



**EDP — ENERGIAS DE PORTUGAL, S.A.**

*(incorporated with limited liability in the Portuguese Republic)*

**EDP FINANCE B.V.**

*(incorporated with limited liability in The Netherlands  
and having its statutory seat in Amsterdam)*

**EDP SERVICIOS FINANCIEROS ESPAÑA, S.A.U.**

*(incorporated with limited liability in Spain)*

**€16,000,000,000**

**Programme for the Issuance of Debt Instruments**

This Supplement (the "**Supplement**") constitutes a supplement for the purposes of Article 23 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 20 May 2024 as supplemented by the supplement dated 5 September 2024 (together, the "**Base Prospectus**") prepared by EDP — Energias de Portugal, S.A. ("**EDP**"), EDP Finance B.V. ("**EDP B.V.**") and EDP Servicios Financieros España, S.A.U ("**EDP SFE**") (together, the "**Issuers**") in connection with their Programme for the Issuance of Debt Instruments (the "**Programme**") for the issuance of up to €16,000,000,000 in aggregate nominal amount of instruments (the "**Instruments**").

Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Regulation. The Central Bank only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers nor as an endorsement of the quality of the Instruments that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Instruments.

The purpose of this Supplement is to (i) incorporate by reference in the Base Prospectus the unaudited interim financial statements of EDP for the nine-month period ended 30 September 2024, (ii) provide an update on certain recent, litigation and regulatory developments relating to the EDP Group, (iii) update the Portuguese, Dutch and Spanish taxation sections and (iv) update the no significant change statement.

## **IMPORTANT NOTICES**

Each of the Issuers accepts responsibility for the information contained in this Supplement and declares that, to the best of its knowledge, the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between: (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement; and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail. Any websites referred to herein do not form part of the Base Prospectus.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Instruments issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

## AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

### A. Documents incorporated by reference

In respect of EDP, the unaudited consolidated condensed financial statements for the nine-month period ended 30 September 2024 and the auditor's limited review report thereon, which appear on pages 14 to 83, respectively, available at <https://www.edp.com/sites/default/files/2024-11/Interim%20Report%203rd%20Quarter%202024.pdf> (the "Q3 2024 EDP Financial Statements"). Copies of the documents incorporated by reference have also been filed with the Central Bank.

Any information contained in the document referred to above which is not incorporated by reference in this Supplement is either not relevant to investors or covered elsewhere in the Base Prospectus, as amended by this Supplement.

Copies of the information incorporated by reference in this Supplement as described above can be obtained from the registered office of each Issuer and from the specified office of the Paying Agent for the time being in London.

### B. Update on Recent Developments

*December 2024*

On 19 December 2024, EDP announced the non-recourse sale of €0.9 billion, comprising €0.7 billion from the 2025 tariff deficit sold by SU Electricidade and €0.15 billion in adjustments sold by E-Redes. The 2025 tariff deficit results from deferred recovery costs and prior adjustments related with the purchase of electricity from generators that benefit from guaranteed remuneration schemes or other subsidized schemes. Additionally, E-Redes completed the non-recourse sale of the entire 2023 definitive adjustment related to the electricity distribution and to the purchase and sale of access to the transmission network activities, as well as the 2024 provisional adjustment related to sustainability or tariff containment measures of the national electricity system and to the activity of purchase and sale of the access to the transmission network.

*EDP Decides to Exit Its Colombian Projects*

EDP, through its 71.3% owned subsidiary EDP Renováveis, S.A. ("EDPR"), has decided not to proceed with the investments in its 0.5 GW wind projects in La Guajira region in Colombia.

In 2019, EDPR decided to enter the Colombian market through two projects, Alpha and Beta, with a combined capacity of 0.5 GW, located in La Guajira region, a good location in terms of wind resources, and an expected generation of 2.5 TWh/year, which would make a decisive contribution to Colombia's energy diversification and transition national objectives. The two wind farm projects obtained environmental permits in August 2019. In the auction promoted in October 2019 by the government of Colombia, EDPR contracted PPAs for 1.7 TWh/year of renewable energy over a 15-year period starting in 2022, together with associated PPA liabilities and guarantees. Subsequently, EDPR contracted a substantial part of the capex, namely 90 Vestas V162-5.6MW turbines and BOP, to fulfil its obligations under the PPA. These correspond to a major part of the investment and responsibilities that EDPR still has today.

During the restrictive lockdowns imposed by public authorities in response to the COVID-19 pandemic in 2020-21, the environmental permitting process for the required 81 kms interconnection line suffered significant delays. In mid-2021, to minimize the negative impact of the energy shortfall from the PPAs obligations, caused by lockdown-related delays, and to streamline the ongoing construction efforts, the turbines designated for the two projects were transported and stored in a port infrastructure in La Guajira.

