19,228
Income tax expense	267	2,360	7,032	-	-	3,887
Net profit for the period	15,314	-4,603	-13,665	-7,996	-19,919	-16,650
Amounts proportionally attributed to EDP Group						
Net assets	97,019	45,620	98,894	39,953	103,315	34,736
Goodwill	-	-	-	-	-	-
Dividends paid	11,414	-	-	-	10,149	-

Thousand Euros	EDP Asia Group	OW Offshore, S.L.	Portfolio Vento XVII	Portfolio Vento XIX	Others
Companies' financial information of *joint ventures*					
Non-Current Assets	115,001	873,253	506,707	449,711	543,060
Current Assets	1	133,403	4,590	11,435	23,458
Cash and cash equivalents	1	38,740	-126	4,569	7,819
Total Equity	115,002	8,790	166,781	120,578	315,402
Long term Financial debt	-	-	-	-	3,679
Non-Current Liabilities	-	166,013	338,441	336,584	226,206
Short term Financial debt	-	10,612	-	-	8,431
Current Liabilities	-	831,853	6,075	3,984	24,910
Revenues	-	1,108	39,505	25,448	56,136
Property plant and equipment and intangibles amortization/impairment	-	-777	-13,179	-16,177	-24,232
Other financial expenses	-	-29,415	-29,782	-18,485	-7,702
Income tax expense	-	305	-	-	-766
Net profit for the period	20,023	-18,096	-1,694	20,055	1,492
Amounts proportionally attributed to EDP Group					
Net assets	83,409	9,027	53,917	44,943	142,223
Goodwill	-	5,352	-	-	2,695
Dividends paid	7,087	-	-	5,477	10,674

The following table resumes the companies' financial information of associates whose investment is included in the Group consolidated accounts under the equity method, as at 31 December 2021:

Thousand Euros	Celesc	Parque Eólico Belmonte	Parque Eólico Madero	Principle Power Inc.	Others
Companies' financial information of associates					
Non-Current Assets	382,241	17,817	44,111	17,311	49,127
Current Assets	18,870	5,054	24,124	15,510	60,128
Total Equity	389,778	9,512	41,178	23,723	34,795
Non-Current Liabilities	861	9,302	8,066	5,375	41,363
Current Liabilities	10,471	4,057	18,991	3,722	33,098
Revenues	12,544	3,914	16,656	6,910	71,851
Net profit for the period	74,460	1,278	7,766	-7,891	18,725
Amounts proportionally attributed to EDP Group					
Net assets	110,668	4,568	17,290	8,425	69,040
Goodwill	-	1,726	-	5,083	20,838
Dividends paid	8,924	-	-	-	5,496

Other include companies with Financial Statements as of 31 December 2021, with the exception of companies that have no activity or are in liquidation process. Additionally, Celesc is based on the Financial Statements disclosed to the market with reference to 30 September 2021.

The following table resumes the companies' financial information of associates whose investment is included in the Group consolidated accounts under the equity method, as at 31 December 2020:

Thousand Euros	Celesc	Parque Eólico Belmonte	Parque Eólico Madero	Principle Power Inc.	Others
Companies' financial information of associates					
Non-Current Assets	256,026	18,589	45,647	15,544	66,781
Current Assets	21,121	2,033	14,281	20,395	64,986
Total Equity	253,354	8,234	33,412	28,840	80,901
Non-Current Liabilities	714	4,790	3,974	4,527	31,074
Current Liabilities	23,080	7,599	22,542	2,573	19,792
Revenues	-	4,575	9,895	8,201	65,024
Net profit for the period	48,475	1,187	2,547	-5,653	-65
Amounts proportionally attributed to EDP Group					
Net assets	75,744	4,188	14,033	9,893	83,448
Goodwill	-	1,726	-	5,008	17,865
Dividends paid	5,578	-	1,470	-	890

The column "Others" include companies with financial statements as of 31 December 2020, with the exception of companies that have no activity or are in liquidation process, and Portsines whose financial statements are for the period ended 30 November 2020, once the accounts as at 31 December 2020 were not yet available. Additionally, Celesc is based on the Financial Statements disclosed to the market with reference to 30 September 2020.

As at 31 December 2021, the significant companies' financial information of joint ventures and associates presents the following reconciliation of net assets proportionally attributed to EDP Group:

Thousand Euros	Equity	% EM	Fair Value Adjustments	Goodwill	Other	Net Assets
Empresa de Energia São Manoel S.A.	287,008	33.33%	-	-	-	95,671
Flat Rock Windpower II LLC	80,735	50.00%	-	-	-	40,367
Flat Rock Windpower LLC	197,721	50.00%	-	-	3,748	102,608
Hydro Global Investment, Ltda	101,327	50.00%	-	-	-10,327	40,336
EDP ASIA - Investimento e Consultadoria, Lda	132,238	50.00%	21,604	-	-	87,723
OW Offshore, S.L.	713,524	50.00%	-	5,352	-3,128	358,986
Portfolio Vento XVII	177,215	20.00%	22,476	-	-	57,919
Portfolio Vento XIX	133,497	20.00%	20,748	-	-	47,447
Portfolio Vento XX	215,942	20.00%	24,269	-	-	67,457
Goldfinger Vento	141,812	50.00%	-7,689	-	-	63,217
Goldfinger Vento II	194,044	50.00%	-12,247	-	-	84,775
Centrais eléctricas de Santa Catarina, S.A. - Celesc	389,778	29.90%	-	-	-5,862	110,668
Parque Eólico de Belmonte, S.A.	9,512	29.90%	-	1,726	-	4,568
Parque Eólico Sierra del Madero S.A.	41,178	42.00%	-	-	-	17,290
Principle Power, Inc.	23,723	25.93%	-	5,083	-2,810	8,425

As at 31 December 2020, the significant companies' financial information of joint ventures and associates presents the following reconciliation of net assets proportionally attributed to EDP Group:

Thousand Euros	Equity	% EM	Fair Value Adjustments	Goodwill	Other	Net Assets
Companhia Energética do Jari	143,409	50.00%	25,314	-	-	97,019
Empresa de Energia Cachoeira Caldeirão S.A.	90,781	50.00%	229	-	-	45,620
Empresa de Energia São Manoel S.A.	296,676	33.33%	-	-	-	98,894
Flat Rock Windpower II LLC	79,905	50.00%	-	-	-	39,953
Flat Rock Windpower LLC	192,900	50.00%	-	-	6,865	103,315
Hydro Global Investment, Ltda	90,166	50.00%	-	-	-10,347	34,736
EDP ASIA - Investimento e Consultadoria, Lda	115,002	50.00%	25,908	-		83,409
OW Offshore, S.L.	8,790	50.00%	-	5,352	-720	9,027
Portfolio Vento XVII	166,781	20.00%	20,561	-	-	53,917
Portfolio Vento XIX	120,578	20.00%	20,558	-	269	44,943
Centrais eléctricas de Santa Catarina, S.A. - Celesc	253,354	29.90%	-	-	-	75,744
Parque Eólico de Belmonte, S.A.	8,234	29.90%	-	1,726	-	4,188
Parque Eólico Sierra del Madero S.A.	33,412	42.00%	-	-	-	14,033
Principle Power, Inc.	28,840	25.93%	-	5,008	-2,593	9,893

As at 31 December 2021 and 2020, commitments and contingent liabilities assumed by the Group in respect of its joint ventures and associates, including its share of commitments assumed jointly with other investors, are disclosed by maturity as follows:

	Capital outstanding by maturity	
Thousand Euros	Dec 2021	Dec 2020
Less than 1 year	250,656	314,547
From 1 to 3 years	7,560	7,427
From 3 to 5 years	2,376	2,351
More than 5 years	50,376	18,547
	310,968	342,872

Commitments and contingent liabilities in respect of joint ventures and associates include EDPR commitments to provide funding to Offshore projects and to the construction of solar farms facilities in USA, and to commitments assumed by EDP Brasil related to its joint ventures operating obligations.

22. Equity instruments at fair value

As at 31 December 2021, the movements in Equity Instruments measured at Fair Value are as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Equity Instruments at Fair Value through Other Comprehensive Income (OCI)	126,827	117,111
Equity Instruments at Fair Value through Results (PL)	63,115	67,637
	189,942	184,748

Under IFRS 13 (see note 45), equity instruments at fair value are classified into three levels of fair value: level 1 includes essentially financial investments that are indexed to quoted market prices; level 2 includes the fund of stocks and bonds held by Energia RE; and level 3 covers all other equity instruments at fair value. As at 31 December 2021, there are no equity instruments at fair value within level 1.

As at 31 December 2021, this caption is analysed as follows:

	Other Comprehensive Income			Results			
Thousand Euros	Zephyr Fund (Energ. RE portfolio)	Mercer and Dunas (Energ. RE portfolio)	Other	EDA Electricid. dos Açores, S.A.	Feedzai - Consult. e Inov. Tecn., S.A.	Other	Total
Balance as at 1 January 2020	80,079	-	22,735	14,416	46,814	6,762	170,806
Acquisitions	-	94,915	4,071	-	-	1,371	100,357
Disposals	-79,054	-8,595	-2,394	-	-	-2,750	-92,793
Change in fair value	-1,025	3,501	3,130	870	-	-469	6,007
Other variations	-	-	-252	-	-	623	371
Balance as at 31 December 2020	-	89,821	27,290	15,286	46,814	5,537	184,748
Acquisitions	-	-	1,137	-	-	3,438	4,575
Disposals	-	-	-436	-	-8,207		-8,643
Change in fair value (see note 32)	-	5,990	2,851	769	-	-526	9,084
Other variations	-	-	174	-	-	4	178
Balance as at 31 December 2021	-	95,811	31,016	16,055	38,607	8,453	189,942

During 2021, EDP Ventures S.G.P.S., S.A., with the aim of optimizing its portfolio, sold in two tranches 157,387 shares of Feedzai - Consultadoria e Inovação Tecnológica, S.A.

As at 31 December 2021, the fair value reserve of equity instruments measured at fair value through other comprehensive income attributable to the Group is as follows:

Thousand Euros	Dec 2021	Dec 2020
Mercer Funds	8,897	2,907
Defined Crowd Corporation	6,339	6,339
Other	5,817	4,008
	21,053	13,254

In equity instruments measured at fair value through profit stands out: i) Feedzai - Consultadoria e Inovação Tecnológica, S.A., the fair value of 38,607 thousand Euros was determined according to the last transaction on the market; 2) EDA - Electricidade dos Açores, S.A., the fair value of 16,055 thousand Euros was determined according to the Dividend Discounted model. The sensitivity analysis, considering a reduction or increase of 50bp in the discounted rate, determines a fair value of 18.4 million Euros and 14.3 million Euros, respectively.

During 2021 an increase in the fair value of the Equity Instruments through Profit and Losses, in the amount of 243 thousand Euros, was booked against Profit or Loss (see notes 13 and 45).

23. Investment property

The caption is detailed as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Cost	55,125	55,733	130,851	112,644
Accumulated amortisation and impairment losses	-34,457	-34,355	-29,151	-25,355
Carrying amount	20,668	21,378	101,700	87,289

The investment properties are mainly lands and buildings held to obtain rents or for capital appreciation and are not materially relevant.

On a consolidated basis, Accumulated amortisation and impairment losses in 2021 includes 297 thousand Euros related to charges of the period (see note 12).

On an individual basis, Accumulated amortisation and impairment losses in 2021 includes 3,796 thousand Euros related to charges of the period (see note 12). The variation in the caption Cost relates with the transfer of property, plant and equipment and right-of-use assets to investment property of 18,207 thousand Euros (see notes 16 and 17).

The impairment tests carried out of Investment Properties are based on assessments using current market practices: the comparative method, in cases where there is an active and comparable market, the income method, through discounted cash flows depending on the property income and the cost method, which considers the market value of the land and the construction costs.

24. Deferred tax assets and liabilities

EDP Group records the tax effect resulting from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As at a 31 December 2021, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 31 December
Tax losses and tax credits	1,023,712	138,686	-	43,565	1,205,963
Provisions for social benefits, bad debts and other risks	722,690	-47,751	-17,360	-23,381	634,198
Financial instruments	95,417	-40,724	780,528	6,466	841,687
Property plant and equipment and intangible assets	412,651	-59,693	-	706	353,664
Financial and equity instruments at fair value	2,868	800	-1,889	174	1,953
Tariff adjustments and tariff deficit	37,988	-24,576	-	958	14,370
Allocation of fair value to assets and liabilities acquired	159,529	52,666	-	-179,750	32,445
Fiscal revaluations	304,712	-39,034	-	-	265,678
Use of public property (Brazil)	23,658	3,376	-	274	27,308
Other temporary differences	87,541	-13,806	-661	967	74,041
Assets/liabilities compensation of deferred taxes	-1,664,163	-24,228	4,468	-258,292	-1,942,215
	1,206,603	-54,284	765,086	-408,313	1,509,092

Net Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 31 December
Provisions for social benefits, bad debts and other risks	14,413	3,699	1,494	-8	19,598
Financial instruments	100,911	48,260	456,924	3,751	609,846
Property plant and equipment and intangible assets	366,868	-7,126	-	14,367	374,109
Reinvested gains	3,735	-30	-	-	3,705
Financial and equity instruments at fair value	8,959	-1,711	-	-	7,248
Tariff adjustments and tariff deficit	149,690	-134,161	-353	902	16,078
Allocation of fair value to assets and liabilities acquired	1,184,420	96,140	2,406	-170,497	1,112,469
Fiscal revaluations	54,737	-2,148	-	-	52,589
Deferred income relating to CMEC	187,558	-2,893	-	-	184,665
Gains from institutional partnerships in wind farms	344,092	10,580	55	29,183	383,910
Use of public property (Brazil)	7,737	-887	-	69	6,919
Fair value of financial assets (Brazil)	47,643	20,889	-	703	69,235
Other temporary differences	64,642	9,791	-	16,489	90,922
Assets/liabilities compensation of deferred taxes	-1,664,163	-24,228	4,468	-258,292	-1,942,215
	871,242	16,175	464,994	-363,333	989,078

As at a 31 December 2020, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 31 December *
Tax losses and tax credits	1,067,738	-2,498	-	-41,528	1,023,712
Provisions for social benefits, bad debts and other risks	666,766	-14,940	24,130	46,734	722,690
Financial instruments	84,851	1,810	30,030	-21,274	95,417
Property plant and equipment and intangible assets	278,901	62,006	-	71,744	412,651
Financial and equity instruments at fair value	248	83	2,600	-63	2,868
Tariff adjustments and tariff deficit	14,448	23,540	-	-	37,988
Allocation of fair value to assets and liabilities acquired	13,248	-8,382	-	154,663	159,529
Fiscal revaluations	392,872	-92,494	-	4,334	304,712
Use of public property (Brazil)	24,437	6,867	-	-7,646	23,658
Other temporary differences	86,815	8,933	1,947	-10,154	87,541
Assets/liabilities compensation of deferred taxes	-1,546,278	-55,514	-623	-61,748	-1,664,163
	1,084,046	-70,589	58,084	135,062	1,206,603

Net Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 31 December *
Provisions for social benefits, bad debts and other risks	16,375	732	-2,267	-427	14,413
Financial instruments	122,266	-7,667	11,080	-24,768	100,911
Property plant and equipment and intangible assets	404,458	-2,614	-	-34,976	366,868
Reinvested gains	3,192	-	-	543	3,735
Financial and equity instruments at fair value	10,551	29	-1,621	-	8,959
Tariff adjustments and tariff deficit	109,158	40,090	442	-	149,690
Allocation of fair value to assets and liabilities acquired	663,855	74,060	-	446,505	1,184,420
Fiscal revaluations	61,552	-4,931	-	-1,884	54,737
Deferred income relating to CMEC	177,611	9,947	-	-	187,558
Gains from institutional partnerships in wind farms	349,644	25,711	57	-31,320	344,092
Use of public property (Brazil)	6,958	3,038	-	-2,259	7,737
Fair value of financial assets (Brazil)	56,977	7,872	-	-17,206	47,643
Other temporary differences	67,427	8,019	-	-10,804	64,642
Assets/liabilities compensation of deferred taxes	-1,546,278	-55,514	-623	-61,748	-1,664,163
	503,746	98,772	7,068	261,656	871,242

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

On a Company basis, EDP, S.A. records the tax effect arising from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As at a 31 December 2021, on a Company basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 31 December
Tax losses and tax credits	139,397	19,879	-	3,802	163,078
Provisions for social benefits, bad debts and other risks	7,817	471	-143	-20	8,125
Financial instruments	28,596	-	196,949	-	225,545
Property plant and equipment	3,965	-1,940	-	-	2,025
Other temporary differences	3,273	-3,069	-	42	246
Assets/liabilities compensation of deferred taxes	-59,422	-302,379	-	-	-361,801
	123,626	-287,038	196,806	3,824	37,218

Net Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 31 December
Financial instruments	47,681	-	302,328	-	350,009
Allocation of fair value to assets and liabilities acquired	3,546	-	-	-	3,546
Fiscal revaluations	185	-6	-	-	179
Other temporary differences	8,010	-5,109	-	5,166	8,067
Assets/liabilities compensation of deferred taxes	-59,422	-302,379	-	-	-361,801
	-	-307,494	302,328	5,166	-

As at a 31 December 2020, on a Company basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 31 December
Tax losses and tax credits	116,483	37,356	-	-14,442	139,397
Provisions for social benefits, bad debts and other risks	6,065	2,006	-159	-95	7,817
Financial instruments	48,337	-	-19,741	-	28,596
Property plant and equipment	4,330	-365	-	-	3,965
Other temporary differences	3,086	-	-	187	3,273
Assets/liabilities compensation of deferred taxes	-35,394	-24,028	-	-	-59,422
	142,907	14,969	-19,900	-14,350	123,626

Net Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 31 December
Financial instruments	27,642	-	20,039	-	47,681
Allocation of fair value to assets and liabilities acquired	3,546	-	-	-	3,546
Fiscal revaluations	192	-7	-	-	185
Other temporary differences	4,014	3,995	-	1	8,010
Assets/liabilities compensation of deferred taxes	-35,394	-24,028	-	-	-59,422
	-	-20,040	20,039	1	-

Taxes recorded against reserves are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Financial instruments and fair value	317,598	17,701	-105,379	-39,780
Actuarial gains and losses	-16,483	24,235	-143	-159
Financial instruments and equity instruments at fair value OCI	-1,271	485	-	-
Transactions with non-controlling interests and Others	248	8,595	-	-
	300,092	51,016	-105,522	-39,939

The Group tax losses carried forward are analysed as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Expiry date:		
2021	-	41,583
2022	1,344	12,558
2023	10,430	22,875
2024	23,704	34,604
2025	8,155	16,858
2026	531,520	524,703
2027 a 2040	2,429,290	2,340,878
Without expiry date	1,923,698	1,673,849
	4,928,141	4,667,908

Of the total of EDP Group's tax losses available to carry forward as at 31 December 2021, the amount of 821.765 thousand Euros does not have deferred tax asset, in accordance with the applicable accounting standards since, at the present date, there is still not sufficient visibility about the future period in which such tax losses will be used.

25. Inventories

This caption is as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Merchandise	188,665	54,159
Finished, intermediate products and sub-products	42,890	27,801
Raw and subsidiary materials and consumables (coal and other fuels)	109,246	43,275
Nuclear fuel	14,764	14,576
CO2 licenses	79,960	57,661
Other	140,324	126,473
	575,849	323,945

The change in the Inventoriescaption is essentially explained by the rise in raw material prices, namely gas and CO2.

On an individual basis, the value in Inventories refers to a gas boat acquired by EDP S.A. within the scope of the energy business management carried out by Unge and which will be sold to the subsidiaries that consume this raw material.

The movements in the portfolio of CO2 Licenses held for trading and classified as inventories are as follows:

	Group	
CO2 (Ton)	Dec 2021	Dec 2020
CO2 Licenses held for trading on 1 January	1,772,000	-
Licenses negotiated in the market	4,521,185	8,697,000
Emission Licenses transferred from trading portfolio to intangibles	-3,521,185	-6,925,000
CO2 Licenses sold	-1,772,000	-
CO2 Licenses held for trading on 31 December	1,000,000	1,772,000
CO2 Licenses for trading on 31 December (in thousand Euros)	79,960	57,661

Fair value corresponds to the spot price (closing price) at the end of December in each period.

26. Debtors and other assets from commercial activities

At Group level, Debtors and other assets from commercial activities are as follows:

Thousand Euros	Non-Current Dec 2021	Non-Current Dec 2020	Current Dec 2021	Current Dec 2020
Assets measured at amortised cost:				
Amounts receivable from tariff adjustments - Electricity - Portugal	7,328	53,634	62,755	1,036
Amounts receivable from tariff adjustments - Electricity - Brazil (see note 38)	124,604	49,986	101,928	35,600
Debtors for other goods and services	-	-	39,134	29,480
Amounts receivable relating to CMEC	432,293	507,419	225,441	189,752
Amounts receivable from concessions - IFRIC 12	275,782	359,650	933,106	755,565
Other assets measured at amortised cost	118,955	65,125	404,138	175,170
Impairment losses on other assets measured at amortised cost	-71	-2,894	-2,370	-1,406
	958,891	1,032,920	1,764,132	1,185,197
Trade receivables at amortised cost:				
Trade receivables	32,856	24,896	1,939,214	1,363,760
Impairment losses on trade receivables	-3,225	-8,771	-232,100	-253,067
	29,631	16,125	1,707,114	1,110,693
Assets measured at fair value through other comprehensive income:				
Amounts receivable from tariff adjustments - Electricity - Portugal	483	267,054	563,563	156,270
Assets measured at fair value through profit or loss:				
Amounts receivable from concessions - IFRIC 12	693,785	547,103	-	-
Contract assets:				
Contract assets receivable from energy sales contracts	617	600	1,729,885	1,034,442
Contract assets receivable from concessions - IFRIC 12	921,412	805,382	-	-
	922,029	805,982	1,729,885	1,034,442
Other assets:				
Incremental costs of obtaining contracts with customers	34,130	33,600	-	-
Other assets from commercial activities	29,557	44,228	163,310	59,009
	63,687	77,828	163,310	59,009
	2,668,506	2,747,012	5,928,004	3,545,611

At Company level, Debtors and other assets from commercial activities are as follows:

Thousand Euros	Current Dec 2021	Current Dec 2020
Assets measured at amortised cost:		
Debtors for other goods and services	38,753	40,223
Other assets measured at amortised cost	252,319	246,349
Impairment losses on other assets measured at amortised cost	-2	-1
	291,070	286,571
Trade receivables at amortised cost:		
Trade receivables	897,757	214,153
Impairment losses on trade receivables	-226	-209
	897,531	213,944
Contract assets:		
Contract assets receivable from energy sales contracts	850,819	226,040
Other assets:		
Other assets from commercial activities	8,516	7,371
	2,047,936	733,926

The movement for the period in Amounts receivable from tariff adjustments - Electricity - Portugal (Non-current and Current) is as follows:

Thousand Euros	Non-Current	Current
Balance as at 31 December 2020	320,688	157,306
Receipts through the electricity tariff	-	-6,919
Securitization of tariff deficit	-	-500,000
Tariff adjustment of the period (see note 7)	1,443,740	5,711
Tariff adjustment of 2021	-	-3,410
Fair value of the tariff deficit measured at fair value through other comprehensive income (see note 32)	-1,481	428
Adjustment due to tariff deficit (2019 and 2020)	-	-685,735
Financial expenses (see note 13)	-	2,733
Transfer to/from tariff adjustment payable (see note 38)	-36,899	-62,033
Transfer from Non-Current to Current	-1,718,237	1,718,237
Balance as at 31 December 2021	7,811	626,318

During the third quarter of 2021, SU Eletricidade, S.A., sold the 2021 tariff deficit in the amount of 500,000 thousand Euros. This tariff deficit results from the 5-year deferral of the recovery of the 2021 overcost related with the acquisition of energy from special regime generators (including adjustments for 2019 and 2020). In this sale transaction of assets, SU Eletricidade, S.A., gave in fully and without recourse, the right to receive such amounts and interest. The sale price amounted to 502,560 thousand Euros and generated a gain net of transaction costs of 230 thousand Euros (see note 13).

As at 31 December 2021, the caption Assets measured at fair value through other comprehensive income includes the amount of the tariff deficit classified and measured at fair value through other comprehensive income. According to IFRS 13, the tariff deficit fair value is classified as level 2 (see note 45).

The following table provides details for the caption Amounts receivable from tariff adjustments - Electricity - Portugal, by nature and year of establishment, as well as presents the amounts of tariff deficit that have been sold during the period ended 31 December 2021:

Thousand Euros	Deficit	Tariff adj.	Sales	Total
Year:				
2018	2,515	-	-	2,515
2019	870	-	-	870
2020	68	57,044	-	57,112
2021	1,060,592	13,040	-500,000	573,632
	1,064,045	70,084	-500,000	634,129

The caption Amounts receivable relating to CMEC is detailed as follows:

Thousand Euros	Non-Current	Current
Initial CMEC	294,653	43,197
Final adjustment	137,640	78,518
Revisibility 2014 - 2017 *	-	103,726
	432,293	225,441

* The revisibility calculation for 2016 to 2017 is still waiting the official approval.

The caption Amounts receivable from concessions - IFRIC 12 in the amount of 1,902,673 thousand Euros (31 December 2020: 1,662,318 thousand Euros) relates to the financial asset to be received by the EDP Group regarding the electricity distribution concessions in Portugal and Brazil, resulting from the application of the mixed model, and the asset related to electricity transmission concessions in Brazil. The variation of the period includes: (i) the effect of the depreciation of Brazilian Real against Euro in the amount of 9,363 thousand Euros and (ii) transfers from Contract assets receivable from concessions in the amount of 317,161 thousand Euros.

The movements in Impairment losses on trade receivables and other assets measured at amortised cost are as follows:

	Trade receivables		Other assets	
Thousand Euros	Non-current	Current	Non-current	Current
Balance as at 1 January 2020	16,285	302,687	2,895	2,694
Charge of the period	65	100,447	-	32
Reversal of impairment losses	-1,169	-35,264	-	-421
Charge-off	-4,696	-40,539	-	-702
Exchange differences	-1,714	-30,115	-	-66
Perimeter variations/Other regularisations	-	-44,149	-1	-131
Balance as at 31 December 2020	8,771	253,067	2,894	1,406
Charge of the period	42	100,955	-	1,317
Reversal of impairment losses	-615	-65,424	-1,688	-1,759
Charge-off	-5,005	-40,432	-1,206	-2
Exchange differences	32	938	-	1
Perimeter variations/Other regularisations	-	-17,004	71	1,407
Balance as at 31 December 2021	3,225	232,100	71	2,370

The geographical market Trade receivables' breakdown and the credit risk analysis are disclosed in note 5, under the Counterparty credit risk management.

As at 31 December 2021 and 2020, on a company basis, trade receivables are from Portugal geographical market.

Contract assets receivable from energy sales contracts - Current include contract assets relating to energy delivered and not yet invoiced, amounts receivable from REN regarding the CMEC Revisibility of 2016 and 2017 which are awaiting approval, and accruals from UNGE's energy management business. The impairment losses on Trade receivables includes impairment losses related to Contract assets receivable from energy sales contracts.

The caption Contract assets receivable from concessions - IFRIC 12 refers to the investment in assets under construction assigned to concessions with the biggest increase, during 2021, in Brazil. The variation of the period includes (i) the effect of the appreciation of Brazilian Real against Euro in the amount of 8,776 thousand Euros; (ii) the investment of the period in the amount of 588,620 thousand Euros and (iii) the transfer of assets assigned to concessions which began operation to intangible assets, in the amount of 222,641 thousand Euros (see note 18), and to Amounts receivable from concessions - IFRIC 12, in the amount of 317,161 thousand Euros.

27. Other debtors and other assets

Other debtors and other assets are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020 *	Dec 2021	Dec 2020
Debtors and other assets - Non-Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	1,703,778	2,739,230
Loans to related parties	173,267	7,630	90	90
Guarantees rendered to third parties	102,766	96,311	-	-
Other financial assets at amortised cost (i)	8,002	23,864	512,042	113,609
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 42)	712,710	333,600	1,439,961	350,400
Contingent price	155,216	113,880	-	-
Other assets:				
Excess of the pension fund financing (see note 35)	13,268	29,610	42	93
Other debtors and sundry operations	675,918	415,893	89,654	-
	1,841,147	1,020,788	3,745,567	3,203,422
Debtors and other assets - Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	968,218	18,186
Dividends attributed by subsidiaries	-	-	-	110,000
Loans to related parties	100,261	415,120	-	-
Receivables from the State and concessors	-	5,402	-	-
Guarantees rendered to third parties	640,380	72,150	466,453	47,102
Subsidiary companies	-	-	249,800	103,602
Other financial assets at amortised cost (i)	16,171	22,818	280,060	56,038
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 42)	1,640,616	271,828	3,852,144	421,666
Other financial investments measured at fair value	1,858	24,157	-	-
Contingent price	4,004	13,000	-	7,159
Other assets:				
Other debtors and sundry operations	407,565	27,119	-	89,654
	2,810,855	851,594	5,816,675	853,407
	4,652,002	1,872,382	9,562,242	4,056,829

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

Loans to subsidiaries - Non-Current and Current, for the Company, mainly includes 809,836 thousand Euros (31 December 2020: 807,346 thousand Euros) of loans granted to EDP - Gestão da Produção de Energia, S.A. and 1,503,659 thousand Euros (31 December 2020: 1,503,685 thousand Euros) of loans granted to E-Redes – Distribuição de Eletricidade, S.A. (see note 44).

For the Loans to subsidiaries, EDP S.A. performs an analysis to evaluate impairment based on the general approach. The company uses several inputs on making its assessment of the credit risk related to these assets, such as the analysis of the historical possible delays and/or impairment losses indications, companies rating (when applicable) and market and macroeconomic data that may change the probability of default and the expectation of delays in the receivable amounts. According to the analysis performed, as per 31 December 2021 there are no expected credit losses accounted for related to loans with subsidiaries.

The variation of the caption Loans to related parties - Non Current, on a consolidated basis, is mainly due to new loans granted to OW FS Offshore, S.A. in the amount of 172,095 thousand Euros. The variation of the caption Loans to related parties - Current, on a consolidated basis, is mainly due to the receipt of loans granted to OW Offshore, S.L. in the amount of 398,348 thousand Euros.

(i) Other financial assets at amortised cost

On a consolidated basis, this caption mainly includes securities issued by Tagus - Sociedade de Titularização de Créditos, SA, in the context of the transmission of the right to receive tariff adjustments (deviations and deficits) from the National Electric System for credit securitisation companies, acquired by SU Eletricidade, S.A. The detail of the balances arising from these operations is as follows:

Thousand Euros	Issue date	Class R Notes	Liquidity Notes	Senior Notes	Total
Overcost from special regime production 2017	Dec 2017	366	46	1,258	1,670
Overcost from special regime production 2018	Jun 2018	285	423	9,612	10,320
Overcost from special regime production 2019	Jun 2019	443	340	11,352	12,135
		1,094	809	22,222	24,125

On a company basis, this caption includes the bonds issued by EDP Finance B.V. reacquired on market by EDP S.A.

On November 2020, EDP S.A. has bought an amount of 53,357 thousand Euros of a private bond placement, issued by EDP Finance B.V.

On 1 July 2021, EDP S.A. has bought an amount of 647,040 thousand Euros of nominal debt, related with four bonds issued by EDP Finance B.V. in a market operation, in the total amount of 675,544 thousand Euros. This amount includes a premium and transaction costs amounting to 24,248 thousand Euros and accrued interest as at the acquisition date (see notes 13 and 34).

In the first quarter of 2021 EDP Finance B.V. repaid, at maturity, 600 million Euros of securities issued, of which EDP S.A. had already reacquired 46,783 thousand Euros.

The detail of these bonds is as follows:

Issuer	Maturity date	Currency	Interest rate	Nominal value in Currency '000	Acquired in Currency '000	Fair Value '000
EDP Finance B.V.	18 Jan 2022	EUR	2.63%	857,859	142,141	142,326
EDP Finance B.V.	23 Dec 2022	EUR	Fixed rate (i)	93,357	53,357	54,910
EDP Finance B.V.	23 Mar 2023	EUR	2.38%	488,832	111,168	114,793
EDP Finance B.V.	29 Sep 2023	EUR	1.88%	462,465	137,535	142,488
EDP Finance B.V.	12 Feb 2024	EUR	1.13%	743,804	256,196	262,831

(i) This issue corresponds to private placements.

The variation of the caption Contingent prices - Non Current mainly results from the: i) update of the fair value of the contingent consideration in connection with the sale in 2018 and 2020 of a stake in the companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS to Sumitomo Corporation and to OW Offshore S.L., respectively; and ii) sale in 2020 of a stake in the company Mayflower Wind Energy LLC to OW Offshore S.L., in accordance with the relevant agreements signed (see note 8).

The caption Other debtors and sundry operations - Non Current includes the financial consideration paid in advance in 2009 for the exploitation of the hydro power plants of Fridão and other amounts invested in such hydro power plant (see note 4). The variation of the caption results mainly from the recognition of receivable amounts related with the sale transaction in 2021 of the eolic project Indiana Crossroads in the amount of 269,799 thousand Euros (see note 6).

The caption Guarantees rendered to third parties - Current includes margin deposits made in energy trading exchanges, such as the OMIP and EEX exchanges. The variation in relation to the previous year is essentially explained by the increase in energy prices that occurred during this year.

The variation of the caption Other debtors and sundry operations - Current is mainly due to the recognition of the receivable amount for the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A., corresponding to 355,996 thousand Euros (see note 6).

28. Tax assets

Current tax assets are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Non-Current:				
Special taxes Brazil	173,846	251,770	-	-
Current:				
Income tax	132,109	125,503	48,893	44,241
Value added tax (VAT)	295,789	191,587	44,659	6,196
Special taxes Brazil	93,624	90,783	-	-
Other taxes	30,320	6,429	874	877
	551,842	414,302	94,426	51,314
	725,688	666,072	94,426	51,314

The Special taxes Brazil caption relates to the following taxes: CSLL (Social Contribution on net profits), PIS (Social integration programme) and COFINS (Social Security Financing Contribution).

The caption Other taxes includes,mainly, the amount of 18,539 thousand Euros related to the undue payment in the period from 2013 to 2017 of the fee for the use of the public hydraulic domain known as "Hydraulic Canon" by EDP España (see note 8).

29. Cash and cash equivalents

Cash and cash equivalents are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Cash	288	254	29	39
Bank deposits				
Current deposits	2,572,979	1,461,444	1,177,071	1,030,863
Term deposits	458,386	1,451,681	-	150,000
Specific demand deposits in relation to institutional partnerships	314	34,313	-	-
	3,031,679	2,947,438	1,177,071	1,180,863
Operations pending cash settlement				
Current deposits	-	-	140,000	118,000
Other operations				
Other short term investments	205,623	770	200,178	-
Group Financial System (see note 44)	-	-	973,175	873,729
	3,237,590	2,948,462	2,490,453	2,172,631
Held for sale operations:				
Cash and cash equivalents reclassified as held for sale (see note 41)	-15,181	5,840	-	-
	3,222,409	2,954,302	2,490,453	2,172,631

Specific demand deposits in relation to institutional partnerships corresponds to funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships (see note 37), under the Group accounting policy.

As at 31 December 2021, on a company basis, the caption Operations pending cash settlement represents commercial paper issued by EDP S.A. in the amount of 140,000 thousand Euros (31 December 2020: 118,000 thousand Euros) on 31 December 2021, acquired by EDP Finance B.V., which settlement date occurred on 4 January 2022.

30. Share capital and share premium

EDP, S.A. was incorporated as a State-owned company and started its privatisation process in 1997. The second and third phases of the privatisation process were carried out in 1998, the fourth phase in 2000, the fifth phase consisting of a capital increase in 2004 and a sixth phase in 2005. In December 2007, the State issued bonds convertible into shares of EDP, S.A. under the seventh phase of the privatisation process.

On 11 May 2012, regarding EDP's eighth privatisation phase, the Portuguese State sold to China Three Gorges (Europe), S.A. (former - CWEI (Europe), S.A.), the ownership of 780,633,782 shares representing 21.35% of the share capital and the voting rights of EDP, S.A.

On 21 February 2013, Parpública – Participações Públicas (SGPS) S.A. (Parpública) notified EDP that, on 19 February 2013, it sold 151,517,000 shares, which correspond to 4.14% of EDP's share capital.

As a result of these last two transactions, Parpública no longer has a qualified shareholding position in EDP share capital.

On 29 September 2017, China Three Gorges (Europe), S.A. acquired 70,143,242 shares representing around 1.92% of EDP's share capital and voting rights. After this acquisition, an off-market transaction, CTG Europe became the holder of 850,777,024 shares.

On August 11, 2020, EDP made a capital increase by issuing 309,143,297 ordinary, book-entry and nominative shares, with a unit face value of 1 Euro, with a unit subscription price of 3.30 Euros, offered to subscription of its shareholders, in the exercise of the respective preemptive rights, offered to the shareholders of EDP for subscription through the exercise of their pre-emption subscription rights pursuant to applicable law (the "Rights Offering"). The new ordinary shares will be fungible with existing ordinary shares and will entitle their holders to the same rights as those of pre-existing shares. As such, the current share capital of EDP is now of 3,965,681,012 Euros, represented by 3,965,681,012 ordinary, registered, book-entry shares with nominal value 1,00 Euro each.

EDP - Energias de Portugal S.A. shareholder structure as at 31 December 2021 is as follows:

	No. of Shares	% Capital	% Voting
China Three Gorges Corporation	760,872,884	19.19%	19.19%
BlackRock, Inc.	292,858,021	7.38%	7.38%
Oppidum Capital, S.L.	285,414,883	7.20%	7.20%
Canada Pension Plan Investment Board	204,634,446	5.16%	5.16%
Amundi Asset Management	104,421,359	2.63%	2.63%
Norges Bank	95,783,685	2.42%	2.42%
Qatar Investment Authority	89,915,722	2.27%	2.27%
Sonatrach	87,007,433	2.19%	2.19%
Bank of America Corporation	79,992,285	2.02%	2.02%
EDP (Treasury Stock)	19,103,158	0.48%	
Remaining Shareholders	1,945,677,136	49.06%	
	3,965,681,012	**100.00%**	

Share capital and Share premium are as follows:

Thousand Euros	Group and Company Share capital	Group and Company Share premium
Balance as at 1 January	3,965,681	1,196,522
Movements during the period	-	-
Balance as at 31 December	3,965,681	1,196,522

The earnings per share (EPS) attributable to the equity holders of EDP are as follows:

	Group		Company	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Net profit attributable to the equity holders of EDP (in Euros)	656,716,781	800,691,979	824,069,863	878,151,389
Net profit from continuing operations attributable to the equity holders of EDP (in Euros)	656,716,781	800,691,979	824,069,863	878,151,389
Weighted average number of ordinary shares outstanding	3,946,530,875	3,764,319,113	3,946,530,875	3,765,706,030
Weighted average number of diluted ordinary shares outstanding	3,946,530,875	3,764,319,113	3,946,530,875	3,765,706,030
Basic earnings per share attributable to equity holders of EDP (in Euros) of EDP (in Euros)	0.17	0.21	-	-
Diluted earnings per share attributable to equity holders of EDP (in Euros)	0.17	0.21	-	-
Basic earnings per share from continuing operations (in Euros)	0.17	0.21	-	-
Diluted earnings per share from continuing operations (in Euros)	0.17	0.21	-	-

EDP Group calculates basic and diluted earnings per share attributable to equity holders of EDP using the weighted average number of ordinary shares outstanding during the period, net of changes in treasury stock during the period. Basic earnings per share and diluted earnings per share are equal because there are no dilution factors.

The average number of shares is determined as follows:

	Group		Company	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Ordinary shares issued at the beginning of the period	3,965,681,012	3,656,537,715	3,965,681,012	3,656,537,715
Effect of shares issued during the period	-	128,809,707	-	128,809,707
Average number of realised shares	3,965,681,012	3,785,347,422	3,965,681,012	3,785,347,422
Effect of treasury stock	-19,150,137	-21,028,309	-19,150,137	-19,641,393
Average number and diluted average number of shares during the period	3,946,530,875	3,764,319,113	3,946,530,875	3,765,706,030

31. Treasury stock

This caption is as follows:

	Group		Company	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Book value of EDP, S.A.'s treasury stock (thousand Euros)	52,660	54,025	52,660	54,025
Number of shares	19,103,158	19,557,741	19,103,158	19,557,741
Market value per share (in Euros)	4.832	5.156	4.832	5.156
Market value of EDP, S.A.'s treasury stock (thousand Euros)	92,306	100,840	92,306	100,840

Shares' transactions occurred between 1 January and 31 December 2021:

	EDP, S.A.
Volume acquired (number of shares)	100,000
Average purchase price (in Euros)	4.789
Total purchases (thousand Euros)	479
Volume sold (number of shares) i)	-554,583
Average selling price (in Euros)	4.840
Total sales (thousand Euros) i)	2,684
Final position (number of shares)	19,103,158
Highest market price (in Euros)	4.840
Lowest market price (in Euros)	4.780
Average market price (in Euros)	4.832

i) Includes the distribution of treasury stocks to employees (see note 10).

The treasury stock held by EDP, S.A. is within the limits established by the Company's articles of association and by the "Código das Sociedades Comerciais" (Portuguese Commercial Companies Code). Treasury stock is recognised at acquisition cost.

32. Reserves and retained earnings

This caption is as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Legal reserve	782,932	739,024	782,932	739,024
Fair value reserve (cash flow hedge)	-1,063,338	-6,066	553,245	84,893
Tax effect of fair value reserve (cash flow hedge)	282,478	1,698	-124,519	-19,140
Fair value reserve of assets measured at fair value through other comprehensive income	21,405	14,659	-	-
Tax effect of the fair value reserve of assets measured at fair value through other comprehensive income	-4,043	-2,771	-	-
Currency translation reserve - Exchange differences arising on	-391,219	-699,299	-	-
Currency translation reserve - Net investment hedge	-595,305	-291,829	-	-
Currency translation reserve - Net investment hedge - Cost of hedging	-42,953	-62,367	-	-
Treasury stock reserve (EDP, S.A.)	52,660	54,025	52,660	54,025
Other reserves and retained earnings	4,513,932	3,926,711	2,015,173	1,927,982
	3,556,549	3,673,785	3,279,491	2,786,784

The movement in Other reserves and retained earnings reflects, essentially, the dilution effect resulting from EDPR's capital increase, in April 2021 by issuing new shares, not accompanied by EDP (see Condensed Consolidated Statements of Changes in Equity and note 6).

<u>Legal reserve</u>

In accordance with article no. 295 of "Código das Sociedades Comerciais" (Portuguese Commercial Companies Code) and EDP, S.A.'s articles of association, the legal reserve must be increased by a minimum of 5% of the annual profit until it reaches 20% of the company's share capital. This reserve can only be used to cover losses or to increase share capital.

Fair value reserve (cash flow hedge)

This reserve includes the effective portion of the cumulative net change in the fair value of the cash flow hedging financial derivative instruments.

The variation in the caption Fair value reserve (cash flow hedge) reflects, essentially, the impact of the price increase of the indexes associated with electricity and gas, which reflect the current evolution on the market.

Fair value reserve (financial assets at fair value through other comprehensive income)

The changes in this consolidated caption for the period are as follows:

	Fair Value Reserve				
Milhares de Euros	Balance Dec 2020	Increases	Decreases	Perimeter variations	Balance Dec 2021
Defined Crowd Corporation (see note 22)	6,339	-	-	-	6,339
Mercer and Dunas Funds (Energia RE portfolio) (see note 22)	2,907	5,990	-	-	8,897
SU Eletricidade, S.A. tariff deficit (see note 26)	1,405	428	-1,481	-	352
Other (see note 22)	4,008	2,054	-	-245	5,817
	14,659	8,472	-1,481	-245	21,405

Currency translation reserve - Exchange differences arising on consolidation

Exchange differences arising on consolidation corresponds to the amounts resulting from changes in the value of net assets of subsidiaries, joint ventures and associated companies resulting from changes in exchange rates. The exchange rates used in the preparation of the financial statements are as follows:

		Exchange rates			
		Dec 2021		Dez 2020	
Currency		Close	Average	Close	Average
US Dollar	USD	1.133	1.183	1.227	1.142
Brazilian Real	BRL	6.310	6.378	6.374	5.889
Macao Pataca	MOP	9.098	9.469	9.800	9.124
Canadian Dollar	CAD	1.439	1.483	1.563	1.530
Polish Zloty	PLN	4.599	4.567	4.615	4.444
Romanian Leu	RON	4.948	4.921	4.869	4.837
Pound Sterling	GBP	0.840	0.860	0.899	0.890
Mexican Peso	MXN	23.275	23.985	24.359	24.514
Colombian peso	COP	4,527.375	4,425.924	4,191.065	4,214.657
Chinese Yuan	CNY	7.195	7.628	8.023	7.874
Corean Won	WON	1,346.380	1,354.057	1,336.000	1,345.385
Japanese Yen	JPY	130.380	129.877	126.490	121.846

The movement for the period in Exchange differences arising on consolidation is mainly due to the effect of the depreciation of the Brazilian Real against the Euro.

Currency translation reserve - Net investment hedge and Cost of hedging

The changes in these captions, net of income tax, for the period are as follows:

Thousand Euros	Net investment hedge	Cost of Hedging
Balance as at 31 December 2020	-291,829	-62,367
Changes in fair value	-287,725	19,414
Transfer to income statement resulting from the sale of a foreign currency subsidiary	-15,751	-
Balance as at 31 December 2021	-595,305	-42,953

The caption Net investment hedge corresponds to the amounts resulting from the application of hedge accounting to investments in subsidiaries in foreign currencies, mainly in the subsidiary EDPR North America, through financial derivative instruments (see note 42) and debt in foreign currency. The caption Cost of hedging corresponds to the amounts determined in accordance with accounting policies (see note 2 d)).

Treasury stock reserve (EDP, S.A.)

In accordance with the article 324° of "Código das Sociedades Comerciais" (Portuguese Commercial Companies Code), EDP, S.A. has created an unavailable reserve with an amount equal to the book value amount of treasury stock held in the company statements.

Dividends

On 14 April 2021, the Shareholders General Meeting of EDP, S.A. approved the dividends distribution to shareholders of the net profit for the year 2020 in the amount of 753,479 thousand Euros, corresponding to a dividend of 0.19 Euros per share (including the treasury stock dividend). This distribution occurred on 26 April 2021.

33. Non-controlling interests

This caption is as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020 *
Non-controlling interests in income statement	447,929	360,501
Non-controlling interests in equity and reserves	4,206,827	3,127,820
	4,654,756	3,488,321

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

The movement by subgroup of the non-controlling interests item is analysed as follows:

Thousand Euros	EDP Renováveis Group	EDP Brasil Group	Other	Total
Balance as at 31 December 2020	2,518,461	943,167	26,693	3,488,321
Results	240,720	176,241	30,968	447,929
Dividends	-57,770	-93,320	-	-151,090
Currency Exchange differences	80,188	17,176	-73	97,291
Capital Increases/Decreases	-63,487	-69,602	-	-133,089
Changes in the fair value reserve (cash flow hedge)	-110,502	88	522	-109,892
Perimeter variations and Others	945,700	5,584	64,002	1,015,286
Balance as at 31 December 2021	3,553,310	979,334	122,112	4,654,756

The movement in Perimeter variations and Others reflects, essentially, the dilution effect resulting from EDPR's capital increase, in April 2021 by issuing new shares, not accompanied by EDP, in the amount of 922,152 thousand Euros (see Condensed Consolidated Statements of Changes in Equity and note 6).

