



EDP informs on the publication of the decree to extend electricity distribution concessions in Brazil

Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP.PL

Lisbon, June 24th 2024: EDP, S.A. (“EDP”) informs on the publication of the decree No. 12.068, that regulates the bidding and extension of electricity distribution concessions in Brazil, aiming to promote the improvement in the quality of the service, transparency, efficiency and modernization of electricity distribution infrastructures.

EDP holds two electricity distribution concessions in Brazil, in the States of Espírito Santo (“EDP ES”) and São Paulo (“EDP SP”), both eligible for the abovementioned extension, representing a total regulated asset base of R\$7.9 billion (€1.4 billion) and serving more than 3.8 million customers. Both concessions present quality of service and financial strength indicators compatible with the criteria established by the decree, being reference companies in terms of quality of service in the Brazilian distribution sector, particularly in terms of low frequency (FEC) and average duration (DEC) of interruption in electricity distribution service, according to the ANEEL 2023 ranking: 1st place EDP ES and 3rd place EDP SP.

The review of EDP’s strategic plan for the 2024-2026 period foresees an investment of c. R\$4.5 billion (€0.8 billion) in electricity distribution in Brazil.

Additionally, the referred decree provides for the anticipation of the specific regulatory deadlines of the extension of EDP ES, since it is the first distributor to go through the process, given its contractually stipulated expiration date in July 2025. The concessions can be extended for a period of 30 years, (EDP ES until July 2055 and EDP SP until October 2058), without upfront financial burden, as long as adequate investment levels and minimum requirements for quality of service and financial sustainability are ensured.

The new terms to be incorporated into distribution concession contracts promote the sustainability, stability, and long-term visibility of investments in the electricity distribution sector in Brazil. This positioning reinforces EDP's commitment, vision and presence in the country, through its strategic investment in electricity networks, in line with the established in EDP's Strategic Plan update for 2024-2026.

This information is disclosed pursuant to the terms and for the purposes of the article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council.

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