The summarised financial information for subsidiaries with material non-controlling interests, namely EDP Brasil and EDP Renováveis, as at 31 December 2021, are disclosed in the Annex I.

34. Financial debt

This caption is as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Debt and borrowings - Non-current				
Bank loans:				
- EDP Finance B.V. **	-6,796	-8,935	-	-
- EDP Brasil Group	210,050	200,782	-	-
- EDP España Group	-	15,067	-	-
- EDP Renováveis Group	813,616	572,457	-	-
- Others	1,305	-	-	-
	1,018,175	779,371	-	-
Non-convertible bond loans:				
- EDP S.A.	743,874	742,779	5,143,874	6,192,779
- EDP Finance B.V.	7,047,836	8,475,687	-	-
- EDP Brasil Group	1,115,680	613,880	-	-
- EDP España Group	1,051,954	1,052,210	-	-
	9,959,344	10,884,556	5,143,874	6,192,779
Hybrid bonds:				
- EDP S.A.	3,717,072	1,737,918	3,717,072	1,737,918
	3,717,072	1,737,918	3,717,072	1,737,918
Commercial paper:				
- EDP S.A.	220,732	203,732	220,732	203,732
- EDP Finance B.V.	198,658	183,359	-	-
- EDP Brasil Group	103,009	62,760	-	-
	522,399	449,851	220,732	203,732
Other loans	26,132	26,741	-	-
	15,243,122	13,878,437	9,081,678	8,134,429
Accrued interest	5,511	13,026	-	-
Other liabilities:				
- Fair value of the issued debt hedged risk	50,955	132,477	-	-
Total Debt and Borrowings	15,299,588	14,023,940	9,081,678	8,134,429
Collateral Deposits - Non-current *	-23,397	-22,848	-	-
	15,276,191	14,001,092	9,081,678	8,134,429

* Deposits constituted as collateral for financial guarantee.
** Deferred discount of origination fees on celebrated RCF, which are currently not used.

Thousand Euros	Group Dec 2021	Group Dec 2020	Company Dec 2021	Company Dec 2020
Debt and borrowings - Current				
Bank loans:				
- EDP Brasil Group	120,154	188,032	-	-
- EDP Renováveis Group	103,093	77,173	-	-
- Other	-	3,305	-	-
	223,247	268,510	-	-
Non-convertible bond loans:				
- EDP S.A.	-	-	900,000	1,500,000
- EDP Finance B.V.	942,554	1,164,278	-	-
- EDP Brasil Group	82,792	181,219	-	-
	1,025,346	1,345,497	900,000	1,500,000
Commercial paper:				
- EDP S.A	-	-	620,000	586,000
- EDP Finance B.V.	-	155,000	-	-
- EDP Brasil Group	-	123,951	-	-
- EDP España Group	-	100,000	-	-
	-	378,951	620,000	586,000
Other loans				
Group Financial System (see note 44)	-	-	2,348,605	1,188,704
- Other	1,395	1,797	-	-
	1,395	1,797	2,348,605	1,188,704
Accrued interest	242,653	243,214	84,016	74,439
Other liabilities:				
- Fair value of the issued debt hedged risk	25,707	24,854	-	-
Total Debt and Borrowings	1,518,348	2,262,823	3,952,621	3,349,143
Collateral Deposits - Current *	-26,678	-9,221	-	-
	1,491,670	2,253,602	3,952,621	3,349,143

* Deposits constituted as collateral for financial guarantee.

Non-current Commercial Paper refers to three Commercial Paper programs with firm underwriting commitment for a period of over one year, in the total amount of 475,000 thousand American Dollars and 650,000 thousand Brazilian Real.

Main events of the period:

On 25 January 2021, EDP issued a subordinated hybrid green bond of 750 million Euros, which is non-callable up to 5.25 years and final maturity in August 2081.

On 1 July 2021, EDP S.A., acquired 647,040 thousand Euros of nominal value debt referring to four bond issues, issued by EDP Finance B.V., in the total amount of 675,544 thousand Euros (see notes 13 and 27).

On 6 September 2021, EDP issued two subordinated hybrid green bonds of 750 and 500 million Euros, which are non-callable up to 5.25 and 7.75 years respectively, and final maturity in March 2082.

The nominal value of outstanding Bond loans placed with external counterparties, as at 31 December 2021, is as follows:

Issuer	Issue date	Interest rate	Type of hedge	Conditions/ Redemp.	Nominal Value in Million Currency	Thousand Euros Group	Thousand Euros Company
Hybrids by EDP S.A.							
EDP S.A. (iv)	Jan-19	Fixed rate EUR 4.496% (v)	n.a.	Apr-79	1,000 EUR	1,000,000	1,000,000
EDP S.A. (vi)	Jan-20	Fixed rate EUR 1.7% (vii)	n.a.	Jul-80	750 EUR	750,000	750,000
EDP S.A. (viii)	Jan-21	Fixed Rate EUR 1.875% (v)	n.a.	Aug-81	750 EUR	750,000	750,000
EDP S.A. (ix)	Sep-21	Fixed Rate EUR 1.5% (v)	n.a.	Mar-82	750 EUR	750,000	750,000
EDP S.A. (x)	Sep-21	Fixed Rate EUR 1.875% (xi)	n.a.	Mar-82	500 EUR	500,000	500,000
						3,750,000	3,750,000
Issued under the Euro Medium Term Notes program (EMTN)							
EDP Finance B.V.(ii)	Dez-02	Taxa fixa EUR (iii)	n.a.	Dec-22	40 EUR	40,000	-
EDP Finance B.V.(i)	Nov-08	Fixed rate GBP 8.625%	Fair Value	Jan-24	325 GBP	410,314	-
EDP Finance B.V.	Nov-08	Zero coupon EUR (iii)	n.a.	Nov-23	160 EUR	160,000	-
EDP Finance B.V.(i)(ii)	Sep-14	Fixed rate EUR 2.625%	Fair Value	Jan-22	858 EUR	857,859	-
EDP Finance B.V.(i)	Apr-15	Fixed rate EUR 2%	Fair Value	Apr-25	750 EUR	750,000	-
EDP Finance B.V.(ii)	Mar-16	Fixed rate EUR 2.375%	n.a.	Mar-23	489 EUR	488,832	-
EDP Finance B.V.(i)(ii)	Aug-16	Fixed rate EUR 1.125%	Net Invest.	Feb-24	744 EUR	743,804	-
EDP Finance B.V.(ii)	Jan-17	Fixed rate EUR 1.875%	n.a.	Sep-23	462 EUR	462,465	-
EDP Finance B.V.	Jun-17	Fixed rate USD 3.625%	Net Invest.	Jul-24	1000 USD	882,924	-
EDP Finance B.V.	Nov-17	Fixed rate EUR 1.5%	n.a.	Nov-27	500 EUR	500,000	-
EDP Finance B.V.	Jun-18	Fixed rate EUR 1.625%	n.a.	Jan-26	750 EUR	750,000	-
EDP Finance B.V.	Oct-18	Fixed rate EUR 1.875%	n.a.	Oct-25	600 EUR	600,000	-
EDP Finance B.V.	Sep-19	Fixed rate EUR 0.375%	n.a.	Sep-26	600 EUR	600,000	-
EDP S.A.	Apr-20	Fixed rate EUR 1.625%	n.a.	Apr-27	750 EUR	750,000	750,000
EDP Finance B.V.	Sep-20	Fixed rate USD 1.71%	Net Invest.	Jan-28	850 USD	750,486	-
						8,746,684	750,000

(i) These issues by EDP Finance B.V. are associated with interest rate swaps and/or currency swaps;
(ii) Consolidated nominal value after the repurchase of securities by EDP - Energias de Portugal, S.A.;
(iii) These issues correspond to private placements;
(iv) There is a call option exercisable at par by EDP at January 2024 and subsequently, on each interest payment date;
(v) Fixed rate in the first 5,25 years, subsequently updated every 5 years;
(vi) There is a call option exercisable at par by EDP at April 2025 and July 2025 and subsequently, on each interest payment date;
(vii) Fixed rate in the first 5,5 years, subsequently updated every 5 years;
(viii) There is a call option exercisable at par by EDP from May 2026 until August 2026 and subsequently, on each interest payment date;
(ix) There is a call option exercisable at par by EDP from December 2026 until March 2027 and subsequently, on each interest payment date;
(x) There is a call option exercisable at par by EDP from June 2029 until September 2029 and subsequently, on each interest payment date;
(xi) Fixed rate in the first 7.75 years, subsequently updated every 5 years.

Issuer	Issue date	Interest rate	Type of hedge	Conditions/ Redemp.	Nominal Value in Million Currency	Thousand Euros Group	Thousand Euros Company
Issued by the EDP Energias do Brasil Group in the Brazilian domestic market							
Energias do Brasil	Sep-15	IPCA + 8.7608%	n.a.	Sep-24	66 BRL	10,519	-
Energias do Brasil	Apr-16	IPCA + 8.3479%	n.a.	Apr-22	164 BRL	25,951	-
EDP São Paulo	Apr-17	108.75 % CDI	n.a.	Apr-22	30 BRL	4,754	-
EDP Espírito Santo	Apr-17	108.75 % CDI	n.a.	Apr-22	38 BRL	6,022	-
Enerpeixe	Nov-17	116% CDI	n.a.	Dec-22	107 BRL	16,918	-
Lajeado Energia	Dec-17	113.70% CDI	n.a.	Dec-22	100 BRL	15,848	-
EDP Espírito Santo	Aug-18	IPCA + 5.91%	n.a.	Jul-25	227 BRL	36,026	-
EDP São Paulo	Aug-18	IPCA + 5.91%	n.a.	Aug-25	301 BRL	47,748	-
EDP Transmissão	Oct-18	IPCA + 6.72%	n.a.	Oct-28	1.435 BRL	227,391	-
Lajeado Energia	Nov-18	109.25% CDI	n.a.	Oct-22	50 BRL	7,924	-
Enerpeixe	Dec-18	112.48% CDI	n.a.	Nov-23	255 BRL	40,411	-
EDP Espírito Santo	Apr-19	106.9% CDI	n.a.	Mar-24	300 BRL	47,543	-
EDP São Paulo	Apr-19	107.5% CDI	n.a.	Mar-24	200 BRL	31,695	-
EDP Transmissão	Aug-19	IPCA + 4.45%	n.a.	Jul-39	930 BRL	147,406	-
EDP São Paulo	Feb-21	IPCA + 3.91%	n.a.	Jan-26	763 BRL	120,922	-
Enerpeixe	Mar-21	CDI + 1.75%	n.a.	Mar-26	275 BRL	43,581	-
EDP Espírito Santo	Feb-21	IPCA + 3.26%	n.a.	Jul-25	545 BRL	86,373	-
Lajeado Energia	Jun-21	CDI + 1.05%	n.a.	Dec-22	150 BRL	23,771	-
EDP São Paulo	Aug-21	CDI + 1.25%	n.a.	Jul-26	350 BRL	55,467	-
EDP Espírito Santo	Aug-21	CDI + 1.25%	n.a.	Jul-25	400 BRL	63,390	-
EDP Transmissão	Nov-21	CDI + 1,10%	n.a.	Nov-23	525 BRL	83,200	
EDP São Paulo	Dec-21	CDI + 1,38%	n.a.	Dec-26	450 BRL	71,314	
						1,214,174	-
						13,710,858	4,500,000

Some of the loans contracted by the EDP Group, mainly debt issued under the EMTN, include some usual clauses in this type of operations, namely, "change-of-control", "negative pledge", "pari-passu" and "cross-default" clauses, each one only applicable under a restricted set of circumstances.

The Group has project finance loans with the usual guarantees for such loans, namely pledges or promissory pledges over shares, bank accounts and assets relating to the projects. As at 31 December 2021, these loans amounted to 843,778 thousand Euros (31 December 2020: 643,984 thousand Euros). At 31 December 2021, the Group confirms the fulfillment of all the covenants of the Project Finance Portfolio under the Facilities Agreements. Additionally, there are 17,329 thousand Euros of other loans that are guaranteed by EDPR (31 December 2020: 18,034 thousand Euros).

EDP Group has several credit facilities it uses for liquidity management. EDP Group has short-term credit facilities of 255 million Euros, indexed to Euribor for the agreed period of use with spread conditions agreed in advance, all with a firm underwriting commitment, which as at 31 December 2021 were totally available. Regarding medium-term credit facilities with a firm underwriting commitment, EDP Group has two Revolving Credit Facilities, namely (i) 3,300 million Euros, of which 3,295 million Euros mature in 2024 while the remaining amount matures in 2023; and (ii) 2,240 million Euros, of which 2,095 million Euros mature in 2025 while the remaining amount matures in 2023, both of them totally available as at 31 December 2021.

As at 31 December 2021, future debt and interest payments and origination fees, by type of loan and currency, are as follows:

Thousand Euros	Dec 2022	Dec 2023	Dec 2024	Dec 2025	Dec 2026	Following years	Total
Bank loans:							
Euro	31,420	31,096	25,224	12,292	324	445	100,801
Brazilian Real	115,418	146,825	51,194	42,088	24,321	203,512	583,358
US Dollar	65,853	18,037	20,274	20,614	21,479	233,449	379,706
Other	25,694	16,471	20,010	10,015	5,021	140,643	217,854
	238,385	212,429	116,702	85,009	51,145	578,049	1,281,719
Bond loans:							
Euro	1,086,538	1,611,297	1,147,583	1,364,841	1,900,000	1,304,443	8,414,702
Brazilian Real	120,986	166,543	191,470	409,168	140,793	207,820	1,236,780
US Dollar	20,355	-	882,924	-	-	750,486	1,653,765
	1,227,879	1,777,840	2,221,977	1,774,009	2,040,793	2,262,749	11,305,247
Hybrid Bonds:							
Euro	48,081	-	-	-	-	3,750,000	3,798,081
	48,081	-	-	-	-	3,750,000	3,798,081
Commercial paper:							
Brazilian Real	-	55,467	47,543	-	-	-	103,010
US Dollar	2,769	99,329	-	320,060	-	-	422,158
	2,769	154,796	47,543	320,060	-	-	525,168
Other loans:							
Euro	2,095	1,202	1,011	1,031	1,052	12,037	18,428
Brazilian Real	409	-	-	-	-	9,799	10,208
	2,504	1,202	1,011	1,031	1,052	21,836	28,636
Origination Fees:	-1,270	-23,491	-10,250	-8,164	-5,982	-71,758	-120,915
	1,518,348	2,122,776	2,376,983	2,171,945	2,087,008	6,540,876	16,817,936

As at 31 December 2020, future debt and interest payments and origination fees, by type of loan and currency, are as follows:

Thousand Euros	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Dec 2025	Following years	Total
Bank loans:							
Euro	49,272	46,444	37,605	30,677	16,208	56,194	236,400
Brazilian Real	159,025	54,700	48,859	38,730	31,174	165,805	498,293
US Dollar	59,593	11,304	11,546	12,135	13,109	148,042	255,729
Other	22,796	12,964	16,389	19,905	9,858	18,064	99,976
	290,686	125,412	114,399	101,447	70,349	388,105	1,090,398
Bond loans:							
Euro	714,271	1,095,210	1,843,550	1,421,152	1,379,512	3,227,930	9,681,625
Brazilian Real	196,059	79,483	80,744	122,108	122,380	234,352	835,126
US Dollar	642,896	-	-	814,930	-	692,690	2,150,516
	1,553,226	1,174,693	1,924,294	2,358,190	1,501,892	4,154,972	12,667,267
Hybrid Bond:							
Euro	36,066	-	-	-	-	1,750,000	1,786,066
	36,066	-	-	-	-	1,750,000	1,786,066
Commercial paper:							
Euro	255,000	-	-	-	-	-	255,000
Brazilian Real	123,951	15,690	-	47,070	-	-	186,711
US Dollar	2,517	-	91,680	-	295,412	-	389,609
	381,468	15,690	91,680	47,070	295,412	-	831,320
Other loans:							
Euro	2,210	994	1,202	1,011	1,031	13,125	19,573
Brazilian Real	782	-	-	-	-	9,378	10,160
	2,992	994	1,202	1,011	1,031	22,503	29,733
Origination Fees:	-1,615	-6,788	-38,785	-8,922	-6,620	-55,291	-118,021
	2,262,823	1,310,001	2,092,790	2,498,796	1,862,064	6,260,289	16,286,763

In accordance with the Group's accounting policies, the financial liabilities whose risks are being hedged by derivative financial instruments and that comply with hedge accounting requirements of IFRS 9, are accounted at fair value. The financial liabilities are booked at amortised cost.

35. Employee benefits

Employee benefits are as follows:

	Non-Current		Current	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Provisions for pension liabilities	379,689	507,883	107,212	121,725
Provisions for medical liabilities and other benefits	560,577	630,354	72,322	82,342
	940,266	1,138,237	179,534	204,067

The movement in Provisions for employee benefits liabilities for EDP Group is as follows:

	Pensions		Pensions Medical and Other	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Balance at the beginning of the period	629,608	630,790	712,696	680,879
Charge for the period	8,521	7,399	20,157	28,215
Past service cost (Curtailment/Plan amendments)	6,844	36,848	8,469	1,068
Actuarial (gains)/losses	460	97,403	-53,502	-22,668
Charge-off	-122,565	-129,588	-65,621	-26,504
Fund contributions (see note 44)	-	-	-11,520	-23,040
Surplus/(Deficit) pension funding (see note 27)	-16,342	-25,896	-	-
Transfers, reclassifications and exchange differences	-19,625	-11,293	22,220	-45,718
Perimeter variations	-	23,945	-	120,464
Balance at the end of the period	486,901	629,608	632,899	712,696

The breakdown of actuarial gains and losses is as follows:

	Pensions		Pensions Medical and Other	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Actuarial gains and losses arising from:				
- changes in demographic assumptions	15,778	-	8,705	-
- changes in financial assumptions	-23,233	3,369	-18,539	-9,838
- experience adjustments	76,553	95,671	-5,019	-8,107
Actuarial gains and losses arising from return on plan assets	-69,872	6,892	-38,649	-4,723
Actuarial gains and losses of asset ceiling	1,234	-8,529	-	-
	460	97,403	-53,502	-22,668

The components of the consolidated net cost of the pension plans recognised during the period are as follows:

	Dec 2021			
Thousand Euros	Portugal	Spain	Brazil	Group
Current service cost (see note 10)	5,569	-	-348	5,221
Past service cost (Curtailment/Plan amendments) (see note 10)	6,844	-	-	6,844
Operational component	12,413	-	-348	12,065
Net interest on the net pensions plan liability (see note 13)	563	1	2,736	3,300
Financial component	563	1	2,736	3,300
	12,976	1	2,388	15,365

Thousand Euros	Dec 2020 Portugal	Spain	Brazil	Group
Current service cost (see note 10)	6,304	-	-1,102	5,202
Past service cost (Curtailment/Plan amendments) (see note 10)	36,848	-	-	36,848
Operational component	43,152	-	-1,102	42,050
Net interest on the net pensions plan liability (see note 13)	206	-	1,991	2,197
Financial component	206	-	1,991	2,197
	43,358	-	889	44,247

The components of the consolidated net cost of the medical and other benefits plans recognised during the period are as follows:

Thousand Euros	Dec 2021 Portugal	Spain	Brazil	Group
Current service cost (see note 10)	4,482	1,995	390	6,867
Past service cost (Curtailment/Plan amendments) (see note 10)	200	8,269	-	8,469
Operational component	4,682	10,264	390	15,336
Net interest on the net medical liabilities and other benefits (see note 13)	2,298	3,429	7,563	13,290
Financial component	2,298	3,429	7,563	13,290
	6,980	13,693	7,953	28,626

Thousand Euros	Dec 2020 Portugal	Spain	Brazil	Group
Current service cost (see note 10)	4,832	9,324	687	14,843
Past service cost (Curtailment/Plan amendments) (see note 10)	1,068	-	-	1,068
Operational component	5,900	9,324	687	15,911
Net interest on the net medical liabilities and other benefits (see note 13)	2,640	1,038	9,694	13,372
Financial component	2,640	1,038	9,694	13,372
	8,540	10,362	10,381	29,283

In accordance with accounting policies - note 2 m), the EDP Group opted, upon transition to IFRS, to charge to reserves, the total amount of the deferred actuarial losses existing at that date, for the several employee benefits plans. The impact in reserves at 31 December 2004 amounted to 1,162,000 thousand Euros. In the following periods, actuarial gains and losses were recognised directly in reserves. As at 31 December 2021 gains of 53,042 thousand Euros (31 December 2020: losses of 74,735 thousand Euros).

During 2020, under the employees' reduction program in Portugal and the closure of Sines power plant, EDP Group entered into early retirement and anticipation of retirement agreements, and as a result an increase in liabilities with employee benefits has been recognised in the income statement in the amount of 37,916 thousand Euros (see note 10).

The weighted average duration of the defined benefit liabilities in Portugal is 10 years.

Assumptions used to determine EDP Group liabilities related to employee benefits

The following financial and actuarial assumptions used in the calculation of the liability for employees defined benefit plans, were updated considering the evolutions occurred in the financial markets during 2021 and 2020:

	Dec 2021			Dec 2020		
	Portugal	Spain	Brazil	Portugal	Spain	Brazil
Assumptions						
Discount rate	0,70% - 0.90%	0.82%	7,57% - 8.77%	0.70% - 0.80%	0.90%	6.78% - 7.67%
Salary increase rate	2.30% (b)	not applicable	4.05%	1.75%	not applicable	4.18%
Pension increase rate	1.00% (c)	not applicable	3.25%	1.50%	not applicable	3.31%
Social Security salary appreciation	1.70%	not applicable	not applicable	1.50%	not applicable	not applicable
Inflation rate	1.70%	0.57%	3.25%	1.50%	1.50%	3.31%
Annual increase rate of medical service costs	1.70%	1.56%	9.45% (d)	1.50%	not applicable	9.51% (f)
Estimated administrative expenses per beneficiary per year (Euros)	282 €/year (e)	not applicable	not applicable	289 €/year (g)	2.00%	not applicable
Mortality table	TV99/01 (all population)	PERM/F-2000P	AT-2000 / RP-2000 Geracional	Nasc.< 1950.00% -- TV99/01 (+1) // Nasc.>= 1950 -- TV99/01	PERM/F-2000P	AT-2000 / RP-2000 Geracional
Disability table	50%EKV 80	not applicable	Muller / TASA 1927	50%EKV 80	not applicable	Muller / TASA 1927
Expected % of eligible employees accepting early retirement (a)	35%	not applicable	not applicable	45%	not applicable	not applicable

(a) Employees entitled to early retirement, as stated in the Collective Labour Agreement: 37 years of service with at least 61 years of age or 40 years of service at any age.
(b) 2.30% for 2022 and 1.95% for the remaining years.
(c) 1.00% for 2022 and 1.70% for the remaining years.
(d) 9.45% in the first year, decreasing linearly to 5.32% in 2030.
(e) Increase of 0.34% for 2023 and increase according to inflation after that date.
(f) 9.51% in the first year, decreasing to 5.38% in 2029.
(g) Decrease of 2.4% for 2022, decrease of 0.4% for 2023 and an increase after that date.

The discount rates used for the EDP Group pension plan were selected based on an analysis of the rates of return available on the date for the high quality corporate bonds. Bonds with maturities and ratings considered appropriate were selected considering the amount and the periods that the benefits are expected to be paid.

As at 31 December 2021 the amount of future benefits expected to be paid, related to the activity in Portugal, Spain and Brazil, is as follows:

Thousand Euros	Pensions				Medical and Other Benefits			
Years	Portugal	Spain	Brazil	Total	Portugal	Spain	Brazil	Total
2022	166,074	589	15,377	182,040	35,451	21,153	6,224	62,828
2023	142,646	470	15,828	158,944	34,280	17,979	6,522	58,781
2024	119,912	483	16,267	136,662	34,529	7,273	6,834	48,636
2025	99,448	418	16,727	116,593	34,686	17,278	7,184	59,148
2026 and following	375,555	1,777	109,259	486,591	206,074	165,520	49,849	421,443

In 2021, the pensions paid by the funds in Portugal amounted 77,590 thousand Euros (31 December 2020: 81,001 thousand Euros) and in Brazil amounted to 13,850 thousand Euros (31 December 2020: 13,195 thousand Euros). The contributions made to the Pension funds in Brazil amounted to 1,640 thousand Euros (31 December 2020: 697 thousand Euros), which were fully paid in cash.

The decision and implementation of the autonomisation of the Medical Plan and Death Subsidy Plan in Portugal, EDP Group has made contributions of 11,520 thousand Euros in 2021 (31 December 2020: 23,040 thousand Euros). In the following years, until the end of 2027, the Group estimates to make additional contributions in the approximate total amount of 138 million Euros, of which approximate 35 million Euros in 2022, in line with the financing plan approved by Insurance and Pension Funds Supervisory Authority (ASF) (see note 44).

The Pension Plans in Portugal, Spain and Brazil are subject to several risks, in which are included the risk of changes in market rates (which impacts the discount rate and the fixed rate of return rate on assets), the risk of changes on the expected lifetime of plan participants, the risk of changes on the pension increase rate and the risk of changes on the social security pension increase, to which are made the following sensitivity analysis for the liabilities at the end of the period:

	Portugal		Spain		Brazil	
Thousand Euros	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-46,220	49,997	-284	335	-9,936	10,846
Mortality (increase of 1 year in expected lifetime of plan participants)	46,151		-		3,645	

The solvency level of the fund for the financing of pension plan liabilities in Portugal may vary not only from the risks described above, but also from the performance of the different classes of assets that comprise it. Considering the nature of the defined benefit of the plan and despite the fund's low risk profile (mostly composed of fixed income assets), the joint materialization of adverse risks (including those above referred) may lead to the need for additional contributions to the fund.

The medical care and other benefits Plans in Portugal, Spain and Brazil are subject to several risks, in which are included the risk of changes in market rates (which impacts the discount rate and the fixed rate of return rate on assets), the risk of changes in the health care costs and the risk of changes on the expected lifetime of plan participants, to which are made the following sensitivity analysis for the liabilities at the end of the period:

	Portugal		Spain		Brazil	
Thousand Euros	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	-52,686	58,749	-12,998	13,551	-4,659	5,089
Health care cost trend (0.5% movement)	12,691	-11,674	-	-	-	-
Mortality (increase of 1 year in expected lifetime of plan participants)	19,417		-		3,573	

The level of solvency of the fund for the financing of post-employment medical care liabilities in Portugal may vary not only from the risks described above, but also from the performance of the different classes of assets that comprise it. Considering the nature of the defined benefit of the plan and despite the fund's low risk profile (mostly composed of fixed income assets), the joint materialization of adverse risks (including those above referred) may lead to changes in the financing plan approved by ASF.

Composition of the assets portfolio funds

The assets of the pension funds, medical care and death subsidy in Portugal are as follows:

	Fund assets by nature					
Thousand Euros	Liquidity	Bonds	Shares	Property	Other	Total
31 December 2021	15,571	481,123	542,016	198,724	71,473	1,308,907
31 December 2020	-14,639	519,874	454,436	197,314	94,216	1,251,201

	Fund assets by nature					
%	Liquidity	Bonds	Shares	Property	Other	Total
31 December 2021	1.19%	36.76%	41.41%	15.18%	5.46%	100.00%
31 December 2020	-1.17%	41.55%	36.32%	15.77%	7.53%	100.00%

The portfolio of shares and bonds have a quoted market price in an active market.

Properties included in the fund, that are being used by the Group amount to 180,950 thousand Euros as at 31 December 2021 (31 December 2020: 183,242 thousand Euros). Bonds includes 4,919 thousand Euros (31 December 2020: 5,138 thousand Euros) relating to bonds issued by EDP Finance B.V. and EDP, S.A.

The real return rate on assets of the pension Fund in 2021 was positive in 9.40% (2020: positive in 2.12%).

The assets of the pension fund in Brazil are as follows:

	Fund assets by nature					
Thousand Euros	Liquidity	Bonds	Shares	Property	Other	Total
31 December 2021	-	180,448	10,277	672	5,956	197,353
31 December 2020	-	197,959	2,505	1,624	-	202,088

	Fund assets by nature					
%	Liquidity	Bonds	Shares	Property	Other	Total
31 December 2021	-	91.43%	5.21%	0.34%	3.02%	100.00%
31 December 2020	-	97.96%	1.24%	0.80%	-	100.00%

The portfolio of shares and bonds have a quoted market price in an active market.

The number of participants covered by the pension plans and similar obligations is as follows:

	2021			2020		
	Portugal	Spain	Brazil	Portugal	Spain	Brazil
Retirees and pensioners	18,022	809	1,484	17,949	822	1,483
Active workers	2,260	75	432	2,575	159	592
	20,282	884	1,916	20,524	981	2,075

The liability for retirement pensions and related coverage for the Group is as follows:

	Dec 2021			
Thousand Euros	Portugal	Spain	Brazil	Group
Liability at the end of the period	1,266,282	3,814	207,893	1,477,989
Plan assets at the end of the period	-838,755	-	-197,353	-1,036,108
Surplus/(Deficit) pension funding (see note 27)	13,267	-	-	13,267
Asset ceiling	-	-	31,753	31,753
Provision at the end of the period	440,794	3,814	42,293	486,901

	Dec 2020			
Thousand Euros	Portugal	Spain	Brazil	Group
Liability at the end of the period	1,353,388	23,945	210,725	1,588,058
Plan assets at the end of the period	-814,128	-	-202,088	-1,016,216
Surplus/(Deficit) pension funding (see note 27)	29,610	-	-	29,610
Asset ceiling	-	-	28,156	28,156
Provision at the end of the period	568,870	23,945	36,793	629,608

The evolution of the present value of the plan liability and fair value of the plan assets of the related Funds is as follows:

Thousand Euros	2021	2020	2019	2018	2017
Liability at the end of the period	1,477,989	1,588,058	1,719,435	1,784,521	1,882,891
Plan assets at the end of the period	-1,036,108	-1,016,216	-1,195,046	-1,136,581	-1,236,791
Surplus / (Deficit) pension funding	13,267	29,610	55,506	59,840	58,952
Asset ceiling	31,753	28,156	50,895	51,596	58,197
Provision at the end of the period	486,901	629,608	630,790	759,376	763,249

The experience adjustments (effects of the differences between the previous actuarial assumptions and what has really occurred) for the Pension Funds in Portugal and Brazil are as follows:

Thousand Euros	2021	2020	2019	2018	2017
Portugal					
Experience adjustments for the Plan liabilities	55,794	61,193	-46,993	-91,575	-55,281
Experience adjustments for the Plan assets	-79,211	-6,662	60,914	-37,567	64,044
Brazil					
Experience adjustments for the Plan liabilities	20,759	34,478	-4,974	-6,090	15,354
Experience adjustments for the Plan assets	9,339	13,554	41,036	8,182	6,278

The past service liability of the pension plans for the Group is as follows:

	Dec 2021			
Thousand Euros	Portugal	Spain	Brazil	Group
Liability at the beginning of the period	1,353,388	23,945	210,725	1,588,058
Current service cost	5,569	-	-348	5,221
Net interest on the pensions plan liability	3,729	1	17,381	21,111
Benefits paid	-178,260	-71	-15,834	-194,165
Past service cost (Curtailment/Plan amendments) (see note 10)	6,844	-	-	6,844
Actuarial (gains)/losses	75,137	-12	-6,027	69,098
Exchange differences	-	-	1,996	1,996
Perimeter variations and other	-125	-20,049	-	-20,174
Liability at the end of the period	1,266,282	3,814	207,893	1,477,989

	Dec 2020			
Thousand Euros	Portugal	Spain	Brazil	Group
Liability at the beginning of the period	1,404,188	-	315,247	1,719,435
Current service cost	6,304	-	-1,102	5,202
Net interest on the pensions plan liability	3,796	-	20,735	24,531
Benefits paid	-188,691	-	-14,566	-203,257
Past service cost (Curtailment/Plan amendments)	36,848	-	-	36,848
Actuarial (gains)/losses	90,943	-	8,097	99,040
Exchange differences	-	-	-90,825	-90,825
Other	-	23,945	-26,861	-2,916
Liability at the end of the period	1,353,388	23,945	210,725	1,588,058

The evolution of the consolidated assets of the Pension Funds is as follows:

	Dec 2021		
Thousand Euros	Portugal	Brazil	Group
Assets value at the beginning of the period	814,128	202,088	1,016,216
Group contribution	-	1,640	1,640
Plan participants contributions	-	211	211
Benefits paid	-57,750	-13,850	-71,600
Interest on the pensions plan assets	3,166	14,645	17,811
Actuarial gains/(losses)	79,211	-9,339	69,872
Exchange differences	-	1,958	1,958
Assets value at the end of the period	838,755	197,353	1,036,108

	Dec 2020		
Thousand Euros	Portugal	Brazil	Group
Assets value at the beginning of the period	864,350	330,696	1,195,046
Group contribution	-	697	697
Plan participants contributions	-	504	504
Benefits paid	-60,474	-13,195	-73,669
Interest on the pensions plan assets	3,590	18,744	22,334
Actuarial gains/(losses)	6,662	-13,554	-6,892
Exchange differences	-	-93,742	-93,742
Other variations	-	-28,062	-28,062
Assets value at the end of the period	814,128	202,088	1,016,216

The caption Asset ceiling refers to the unrecognised assets in the respective accounting periods. The reconciliation between the opening balance and the closing balance is as follows:

Thousand Euros	Group Dec 2021	Group Dec 2020
Asset ceiling at the beginning of the period	28,156	50,895
Effect of changes in restricted net assets of benefits to the asset ceiling	1,234	-8,529
Exchange differences	2,363	-14,210
Asset ceiling at the end of the period	31,753	28,156

To determine the amount of provisions for pension funds, it has been deducted from the assets funds the value of the asset ceiling of 31,753 thousand Euros (200,365 thousand Reais). As at 31 December 2020, the asset ceiling amounted to 28,156 thousand Euros (179,452 thousand Reais).

The actuarial gains/losses in Brazil include the positive amount of 1,234 thousand Euros (7,870 thousand Reais) related to actuarial gains and losses of the asset ceiling not recognised in reserves (31 December 2020: negative in 8,529 thousand Euros).

The number of participants covered by the medical and other benefits plans is as follows:

	2021			2020		
	Portugal	Spain	Brazil	Portugal	Spain	Brazil
Retirees and pensioners	17,563	3,015	2,819	17,949	2,876	2,884
Active workers	5,663	466	937	5,672	639	203
	23,226	3,481	3,756	23,621	3,515	3,087

The provision for medical liabilities and other benefits and related coverage for the Group is as follows:

	Dec 2021			
Thousand Euros	Portugal	Spain	Brazil	Group
Liability at the end of the period	806,641	203,978	92,432	1,103,051
Plan assets at the end of the period	-470,152	-	-	-470,152
Provision at the end of the period	336,489	203,978	92,432	632,899

	Dec 2020			
Thousand Euros	Portugal	Spain	Brazil	Group
Liability at the end of the period	833,506	212,451	103,812	1,149,769
Plan assets at the end of the period	-437,073	-	-	-437,073
Provision at the end of the period	396,433	212,451	103,812	712,696

The evolution of the present value of the liability for Medical care and other benefits for the Group is as follows:

Thousand Euros	2021	2020	2019	2018	2017
Liability at the end of the period	1,103,051	1,149,769	1,107,444	923,880	994,273
Plan assets at the end of the period	-470,152	-437,073	-426,565	-275,954	-235,269
Provision at the end of the period	632,899	712,696	680,879	647,926	759,004

The experience adjustments (effects of the differences between the previous actuarial assumptions and what really occurred) for the medical and other benefits Liabilities in Portugal and Brazil and for the Plan Assets in Portugal are as follows:

Thousand Euros	2021	2020	2019	2018	2017
Portugal					
Experience adjustments for the Plan liabilities	- 5 051	11 979	3 214	- 1 265	- 452
Experience adjustments for the Plan assets	-38,649	-4,723	22,187	-11,869	8,368
Brazil					
Experience adjustments for the Medical Plan liabilities	32	-20,086	-1,937	37,773	-2,565

The past service liability of medical and other benefits plans for the Group is as follows:

	Dec 2021			
Thousand Euros	Portugal	Spain	Brazil	Group
Liability at the beginning of the period	833,506	212,451	103,812	1,149,769
Current service cost	4,482	1,995	390	6,867
Net interest on the net medical liabilities and other benefits	5,047	3,429	7,563	16,039
Benefits paid	-32,989	-45,974	-6,497	-85,460
Past service cost (Curtailment/Plan amendments) (see note 10)	200	8,269	-	8,469
Actuarial (gains)/losses	-3,605	606	-11,854	-14,853
Exchange differences	-	-	-982	-982
Perimeter variations and other	-	23,202	-	23,202
Liability at the end of the period	806,641	203,978	92,432	1,103,051

	Dec 2020			
Thousand Euros	Portugal	Spain	Brazil	Group
Liability at the beginning of the period	835,882	104,364	167,198	1,107,444
Current service cost	4,832	9,324	687	14,843
Net interest on the net medical liabilities and other benefits	5,910	1,038	9,694	16,642
Benefits paid	-32,597	-7,940	-6,494	-47,031
Past service cost (Curtailment/Plan amendments) (see note 10)	1,068	-	-	1,068
Actuarial (gains)/losses	18,403	-14,162	-22,186	-17,945
Exchange differences	-	-	-48,318	-48,318
Other	8	119,827	3,231	123,066
Liability at the end of the period	833,506	212,451	103,812	1,149,769

The evolution of the consolidated assets of the Medical care and Other subsidies is as follows:

	Portugal	
Thousand Euros	Dec 2021	Dec 2020
Assets value at the beginning of the period	437,073	426,565
Group contribution	11,520	23,040
Benefits paid	-19,839	-20,525
Interest on the pensions plan assets	2,749	3,270
Actuarial gains/(losses)	38,649	4,723
Assets value at the end of the period	470,152	437,073

36. Provisions

Provisions are as follows:

	Non-Current		Current	
Thousand Euros	Dec 2021	Dec 2020 *	Dec 2021	Dec 2020 *
Provision for legal and labour matters and other contingencies	98,351	97,320	3,067	2,996
Provision for customer guarantees under current operation	-	2,417	57,233	19,274
Provision for dismantling and decommissioning	560,007	549,378	8,615	16,792
Provision for other liabilities and charges	318,230	344,990	41,404	221,092
	976,588	994,105	110,319	260,154

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

With reference to 31 December 2021, the movement by nature of the Provisions item at the EDP Group level is presented as follows:

Thousand Euros	Legal, labour and other matters	Guarantees customers in the context of current activity	Dismantling and Decommissioning	Other risks and charges	Total
Balance as at 31 December 2019	110,034	1,029	485,990	455,464	1,052,517
Perimeter variations	723	-	43,871	100,755	145,349
Charge for the period	20,300	-	-	33,753	54,053
Reversals	-9,871	-	-	-4,989	-14,860
Charge-off for the period	-9,072	-	-17,154	-4,064	-30,290
Unwinding	12,013	-	6,432	2,497	20,942
Increase of the responsibility	-	-	65,415	-	65,415
Onerous contracts	-	20,662	-	-	20,662
Innovative Features Charge-off	-	-	-	-110,963	-110,963
Overcompensation revisability CMEC	-	-	-	72,900	72,900
CMEC	-	-	-	15,824	15,824
"Lesividad"	-	-	-	12,020	12,020
Exchange differences and other	-24,789	-	-18,384	-7,478	-50,651
Reclassification to Liabilities Held for Sale	978	-	-	363	1,341
Balance as at 31 December 2020	100,316	21,691	566,170	566,082	1,254,259
Perimeter variations (see note 6)	-1,647	-	-18,748	-651	-21,046
Charge for the period	14,758	-	-	58,871	73,629
Reversals	-9,430	-	-	-3,689	-13,119
Charge-off for the period	-14,293	-	-20,023	-46,464	-80,780
Unwinding (see note 13)	13,749	-	3,753	1,771	19,273
Increase of the responsibility (see note 16)	-	-	29,525	-	29,525
Onerous contracts	-	35,542	-	-	35,542
Innovative Features Charge-off (see note 4)	-	-	-	-69,374	-69,374
Overcompensation revisability CMEC (see note 4)	-	-	-	-72,900	-72,900
CMEC	-	-	-	15,014	15,014
"Lesividad"	-	-	-	-47,233	-47,233
Ancillary services charge-off (see note 4)	-	-	-	-48,000	-48,000
Exchange differences and other	-1,061	-	14,921	6,262	20,122
Reclassification to Liabilities Held for Sale (see note 41)	-974	-	-6,976	-55	-8,005
Balance as at 31 December 2021	101,418	57,233	568,622	359,634	1,086,907

EDP and its subsidiaries' Board of Directors, based on the information provided by its legal advisors and on the analysis of pending law suits, have recognised provisions to cover the losses estimated as probable, related with litigations in progress.

Provision for legal and labour matters and other contingencies includes provisions for litigation in progress and other labour contingencies, which are related essentially with:

i) Requests for the refund of tariff increases paid by industrial consumers of the brazilian subsidiaries EDP São Paulo and EDP Espírito Santo in the amount of 12,324 thousand Euros (31 December 2020: 10,575 thousand Euros). These requests result from the application of Administrative Orders DNAEE no. 38 of 27 February 1986 and no. 45 of 4 March 1986 - Plano Cruzado. effective from March to November 1986:

ii) The remaining legal litigations correspond mainly to indemnities for damages allegelly suffered in consequence of interruption of electricity supply, power accidents and fires.

Provisions for customer guarantees under current operations include essentially provisions for commercial losses.

Provisions for dismantling and decommissioning includes : (i) 45,003 thousand Euros of the dismantling Trillo nuclear power plant; (ii) EUR 313,594 thousand Euros of the dismantling of wind and solar farms (replacement of sites and land in its original state), mainly, in Europe (146,014 thousand Euros), North America (163,100 thousand Euros) and Brazil (3,370 thousand Euros); and (iii) EUR 208,334 thousand Euros of the dismantling and environmental requalification of thermal electro-producing centers in Spain (EUR 127,896 thousand Euros) and Portugal (80,438 thousand Euros).

These provisions were calculated based on the present value of future liabilities and recorded against an increase in the respective tangible fixed assets, which are amortized over the average useful life of these assets. The calculation of these provisions was based on the following discount and inflation rates:

	Europe	North America	Brazil
Discount Rate	[0.00% - 5.40%]	[0.26% - 1.92%]	[11.23% - 11.83%
Inflation Rate	[0.00% - 3.95%]	[2.00% - 2.50%]	[3.33% - 17.18%]

Provision for other liabilities and charges

The BOE 223/2017 published during the third quarter of 2017 opened the hearing process of the Order of the Minister of Energy, Tourism and Digital Agenda of 13 September, introducing "lesividad" declaration procedure for the public interest Order IET/980/2016, of 10 June, which established the remuneration of electricity distribution companies until 2016. Thus, the remuneration that has been determined has allegedly been higher than that due for the year 2016. Until the "lesividad" procedure is finitely resolved, the remuneration of the distribution activity for the years 2016, 2017, 2018 and 2019 is considered provisional. With reference to 31 December 2020, EDP España recorded an accumulated provision of 93,105 thousand Euros corresponding to the potential effect of "lesividad" for the financial years 2016, 2017, 2018, 2019 and 2020.
Since 2016, EDP España, like other companies in the sector, have been in place with legal proceedings to resolve the "lesividad" procedure. At the same time, companies initiated processes to determine the real value of assets subject to remuneration and proceeded with the reformulation and deposit of their annual accounts from 2014 to 2020, ending this process during 2021.
Although no new liquidation or a new regulation has been issued, the companies consider that, in accordance with the order 481/2020 of the Supreme Court, the reformulated and deposited annual accounts must be considered for the calculation of the remuneration.
Thus, with reference to 31 December 2021, EDP España updated the provision for the "lesividad" procedure for the years 2016 to 2020, reversing it by approximately 47 million Euros.

On 3 May 2018, it has come to EDP's knowledge (through a DGEG's letter) that the CMEC final adjustment had been officially approved, according to ERSE's proposal, in the amount of 154 million Euros. EDP reflected this reality in its financial statements as of 31 December 2018, recognising a provision by the difference in the final adjustment amounts already recognised in the Group's revenues. On 31 December 2021 EDP maintains the provision in its accounts (see note 4).

On 26 September 2018, DGEG notified EDP about a dispatch issued by the Secretary of State for Energy (SSE) on 29 August 2018, which quantifies at 285 million Euros the alleged overcompensation of EDP related to the calculation of the real availability factor of the plants under the CMEC regime. EDP reflected this in the financial statements as at 31 December 2018, through a provision of the same amount. During 2021, EDP made payments of 69,374 thousand Euros, using this provision. As at 31 December 2021, the value of this provision is 12,205 thousand Euros (see note 4).

On 20 October 2020, EDP Produção became aware, by letter sent by DGEG, of the dispatch of the SEE regarding the approval of the revisibility for the year 2015, which is deducted in the amount of 72.9 million Euros the predicted amount of 135.6 million Euros. In this respect, the EDP Group has registered a provision in the amount of 72.9 million Euros, and carried out an administrative appeal against the order of SEE on 19 January 2021. However, notwithstanding EDP Produção's well-founded beliefs on the possibility of providing a bank guarantee or security, instead of the payment of the fine, the TCRS determined the payment of EDP Produção, which occurred on 20 October 2021 (see note 4).

In their ordinary course of business, EDP Group subsidiaries are involved in several litigations and contingencies (of possible risk) of administrative, civil, tax, labour and other natures. These legal, arbitration or other actions, involve customers, suppliers, employees and administrative authorities. In EDP Group and its legal advisors' opinion, the risk of a loss in these actions is not probable, and the outcome will not affect on a material way its consolidated financial position.

The processes whose losses were considered as possible, do not require the recognition of provisions and are periodically reassessed. The detail of possible contingencies is analised as follows:

	Group		Company	
Milhares de Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Administrative and Civil	255,406	222,541	330	-
Fiscal	656,768	559,652	9,541	11,969
Others	114,305	133,969	2,811	2,691
	1,026,479	916,162	12,682	14,660

The events and possible contingencies more relevants in Portugal, are as follows:

i) Within E-Redes – Distribuição de Eletricidade, S.A. (E-Redes) there was a contingency emerging from a lawsuit established by Gás Natural Comercializador, S.A. (GNC), for the undue payment of tariffs for access to networks charged by E-Redes and surplus consumption by Repsol Polimeros, S.A. The situation is related to the attribution of a proper consumption producer status to Repsol Polimeros, S.A. in June 2014, being this energy invoiced only from October 2015 onwards. Taking into account the evolution of the process, the probable contingency amount of 2,308 thousand Euros was updated to 5,579 thousand Euros. In May 2021, the parties entered into an agreement that ended this litigation under which E-Redes undertook to pay GNC the amount of 3,455 thousand Euros, which was fully settled in June 2021.

ii) On 29 July 2016, the Portuguese Competition Authority (AdC) has notified EDP S.A. and EDP Comercial, S.A. with a notice for alleged violation of competition laws, regarding the process of the commercial campaign done in partnership with Modelo Continente, designated as "Plano EDP Continente". This was an occasional campaign, limited to two years, which was one of several campaigns usually performed by several other market agents. On 5 May 2017, EDP S.A. and EDP Comercial, S.A. received AdC final decision which applied a fee of 2,900 thousand Euros to EDP S.A. and 25,800 thousand Euros to EDP Comercial. EDP Group is convinced that this campaign has brought real benefits to consumers and competition in markets and that no transgression has been committed. The companies filed their appeal on 19 June 2017 to TCRS. By this court was determined a court hearing that EDP and EDP Comercial would provide security in the amount of 50% of the fine imposed on them by the AdC, and on 19 June 2020, EDP and EDP Comercial provided surety bond and surety in the amounts of 1,450 thousand Euros and 12,900 thousand Euros, respectively. On 30 September 2020, a judgment was issued by the TCRS, which maintained the conviction of the two companies of the EDP Group, as well as Sonae Group's Companies, having also reduced fines by 10%. Fines were determined at 2,610 thousand Euros and 23,220 thousand Euros for EDP and EDP Comercial, respectively. On 30 October 2020, EDP and EDP Comercial appealed the condemnatory sentence handed down by the TCRS, to the Lisbon Court of Appeal. On 6 April 2021, the parties were notified of the judgment handed down by the Court of Appeal of Lisbon, through which it decreed the suspension of the proceedings and the preliminary referral of the case to the Court of Justice of the European Union, under the foreseen mechanism Article 267(b) of the Treaty on the Functioning of the European Union. The case was filed at the Registry of the Court of Justice on 26 May 2021, and the deadline for the parties to submit written observations on the questions raised by the Lisbon Court of Appeal is ongoing. It is expected that the Judgment of the Court of Justice will not be delivered before the end of 2022;

iii) On 3 September 2018, the Portuguese Competition Authority (AdC) notified EDP Produção with a Statement of Objections, under which EDP Produção is accused of abuse of a dominant position in the secondary regulation band market (a part of the ancillary services market). AdC claims that EDP Produção has deliberately limited the participation of CMEC plants in the secondary regulation market between 2009 and 2014, benefitting its non-CMEC power plants. The alleged benefit, to the detriment of consumers, would be twofold: receiving higher compensation under CMEC annual adjustment regime; profiting from higher market prices in said market. AdC has estimated that the alleged practice of EDP Produção has generated damages to the national electricity system and to consumers of around 140 million Euros. AdC pointed out that the adoption of a Statement of Objections did not determine the result of the investigation, which began in September 2016 and is still in course. On 28 November 2018, EDP Produção presented to AdC its facts about the accusation. On 18 September 2019, AdC has notified EDP Produção of an alleged infraction to competition rules. This contingency was estimated with a value of 48 million Euros and its graduation was assessed as possible (se note 4). On 30 October 2019, EDP Produção presented an appeal against this decision to the TCRS. On 20 May 2020, EDP Produção was notified of a decision by the TCRS, which, among other things, admitted its Judicial Challenge Appeal, establishing a purely return effect and determining the payment of the fine imposed within 20 days. In this regard, EDP Produção submitted requests, invoking supervening facts for the demonstration of considerable damage, and arguing defects in the decision that determined the attribution of a mere devolution effect to the Judicial Challenge Appeal. On 16 July 2020, EDP was notified of an order which implied the existence of substantial losses if the fine was paid in advance. Thus, the payment order was therefore suspended.

However, on 12 October 2020, EDP Produção was notified of the appeal filed by the Public Prosecutor's Office, at the Lisbon Court of Appeal, against the TCRS order of 16 July 2020, and considered the existence of considerable damage in the early payment of the fine and suspended the payment order. On 18 November 2020, EDP Produção was notified of a decision by the Lisbon Court of Appeal, granting the appeal presented by the Public Prosecutor and, consequently, revoking the order of TCRS of 16 July 2020. EDP Produção appealed this judgment to the Constitutional Court on 30 November 2020. On 22 February 2021, EDP Produção was notified of the decision of the Constitutional Court in the sense of not knowing the object of the appeal. The case was returned to the TCRS to establish the effect of the appeal filed, to determine whether EDP Produção must pay a fine or provide a guarantee. By order of the same day, the TCRS has scheduled the trial hearing for 27 September, 7, 11 and 25 October, 4, 8, 18, 22 November and 2 and 6 December 2021. On 16 September 2021, the TCRS issued an order that demanded the payment of the fine. Despite having lodged an appeal against this order, on 20 October 2021 EDP Produção paid the amount under appeal, and is waiting for a decision on the appeals submitted. The Trial is currently ongoing.

iv) On 9 September 2020, Portsines - Terminal Multipurpose de Sines, S.A. (Portsines) filed an arbitration lawsuit against EDP Produção, to obtain its condemnation in the payment of the amounts relating to port fees, allegedly provided for in the Contract for Provision of Services celebrated between both. In summary, Portsines intends to obtain the condemnation of EDP Produção to the payment of the so-called fixed rate provided for in the Contract, even concerning periods in which there is no unloading of coal destined for the Sines Thermoelectric Power Station, claiming in particular that the referred fee remunerates the investment made by you in said infrastructure and makes its actual use by EDP Produção irrelevant. The amount of the contingency currently amounts to 5,896 thousand Euros, having the risk been classified as possible. In April 2021 the parties entered into an agreement that provides for the termination of the contract between both parties and that ended the pending cases, that is to say, the Appeal filed by EDP Produção at the Lisbon Court of Appeal, as well as the executions brought by Portsines against the company.

v) On 19 July 2021, Celulose Beira Industrial, SA (CELBI), submitted to SU Eletricidade, SA a constitutional request of an Arbitral Tribunal, regarding a conviction of a payment of the energy produced by it under special production in cogeneration, and its interest, since April 2020 (date on which, in accordance with the law and the understanding of DGEG and followed by SU Eletricidade, CELBI has moved to the transitional remuneration scheme provided for in DL No. 23/2010 and Ordinance No. 140/2012), and throughout the term of operation of its Cogeneration Center (which it estimates to be at least 25 years), i.e. at least until 24 March 2035 (supporting this understanding in the fact that the 2002 Remuneration Scheme does not establish any period); or, in the alternative, until 24 March 2030 (claiming that you are entitled to be remunerated under the 2002 Remuneration Scheme for a further 120 months (10 years) from March 2020); or, in the alternative, until November 2020 (claiming that the transition to the 2012 Remuneration Scheme should only take place six months after the effective knowledge of the communication sent by the SRB); or, in the alternative, until August 2020 (in the alternative claiming that the transition from CELBI's remuneration scheme would operate from the beginning of the month following the date of the audit report certifying primary energy savings, which means the transition would operate from August 2020 because the audit report is from July 2020). The overall value of the application amounts to 6,839 thousand Euros and has been classified as possible risk. In October 2021, SU Eletricidade filed a challenge, and the process was in the pleading phase.

The possible contingencies more relevant in Brazil, are as follows:

i) Investco is involved in a legal action of a civil nature mostly related with indemnity claims resulting from the filling of the hydroelectric reservoir, in the amount of 17,297 thousand Euros (31 December 2020: 21,033 thousand Euros);

ii) There is a public civil action filed against EDP São Paulo and EDP Espírito Santo by ADIC – Associação de Defesa dos Interesses Colectivos, claiming a compensation arising from a tariff readjustment on part A from 43 concessionaires. The estimated value attributable to EDP São Paulo and EDP Espirito Santo amounts to 55,031 thousand Euros (31 December 2020: 44,502 thousand Euros);

iii) EDP São Paulo is a party to a lawsuit related to the COFINS (Contribution for social security financing) from 1993 to 1995 in joinder with AES Eletropaulo, where is discussed the application of the tax amnesty introduced by the Provisional Measures paragraphs 1858-6 and 1858-8, granted to taxpayers who did not collect COFINS, considering it improper. In the trial of 2nd Instance, was partially confirmed the right to amnesty, and applied the Decree-Law 1,025/69, which established the payment of procedural costs in favour of the National Treasury. From this decision, an appeal was presented, which holds trial. The updated amount as at 31 December 2021 is 12,267 thousand Euros (31 December 2020: 12,050 thousand Euros);

iv) EDP São Paulo and EDP Espírito Santo have administrative and judicial actions regarding tax compensations not ratified by the Brazilian Federal Revenue Bureau, which: (i) are protected by judicially recognised credits (IRPJ - Corporate tax income and CSLL - Social Contribution on net profits) and (ii) that result from tax contributions in 2001 of IRPJ, CSLL, PIS (Social integration programme) and COFINS considered to be excessive as a consequence of the application of "Parecer COSIT 26/2002" (Extraordinary Tariff Adjustment - RTE) published by the Brazilian Tax Authorities. According to this opinion, the amounts resulting from tariffs updated under RTE should be recognised and taxed only as of 2002. The reduction in the amount is due to the success obtained in one of the administrative proceedings, canceling the debt collection. As at 31 December 2021, the updated values amount to 17,007 thousand Euros (31 December 2020: 30,917 thousand Euros);

v) Lajeado has a judicial tax action initiated by the Brazilian Tax Authorities in 2014 aimed at collecting tax contributions (IRPJ and CSLL) resulting from the disallowance of expenses regarding goodwill arising from a business combination (acquisition). As at 31 December 2021, this contingency amounts to 23,030 thousand Euros (31 December 2020: 22,332 thousand Euros);

vi) Porto do Pecém was the subject of tax execution procedure in the amount of 19,995 thousand Euros, resulting from alleged non-taxation under IRPJ and CSLL of financial income and exchange variations related to previous periods amounting to 31 December 2021 to 14,850 thousand Euros (31 December 2020: 14,407 thousand Euros); and

vii) Following a period of drought in the State of Ceará, the local government, through Decree 32,044 of 16 September 2016, introduced an extraordinary rate called the Emergency Water Charge (EHE) over the actual water consumption of thermoelectric power plants, and in particular the Porto do Pecém. On 13 October 2016, the Porto do Pecém submitted an administrative request to ANEEL for the purpose of transferring this additional cost to the Unit Variable Cost (CVU), in order to restore the economic-financial balance of the contract (CCEAR). ANEEL, through Order 3,293 of 16 December 2016, denied the request of the Porto do Pecém, which initiated proceedings against ANEEL. As at 31 December 2021, the lawsuit is estimated in an amount of 23,087 thousand Euros (31 December 2020: 19,721 thousand euros). The variation occured during this period is related with the revision of assumptions used to calculate the contingency which previously was considering the estimative of the value of EHE to be paid following the historical average. The new calculation is based on the claim effective risk considering the transference of CVU.

Finally, even if EDP Group classifies its risk as remote, it is important to identify the following litigation:

i) On 27 October 2009 and 5 January 2010, the EDP Group received two tax settlements regarding 2005 and 2006 taxable income for the EDP tax Group, which included an adjustment of 591 million Euros regarding its subsidiary, EDP Internacional SGPS, related to the tax treatment considered by the EDP Group in relation to a capital loss generated with the liquidation of a subsidiary, whose main assets consisted of investments in operating subsidiaries in Brazil, namely EDP Espírito Santo and Enersul. As at 31 December 2021, the amount of this tax contingency amounts to 307 million Euros (31 December 2020: 299 million Euros).
Considering the analysis made, the technical advice received and a favourable binding opinion obtained from the tax authorities in relation to the nature of the transaction occurred in the year of the assessment, the EDP Group considers as remote the risk associated with this matter. Under this analysis, the capital loss is tax deductible for income tax purposes as established in article 75 no. 2 of the Corporate Income Tax Code ("Código do IRC") based on the wording of the law in force at that date (existing article 81).
Given the above, and considering that the EDP Group's tax procedures comply with applicable Portuguese tax legislation at the date of the events, the Group is currently using all available legal means to contest these additional settlements. Thus, following the implied rejection of the hierarchical appeal, EDP presented a judicial claim, on 6 June 2012. In November 2018, EDP Group was notified with a decision in favour. The Treasuary filed an appeal on that decision.

37. Institutional partnerships in North America

The caption Institutional partnerships in North America is as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Deferred income related to benefits provided	731,573	799,094
Liabilities arising from institutional partnerships	1,528,168	1,134,448
	2,259,741	1,933,542

Subsidiaries in North America recognises under this caption the receipts of institutional investors associated with wind and solar projects. This liability is reduced by the amount of tax benefits provided and payments made to the institutional investors during the period. The amount of tax benefits provided is booked as a non-current deferred income, and recognised over the useful life of the related projects (see note 8). Additionally, this liability is increased by the estimated interest based on the liability outstanding and the expected rate of return of the institutional investors (see note 13).

The movements in Institutional partnerships in North America are as follows:

Thousand Euros	Group	
	Dec 2021	Dec 2020
Balance at the beginning of the period	1,933,542	2,289,784
Proceeds received from institutional investors	779,825	307,860
Cash paid for deferred transaction costs	-4,131	-3,310
Cash paid to institutional investors	-83,530	-55,822
Other Income (see note 8)	-177,205	-201,783
Unwinding (see note 13)	79,023	94,718
Loss of control of companies with Institutional Partnerships	-420,522	-320,944
Exchange differences	168,318	-181,398
Perimeter Variations and Other	-15,579	4,437
Balance at the end of the period	2,259,741	1,933,542

During 2021, EDPR NA, has secured and received proceeds amounting to 768,534 thousand Euros (908,976 thousand dollars) related to institutional equity financing from Bank of America and JP Morgan, in exchange for an interest in onshore wind projects.

In the second quarter of 2021, EDPR NA has lost control over the Vento XX portfolio upon the completion of the sale of 68% of equity shareholding and over Riverstart portfolio (see note 6), implying a decrease in the amount of 420,522 thousand Euros in the Institutional partnerships liabilities related to these portfolios.

Under these partnerships, EDP Group provides operating guarantees to institutional investors in wind and solar projects, which are typical of this type of structure. As at 31 December 2021, the liabilities associated with these guarantees are not expected to exceed the amounts already recognized under the caption Liabilities arising from institutional partnerships.

38. Trade payables and other liabilities from commercial activities

At Group level, Trade payables and other liabilities from commercial activities are as follows:

Thousand Euros	Non-Current		Current	
	Dec 2021	Dec 2020 *	Dec 2021	Dec 2020
Contract liabilities:				
Energy sales contracts - North America	4,959	6,286	-	-
Deferred income - CMEC	80,566	142,482	61,915	66,053
Amounts received from the Fund for systemic sustainability of the energy sector	-	-	125,777	12,405
	85,525	148,768	187,692	78,458
Other liabilities:				
Investment government grants	321,870	313,235	-	-
Customer contract obligations	457,414	469,173	-	-
Amounts payable for tariff adjustments - Electricity - Portugal	115,941	75,093	1,071,548	41,479
Amounts payable for tariff adjustments - Electricity - Brazil	237,135	277,807	99,365	98,345
Amounts payable - securitisations	-	-	121,050	139,192
Amounts payable - CMEC	-	-	215,973	222,245
Amounts payable for concessions	201,820	195,471	-	-
Property, plant and equipment suppliers	1,992	2,874	1,384,231	1,202,896
Suppliers	-	-	1,006,643	799,158
Accrued costs related with commercial activities	-	-	1,386,103	731,954
Holiday pay, bonus and other charges with employees	-	-	173,039	168,272
CO2 emission Licenses	-	-	300,541	166,692
Other creditors and sundry operations	385,228	219,584	373,826	303,522
	1,721,400	1,553,237	6,132,319	3,873,755
	1,806,925	1,702,005	6,320,011	3,952,213

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

At Company level, Trade payables and other liabilities from commercial activities are as follows:

Thousand Euros	Current	
	Dec 2021	Dec 2020
Other liabilities:		
Suppliers	1,161,903	390,819
Accrued costs related with commercial activities	990,091	234,644
Property, plant and equipment suppliers	506	1,379
Holiday pay, bonus and other charges with employees	34,145	33,133
Other creditors and sundry operations	6,017	2,584
	2,192,662	662,559

At the moment of EDPR NA acquisition, the contracts signed between this subsidiary and its customers, determined under the terms of the Purchase Price Allocation, were valued through discounted cash flow models and market assumptions at 190,400 thousand US Dollars, being booked as a non-current liability under Energy sales contract - EDPR NA, and amortised over the useful life of the contracts in Other operating income - Other.

The caption Deferred income - CMEC is detailed as follows:

Thousand Euros	Non-current	Current
Initial CMEC	4,532	33,021
Final adjustment	76,034	28,894
	80,566	61,915

The Amounts received from the Fund for Systemic Sustainability of the Energy Sector refer to amounts transferred to SU Eletricidade, S.A. related with the electricity tariffs for 2021, which represented CESE amounts intended to reduce the National Electric System's tariff debt and that will be settled through the tariff.

Investment government grants are amortised through the recognition of a revenue in the income statement over the useful life of the related assets, which amounts to 22,517 thousand Euros as at 31 December 2021 (see note 12).

The movement for the period in Amounts payable for tariff adjustments - Electricity - Portugal (Non-current and Current) is as follows:

Balance at the beginning of the period	Non-Current	Current
Payment through the electricity tariff	75,093	41,479
Payment through the electricity tariff	-	-47,103
Tariff adjustment of the period (see note 7)	1,216,899	-
Interest expense (see note 13)	-	53
Transfer to/from tariff adjustment payable (see note 26)	-36,899	-62,033
Transfer from Non-Current to Current	-1,139,152	1,139,152
Balance at the end of the period	115,941	1,071,548

The captions Amounts payable and Amounts Receivable for tariff adjustments - Electricity - Brazil, refer to tariff adjustments recognised in EDP São Paulo - Distribuição de Energia S.A. and EDP Espírito Santo - Distribuição de Energia S.A.

Thousand Euros	Non-current		Current	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Amounts payable for tariff adjustments - Electricity - Brazil	237,135	277,807	99,365	98,345
Amounts receivable from tariff adjustments - Electricity - Brazil (see note 26)	-124,604	-49,986	-101,928	-35,600
	112,531	227,821	-2,563	62,745

The movement for the period in Amounts payable and Amounts Receivable for tariff adjustments - Electricity - Portugal (Non-current and Current) is as follows:

Thousand Euros	Dec 2021
Balance at the beginning of the period	290,566
Tariff adjustment of the period (see note 7)	-91,111
Payment/Receipt through the electricity tariff	-88,386
Interest expense/income (see note 13)	-2,068
Effect of exchange differences of the Brazilian Real against the Euro	967
Balance at the end of the period	109,968

The movement includes the recognition of 50,770 thousand Euros (320,366 thousand Brazilian Real) of the refund and the 2,529 thousand Euros (15,959 thousand Brazilian Real) of unwinding over the amount resulting from the non-inclusion, in 2019, of the amounts of VAT borne in the basis of calculation of PIS and COFINS (1,756,597 thousand Brazilian Real as at 31 December 2019, of which 385,580 thousand Brazilian Reais were returned in 2020 and 2021 through the electricity tariff and unwinding in 2020 and 2021 of 54,623 thousand Brazilian Real).

In the energy distribution activity, the subsidiaries of EDP Group in Portugal and Spain recover the deficits and tariff adjustment assets through the tariffs charged to their customers. The caption Amounts payable - securitizations includes the amounts payable to entities that have acquired the right to receive these assets in securitisation or direct sales operations in Portugal.

The caption Amounts payable - CMEC refers to amounts received by E-Redes – Distribuição de Eletricidade, S.A., through the tariff, regarding the CMEC Revisibility of 2016 and 2017, which delivery to REN is awaiting approval.

The caption Amounts payable for concessions includes the concession rights for the operation of the hydric domain of Alqueva and Pedrógão transferred by EDIA in the amount of 128,467 thousand Euros (31 December 2020: 131,577 thousand Euros) and the financial compensation for the use of the public domain related to concession agreements of Investco, S.A. and Enerpeixe, S.A. in Brazil in the amount of 73,353 thousand Euros (31 December 2020: 63,894 thousand Euros).

The caption Property, plant and equipment suppliers - Current refers mainly to the amounts due related with the construction of windfarms and solar parks in North America in the amount of 967,740 thousand Euros (31 December 2020: 789,771 thousand Euros) and in Europe in the amount of 219,780 thousand Euros (31 December 2020: 218,810 thousand Euros).

The caption CO2 emission licenses includes the CO2 consumptions during 2021 in Portugal and Spain, in the amount of 54,722 thousand Euros and 245,819 thousand Euros, respectively (31 December 2020: 103,469 thousand Euros and 63,223 thousand Euros). The variation that occurred includes the consumption for the year and the return of the licenses related to consumptions in 2020, which will be delivered to the regulatory authorities until April of the following year.

The caption Other creditors and sundry operations - Non-current includes the amount of 37,300 thousand Euros related with the reinsurance activity (31 December 2020: 55,155 thousand Euros). The caption Other creditors and sundry operations - Current includes the amount of 14,317 thousand Euros related to tariff adjustment payable (31 December 2020: 14,317 thousand Euros).

39. Other liabilities and other payables

Other liabilities and other payables are as follows:

Thousand Euros	Group		Company	
	Dec 2021	Dec 2020 *	Dec 2021	Dec 2020
Other liabilities and other payables - Non-Current				
Liabilities measured at amortised cost:				
Loans from non-controlling interests	430,001	409,978	-	-
Lease Liabilities	951,751	955,036	143,737	149,588
Liabilities measured at fair value through profit or loss:				
Derivative financial instruments (see note 42)	1,523,949	227,228	1,618,247	263,309
Amounts payable and contingent prices for acquisitions/sales	126,484	143,567	62,014	84,393
Other Liabilities:				
Other creditors and sundry operations	7,790	3,639	-	-
	3,039,975	1,739,448	1,823,998	497,290
Other liabilities and other payables - Current				
Liabilities measured at amortised cost:				
Loans from non-controlling interests	42,754	180,446	-	-
Dividends attributed to related companies	68,124	55,561	-	-
Group companies	-	-	3,630	3,873
Lease Liabilities	97,697	100,642	12,617	12,384
Liabilities measured at fair value through profit or loss:				
Derivative financial instruments (see note 42)	2,417,295	169,654	3,168,309	346,612
Amounts payable and contingent prices for acquisitions/sales	139,396	74,100	51,335	25,349
Other Liabilities:				
Other creditors and sundry operations	15,835	16,775	194,561	35,119
	2,781,101	597,178	3,430,452	423,337
	5,821,076	2,336,626	5,254,450	920,627

* Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

The caption Loans from non-controlling interests Non-Current and Current mainly includes:

Thousand Euros		Dec 2021	Dec 2020
ACE Portugal (CTG Group)	Fixed rate of 3.75%	25,760	29,282
ACE Poland (CTG Group)	Fixed rate of a range between 2.95% / 7.23%	74,086	88,950
ACE Italy (CTG Group)	Fixed rate of 4.5%	43,868	50,284
CITIC CWEI Renewables (CTG Group)	Fixed rate of 5.5%	13,590	26,462
Sonatrach	Fixed rate of 5.6%	-	76,394
Macquarie Super Core Infrastructure Fund SD Holdings S.À.R.L.	Fixed rate of a range between 0.40% / 2.73%	302,622	306,368
		459,926	577,740

The variation of the caption Loans from non-controlling interests is mainly due to the agreement with Sonatrach, with the intent to end the commercial relations between the companies (see note 13).

The variation of the caption Amounts payable and contingent prices for acquisitions/sales is mainly due to the recognition of contingent consideration in the amount of 74 million Euros as a result of the sale of windfarms in North America (see note 6), the recognition of the costs actually incurred in the construction of the windfarm projects as foreseen in the context of the sale of North America projects in 2020 (decrease of 18 million Euros) and the review of the fair value of contingent prices recognised as at 31 December 2020.

The movements in Lease Liabilities - Non Current and Current are as follows:

Thousand Euros	Dec 2021
Balance at the beginning of the period	1,055,678
Charge for the period	157,786
Unwinding of lease liabilities (see note 13)	39,511
Lease payments (principal and interests)	-92,938
Exchange differences	54,624
Perimeter variations and other regularisations	-165,213
Balance at the end of the period	1,049,448

The perimeter variations and other regularisations include the decrease of 150,166 thousand Euros regarding lease liabilities of windfarms in North America and Portugal which were sold in 2021 (see note 6) and the reclassification of 12,533 thousand Euros regarding lease liabilities of windfarms in Europe classified as non current assets held for sale (see note 41).

The nominal value of Lease Liabilities, by maturity, is as follows:

	Dec 2021				
		Capital outstanding by maturity			
Thousand Euros	Total	Less than 5 year	From 5 to 10 years	From 10 to 15 years	More than 15 years
Lease Liabities	1,605,318	474,700	335,210	307,975	487,433

The caption Lease Liabilities, on a Company basis, includes lease contracts with EDP Pension and Medical and Death Subsidy Funds regarding the building units of Porto headquarters acquired by EDP Pension Fund in December 2015 and the Lisbon headquarters building given as an in-kind contribution to EDP Medical and Death Subsidy Fund in September 2017. These contracts were celebrated for a period of 25 years (see note 44).

40. Tax liabilities

Tax liabilities are as follows:

Thousand Euros	Group		Company	
	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Non Current				
Special tax Brazil	124,362	122,743	-	-
Current				
Income tax	100,533	47,859	38,971	15,044
Withholding tax	48,203	35,730	1,486	1,256
Value Added Tax (VAT)	244,938	141,399	2,666	3,777
Special taxes Brazil	83,148	71,911	-	-
Other taxes	105,864	101,735	1,232	1,145
	582,686	398,634	44,355	21,222
	707,048	521,377	44,355	21,222

The Special taxes Brazil caption relates to the following taxes: CSLL (Social Contribution on net profits), PIS (Social integration programme) and COFINS (Social Security Financing Contribution).

41. Non-Current assets and liabilities held for sale

The criteria for classifying assets and liabilities as held for sale, as well as their presentation in EDP Group's consolidated financial statements, are described in the Group's accounting policies.

This caption is as follows:

Thousand Euros	Group	
	Dec 2021	Dec 2020
Assets held for sale		
Electricity generation assets - Offshore wind	25,111	12,306
Electricity supply (B2C) assets - Spain	-	9,942
Electricity generation assets - Onshore wind	455,813	-
Electricity generation assets - Hydro Brazil	219,867	-
	700,791	22,248
Liabilities held for sale		
Electricity generation liabilities - Offshore wind	-	111
Electricity generation assets - Onshore wind	62,345	-
Electricity generation assets - Hydro Brazil	25,720	-
	88,065	111
	612,726	22,137

The assets and liabilities associated with Moray West Holdings Limited remain classified as non-current assets and liabilities held for sale under the sale plan that the EDPR Group has entered into in the past.

In the second quarter of 2020, the EDP Group agreed to sell a portfolio of two CCGTs power plants (Castejón I & III), with 843 MW of installed capacity located in Navarra, North of Spain and the B2C energy supply business in Spain, which includes 1.2 million clients in free market, and the 50% stake in our joint venture with CIDE for electricity supply in this segment (CHC Energia). This transaction was partially completed in December 2020. Furthermore, following CIDE's exercise of its preferential right for the acquisition of EDP's 50% shareholding in CHC Energia, EDP and CIDE have reached an agreement for the acquisition by CIDE which was completed in the first quarter of 2021 (see note 6).

During the Year of 2021, EDPR Group, as part of its asset rotation program, started the process of selling onshore wind portfolios in Europe (Portugal, Spain an Poland). Assets and liabilities associated with these portfolios were presented in non-current assets and liabilities held for sale. In January 2022, the EDPR Group concluded the sale of the Portugal wind portfolio, and the conditions precedent of the transaction were verified on 31 December 2021 and such its assets and liabilities were derecognized on that date (see notes 6 and 46).

During the third quarter of 2021, the EDP Brasil Group started the asset rotation process of three transmission lines with a total length of 439 kilometers: EDP Transmissão SA (Lot 24), EDP Maranhão I SA (Lot 7) and EDP Maranhão II SA (Lot 11), and classified the assets and liabilities associated with this portfolio as held for sale. During the last quarter of 2021, Grupo Brasil announced the conclusion of this sale to Actis Assessoria Investimentos Ltda (see note 6).

During the last quarter of 2021, the EDP Brasil Group started a structured process for the sale of three hydro assets: Companhia Energética do Jari – CEJA, Empresa de Energia Cachoeira Caldeirão S.A. and Energest S.A. Assets and liabilities associated with this portfolio was presented in non-current assets and liabilities held for sale.

As at 31 December 2021 the following reclassifications were made to held for sale:

Thousand Euros	Hydro Brazil	Renewables Onshore wind	Offshore wind	Total
Assets				
Property, plant and equipment (see note 16)	-31,310	-373,878	-	-405,188
Right-of-use assets (see note 17)	-23	-12,350	-	-12,373
Investments in joint ventures and associates (see note 21)	-149,198	-	16	-149,182
Other assets	-33,712	-60,028	-12,821	-106,561
Cash and cash equivalents (see note 29)	-5,624	-9,557	-	-15,181
Assets Held for Sale	219,867	455,813	12,805	688,485
	-	-	-	-
Liabilities				
Financial debt	-17,462	-	-	-17,462
Provisions (see note 36)	-1,040	-6,965	-	-8,005
Other liabilities	-7,218	-55,380	111	-62,487
Liabilities Held for Sale	25,720	62,345	-111	87,954
	-	-	-	-

These reclassifications were made only for financial statement presentation purposes, without impact on the measurement of these assets and liabilities, as it is expected that the fair value less costs to sell is higher than its book value, in accordance with IFRS 5.

42. Derivative financial instruments

In accordance with IFRS 9, the Group classifies derivative financial instruments as fair value hedge of a recognised asset or liability (Fair value hedge), as cash flow hedge of recognised liabilities and highly probable future transactions (Cash flow hedge), as net investment hedge in foreign operations (Net investment hedge), or as held for trading, if or when they are not eligible for hedge accounting.

The fair value of the derivative financial instruments in EDP Group is as follows:

Thousand Euros	Dec 2021 Assets	Dec 2021 Liabilities	Dec 2020 Assets	Dec 2020 Liabilities
Net Investment hedge				
Cross-currency interest rate swaps	13,917	-64,452	83,532	-23,822
Currency forwards	2,898	-30,313	5,544	-38
Fair value hedge				
Interest rate swaps	39,022	-	70,515	-
Cross-currency interest rate swaps	48,263	-7,829	27,320	-3,974
Cash flow hedge				
Interest rate swaps	748	-9,142	2,287	-24,852
Swaps related to gas commodity	858,421	-1,904,607	153,253	-156,716
Electricity swaps	171,230	-645,611	24,219	-34,235
Currency forwards (includes commodities forwards)	84,135	-1,578	54,046	-22,770
Trading				
Interest rate swaps	515	-6,875	-	-6,054
Cross-currency interest rate swaps	8,959	-2,094	1,089	-432
Commodity swaps and forwards	1,061,750	-1,189,754	146,877	-97,339
Currency forwards	12,596	-8,616	3,006	-4,528
CO2 forwards	9,605	-32,981	-	-3,843
Currency forwards associated to commodities	41,267	-8,474	29,592	-18,279
Commodity options	-	-28,918	4,148	-
	2,353,326	-3,941,244	605,428	-396,882

As at 31 December 2021, EDP Group holds contracts for the purchase and sale of commodities traded on futures exchange market, namely Chicago Mercantile Exchange, Intercontinental Exchange, European Energy Exchange and OMIP, whose fair value of the contracted operations is settled on a daily basis, and therefore it is not included in the Statement of Financial Position. The notional amount of these futures contracts amount to 2,971,782 thousand Euros with maturities ranged between 2022 and 2031 (31 December 2020: 2,619,544 thousand Euros, with maturity in 2020 and 2024), and the fair value held in EDP Group results and cash flow hedge reserves related to these operations are a negative amount of 129,223 thousand Euros and a positive amount of 295,538 thousand Euros, respectively (31 December 2020: negative amount of 11,313 thousand Euros and negative amount of 16,664 thousand Euros).

The management of financial risk of EDP, S.A. and other EDP Group companies, is carried out centrally by EDP, S.A. (note 5). On this basis, EDP, S.A. negotiates derivative financial instruments with external entities to hedge its own individual business risks, as well as for other companies of the Group, performing for these entities' as an intermediate in their contracting.

The fair value of the derivative financial instruments at Company level is as follows:

Thousand Euros	Dec 2021 Assets	Dec 2021 Liabilities	Dec 2020 Assets	Dec 2020 Liabilities
Cash flow hedge				
Swaps related to gas commodity	107,577	-934,872	27,101	-80,913
Electricity swaps	593,502	-82,172	57,387	-2,434
Currency forwards (includes commodities forwards)	61,439	-219	39,768	-7,766
Trading				
Interest rate swaps	38,271	-43,221	69,493	-73,850
Cross-currency interest rate swaps	107,185	-87,542	96,906	-88,240
Commodity swaps	4,215,967	-3,465,075	417,217	-305,455
Currency forwards	36,494	-31,827	6,847	-6,700
Commodity forwards	59,877	-73,180	3,341	-7,535
Currency forwards associated to commodities	42,875	-10,591	46,111	-32,960
Commodity options	28,918	-57,857	7,895	-4,068
	5,292,105	-4,786,556	772,066	-609,921

The fair value of derivative financial instruments is booked in Other debtors and other assets (see note 27) and Other liabilities and other payables (see note 39), according to its nature.

Fair value of derivative financial instruments is based on listed market prices, whenever available, or on valuations determined through valuation models that use variables observable on the market. Therefore, according to IFRS 13 requirements, the fair value of the derivative financial instruments is classified as of level 2 (see note 45) and no changes of level were made during this period. These valuation models are based on generally accepted discounted cash flow techniques and option valuation models, using market data obtained through financial information platforms.

Derivative financial instruments classified as trading are financial hedging instruments contracted for economic hedging at EDP Group level (see note 5), however such instruments are not eligible for hedge accounting under IFRS.

In 2021, the notional amounts per measurement unit of the derivative financial instruments in EDP Group, are as follows:

Thousand Units	Unit	2022	2023	2024	2025	Following years	Total
Net Investment hedge							
Cross-currency interest rate swaps	Euros	84,861	52,687	877,009	-	686,740	1,701,297
Currency forwards	Euros	1,627,944	-	-	-	-	1,627,944
Fair value hedge							
Interest rate swaps	Euros	857,859	-	-	600,000	-	1,457,859
Cross-currency interest rate swaps	Euros	-	-	410,314	-	80,891	491,205
Cash flow hedge							
Interest rate swaps	Euros	49,412	27,929	26,694	9,795	175,102	288,932
Swaps related to gas commodity	MWh	62,576	38,639	26,869	12,792	-	140,876
Electricity swaps	MWh	7,352	5,759	4,637	2,868	13,451	34,067
Currency forwards (includes commodities forwards)	Euros	775,620	451,303	105,768	82,878	-	1,415,570
Trading							
Interest rate swaps	Euros	675	700	726	379,611	121,657	503,369
Cross-currency interest rate swaps	Euros	131,707	165,909	-	-	-	297,616
Swaps related to gas commodity	MWh	38,422	25,354	9,963	-	-	73,739
Electricity swaps and forwards	MWh	28,499	19,215	12,631	8,449	3,602	72,396
Currency forwards	Euros	1,986,790	16,613	-	-	-	2,003,403
CO2 forwards	MT	1,861	467	-	-	-	2,328
Currency forwards for commodities	Euros	269,801	236,508	149,580	-	-	655,889
Options purchased and sold	MWh	1,533	-	-	-	-	1,533

In 2020, the notional amounts per measurement unit of the derivative financial instruments in EDP Group, were as follows:

Thousand Units	Unit	2021	2022	2023	2024	Following years	Total
Net Investment hedge							
Cross-currency interest rate swaps	Euros	94,906	102,959	138,512	877,009	686,740	1,900,126
Currency forwards	Euros	1,001,739	-	-	-	-	1,001,739
Fair value hedge						-	
Interest rate swaps	Euros	-	1,000,000	-	-	600,000	1,600,000
Cross-currency interest rate swaps	Euros	-	-	-	410,314	-	410,314
Cash flow hedge							
Interest rate swaps	Euros	98,526	131,973	59,216	56,798	101,719	448,232
Swaps related to gas commodity	MWh	64,366	40,584	34,849	23,401	12,792	175,992
Electricity swaps	MWh	11,313	7,521	5,829	4,270	9,076	38,009
Currency forwards for commodities	Euros	581,611	178,358	108,358	105,768	82,878	1,056,974
Trading							
Interest rate swaps	Euros	639	645	645	645	311,276	313,850
Cross-currency interest rate swaps	Euros	95,403	-	-	-	-	95,403
Swaps related to gas commodity	MWh	26,654	27,782	15,308	8,694	-	78,438
Electricity swaps and forwards	MWh	8,590	3,420	3,709	1,895	2,542	20,156
Currency forwards	Euros	201,447	58,957	-	-	-	260,404
CO2 forwards	MT	655	155	-	-	-	810
Currency forwards for commodities	Euros	166,530	240,776	185,549	108,352	-	701,207
Options purchased and sold	MWh	1,752	438	-	-	-	2,190

In 2021, the notional amounts per measurement unit of the derivative financial instruments at Company level, are as follows:

Thousand Units	Unit	2022	2023	2024	2025	Following years	Total
Cash flow hedge							
Swaps related to gas commodity	MWh	23,658	20,801	16,253	12,792	-	73,504
Electricity swaps	MWh	3,346	4,017	3,654	3,359	11,869	26,245
Currency forwards (includes commodities forwards)	Euros	126,282	93,236	105,768	82,878	-	408,164
Trading							
Interest rate swaps	Euros	1,857,859	-	-	1,500,000	-	3,357,859
Cross-currency interest rate swaps	Euros	1,238,569	378,555	1,587,769	-	686,740	3,891,633
Swaps related to gas commodity	MWh	117,153	64,232	33,682	-	-	215,067
Coal swaps	MT	690	-	-	-	-	690
Electricity swaps	MWh	14,611	6,298	4,554	4,016	15,808	45,287
Currency forwards	Euros	5,766,759	614,890	-	-	-	6,381,649
CO2 forwards	MT	7,018	1,308	250	-	-	8,576
Currency forwards for commodities	Euros	475,807	266,753	149,580	-	-	892,141
Options purchased and sold	MWh	4,577	-	-	-	-	4,577

In 2020, the notional amounts per measurement unit of the derivative financial instruments at Company level, were as follows:

Thousand Units	Unit	2021	2022	2023	2024	Following years	Total
Cash flow hedge							
Swaps related to gas commodity	MWh	21,012	21,658	20,801	16,253	12,792	92,516
Electricity swaps	MWh	8,015	542	796	315	1,148	10,816
Currency forwards for commodities	Euros	148,473	127,379	93,236	105,768	82,878	557,734
Trading							
Interest rate swaps	Euros	-	2,000,000	-	-	1,500,000	3,500,000
Cross-currency interest rate swaps	Euros	965,829	1,011,349	277,024	901,418	686,740	3,842,360
Swaps related to gas commodity	MWh	115,663	65,685	46,609	24,643	-	252,600
Coal swaps	MT	528	-	-	-	-	528
Electricity swaps	MWh	12,576	4,260	1,344	1,346	6,696	26,222
Currency forwards	Euros	974,985	54,328	-	-	-	1,029,313
CO2 forwards	MT	1,923	155	-	-	-	2,078
Currency forwards for commodities	Euros	464,053	303,912	215,795	108,352	-	1,092,112
Options purchased and sold	MWh	5,256	1,314	-	-	-	6,570

In 2021, the future undiscounted cash flows of the derivative financial instruments in EDP Group, are as follows:

Thousand Euros	2022	2023	2024	2025	Following years	Total
Net Investment hedge						
Cross-currency interest rate swaps	-33,806	-33,222	-14,954	-14,863	-39,498	-136,343
Currency forwards	-27,946	-	-	-	-	-27,946
	-61,752	-33,222	-14,954	-14,863	-39,498	-164,289
Fair value hedge						
Interest rate swaps	26,135	7,453	7,460	5,793	-	46,841
Cross-currency interest rate swaps	18,700	18,730	6,134	-	9,331	52,895
	44,835	26,183	13,594	5,793	9,331	99,736
Cash flow hedge						
Interest rate swaps	-6,141	-4,856	-4,117	-3,404	-20,202	-38,720
Swaps related to gas commodity	-488,014	-384,245	-133,743	-36,541	-	-1,042,543
Electricity swaps	-238,650	-101,847	-78,103	-57,666	1,590	-474,676
Currency forwards (includes commodities forwards)	39,311	24,597	19,539	345	-	83,792
	-693,494	-466,351	-196,424	-97,266	-18,612	-1,472,147
Trading						
Interest rate swaps	-1,009	-1,029	-1,032	-1,099	515	-3,654
Cross-currency interest rate swaps	-3,552	2,687	-	-	-	-865
Commodity swaps and forwards	-56,611	-68,809	-4,980	13,049	-9,821	-127,172
CO2 forwards	-13,574	-9,672	-	-	-	-23,246
Currency forwards	3,278	-3	-	-	-	3,275
Currency forwards for commodities	10,135	11,084	11,574	-	-	32,793
Options purchased and sold	-28,918	-	-	-	-	-28,918
	-90,251	-65,742	5,562	11,950	-9,306	-147,787
	-800,662	-539,132	-192,222	-94,386	-58,085	-1,684,487

In 2020, the future undiscounted cash flows of the derivative financial instruments in EDP Group, are as follows:

Thousand Euros	2021	2022	2023	2024	Following years	Total
Net Investment hedge						
Cross-currency interest rate swaps	-34,223	-26,730	-24,583	34,322	-17,442	-68,656
Currency forwards	5,578	-	-	-	-	5,578
	-28,645	-26,730	-24,583	34,322	-17,442	-63,078
Fair value hedge						
Interest rate swaps	20,754	29,271	7,332	7,338	5,732	70,427
Cross-currency interest rate swaps	15,959	15,953	15,953	-26,728	-	21,137
	36,713	45,224	23,285	-19,390	5,732	91,564
Cash flow hedge						
Interest rate swaps	-5,143	-3,535	-2,332	-1,728	-16,786	-29,524
Swaps related to gas commodity	23,534	-17,495	-5,626	-6,570	2,662	-3,495
Electricity swaps	-1,551	-4,208	-3,194	-2,411	-4,942	-16,306
Currency forwards for commodities	11,106	9,624	5,918	10,124	-9,290	27,482
	27,946	-15,614	-5,234	-585	-28,356	-21,843
Trading						
Interest rate swaps	-2,123	-977	-969	-971	-995	-6,035
Cross-currency interest rate swaps	591	-	-	-	-	591
Commodity swaps and forwards	7,115	284	9,764	13,131	18,149	48,443
CO2 forwards	-2,581	-1,235	-	-	-	-3,816
Currency forwards	-1,943	787	-	-	-	-1,156
Currency forwards for commodities	6,817	2,193	-1,160	3,463	-	11,313
Options purchased and sold	5,015	1,533	-	-	-	6,548
	12,891	2,585	7,635	15,623	17,154	55,888
	48,905	5,465	1,103	29,970	-22,912	62,531

In 2021, the future undiscounted cash flows of the derivative financial instruments at Company level, are as follows:

Thousand Euros	2022	2023	2024	2025	Following Years	Total
Cash flow hedge						
Swaps related to gas commodity	-482,194	-226,577	-80,941	-36,535	-	-826,247
Electricity swaps	309,822	179,373	66,580	13,192	-60,364	508,603
Currency forwards (includes commodities forwards)	24,849	16,492	19,535	345	-	61,221
	-147,523	-30,712	5,174	-22,998	-60,364	-256,423
Trading						
Interest rate swaps	-4,260	-1,029	-1,032	-515	-	-6,836
Cross-currency interest rate swaps	54,684	-25,601	-11,202	-14,863	-39,498	-36,480
Commodity swaps	782,678	7,393	-21,008	-17,060	4,692	756,695
Commodity forwards	-6,028	-8,276	1,078	-	-	-13,226
Currency forwards for commodities	10,592	10,781	12,105	-	610	34,088
Commodity options purchased and sold	-28,939	-	-	-	-	-28,939
	808,727	-16,732	-20,059	-32,438	-34,196	705,302
	661,204	-47,444	-14,885	-55,436	-94,560	448,879

In 2020, the future undiscounted cash flows of the derivative financial instruments at Company level, are as follows:

Thousand Euros	2021	2022	2023	2024	Following Years	Total
Cash flow hedge						
Swaps related to gas commodity	-26,037	-18,740	-7,696	-4,519	2,662	-54,330
Electricity swaps	51,464	1,725	2,359	-163	-561	54,824
Currency forwards for commodities	7,751	12,158	7,684	10,124	-5,936	31,781
	33,178	-4,857	2,347	5,442	-3,835	32,275
Trading						
Interest rate swaps	-929	-977	-969	-971	-484	-4,330
Cross-currency interest rate swaps	-54,323	1,642	-30,504	33,648	-17,442	-66,979
Commodity swaps	82,362	10,801	9,454	985	8,806	112,408
Currency forwards	-	-	-	-	-	-
Commodity forwards	-2,931	-1,235	-	-	-	-4,166
Currency forwards for commodities	8,129	2,193	-1,160	3,463	-	12,625
Commodity options purchased and sold	4,906	1,511	-	-	-	6,417
	37,214	13,935	-23,179	37,125	-9,120	55,975
	70,392	9,078	-20,832	42,567	-12,955	88,250

The changes in the fair value, including accrued interest, of hedging instruments and risks being hedged are as follows:

			2021		2020	
			Changes in fair value		Changes in fair value	
Thousand Euros	Hedging instrument	Hedged risk	Instrument	Risk	Instrument	Risk
Net investment (i)	Cross-curr. int. rate swaps	Subsidiaries in PLN, BRL, GBP, USD, CAD and COP	-110,245	133,729	104,452	-159,741
Net investment	Currency forwards	Subsidiaries in USD	-32,921	32,921	480	-480
Fair value	Interest rate swap	Interest rate	-31,493	31,493	-14,247	14,866
Fair value	Cross-curr. int. rate swaps	Exchange and interest rate	17,088	-10,223	-26,867	26,577
Cash flow	Interest rate swap	Interest rate	14,171	-14,171	-7,304	7,304
Cash flow	Currency forwards	Exchange rate	51,281	-51,281	-58,918	58,918
Cash flow (ii)	Commodity swaps	Commodity prices	-1,507,088	1,476,050	8,137	-21,500
			-1,599,207	1,598,518	5,733	-74,056

(i) Fair value variation of the hedging instrument on Cross currency interest rate swaps for Net investment includes a positive amount of 24,574 thousand Euros related to the cost of hedging (19,414 thousand Euros net of tax effect), recorded in reserves (see note 32), and ineffectiveness of a negative amount of 1,090 thousand Euros.

(ii) Relating to December 2021, fair value variation of the hedging instrument on Commodity swaps for Cash flow includes a negative amount of 31,038 thousand Euros related to ineffectiveness.

Considering that hedging derivative financial instruments are contracted with a high correlation of critical terms, namely in the same currency and at the same indexes, the hedge ratio between the hedging instruments and the hedged instruments is 1:1.

As at 31 December 2021 and 2020, the following market inputs were considered for the fair value calculation:

Instrument	Fair value indexed to the following market inputs
Cross-curr. int. rate swaps	Interest rates: Euribor 3M, Euribor 6M, Libor 3M, Libor 6M, Daily CDI, Wibor 3M, Wibor 6M, CAD CDOR 3M, Robor 3M and Colombia Overnight Interbank; and exchange rates: EUR/GBP, EUR/BRL, EUR/PLN, EUR/CAD, EUR/RON, EUR/COP, USD/BRL e EUR/USD.
Interest rate swaps	Interest rates: Euribor 3M, Euribor 6M, Wibor 6M, US Libor 3M e CAD CDOR 3M.
Currency forwards	Exchange rates: EUR/USD, EUR/PLN, EUR/BRL, EUR/GBP, EUR/HUF, USD/HUF, EUR/RON, BRL/USD, BRL/CNY, COP/USD, CAD/USD, EUR/CAD, EUR/COP, EUR/SGD, USD/PLN e MXN/USD.
Commodity swaps	Market quotes of commodities: Brent, NBP Natural Gas, Electricity, Henry Hub, TTF, Coal, CO2 and JKM.

The changes in the fair value reserve related to cash flow hedges in 2021 and 2020 by nature of derivative financial instruments in EDP Group, were as follows:

Thousand Euros	Interest rate swaps	Commodity swaps	Currency forwards for commod.	Gross Amount	Deferred Tax	Total
Balance as at 1 Januray 2020	-44,502	8,522	94,696	58,716	-18,175	40,541
Fair value changes	39,063	-87,407	-77,761	-126,105	47,233	-78,872
Transfer to results from hedging	-36	63,095	-	63,059	-28,885	34,174
Comprehensive Income changes in associates	-1,735	-	-	-1,735	1,524	-211
Balance as at 31 December 2020	-7,210	-15,790	16,935	-6,065	1,697	-4,368
Fair value changes	-16,240	-1,110,047	31,179	-1,095,108	283,263	-811,845
Transfer to results from hedging	-923	24,579	13,841	37,497	-3,339	34,158
Comprehensive Income changes in associates	339	-	-	339	856	1,195
Balance as at 31 December 2021	-24,034	-1,101,258	61,955	-1,063,337	282,477	-780,860

The changes in the fair value reserve related to cash flow hedges in 2021 and 2020 by nature of derivative financial instruments at Company level, were as follows:

Thousand Euros	Commodity swaps	Currency forwards for commod.	Gross Amount	Deferred Tax	Total
Balance as at 1 Januray 2020	-178,289	86,379	-91,910	20,641	-71,269
Fair value changes	-96,537	-54,378	-150,915	33,956	-116,959
Transfer to results from hedging	327,717	-	327,717	-73,736	253,981
Balance as at 31 December 2020	52,891	32,001	84,892	-19,139	65,753
Fair value changes	1,545,107	43,737	1,588,844	-357,490	1,231,354
Transfer to results from hedging	-1,105,974	-14,518	-1,120,492	252,111	-868,381
Balance as at 31 December 2021	492,024	61,220	553,244	-124,518	428,726

Changes in fair value for the period, on consolidated and individual basis, in the fair value reserve include: (i) future contracts for the purchase and sale of commodities traded on futures exchange market whose fair values are settled on a daily basis, and therefor are not in the statement of financial position; and (ii) fair value variation of derivative financial instruments contracted and settled within the same period.

The gains and losses on the financial instruments portfolio, excluding accrued interest, booked in the Income Statement in 2021 and 2020 are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Commodity derivatives held for trading	-330,148	50,432	-192,825	26,395
Debt derivatives held for trading	35,940	-16,065	28,587	-55,812
Net investment hedge - ineffectiveness	-1,090	-3,171	-	-
Fair value hedges:				
-Derivatives	-24,012	-36,498	-	-
-Hedged liabilities	43,915	37,935	-	-
Cash flow hedges:				
-Transfer to results from hedging of financial liabilities	-923	-36	-	-
-Transfer to results from hedging of commodity prices	38,420	40,939	1,120,492	-327,717
	-237,898	73,536	956,254	-357,134

The amount transferred to the Income Statement related to the hedging of commodity derivatives is included in the caption of Revenues and cost of Energy Sales and Services and Other.

The effective interest rates of the derivative financial instruments relating to financing operations in EDP Group at 31 December 2021 are as follows:

	Notional Euro'000	Currency	EDP Pays	EDP Receives
Interest rate contracts:				
Interest rate swaps	1,835,976	EUR	[3.67% - -0.53%]	[2.63% - -0.53%]
Interest rate swaps	13,763	PLN	[2.78% - 2.48%]	[-0.25%]
Interest rate swaps	86,437	USD	[4.14% - 1.08%]	[-0.09% - -3.50%]
Interest rate swaps	190,171	BRL	[5.96% - 5.59%]	[15.07% - 14.35%]
Interest rate swaps	123,812	CAD	[2.75% - 2.10%]	[-0.45% - -0.51%]
Currency and interest rate contracts:				
CIRS (currency interest rate swaps)	451,378	EUR/GBP	[3.55% - 1.25%]	[8.63%]
CIRS (currency interest rate swaps)	32,812	EUR/RON	[3.11%]	[-0.57%]
CIRS (currency interest rate swaps)	227,234	EUR/PLN	[5.69% - -0.57%]	[1.96% - -0.58%]
CIRS (currency interest rate swaps)	29,345	EUR/BRL	[5.95% - 0.03%]	[-0.44% - -0.58%]
CIRS (currency interest rate swaps)	8,422	EUR/COP	[3.83%]	[-0.58%]
CIRS (currency interest rate swaps)	91,378	EUR/CAD	[0.75% - 0.27%]	[-0.55% - -0.59%]
CIRS (currency interest rate swaps)	110,209	USD/BRL	[11.12% - 3.87%]	[1.13% - 0.62%]
CIRS (currency interest rate swaps)	1,539,340	USD/EUR	[3.82% - 2.30%]	[1.50% - 0.38%]

The effective interest rates of the derivative financial instruments relating to financing operations in EDP Group at 31 December 2020 were as follows:

	Notional Euro'000	Currency	EDP Pays	EDP Receives
Interest rate contracts:				
Interest rate swaps	2,158,662	EUR	[3.67% - -0.50%]	[2.63% - -0.50%]
Interest rate swaps	34,763	PLN	[2.78% - 2.48%]	[-0.28%]
Interest rate swaps	40,804	USD	[1.86%]	[-0.22%]
Interest rate swaps	14,090	CAD	[2.59%]	[-0.51%]
Currency and interest rate contracts:				
CIRS (currency interest rate swaps)	458,647	EUR/GBP	[3.59% - 0.12%]	[8.63% - -0.54%]
CIRS (currency interest rate swaps)	225,348	EUR/PLN	[3.15% - 0.32%]	[1.84% - -0.54%]
CIRS (currency interest rate swaps)	29,345	EUR/BRL	[5.95% - 0.69%]	[-0.44% - -0.54%]
CIRS (currency interest rate swaps)	8,455	EUR/COP	[1.70%]	[-0.54%]
CIRS (currency interest rate swaps)	97,638	EUR/CAD	[0.86% - 0.22%]	[-0.51% - -0.57%]
CIRS (currency interest rate swaps)	72,441	USD/BRL	[3.21% - 0.17%]	[0.95% - 0.84%]
CIRS (currency interest rate swaps)	1,539,340	USD/EUR	[3.82% - 2.30%]	[1.50% - 0.38%]

The contracted prices of the derivative financial instruments relating to commodities at 31 December 2021 were as follows:

	Unit	2022	2023	2024	2025	Following Years
Electricity swaps	Euros/ MWh	[33.20 - 104.75]	[30.50 - 55.50]	[30.50 - 54.50]	[30.50 - 54.50]	[30.50 - 54.50]
Swaps related to gas commodity	Euros/ MWh	[6.89 - 174.30]	[7.56 - 94.20]	[8.49 - 94.20]	[7.52 - 37.60]	n.a.
CO2 forwards	Euros/MT	[24.97 - 80.19]	[43.19 - 81.86]	n.a.	n.a.	n.a.

The contracted prices of the derivative financial instruments relating to commodities at 31 December 2020 were as follows:

	Unit	2021	2022	2023	2024	Following Years
Electricity swaps	Euros/ MWh	[40.35 - 53.00]	[41.75 - 45.60]	[41.75 - 45.25]	[41.75 - 45.25]	[37.00 - 44.00]
Swaps related to gas commodity	Euros/ MWh	[6.20 - 23.64]	[6.36 - 19.87]	[6.99 - 17.23]	[7.84 - 17.05]	[6.94 - 16.67]
CO2 forwards	Euros/MT	[26.58 - 29.10]	[24.97 - 24.97]	n.a.	n.a.	n.a.

43. Commitments

Operating guarantees granted by EDP Group, not included in the consolidated statement of financial position nor in the Notes, are as follows:

	Group		Company	
Thousand Euros	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Operating guarantees				
EDP S.A.	637,968	440,724	637,968	440,724
EDP España Group	64,360	87,851	-	-
EDP Brasil Group	144,133	159,325	-	-
EDP Renováveis Group	2,287,997	1,444,576	-	-
	3,134,458	2,132,476	637,968	440,724

The operating guarantees which are not included in the consolidated statement of financial position or in the Notes, as at 31 December 2021 and 2020, mainly refer to Power Purchase Agreements (PPA), interconnection, permits and market participation guarantees.

Additionally there are guarantees of an operational nature in the amount of 29,611 thousand euros and 466 thousand euros, associated with the portfolio of EDP Renewables and EDP Brasil of companies that were classified as held for sale on 31 December 2021.

In addition to the guarantees identified above, EDP Group provides financial and operating guarantees related to liabilities assumed by joint ventures and associates in the amount of 481,082 thousand Euros and 293,253 thousand Euros, respectively (31 December 2020: 492,364 thousand Euros and 309,806 thousand Euros).

The remaining financial and operating guarantees granted by EDP Group have underlying liabilities that are already reflected in its consolidated statement of financial position and/or disclosed in the Notes.

In the Group, the commitments relating to future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations are disclosed, by maturity, as follows:

	Dec 2021				
	Capital outstanding by maturity				
Thousand Euros	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	34,846	6,252	9,128	3,018	16,448
Purchase obligations	25,727,477	5,922,012	4,542,844	2,572,937	12,689,684
	25,762,323	5,928,264	4,551,972	2,575,955	12,706,132

	Dec 2020				
	Capital outstanding by maturity				
Thousand Euros	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	64,408	7,379	11,535	6,436	39,058
Purchase obligations	21,992,063	4,502,177	3,774,031	2,392,018	11,323,837
	22,056,471	4,509,556	3,785,567	2,398,454	11,362,895

The Group's contractual commitments shown above relate essentially to agreements and commitments required for current business activities. Specifically, the majority of the commitments are established to guarantee adequate supply of energy to the customers in Europe, North America and Brazil and to comply with medium and long term investment objectives of the Group.

As at 31 December 2021, there are commitments from future cash outflows not reflected in the measurement of the lease liabilities which refer to future rents of lease contracts already signed but not yet commenced.

The commitments related to the joint ventures are disclosed in note 21.

Purchase obligations of 8,984,056 thousand Euros essentially related with very long-term contracts for energy acquisition in the brazilian market (by regulatory imposition) which are updated with the respective projected rates and discounted at present value by a rate that represents the weighted average cost of capital (WACC) of the EDP Brasil Group, as follows:

Thousand Euros	Dec 2021	Dec 2020
Purchase obligation - Present value	8,984,056	8,560,278
Purchase obligation - Nominal amount	12,893,660	12,149,109

Purchase obligations also include obligations of long term contracts relating to the supply of products and services under the Group's ordinary course of business. Prices defined under forward contracts are used in estimating the amount of contractual commitments.

The nature of purchase obligations breaks down as follows:

Thousand Euros	Dec 2021	Dec 2020
Fuel acquisition	6,908,075	5,473,666
Electricity acquisition	12,232,819	11,533,487
O&M contracts	838,575	719,288
Fixed assets, equipment and miscellaneous materials acquisition	2,337,649	1,888,135
Supply and assembly contract	2,301,643	1,404,619
Other supplies and services	1,108,716	972,868
	25,727,477	21,992,063

The commitments for fuel and electricity acquisition are disclosed, by maturity, as follows:

	Dec 2021				
	Capital outstanding by maturity				
Thousand Euros	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Fuel acquisition	6,908,075	902,897	862,739	649,346	4,493,093
Electricity acquisition	12,232,819	977,059	1,888,041	1,702,631	7,665,088
	19,140,894	1,879,956	2,750,780	2,351,977	12,158,181

	Dec 2020				
	Capital outstanding by maturity				
Thousand Euros	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Fuel acquisition	5,473,666	557,396	760,122	488,274	3,667,873
Electricity acquisition	11,533,487	837,075	1,789,979	1,752,465	7,153,968
	17,007,153	1,394,471	2,550,101	2,240,739	10,821,841

Some of the transactions related to the disposal of non-controlling interests while retaining control, carried out in previous years, incorporate contingent assets and liabilities according to the terms of the corresponding agreements. Additionally, some of the assets acquisition transactions foresee contingent liabilities which depend on certain milestones and, although EDP Group has recognized the fair value of these liabilities in the consolidated financial statements, changes in the assumptions could change these liabilities.

At Company level, the commitments relating to future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations are disclosed, by maturity, as follows:

	Dec 2021				
	Capital outstanding by maturity				
Thousand Euros	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	62	45	17	-	-
Purchase obligations	6,235,282	384,121	702,960	653,440	4,494,761
	6,235,344	384,166	702,977	653,440	4,494,761

	Dec 2020				
	Capital outstanding by maturity				
Thousand Euros	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	450	450	-	-	-
Purchase obligations	4,960,512	297,368	514,212	488,623	3,660,309
	4,960,962	297,818	514,212	488,623	3,660,309

The caption Purchase obligations relates mainly to gas purchase contracts.

44. Related parties

Shares held by company officers

The number of shares of EDP S.A. held or attributable to company officers as at 31 December 2021 and 2020 are as follows:

	2021 Nr. of shares	2020 Nr. of shares
General and Supervisory Board		
China Three Gorges Corporation (represented by Dingming Zhang)	760,872,884	854,736,441
China Three Gorges International Corp. (represented by Shengliang Wu)	760,872,884	854,736,441
China Three Gorges (Europe), S.A. (represented by Ignacio Herrero Ruiz)	760,872,884	854,736,441
Draursa, S.A. (represented by Felipe Fernández Fernández)	1,350	1,350
Fernando Maria Masaveu Herrero	285,434,976	285,434,976
Sonatrach (representada por Karim Djebbour)	87,007,433	87,007,433
João Carvalho das Neves	8,060	8,060
Luís Maria Viana Palha da Silva	5,479	5,479
Executive Board of Directors		
Miguel Stilwell de Andrade	180,000	151,904
Miguel Nuno Simões Nunes Ferreira Setas	8,104	8,104
Rui Manuel Rodrigues Lopes Teixeira	39,433	39,033
Vera de Morais Pinto Pereira Carneiro	7,000	7,000

EDP S.A bonds and the number of shares of other EDP group companies held or attributable to company officers are disclosed in part I section A - Ownership structure of chapter 4 - Corporate governance.

Remuneration of company officers

In accordance with the Company's by-laws, the remuneration of company officers is set by a Remunerations Committee appointed by the Shareholders' General Meeting, except for the remuneration of the members of the Executive Board of Directors (EBD), which is set by a Remunerations Committee appointed by the General and Supervisory Board (GSB).

Short-term employee benefits

During 2021, the annual fixed and variable remuneration cost accounted for the members of the EBD and the fixed remuneration of the GSB, was as follows:

Thousand Euros	EBD	GSB
President	1,525	547
Members	4,279	1,505
	5,804	**2,052**

The remuneration costs accounted with the EBD includes the amount of 1,702 thousand Euros related to the annual variable remuneration. This amount was calculated considering the best estimation of the variable remuneration for the year of 2021, in accordance with Remunerations Committee policy of the GSB, deducted from the correction of the accrual from the previous year compared with the amount paid.

Additionally, the Remunerations Committee policy of the GSB foresees, in certain circumstances, a variable multi-annual remuneration to the EBD members, corresponding to the current mandate (2019-2021). On this basis, an estimated amount of 13,848 thousand Euros was accrued (31 December 2020: 12,383 thousand Euros).

During 2021, the remuneration costs of the members of the Remunerations Committee of the General Assembly and the Sustainability Committee mounted to 70,694 Euros and 22,750 Euros respectively.

Post-employment benefits

EDP has not created a supplementary pension fund or pension plan for directors by making, instead, contributions/or co-contributions with the administrator to a Savings Plan (PPR) in a net amount at 10% (ten percent) of their remuneration base. The PPR is subscribed by EDP to the insurer of your choice, indicating the administrator as a insured person, and the defined contribution of EDP is paid in twelve monthly installments. As the characteristics of the PPR correponds to the usual characteristics on the market for this type of product, be reimbursable before the expiry of the term, in the terms legally applicable to these financial products. The PPR currently coma the members of the Executive Board of Directors may, upon the assent of the Remuneration Committee of the General and Supervisory Board, be replaced by capitalizing insurance linked unit or equivalent vehicle, depending on the offer and market practices each time.

Audit and non audit fees

In 2021, PwC fees relating to external audit and statutory audit of all subsidiaries of EDP Group, except EDP Brasil Group, amounted to 6,374,114 Euros. Additionally, the total fees charged by PwC for other assurance services, which include quarterly reviews, and other non audit services amounted to 1,265,173 Euros and 20,342 Euros, respectively.

In 2021, PwC Portugal fees relating to external audit and statutory audit of all subsidiaries of EDP Group in Portugal, amounted to 2,497,251 Euros. The total fees charged by PwC Portugal for other assurance of reliability services, which include quarterly reviews and other non audit services to subsidiaries of EDP Group in Portugal amounted to 928,094 Euros and 18,800 Euros, respectively.

Business operations between the Company and the members of the Executive Board of Directors and General and Supervisory Board with qualifying holdings and companies in the group or control relationship with EDP

In the course of its activity and regardless of their relevance, EDP concludes businesses and operations under normal market conditions for similar transactions with different entities, namely financial institutions, including holders of qualified shareholdings in EDP's share capital and those related parties.

On 11 May 2012, after the Strategic Partnership Agreement concluded with China Three Gorges Corporation (CTG) came into effect in December 2011, this company (and three other group companies) became part of EDP's General and Supervisory Board.

Under the Strategic Partnership Agreement with China Three Gorges Corporation, on 28 June 2013, EDP Renováveis, S.A. sold for a total final price of 368 million Euros to a CTG Group company (CITIC CWEI Renewables S.C.A.) a 49% shareholding in EDP Renováveis Portugal and 25% of the shareholder loans capital and supplementary capital contributions under the applicable rules for additional contributions granted to this company.

Also under this partnership, on 6 December 2013, EDP Brasil signed a Memorandum of Understanding with CWE Investment Corporation (CWEI), currently designated as China Three Gorges Corporation, a wholly owned subsidiary of CTG, setting out the main guidelines for a future partnership in joint investments between EDP Brasil and CWEI and that governs parties' participation in joint projects in Brazil. These investments by CWEI Brasil were considered for purposes of fulfilment of the Strategic Partnership Agreement in relation to the total investment of 2 billion Euros made by CTG up to 2015 (including co-funding of operating investments) in ready-to-build and operational renewable energy generation projects.

On 19 May 2015, EDP Renováveis, S.A. completed the sale to CTG, of a 49% equity shareholding in selected wind farms in Brazil. This transaction was recognised as a sale without loss of control, having the Group recognised non-controlling interests of 50,943 thousand Euros and an impact in reserves attributable to the Group of 10,337 thousand Euros in 2015.

On 27 October 2016, the transaction relating with the sale of the minority interest in the wind generation assets of EDP Renováveis, S.A. in Italy and Poland to CTG, which purchase and sale agreement was signed on 28 December 2015 was concluded. CTG, through ACE Poland S.A.R.L. and ACE Italy S.A.R.L., both owned in 100% by ACE Investment Fund LP, an entity owned by China Three Gorges Hong Kong Ltd, subsidiary of CTG, formalised the payment of approximately 363 million Euros corresponding to the final price agreed between the parties.

On 30 June 2017, EDP Renewables, SGPS, S.A. completed the sale to ACE Portugal S.A.R.L. (CTG Group), of a 49% equity shareholding in EDPR PT-PE. This transaction was recognised as a sale without loss of control, having the Group recognised non-controlling interests of 135,679 thousand Euros and an impact in reserves attributable to the Group of 74,419 thousand Euros in 2017.

On 28 December 2018, EDP Renováveis, S.A. completed the sale to CTG, of a 10% equity stake and respective shareholder loans on Moray Offshore Windfarm (East) Limited, for the total amount of 37.6 million Pounds.

On November 15, 2021, EDP Renováveis S.A. signed a sales agreement with CTG of a 100% stake in an operational wind portfolio in Spain for a total amount of 307 million Euros (subject to adjustments in completion).

On 10 December 2021, following the acquisition of Sunseap by EDP Renováveis S.A. and consequent entry into the Asian Market, EDP and CTG updated the Strategic Partnership Agreement (concluded in December 2011). This update aims to make the growth strategies of both companies more flexible, ensuring the application of the most demanding corporate governance standards in their future relationships.

Balances and transactions with companies of China Three Gorges Group

In accordance with the EDP/CTG strategic partnership, EDPR Group completed the sale of 49% of EDPR Portugal, EDPR Brasil, EDPR PT-PE, EDPR Italia and EDPR Polska to CTG Group.

Following these transactions, CTG Group granted shareholders loans to the EDPR Group in the amount of 157,304 thousand Euros including accrued interests (31 December 2020: 194,978 thousand Euros) (see note 39).

During 2021, EDPR Portugal distributed dividends to CTG in the amount of 14,700 thousand Euros.

Balances with EDP Pension and Medical and Death Subsidy Funds

In December 2015, EDP, S.A. signed a lease contract related with the building units of the Porto headquarters (sold to the EDP Pension Fund in December 2015) for a period of 25 years. As at 31 December 2021, the present value of the lease liability, as a result of the adoption of IFRS 16, amounts to 45,344 thousand Euros (31 December 2020: 46,941 thousand Euros) (see note 39).

In September 2017, EDP, S.A. signed a lease contract related with the building of the Lisbon headquarters (given as an in-kind contribution to the EDP Medical and Death Subsidy Funds) for a period of 25 years. As at 31 December 2021, the present value of the lease liability, as a result of the adoption of IFRS 16, amounts to 85,656 thousand Euros (31 December 2020: 88,261 thousand Euros) (see note 39).

Following the decision and implementation of the autonomisation of the Medical Plan and Death Subsidy Plan in Portugal, EDP Group expects to make additional contributions in the coming years, totaling around 138 million Euros by the end of 2027, and about 35 million in 2022 in line with the financing plan approved by the Supervisory Authority of Insurance and Pension Funds (ASF). In the year of 2021, a contribution of around 11,520 thousand Euros was made (see note 35).

Balances and transactions with subsidiaries, joint ventures and associates

In their ordinary course of business, EDP Group companies establish commercial transactions and operations with other Group companies, whose terms reflect current market conditions.

The credits and debits over subsidiaries, joint ventures and associates, at Company level, are as follows:

Credits held

	31 December 2021			
Thousand Euros	Intra-Group Financial Mov.	Loans and Interests receivable	Other Credits	Total
EDP Comercial, S.A.	-	5,622	389,273	394,895
E-Redes – Distribuição de Eletricidade, S.A	214,547	1,503,659	36,275	1,754,481
EDP Finance B.V.	-	768,936	5,255	774,191
EDP Produção, S.A.	-	809,836	1,633,848	2,443,684
Hidrocantábrico Distribucion Eléctrica, S.A.U.	-	-	24,921	24,921
EDP Renováveis, S.A.	-	-	105,909	105,909
EDP Servicios Financieros España, S.A.U.	624,006	-	14,709	638,715
SU Eletricidade, S.A.	-	300,399	120,850	421,249
EDP Renewables Europe, S.L.U.	-	-	587,366	587,366
EDP Clientes, S.A.	-	-	1,058,380	1,058,380
Other	134,622	52,570	480,332	667,524
	973,175	3,441,022	4,457,118	8,871,315

The amount of 768,936 thousand Euros refers to one private placement by EDP S.A. of a bond issued by EDP Finance B.V.

	31 December 2020			
Thousand Euros	Intra-Group Financial Mov.	Loans and Interests receivable	Other Credits	Total
EDP Comercial, S.A.	-	42,037	259,053	301,090
E-Redes – Distribuição de Eletricidade, S.A.	19,381	1,503,685	28,567	1,551,633
EDP España, S.A.U.	-	-	143,878	143,878
EDP Finance, B.V.	-	156,705	300	157,005
EDP Produção, S.A.	-	807,346	402,019	1,209,365
Hidrocantábrico Distribucion Eléctrica, S.A.U.	-	-	30,500	30,500
EDP Renováveis, S.A.	-	-	19,278	19,278
EDP Servicios Financieros España, S.A.U.	853,955	-	6,453	860,408
SU Eletricidade, S.A., S.A.	-	300,387	14,728	315,115
EDP Renewables Europe, S.L.U.	-	-	22,520	22,520
EDP GAS.COM - Comércio de Gás Natural, S.A.	-	10,038	13,988	24,026
EDP Clientes, S.A.	-	-	121,228	121,228
Other	393	94,013	35,841	130,247
	873,729	2,914,211	1,098,353	4,886,293

Debits held

Thousand Euros	31 December 2021			
	Intra-Group Financial Mov.	Loans and Interests payable	Other Debits	Total
E-Redes – Distribuição de Eletricidade, S.A	-	-	794	794
EDP Finance B.V.	-	5,948,182	45,396	5,993,578
EDP Renováveis Servicios Financieros, S.A.	-	-	57,730	57,730
EDP Produção, S.A.	902,040	-	1,537,113	2,439,153
EDP Renováveis, S.A.	-	-	23,811	23,811
SU Eletricidade, S.A.	1,297,239	-	1,466	1,298,705
EDP España, S.A.U.	-	-	648,624	648,624
EDP Clientes, S.A.	-	-	302,778	302,778
EDP GAS.COM - Comércio de Gás Natural, S.A.	-	-	135,375	135,375
Other	149,326	-	238,241	387,567
	2,348,605	5,948,182	2,991,328	11,288,115

At 31 December 2021, the amount of 5,948,182 thousand Euros includes four intragroup bonds issued by EDP Finance BV and acquired by EDP S.A., in the total amount of 5,324,551 thousand Euros, with fixed and variable rate and a term to maturity up to 10 years.

Thousand Euros	31 December 2020			
	Intra-Group Financial Mov.	Loans and Interests payable	Other Debits	Total
E-Redes – Distribuição de Eletricidade, S.A.	-	-	13,257	13,257
EDP Comercial, S.A.	41,506	-	1,281	42,787
EDP Finance, B.V.	-	7,567,069	69,579	7,636,648
EDP Renováveis Servicios Financieros, S.A.	-	-	17,237	17,237
EDP Produção, S.A.	864,756	-	364,155	1,228,911
EDP Renováveis, S.A.	-	-	56,058	56,058
SU Eletricidade, S.A., S.A.	203,304	-	9	203,313
EDP España, S.A.U.	-	-	28,775	28,775
EDP Clientes, S.A.	-	-	54,580	54,580
Other	79,137	-	70,448	149,585
	1,188,703	7,567,069	675,379	9,431,151

Expenses and income related to Subsidiaries, Joint Ventures and Associates, at Company level, are as follows:

Expenses

Thousand Euros	31 December 2021			
	Interest on Intra-Group Financial Mov.	Interest on Loans Obtained	Other Losses	Total
EDP Finance B.V.	-	94,998	50,165	145,163
EDP Produção, S.A.	-	-	1,693,345	1,693,345
EDP España, S.A.U.	-	-	878,112	878,112
EDP Clientes, S.A.	-	-	13,925	13,925
EDP Servicios Financieros España, S.A.U.	3,765	-	-	3,765
Other	7	-	208,954	208,961
	3,772	94,998	2,844,501	2,943,271

Thousand Euros	31 December 2020			
	Interest on Intra-Group Financial Mov.	Interest on Loans Obtained	Other Losses	Total
EDP Finance, B.V.	-	136,276	145,147	281,423
EDP Produção, S.A.	-	-	2,031,542	2,031,542
EDP España, S.A.U.	-	-	140,240	140,240
Other	30	-	406,976	407,006
	30	136,276	2,723,905	2,860,211

Income

Thousand Euros	31 December 2021			
	Interest on Intra-Group Financial Mov.	Interest on Loans Granted	Other Gains	Total
EDP Comercial, S.A.	4	470	1,171,973	1,172,447
E-Redes – Distribuição de Eletricidade, S.A.	14	17,689	289,181	306,884
EDP Produção, S.A.	-	13,354	979,790	993,144
EDP Finance B.V.	-	12,299	45,870	58,169
EDP Renewables Europe, S.L.U.	-	-	471,065	471,065
EDP Renováveis, S.A.	-	-	221,613	221,613
EDP España, S.A.U.	-	-	774,161	774,161
EDP GAS.COM - Comércio de Gás Natural, S.A.	31	220	411,908	412,159
EDP Clientes, S.A.	-	-	1,234,460	1,234,460
SU Eletricidade, S.A.	63	4,417	9,804	14,284
Other	-	1,644	624,740	626,384
	112	50,093	6,234,565	6,284,770

Other gains include income from equity investments of 1,164,310 thousand Euros (see note 13).

Thousand Euros	31 December 2020			
	Interest on Intra-Group Financial Mov.	Interest on Loans Granted	Other Gains	Total
EDP Comercial, S.A.	119	1,537	1,145,769	1,147,425
E-Redes – Distribuição de Eletricidade, S.A.	11	23,209	137,345	160,565
EDP España, S.A.U.	-	-	909,485	909,485
EDP Produção, S.A.	-	21,802	941,198	963,000
EDP Soluções Comerciais, S.A.	2	219	10,221	10,442
EDP Finance, B.V.	-	14,053	97,630	111,683
Hidrocantábrico Distribución Eléctrica S.A.U.	-	-	23,632	23,632
EDP Renováveis, S.A.	-	-	86,794	86,794
EDP Renewables Europe, S.L.U.	-	-	22,276	22,276
Other	46	6,178	400,069	406,293
	178	66,998	3,774,419	3,841,595

Assets, liabilities and transactions with related companies, for the Group, are as follows:

Assets and Liabilities

	31 December 2021		
Thousand Euros	Assets	Liabilities	Net Value
Joint Ventures			
Companhia Energética do JARI - CEJA	2,940	342	2,598
Empresa de Energia São Manoel, S.A.	8,031	494	7,537
OW FS Offshore, S.A.	180,544	-	180,544
Other	6,515	6,034	481
	198,030	6,870	191,160
Associates			
Parque Eólico Sierra del Madero, S.A.	5,621	-	5,621
Eos Pax IIa, S.L.	5,257	-	5,257
Centrais Elétricas de Santa Catarina, S.A. - Celesc	4,972	2,715	2,257
Solar Works! B.V.	2,594	-	2,594
Eólica de São Julião, Lda.	16,572	1,638	14,934
Other	2,139	74	2,065
	37,155	4,427	32,728
	235,185	11,297	223,888

	31 December 2020		
Thousand Euros	Assets	Liabilities	Net Value
Joint Ventures			
OW Offshore, S.L.	474,939	130	474,809
Cide HC Energía, S.A.	6,860	1,276	5,584
Flat Rock Windpower II LLC	17	961	-944
Outras	9,898	3,496	6,402
	491,714	5,863	485,851
Associates			
Parque Eólico Sierra del Madero, S.A.	8,149	-	8,149
Parque Eólico Belmonte, S.A.	1,119	-	1,119
Centrais Elétricas de Santa Catarina, S.A. - Celesc	3,083	-	3,083
Solar Works! B.V.	965	-	965
Other	2,078	36	2,042
	15,394	36	15,358
	507,108	5,899	501,209

Transactions

Thousand Euros	31 December 2021 Operating Income	Financial Income	Operating Expenses	Financial Expenses
Joint Ventures				
Companhia Energética do JARI - CEJA	214	-	2,376	-
Empresa de Energia São Manoel, S.A.	3,535	-	6,416	-
Empresa de Energia Cachoeira Caldeirão, S.A.	159	-	2,520	-
OW FS Offshore, S.A.	881	5,953	-	
Other	12,503	16	9,148	-
	17,292	5,969	20,460	-
Associates				
Eos Pax IIa, S.L.	5,739	-	-	-
Eólica de São Julião, Lda	20,750	-	4,046	-
Parque Eólico Belmonte, S.A.	428	31	-	-
Parque Eólico Sierra del Madero, S.A.	8	213	-	-
Other	823	182	63	-
	27,748	426	4,109	-
	45,040	6,395	24,569	-

Thousand Euros	31 December 2020 Operating Income	Financial Income	Operating Expenses	Financial Expenses
Joint Ventures				
Cide HC Energía, S.A.	67,144	5	110	-
Companhia Energética do JARI - CEJA	218	-	2,462	-
Empresa de Energia São Manoel, S.A.	4,998	-	6,629	-
OW Offshore, S.L.	6,932	3,934	-	3,102
Porto do Pecém Transportadora de Minérios S.A.	172	-	2,568	-
Other	9,098	114	3,829	-
	88,562	4,053	15,598	3,102
Associates				
Desarrollos Eólicos de Canarias, S.A.	453	-	55	-
Parque Eólico Sierra del Madero	8	284	-	-
Parque Eólico Belmonte, S.A.	644	33	-	-
Other	-	113	-	-
	1,105	430	55	-
	89,667	4,483	15,653	3,102

During 2021, EDP Group contributed with 12,700 thousand Euros of donations to Fundação EDP (see note 11).

Additionally, management describes other transactions with related parties in the part I section A - Ownership structure of chapter 4 - Corporate governance. The aforementioned chapter includes transactions with holders of qualified shareholding positions as required by the Securities Code which are out of scope of IAS 24.

45. Fair value of financial assets and liabilities

Fair value of financial instruments is based, whenever available, on listed market prices. Otherwise, fair value is determined through quotations supplied by third parties or through the use of generally accepted valuation models, which are based on cash flow discounting techniques and option valuation models. These models use market data which impacts the financial instruments, namely yield curves, exchange rates and volatility indicators, including credit risk.

Market data is available on stock exchanges and/or financial information platforms such as Bloomberg and Reuters.

The fair value of financial assets and liabilities is as follows:

Thousand Euros	Dec 2021			Dec 2020		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Assets						
Equity instruments at fair value	189,942	189,942	-	184,748	184,748	-
Investment property	20,668	20,668	-	21,378	21,378	-
Debtors/other assets from commercial activities	8,596,510	8,596,510	-	6,292,623	6,292,623	-
Other debtors and other assets	2,298,676	2,298,676	-	1,266,954	1,266,954	-
Derivative financial instruments	2,353,326	2,353,326	-	605,428	605,428	-
Collateral deposits/financial debt	50,075	50,075	-	32,069	32,069	-
Cash and cash equivalents	3,222,409	3,222,409	-	2,954,302	2,954,302	-
	16,731,606	16,731,606	-	11,357,502	11,357,502	-
Liabilities						
Financial debt	16,817,936	17,293,095	475,159	16,286,763	17,100,948	814,185
Suppliers and accruals	2,390,874	2,390,874	-	2,002,054	2,002,054	-
Institutional partnerships	2,259,741	2,259,741	-	1,933,542	1,933,542	-
Trade payables and other liabilities from commercial activities	4,956,778	4,956,778	-	3,136,755	3,136,755	-
Other liabilities and other payables	1,879,832	1,879,832	-	1,939,744	1,939,744	-
Derivative financial instruments	3,941,244	3,941,244	-	396,882	396,882	-
	32,246,405	32,721,564	475,159	25,695,740	26,509,925	814,185

Given that EDP Group's financial assets and liabilities, recognised at amortised cost, are predominantly short-term and level 2, changes in fair value were not considered. Fair value of EDP Group's financial debt was determined considering current market, namely listed price (level 1).

The market value of financial debt, when no listed market prices are available, is calculated based on the discounted cash flows at market interest rates at the balance sheet date, increased by the best estimate, at the same date, of market conditions applicable to Group's debt.

According to IFRS 13 requirements, EDP Group established the way it obtains the fair value of its financial assets and liabilities. The levels used are defined as follows:

- Level 1 – Fair value based on the available listed price (not adjusted) in the identified active markets for assets and liabilities;
- Level 2 – Fair value based in market inputs not included in level 1, but observable in the market for the asset or liability, either directly or indirectly;
- Level 3 – Fair value of the assets and liabilities calculated with inputs that are not based on observable market information.

Thousand Euros	Dec 2021 Level 1	Dec 2021 Level 2	Dec 2021 Level 3	Dec 2020 Level 1	Dec 2020 Level 2	Dec 2020 Level 3
Financial assets						
Equity instruments at fair value through Other comprehensive income (see note 22)	-	95,811	31,016	-	89,821	27,290
Profit or loss (see note 22)	-	-	63,115	-	-	67,637
Tariff deficit at fair value through other comprehensive income (see note 26)	-	564,046	-	-	423,324	-
Amounts receivable from concessions-IFRIC 12 at fair value through profit or loss (see note 26)	-	693,785	-	-	547,103	-
Investment property	-	20,668	-	-	21,378	-
Derivative financial instruments (see note 42)	-	2,353,326	-	-	605,428	-
	-	3,727,636	94,131	-	1,687,054	94,927
Financial liabilities						
Derivative financial instruments (see note 42)	-	3,941,244	-	-	396,882	-
	-	3,941,244	-	-	396,882	-

The market value of the amounts of tariff deficit at fair value through other comprehensive income is calculated based on the cash flows associated with these assets, discounted at rates which, at the balance sheet date, better reflect the assets risk considering the average term of the assets.

The amounts receivable from concessions - IFRIC 12 at fair value through profit or loss are valued based in the methodology of the Value of Replacement as New (VNR). This method requires that each asset is valued, at current prices, for all the expenses needed for its replacement by equivalent asset that performs the same services and has the same capacity as the existing asset. The valuation for each asset is based on (i) Data Bank of Referential Prices - which is defined in the Tariff Adjustment Procedures - PRORET; or (ii) Data Bank of Prices from the Distribution company - which is formed based on the company's own information; or (iii) Referential Budget – that corresponds to the calculation by comparison of market data, relating to other assets with similar characteristics. ANEEL reviews the VNR, through the valuation report of the Regulatory Remuneration Base, every three years for EDP Espírito Santo and every four years for EDP São Paulo, as established in the concession contracts.

The market value of investment properties is based on assessments using current market practices: the comparative method, in cases where there is an active and comparable market, the income method, through discounted cash flows and the cost method, which considers the market value of the land and the construction costs.

The movement in financial assets and liabilities included in Level 3 is as follows:

Thousand Euros	At fair value through other comprehen-sive income	At fair value through profit or loss
Balance at beginning of period	27,290	67,637
Change in fair value (see note 22)	2,851	243
Acquisitions	1,137	3,438
Disposals	-436	-8,207
Other changes	174	4
Balance at the end of the period	31,016	63,115

The assumptions used in the determination of Equity Instruments at Fair Value are described in note 22, as required by IFRS 13.

46. Relevant or subsequent events

EDP establishes a growth platform for APAC through the acquisition of Sunseap

On 3 November 2021, EDP Renováveis, S.A. reached an agreement to acquire an 87.4% stake in Sunseap Group Pte. Ltd., the largest distributed solar player and top four solar player in South East Asia. The transaction is subject to customary conditions precedent, namely regulatory approvals, and as of 31 December 2021 the transaction was not yet completed.

Ocean Winds is awarded with exclusive rights to develop wind project offshore

On January 17, 2022, EDP announced, through its subsidiary EDP Renováveis, that Ocean Winds won NE4 block in the ScotWind offshore auction, obtaining exclusive rights to develop a bottom-fixed offshore project with 1 GW of installed capacity.

Sale of 562 million Euros of portuguese tariff deficit

On 25 January 2022, EDP Serviço Universal, S.A., the last resort supplier of the Portuguese electricity system, agreed the non-recourse sale of the 2021 tariff deficit, related with special regime generation, for a total amount of 562 million Euros.

Asset rotation deal of a 221 MW wind portfolio in Portugal

On 28 January 2022, EDP announced, through its subsidiary EDP Renováveis, the completion of the sale and Purchase Agreement with Onex Renewbles, for a 100% equity stake in a wind portfolio with 221 MW of installed capacity, the transaction scope includes five wind farms in Portugal, for an Enterprise Value of 534 million Euros.

Substitution of the issuer and amendments to Terms and conditions of Notes Issued by Viesgo Group

On 3 February 2022, EDP iniciated a consent solicitation process with the purpose of approving , by extraordinary resolution, proposals to amend the terms and conditions of the Notes. If the holders of the Notes approve the changes requested by the issuer IE2 Holdco, S.A.U. (i) EDP -Energias de Portugal, S.A. will replace IE2 Holdco, S.A.U. as issuer of the Notes, (ii) Viesgo Holdco, S.A.U.' guarantee will be cancelled and (iii) other terms and conditions of the Notes will be amended.

China Three Gorges with qualified shareholding in EDP of 20.22%

On 4 February 2022, China Three Gorges (Europe), S.A. notified EDP that, in accordance with article 16° of the Portuguese Securities Code, it had reached a qualifying shareholding correspondent to 20.22% of EDP's share capital and of the respective voting rights, having crossed the threshold of 20% on 1 February of the respective year.

EDP Energias do Brasil concludes investment in CELG-T

On 14 October 2021, EDP announced that its owned subsidiary, EDP Energias do Brasil S.A, won the public auction for 100% of the equity shares of Celg Transmissão S.A,. Following this announcement, on 7 February 2022, EDP - Energias do Brasil S.A. concluded the investment of 99.99% of Celg Transmissão S.A. equity shares, for an amount of 2,115 million brazilian Reais (347 million Euros).

47. EDP Branch in Spain

The aim of EDP - Energias de Portugal - Sociedade Anónima, Sucursal en España is to manage and coordinate the energy interests of subsidiaries depending from EDP Group in Spain, organised through managing and monitoring structures, in order to ensure the maximum synergy and value creation in the operations and activities in Spain, also assuming itself as an organizational platform to lead the Iberian integration of shared and support services (back and middle offices). On this basis, interests in EDP Servicios Financieros (España), S.A.U., EDP International Investments and Services, S.L. and EDP España, S.A.U. are directly allocated to the assets of EDP Sucursal, as well as the majority interest in EDP Renováveis, S.A.

The Spanish branch of EDP has offices in Madrid and Oviedo. From a formal and legal point of view, the representation of the Spanish branch of EDP before third parties is ensured through the permanent representatives, which are members of the Executive Board of Directors of EDP, mandated for that purpose.

The structure of direction, coordination, management and representation of the Spanish branch of EDP is composed by an Executive Committee, a Management Committee and by direct representation on iberian scope EDP Management Committees.

The Executive Committee is composed essentially by five permanent representatives, a Corporate General Director (Group Controller for the activities in Spain) and by first line directors of the business units in Spain, which constitute the main direction and coordination body of the Branch, being responsible for the coordination of the activities of the permanent representatives and of the Management Committee. The Management Committee is chaired by the Corporate General Director and is composed by the natural extension of the Departments of the Corporate Centre of EDP in Spain, namely the Department of M&A ("Direcção de Projectos e Novos Negócios"), Department of Legal Affairs ("Direcção de Assessoria Jurídica"), Department of Internal Audit ("Direcção de Auditoria Interna"), Department of Administration and Finance ("Direcção de Administração e Finanças"), Department of Human Resources ("Direcção de Recursos Humanos"), Department of EDP Spain Foundation ("Direcção da Fundação EDP Espanha"), Department of Regulation ("Direcção de Regulação"), IT Department ("Direcção de Tecnologias de Informação") and Department of Environment, Sustainability, Innovation and Climate Change ("Direcção de Ambiente, Sustentabilidade, Inovação e Alteração Climática") ensuring in a homogeneous way the functions of these departments transversally to the Spanish territory, being provided with 213 human resources as at 31 December 2021, including 142 in its own payroll.

The Statement of Financial Position of the Branch is as follows:

Thousand Euros	EDP Branch Dec 2021	EDP Branch Dec 2020
Investments in subsidiaries:		
- EDP Renováveis, S.A.	4,154,431	4,154,431
- EDP España, S.A.U.	2,105,002	2,105,002
- EDP Servicios Financieros (España), S.A.U.	482,695	482,695
- EDP International Investments and Services, S.L.	1,488,181	988,849
Deferred tax assets	50,844	53,020
Other debtors and others assets	8,544	9,358
Total Non-Current Assets	8,289,697	7,793,355
Other debtors and others assets	122,196	176,365
Tax receivable	45,648	39,515
Cash and cash equivalents	624,241	854,129
Total Current Assets	792,085	1,070,009
Total Assets	**9,081,782**	**8,863,364**
Equity	**8,903,961**	**8,809,855**
Employee benefits	1,823	1,592
Other liabilities and other payables	116	685
Total Non-Current Liabilities	1,939	2,277
Financial debt	42	-
Employee benefits	719	891
Other liabilities and other payables	171,759	46,251
Tax payable	3,362	4,090
Total Current Liabilities	175,882	51,232
Total Liabilities	**177,821**	**53,509**
Total Equity and Liabilities	**9,081,782**	**8,863,364**

48. Environmental matters

Expenses of an environmental nature are those identified and incurred to avoid, reduce or repair damage of an environmental nature resulting from the company's normal activity.

Expenses of an environmental nature are booked as expenses for the period, except if they qualify to be recognised as an asset according with IAS 16.

Investments of an environmental nature booked as Property, plant and equipment and intangible assets during 2021 and 2020, in the Group, are as follows:

Thousand Euros	Group Dec 2021	Group Dec 2020
Air and climate protection	4,025	6,200
Water management	283	346
Waste management	258	159
Soil, subterranean and surface water protection	15,253	3,334
Noise and vibration reduction	540	470
Biodiversity protection	24,145	17,638
Landscape protection	12,081	9,094
Energetic efficiency	19,584	16,752
Other environmental management and protection activities	12,055	12,995
	88,224	66,988

During 2021 and 2020, the Group recognised expenses that are as follows:

	Group	
Thousand Euros	Dec 2021	Dec 2020
Air and climate protection	295,064	194,624
Water management	5,228	6,989
Waste management	14,443	18,317
Soil, subterranean and surface water protection	896	836
Noise and vibration reduction	285	277
Biodiversity protection	7,390	5,079
Landscape protection	26	40
Energetic efficiency	3,877	5,450
Radiations management	32	118
Research and development in the environmental area	309	455
Other environmental management and protection activities	6,664	9,885
	334,214	242,070

Under current and future socioeconomic trends and practices followed by the EDP Group regarding to environmental sustainability, the group accounts for provisions to cover the costs of dismantling, decommissioning, restoring and decontaminating land where electric power plants are located, of 80,438 thousand Euros and 127,896 thousand Euros for thermoelectric power plants located in Portugal and Spain, respectively. Regarding the liability to dismantle and restore the land where solar and wind farms are located to its original condition, as at 31 December 2021, the provisions amount to 313,594 thousand Euros. Additionally, the provision to dismantle the Trillo nuclear power plant amounts to 45,003 thousand Euros (see notes 2 n) and 36).

Environmental income recognised in 2021 relates to the sale of environmental waste of 2,495 thousand Euros (31 December 2020: 2,716 thousand Euros) and the sale of by-products of 116 thousand Euros (31 December 2020: 71 thousand Euros).

49. Business combinations

Distributed Solar Generation - C2 Omega LLC

EDP Renováveis S.A. (EDPR), through its wholly owned US subsidiary, EDP Renewables North America LLC, entered into an agreement in January 2021 to acquire 85% of C2 Omega LLC (C2). C2 is a US based Distributive Solar Generation Company with 89 MWs of operating and near completion capacity with a near-term pipeline of approximately 120 MWs through 16 states. At that moment, the completion of this transaction was subject to customary precedent conditions.

With the aforementioned customary conditions precedent fulfilled on March 1, 2021, EDPR acquired the aforementioned 85% interest in C2 for 46,530 thousand euros. This transaction is considered under the scope of IFRS 3 - Business combinations.

Within this transaction, EDPR has gained control over the company C2, with the then unrelated former owners having retained 15% of the ownership. The former sole owners are currently employees of EDPR. EDPR has an option to purchase the remaining 15% after February 2025 at an amount that is the present value of cash flows determined in a pre-defined model. If this call option is not executed, then the former owners may put the 15% to EDPR after February 2026 using the present value of cash flows from the same pre-defined model, but with a discount rate 100 basis points higher than what was used in the value of call option one year prior.

The Group used the financial statements as at 28 February 2021 of the companies acquired, to determine pre-acquisition results and, consequently, the companies have been consolidated from that date. The profit and loss and statement of cash flows reflect the activity of C2 and its subsidiaries from March 1, 2021 through December 31, 2021.

If this acquisition had occurred at the beginning of 2021, it would have contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 13,000 thousand Euros and with a Net loss for the period in the approximate amount of 2,400 thousand Euros, referring to the twelve-month period ended at 31 December 2021.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, based on a valuation performed by a third party. The valuation methodology utilized was a discounted cashflow approach, where cash flows for each project were forecasted for the remaining life of the assets. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data of the assets provided by the seller. The after tax cash flows were then discounted at the weighted average cost of capital of 7% reflecting the risk of the debt and equity financing components adjusted for the contracted profile of each project. Lastly to the aggregate value of the portfolio, adjustments were made for one-off items, other balance sheet assets or liabilities and synergies, to reach the final equity valuation.

Such valuation has determined a fair value of the net assets acquired in the amount of 44,880 thousands of Euros . Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

Thousand Euros	Book value at acquisition date	Fair value adjustment	Fair value at acquisition date
Assets			
Property, plant and equipment	134 949	447	135,396
Right-of-use assets	4 858	-	4,858
Other debtors and other assets	16 684	-2,308	14,376
Cash and cash equivalents	1 767	-	1,767
Total Assets	158,258	-1,861	156,397
Liabilities			
Financial Debt	79 684	-3,294	76,390
Provisions	2 930	-	2,930
Institutional partnerships in US	7 216	4,259	11,475
Other liabilities and other payables	16 621	-	16,621
Total liabilities	106,451	965	107,416
Net Assets	51,807	-2,826	48,981
Non-controlling interests			-4,026
Net assets acquired at fair value			44,955
Acquisition cost			46,530
Goodwill			1,575

The aforementioned C2's valuation has determined a fair value for Property, plant and equipment in the amount of 135,396 thousand Euros, generating a fair value adjustment of 447 thousand Euros (see note 16). 106,190 thousand Euros of this amount is attributable to operating assets and 29,206 thousand Euros is attributable to assets in the development pipeline.

The noncontrolling interest value of 4,026 thousand Euros was determined in two pieces: 1) four years of cash flows attributable to the former owners up until EDPR's call option date and 2) the value of the option to purchase the former owner's residual 15% interest.

The fair values of financial debt and Partnerships in US wind farms was derived by taking the forecasted payment streams under those instruments using the market interest rates and returns for those instruments at the acquisition date.

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted in goodwill recognition in the amount of 1,575 thousand Euros, as per the difference between the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned goodwill resulting from the purchase price allocation is mainly attributable to EDPR using C2 as an entry to the distributive generation market.

Aria del Vento

EDPR entered in December 2018 into an agreement with Siemens Gamesa Renewable Energy Italy, S.p.A. for the acquisition of the project Aria del Vento. At that moment, the completion of this transaction was subject to customary conditions precedent.The agreement entailed as one of these conditions precedent to closing the contribution of the project by Siemens Gamesa Renewable Energy Italy, S.p.A. into a newly created SPV after the wind farm starts operating.

With this transaction, completed in June 2021 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 100% of the shareholding of the company Parco Eolico Aria del Vento, S.r.l. (see note 6) which owns a wind farm project with a installed capacity of 16 MW.

For simplification purposes, and considering this does not have a material effect, the Group used the financial statements as at 30 June 2021 of the company acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 3,319 thousand Euros and with a Net profit in the approximate amount of 2,822 thousand Euros, referring to the six-month period ended at 31 December 2021.

As the wind farm project was tranferred to the company acquired at closing of the transaction, there is no further profit and loss results previously.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar wind farms in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the wind farm have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the project.

Such valuation has determined a fair value of the net assets acquired in the amount of 33,832 thousands Euros . Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

Thousand Euros	Book value at acquisition date	Fair value adjustment	Fair value at acquisition date
Assets			
Property, plant and equipment	21,651	13,993	35,644
Right-of-use assets	836	-	836
Goodwill	5,216	-5,216	-
Other debtors and other assets	1,907	-	1,907
Cash and cash equivalents	586	-	586
Total Assets	30,196	8,777	38,973
Liabilities			
Provisions	419	-	419
Other liabilities and other payables	1,364	-	1,364
Deferred Tax liabilities	-	3,358	3,358
Total liabilities	1,783	3,358	5,141
Net Assets	28,413	5,419	33,832
Non-controlling interests			-
Net assets acquired at fair value			33,832
Acquisition cost			26,001
Gain on acquisition			-7,831

The aforementioned Aria del Vento's valuation has determined a fair value for Property, plant and equipment in the amount of 35,644 thousand Euros, generating a fair value adjustment of 13,933 thousand Euros and a corresponding deferred tax liability in the amount of 3,358 thousand Euros (see note 16 and 24).

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted on a gain recognition (badwill) in the amount of 7,831 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares. The gain resulting from the purchase price allocation has been registered in the Other income caption of the consolidated financial statements (see note 8).

The aforementioned gain recognition is mainly attributable to the 20 year awarded tariff which is the result of a regulatory policy designed to support the development of renewable energy sources by providing a guaranteed price for producers and from the valuation carried out by the independent expert this amount corresponds to a net amount of 5,419 thousand Euros.

Trung Son

EDPR entered in April 2021 into an agreement with Trina Solar Investment Pte, Ltd. for the acquisition of 100% of the shares of the holding company called Trina Solar Investment First Pte. Ltd. owning the 100% of the company LYS Energy Investment Pte. Ltd. which in turn owns the 100% of the company holding the 28 MWac (35 MWdc) solar PV project called Trung Son Energy Development Joint Stock Company (see note 6). At that moment, the completion of this transaction was subject to customary conditions precedent.

With this transaction, completed in 29 June 2021 once the aforementioned customary conditions precedent were fulfilled, EDPR has acquired 100% of a 28 MWac (35 MWdc) solar PV project in Vietnam for a total consideration of 29,568 thousand Euros (35,179 thousand US dollars) of which an amount of 16,381 thousand Euros (19,174 thousand US dollars) refers to shareholders loans. This transaction is considered under the scope of IFRS 3 - Business combinations.

For simplification purposes, and considering this does not have a material effect, the Group used the financial statements as at 30 June 2021 of the company acquired, to determine pre-acquisition balance sheet and results, and, consequently, the companies have been consolidated from that date following the full consolidation method. Thus this acquisition has contributed to the consolidated financial statements with Revenues, mainly from energy sales, in the approximate amount of 1,246 thousand Euros and with a Net loss in the approximate amount of 283 thousand Euros, referring to the six-month period ended at 31 December 2021.

If this acquisition had occurred in the beginning of the exercise, it would have contributed to the consolidated financial statements with revenues, mainly from energy sales, in the approximate amount of 3,047 thousand Euros and with a Net profit for the period in the approximate amount of 555 thousand Euros, referring to the twelve-month period ended at 31 December 2021.

At the acquisition date, EDPR Group has determined the fair value of the assets acquired and liabilities assumed, with the assistance of a specialized and independent firm. The valuation methodology utilized has been the Multi-Excess Earning Method (MEEM) and the discounted cashflow approach. This valuation methodology assumes that the kind of assets to be valued normally generates cash flows in combination with other tangible and intangible assets and therefore consists in deducting the estimated cost of the use of other assets, such as PP&E or working capital, from the estimated cash flows associated to the asset to be valued. The main components of cashflow, namely production, long term power prices and operational costs were estimated using EDPR's own methodology using historical data and experience assessing investments of similar solar PV projects in EDPR's portfolio. These internal assumptions used in the preparation of the cashflows of the solar PV project have been challenged by the specialized firm. The after tax cash flows were then discounted at the weighted average cost of capital, that has been calculated by the firm, reflecting the risk of the country and adjusted for the profile of the project.

Such valuation has determined a fair value of the net assets acquired in the amount of 10,844 thousands Euros . Fair value of identifiable assets and liabilities at the acquisition date is presented as follows:

Thousand Euros	Book value at acquisition date	Fair value adjustment	Fair value at acquisition date
Assets			
Property, plant and equipment	19,724	5,631	25,355
Right-of-use assets	2,073	-	2,073
Other debtors and other assets	15,381	-	15,381
Cash and cash equivalents	1,459	-	1,459
Total Assets	38,637	5,631	44,268
Liabilities			
Financial Debt			
Provisions	1,014	-	1,014
Other liabilities and other payables	31,284	-	31,284
Deferred Tax liabilities	-	1,126	1,126
Total liabilities	32,298	1,126	33,424
Net Assets	6,339	4,505	10,844
Non-controlling interests			
Net assets acquired at fair value			10,844
Acquisition cost			13,187
Goodwill			2,343

The aforementioned Trung Son's project valuation has determined a fair value for Property, plant and equipment in the amount of 25,355 thousand Euros, generating a fair value adjustment of 5,631 thousand Euros and a corresponding deferred tax liability in the amount of 1,126 thousand Euros (see note 16 and 24).

The purchase price allocation exercise carried out in accordance with IFRS 3 resulted on Goodwill recognition in the amount of 2,343 thousand Euros, as per the difference of the net assets acquired at fair value and the consideration transferred for the acquisition of the shares.

The aforementioned goodwill recognition resulting from the purchase price allocation, which is identified as provisional according to what is indicated in note 2.A, is mainly attributable to EDPR using Trung Song's portfolio to establish its presence in Singapore and Vietnam and represents a first step towards the establishment of EDPR's presence in the Asia Pacific region.

50. Investigation process about CMEC and DPH

Following the enactment of an EU legislation package regarding the construction of the Internal Energy Market, aimed at, among others, promoting the liberalization of the electricity sector, the existence of long-term Power Purchase Agreements ("Contratos de Produção de Energia" – CAE), and the Portuguese legal framework involving a "single buyer", ceased to be compatible with EU law.

Accordingly, Decree-Law no. 240/2004, of 27 December, was enacted in the context of the liberalization of the Portuguese energy sector, establishing the early termination of the CAEs entered into in 1996 and, at the same time, approving the methodology to be used in accomplishing said termination, as well as the compensation due to energy producers in that respect.

This methodology was subjected to the European Commission's (EC) prior approval, expressed in the Decision concerning State aid N161/2004, which deemed it effective and strictly necessary. Additionally, the enactment of the aforementioned Decree-Law by the Portuguese Government was object of a legislative authorization, granted by the Portuguese Parliament.

In that context, and according to the approved methodology, EDP and REN - Rede Eléctrica Nacional, S.A. (REN) signed the CAE early termination agreements in 2005, their entry into force having taken place on 1 July 2007, after being amended earlier that same year. Both termination agreements were ratified by the member of the Portuguese Government responsible for the energy sector.

Pursuant to the provisions of the 2005 CAE termination agreements, on 8 March 2008 the Portuguese Government, REN and EDP Produção entered into a number of concession agreements formalizing EDP's right of use over the Public Hydro Domain ("Domínio Público Hídrico" – DPH) until the end of the operational life of the hydroelectric plants subject to the so-called Costs for the Maintenance of the Contractual Balance mechanism ("Custos de Manutenção do Equilíbrio Contratual" – CMEC). Decree-Law 226-A/2007, of 31 May, introduced a new obligation to EDP, unforeseen in the 2004 legislation or in the 2005 termination agreements, which consisted in the payment by EDP of an amount concerning the "economic and financial balance" of each power plant. Pursuant to this legal framework, and following assessments carried out by two independent financial institutions appointed by the Government, EDP Produção was ordered to pay EUR 759 million, as consideration for the extension of its right of use over the DPH. This included approximately EUR 55 million due for the Hydro Resources Tax.

In 2012, the EC and Portuguese authorities (the Central Department of Criminal Investigation and Prosecution, a part of the Public Prosecutor's Office – "Departamento Central de Investigação e Ação Penal", DCIAP) received complaints regarding (i) the methodology adopted for the early termination of the CAEs and the implementation of the CMEC mechanism and; (ii) EDP's right of use over the DPH.

So far as the complaint received by the EC is concerned, this institution addressed a clarification request to the Portuguese Government over the early termination of the CAEs, and its replacement by the CMEC framework.

The EC decided, in September 2013, that the compensation attributed to EDP Produção in the context of the early termination of the CAEs did not exceed the amount required to reimburse the investment costs meant to be recovered throughout the operational life of the assets in question. Furthermore, it certified that the execution of the CMEC framework respected the terms that were notified to the EC, and approved, in 2004. Accordingly, the EC has at this stage concluded its investigation regarding the early termination of the CAEs. Having found no evidence of non-compliance with the framework in force in Portugal (approved by the EC itself in 2004) or at the EU level, it decided not to pursue an in-depth investigation on the matter.

Simultaneously, in September 2013, the EC decided to undertake an in-depth investigation exclusively in respect of the right of use over the DPH matter.

These in-depth investigation proceedings over EDP's right of use over the DPH were formally concluded in May 2017, with the EC having decided that the consideration paid by EDP was in line with market conditions. It further concluded that the financial methodology followed to determine the price to be paid by EDP for the right of use over the DPH was appropriate and resulted in a fair market price, expressly adding that the accusations that such price (759 million euros) had been underappreciated were baseless, and resulted from an inaccurate financial calculation methodology.

In 2 June 2017, EDP was made aware of the investigation being carried out by the DCIAP since 2012 regarding the amounts due to EDP for the early termination of the CAEs and the right of use over the DPH. On that date, the authorities carried out a search in EDP's offices, as well as REN's (as network operator) and a consultant. At that time, DCIAP informed, by way of a public press release, that investigations were ongoing, and the alleged facts could amount to active and passive corruption, and economic participation in business deals. The DCIAP further informed, in said press release, that some members of EDP's Executive Board of Directors, as well as former directors who executed the relevant agreements, were suspects in that investigation.

On 6 July 2020, a measure of constraint to suspend the exercise of functions in EDP's Executive Board of Directors was proposed by the Public Prosecutor's Office, and applied by the court, to António Mexia and João Manso Neto (then Chairman and member of the board, respectively), while the investigation remained in the inquiry stage. On the same day, the General and Supervisory Board and the Executive Board of Directors resolved to appoint then Chief Financial Officer Miguel Stilwell de Andrade as interim Chairman, for the duration of the impediment of the current Chairman of the Executive Board of Directors, in addition to his functions at the time.

On 13 July 2020, and as in due course disclosed to the market (https://www.edp.com/sites/default/files/2020-07/20200713_Notifica%C3%A7%C3%A3o%20do%20DCIAP_EN_0.pdf), EDP was notified by the Portuguese Authorities to appoint a legal representative to appear at the DCIAP for questioning and constitution of EDP as defendant, for the facts related to the hiring by EDP Group of the father of the then Secretary of State Artur Trindade. Such diligence has already occurred and EDP was named as a defendant in the context of such judicial procedure and is now waiting for further developments of the procedure.

On 30 November 2020, and as communicated to the market on that same date, EDP received formal notices of both suspended members of the Executive Board of Directors, informing of their unavailability to be re-appointed to serve in EDP's corporate bodies for the 2021-2023 term of office.

On 19 January 2021, an Extraordinary General Shareholders' Meeting was held, and a new management team was appointed to the Executive Board of Directors, for the 2021-2023 triennium.

EDP reaffirms that no irregularities exist regarding the matters at hand and believes the amounts due by the early termination of the CAEs and the proceedings regarding the DPH, in particular the amounts paid, were fair and according to market conditions.

EDP remains determined in the pursuit of its corporate purpose and in the fulfilment of its clients, shareholders, employees, and remaining stakeholders' highest expectations. EDP is committed to the accomplishment of its strategic goals, and no impact to its consolidated financial statements is expected to arise as a consequence of the above.

Regarding the judicial procedure, it is still under investigation and till the present date there are no relevant developments regarding the reason that uphold EDP as a defendant.

51. Operating segments

In accordance with IFRS 8, an operating segment is a Group component:
(i) that engages in business activities from which it may earn revenues and incur expenses;
(ii) whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about
(iii) for which discrete financial information is available.

The Group develops a set of regulated and liberalised activities in the energy sector, with special emphasis in generation, distribution and supply of electricity.

The Executive Board of Directors regularly reviews segmental reports, using Operating Profit to assess and release each business operating performance, as well as to allocate resources.

The new Board of Directors, elected in January, considered that the last resort suppliers should be monitored in the Client Solutions & Management segment along with the other suppliers. Therefore the comparative data for this segment and the Networks segment (where it was allocated in 2020) have been amended accordingly.

The management of financial activities of all EDP Group entities (except Brazil) is undertaken centrally by the Financial Department at holding level, in accordance with policies approved by the Executive Board of Directors. As a result of this management, all financial operations and financial results are disclosed only at Group level.

The Renewables segment corresponds to the activity of generation of electricity from renewable sources, mainly hydro, wind and solar. This segment includes, but not limited to, the following companies:

- EDP - Gestão da Produção de Energia, S.A. (hydro activity);
- EDP España, S.A.U. (hydro activity);
- EDP Renováveis, S.A. and all subsidiaries of the EDPR Group;
- Enerpeixe, S.A.;
- Investco, S.A.;
- Lajeado Energia, S.A.

The Networks segment corresponds to the activities of electricity distribution and transmission. This segment includes, but not limited to, the following companies:

• E-Redes – Distribuição de Eletricidade, S.A.;
• Electra de Llobregat Energía, S.L.;
• Hidrocantábrico Distribucion Eléctrica, S.A.U.;
• Viesgo Distribución Eléctrica, S.L.;
• Barras Eléctricas Galaico-Asturianas, S.A.;
• EDP Espírito Santo Distribuição de Energia S.A.;
• EDP São Paulo Distribuição de Energia S.A.;
• EDP Transmissão, S.A.;
• EDP Transmissão Aliança SC, S.A.;
• EDP Transmissão SP-MG, S.A.

The Client Solutions & Energy Management segment includes the following activities: generation of electricity from non-renewable sources, mainly coal and gas; electricity and gas supply, including last resort suppliers and related energy solutions services to clients; and energy management businesses responsible for management of purchases and sales of energy in iberian and brazilian markets, and also for the related hedging transactions. This segment includes, but not limited to, the following companies:

• EDP - Gestão da Produção de Energia, S.A. (thermal activity);
• EDP España, S.A.U. (thermal and intermediation activities);
• UNGE - Unidade de Negócio de Gestão de Energia Ibérica (EDP, S.A.);
• Porto do Pecém Geração de Energia, S.A.;
• EDP Comercial - Comercialização de Energia, S.A.;
• EDP Trading Comercialização e Serviços de Energia, S.A.;
• SU Eletricidade, S.A.;
• EDP Gás Serviço Universal, S.A.

Segment Definition

The amounts reported in each operating segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter and the elimination of transactions between companies of the same segment.

The statement of financial position captions of each subsidiary and business unit, as well as income statement captions for each operating segment, are determined based on the amounts booked directly in the companies that compose the segment, including the elimination of balances between companies of the same segment, and excluding the allocation in the segments of the adjustments between segments.

In each business segment, Assets include the Property, Plant and Equipment, Right-of-use assets, Intangible Assets and Goodwill. The remaining assets are presented in the "Reconciliation of information between Operating Segments and Financial Statements".

Under IFRS 8, the EDP Group discloses as Operating investment, additions in non-current assets, except for financial instruments, deferred tax assets and post-employment benefit assets. Therefore, in each business segment, the Operating Investment caption includes increases in Property, Plant and Equipment; Intangible Assets; and Amounts receivable from concessions - IFRIC 12 under the financial asset model, excluding CO2 licenses and Green certificates, net of increases in Government grants, customers contributions for investment and sales of properties in the period. Goodwill is disclosed in note 19.

In consolidated financial statements, Joint Ventures and associated companies are accounted under the equity method, in accordance with the Group accounting policy disclose in note 2. These equity accounted investees are disclosed by business segment under IFRS 8 and presented in the business segment correspondent to its operating activity.

EDP Group Operating Segments Information as at 31 December 2021

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
Revenues from energy sales and services and other	2,845,315	3,947,159	11,294,666	18,087,140
Revenues inter-segments	1,493,549	1,772,116	-144,309	3,121,356
Revenues from third parties	1,351,766	2,175,043	11,438,975	14,965,784
Gross Profit	2,194,992	2,070,887	572,962	4,838,841
Other income	856,810	109,693	38,504	1,005,007
Supplies and services	-379,295	-324,133	-249,578	-953,006
Personnel costs and employee benefits	-217,149	-202,214	-127,249	-546,612
Other costs	-208,224	-308,113	-120,533	-636,870
Impairment losses on trade receivables and debtors	380	-19,258	-13,926	-32,804
Joint ventures and associates	46,292	256	22,103	68,651
Gross Operating Profit	2,293,807	1,327,118	122,283	3,743,208
Provisions	-49,843	-7,145	-1,506	-58,494
Amortisation and impairment	-787,402	-483,824	-424,230	-1,695,456
Operating Profit	1,456,561	836,148	-303,453	1,989,256
Assets	21,811,462	6,162,596	2,131,237	30,105,295
Financial assets - Investments in joint ventures and associates	1,084,193	190	15,677	1,100,060
Operating Investment	2,559,932	749,314	100,291	3,409,537

Reconciliation of information between Operating Segments and Financial Statements for 31 December 2021

Thousand Euros	
Total Revenues from energy sales and services and other of Reported Segments	**18,087,140**
Revenues from energy sales and services and others from Other Segments	236,881
Adjustments and Inter-segments eliminations*	-3,341,112
Total Revenues from energy sales and services and other of EDP Group	**14,982,909**
Total Gross Profit of Reported Segments	**4,838,841**
Gross Profit from Other Segments	235,344
Adjustments and Inter-segments eliminations*	-239,294
Total Gross Profit of EDP Group	**4,834,891**
Total Gross Operating Profit of Reported Segments	**3,743,208**
Gross Operating Profit from Other Segments	993
Adjustments and Inter-segments eliminations*	-21,151
Total Gross Operating Profit of EDP Group	**3,723,050**
Total Operating Profit of Reported Segments	**1,989,256**
Operating Profit from Other Segments	-47,629
Adjustments and Inter-segments eliminations*	-10,842
Total Operating Profit of EDP Group	**1,930,785**
Total Assets of Reported Segments	**30,105,295**
Assets Not Allocated	20,243,025
Financial Assets	4,163,217
Trade Receivables and Other Debtors	8,596,510
Inventories	575,849
Tax Assets	2,234,780
Other Assets	4,672,669
Assets from Other Segments	703,191
Inter-segments assets eliminations*	-57,359
Total Assets of EDP Group	**50,994,152**
Total Equity accounted Investments in joint ventures and associates of Reported Segments	**1,100,060**
Equity accounted Investments in joint ventures and associates from Other Segments	250,385
Total Equity accounted Investments in joint ventures and associates of EDP Group	**1,350,445**
Total Operating Investment of Reported Segments	**3,409,537**
Operating Investment from Other Segments	83,342
Total Operating Investment of EDP Group	**3,492,879**
Dismantling/discomission of PP&E	29,525
CO2 Emission Licenses and Green Certificates	428,026
Concession Rights - IFRIC 12 **	-588,620
Investment Grants	-132
Other Investments	50,434
Total Fixed Assets additions of EDP Group (Notes 14 and 16)	**3,412,112**

	Total of Reported Segments	Other Segments	Adjustments and Inter-segments	Total of EDP Group
Other income	**1,005,007**	40,654	-21,673	**1,023,988**
Supplies and services	**-953,006**	-164,092	228,144	**-888,954**
Personnel costs and employee benefits	**-546,612**	-123,350	3,503	**-666,459**
Other costs	**-636,870**	-26,993	8,169	**-655,694**
Impairment losses on trade receivables and debtors	**-32,804**	-25	1	**-32,828**
Equity method in joint ventures and associates	**68,651**	39,455	-	**108,106**
			-	
Provisions	**-58,494**	-2,016	-	**-60,510**
Amortisation and impairment	**-1,695,456**	-46,606	10,307	**-1,731,755**

* Mainly related with intragroup balances and transactions eliminations.
** See Note 26 - Debtors and Other Assets from Commercial Activities

EDP Group Operating Segments Information as at 31 December 2020 *

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
Revenues from energy sales and services and other	2,600,353	3,313,444	9,955,146	15,868,943
Revenues inter-segments	1,241,935	2,139,530	44,131	3,425,596
Revenues from third parties	1,358,418	1,173,913	9,911,015	12,443,346
Gross Profit	2,416,124	1,668,557	1,026,381	5,111,062
Other income	920,102	75,781	55,025	1,050,908
Supplies and services	-355,222	-300,382	-294,678	-950,282
Personnel costs and employee benefits	-190,367	-197,799	-169,731	-557,897
Other costs	-176,234	-313,120	-109,192	-598,546
Impairment losses on trade receivables and debtors	-110	-27,917	-35,670	-63,697
Joint ventures and associates	-1,369	2,382	3,933	4,946
Gross Operating Profit	2,612,924	907,502	476,068	3,996,494
Provisions	-73,265	-10,416	-27,980	-111,661
Amortisation and impairment	-827,782	-371,525	-390,400	-1,589,707
Operating Profit	1,711,877	525,561	57,688	2,295,126
Assets	20,501,380	6,233,972	2,384,400	29,119,752
Financial assets - Investments in joint ventures and associates Assets	716,417	91	10,871	727,379
Operating Investment	2,134,995	619,219	110,647	2,864,861

* Includes reexpression caused by the change in monitoring of last resort suppliers and includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

Reconciliation of information between Operating Segments and Financial Statements for 31 December 2020 **

Thousand Euros	
Total Revenues from energy sales and services and others of Reported Segments	**15,868,943**
Revenues from energy sales and services and others from Other Segments	225,485
Adjustments and Inter-segments eliminations*	-3,646,223
Total Revenues from energy sales and services and others of EDP Group	**12,448,205**
Total Gross Profit of Reported Segments	**5,111,062**
Gross Profit from Other Segments	225,201
Adjustments and Inter-segments eliminations*	-244,545
Total Gross Profit of EDP Group	**5,091,718**
Total Gross Operating Profit of Reported Segments	**3,996,494**
Gross Operating Profit from Other Segments *	-43,640
Adjustments and Inter-segments eliminations*	-2,892
Total Gross Operating Profit of EDP Group	**3,949,962**
Total Operating Profit of Reported Segments	**2,295,126**
Operating Profit from Other Segments	-96,603
Adjustments and Inter-segments eliminations*	7,515
Total Operating Profit of EDP Group	**2,206,038**
Total Assets of Reported Segments	**29,119,752**
Assets Not Allocated	13,576,371
Financial Assets	3,193,367
Trade Receivables and Other Debtors	6,292,623
Inventories	323,945
Tax Assets	1,872,675
Other Assets	1,893,761
Assets from Other Segments	630,695
Inter-segments assets eliminations*	-55,400
Total Assets of EDP Group	**43,271,418**
Total Equity accounted Investments in joint ventures and associates of Reported Segments	**727,379**
Equity accounted Investments in joint ventures and associates from Other Segments	212,983
Total Equity accounted Investments in joint ventures and associates of EDP Group	**940,362**
Total Operating Investment of Reported Segments	**2,864,861**
Operating Investment from Other Segments	44,330
Total Operating Investment of EDP Group	**2,909,191**
Discomission of Property, plant and equipment	65,050
CO2 Licenses and Green Certificates	237,321
Concession Rights - IFRIC 12	-502,126
Other Investments	1,083,946
Total Fixed Assets additions of EDP Group	**3,793,382**

	Total of Reported Segments	Other Segments	Adjustments and Inter-segments eliminations*	Total of EDP Group
Other income	**1,050,908**	49,291	-22,510	**1,077,689**
Supplies and services	**-950,282**	-166,347	260,110	**-856,519**
Personnel costs and employee benefits	**-557,897**	-112,925	3,509	**-667,313**
Other costs	**-598,546**	-37,178	544	**-635,180**
Impairment losses on trade receivables and debtors	**-63,697**	7	-	**-63,690**
Joint ventures and associates	**4,946**	-1,688	-	**3,257**
Provisions	**-111,661**	-432	-	**-112,093**
Amortisation and impairment	**-1,589,707**	-52,531	10,407	**-1,631,831**

* Mainly related with intragroup balances and transactions eliminations
** Includes the restatement arising from the change of the fair value of the identifiable assets and liabilities in the acquisition of Viesgo as described in note 2a)

52. Reconciliation of Changes in the responsibilities of Financing activities at 31 December 2021

	Group					
	Financial debt and Derivative financial instruments (including Collateral Deposits)					
Thousand Euros	Loans obtained (Note 34)	Collateral Deposits (Note 34)	Derivative financial instrument (Note 42)*	Institutional partnerships in North America (Note 37)	Lease Liabilities (Note 39)	Loans from non- interests (Note 39)
Balance as at 31 de December 2019	**16,571,469**	**-61,476**	**-86,007**	**2,289,784**	**837,729**	**332,350**
Cash flows:						
Receipts relating to financial debt (including Collateral Deposits)	5,907,155	20,528	-	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-6,459,862	-3,704	-	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-582,350	-	12,195	-	-	-
Receipts/(payments) relating to loans from non-controlling interests	-	-	-	-	-	216,858
Interest and similar costs relating to loans from non-controlling interests	-	-	-	-	-	-9,831
Receipts/(payments) relating to derivative financial instruments	-	-	12,776	-	-	-
Receipts/(payments) from institutional partnerships - USA	-	-	-	248,728	-	-
Lease (payments)	-	-	-	-	-80,364	-
Perimeter variations	1,209,285	4	42,375	-320,944	-12,801	44,372
Exchange differences	-855,183	12,579	-1,141	-181,398	-54,766	-8,091
Fair value changes	-16,381	-	-110,016	-	-	-
Interests and accrued and deferred costs	512,630	-	225	4,437	-	14,766
Unwinding	-	-	-	94,718	39,735	-
ITC/PTC recognition	-	-	-	-201,783	-	-
New lease contracts/Increments in rent values	-	-	-	-	324,827	-
Reclassification to Liabilities held for sale	-	-	-	-	1,318	-
Balance as at 31 de December 2020	**16,286,763**	**-32,069**	**-129,593**	**1,933,542**	**1,055,678**	**590,424**
Cash flows:						
Receipts relating to financial debt (including Collateral Deposits)	3,080,716	-	-	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-2,630,334	-19,183	-	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-471,489	-	-9,840	-	-	-
Receipts/(payments) relating to loans from non-controlling interests	-	-	-	-	-	-53,679
Interest and similar costs relating to loans from non-controlling interests	-	-	-	-	-	-18,244
Receipts/(payments) relating to derivative financial instruments	-	-	10,317	-	-	-
Receipts/(payments) from institutional partnerships	-	-	-	692,164	-	-
Lease (payments)	-	-	-	-	-98,772	-
Perimeter variations	-167,448	1,551	1,426	-413,306	-144,155	-65,017
Exchange differences	348,143	-374	1,050	168,318	51,456	1,955
Fair value changes	-67,036	-	112,293	-	-	-
Interests and accrued and deferred costs	455,897	-	16,853	9,369	-	17,318
Unwinding	-	-	-	79,023	39,510	-
ITC/PTC recognition	-	-	-	-177,205	-	-
Change in Benefits Recognition	-	-	-	-32,164	-	-
New lease contracts/Increments in rent values	-	-	-	-	158,285	-
Reclassification to Liabilities held for sale	-17,276	-	-103	-	-12,554	-2
Balance as at 31 December 2021	**16,817,936**	**-50,075**	**2,403**	**2,259,741**	**1,049,448**	**472,755**

* The Group considers as financing activities all derivative financial instruments excluding derivatives related with commodities.

	Company			
	Financial debt and Derivative financial instruments			
Thousand Euros	Loans obtained (Note 34)	Derivative financial instrument (Note 42)*	Lease Liabilities (Note 39)	Group companies (Note 39)
Balance as at 31 de December 2019	**13,474,129**	**2,138**	**145,768**	**70,288**
Cash flows:				
Receipts relating to financial debt (including Collateral Deposits)	1,942,863	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-4,365,029	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-347,023	-2,674	-	-
Receipts/(payments) relating to loans from related parties	476,868	-	-	-70,271
Interest and similar costs of loans from related parties including hedge derivatives	-	-	-	-3,145
Receipts/(payments) relating to derivative financial instruments	-	-68,248	-	-
Lease (payments)	-	-	-11,853	-
Exchange differences	-20,102	-	-	-
Fair value changes	-	52,986	-	-
Unwinding	-	-	7,062	-
Interests and accrued and deferred costs	321,866	11,342	-	7,001
New lease contracts/Increments in rent values	-	-	20,995	-
Balance as at 31 December 2020	**11,483,572**	**-4,456**	**161,972**	**3,873**
Cash flows:				
Receipts relating to financial debt (including Collateral Deposits)	2,452,048	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-2,068,048	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-218,264	-16,935	-	-
Receipts/(payments) relating to loans from related parties	1,159,901	-	-	-3,873
Receipts/(payments) relating to derivative financial instruments	-	20,585	-	-
Lease (payments)	-	-	-12,502	-
Exchange differences	17,001	-	-	-
Fair value changes	-	-39,886	-	-
Unwinding	-	-	4,948	-
Interests and accrued and deferred costs	208,089	21,332	-	3,630
New lease contracts/Increments in rent values	-	-	1,936	-
Balance as at 31 December 2021	**13,034,299**	**-19,360**	**156,354**	**3,630**

* The Group considers as financing activities all derivative financial instruments excluding derivatives related with commodities.

53. Explanation Added for Translation

These financial statements are a free translation of the financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancies, the Portuguese language version prevails.

Annex I. Companies in the Consolidation Perimeter

The subsidiary companies where the Group exercises control as at 31 December 2021 are as follows:

Subsidiaries	HeadOffice	Share capital / Currency	Assets 31-Dec-21 Euro'000	Liabilities 31-Dec-21 Euro'000	Equity 31-Dec-21 Euro'000	Revenues 31-Dec-21 Euro'000	Net Profit/(Loss) 31-Dec-21 Euro'000	% Group	% Company
Group's parent holding company and Related Activities:									
Portugal:									
EDP - Energias de Portugal, S.A. (Empresa-Matriz do Grupo EDP)	Lisbon	3,965,681,012 EUR	29,752,741	20,539,636	9,213,105	5,201,964	824,070		
CEO - Companhia de Energia Oceânica, S.A.	Póvoa do Varzim	65,435 EUR	1,167	709	458	-	-249	52.07%	
CNET - Centre for New Energy Technologies, S.A.	Sacavém	300,000 EUR	3,172	2,906	266	167	-200	60.00%	
EDP Estudos e Consultoria, S.A	Lisbon	50,000 EUR	3,206	47	3,159	147	-143	100.00%	100.00%
EDP Inovação, S.A.	Lisbon	50,000 EUR	59,773	56,938	2,835	5,683	-953	100.00%	100.00%
EDP Internacional, S.A.	Lisbon	12,500,000 EUR	26,465	1,919	24,546	1,000	-365	100.00%	100.00%
EDP IS – Investimentos e Serviços, Sociedade Unipessoal, Lda (ex-Balı	Lisbon	140,309,500 EUR	464,354	188,541	275,814	-	24,127	100.00%	
EDP Ventures, S.G.P.S., S.A.	Lisbon	50,000 EUR	78,994	38,387	40,606	15	-2,645	100.00%	
EDP Ventures - Sociedade de capital de risco, S.A.	Lisbon	125,000 EUR	1,022	59	963	124	39	100.00%	
ENAGÁS - S.G.P.S., S.A.	Oporto	299,400 EUR	2,054	62	1,992	-	-22	60.00%	
Fundo EDP CleanTech FCR	Lisbon	19,895,723 EUR	18,976	137	18,838	-	151	60.00%	
LABELEC - Estudos, Desenvolvimento e Actividades Laboratoriais, S.A	Sacavém	2,200,000 EUR	20,264	9,909	10,356	17,177	1,933	100.00%	100.00%
Sãvida - Medicina Apoiada, S.A	Lisbon	450,000 EUR	20,585	12,429	8,156	23,614	1,729	100.00%	100.00%
Other Countries:									
EDP - Ásia Soluções Energéticas Limitada	Macao	1,500,000 MOP	1,980	22	1,959	-	-507	100.00%	5.00%
EDP Finance BV	Amesterdam	2,000,000 EUR	9,390,916	9,260,917	129,999	-	10,473	100.00%	100.00%
EDP International Investments and Services, S.L.	Oviedo	9,116 EUR	1,307,017	156,427	1,150,589	-	35,832	100.00%	100.00%
EDP Servicios Financieros España, S.A.U.	Oviedo	10,300,058 EUR	2,614,885	2,078,986	535,899	-	518,212	100.00%	100.00%
Energia RE - Sociedade Cativa de Resseguro	Luxembourg	3,000,000 EUR	161,819	88,157	73,662	4	10,831	100.00%	100.00%
Electricity and Gas Activity - Portugal:									
Electricity Generation:									
EDP Gestão Produção Energia, S.A.	Lisbon	2,805,760,025 EUR	7,634,720	4,167,322	3,467,398	1,076,607	-67,378	100.00%	100.00%
Empresa Hidroeléctrica do Guadiana, S.A.	Lisbon	79,432,475 EUR	372,287	271,304	100,983	77,491	-16,835	100.00%	
FISIGEN - Empresa de Cogeração, S.A.	Lisbon	50,000 EUR	29,818	30,945	-1,126	29,482	1,764	51.00%	
Greenvouga - Sociedade Gestora do Aproveitamento Hidroeléctrico de	Lisbon	1,000,000 EUR	229,188	178,672	50,516	10,361	254	100.00%	
TERGEN - Operação e Manutenção de Centrais Termoeléctricas, S.A.	Carregado	250,000 EUR	4,209	3,000	1,209	6,409	-143	100.00%	
Electricity Distribution:									
E-Redes – Distribuição de Eletricidade, S.A.	Lisbon	300,000,000 EUR	4,095,141	3,071,347	1,023,794	1,316,375	144,927	100.00%	100.00%
Electricity Supply:									
EDP Comercial - Comercialização de Energia, S.A.	Lisbon	64,500,005 EUR	995,434	726,474	268,961	3,265,547	65,258	100.00%	100.00%
EDP Mediadora, S.A.	Lisbon	50,000 EUR	8,571	1,154	7,418	3,269	1,951	100.00%	
Effizency, S.A.	Lisbon	74,561 EUR	1,545	941	604	1,140	-248	94.61%	
SU Eletricidade, S.A.	Lisbon	10,110,110 EUR	2,291,622	2,137,926	153,696	2,056,628	-16,423	100.00%	100.00%
Gas Distribution:									
EDP Gás Serviço Universal, S.A.	Oporto	1,050,996 EUR	11,254	2,503	8,750	8,934	-215	100.00%	100.00%
Gas Supply:									
EDP GÁS.COM - Comércio de Gás Natural, S.A.	Lisbon	50,000 EUR	506,185	417,129	89,056	732,362	-3,271	100.00%	100.00%
Shared Services:									
EDP Global Solutions - Gestão Integrada de Serviços S.A. (ex-EDP-VA	Lisbon	14,550,825 EUR	95,795	66,491	29,305	48,135	1,990	100.00%	100.00%
Electricity and Gas Activity - Spain:									
Electricity Generation:									
EDP España, S.A.U. (Empresa-Matriz do Subgrupo HC Energia)	Oviedo	421,739,790 EUR	3,470,573	1,001,658	2,468,915	2,549,146	-93,475	100.00%	100.00%
Central Termica Ciclo Combinado Grupo 4, S.L.	Oviedo	2,117,000 EUR	188,386	140,300	48,086	252,216	-30,050	100.00%	
Ceprastur, A.I.E.	Oviedo	- EUR	-	-	-	-	-44	95.00%	
Cogeneración Siderúrgica Asturiana, S.A.U.	Oviedo	1,000,000 EUR	1,335	265	1,071	3,517	-206	100.00%	
IBERENERGIA, SAU	Oviedo	60,200 EUR	246,908	204,436	42,473	91,674	27,934	100.00%	
Transporte GNL, S.A.	Bilbau	1,000,000 EUR	136,739	132,664	4,075	37,871	5,648	100.00%	
Viesgo Producción, S.L.	Santander	25,000,000 EUR	148,429	159,662	-11,233	145	-8,035	100.00%	
Electricity Distribution:									
Barras Eléctricas Galaico-Asturianas, S.A.	Lugo	15,689,797 EUR	349,972	242,038	107,935	57,237	18,864	75.05%	
Electra Llobregat Energía, S.L.	Barcelona	90,000 EUR	4,504	2,647	1,857	338	5	56.33%	
Hidrocantábrico Distribucion Eléctrica, S.A.U.	Oviedo	44,002,000 EUR	985,906	769,081	216,825	250,177	100,606	75.10%	
Viesgo Distribución Eléctrica, S.L.	Santander	77,792,000 EUR	1,117,349	898,821	218,528	183,508	63,289	75.10%	
Electricity Supply:									
Biomasa Puente Nuevo S.L.U.	Oviedo	3,000 EUR	3	-	3	-	-	100.00%	
Comercializadora Energética Sostenible, S.A.	Bilbau	60,000 EUR	109	28	81	127	8	100.00%	
EDP Clientes, S.A.	Oviedo	1,000,000 EUR	1,345,653	1,807,708	-462,055	1,505,524	-50,524	100.00%	
EDP Energia Ibérica, S.A.	Oviedo	60,200 EUR	55	12,980	-12,924	-	2	100.00%	
EDP Solar España, S.A.	Oviedo	1,000,000 EUR	25,677	20,161	5,516	14,245	-6,251	100.00%	

Subsidiaries	HeadOffice	Share capital / Currency	Assets 31-Dec-21 Euro'000	Liabilities 31-Dec-21 Euro'000	Equity 31-Dec-21 Euro'000	Revenues 31-Dec-21 Euro'000	Net Profit/(Loss) 31-Dec-21 Euro'000	% Group	% Company
Other activities:									
EDP Ventures España, S.A.	Oviedo	60,000 EUR	257	201	57	-	-2	100.00%	
EDP Iberia, S.L.	Bilbau	130,260,000 EUR	1,376,439	87,208	1,289,231	-	4,613	100.00%	
Fresco Redes International, S.L.	Oviedo	145,000 EUR	196,927	178,934	17,992	-	-820	75.10%	
Fresco Redes Investments, S.L.U.	Oviedo	130,000 EUR	237,263	91,069	146,194	61	-866	75.10%	
EDP Redes España, S.L.U.	Oviedo	10,000,000 EUR	1,408,129	1,035,992	372,137	1,400	-14,823	75.10%	
Viesgo Infraestructuras Energéticas, S.L.	Santander	147,195,418 EUR	1,470,425	1,254,489	215,937	54,269	-19,455	75.10%	
Viesgo Holdco, S.A.	Santander	15,000 EUR	1,851,473	1,165,821	685,652	-	2,497	75.10%	
IE2 HoldCo, S.A.	Santander	60,000 EUR	1,069,104	1,064,639	4,465	-	2,162	75.10%	
Electricity and Gas Activity - Other Countries:									
Electricity Supply:									
EDP Energia Italia S.R.L.	Milan	3,610,000 EUR	20,982	16,851	4,131	13,570	-2,562	100.00%	
EDP Energia Polska	Warsaw	8,505,000 PLN	12,040	9,162	2,878	3,452	-2,922	100.00%	
EDP Energie France	Paris	10,000 EUR	161	147	15	-	-58	100.00%	
Enertel Group S.r.l.	Verona	200,000 EUR	10,131	8,955	1,176	17,808	920	100.00%	
Electricity Activity - Brazil:									
Parent company and Related Activities:									
EDP Energias do Brasil, S.A. (Empresa-Matriz do Subgrupo EDP Brasil)	São Paulo	5,502,715,947 BRL	1,988,750	216,976	1,771,773	467	337,752	55.97%	
Electricity Generation:									
Energest, S.A.	São Paulo	3,204,770 BRL	75,685	32,461	43,224	48,349	21,336	55.97%	
Enerpeixe, S.A.	São Paulo	219,735,966 BRL	295,871	190,362	105,509	66,070	-442	33.58%	
Investco, S.A.	Tocantins	804,458,843 BRL	183,563	38,926	144,637	19,884	4,324	22.82%	
Lajeado Energia, S.A.	São Paulo	6,867,541 BRL	208,435	104,249	104,186	112,300	60,025	31.27%	
Porto do Pecém Geração de Energia, S.A.	Ceará	2,368,998,621 BRL	625,084	191,683	433,401	366,406	38,662	55.97%	
Resende Engenharia e Assessoria, Ltda.	São Paulo	21,573,318 BRL	3,362	5	3,357	-	-3	55.97%	
Electricity Distribution:									
EDP Espírito Santo Distribuição de Energia S.A.	Espírito Santo	650,572,403 BRL	1,045,564	825,019	220,545	822,511	69,298	55.97%	
EDP São Paulo Distribuição de Energia S.A.	São Paulo	596,669,107 BRL	1,146,513	939,402	207,111	1,012,939	69,662	55.97%	
Electricity Supply:									
EDP Smart Energia, Ltda	São Paulo	4,531,000 BRL	19,374	16,160	3,214	24,271	2,103	55.97%	
EDP Smart Serviços, S.A.	Espírito Santo	195,886,011 BRL	81,854	62,189	19,666	3,653	-9,979	55.97%	
EDP Smart Soluções, S.A.	Rio Grande do Sul	122,972,773 BRL	25,020	7,888	17,132	7,555	-1,245	55.97%	
EDP Trading Comercialização e Serviços de Energia, S.A.	São Paulo	221,679,595 BRL	344,299	289,020	55,279	442,573	9,403	55.97%	
UFV SP V Equipamentos Fotovoltaicos Ltda.	São Paulo	13,541,069 BRL	2,354	25	2,329	488	193	55.97%	
Transmission of Electricity:									
AES Tietê Inova Soluções de Energia LTDA.	São Paulo	87,351,253 BRL	25,224	12,226	12,998	582	-150	55.97%	
AES Tietê Inova Soluções de Energia II LTDA.	São Paulo	1,183,819 BRL	333	299	34	-	-14	55.97%	
EDP Transmissão Aliança SC, S.A.	Espírito Santo	164,500,999 BRL	367,140	312,755	54,385	95,651	14,075	50.37%	
EDP Transmissão Litoral Sul S.A.	São Paulo	127,755,430 BRL	48,698	32,298	16,400	26,357	-648	55.97%	
EDP Transmissão Norte S.A.	Espírito Santo	1,000 BRL	2,287	2,305	-19	1,272	-19	55.97%	
EDP Transmissão SP-MG, S.A.	São Paulo	33,000,999 BRL	394,333	348,185	46,149	97,473	21,072	55.97%	
Mata Grande Transmissora de Energia LTDA.	Paraná	17,529,870 BRL	19,396	17,365	2,031	9,768	-335	55.97%	
Nova Geração Solar LTDA.	São Paulo	2,518,124 BRL	455	403	52	-	-18	55.97%	
PCH Santa Leopoldina S.A.	Espírito Santo	10,000 BRL	398	567	-169	-	-167	55.97%	
Other Activities:									
EDP Ventures Brasil S.A.	São Paulo	22,200,999 BRL	6,127	3,072	3,055	-	-210	55.97%	
Renewable Energy Activity:									
Parent company and Related Activities:									
EDP Renováveis, S.A. (EDP Renováveis Subgroup Parent Company)	Oviedo	4,802,790,810 EUR	10,980,808	2,987,345	7,993,463	63,066	-95,360	74.98%	74.98%
EDP Renováveis Servicios Financieros, S.A.	Oviedo	84,691,368 EUR	6,095,262	5,640,931	454,331	32,486	37,204	74.98%	
Europe Geography / Platform:									
Spain:									
EDP Renewables Europe, S.L.U. (EDPR EU Subgroup Parent Company)	Oviedo	249,498,800 EUR	3,723,711	2,027,721	1,695,989	81,610	-805,912	74.98%	
Acampo Arias, S.L.	Zaragoza	3,314,300 EUR	50,957	35,948	15,008	15,058	8,550	71.23%	
Aplicaciones Industriales de Energías Limpias, S.L.	Zaragoza	131,288 EUR	1,375	-	1,375	-	1,299	46.11%	
Canerde, S.L.U.	Madrid	4,000 EUR	75	73	3	-	-1	59.98%	
Compañía Eólica Aragonesa, S.A.	Zaragoza	6,701,165 EUR	139,714	27,584	112,130	38,306	19,077	74.98%	
Desarrollos Eólicos de Teruel, S.L.	Zaragoza	18,890,100 EUR	53,958	35,068	18,890	-	-	38.24%	
Desarrollos Renovables de Teruel, S.L.	Teruel	3,000 EUR	3	1	3	-	-	74.98%	
EDP Renovables España, S.L.U.	Oviedo	46,128,100 EUR	1,462,579	656,314	806,265	256,320	60,335	74.98%	
EDPR México, S.L.U.	Oviedo	3,000 EUR	3	2	1	-	-	74.98%	
EDPR Terral S.L.U.	Madrid	3,000 EUR	410	409	1	-	-1	74.98%	
EDPR Yield, S.A.U.	Oviedo	99,405,403 EUR	229,552	14,431	215,121	-	26,703	74.98%	
Eólica Arlanzón, S.A.	Madrid	4,508,980 EUR	20,113	5,112	15,001	6,913	3,578	63.73%	
Eólica Campollano, S.A.	Madrid	6,559,994 EUR	68,414	27,514	40,900	26,390	12,580	56.23%	
Eólica Fontesilva, S.L.U.	La Coruña	6,860,000 EUR	43,712	22,840	20,872	10,397	4,318	74.98%	
Eólica La Brújula, S.A.U.	Madrid	3,294,000 EUR	51,250	29,009	22,241	6,516	515	74.98%	
Eólica La Janda, S.L.U.	Madrid	4,525,000 EUR	196,677	152,837	43,840	40,103	18,246	74.98%	

Subsidiaries	HeadOffice	Share capital / Currency	Assets 31-Dec-21 Euro'000	Liabilities 31-Dec-21 Euro'000	Equity 31-Dec-21 Euro'000	Revenues 31-Dec-21 Euro'000	Net Profit/(Loss) 31-Dec-21 Euro'000	% Group	% Company
IAM Caecius, S.L.	Madrid	3,000 EUR	3	1	2	-	-	74.98%	
Iberia Aprovechamientos Eólicos, S.A.	Zaragoza	1,918,728 EUR	19,348	11,622	7,726	6,073	2,695	70.48%	
Northeolic Monte Buño, S.L.	Cantabria	4,000 EUR	43	14	28	-	179	56.23%	
Parc Eòlic Serra Voltorera, S.L.U.	Barcelona	3,458,010 EUR	23,594	11,220	12,374	4,012	1,280	74.98%	
Parque Eólico Altos del Voltoya, S.A.	Madrid	6,434,349 EUR	32,102	15,914	16,189	13,159	-2,613	69.35%	
Parque Eólico de Abrazadilla, S.L.U.	Madrid	3,000 EUR	1	-	1	-	-	74.98%	
Parque Eólico La Sotonera, S.L.	Zaragoza	2,000,000 EUR	14,329	3,926	10,403	5,882	3,153	52.36%	
Parque Eólico Los Cantales, S.L.U.	Zaragoza	1,963,050 EUR	22,129	15,738	6,392	4,940	2,141	74.98%	
Parque Eólico Santa Quiteria, S.L.	Zaragoza	63,006 EUR	18,281	4,413	13,868	7,437	3,760	62.95%	
Renovables Castilla La Mancha, S.A.	Madrid	60,102 EUR	28,423	19,785	8,639	6,717	2,688	67.48%	
Site Sunwind Energy, S.L.	Madrid	3,000 EUR	3	1	2	-	-	74.98%	
Tébar Eólica, S.A.U.	Madrid	4,720,400 EUR	21,342	5,123	16,220	11,211	6,436	74.98%	
Viesgo Europa, S.L.U.	Cantabria	1,000,000 EUR	31,433	23,129	8,304	7,881	4,851	74.98%	
Viesgo Mantenimiento, S.L.U.	Cantabria	3,050 EUR	1,875	421	1,454	2,210	528	74.98%	
Viesgo Renovables, S.L.U.	Cantabria	12,769,690 EUR	334,667	96,550	238,117	23,863	29,409	74.98%	
Portugal:									
EDP Renováveis Portugal, S.A.	Oporto	7,500,000 EUR	452,569	285,114	167,455	128,946	46,532	38.24%	
EDP Renewables SGPS, S.A.	Oporto	50,000 EUR	472,581	28,005	444,575	-	328,748	74.98%	
EDPR PT - Parques Eólicos, S.A.	Oporto	50,000 EUR	101,002	54,729	46,274	8	8,298	38.24%	
EDPR PT - Promoção e Operação, S.A.	Oporto	57,500 EUR	23,695	23,554	141	14,304	-5,429	74.98%	
Eólica da Coutada, S.A.	Vila Pouca de Aguiar	50,000 EUR	146,718	86,085	60,633	26,751	9,067	38.24%	
Eólica da Serra das Alturas, S.A.	Boticas	50,000 EUR	11,607	3,301	8,306	3,114	1,401	19.16%	
Eólica da Terra do Mato, S.A.	Oporto	50,000 EUR	42,063	29,154	12,909	7,282	1,984	38.24%	
Eólica das Serras das Beiras, S.A.	Arganil	50,000 EUR	93,186	49,344	43,842	19,189	8,094	38.24%	
Eólica de Alagoa, S.A.	Arcos de Valdevez	50,000 EUR	7,148	2,704	4,445	2,292	806	22.94%	
Eólica de Montenegrelo, S.A.	Vila Pouca de Aguiar	50,000 EUR	18,706	5,686	13,020	5,697	2,572	19.16%	
Eólica do Alto da Lagoa, S.A.	Oporto	50,000 EUR	21,268	8,396	12,872	4,608	1,348	38.24%	
Eólica do Alto da Teixosa, S.A.	Alhões	50,000 EUR	25,141	13,762	11,379	4,748	1,444	38.24%	
Eólica do Alto do Mourisco, S.A.	Boticas	50,000 EUR	22,276	12,321	9,955	4,469	1,694	38.24%	
Eólica do Espigão, S.A.	Miranda do Corvo	50,000 EUR	26,260	10,768	15,492	5,750	1,837	38.24%	
Eólica dos Altos de Salgueiros-Guilhado, S.A.	Vila Pouca de Aguiar	50,000 EUR	10,875	6,250	4,625	2,181	780	38.24%	
Eoliser - Serviços de Gestão para Parques Eólicos, Lda.	Lisbon	264,085 EUR	3,684	2,864	820	2,870	27	74.98%	
Fotovoltaica Lote A, S.A.	Oporto	50,000 EUR	14,631	14,697	-66	-	-54	74.98%	
IE2 Portugal, SGPS, S.A.	Lisbon	331,187 EUR	3,935	2,213	1,721	677	148	74.98%	
Malhadizes - Energia Eólica, S.A.	Oporto	50,000 EUR	17,226	6,333	10,893	5,452	2,431	38.24%	
Parque Eólico do Barlavento, S.A.	Lisbon	60,000 EUR	42,681	10,621	32,059	14,334	4,706	67.46%	
S.E.E. - Sul Energía Eólica, S.A.	Lisbon	150,000 EUR	8,599	1,742	6,857	3,008	1,193	74.98%	
France:									
EDPR France Holding, S.A.S.	Paris	79,900,000 EUR	365,149	248,778	116,372	25,393	5,431	74.98%	
Le Chemin de la Corvée, S.A.S.	Paris	215,000 EUR	4,499	4,477	22	-	-51	74.98%	
Monts de la Madeleine Energie, S.A.S.	Paris	88,000 EUR	1,387	1,344	43	-	-13	74.98%	
Monts du Forez Energie, S.A.S.	Paris	200,000 EUR	1,175	1,064	111	-	-12	74.98%	
Parc Éolien d'Entrains-sur-Nohain, S.A.S.	Paris	266,000 EUR	646	6	640	-	-9	67.48%	
Parc Eolien de Dionay, S.A.S.	Paris	215,000 EUR	1,763	1,651	112	-	-20	74.98%	
Transition Euroise Roman II, S.A.S.	Paris	603,000 EUR	10,484	9,894	589	-	-9	63.73%	
Vanosc Energie, S.A.S.	Paris	1,000 EUR	804	806	-2	-	-2	74.98%	
Poland:									
Budzyn, Sp. z o.o.	Warsaw	5,000 PLN	-	20	-20	-	-18	38.24%	
EDP Renewables Polska HoldCo, S.A.	Warsaw	100,100 PLN	226,590	51,976	174,614	-	11,110	38.24%	
EDP Renewables Polska Solar, Sp. Zo.o.	Warsaw	5,000 PLN	1,926	1,818	108	-	-168	74.98%	
EDP Renewables Polska, Sp. z o.o.	Warsaw	435,045,000 PLN	555,197	373,974	181,222	11,140	218	74.98%	
Elektrownia Kamienica, Sp. z o.o.	Warsaw	5,000 PLN	594	610	-16	-	-8	74.98%	
Elektrownia Wiatrowa Kresy I, Sp. z o.o.	Warsaw	70,210 PLN	104,586	23,335	81,251	23,785	12,190	38.24%	
EW Dobrzyca, Sp. z o.o.	Warsaw	674,000 PLN	79,949	73,147	6,802	-	110	74.98%	
EWP European Wind Power Krasin, Sp. z o.o.	Warsaw	7,190,000 PLN	48,392	45,609	2,783	2,198	1,521	74.98%	
Farma Fotowoltaiczna Koden, Sp. z o.o.	Warsaw	5,000 PLN	654	660	-6	-	-7	74.98%	
Farma Wiatrowa Bogoria, Sp. z o.o.	Warsaw	2,395,000 PLN	39,048	36,674	2,375	-	-326	74.98%	
Farma Wiatrowa Starozreby, Sp. z o.o.	Warsaw	466,000 PLN	286	2	285	-	-16	74.98%	
FW Warta, Sp. z o.o.	Warsaw	10,000 PLN	16,716	16,651	65	-	5	74.98%	
Gudziki Wind Farm, Sp. z o.o.	Warsaw	5,000 PLN	1	46	-44	-	-23	38.24%	
Korsze Wind Farm, Sp. z o.o.	Warsaw	38,855,000 PLN	131,061	91,350	39,711	30,455	14,906	38.24%	
Kowalewo Wind, Sp. z o.o.	Warsaw	89,900 PLN	39,015	37,414	1,601	1,966	1,225	74.98%	
Lichnowy Windfarm, Sp. z o.o.	Warsaw	865,500 PLN	31,253	29,945	1,308	3,330	943	74.98%	
Masovia Wind Farm I, Sp. z o.o.	Warsaw	1,258,000 PLN	121	146	-24	-	-32	74.98%	
Miramit Investments, Sp. z o.o.	Warsaw	55,000 PLN	475	318	156	-	-12	74.98%	
Molen Wind II, Sp. z o.o.	Warsaw	14,600 PLN	63,559	46,486	17,072	13,127	4,960	38.24%	
Neo Solar Chotków, Sp. z o.o.	Warsaw	5,000 PLN	3,726	3,746	-20	-	-3	74.98%	
Neo Solar Farm, Sp. z o.o.	Warsaw	5,000 PLN	4,642	3,052	1,590	-	408	74.98%	
Neo Solar Przykona II, Sp. z o.o.	Warsaw	5,000 PLN	972	1,015	-42	-	-5	74.98%	
Nowa Energia 1, Sp. z o.o.	Warsaw	6,983,300 PLN	73,824	72,938	885	-	-421	74.98%	
R.Wind, Sp. z o.o.	Warsaw	6,000 PLN	751	779	-28	-	-13	74.98%	

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Radziejów Wind Farm, Sp. z o.o.	Warsaw	27,605,000 PLN	28,746	24,986	3,760	4,909	1,665	38.24%	
Rampton, Sp. z o.o.	Warsaw	11,005,000 PLN	2,470	139	2,331	304	-24	74.98%	
Relax Wind Park I, Sp. z o.o.	Warsaw	46,540,000 PLN	115,291	82,506	32,785	26,756	10,665	38.24%	
Relax Wind Park III, Sp. z o.o.	Warsaw	59,603,000 PLN	193,813	171,748	22,065	17,839	5,889	38.24%	
Rowy-Karpacka Mala Energetyka, Sp. z o.o.	Warsaw	50,000 PLN	81	530	-450	-	-35	74.98%	
Ujazd, Sp. z o.o.	Warsaw	4,648,016 PLN	37,217	37,402	-185	-	-397	74.98%	
WF Energy III, Sp. z o.o.	Warsaw	5,000 PLN	6	-	6	-	-	74.98%	
Wind Field Wielkopolska, Sp. z o.o.	Warsaw	505,000 PLN	68,528	68,878	-350	-	265	74.98%	
Winfan, Sp. z o.o.	Warsaw	20,000 PLN	11,533	11,447	85	-	-17	74.98%	
Romania:									
Beta Wind, S.R.L.	Bucharest	207,470 RON	5,380	147	5,233	-	-	74.98%	
EDPR România, S.R.L.	Bucharest	1,491,259,750 RON	649,692	146,119	503,572	86,056	43,841	74.98%	
Energopark, S.R.L.	Bucharest	133,720 RON	1,630	1,447	183	-	-557	74.98%	
International Solar Energy, S.R.L.	Bucharest	200 RON	41	43	-1	-	-1	74.98%	
Solar Phoenix, S.R.L.	Bucharest	79,300 RON	89	94	-5	-	-1	74.98%	
Great Britain:									
Altnabreac Wind Farm Limited	Edinburgh	100 GBP	980	1,280	-300	-	-293	74.98%	
Ben Sca Wind Farm Limited	Edinburgh	100 GBP	2,244	2,559	-315	-	-303	74.98%	
Drummarnock Wind Farm Limited	Edinburgh	100 GBP	640	937	-297	-	-290	74.98%	
Lurg Hill Wind Farm Ltd	Edinburgh	100 GBP	-	412	-412	-	-403	74.98%	
Moorshield Wind Farm Limited	Edinburgh	100 GBP	975	1,277	-302	-	-293	74.98%	
Muirake Wind Farm Ltd	Edinburgh	100 GBP	4,704	5,299	-595	444	-216	59.23%	
Vento Ludens Ltd	Edinburgh	8,000 GBP	7,489	6,439	1,050	1,005	38	74.98%	
Wind 2 Project 1 Limited	Edinburgh	100 GBP	694	990	-297	-	-290	74.98%	
Italy:									
Aria del Vento	Milan	11,000 EUR	33,344	3,106	30,239	4,541	1,892	74.98%	
AW 2, S.r.l.	Milan	100,000 EUR	24,500	18,915	5,585	5,418	2,374	56.23%	
Breva Wind, S.r.l.	Milan	7,100,000 EUR	68,636	63,396	5,240	16	-705	74.98%	
C & C Tre Energy S.r.l.	Milan	100,000 EUR	7,270	6,282	988	-	-42	74.98%	
Conza Energia, S.R.L.	Milan	456,000 EUR	41,395	31,714	9,681	9,523	4,693	74.98%	
Custolito, S.R.L.	Milan	10,000 EUR	135	110	24	-	-10	74.98%	
EDP Renewables Italia Holding, S.R.L.	Milan	347,000 EUR	212,580	156,179	56,401	6,067	6,769	74.98%	
EDP Renewables Italia, S.R.L.	Milan	34,439,343 EUR	184,454	118,867	65,587	21,732	14,546	38.24%	
EDPR Centro Italia PV, S.r.l.	Milan	10,000 EUR	10	-	10	-	-	74.98%	
EDPR Sicilia PV, S.R.L.	Milan	10,000 EUR	2,142	2,120	22	-	-27	74.98%	
EDPR Sicilia Wind, S.r.l.	Milan	10,000 EUR	952	938	14	-	-41	74.98%	
EDPR Villa Galla, S.R.L.	Milan	9,000,000 EUR	103,600	27,383	76,216	30,692	15,665	38.24%	
Energia Emissioni Zero 4, S.r.l.	Naples	10,000 EUR	25,264	25,008	256	-	-72	44.99%	
Giglio, S.r.l.	Milan	20,000 EUR	3,748	2,600	1,149	-	-75	44.99%	
Lucus Power, S.r.l.	Milan	10,000 EUR	27,148	19,474	7,674	5,463	2,541	74.98%	
Re Plus, S.R.L.	Milan	100,000 EUR	796	710	86	-	-14	74.98%	
San Mauro, S.R.L.	Milan	70,000 EUR	20,268	15,950	4,318	4,041	1,827	56.23%	
Sarve, S.r.l.	Milan	10,000 EUR	49,100	49,222	-122	-	-243	74.98%	
T Power, S.p.A.	Milan	1,000,000 EUR	1,476	138	1,338	-	-880	74.98%	
TACA Wind, S.R.L.	Milan	1,160,000 EUR	29,543	19,640	9,904	5,991	2,712	74.98%	
Tivano, S.R.L.	Milan	100,000 EUR	21,419	17,414	4,006	4,165	1,760	56.23%	
VRG Wind 153, S.r.l.	Rovereto	10,000 EUR	12,942	12,579	363	-	-117	74.98%	
WinCap, S.R.L.	Milan	2,550,000 EUR	31,529	19,764	11,765	5,812	3,354	74.98%	
Wind Energy San Giorgio, S.r.l.	Milan	20,000 EUR	5,783	5,140	643	-	-90	44.99%	
Greece:									
Aioliki Oitis Energiaki Single-Member LLC	Athens	4,500 EUR	793	1,858	-1,065	-	-981	74.98%	
Aioliko Parko Fthiotidos Erimia E.P.E.	Agia Paraskevi	154,500 EUR	6,129	5,416	712	-	-476	74.98%	
EDPR Hellas 1 M.A.E.	Attica	1,255,000 EUR	6,921	5,471	1,450	-	-489	74.98%	
EDPR Hellas 2 M.A.E.	Attica	470,000 EUR	3,418	1,510	1,908	-	-358	74.98%	
Energiaki Arvanikou E.P.E.	Athens	1,312,380 EUR	60,534	44,875	15,659	631	-1,601	74.98%	
Kadmeios Anemos Energiaki, A.E.	Athens	25,000 EUR	520	1,448	-928	-	-933	74.98%	
Voiotikos Anemos Energy, A.E.	Athens	25,000 EUR	177	311	-135	-	-81	74.98%	
Wind Park Aerorrachi M.A.E.	Athens	496,020 EUR	4,163	2,817	1,346	-	-489	74.98%	
Wind Shape, Ltd.	Attica	18,000 EUR	1,059	1,220	-162	-	-127	74.98%	
Other Countries:									
EDP Renewables Belgium, S.A.	Brussels	286,500 EUR	18,582	17,349	1,233	2,178	642	74.98%	
EDP Renewables Hungary	Hungry	180,000,000 HUF	225	1,512	-1,287	80	-1,574	74.98%	
EDPR International Investments, B.V.	Amesterdam	20,000 EUR	12,737	2,120	10,617	-	7,324	74.98%	
EDPR Investment Hungary, Kft.	Hungry	6,000,000 HUF	16	45	-29	-	-46	74.98%	
Nyírség Watt, Kft.	Hungry	338,700,000 HUF	1,437	600	837	-	312	74.98%	
Sunlight Solar, Kft.	Hungry	196,000,000 HUF	1,545	1,491	54	-	-700	63.73%	

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North America Geography / Platform:									
United States of America:									
EDP Renewables North America LLC (EUA Subgroup Parent Company	Delaware	5,184,917,755 USD	4,832,396	854,682	3,977,715	42,196	80,948	74.98%	
10 Point Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
17th Star Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
2007 Vento I LLC	Delaware	529,176,487 USD	522,158	6,045	516,114	7,264	721	74.98%	
2007 Vento II LLC	Delaware	278,820,333 USD	241,591	416	241,175	-	-125	38.24%	
2008 Vento III LLC	Delaware	398,671,607 USD	347,849	1,989	345,860	-	-9	38.24%	
2009 Vento V LLC	Delaware	14,976,549 USD	12,085	36	12,049	-	-5	38.24%	
2011 Vento IX LLC	Delaware	65,888,637 USD	57,437	414	57,023	-	-104	38.24%	
2011 Vento X LLC	Delaware	83,783,464 USD	72,970	93	72,878	-	-102	74.98%	
2014 Sol I LLC	Delaware	62,233,969 USD	54,408	33	54,375	-	-67	37.49%	
2014 Vento XI LLC	Delaware	217,796,519 USD	192,311	110	192,201	-	-4	38.24%	
2014 Vento XII LLC	Delaware	111,494,540 USD	98,446	117	98,329	-	-6	38.24%	
2015 Vento XIII LLC	Delaware	272,149,377 USD	239,583	153	239,430	-	-99	38.24%	
2015 Vento XIV LLC	Delaware	238,816,034 USD	210,248	25	210,223	-	-97	38.24%	
2016 Vento XV LLC	Delaware	430,273,511 USD	386,994	7,687	379,307	-	-100	74.98%	
2016 Vento XVI LLC	Delaware	167,475,870 USD	147,469	155	147,313	-	-96	74.98%	
2017 Sol II LLC	Delaware	109,377,411 USD	96,482	63	96,419	-	-18	74.98%	
2018 Vento XVIII LLC	Delaware	450,352,377 USD	397,670	466	397,203	-	-88	74.98%	
2019 Vento XXI LLC	Delaware	246,406,995 USD	218,497	1,067	217,430	-	-76	74.98%	
2020 Vento XXII LLC	Delaware	805,855,420 USD	713,277	1,713	711,564	-	52	74.98%	
2021 DG Agora Holdings LLC	Delaware	- USD	-	5,258	-5,258	-	-	63.73%	
2021 DG Agora Sol I LLC	Delaware	- USD	-	-	-	-	-	63.73%	
2021 DG Agora Ventures I LLC	Delaware	5,743,317 USD	7,082	2,049	5,033	-	-36	63.73%	
2021 DG Apollo Sol II LLC	Delaware	- USD	-	1	-	-	68	63.73%	
2021 DG Apollo Ventures II LLC	Delaware	- USD	1	1	-	-	-	63.73%	
2021 DG CA Agora Holdings LLC	Delaware	56,417 USD	52	2	50	-	-	63.73%	
2021 DG CA Agora Sol I LLC	Delaware	- USD	-	-	-	-	-	63.73%	
2021 DG CA Agora Ventures I LLC	Delaware	320,743 USD	290	7	283	-	-	63.73%	
2021 DG CA Apollo Sol II LLC	Delaware	- USD	-	-	-	-	-	63.73%	
2021 DG CA Apollo Ventures II LLC	Delaware	- USD	-	-	-	-	-	63.73%	
2021 Vento XXIII LLC	Delaware	161,243,163 USD	142,365	-	142,365	-	-	74.98%	
Alabama Ledge Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Alabama Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Amsterdam 3 Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Antelope Ridge Wind Power Project LLC	Delaware	12,828,809 USD	-	-	-	-	-	74.98%	
Arbuckle Mountain Wind Farm LLC	Delaware	145,050,648 USD	130,338	10,532	119,806	7,443	-1,556	38.24%	
Arkwright Summit Wind Farm LLC	Delaware	182,579,749 USD	183,997	17,877	166,120	11,161	1,408	74.98%	
Arlington Wind Power Project LLC	Delaware	59,575,189 USD	96,045	7,992	88,052	14,655	5,206	38.24%	
Aroostook Wind Energy LLC	Delaware	46,845,757 USD	36,731	174	36,556	-	-4	74.98%	
Ashford Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Athena-Weston Wind Power Project II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Athena-Weston Wind Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Avondale Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
AZ Nohave Solar LLC	Delaware	725,625 USD	666	25	641	-	-	63.73%	
AZ Solar LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Azalea Springs Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Bayou Bend Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
BC2 Maple Ridge Holdings LLC	Delaware	- USD	-	-	-	-	-	74.98%	
BC2 Maple Ridge Wind LLC	Delaware	268,810,612 USD	108,202	4,815	103,387	-	-7,334	74.98%	
Big River Wind Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Solar Park LLC	Delaware	1,009,233 USD	926	35	891	-	-	74.98%	
Black Prairie Storage II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Wind Farm III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Black Prairie Wind Farm LLC	Delaware	1,181,149 USD	1,042	2	1,040	-	-	74.98%	
Blackford County Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blackford County Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blackstone Wind Farm II LLC	Delaware	193,151,150 USD	269,924	95,140	174,784	18,800	3,039	74.98%	
Blackstone Wind Farm III LLC	Delaware	6,275,439 USD	-	-	-	-	-	74.98%	
Blackstone Wind Farm IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blackstone Wind Farm LLC	Delaware	87,477,977 USD	122,043	43,225	78,818	10,185	2,060	74.98%	
Blackstone Wind Farm V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blissville Road LLC	Delaware	2,391,391 USD	2,212	101	2,111	112	10	63.73%	
Blue Canyon Windpower II LLC	Texas	145,146,676 USD	203,428	112,052	91,375	4,167	-6,309	74.98%	
Blue Canyon Windpower III LLC	Texas	- USD	-	-	-	-	-	74.98%	
Blue Canyon Windpower IV LLC	Texas	- USD	-	-	-	-	-	74.98%	
Blue Canyon Windpower V LLC	Texas	13,687,120 USD	107,797	7,760	100,037	17,914	7,525	38.24%	
Blue Canyon Windpower VI LLC	Delaware	82,645,726 USD	98,642	8,871	89,772	6,884	-1,742	74.98%	

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Blue Canyon Windpower VII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Harvest Solar Park LLC	Delaware	3,021,557 USD	3,315	666	2,648	-	-19	74.98%	
Blue Marmot I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot IX LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot VI LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot VII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot VIII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Blue Marmot XI LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Bluebird Prairie Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Bright Stalk Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Broadlands Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Broadlands Wind Farm III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Buffalo Bluff Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
C2 Alpha Holdings LLC	Delaware	100 USD	-	-	-	-	-	63.73%	
C2 Bristol I LLC	Delaware	438,049 USD	580	203	378	-	-9	63.73%	
C2 Bristol II LLC	Delaware	375,061 USD	376	45	331	-	-	63.73%	
C2 CA 2016 Holdings LLC	Delaware	1,414,212 USD	1,406	16	1,390	-	-11	63.73%	
C2 CA WMS Redlands #1693 LLC	Delaware	- USD	-	-	-	-	-	63.73%	
C2 CB 2017 Holdings LLC	Delaware	19,226,268 USD	17,697	326	17,370	-	-576	63.73%	
C2 Centrica MT LLC	Delaware	833,634 USD	15,228	676	14,552	-	-13	63.73%	
C2 CI Holdings 2 LLC	Delaware	120 USD	-	-	-	-	-	63.73%	
C2 CI Sponsor 2 LLC	Delaware	120 USD	-	-	-	-	-	63.73%	
C2 CT Fund 1 Holding LLC	Delaware	37,840,306 USD	46,775	1,813	44,962	-	-312	63.73%	
C2 CT Fund 1 MM LLC	Delaware	19,015,893 USD	33,384	16,462	16,922	-	-477	63.73%	
C2 Energy Development LLC	Delaware	47,664,643 USD	41,787	52	41,735	-	-251	63.73%	
C2 Energy Holdings Inc.	Delaware	- USD	-	20	-20	-	-20	63.73%	
C2 Franklin LLC	Delaware	3,541,757 USD	3,128	5	3,122	-	-	63.73%	
C2 Gamma Holdings LLC	Delaware	3,541,757 USD	3,068	13	3,056	-	-67	63.73%	
C2 IL WMS Bloomington #3459 LLC	Delaware	18,743 USD	18	2	16	-	-	63.73%	
C2 IL WMS Skokie #1998 LLC	Delaware	16,751 USD	16	1	15	-	-	63.73%	
C2 Lessee Holdings LLC	Delaware	2,198,947 USD	1,942	-	1,942	-	-	63.73%	
C2 MA 2016 Holdings LLC	Delaware	1,863,845 USD	1,722	2	1,720	-	12	63.73%	
C2 MA Adams I Holdings LLC	Delaware	11,556,280 USD	10,564	172	10,392	-	-196	63.73%	
C2 MA Adams I LLC	Delaware	11,504,067 USD	9,687	153	9,534	343	-418	63.73%	
C2 MA Adams II LLC	Delaware	1,986,733 USD	3,970	2,237	1,734	298	-64	63.73%	
C2 MA DEPCOM 2017 LLC	Delaware	4,117,007 USD	5,042	82	4,960	-	37	63.73%	
C2 MA DEPCOM Sponsor LLC	Delaware	4,117,006 USD	3,636	1	3,635	-	-	63.73%	
C2 MA Dudley II LLC	Delaware	1,757,742 USD	3,333	1,942	1,391	-	-126	63.73%	
C2 MA FKW Holdings LLC	Delaware	3,059,017 USD	2,934	331	2,604	-	-64	63.73%	
C2 MA Kelly Way Solar LLC	Delaware	1,278,508 USD	1,221	128	1,093	109	-3	63.73%	
C2 MA Lakeville Holdings LLC	Delaware	8,616,468 USD	8,323	190	8,134	-	-26	63.73%	
C2 MA Lakeville LLC	Delaware	9,186,573 USD	8,227	288	7,939	645	-25	63.73%	
C2 MA Lakeville Sponsor LLC	Delaware	8,616,468 USD	7,612	4	7,608	-	-	63.73%	
C2 MA Managing Member II LLC	Delaware	3,058,061 USD	2,701	-	2,701	-	1	63.73%	
C2 MA Managing Member LLC	Delaware	20,695,503 USD	18,273	-	18,273	-	-	63.73%	
C2 MA New Salem LLC	Delaware	1,501,887 USD	2,906	1,550	1,356	226	-2	63.73%	
C2 MA Owner LLC	Delaware	20,695,503 USD	18,761	-	18,761	-	1	63.73%	
C2 MA Swansea Holdings LLC	Delaware	6,744,295 USD	7,153	1,097	6,056	-	-152	63.73%	
C2 MA Swansea LLC	Delaware	7,251,532 USD	6,495	112	6,383	710	190	63.73%	
C2 MN Hopkins LLC	Delaware	3,526,974 USD	3,301	190	3,111	-	-3	63.73%	
C2 Morin LLC	Delaware	1,796,554 USD	1,525	39	1,486	39	-79	63.73%	
C2 NC Kitty Hawk LLC	Delaware	31,854 USD	-	-	-	-	-27	63.73%	
C2 NJ Andover I LLC	Delaware	-0 USD	2,308	1,310	998	218	86	63.73%	
C2 NY Brookhaven LLC	Delaware	2,198,972 USD	6,640	4,731	1,909	-	-31	63.73%	
C2 NY Sentinel Heights Solar LLC	Delaware	1,050,874 USD	923	12	911	-	-16	63.73%	
C2 O&M Services LLC	Delaware	-100 USD	-	-	-	-	-	63.73%	
C2 OH New Lebanon LLC	Delaware	- USD	-	-	-	-	-	63.73%	
C2 OH Otsego I LLC	Delaware	- USD	-	-	-	-	-	63.73%	
C2 OH Otsego II LLC	Delaware	44,388 USD	2,779	1,395	1,384	162	-185	63.73%	
C2 Omega Holding Company LLC	Delaware	- USD	-56	-48	-8	-	-7	63.73%	
C2 Rho LLC	Delaware	39,581,502 USD	72,289	35,186	37,104	2,057	855	63.73%	
C2 RI Hopkinton LLC	Delaware	3,255,570 USD	3,372	500	2,872	162	-16	63.73%	
C2 Scripps 1 LLC	Delaware	1,546,512 USD	2,319	1,044	1,275	82	-62	63.73%	
C2 Scripps 3 LLC	Delaware	1,034,332 USD	1,427	561	866	47	-34	63.73%	
C2 Scripps 4 LLC	Delaware	1,423,536 USD	2,126	917	1,209	75	-36	63.73%	
C2 SH 2019 LLC	Delaware	2,394,952 USD	2,114	-	2,114	-	-	63.73%	
C2 Starratt Solar LLC	Delaware	14,943,617 USD	13,214	328	12,886	540	-206	63.73%	
C2 Starratt Sponsor LLC	Delaware	19,226,368 USD	16,978	3	16,975	-	-	63.73%	
C2 WM 2020 Holdings LLC	Delaware	- USD	-	-	-	-	-	63.73%	

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C2 WM 2020 Parent LLC	Delaware	- USD	-	-	-	-	-	63.73%	
C2 WM Arizona 1 LLC	Delaware	1,096,002 USD	976	21	956	39	-9	63.73%	
C2 WM Arizona 10 LLC	Delaware	820,675 USD	743	26	717	31	-8	63.73%	
C2 WM Arizona 1512 LLC	Delaware	769,539 USD	681	1	680	-	-	63.73%	
C2 WM Arizona 1549 LLC	Delaware	1,406,006 USD	1,336	46	1,290	103	40	63.73%	
C2 WM Arizona 2 LLC	Delaware	1,743,556 USD	1,561	37	1,524	63	-19	63.73%	
C2 WM Arizona 2112 LLC	Delaware	968,455 USD	913	29	883	67	25	63.73%	
C2 WM Arizona 3 LLC	Delaware	2,550,101 USD	2,265	36	2,229	91	-18	63.73%	
C2 WM Arizona 3360 LLC	Delaware	998,541 USD	940	34	906	69	22	63.73%	
C2 WM Arizona 3465 LLC	Delaware	970,934 USD	996	88	909	28	27	63.73%	
C2 WM Arizona 3799 LLC	Delaware	1,113,072 USD	1,378	352	1,026	92	30	63.73%	
C2 WM Arizona 3833 LLC	Delaware	1,121,174 USD	1,381	352	1,029	94	27	63.73%	
C2 WM Arizona 3861 LLC	Delaware	1,434,110 USD	1,353	46	1,307	92	29	63.73%	
C2 WM Arizona 4 LLC	Delaware	2,013,147 USD	1,809	57	1,753	73	-21	63.73%	
C2 WM Arizona 4451 LLC	Delaware	1,153,274 USD	1,129	85	1,045	30	25	63.73%	
C2 WM Arizona 5 LLC	Delaware	1,705,713 USD	1,516	31	1,486	57	-16	63.73%	
C2 WM Arizona 5768 LLC	Delaware	330,916 USD	293	-	293	-	1	63.73%	
C2 WM Arizona 6 LLC	Delaware	2,165,201 USD	1,923	32	1,891	78	-28	63.73%	
C2 WM Arizona 7 LLC	Delaware	2,494,043 USD	2,237	58	2,179	92	-20	63.73%	
C2 WM Arizona 8 LLC	Delaware	2,385,210 USD	2,126	42	2,084	85	-21	63.73%	
C2 WM Arizona 9 LLC	Delaware	2,254,146 USD	2,011	46	1,965	80	-20	63.73%	
C2 WM Arizona Holdings LLC	Delaware	0 USD	-	-	-	-	-	63.73%	
C2 WM California 1789 LLC	Delaware	788,164 USD	775	40	735	66	31	63.73%	
C2 WM California 1988 LLC	Delaware	548,795 USD	527	20	506	45	20	63.73%	
C2 WM California 2039 LLC	Delaware	69,620 USD	-	-	-	-	-59	63.73%	
C2 WM California 4202 LLC	Delaware	381,113 USD	349	11	338	25	2	63.73%	
C2 WM California 4317 LLC	Delaware	707,497 USD	585	-40	625	-	-	63.73%	
C2 WM California 5884 LLC	Delaware	20,936 USD	-	-	-	-	-18	63.73%	
C2 WM California 5890 LLC	Delaware	730,752 USD	672	17	655	37	7	63.73%	
C2 WM California Holdings LLC	Delaware	-0 USD	-	-	-	-	-	63.73%	
C2 WM Chester Leasing LLC	Delaware	268,360 USD	253	34	219	13	-17	63.73%	
C2 WM DSA Holdings LLC	Delaware	13,678,166 USD	21,674	15,268	6,406	499	429	63.73%	
C2 WM DSA Sponsor LLC	Delaware	0 USD	10,960	13,119	-2,159	-	-398	63.73%	
C2 WM Greenwood Leasing LLC	Delaware	408,247 USD	418	53	365	38	4	63.73%	
C2 WM Holdings LLC	Delaware	33,486 USD	30	-	30	-	-	63.73%	
C2 WM Illinois 1404 LLC	Delaware	1,029,591 USD	1,078	39	1,039	194	124	63.73%	
C2 WM Illinois 1489 LLC	Delaware	796,036 USD	818	28	790	129	86	63.73%	
C2 WM Illinois 1548 LLC	Delaware	796,124 USD	708	27	681	36	-16	63.73%	
C2 WM Illinois 1553 LLC	Delaware	781,750 USD	835	34	801	157	112	63.73%	
C2 WM Illinois 1761 LLC	Delaware	927,882 USD	942	43	899	130	83	63.73%	
C2 WM Illinois 1848 LLC	Delaware	714,413 USD	796	34	762	176	134	63.73%	
C2 WM Illinois 1933 LLC	Delaware	794,976 USD	862	41	820	166	122	63.73%	
C2 WM Illinois 2215 LLC	Delaware	891,056 USD	942	37	906	184	135	63.73%	
C2 WM Illinois 2491 LLC	Delaware	1,184,821 USD	1,367	147	1,219	242	177	63.73%	
C2 WM Illinois 253 LLC	Delaware	1,323,490 USD	1,381	50	1,331	226	165	63.73%	
C2 WM Illinois 5442 LLC	Delaware	652,394 USD	691	38	653	114	80	63.73%	
C2 WM Illinois 612 LLC	Delaware	862,755 USD	795	34	761	47	5	63.73%	
C2 WM Illinois 891 LLC	Delaware	1,009,841 USD	1,086	41	1,045	214	158	63.73%	
C2 WM Illinois Holdings LLC	Delaware	32,418 USD	31	-	31	-	2	63.73%	
C2 WM Indian Land Leasing LLC	Delaware	562,805 USD	560	99	462	31	-31	63.73%	
C2 WM Lake Wylie Leasing LLC	Delaware	574,809 USD	565	90	475	31	-29	63.73%	
C2 WM Laurens Leasing LLC	Delaware	2,330,702 USD	2,104	107	1,997	62	-76	63.73%	
C2 WM Leasing LLC	Delaware	1,659,446 USD	1,465	-	1,465	-	-	63.73%	
C2 WM Louisiana 309 LLC	Delaware	247,077 USD	220	3	217	-	-1	63.73%	
C2 WM Louisiana 539 LLC	Delaware	248,384 USD	221	3	218	-	-1	63.73%	
C2 WM Louisiana 87 LLC	Delaware	598,597 USD	562	26	536	36	3	63.73%	
C2 WM Louisiana Holdings LLC	Delaware	-1,750 USD	-	-	-	-	-	63.73%	
C2 WM Maryland 1715 LLC	Delaware	306,301 USD	1,034	759	274	5	4	63.73%	
C2 WM Maryland 2436 LLC	Delaware	72,582 USD	1,389	1,318	72	9	9	63.73%	
C2 WM Maryland Holdings LLC	Delaware	-0 USD	-	-	-	-	-	63.73%	
C2 WM New Jersey 1 LLC	Delaware	5,899,739 USD	5,353	71	5,282	372	92	63.73%	
C2 WM New Jersey 1807 LLC	Delaware	714,488 USD	632	1	631	-	-	63.73%	
C2 WM New Jersey 1844 LLC	Delaware	709,118 USD	628	2	626	-	-	63.73%	
C2 WM New Jersey 1869 LLC	Delaware	726,894 USD	653	12	642	-	-	63.73%	
C2 WM New Jersey 1977 LLC	Delaware	721,107 USD	648	12	637	-	-	63.73%	
C2 WM New Jersey 2195 LLC	Delaware	1,241,791 USD	1,104	3	1,101	-	4	63.73%	
C2 WM New Jersey 3795 LLC	Delaware	1,399,016 USD	1,241	6	1,235	-	-	63.73%	
C2 WM New Jersey Holdings LLC	Delaware	-0 USD	-	-	-	-	-	63.73%	
C2 WM Phase 3 Holdings LLC	Delaware	- USD	-	-	-	-	-	63.73%	
C2 WM Phase 3 Sponsor LLC	Delaware	- USD	-	-	-	-	-	63.73%	
C2 WM Phase I Holdings LLC	Delaware	1,606,214 USD	1,466	17	1,448	-	-2	63.73%	
C2 WM Pickens Leasing LLC	Delaware	220,811 USD	241	34	207	13	12	63.73%	

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C2 WM Powdersville Leasing LLC	Delaware	637,304 USD	576	29	547	26	-14	63.73%	
C2 WM Regent Dev Holdings 2020 LLC	Delaware	-234 USD	-	-	-	-	-14	63.73%	
C2 WM Simpsonville Leasing LLC	Delaware	812,448 USD	772	57	715	55	-3	63.73%	
C2 Woodbury Solar LLC	Delaware	10,600,158 USD	9,356	16	9,340	-	-18	63.73%	
C2-REA Solar LLC	Delaware	10,432,082 USD	8,475	2	8,473	-	-1	63.73%	
CA Gettysburg Solar Farm LLC	Delaware	1,863,955 USD	1,889	243	1,646	-	-	63.73%	
CA Marinwood Solar LLC	Delaware	56,838 USD	52	2	50	-	-	63.73%	
CA Olde Thompson Solar LLC	Delaware	0 USD	1,003	1,265	-262	21	-37	63.73%	
CA Syracuse Solar LLC	Delaware	48,484 USD	44	2	43	-	-	63.73%	
CA Tours Solar LLC	Delaware	- USD	44	46	-1	-	-1	63.73%	
Camden PV PSEG Solar LLC	Delaware	115,262 USD	-	-43	43	-	-46	63.73%	
Camden PV Solar LLC	Delaware	8,210,023 USD	6,588	135	6,453	517	-283	63.73%	
Cameron Solar LLC	Delaware	35,427,886 USD	34,702	3,126	31,577	1,786	23	74.98%	
Casa Grande Carmel Solar LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Castle Valley Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cattlemen Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cattlemen Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Chateaugay River Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cielo Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Clinton County Wind Farm LLC	Delaware	195,664,711 USD	172,750	-	172,750	-	-	74.98%	
Cloud County Wind Farm LLC	Delaware	138,746,576 USD	179,790	13,732	166,058	19,756	4,638	38.24%	
Clover Creek Solar Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Coldwater Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Coos Curry Wind Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cortland-Virgil Road Solar LLC	Delaware	7,263,234 USD	6,316	323	5,993	-	-403	63.73%	
Creed Road Solar 1 LLC	Delaware	3,950 USD	3	-	3	-	-	63.73%	
Crescent Bar Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Crooked Lake Solar LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Cropsey Ridge Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Crossing Trails Wind Power Project II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Crossing Trails Wind Power Project LLC	Delaware	57,425,925 USD	143,406	93,927	49,479	3,206	-1,155	74.98%	
Dairy Hills Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
DC Green Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
DC- JD Portfolio - 818 Michigan	Delaware	1,966 USD	5	6	-1	-	-3	63.73%	
DC- JD Portfolio - Barrel Roof	Delaware	1,475 USD	2	1	1	-	-	63.73%	
DC- JD Portfolio - Flat Roof	Delaware	1,625 USD	2	1	1	-	-	63.73%	
DC- JD Portfolio - Green Roof	Delaware	1,819 USD	2	-	2	-	-	63.73%	
DC- JD Portfolio - Parking Deck	Delaware	1,819 USD	2	-	2	-	-	63.73%	
DC Michigan Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
DC PD Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Diamond Power Partners LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Drake Peak Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Dry Creek Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Duff Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Duff Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
East Klickitat Wind Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
East River Solar LLC	Delaware	1,918,703 USD	1,886	257	1,629	-	-63	63.73%	
Eastmill Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR CA Solar Park II LLC	Delaware	28,296 USD	5	41	-36	-	-59	74.98%	
EDPR CA Solar Park III LLC	Delaware	- USD	-	8	-8	-	-7	74.98%	
EDPR CA Solar Park IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR CA Solar Park LLC	Delaware	255,856 USD	231	24	207	-	-12	74.98%	
EDPR CA Solar Park V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR CA Solar Park VI LLC	Delaware	203,119 USD	-	36	-36	-	-137	74.98%	
EDPR NA DG Holding LLC	Delaware	64,314,877 USD	56,785	1	56,784	-	-1	74.98%	
EDPR NA DG MN SLP LLC	Delaware	- USD	-	-	-	-	-	63.73%	
EDPR NA DG MN YMCA LLC	Delaware	- USD	-	-	-	-	-	63.73%	
EDPR NA Distributed Generation LLC	Delaware	29,894,810 USD	130,648	55,832	74,815	380	-4,143	63.73%	
EDPR NA Greenfield Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR NA Shelby Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Northeast Allen Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Northeast Allen Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR RS LLC	Delaware	- USD	-	-	-	-	-	74.98%	
EDPR Solar Ventures I LLC	Delaware	35,044,683 USD	54,948	3,853	51,095	-	124	37.49%	
EDPR Solar Ventures II LLC	Delaware	53,108,705 USD	96,572	25,287	71,285	-	6,002	74.98%	
EDPR Solar Ventures III LLC	Delaware	78,315,618 USD	77,867	172	77,695	-	4,431	74.98%	
EDPR Solar Ventures IV LLC	Delaware	93,011,976 USD	97,731	283	97,448	-	6,256	74.98%	
EDPR Solar Ventures V LLC	Delaware	0 USD	26,046	-	26,046	-	80,370	74.98%	
EDPR South Table LLC	Nebraska	- USD	-	-	-	-	-	74.98%	
EDPR Vento I Holding LLC	Delaware	260,468,682 USD	229,974	-	229,974	-	-	74.98%	
EDPR Vento IV Holding LLC	Delaware	134,291,179 USD	173,248	37,979	135,269	-	317	74.98%	
EDPR WF LLC	Delaware	49,317,020 USD	43,543	-	43,543	-	-	74.98%	
EDPR Wind Ventures X LLC	Delaware	0 USD	75,528	11,330	64,198	-	7,607	74.98%	

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EDPR Wind Ventures XI LLC	Delaware	28,665,730 USD	192,298	113,844	78,454	-	7,077	38.24%	
EDPR Wind Ventures XII LLC	Delaware	21,158,908 USD	98,441	71,430	27,011	-	2,266	38.24%	
EDPR Wind Ventures XIII LLC	Delaware	69,996,945 USD	240,287	143,334	96,953	-	6,896	38.24%	
EDPR Wind Ventures XIV LLC	Delaware	27,297,324 USD	210,856	150,303	60,553	-	7,817	38.24%	
EDPR Wind Ventures XIX LLC	Delaware	- USD	26,699	2,950	23,749	-	-1,678	74.98%	
EDPR Wind Ventures XV LLC	Delaware	92,010,243 USD	379,899	238,844	141,055	-	9,388	74.98%	
EDPR Wind Ventures XVI LLC	Delaware	57,071,334 USD	147,869	88,572	59,297	-	2,106	74.98%	
EDPR Wind Ventures XVII LLC	Delaware	- USD	35,443	2,930	32,513	-	314	74.98%	
EDPR Wind Ventures XVIII LLC	Delaware	185,537,578 USD	397,627	207,898	189,729	-	8,428	74.98%	
EDPR Wind Ventures XX LLC	Delaware	0 USD	43,247	22,447	20,800	56	104,998	74.98%	
EDPR Wind Ventures XXI LLC	Delaware	108,549,602 USD	217,559	115,649	101,910	-	3,562	74.98%	
EDPR Wind Ventures XXII LLC	Delaware	152,223,674 USD	711,509	569,460	142,049	-	7,323	74.98%	
EDPR Wind Ventures XXIII LLC	Delaware	19,268,420 USD	142,365	125,353	17,013	-	-	74.98%	
EDPRNA DG WM Illinois 1998 LLC	Delaware	- USD	-	-	-	-	-	63.73%	
EDPRNA DG WM Illinois 3459 LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Edwardsport Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Esker Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Esker Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Estill Solar I LLC	Delaware	38,619,782 USD	36,070	1,957	34,114	1,615	-55	74.98%	
Five-Spot LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Ford Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Franklin Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
German Community Solar LLC	Delaware	5,179,344 USD	4,628	138	4,491	-	-79	63.73%	
Gilpatrick Solar LLC	Delaware	636,786 USD	563	1	562	-	-	63.73%	
Goldfinger Ventures III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Green Country Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Green Power Offsets LLC	Delaware	10,515 USD	-	-	-	-	-	74.98%	
Greenbow Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Gulf Coast Windpower Management Company LLC	Delaware	- USD	-	-	-	-	-	56.23%	
Hampton Solar II LLC	Delaware	35,227,996 USD	34,253	1,734	32,519	1,702	79	74.98%	
Headwaters Wind Farm II LLC	Delaware	119,703,209 USD	243,807	139,605	104,202	7,056	-614	74.98%	
Headwaters Wind Farm III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Headwaters Wind Farm IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Headwaters Wind Farm LLC	Delaware	217,811,725 USD	285,237	27,788	257,449	21,651	14,173	38.24%	
Helena Harbor Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Hidalgo Wind Farm II LLC	Delaware	40,276,008 USD	71,141	26,970	44,171	10,682	7,377	74.98%	
Hidalgo Wind Farm LLC	Delaware	311,346,329 USD	316,706	20,266	296,439	42,303	21,032	74.98%	
High Prairie Wind Farm II LLC	Delaware	52,937,170 USD	91,429	15,227	76,202	10,959	1,710	38.24%	
High Trail Wind Farm LLC	Delaware	141,391,609 USD	209,169	19,125	190,044	20,031	-678	74.98%	
Holly Hill Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Chocolate Bayou I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Midwest IX LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Northwest I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Northwest IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Northwest VII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Northwest X LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Northwest XI LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Panhandle I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Southwest I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Southwest II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Southwest III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Southwest IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Energy Valley I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind Freeport Windpower I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horizon Wind MREC Iowa Partners LLC	Delaware	- USD	-	-	-	-	-	56.23%	
Horizon Wind Ventures I LLC	Delaware	225,515,009 USD	1,176,230	363,809	812,421	-	1,876	74.98%	
Horizon Wind Ventures III LLC	Delaware	- USD	13,223	3,660	9,563	-	-162	38.24%	
Horizon Wind Ventures IX LLC	Delaware	27,119,991 USD	58,174	35,698	22,476	-	1,507	38.24%	
Horizon Wyoming Transmission LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Horse Mountain Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Indiana Crossroads Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Indiana Crossroads Wind Farm II LLC	Delaware	26,224 USD	128	139	-12	-	-34	74.98%	
Indiana Crossroads Wind Ventures LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Jericho Rise Wind Farm LLC	Delaware	126,963,501 USD	130,337	8,715	121,622	8,953	240	74.98%	
Juniper Wind Power Partners LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Leprechaun Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Lexington Chenoa Wind Farm II LLC	Delaware	1,993,645 USD	1,260	31	1,229	-	-	74.98%	
Lexington Chenoa Wind Farm III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Lime Hollow Solar LLC	Delaware	7,416,181 USD	6,397	347	6,050	-	-408	63.73%	
Little Brook Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	

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Loblolly Hill Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Loki Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Loma de la Gloria Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Lone Valley Solar Park I LLC	Delaware	22,962,297 USD	23,770	1,824	21,946	1,635	271	37.49%	
Lone Valley Solar Park II LLC	Delaware	38,660,092 USD	44,273	3,616	40,657	3,467	1,140	37.49%	
Long Hollow Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Lost Lakes Wind Farm LLC	Delaware	115,082,737 USD	113,977	14,136	99,841	8,123	-4,808	74.98%	
Lowland Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Loyal Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Machias Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Madison Windpower LLC	Delaware	18,467,844 USD	3,468	624	2,844	484	-1,337	74.98%	
Marathon Wind Farm LLC	Delaware	- USD	-	2	-2	-	-2	74.98%	
Marble River LLC	Delaware	195,677,957 USD	303,844	99,311	204,532	15,297	3,569	74.98%	
Martinsdale Wind Farm LLC	Delaware	5,939,964 USD	5,164	44	5,120	-	-65	74.98%	
McLean Solar 1 LLC	Delaware	-0 USD	-	1,300	-1,300	-	-	63.73%	
McLean Solar 2 LLC	Delaware	7,062,552 USD	6,095	265	5,830	-	-371	63.73%	
ME Dover Foxcroft Solar LLC	Delaware	460,235 USD	413	8	405	-	-1	63.73%	
ME Ellsworth Solar LLC	Delaware	691,796 USD	616	6	610	-	-1	63.73%	
ME New Vineyard Solar LLC	Delaware	123,383 USD	118	9	109	-	-	63.73%	
ME Punky Meadows Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
ME Rocky Hill Solar LLC	Delaware	138,893 USD	126	4	123	-	-	63.73%	
ME Sandy Hill Solar LLC	Delaware	166,014 USD	153	6	147	-	-	63.73%	
Meadow Lake Solar Park LLC	Delaware	13,606,612 USD	22,209	10,626	11,583	-	-413	74.98%	
Meadow Lake Wind Farm II LLC	Delaware	142,057,689 USD	119,538	13,141	106,397	7,863	-3,630	74.98%	
Meadow Lake Wind Farm III LLC	Delaware	89,286,028 USD	129,610	45,597	84,014	8,265	-245	74.98%	
Meadow Lake Wind Farm IV LLC	Delaware	85,653,988 USD	104,059	36,762	67,297	5,639	-1,828	74.98%	
Meadow Lake Wind Farm LLC	Delaware	180,758,904 USD	221,048	79,106	141,942	14,204	1,309	74.98%	
Meadow Lake Wind Farm VIII LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Mesquite Wind LLC	Delaware	102,962,847 USD	165,954	9,893	156,060	19,111	435	74.98%	
MidCoast C2 Solar LLC	Delaware	7,534 USD	7	-	7	-	-	63.73%	
Mineral Springs Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Misenheimer Solar LLC	Delaware	9,363,759 USD	8,367	99	8,267	-	-	74.98%	
MN CSG 2 LLC	Delaware	10,542,149 USD	9,727	533	9,194	424	-44	63.73%	
Moonshine Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Morgan Road Solar East LLC	Delaware	2,671,714 USD	2,357	20	2,337	-	-21	63.73%	
Morgan Road Solar West LLC	Delaware	2,426,391 USD	2,140	21	2,119	-	-22	63.73%	
MT Plentywood Solar I LLC	Delaware	- USD	-	-	-	-	-	63.73%	
MT Plentywood Solar II LLC	Delaware	- USD	-	-	-	-	-	63.73%	
NC Loy Farm Solar LLC	Delaware	-25,000 USD	-19	28	-48	-	-24	63.73%	
ND Crystal Solar I LLC	Delaware	- USD	-	-	-	-	-	63.73%	
New Scotland 5 Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
New Trail Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
NH Hinsdale Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Nine Kings Transco LLC	Delaware	- USD	-	-	-	-	-	74.98%	
NJ GSEB Fal Solar LLC	Delaware	1,800 USD	-	3	-3	-	-4	63.73%	
North Coast Highway Solar 1 LLC	Delaware	14,872 USD	26	12	13	-	-	63.73%	
North Coast Highway Solar 2 LLC	Delaware	38,016 USD	35	1	34	-	-	63.73%	
North Slope Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Norton Solar I LLC	Delaware	1,734,345 USD	1,754	11	1,743	183	150	63.73%	
Norton Solar II LLC	Delaware	1,880,287 USD	1,723	11	1,712	185	32	63.73%	
Number Nine Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
NV Solar Sparks LLC	Delaware	630 USD	10	9	1	-	-	63.73%	
NY Broadway SAS LLC	Delaware	- USD	-	-	-	-	-	63.73%	
NY CSG 2 Holdings LLC	Delaware	2,155,217 USD	27,035	19,926	7,109	-	-96	63.73%	
NY CSG 2 Sponsor LLC	Delaware	2,137,093 USD	1,882	-	1,882	-	-	63.73%	
NY Gomer SAS LLC	Delaware	- USD	-	-	-	-	-	63.73%	
NY Hemlock Hills Solar LLC	Delaware	7,150 USD	5	5	-	-	-6	63.73%	
NY Highland SAS LLC	Delaware	- USD	-	-	-	-	-	63.73%	
NY Mines Press Solar LLC	Delaware	-0 USD	4,115	7,965	-3,850	-	-	63.73%	
NY Morgan Solar LLC	Delaware	-8,776 USD	-5	1	-6	-	1	63.73%	
NY OG 1 Solar LLC	Delaware	6,297,165 USD	5,560	-	5,560	-	-	63.73%	
NY- Potsdam I	Delaware	3,118,133 USD	2,761	27	2,734	-	-18	63.73%	
Old Trail Wind Farm LLC	Delaware	113,264,738 USD	217,579	18,355	199,224	32,142	9,635	38.24%	
Omega CSG 1 LLC	Delaware	1,694,817 USD	24,337	20,834	3,504	-	-510	63.73%	
OPQ Property LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Pacific Southwest Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Parkman Solar DG LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Paulding Wind Farm II LLC	Delaware	65,052,895 USD	134,194	20,909	113,285	17,131	4,954	38.24%	
Paulding Wind Farm III LLC	Delaware	166,772,933 USD	180,683	18,696	161,987	9,668	3,475	74.98%	
Paulding Wind Farm IV LLC	Delaware	197,692,179 USD	209,465	39,396	170,069	7,563	-3,770	74.98%	
Paulding Wind Farm LLC	Delaware	35,360 USD	-	1	-	-	-	74.98%	
Paulding Wind Farm V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Paulding Wind Farm VI LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Pearl River Solar Park LLC	Delaware	3,279,083 USD	2,996	101	2,895	-	-	74.98%	
Penn Yan Solar I LLC	Delaware	8,413,811 USD	7,401	241	7,160	-	-257	63.73%	
Peterson Power Partners LLC	Delaware	- USD	-	-	-	-	-	74.98%	

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Pioneer Prairie Wind Farm I LLC	Delaware	195,651,518 USD	332,160	34,237	297,923	39,858	4,951	38.24%	
Piscataquis Valley Solar LLC	Delaware	400,926 USD	354	-	354	-	-	63.73%	
Pleasantville Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Plum Nellie Wind Farm LLC	Delaware	- USD	-	6	-6	-	-6	74.98%	
Poplar Camp Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Post Oak Wind LLC	Delaware	110,834,205 USD	181,532	8,218	173,314	21,090	2,250	38.24%	
Prospector Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Quilt Block Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rail Splitter Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rail Splitter Wind Farm LLC	Delaware	196,283,871 USD	131,156	15,450	115,707	9,006	-2,006	74.98%	
Randolph Solar Park LLC	Delaware	23,990,795 USD	21,303	153	21,150	-	-31	74.98%	
RE Scarlet LLC	Delaware	552,697 USD	868	380	488	-	-	74.98%	
REA-C2 2016 Lessee LLC	Delaware	8,000,751 USD	7,338	36	7,302	-	3	63.73%	
Reloj del Sol Wind Farm LLC	Delaware	301,559,271 USD	256,543	13,531	243,012	4,063	-22,246	74.98%	
Renville County Wind Farm LLC	Delaware	1,923,473 USD	1,699	-	1,698	-	-	74.98%	
RevEnergy C2 Franklin LLC	Delaware	1,928,055 USD	1,860	190	1,670	138	-59	63.73%	
RI Abrava Solar LLC	Delaware	428,345 USD	1,352	1,050	301	-	-73	63.73%	
RI- Comolli	Delaware	- USD	-	-	-	-	-	63.73%	
RI- Moo Cow	Delaware	1,511,194 USD	1,265	-73	1,338	-	3	63.73%	
RI Quarry Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
RI Sposato Solar LLC	Delaware	74,820 USD	79	13	66	-	-	63.73%	
RI Stainless LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Rio Blanco Wind Farm LLC	Delaware	3,076,391 USD	2,715	-	2,715	-	-	74.98%	
Rising Tree Wind Farm II LLC	Delaware	23,143,047 USD	28,852	2,328	26,524	3,041	1,035	38.24%	
Rising Tree Wind Farm III LLC	Delaware	126,301,270 USD	157,573	3,593	153,980	20,605	12,061	38.24%	
Rising Tree Wind Farm LLC	Delaware	88,356,730 USD	124,690	3,615	121,074	18,624	9,569	38.24%	
Riverstart Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Riverstart Solar Park III LLC	Delaware	1,223,699 USD	1,201	159	1,043	-	-36	74.98%	
Riverstart Solar Park IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Riverstart Solar Park V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Riverstart Solar Park VI LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rock Dane Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rolling Upland Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rosewater Ventures LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Route 13 Solar LLC	Delaware	7,578,811 USD	6,561	283	6,278	-	-323	63.73%	
Route 149 LLC	Delaware	2,752,358 USD	2,583	176	2,407	118	-11	63.73%	
RS Holyoke 3 LLC	Delaware	1,881,415 USD	1,720	153	1,566	131	-42	63.73%	
RSBF E470 I LLC	Delaware	1,171,087 USD	1,156	39	1,117	143	84	63.73%	
RSBF Jeffco II LLC	Delaware	419,761 USD	2,107	1,739	368	-	-2	63.73%	
RTSW Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
RTSW Solar Park VI LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Rush County Wind Farm LLC	Delaware	2,856,408 USD	2,538	16	2,522	-	-	74.98%	
Rye Patch Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Saddleback Wind Power Project LLC	Delaware	1,354,487 USD	4	-	4	-	-	74.98%	
Sagebrush Power Partners LLC	Delaware	121,645,156 USD	109,163	9,409	99,755	14,743	4,583	74.98%	
Sailor Springs Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
San Clemente Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Sardinia Windpower LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Sawmill Junction Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
SC Beaufort Jasper Solar LLC	Delaware	5,419 USD	10	7	3	-	-1	63.73%	
SC Heathwood Hall Solar LLC	Delaware	1,112 USD	4	3	1	-	-	63.73%	
SC Southern Wesleyan Solar LLC	Delaware	620 USD	1	-	1	-	-	63.73%	
Sedge Meadow Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Shields Drive LLC	Delaware	2,644,959 USD	2,395	96	2,299	108	-22	63.73%	
Shullsburg Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Signal Hill Wind Power Project LLC	Delaware	4,502 USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm IV LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Simpson Ridge Wind Farm V LLC	Delaware	- USD	-	-	-	-	-	74.98%	
SLX Project 1080 LLC	Delaware	1,670,550 USD	1,710	163	1,547	155	41	63.73%	
Smart Sunscribe LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Solar Ventures Purchasing LLC	Delaware	369,211 USD	1,533	2,282	-749	-	-2	74.98%	
Soteria Solar Services LLC	Delaware	3,807,154 USD	3,289	161	3,128	-	-118	63.73%	
Spruce Ridge Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Stinson Mills Wind Farm LLC	Delaware	4,640,820 USD	4,025	16	4,010	-	-	74.98%	
Strawberry Solar Farm LLC	Delaware	2,612,616 USD	2,270	22	2,249	-	-56	63.73%	
Sustaining Power Solutions LLC	Delaware	126,651,741 USD	26,864	20,354	6,510	22,146	-27,716	74.98%	

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Sweet Stream Wind Farm LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Telocaset Wind Power Partners LLC	Delaware	-0 USD	92,821	8,426	84,396	19,865	9,932	38.24%	
Tillma Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Tillman Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Tillman Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road II Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road III Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road Solar Park II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road Solar Park III LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Timber Road Solar Park LLC	Delaware	2,972,920 USD	3,153	551	2,601	-	-23	74.98%	
Top Crop I Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Top Crop II Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Tug Hill Windpower LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Tumbleweed Wind Power Project LLC	Delaware	4,003 USD	-	-	-	-	-	74.98%	
Turtle Creek Wind Farm LLC	Delaware	267,820,905 USD	274,193	24,037	250,156	14,937	2,198	74.98%	
Twin Groves I Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Twin Groves II Storage LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Upper Road LLC	Delaware	2,509,510 USD	2,423	218	2,205	121	-3	63.73%	
VA- Green Acres	Delaware	9,247 USD	8	-	8	-	-	63.73%	
VT Stone Valley LLC	Delaware	-0 USD	-	-	-	-	-	63.73%	
Waterville Solar LLC	Delaware	- USD	-	-	-	-	-	63.73%	
Waverly Wind Farm II LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Waverly Wind Farm LLC	Delaware	238,126,730 USD	254,017	15,382	238,635	21,470	5,898	38.24%	
Western Trail Wind Project I LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Wheat field Holding LLC	Delaware	- USD	-	20,320	-20,320	-	-4	38.24%	
Wheat field Wind Power Project LLC	Delaware	- USD	85,522	26,589	58,933	14,916	7,908	38.24%	
Whiskey Ridge Power Partners LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Whistling Wind WI Energy Center LLC	Delaware	- USD	-	-	-	-	-	74.98%	
White Stone Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Whitestone Wind Purchasing LLC	Delaware	-0 USD	62,336	161,183	-98,846	-	31,884	74.98%	
Wildcat Creek Wind Farm LLC	Delaware	251,399,604 USD	250,917	28,768	222,149	5,695	227	74.98%	
Wilson Creek Power Project LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Wind Turbine Prometheus LP	Delaware	5,990 USD	-	-	-	-	-	74.98%	
Wolf Run Solar LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Wrangler Solar Park LLC	Delaware	- USD	-	-	-	-	-	74.98%	
WTP Management Company LLC	Delaware	- USD	-	-	-	-	-	74.98%	
Canada:									
EDP Renewables Canada, Ltd. (Empresa-Matriz de Subgrupo Canadá	British Columbia	144,145,495 CAD	110,212	12,830	97,383	2	-2,585	74.98%	
Blue Bridge Solar Park GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
Blue Bridge Solar Park LP	British Columbia	- CAD	125	340	-215	-	2	74.98%	
Bromhead Solar Park GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
Bromhead Solar Park LP	Saskatchewan	- CAD	125	340	-215	-	2	74.98%	
EDP Renewables Canada Management Services Ltd	British Columbia	- CAD	6,067	8,711	-2,644	442	-	74.98%	
EDP Renewables Sask SE GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
EDP Renewables Sask SE Limited Partnership	Ontário	- CAD	84	799	-716	-	-149	74.98%	
EDP Renewables SH II Project GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
EDP Renewables SH II Project LP	Alberta	- CAD	-	-	-	-	-	74.98%	
EDP Renewables Sharp Hills Project GP Ltd.	British Columbia	- CAD	-	-	-	-	-	74.98%	
EDP Renewables Sharp Hills Project LP	Alberta	18,527,471 CAD	58,484	45,598	12,886	-	-837	74.98%	
Halbrite Solar Park GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
Halbrite Solar Park LP	Saskatchewan	- CAD	125	340	-215	-	2	74.98%	
Kennedy Wind Farm GP Ltd	British Columbia	- CAD	-	-	-	-	-	74.98%	
Kennedy Wind Farm LP	Saskatchewan	- CAD	125	340	-215	-	2	74.98%	
Nation Rise Wind Farm GP Inc.	British Columbia	1,690 CAD	8	25	-17	-	-6	74.98%	
Nation Rise Wind Farm LP	Ontário	72,345,683 CAD	217,249	169,479	47,770	7,692	1,059	37.48%	
SBWF GP Inc.	British Columbia	42 CAD	1	-	1	-	-	38.24%	
South Branch Wind Farm II GP Inc.	British Columbia	- CAD	-	-	-	-	-	74.98%	
South Branch Wind Farm II LP	Ontário	387,548 CAD	1,621	1,790	-169	-	7	74.98%	
South Dundas Wind Farm LP	Ontário	4,847,541 CAD	48,060	20,528	27,532	6,941	3,494	38.24%	
Mexico:									
EDPR Servicios de México, S. de R.L. de C.V.	Cidade do México	160,535,656 MXN	6,409	1,494	4,915	2,457	213	74.98%	
Eólica de Coahuila, S.A. de C.V.	Cidade do México	7,792,042 USD	261,651	217,263	44,387	41,367	11,548	38.24%	
Vientos de Coahuila, S.A. de C.V.	Cidade do México	2,502,421 USD	102,439	102,151	288	-	-1,274	74.98%	
Parque Solar Los Cuervos, S. de R.L. de C.V.	Cidade do México	5,244,480 USD	203,077	198,646	4,431	12,097	416	74.98%	
South America Geography / Platform:									
Brazil:									
EDP Renovaveis Brasil, SA (EDPR BR Subgroup Parent Company)	São Paulo	2,129,472,300 BRL	531,695	134,454	397,241	1,146	12,218	74.98%	
Aventura Holding, S.A.	São Paulo	127,733,996 BRL	36,164	8,282	27,882	-	10,115	74.98%	
Central Eólica Amanhecer I, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer II, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	

Subsidiaries	HeadOffice	Share capital / Currency	Assets 31-Dec-21 Euro'000	Liabilities 31-Dec-21 Euro'000	Equity 31-Dec-21 Euro'000	Revenues 31-Dec-21 Euro'000	Net Profit/(Loss) 31-Dec-21 Euro'000	% Group	% Company
Central Eólica Amanhecer III, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer IV, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer V, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer VI, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Amanhecer VII, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Eólica Aventura I, S.A.	São Paulo	81,678,829 BRL	23,754	9,450	14,304	3,626	796	38.24%	
Central Eólica Aventura II, S.A.	São Paulo	31,220,564 BRL	16,381	9,770	6,611	3,709	2,224	74.98%	
Central Eólica Aventura III, S.A.	São Paulo	39,746,401 BRL	20,765	12,384	8,381	4,385	2,741	74.98%	
Central Eólica Aventura IV, S.A.	São Paulo	49,231,221 BRL	22,362	12,393	9,968	5,047	2,861	74.98%	
Central Eólica Aventura V, S.A.	São Paulo	43,768,851 BRL	21,879	13,191	8,688	4,546	2,313	74.98%	
Central Eólica Baixa do Feijão I, S.A.	São Paulo	39,216,713 BRL	20,429	12,096	8,333	2,903	261	38.24%	
Central Eólica Baixa do Feijão II, S.A.	São Paulo	40,551,200 BRL	19,952	11,218	8,734	2,961	415	38.24%	
Central Eólica Baixa do Feijão III, S.A.	São Paulo	67,416,713 BRL	23,328	12,358	10,970	2,721	-72	38.24%	
Central Eólica Baixa do Feijão IV, S.A.	São Paulo	44,433,110 BRL	19,635	11,265	8,370	2,636	143	38.24%	
Central Eólica Boqueirão I, S.A.	São Paulo	100,213,500 BRL	18,891	3,027	15,864	-	-11	74.98%	
Central Eólica Boqueirão II, S.A.	São Paulo	70,245,500 BRL	13,572	2,453	11,120	-	-8	74.98%	
Central Eólica Catanduba I, S.A.	São Paulo	500 BRL	4,628	4,810	-182	-	-175	74.98%	
Central Eólica Catanduba II, S.A.	São Paulo	500 BRL	4,217	4,228	-11	-	-6	74.98%	
Central Eólica JAU, S.A.	São Paulo	174,051,904 BRL	67,412	30,641	36,771	9,786	1,904	38.24%	
Central Eólica Jerusalém I, S.A.	São Paulo	9,894,250 BRL	10,953	9,414	1,539	-	-16	74.98%	
Central Eólica Jerusalém II, S.A.	São Paulo	9,015,250 BRL	10,621	9,215	1,406	-	-12	74.98%	
Central Eólica Jerusalém III, S.A.	São Paulo	9,709,250 BRL	18,910	17,398	1,512	-	-16	74.98%	
Central Eólica Jerusalém IV, S.A.	São Paulo	8,959,150 BRL	10,635	9,239	1,397	-	-12	74.98%	
Central Eólica Jerusalém V, S.A.	São Paulo	8,973,250 BRL	10,554	9,155	1,399	-	-12	74.98%	
Central Eólica Jerusalém VI, S.A.	São Paulo	10,516,250 BRL	12,029	10,386	1,643	-	-13	74.98%	
Central Eólica Monte Verde I, S.A.	Lagoa Nova	20,593,200 BRL	39,746	36,514	3,233	-	-20	74.98%	
Central Eólica Monte Verde II, S.A.	Lagoa Nova	20,307,200 BRL	34,886	31,694	3,193	-	-18	74.98%	
Central Eólica Monte Verde III, S.A.	Lagoa Nova	18,473,200 BRL	28,617	25,718	2,899	-	-19	74.98%	
Central Eólica Monte Verde IV, S.A.	Lagoa Nova	14,528,200 BRL	26,315	24,037	2,277	-	-16	74.98%	
Central Eólica Monte Verde V, S.A.	Lagoa Nova	10,517,200 BRL	17,763	16,114	1,649	-	-15	74.98%	
Central Eólica Monte Verde VI, S.A.	Lagoa Nova	12,211,000 BRL	22,589	20,683	1,906	-	-19	74.98%	
Central Eólica SRMN I, S.A.	São Paulo	54,114,765 BRL	28,516	20,142	8,374	-	-162	74.98%	
Central Eólica SRMN II, S.A.	São Paulo	83,393,676 BRL	34,492	20,421	14,070	1,640	1,138	74.98%	
Central Eólica SRMN III, S.A.	São Paulo	54,211,265 BRL	28,536	20,133	8,402	-	-156	74.98%	
Central Eólica SRMN IV, S.A.	São Paulo	55,642,262 BRL	29,810	21,172	8,638	-	-148	74.98%	
Central Eólica SRMN V, S.A.	São Paulo	41,343,289 BRL	23,248	16,422	6,826	780	382	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar II, S.A.	São Paulo	500 BRL	217	68	149	-	-	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar III, S.A.	São Paulo	500 BRL	216	67	149	-	-	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar IV, S.A.	São Paulo	500 BRL	217	68	149	-	-	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar VI, S.A.	São Paulo	500 BRL	217	68	149	-	-	74.98%	
Central Geradora Fotovoltaica Monte Verde Solar VII, S.A.	São Paulo	500 BRL	215	66	149	-	-	74.98%	
Central Nacional de Energia Eólica, S.A.	São Paulo	12,396,000 BRL	4,378	1,087	3,292	2,168	1,262	38.24%	
Central Solar Lagoa I, S.A.	São Paulo	510,000 BRL	194	115	80	-	-1	74.98%	
Central Solar Lagoa II, S.A.	São Paulo	510,000 BRL	172	92	80	-	-1	74.98%	
Central Solar Novo Oriente I, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Novo Oriente II, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Novo Oriente III, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Novo Oriente IV, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Novo Oriente V, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Novo Oriente VI, S.A.	São Paulo	50 BRL	-	-	-	-	-	74.98%	
Central Solar Pereira Barreto I, S.A.	Pereira Barreto	39,317,000 BRL	28,884	21,390	7,494	2,233	1,743	74.98%	
Central Solar Pereira Barreto II, S.A.	Pereira Barreto	102,597,000 BRL	27,997	10,583	17,414	2,133	1,716	74.98%	
Central Solar Pereira Barreto III, S.A.	Pereira Barreto	34,747,000 BRL	35,620	29,179	6,441	1,707	1,287	74.98%	
Central Solar Pereira Barreto IV, S.A.	Pereira Barreto	54,747,000 BRL	28,114	18,813	9,300	1,528	1,055	74.98%	
Central Solar Pereira Barreto V, S.A.	Pereira Barreto	14,035,000 BRL	25,488	23,369	2,119	575	-20	74.98%	
Elebrás Projetos, S.A.	São Paulo	103,779,268 BRL	40,093	14,429	25,664	19,334	8,784	38.24%	
Jerusalém Holding, S.A.	São Paulo	57,212,700 BRL	66,235	57,341	8,893	-	-97	74.98%	
Monte Verde Holding, S.A.	São Paulo	96,816,300 BRL	59,104	43,952	15,152	-	-126	74.98%	
SRMN Holding, S.A.	São Paulo	271,075,000 BRL	52,329	8,706	43,623	-	1,028	74.98%	
Colombia:									
Elipse Energía, S.A.S. E.S.P.	Bogotá	253,201,999 COP	440	732	-292	-	-448	74.98%	
Eolos Energías, S.A.S. E.S.P.	Bogotá	16,236,568,604 COP	79,351	44,644	34,707	-	-4,439	74.98%	
Kappa Energía, S.A.S. E.S.P.	Bogotá	251,632,000 COP	517	807	-291	-	-446	74.98%	
Omega Energía, S.A.S. E.S.P.	Bogotá	251,569,001 COP	440	730	-291	-	-446	74.98%	
Solar Power Solutions, S.A.S. E.S.P.	Bogotá	1,031,027,958 COP	2,173	726	1,447	-	-450	74.98%	
Vientos del Norte, S.A.S. E.S.P.	Bogotá	13,604,192,802 COP	45,820	16,149	29,670	927	-3,716	74.98%	
Chile									
EDP Renewables Chile, SpA	Santiago	3,961,123 USD	6,298	3,116	3,182	1,585	-302	74.98%	
Los Llanos Solar, SpA	Santiago	592 USD	676	1,125	-449	-	-431	74.98%	
Parque Eólico Punta de Talca, SpA	Santiago	358,552 USD	328	987	-659	-	-674	74.98%	

Subsidiaries	HeadOffice	Share capital / Currency		Assets 31-Dec-21 Euro'000	Liabilities 31-Dec-21 Euro'000	Equity 31-Dec-21 Euro'000	Revenues 31-Dec-21 Euro'000	Net Profit/(Loss) 31-Dec-21 Euro'000	% Group	% Company
Parque Eólico San Andrés, SpA	Santiago	438,894	USD	3,925	4,239	-313	-	-319	74.98%	
Parque Eólico Victoria, SpA	Santiago	1,311,374	USD	90	337	-247	-	-285	74.98%	
Other Geographies:										
EDP Renewables Vietnam Company Limited	Ho Chi Minh	7,200,000,003	VND	344	1,059	-715	-	-948	74.98%	
Trung Son Energy Development JSC	Khanh Hoa Province	197,000,000,009	VND	26,802	18,629	8,174	1,246	-334	74.98%	
OMA Haedori Co., Ltd.	Coreia do Sul	497,624,000	KRW	593	663	-70	-	-428	44.99%	
Trung Song SG Pte. Ltd.	Singapura	10,674,707	USD	62,670	53,380	9,290	-	-64	74.98%	
LYS Energy Investment Pte. Ltd.	Singapura	10,674,707	USD	9,384	1,557	7,827	-	114	74.98%	

Joint Ventures entities *	HeadOffice	Share capital / Currency		% Group	% Company
Electricity Generation:					
Bioastur, A.I.E.	Serín	60,101	EUR	50.00%	
Companhia Energética do JARI - CEJA	São Paulo	850,823,746	BRL	27.98%	
Empresa de Energia Cachoeira Caldeirão, S.A.	Amapá	728,600,000	BRL	27.98%	
Empresa de Energia São Manoel S.A.	Rio de Janeiro	2,409,974,104	BRL	18.66%	
Kosorkuntza, A.I.E.	Bilbau	-	EUR	25.00%	
Pecém Operação e Manutenção de Unidades de Geração Eletrica S.A.	Ceará	7,053,368	BRL	27.98%	
Porto do Pecém Transportadora de Minérios S.A.	Ceará	6,604,018	BRL	27.98%	
Renewable Energy Activity:					
Desarrollos Energéticos Canarios, S.A.	Las Palmas	15,025	EUR	37.41%	
Desarrollos Energéticos del Val, S.L.	Soria	137,070	EUR	18.74%	
Evolución 2000, S.L.	Albacete	117,996	EUR	36.85%	
Flat Rock Windpower II LLC	Delaware	215,826,269	USD	37.49%	
Flat Rock Windpower LLC	Delaware	548,339,611	USD	37.49%	
Goldfinger Ventures LLC	Delaware	140,518,424	USD	37.49%	
Goldfinger Ventures II LLC	Delaware	184,194,100	USD	37.49%	
OW Offshore, S.L.	Madrid	57,519,614	EUR	37.49%	
Moray West Holdings Limited	Londres	1,000	GBP	25.04%	
Nine Kings Wind Farm LLC	Delaware	-	USD	37.49%	
Sistemas Eólicos Tres Cruces, S.L.	Soria	50,000	EUR	18.74%	
Solar Ventures Acquisition LLC	Delaware	-0	USD	37.49%	
Evoikos Voreas A.E.	Athens	66,000	EUR	38.24%	
Sofrano	Athens	700,000	EUR	38.24%	
Riverstart Development LLC	Delaware	0	USD	15.00%	
Riverstart Ventures LLC	Delaware	147,500,396	USD	15.00%	
2019 Vento XX LLC	Delaware	234,070,472	USD	15.00%	
2018 Vento XIX LLC	Delaware	85,678,362	USD	15.00%	
2017 Vento XVII LLC	Delaware	176,413,762	USD	15.00%	
Other Activities:					
ARQUILED - Proj. Iluminação, S.A.	Mora	231,004	EUR	49.91%	
Energia Ásia Consultoria, Limitada	Macau	200,000	MOP	50.00%	49.00%
Hydro Global Investment, Ltda.- Subconsoliado	Hong Kong	166,066,000	USD	50.00%	
MABE Construção e Administração de Projectos, Ltda.	Ceará	566,151,832	BRL	27.98%	

Associated companies *	HeadOffice	Share capital / Currency		% Group	% Company
Electricity Generation:					
Carriço Cogeração - Sociedade de Geração de Electricidade e Calor, S	Lisbon	50,000	EUR	35.00%	
HC Tudela Cogeneración, S.L.	Aboño - Carreño	306,030	EUR	50.10%	
Solar Siglo XXI, S.A.	Ciudad Real	80,000	EUR	18.74%	
Electricity Supply:					
Blue Sol Participações S.A.	São Paulo	20,005,268	BRL	22.39%	
Electricity Distribution:					
AMBERTREE - Tecnologia para Redes de Energia Electrica, Lda	Lisbon	5,000	EUR	26.00%	

Associated companies *	HeadOffice	Share capital / Currency		% Group	% Company
Renewable Energy Activity:					
Biomasas del Pirineo, S.A.	Huesca	454,896	EUR	22.49%	
Blue Canyon Windpower LLC	Texas	63,851,000	USD	18.74%	
Desarrollos Eólicos de Canarias, S.A.	Gran Canaria	1,817,167	EUR	33.55%	
Eólica de São Julião, Lda.	Lisbon	500,000	EUR	33.74%	
Eos Pax IIa, S.L.	La Coruña	6,010	EUR	36.36%	
Geólica Magallón, S.L.	Zaragoza	2,040,000	EUR	27.17%	
Parque Eólico Belmonte, S.A.	Madrid	120,401	EUR	22.42%	
Parque Eólico Sierra del Madero, S.A.	Madrid	7,193,970	EUR	31.49%	
San Juan de Bargas Eólica, S.L.	Zaragoza	5,000,000	EUR	35.25%	
Solar Works! B.V.	Roterdão	6,769,245	USD	15.13%	
Unión de Generadores de Energía, S.L.	Zaragoza	23,044	EUR	37.49%	
Other Activities:					
Centrais Elétricas de Santa Catarina, S.A. - Celesc	Santa Catarina	2,480,048,423	BRL	16.73%	
Zypho, S.A.	Oporto	221,795	EUR	33.50%	
Endeco Technologies Limited	Dublin	15,756,985	EUR	16.90%	
Principle Power, Inc	Seattle	33,150	USD	23.84%	
SCNET - Sino-Portuguese Centre	Shanghai	21,600,000	CNY	40.00%	
Vertequip, Equipamentos e Trabalhos Verticais, Lda	Chamusca	347,139	EUR	23.66%	
WPVT, S.A.	Oporto	75,001	EUR	20.00%	

HUMAN

Diverse and inclusive,
for generations to come.

07 — ANNEXES

Final References

The Executive Board of Directors expresses its gratitude to all those who have supported and followed, directly or indirectly, the activity of EDP Group over the year of 2021.

First, we would like to thank the shareholders for the trust and support given to the Executive Board of Directors and to each of its members in the exercise of its activity.

To all the members of the Corporate Bodies, responsible for the auditing and supervision of the Group, a special thanks is also due, for the support given over the year. A special word to the General and Supervisory Board for the guidance provided to the activity of the Executive Board of Directors.

Considering the Group's results, as well as the demands placed on management, we consider that it is once again demonstrated that EDP's current governance model is fully consolidated.

The Executive Board of Directors also extends its gratitude to all Stakeholders with which EDP Group interacted during 2021, notably, clients, suppliers, regulators, partners and local communities.

Lastly, a special thanks to all EDP employees. Their knowledge, determination, and commitment were crucial for the company to achieve its results.

Miguel Stilwell de Andrade (Chairman)

Vera de Morais Pinto Pereira Carneiro

Miguel Nuno Simões Nunes Ferreira Setas

Ana Paula Garrido de Pina Marques

Rui Manuel Rodrigues Lopes Teixeira

Proposal for the Appropriation of Profits

In accordance with Article 30 (1) of EDP's Articles of Association, the Executive Board of Directors hereby proposes for approval by the Shareholders that:

1. The 2021 financial year results, in the total amount of € 824,069,862.75, have the following allocation:

• Legal Reserve	€ 10,204,297.56
• Endowment to EDP Foundation*	€ 6,200,000.00
• Retained Earnings	€ 807,665,565.19

2. Dividends to be paid in the amount of € 0.190 per share, in the total amount of € 753,479,392.28.

* The proposed endowment amount remains unchanged from 2019.

The total amount of € 753,479,392.28 in dividends to be paid from distributable assets, corresponding to € 0.190 per share, considers the total number of shares representing EDP's share capital; nevertheless, under applicable law, no payment of dividends shall take place regarding own shares held by EDP as of the date that dividends are made available for payment, and such amount is added to the amount of retained earnings.

History of Operational Indicators

RENEWABLES	UN	2021	2020	2019	2018
WIND AND SOLAR INSTALLED CAPACITY					
Installed Capacity	MW	12,490	11,500	10,812	11,301
Portugal	MW	1,142	1,228	1,164	1,309
Spain	MW	2,194	2,137	1,974	2,312
Rest of Europe	MW	1,894	1,403	1,263	1,652
North America	MW	6,438	6,296	5,944	5,562
Brazil	MW	795	436	467	467
Asia	MW	28	0	0	0
Capacity under Construction	MW	1,824	2,051	664	344
Portugal	MW	0	135	6	47
Spain	MW	141	85	18	29
Rest of Europe	MW	280	502	130	69
North America	MW	320	970	509	199
Brazil	MW	1,084	359	0	0
Equity Installed Capacity [1]	MW	1,090	668	550	371
Portugal	MW	31	30	0	0
Spain	MW	156	167	152	152
Rest of Europe	MW	311	0	0	0
North America	MW	592	471	398	219
Brazil	MW	0	0	0	0
Capacity under Construction MEP [1]	MW	0	311	330	330
Portugal	MW	0	0	14	14
Rest of Europe	MW	0	311	316	316
WIND AND SOLAR NET ELECTRICITY GENERATION	GWh	30,324	28,537	30,041	28,359
Portugal	GWh	3,049	2,624	3,160	2,995
Spain	GWh	4,979	4,346	5,298	5,164
Rest of Europe	GWh	3,329	3,054	3,333	3,321
North America	GWh	17,057	17,421	16,492	15,644
Brazil	GWh	1,888	1,093	1,757	1,235
Asia	GWh	23	0	0	0
WIND AND SOLAR TECHNICAL AVAILABILITY		97	97	97	97
Portugal	%	98	98	98	98
Spain	%	96	95	97	97
Rest of Europe	%	98	98	97	97
North America	%	96	96	96	97
Brazil	%	98	98	98	98
Asia	%	n.d.	0	0	0

[1] Share of the MW installed in plants owned by companies equity consolidated

RENEWABLES	UN	2021	2020	2019	2018
HYDRO INSTALLED CAPACITY	MW	7,127	7,127	8,785	8,785
Portugal	MW	5,076	5,076	6,759	6,759
Spain	MW	451	451	426	426
Brazil	MW	1,599	1,599	1,599	1,599
EQUITY HYDRO INSTALLED CAPACITY [1]					
Installed Capacity	MW	551	551	551	539
Brazil	MW	551	551	551	539
Capacity under Construction	MW	78	78	78	78
Brazil	MW	-	-	-	-
Peru	MW	78	78	78	78
HYDRO NET ELECTRICITY GENERATION	GWh	15,283	18,792	14,110	19,296
Portugal	GWh	9,033	12,572	9,101	12,648
Spain	GWh	772	677	880	1,054
Brazil	GWh	5,478	5,543	4,129	5,594
HYDRO TECHNICAL AVAILABILITY					
Portugal	%	91	93	91	91
Spain	%	100	100	100	100
Brazil	%	98	91	98	94

[1] Share of the MW installed in plants owned by companies equity consolidated

NETWORKS	UN	2021	2020	2019	2018
DISTRIBUTION					
Electricity distributed	GWh	84,885	76,360	79,519	80,426
Portugal	GWh	44,752	44,143	45,666	46,059
Spain	GWh	14,117	7,559	8,262	9,360
Brazil	GWh	26,016	24,658	25,591	25,007
Electricity supply points	'000	11,427	11,274	10,470	10,343
Portugal	'000	6,370	6,302	6,277	6,226
Spain	'000	1,376	1,371	668	666
Brazil	'000	3,680	3,601	3,524	3,451
Grid extension	Km	378,155	375,777	340,744	339,177
Portugal	Km	230,676	229,168	226,823	226,308
Overhead lines	Km	180,951	179,867	177,841	177,491
Underground lines	Km	49,725	49,301	48,981	48,817
Spain	Km	52,493	52,492	20,766	20,709
Overhead lines	Km	39,553	39,670	15,729	15,723
Underground lines	Km	12,940	12,822	5,037	4,986
Brazil	Km	94,986	94,118	93,155	92,160
Overhead lines	Km	94,708	93,850	92,899	91,906
Underground lines	Km	277	268	256	254
GRID LOSSES					
Portugal [1]	%	9	10	10	10
Spain	%	5	4	4	3
Brazil	%	10	11	10	10
SERVICE QUALITY					
Portugal					
Installed Capacity Equivalent Interruption Time [2]	Min	50	60	56	61
Spain					
Installed Capacity Equivalent Interruption Time [2]	Min	20	15	26	17
Brazil					
Average Interruption Duration per Consumer					
EDP São Paulo	Hours	6	7	7	8
EDP Espírito Santo	Hours	8	8	8	8
Frequency of Interruptions per Consumer					
EDP São Paulo	#	4	5	5	5
EDP Espírito Santo	#	4	5	5	5
TRANSMISSION					
Grid extension	Km	1,414	1,441	1,441	1,299
Grid extension in Operation	Km	162	316	113	113
Grid extension Under Construction	Km	1,252	1,125	1,328	1,186

1 In 2021, the loss indicator was changed to consider the energy input in the grid, and not the output (as until 2020), according to the expectation that the regulator will incorporate this change in the next regulatory period, to align with common practice in other countries (namely Spain and Brazil).

2 ICEIT in MV grid, excluding extraordinary events

CLIENT SOLUTIONS & ENERGY MANAGEMENT	UN	2021	2020	2019	2018
THERMAL INSTALLED CAPACITY					
Installed Capacity	MW	5,034	5,054	7,084	7,058
Portugal	MW	2,049	2,049	3,236	3,236
CCGT	MW	2,031	2,031	2,031	2,031
Coal	MW	0	0	1,180	1,180
Cogeneration	MW	17	17	24	24
Spain	MW	2,265	2,285	3,128	3,102
CCGT	MW	854	854	1,698	1,698
Coal	MW	1,250	1,250	1,250	1,224
Nuclear	MW	156	156	156	156
Cogeneration and Waste	MW	5	25	25	25
Brazil	MW	720	720	720	720
Coal	MW	720	720	720	720
Equity Installed Capacity [1]	MW	10	10	10	10
Portugal	MW	0	0	0	0
Spain	MW	10	10	10	10
THERMAL NET ELECTRICITY GENERATION	GWh	15,321	16,988	22,539	24,308
Portugal	GWh	3,961	7,623	10,027	12,341
CCGT	GWh	3,836	5,653	5,838	4,091
Coal	GWh	0	1,832	4,025	8,067
Cogeneration	GWh	125	138	163	182
Spain	GWh	7,944	7,779	8,805	8,512
CCGT	GWh	2,599	4,107	4,346	1,242
Coal	GWh	4,152	2,403	3,129	5,948
Nuclear	GWh	1,145	1,196	1,223	1,196
Cogeneration and Waste	GWh	48	73	107	126
Brazil	GWh	3,417	1,586	3,707	3,455
Coal	GWh	3,417	1,586	3,707	3,455
THERMAL TECHNICAL AVAILABILITY					
Portugal	%	81	94	90	89
CCGT	%	81	94	90	86
Coal	%	0	96	90	94
Cogeneration	%	91	94	94	97
Espanha	%	79	95	95	96
CCGT	%	89	98	95	99
Coal	%	72	91	97	93
Nuclear	%	86	91	92	90
Cogeneration	%	99	97	100	100
Waste	%	n.d.	85	81	92
Brazil	%	94	92	95	80
Coal	%	94	92	95	80

[1] Share of the MW installed in plants owned by companies equity consolidated

CLIENT SOLUTIONS & ENERGY MANAGEMENT	UN	2021	2020	2019	2018
ELECTRICITY CUSTOMERS	'000	8,654	8,620	9,828	9,848
Portugal	'000	4,952	4,999	5,138	5,244
Last Resort	'000	930	965	1,034	1,125
Liberalised Market	'000	4,022	4,033	4,104	4,119
Market Share EDP - Liberalised Market	%	n.a.	76	78	81
Spain	'000	22	22	1,166	1,154
Last Resort	'000	0	0	229	221
Liberalised Market	'000	22	22	937	933
Brazil	'000	3,680	3,600	3,523	3,450
Last Resort	'000	3,679	3,600	3,523	3,450
Liberalised Market	'000	0.7	0.4	0.4	0.3
Social Tariff	'000	914	833	818	862
Portugal	'000	553	588	615	661
Spain	'000	0	51	39	57
Brazil	'000	360	194	164	144
Special Needs	'000	1	1	1	2
Portugal	'000	0	0	0	2
Brazil	'000	0	1	1	0
Green Tariff	'000	563	230	1,131	1,026
Portugal	'000	563	230	73	3
Spain	'000	0	0	1,058	1,023
Brazil	'000	n.a.	n.a.	n.a.	n.a.
ELECTRICITY SUPPLIED	GWh	59,687	69,566	71,254	65,556
Portugal	GWh	19,936	19,508	20,653	21,136
Last Resort	GWh	2,280	2,413	2,658	3,016
Liberalised Market	GWh	17,656	17,095	17,995	18,119
Market Share EDP - Liberalised Market	%	n.a.	41	42	42
Spain	GWh	10,959	10,790	12,362	12,549
Last Resort	GWh	0	438	461	444
Liberalised Market	GWh	10,959	10,352	11,901	12,106
Market Share EDP - Liberalised Market	%	4	6	6	7
Brazil	GWh	28,792	39,269	38,239	31,871
Last Resort	GWh	13,587	13,429	14,202	13,769
Liberalized Market	GWh	15,205	25,840	24,036	18,102
Social Tariff	GWh	511	729	631	523
Portugal	GWh	150	159	173	199
Spain	GWh	0	110	111	117
Brazil	GWh	360	461	348	208
Green Tariff	GWh	2,067	5,760	5,456	5,546
Portugal	GWh	1,547	746	174	10
Spain	GWh	520	5,014	5,282	5,536
Brazil	GWh	n.a.	n.a.	n.a.	n.a.
GAS CUSTOMERS	'000	687	692	1,599	1,595
Portugal	'000	682	686	696	700
Last Resort	'000	32	34	37	41
Liberalised Market	'000	650	652	659	659
Spain	'000	4	6	903	895
Last Resort	'000	0	0	52	51
Liberalised Market	'000	4	6	851	844
GAS SUPPLIED	GWh	14,321	17,070	19,389	18,997
Portugal	GWh	4,401	4,294	3,995	3,854
Last Resort	GWh	155	167	202	249
Liberalised Market	GWh	4,247	4,127	3,793	3,605
Market Share EDP - Liberalised Market	%	n.a.	11	11	10
Spain	GWh	9,920	12,776	15,394	15,143
Last Resort	GWh	0	195	247	261
Liberalised Market	GWh	9,920	12,581	15,147	14,882
Market Share EDP - Liberalised Market	%	6	3	4	3

Concepts and Definitions

A

ADJUSTED NET DEBT

Net Debt adjusted by Regulatory Receivables.

ADJUSTED NET DEBT/EBITDA

Number of times/years needed to pay the Adjusted Net Debt with the EBITDA generated by the Company.

ASSET ROTATION

Strategy aimed at crystallizing the value of a project by selling a stake in an asset and reinvesting the proceeds in another asset, targeting greater growth. Typically the developer retain the role as an O&M supplier.

AVERAGE COST OF DEBT

Considers (Interest expense on financial debt +/- Income and Expenses with Interest from derivative financial instruments) / Average Financial Gross Debt in the period (Total debt and borrowings - Accrued Interest - Fair value of the issued debt hedged risk). Includes 50% of the interest expense and of the nominal amount of hybrid debt.

C

CAGR (COMPOUND ANNUAL GROWTH RATE)

Annual growth rate over a specified period of time longer than one year

CAPEX (CAPITAL EXPENDITURE)

Capex includes increases in Property, Plant and Equipment and in Intangible Assets, excluding CO2 licenses and Green certificates, net of increases in Government grants, Customers contributions for investment and Sales of properties in the period.

CDI (INTERBANK DEPOSIT CERTIFICATE RATE)

Brazilian reference interest rate constructed from the daily average overnight interbank loans. The CDI rate is commonly used as the reference in short-term securities.

CDS (CLEAN DARK SPREAD)

Theoretical gross margin of a coal-fired power plant per unit of electricity after deducting variable production costs (fuel, emission allowances, transport charges, variable O&M, per-unit taxes, etc.).

CESE (EXTRAORDINARY CONTRIBUTION TO THE ENERGY SECTOR)

Extraordinary contribution created in 2014, in Portugal, with the objective of financing mechanisms that promote the energy sector systemic sustainability. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transportation or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CLAWBACK

Mechanism of financial compensation established by the Portuguese government on electricity generators operating in Portugal. This mechanism has as its objective the restitution to the electricity system of part of the income derived from the tax differences in electricity generation between Portugal and Spain.

COD (COMMERCIAL OPERATION DATE)

Date upon which the project starts operating officially, after the testing and commissioning period.

CONTRACTING LEVEL

Ratio that returns the percentage of market commitment of Brazilian electricity distribution companies that is properly covered by energy purchase contracts registered in CCEE. Non-compliance generates penalties provided for in the rules and procedures of commercialization. The penalties apply when the ratio is above 105% or below 95%.

CSS (CLEAN SPARK SPREAD)

Theoretical gross margin of a gas-fired power plant per unit of electricity after deducting variable production costs (fuel, emission allowances, transport charges, variable O&M, per-unit taxes, etc.).

D

D/E (DEBT-TO-EQUITY RATIO)
Debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a company's financial leverage being an important metric used in corporate finance. It is a measure of the degree to which a company is financing its operations through debt versus wholly-owned funds.

DEC
Equivalent interruption time of energy per consumed unit. Refers only to medium voltage.

DIVIDEND PAY-OUT RATIO
Measures the percentage of a company's net income that is given to shareholders in the form of dividends (Total Dividends per Share of period "n"/ Earnings per Share of period "n-1").

DIVIDEND YIELD
Considers the ratio between gross dividend per share and its share price.

DPS (DIVIDEND PER SHARE)
Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary outstanding share. DPS is calculated by dividing the total dividends paid out by a business, including interim dividends, over a period of time by the number of outstanding ordinary shares issued.

E

EBIT
Earnings before Interest and Tax: EBITDA deducted from provisions, amortisations and impairments.

EBITDA
Earnings before Interest, Tax, Depreciations and Amortizations: Gross Profit - Supplies and services - Personnel costs and employee benefits +/- Other income/expenses.

EBITDA@risk
Estimated loss of EBITDA, in a given period of time and for a given confidence interval. Usually a 12-month is used along with a 95% level of confidence.

EOLICITY
Indicator that allows to quantify the deviation of the total value of energy produced by wind in a given period, in relation to an average wind regime.

ENERGY BOX
Energy Box is a household energy manager that does much more than metering energy, being endowed with technology that supports the supply of electricity services, namely, in remote communications.

EPS (EARNINGS PER SHARE)
The portion of a company's net profit allocated to each outstanding share of common stock.

F

FEC
Equivalent interruption frequency of energy per consumed unit. Refers only to medium voltage.

FEED IN TARIFFS
Remuneration framework that guarantees that a company will receive a set price, applied to all of the electricity they generate and provide to the grid.

FFO

Funds from Operations: EBITDA – Interest on debt and on TEI liabilities – Current taxes +/- Income from equity investments +/- other residual adjustments resulting from accruals/deferrals.

FFO/NET DEBT
Funds from Operations (FFO) over Net Debt. For this purpose, Net Debt includes Nominal Debt of the company + Pension and Medical care liabilities post tax + Tax Equity financial liabilities + Present value of leasing and other financial commitments.

FOREX
Foreign Exchange (forex or FX) is the trading of one currency for another. For example, one can swap the U.S. dollar for the euro. Foreign exchange transactions can take place on the foreign exchange market, also known as the Forex Market.

G

GC (GREEN CERTIFICATE)
Tradable commodity resulting from electricity generated using renewable energy sources.

GHG (GREENHOUSE GASES)
Gases that trap the heat of the sun in the Earth's atmosphere, producing the greenhouse effect. The two major greenhouse gases are water vapor and carbon dioxide. Lesser greenhouse gases include methane, ozone, chlorofluorocarbons, and nitrogen oxides.

GROSS PROFIT
Includes Revenues from energy sales and services and other minus Cost of energy sales and other.

GSF (GENERATION SCALING FACTOR)
Ratio of the deficit of hydroelectric companies' actual generation volumes to their assured energy delivery.

GW (GIGAWATT)
Unit of electric power equal to 1,000 MW.

GWh
Equal to 1,000 MW used continuously for one hour.

H

HEDGING
Risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, indexes or securities.

HYDRO COEFFICIENT
Indicator that allows to quantify the deviation of the total value of hydroelectric energy produced in a given period, in relation to an average hydro regime. Values above "1" translate a period with inflows and energy generated above the average ("wet" period) and bellow "1" the reverse ("dry" period).

I

ICEIT (INSTALLED CAPACITY EQUIVALENT INTERRUPTION TIME)
Indicator that represents the equivalent interruption time of installed power per geographical area of the operator of the distribution network in a given period, excluding extraordinary events (the extraordinary weather events that exceed the conditions for which was dimensioned).

IGP-M (GENERAL MARKET PRICE INDEX)
Index used to comprehensively measure the fluctuation of prices of goods and services practiced in the Brazilian market. Calculated by FGV (Getúlio Vargas Foundation), this index is used to update the prices of some goods and services, namely electricity.

INSTALLED CAPACITY
Installed Capacity is the sum of capacity (MW) installed in power plants owned by companies fully consolidated.

INSTALLED CAPACITY EQUITY
Installed Capacity Equity also includes the respective share of the MW installed in power plants owned by company's equity consolidated.

IPCA (EXTENDED NATIONAL CONSUMER PRICE INDEX)
Is the name given to the Consumer Price Index in Brazil being a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

ITC (INVESTMENT TAX CREDIT)
Tax incentive in the US in the form of an one-shot tax credit that covers a percentage of the investment.

K

KRI (KEY RISK INDICATOR)
Risk indicator that follows a variable risk factor, allowing the early warning of changes in risk exposure and the identification of potential risks or opportunities.

L

LIQUIDITY
Total amount of Cash and Equivalents, Credit Lines available and Financial assets at fair value through profit or loss.

LOSSES
The total losses of electric energy are calculated by the differential between the energy entered in the electrical network and the distributed energy (% Global losses = (Energy Input - Distributed Energy) / Distributed Energy). They consist of technical losses related to the magnetization of the power transformers, the Joule effect, the consumption of meters, etc. and non-technical losses related to theft, fraud, anomalies in counting equipment or in systems

M

MW (MEGAWATT)
Unit of electric power equal to 10^6 watts.
MWh
Equal to 10^6 watts of electricity used continuously for one hour.

N

NCF (NET CAPACITY FACTOR)
The ratio of a plant's actual output over a period of time to its potential output if it were possible for it to operate at full nameplate capacity continuously, over the same period of time. Also known as Load Factor.

NET DEBT
A metric that shows a company's overall debt situation calculated using company's total debt less cash on hand. From 2017 onwards it includes Financial Debt, Cash and Equivalents, Short-term financial assets at fair-value and fair value hedge and collateral deposits associated to financial debt and 50% of the amount related with the issuance of a subordinated debt instrument (hybrid). Until 31 December 2016, it included the fair value of derivatives designated for Net Investments hedge.

NET INVESTMENTS
Considers Capex + organic Financial Investments - Asset Rotations + granted and/or sold shareholder loans.

O

OPEX (OPERATING EXPENDITURE)
Includes Supplies and Services and Personnel costs and Employee Benefits.

OPEX/GROSS PROFIT
Efficiency ratio that compares the cost to operate with the income generated computed by OPEX (excluding Restructuring costs) over Gross Profit (including income from institutional partnerships in EDPR-NA).

ORGANIC CASH-FLOW
Cash generated from organic activities. Includes cash flows from operating activities (excluding changes in Regulatory Receivables), net of maintenance CAPEX, interest payments associated with debt, payments to institutional partnerships in the US and payments to minorities (such as dividends, capital distributions and payments of capital/interests on shareholder loans), not excluding gains arised from Sell-Down .

P

PLD (SETTLEMENT PRICE FOR THE DIFFERENCES)
Price used to value the energy exchanged in the spot market. This price is calculated weekly for each submarket and load periods, based on the marginal cost of generation. It is limited by a minimum and maximum value.

PPA (POWER PURCHASE AGREEMENT)
A legal contract between an electricity generator (provider) and a power purchaser (host). The power purchaser buys energy, and sometimes also capacity and/or ancillary services, from the electricity generator.

PTC (PRODUCTION TAX CREDIT)
The result of the Energy Policy Act of 1992, a commercial tax credit in the US that applies to wholesale electrical generators of wind energy facilities based upon the amount of energy generated in a year.

PUMPING
Pumping activity is the act of pushing back to the dam reservoir the water that had already been turbinated before. This action intends to increase the hydro output and thus generate higher operational results as water is pushed back when electricity market prices are low and turbinated again when those prices reach higher levels.

R

RAB (REGULATORY ASSET BASE)
Corresponds to the net book value of the distribution companies' regulated fixed assets (gross value less accumulated depreciation, net of reimbursements).

RECURRING
Which occurs periodically or repeatedly. It aims to normalize indicators into more predictable ones and which can be counted on in the future with a high degree of certainty. Indicators such as EBITDA, Net Profit, FFO, Organic Cash-Flow are referred to as recurring when adjusted by one-off events. One-off events include non-recurrent amounts materially relevant resulting from, for instance, impairments and capital gains/losses on assets, retroactive regulatory changes, HR and debt restructuring costs and CESE.

REGULATORY RECEIVABLES
Amounts pending to be received from the electricity system and related with tariff adjustments and tariff deficits from regulated activities in Iberia and Brazil (Generation in Portugal and Spain, Distribution and Last Resort Supply of electricity in Portugal and Distribution in Brazil).

RENEWABLE ENERGY
Energy that is derived from resources that are regenerative or that cannot be depleted including wind energy, solar, biomass, geothermal, and moving water.

REC (RENEWABLE ENERGY CREDIT)
Represents the property rights to the environmental, social, and other non-power qualities of renewable electricity generation. A REC can be sold separately from the electricity associated with a renewable energy generation source.

RESERVOIR LEVEL
Volume of water stored in a dam reservoir measured in total amount of electrical power it can produce if turbinated (GWh).

RESIDUAL INCOME
Is the amount of net income generated in excess of the minimum rate of return. Residual income concepts have been used in a number of contexts, including as a measurement of internal corporate performance whereby a company's management team evaluates the return generated relative to the company's minimum required return.

ROE (RETURN ON EQUITY)

Earnings before non-controlling interests over average total equity of the period.

ROIC (RETURN ON INVESTED CAPITAL)
ROIC gives a sense of how a company uses its money to generate returns. ROIC = EBIT Adjusted over annual average Invested Capital. EBIT Adjusted is EBIT + share of net profit in joint ventures and associates + impairments + provisions +/- capital losses/gains (except related to sell downs) + HR restructuring costs – Price Purchase Allocation amortizations – other one-off events. Invested Capital includes net fixed assets – assets under construction + working capital.

ROIC CASH (CASH RETURN ON INVESTED CAPITAL)
Similar to ROIC but focuses on cash return rather than profit. EBIT adjusted is EBIT – (nominal tax rate x EBIT) + share of net profit in joint ventures and associates. Invested Capital as in ROIC.

ROIC LEVELIZED
Similar to ROIC but focuses on the average life of Invested Capital rather than in accounted Invested Capital. EBIT Adjusted as in ROIC. Invested Capital assumes 50% amortization of assets for all businesses except networks.

ROR (RATE OF RETURN)
Corresponds to the rate to be applied to the distribution companies' RAB accepted for capital remuneration purposes, with the respective formula defined by the Regulator at the beginning of each regulatory period.

RPS (RENEWABLE PORTFOLIO STANDARD)
Regulation in the US that places an obligation in certain states on electricity supply companies to source a specific percentage of their energy from renewable sources.

S

SAIDI (SYSTEM AVERAGE INTERRUPTION DURATION INDEX)
Is the average outage duration for each served customer.

SELL-DOWN
Strategy aimed at developing and selling a majority stake in an asset, crystallizing the value of a project, and reinvesting the proceeds in another asset, targeting greater growth. Typically, the developer may retain the role of O&M supplier.

SOLAR PV (PHOTOVOLTAIC)
Generation of electricity by means of solar power through photovoltaics, consisting on an arrangement of several components, including solar panels to absorb and convert sunlight into electricity, a solar inverter, cables and other electrical accessories.

SUPPLY POINTS
Points of the grid where the delivering or reception of electricity is made to the custumer, producer or other grid installation.

SUSTAINABILITY INDEX
The Sustainability Index (SI) is a measurement system of sustainability performance, composed by 33 indicators organized in 3 dimensions: Economic, Environmental and Social. The weights assigned to each dimension of the sustainable development reflect the importance given by RobecoSAM (investment specialist focused exclusively on Sustainability Investing).

T

TEI (TAX EQUITY INVESTORS)
Tax Equity Investors are the agents that are willing to trade on PTC.

TSR (TOTAL SHAREHOLDER RETURN)
Measures the return that the stock provides to the shareholder, including dividends paid and the stock price appreciation.

V

VALUE@RISK

Estimated loss of the asset value, in a given period of time and for a given confidence interval. Usually a 12-month is used along with a 95% level of confidence.

WATT (W)

The rate of energy transfer equivalent to one ampere under an electrical pressure of one volt. One watt equals 1/746 horsepower, or one joule per second. It is the product of voltage and current (amperage). Watts are the standard measure for power.

EDP – Energias de Portugal, S.A.
Executive Board of Directors

edp

STATEMENT

With reference to 2021 financial year, and according to No. 1, item c) of article 29-G of the Portuguese Securities Code, the signers hereby, acting as members of the Executive Board of Directors, declare that, to the best of their knowledge, the information foreseen in No. 1 item a) of the article mentioned above, was prepared according to the applicable accounting standards, presenting a fair view of the assets, liabilities, financial situation and results of EDP – Energias de Portugal, S.A. ("EDP"), and the subsidiaries included in the respective consolidation perimeter, and that the Management Financial Analysis Report clearly discloses the evolution of the business, the performance and position of EDP, and the subsidiaries included in the respective consolidation perimeter, enclosing a description of the major risks and uncertainties to which they are exposed.

Lisbon, 17th February 2022

Miguel Stilwell de Andrade, Chairman

Miguel Nuno Simões Nunes Ferreira Setas

Rui Manuel Rodrigues Lopes Teixeira

Vera de Morais Pinto Pereira Carneiro

Ana Paula Garrido de Pina Marques

EDP – Energias de Portugal, S.A.
Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira
Senior Accounting Officer - Corporate Centre

STATEMENT

With reference to 2021 financial year, and according to nº 1, item c) of article 29-G of the Portuguese Securities Code, I hereby declare that, to the best of my knowledge, the information foreseen in No. 1 item a) of article mentioned above, was prepared according to the applicable accounting standards, presenting a fair view of the assets, liabilities, financial situation and results of EDP – Energias de Portugal, S.A. ("EDP"), and the subsidiaries included in the respective consolidation perimeter, and that the Management Financial Analysis Report clearly discloses the evolution of the business, the performance and position of EDP, and the subsidiaries included in the respective consolidation perimeter, enclosing a description of the major risks and uncertainties to which they are exposed.

Lisbon, 17th February 2022

AENOR
Confía

Anti bribery
Management System Certificate

AENOR
ANTI-BRIBERY
ISO 37001

2022/0010

AENOR certifies that the organization

EDP ENERGIAS DE PORTUGAL, S.A.

has a Management System according to ISO 37001:2016 bribery management systems. Requirements with guidance for use "

Promotion and management, directly or indirectly, of companies and activities in the field of the energy sector, both nationally and

which is/are carried out in: AVENIDA 24 DE JULHO, 12. 1249

Rafael GARCÍA MEIRO
Chief Executive Officer

Génova, 6. 28004 Madrid. España

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Acreditación N° SAE CSGAS 19-001
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Rafael GARCÍA MEIRO
Chief Executive Officer

Génova, 6. 28004 Madrid. España

IQNet
THE INTERNATIONAL CERTIFICATION NETWORK

Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of EDP – Energias de Portugal, S.A. (the Group), which comprise the consolidated statements of financial position as at December 31, 2021 (which shows total assets of Euro 50,994,152 thousand and total equity of Euro 13,977,565 thousand including a consolidated net profit attributable to equity holders of EDP of Euro 656,717 thousand), the consolidated income statements, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of EDP – Energias de Portugal, S.A. as at December 31, 2021, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Summary of the Audit Approach
Estimated energy sales	
Disclosures related to sales of energy (electricity and gas) presented in notes 2, 4, 7 and 26 of the consolidated financial statements. Revenue recognition of energy sales occurs at the time of delivery and incorporates three distinct aspects: (i) sales of energy billed based on actual consumption; (ii) sales of energy billed based on estimated consumption based on each customer's history; and (iii) estimate of energy supplied and not billed. The Group calculates the estimated volumes using an algorithm in line with the criteria defined by the regulatory entity. The algorithm is based on the average daily consumption of each customer, weighted by historical consumption profiles and adjusted for climatic factors and estimated energy losses. The Group also tests the algorithm using a telecounted sample of consumptions, also validating the estimate by comparison to the energy balance sheet that is based on the energy vloumes that are reported as being input to the network by the operator of the transmission network. A "rollback" analysis of real consumption is also carried out retrospectively. Valuation of the estimated quantities is carried out based on the historical average prices according to the tariff, type of customer, contracted power, among other factors. Given the high complexity of the methodology used by the Group to estimate the energy consumed by its customers and the degree of judgment involved, in particular in relation to volumes consumed and associated average prices, this issue was considered to be a relevant matter for the purposes of our audit.	Our audit procedures included, among others, identifying and testing the design and operational effectiveness of key controls related to the recognition of revenue associated with energy sales, and in particular those related to estimated sales at the end of each period. The algorithm including the estimated volumes was obtained having been verified, on a sample basis for each type of customer and tariff, that the criteria defined by the regulator were being met and that the adjustments made were reasonable. Regarding the average prices used to value the estimated volumes for each type of costumer, a sample of historical data was also verified. The energy balance sheet was also obtained and the differences between the energy inputs to the network and the energy billed and estimated by the Group were evaluated. In order to complement the procedures described above, we also tested the reasonableness of the estimation of unbilled consumed energy on previous years' considering the billing records of the year. We also reviewed the adequacy of the disclosures presented in the financial statements, based on the applicable accounting standards and in what we considered relevant.

Key Audit Matter	*Summary of the Audit Approach*
Transactions of equity stakes	
Disclosures related to transactions of equity stakes presented in notes 2, 4, 6, 8, 13, 21, 27, 33 and 39 of the consolidated financial statements. As a result of its activity and as part of its strategy, the Group proceeds to the disposal of equity stakes in controlled entities with the main objective of reinvesting the funds obtained in new projects. It also acquires equity stakes and other rights in entities considered relevant to its business portfolio and of value creation to the shareholders. Disposals may or may not result in a loss of control and acquisitions may or may not result in a gain in control, depending on the percentage of capital sold or acquired, shareholder agreements in place and effective control exercised. Given the amounts involved and the level of judgment involved in assessing the loss or gain of control, measuring contingent clauses resulting from the transactions, determining the acquisition value and allocating the acquisition price to identified assets / liabilities, this issue was considered to be a relevant matter for the purposes of our audit.	Our audit procedures included, among others, holding meetings with the management of the geographies where the transactions took place, in order to obtain an adequate understanding of each of the relevant transactions, as well as the respective supporting documentation. Purchase and sale agreements, shareholder agreements and other associated documentation were analyzed in detail. The accounting treatment given to each of the operations was assessed based on the applicable accounting standards and the mathematical accuracy of the calculations that originate the records was tested. Key controls related to acquisitions and disposals of equity stakes were also identified and tested. Regarding disposals of equity stakes, the ownership of control and the valuation of contingent clauses, where applicable, were specifically analyzed and evaluated. In relation to the acquisition of equity stakes, control ownership was also evaluated, as well as the allocation of the purchase price to the fair value of identifiable assets and liabilities. We also reviewed the accounting treatment each of transactions analysed and the adequacy of the related disclosures, based on the applicable accounting standards and in what we considered relevant.
Recoverability of non current assets	
Disclosures related to the non current assets in question presented in notes 2, 4, 12, 16, 18, 19, and 21 of the consolidated financial statements. As of 31 December 2021, goodwill, tangible fixed assets, intangible assets and investments in joint ventures and associates presented in EDP's consolidated financial statements amounted to Euro 2,379,386 thousand, Euro	Our audit procedures included, among others, identifying and testing the design and operational effectiveness of key controls related to impairment of non current assets, evaluating the adequacy of the impairment models used by the Group and testing the mathematical accuracy of the calculations.

Key Audit Matter	Summary of the Audit Approach
21,099,241 thousand, Euro 4,915,025 thousand and Euro 1,350,445 thousand, respectively. In accordance with International Accounting Standard (IAS) 36, and as disclosed in the notes to the consolidated financial statements, the Group performs impairment tests on tangible and intangible assets whenever there are facts or circumstances that may indicate that the net book value may not be recoverable, except when allocated to cash generating units with allocated goodwill, in which case they are tested for impairment together with the associated goodwill on an annual basis or whenever there is evidence of impairment. Given the dispersion of the Group's operating activity across the world, these impairment tests are carried out for the cash-generating units identified in each of the geographies where EDP Group operates. The recoverable amount of each of the non-current assets tested for impairment, namely tangible fixed assets used in the production and distribution of electricity, intangible assets related to concession rights and goodwill and financial investments in joint ventures and associates, is determined based on discounted cash flow models, which imply a high level of judgment given the uncertatinty of the underlying data, namely the economic and market projections and assumptions used relating to discount rates, exchange rates, growth rates and inflation rates, country risk, commodity prices, among others. Given the amounts involved, the complexity of the valuation models and the associated high level of judgment, this issue was considered to be a relevant matter for the purposes of our audit.	We reconciled the future cash flows with the business plans approved by the management of each company and in all the geographies where the Group has assets subject to impairment tests. The reasonableness of the definition of cash-generating units subject to impairment tests was also evaluated. We also challenged the management regarding the appropriateness of the assumptions with the greatest sensitivity in determining the value in use, namely electricity price pools, prices of other commodities, regulatory frameworks and the respective impact on the cash flows of each geography and the discount rate. The analysis of the discount rate was carried out for each of the geographies, using peer information and other information available in the market. Sensitivity analysis were also carried out on the main assumptions in order to determine the level of variations that, individually or together, could lead to impairment losses on assets tested for impairment. The procedures described above, aimed at evaluating the assumptions and the methodology associated with the impairment models used by the Group, were carried out with the support of our team of specialists. The adequacy of the associated disclosures was also reviewed, based on the applicable accounting standards and in what we considered relevant.
Derivative financial instruments	
Disclosures related to derivative financial instruments presented in notes 2, 4, 7, 13, 27,	Our audit procedures included identifying and testing the design and operational effectiveness of the controls related to contracting, monitoring

Key Audit Matter	*Summary of the Audit Approach*
32, 39, 42 and 45 of the consolidated financial statements. As mentioned in the consolidated financial statements, the exposure of EDP Group to financial risks lies essentially in its debt portfolio and in the commodity price volatility, resulting in interest rate, exchange rate and market price risks. Risk management of EDP Group is carried out centrally at EDP S.A., which uses a set of derivative financial instruments to cover these risks. As of 31 December 2021, the statement of financial position included assets and liabilities related to derivative financial instruments, amounting to Euro 2,353,326 thousand and Euro 3,941,244 thousand, respectively. The valuation of financial instruments classified as level 2, particularly derivative financial instruments, is carried using observable market data and valuation models based on discounted cash flow techniques, which usually involve a high degree of judgment by the Management in defining the assumptions to be used. Therefore, changes in these assumptions may give rise to material impacts in the the fair value of the mentioned financial instruments. Additionally, in accordance with IFRS 9, the Group prepares effectiveness tests on its hedging derivative financial instruments portfolio on an annual basis, in order to assess the accounting effectiveness of the hedges, which also involves the assumption of significant judgments and estimates. Given the relevance of the derivative financial instruments in the context of the Group's consolidated financial statements, together with the degree of judgment associated with its valuation and the complexity associated with its accounting treatment, this issue was considered to be a relevant matter for the purposes of our audit.	and settling derivative financial instruments, to their classification, and to the preparation of supporting documentation and effectiveness tests, when applicable. In this context, controls tested included access policies, system management, approvals, confirmations with financial institutions and reconciliations with counterparties. Regarding the computation of the fair value of derivative financial instruments, in particular the models developed by the Group for this purpose, we evaluated their suitability and the suitability of the assumptions and data used by comparing observable data with information collected from external and independent sources, and analyzed the contractual information. External confirmations of counterparties were also performed in order to validate open positions as of the date of the statement of financial position. The documentation prepared by the Group regarding the hedge accounting was evaluated and compliance with the requirements of IFRS 9 was verified. The adequacy of the accounting entries for each of the analyzed situations as well as the adequacy of the own use exemption provided in IFRS 9 for the use of commodities in the operational activity and related impacts on the consumption calculation were also verified. The adequacy of the disclosures associated with financial derivative instruments was also reviewed, based on the applicable accounting standards and in what we considered relevant.

Key Audit Matter	*Summary of the Audit Approach*
Regulatory and legal framework	
Disclosures related to the regulatory and legal framework presented in notes 1, 2, 4, 7, 11, 15, 26, 36, 38, 43 and 50 of the consolidated financial statements. Given its geographic dispersion, the activity of the Group is subject to several regulatory and legal frameworks, which vary in accordance to the country and the activity performed. In this context, and particularly in Portugal, there has been an increase in the regulatory complexity associated with the activities in which the Group operates, which has given rise to several disputes and potential contingencies, namely related to the CMEC final adjustment, innovative aspects, costs with clawback, social tariff and CESE and other dispatches and published orders related to regulatory matters. These situations require the management to assess its potential impacts and to exercise, with the support of its legal counsels, a high degree of judgment as to its outcome, which may lead to additional provisions and to disclose additional information to the market, following the requirements of IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. Given the increasing complexity of the regulatory and legal frameworks and the degree of judgment involved in assessing the outcome of the identified contingencies, this issue was considered to be a relevant matter for the purposes of our audit.	Our audit procedures included identifying and testing the design and operational effectiveness of controls related to identifying and monitoring litigation and other regulatory and legal contingencies and to the categorization of risk. Several meetings were held with those in charge of the Regulatory and Legal Departments in order to obtain their understanding of the most relevant disagreements, litigations and contingencies and to inspect the relevant documentation. The assumptions used by the management to categorize the risks and measure the related contingencies. External confirmations from legal advisors and attorneys that are advising on regulatory and legal processes were also obtained, and the consistency of the information received with the risk assessment performed by the management was verified. The adequacy of the associated disclosures, namely the ones concerning the legal and regulatory framework of the Group's activity, was also reviewed based on the applicable accounting standards and in what we considered relevant.
Pensions and post employment benefits	
Disclosures related to pensions and post employment benefits presented in notes 2, 4, 10, 27, 32 and 35 of the consolidated financial statements. As of 31 December 2021, net liabilities with pensions and post-employment benefits presented in the consolidated financial statements of EDP Group amounted to Euro	Our audit procedures included identifying and testing the design and operational efficiency of the controls implemented by the Group in order to determine liabilities with pension and post employment benefits, in particular the ones related to the assumptions used and to data sent to the actuary.

Key Audit Matter	*Summary of the Audit Approach*
1,119,800 thousand, mainly comprising benefits with retirement and early retirement pensions, and healthcare services. These liabilities are estimated for each plan based on actuarial valuations performed annually by an independent expert in accordance with the Projected Credit Unit Method. These valuations incorporate a set of financial and actuarial assumptions, namely the discount rate, the inflation rate, the mortality and disability tables, the growth rates of pensions and salaries, amongst others, defined by the Executive Board of Directors considering the characteristics of the benefits attributed, the employees covered and the current and expected behaviour of these variables In the specific case of the discount rate used in the actuarial studies, it is determined on the basis of the market rates for high-quality corporate bonds in terms of credit risk, denominated in the currency in which the benefits will be paid and with a maturity similar to the termination date of the payment of the benefits of the plan. In this context, future changes in the financial and actuarial assumptions used may give rise to material impacts on the net liabilities and on the assets associated with these benefits, and for that reason this issue was considered to be a relevant matter for the purposes of our audit.	Meetings were held with the management to identify the methodologies and options considered in defining the main financial and actuarial assumptions, for which a reasonableness analysis was performed by comparing them with the data that we were able to independently obtain. We also reviewed the adequacy of (i) the employee information, used for the calculation of liabilities; and (ii) the recognition of costs related to past services and actuarial deviations resulting from changes in assumptions and gains in experience. The fair value of the assets of the fund was independently validated by our internal experts. We have also read the actuarial report prepared with reference to 31 December 2021 and evaluated the main assumptions used, namely discount rate, inflation rate, growth rates of pensions and salaries and mortality and disability tables, using information developed internally and market benchmarks. We evaluated the technical skills of the actuary and verified its registration with ASF (Autoridade de Supervisão de Seguros e Fundos de Pensões), having also confirmed the actuary's independence regarding the report as of 31 December 2021. The adequacy of the disclosures associated with post employment benefits, was also reviewed based on the applicable accounting standards and in what we considered relevant.

Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the consolidated Directors' report, the corporate governance report, the non-financial statement and the remunerations report in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;

g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and

i) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the consolidated Directors' report is consistent with the consolidated financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters, and verifying that the consolidated non-financial statement and the remunerations report were presented.

Report on other legal and regulatory requirements

Consolidated Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the consolidated Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the consolidated Directors' report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's consolidated financial statements for the year ended on December 31, 2021 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others:

a) obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format; and

b) the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to tag the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Consolidated non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Group prepared a separate report of the consolidated Directors' report that includes the consolidated non-financial statement set forth in article No. 508-G of the Portuguese Company Law, which was disclosed together with the consolidated Directors' report.

Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its consolidated director's report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of EDP – Energias de Portugal, S.A. in the Shareholders' General Meeting of April 5, 2018 for the period from 2018 to 2020, having remained in functions until the current period. Our last appointment was in the Shareholders' General Meeting of April 14, 2021 for the period from 2021 to 2023.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of February 17, 2022.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Group in conducting our audit.

February 17, 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Signed on the original

João Rui Fernandes Ramos, ROC no. 1333
Registered with the Portuguese Securities Market Commission under no. 20160943

Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of EDP – Energias de Portugal, S.A. (the Entity), which comprise the company statements of financial position as at December 31, 2021 (which shows total assets of Euros 29,752,741 thousand and total shareholders' equity of Euros 9,213,104 thousand including a net profit of Euros 824,070), the company income statements, the company statements of comprehensive income, the company statements of changes in equity and the company statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of EDP – Energias de Portugal, S.A. as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the financial statements" section below. In accordance with the law we are independent of the Entity and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	*Summary of the Audit Approach*
Recoverability of investments in subsidiaries	
Disclosures related to investments in subsidiaries presented in notes 2, 4, 13, 20 and 44 of the financial statements. As of 31 December 2021, investments in subsidiaries presented in EDP's financial statements amounted to Euro 15,065,364 thousand. As disclosed in the notes to the financial statements, in the context of the impairment tests carried out at EDP Group level, financial investments held by EDP, S.A. in subsidiaries are reviewed for impairment based on the higher of the value in use and the fair value less costs to sell. The value in use of each of the investments tested for impairment is determined based on discounted cash flow models, which imply a high level of judgment given the uncertatinty of the underlying data, namely the economic and market projections and assumptions used relating to discount rates, exchange rates, growth rates and inflation rates, country risk, commodity prices, among others. These assumptions are disclosed in the financial statements. Given the amounts involved, the complexity of the valuation models and the associated high level of judgment, this issue was considered to be a relevant matter for the purposes of our audit.	Our audit procedures included, among others, identifying and testing the design and operational effectiveness of key controls related to impairment of investments in subsidiaries, evaluating the adequacy of the impairment models used by the Group and testing the mathematical accuracy of the calculations. We reconciled the future cash flows with the business plans approved by the management of each subsidiary subject to impairment tests. We challenged the management regarding the appropriateness of the assumptions with the greatest sensitivity in determining the value in use, namely electricity price pools, prices of other commodities, regulatory frameworks and the respective impact on the cash flows of each geography and the discount rate. An analysis of the discount rate was carried out in each of the geographies, using peer information and other information available in the market. Sensitivity analysis were also carried out on the main assumptions in order to determine the level of variations that, individually or together, could lead to impairment losses on investments in subsidiaries tested for impairment. The procedures described above, aimed at evaluating the assumptions and the methodology associated with the impairment models used by the Group, were carried out with the support of our team of specialists. The adequacy of the associated disclosures was also reviewed, based on the applicable accounting standards and in what we considered relevant.
Derivative financial instruments	
Disclosures related to derivative financial instruments presented in notes 2, 4, 7, 13, 27, 32, 39, 42 and 45 of the consolidated financial statements.	Our audit procedures included the identification and testing of the design and operational efficiency of the controls related to contracting,

Key Audit Matter	*Summary of the Audit Approach*
As mentioned in the financial statements, the exposure of EDP Group to financial risks lies essentially in its debt portfolio and in the commodity price volatility, resulting in interest rate, exchange rate and market price risks. Risk management of EDP Group is carried out centrally at EDP S.A., which uses a set of derivative financial instruments to cover these risks. As of 31 December 2021, the statement of financial position included assets and liabilities related to derivative financial instruments, amounting to Euro 5,292,105 thousand and Euro 4,786,556 thousand, respectively. The valuation of financial instruments classified as level 2, particularly derivative financial instruments, is carried using observable market data and valuation models based on discounted cash flow techniques, which usually involve a high degree of judgment by the Management in defining the assumptions to be used. Therefore, changes in these assumptions may give rise to material impacts in the the fair value of the mentioned financial instruments. Additionally, in accordance with IFRS 9, the Group prepares effectiveness tests on its hedging derivative financial instruments portfolio on an annual basis, in order to assess the accounting effectiveness of the hedges, which also involves the assumption of significant judgments and estimates. Given the relevance of the derivative financial instruments in the context of EDP's financial statements, together with the degree of judgment associated with its valuation and the complexity associated with its accounting treatment, this issue was considered to be a relevant matter for the purposes of our audit.	monitoring and settling derivative financial instruments, to their classification, and to the preparation of supporting documentation and effectiveness tests, when applicable. In this context, controls tested included access policies, system management, approvals, confirmations with financial institutions and reconciliations with counterparties. Regarding the computation of the fair value of derivative financial instruments, in particular the models developed by the Company for this purpose, we evaluated their suitability and the suitability of the assumptions and data used by comparing observable data with information collected from external and independent sources, and we analyzed the contractual information. External confirmations of counterparties were also performed in order to validate open positions as of the date of the statement of financial position. The documentation prepared by the Company regarding the hedge accounting was evaluated and compliance with the requirements of IFRS 9 was verified. The adequacy of the accounting entries for each of the analyzed situations as well as the adequacy of the own use exemption provided in IFRS 9 for the use of commodities in the operational activity and related impacts on the consumption calculation were also verified. The adequacy of the acounting entries as well of the disclosures associated with financial derivative instruments was also reviewed, based on the applicable accounting standards and in what we considered relevant.

Responsibilities of management and supervisory board for the financial statements

Management is responsible for:

a) the preparation of the financial statements, which present fairly the financial position, the financial performance and the cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;

b) the preparation of the Directors' report, the corporate governance report, the non-financial statement and the remunerations report in accordance with the applicable law and regulations;

c) the creation and maintenance of an appropriate system of internal control to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

d) the adoption of appropriate accounting policies and criteria; and

e) the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Entity's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Entity's financial information.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

a) identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

e) evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

f) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

g) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and

h) confirm to the supervisory board that we comply with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the Directors' report is consistent with the financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters and verifying that the non-financial statement and the remunerations report were presented.

Report on other legal and regulatory requirements

Directors' report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the Directors' report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the Directors' report is consistent with the audited financial statements and, taking into account the knowledge and assessment about the Entity, no material misstatements were identified.

Corporate governance report

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's financial statements for the year ended on December 31, 2021 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others to obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format.

In our opinion, the financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Entity prepared a separate report of the Directors' report that includes the non-financial statement set forth in article No. 66-B of the Portuguese Company Law, which was disclosed together with the Directors' report.

Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its Directors' report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

a) We were first appointed auditors of the Entity in the Shareholders’ General Meeting of April 5, 2018 for the period from 2018 to 2020, having remained in functions until the current period. Our last appointment was in the Shareholders’ General Meeting of April 14, 2021 for the period from 2021 to 2023.

b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the financial statements. Based on the work performed, we have not identified any material misstatement in the financial statements due to fraud.

c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Entity’s supervisory board as of February 17, 2022.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Entity in conducting our audit.

February 17, 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Signed on the original

João Rui Fernandes Ramos, ROC no 1333
Registered with the Portuguese Securities Market Commission under no 20161485

Independent Reasonable Assurance Report on the Internal Control System related to the Financial Reporting of EDP Group

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

To the Executive Board of Directors of
EDP – Energias de Portugal, S.A.

Introduction

We were engaged by the Executive Board of Directors of EDP – Energias de Portugal, S.A. ("EDP" or "the Company") to perform a reasonable assurance engagement on the internal control system over the consolidated financial reporting ("SCIRF") of the Company and its subsidiaries, for the financial year that ended 31 December 2021, implemented based on the criteria established in the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO 2013") in relation to business processes and global controls, and by the Control Objectives for Information and related Technologies ("COBIT") in relation to information technology general controls.

Executive Board of Directors' Responsibilities

It is the responsibility of the Executive Board of Directors, the implementation and maintenance of an appropriate internal control system that enables the preparation of consolidated financial statements free of material misstatement due to fraud or error.

Auditor's Responsibilities

Our responsibility consists in issuing a reasonable assurance report, professional and independent, based on the procedures performed and stated in the paragraphs below, on the effectiveness of the internal control system over EDP Group's consolidated financial reporting.

Our procedures were conducted, with reference to the financial year that ended on the 31 December 2021, in order to obtain a reasonable degree of assurance over the effectiveness of the internal control system implemented by the Company's Executive Board of Directors, to ensure that the consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and present fairly and appropriately the financial position of the EDP Group, its financial performance and its consolidated cash flows, as well as the use of appropriate accounting policies and criteria. The internal control system also includes policies and procedures established by the Company's Executive Board of Directors that guarantee, with reasonable assurance:

i) an adequate maintenance of records which reliably reflect, and in reasonable detail, the acquisitions and disposals of assets of EDP Group;

ii) that transactions are recorded in order to allow the preparation of consolidated financial statements in accordance with the applicable accounting standards;

iii) that receipts are fully recorded and that payments made by EDP Group are made only with the authorization of the members of the Executive Board of Directors and Directors of EDP, or Directors and Management of EDP subsidiaries; and

iv) the prevention or timely detection of unauthorized acquisitions or disposals or the inappropriate use of assets of EDP Group which may have a material effect on the consolidated financial statements.

The work performed was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (reviewed) “Reliability Assurance Engagements that Are Not Audits or Reviews of Historical Financial Information”, issued by the International Auditing and Assurance Standards Board of the International Federation of Accountants and with the additional standards and technical guidance issued by the Institute of Statutory Auditors (“Ordem dos Revisores Oficiais de Contas – OROC”). These Standards require that we plan and perform the assurance engagement to obtain reasonable assurance on whether the internal control system, implemented based on “COSO 2013” and “COBIT”, allows the consolidated financial reporting (“SCIRF”) to be prepared free from material misstatement. For this purpose, the above mentioned work consisted of:

i) obtaining an understanding of the internal control system over EDP Group’s consolidated financial reporting;

ii) assessing the risk of existence of material deficiencies in the internal control system over the consolidated financial reporting, based on the criteria of “COSO 2013” and “COBIT”;

iii) carrying out tests related to the design, effectiveness and operation of controls based on the risk assessment performed; and

iv) carrying out other procedures which we considered necessary under the circumstances.

We believe that the procedures performed provide a reasonable basis for our conclusion.

Quality control and independence

We apply the International Standard Quality Control 1 (ISQC1) and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and ethical requirements of the International Ethics Standards Board for Accountants (IESBA Code) and of the ethics code of the Institute of Statutory Auditors.

Conclusion

Based on the work performed, it is our opinion that EDP Group maintained, in all relevant material aspects, an internal control system adequate and effective related to its consolidated financial reporting (“SCIRF”), for the financial year ended 31 December 2021, and in accordance with the criteria established in the internal control framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO 2013”) in relation to business processes and global controls, and by the Control Objectives for Information and related Technologies (“COBIT”) in relation to information technology general controls.

Other matters

i) On 17 February 2022 we issued the audit report on the consolidated financial statements of EDP Group with reference to the financial year ended 31 December 2021, in which we expressed an unqualified opinion;

ii) Due to the inherent limitations to any internal control system, there is a possibility that the internal control system over the consolidated financial reporting does not prevent or detect errors or irregularities that may arise, either due to collusion, errors in judgment, human error, fraud, or malpractice. Additionally, projections over the evaluation of the effectiveness of the internal control system related to the consolidated financial reporting, applicable to future periods, are subject to the risk that controls may become inadequate due to changes in conditions of business or operation of EDP Group, or that the degree of compliance with the policies and procedures may deteriorate.

Restriction on distribution and use

This report is solely issued under the agreed terms described in the first paragraph above and should not be used for any other purposes without our explicit consent.

17 February 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Signed on the original

João Rui Fernandes Ramos, ROC no. 1333
Registered with the Portuguese Securities Market Commission under no. 20160943

CHANGING TOMORROW NOW

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Abril 2022