In late 2022, after a change in Government, substantial adjustments were requested for the interconnection line environmental permit, creating a material delay in the development process, including the increase in the number of local indigenous communities involved (from 56 to 113). Since then, EDPR developed several initiatives with the new elected Government and Regulator, highlighting the urgency of measures required to rebalance the economics of the projects, that was also impacted by other material developments such as (i) the unavailability of other transmission assets that were planned to be constructed and operated by third parties in the region (ii) the approval of new legislation with adverse impacts on the economics of

the projects vs. the initial investment assumptions (iii) the significant increase in construction costs (iv) the devaluation of the Colombian Peso and (v) the increase in financing costs. In response, by August 2023, the government published Decree 1276 containing important emergency measures, but this decree was judicially annulled in October 2023, maintaining the unbalanced situation of the projects.

EDPR took several steps to remediate the situation and reached bilateral renegotiation of 80.7% of the total PPA volumes of energy, with the consequent suspension of the energy delivery for more than 2 years. In the meantime, the environmental permit for the interconnection line has been submitted to the National Environmental Licensing Authority (ANLA) and is expected to be granted in February 2025. However, as of today, no visibility has been attained on the improvement of the regulated revenues' framework, such as reforms to the "cargos por confiabilidad" mechanism and other potential measures, which EDPR and the renewable energy association of Colombia have defended as crucial to enable the construction of wind projects.

In the 1Q24 results presentation, EDPR informed the market that it would review the economic viability of the two projects in 2024.

Following a detailed review of the projects, and given all of the above, EDPR considers that these projects do not meet the company's investment criteria and risk profile and has therefore decided not to proceed with the remaining investments required to build the wind farms. The company will continue to take all the necessary legal actions to protect EDPR interests in Colombia.

Given this decision, EDPR estimates potential losses associated to these projects of up to €0.7 billion, including the full impairment of the projects and €0.2 billion related to guarantees and estimated liabilities potentially to be paid in the future (only the €0.2 billion are incremental to net debt beyond 2024). At EDP level, potential losses associated to these projects are estimated at €0.5 billion, net of minorities. These amounts will be treated as non-recurring events, having no impact on either the recurring net income or the company's dividend policy.

### **C. Update on Litigation**

The section titled "*Litigation*" under pages 172 to 173 of the Base Prospectus shall be updated as follows:

#### **" LITIGATION**

At any given time, EDP and its subsidiaries may be party to litigation or subject to non-litigated claims arising out of the normal operations of its global business. These legal, arbitration or other actions involve customers, suppliers, employees, administrative, central, municipal, tax, environmental or other authorities. In addition to such matters listed below,

Holders should refer to Note 26 (*Provisions*), Note 4 (*Critical accounting estimates and judgements in preparing financial statements*) and Note 37 (PPA/CMEC/DPH Procedure to the Q3 2024 EDP Financial Statements and Note 37 (*Provisions*), Note 4 (*Critical accounting estimates and judgements in preparing financial statements*) and Note 50 (*Investigation process about CMEC and DPH*) to the 2023 EDP Financial Statements.

#### **PPA/CMEC/DPH Procedure**

Following the enactment of the EU's legislation package on the Internal Energy Market, long-term power purchase agreements - PPA's ("Contratos de Produção de Energia" – CAE) ceased to be compatible with the EU law within Portugal's "single buyer" legal framework.

Portugal's Decree-Law no. 240/2004, dated 27<sup>th</sup> of December 2004 enacted within the liberalization of the Portuguese energy sector, established the early termination of the PPA entered into in 1996, while approving the methodology for such termination and the compensation to energy producers.

The above referred methodology was subject to the European Commission's (EC) prior approval, expressed in the Directive concerning State aid N161/2004, deeming it effective and strictly necessary. Additionally, the enactment of the Decree-Law by the government was authorized by the Portuguese Parliament.

According to the approved methodology, both EDP and Portugal's national energy grid - REN (Rede Eléctrica Nacional, S.A.) signed the PPA early termination agreements in 2005, enforced on the 1<sup>st</sup> of July

2007, amended earlier that year and previously ratified by the head of energy appointed by the Portuguese Government.

The provisions of the 2005 PPA termination agreements, dated March 8<sup>th</sup>, 2008, established that the Government, REN and EDP Produção entered concession agreements formally embodying 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 Costs of Maintenance for the Contractual Balance mechanism ("Custos de Manutenção do Equilíbrio Contratual" – CMEC). The Decree-Law 226-A/2007, dated 31<sup>st</sup> of May 2007, introduced a new obligation for EDP, unforeseen in the previous 2004 legislation or in the 2005 termination agreements. This consisted of the payment by EDP of an amount reflecting the "economic and financial balance" per power plant. According 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, for the extension of its right of use over the DPH, including approximately EUR 55 million for the Hydro Resources Tax.

In 2012, a complaint was placed to the EC and the Portuguese authorities at DCIAP-Central Department of Criminal Investigation and Prosecution ("Departamento Central de Investigação e Ação Penal") related to (i) the methodology adopted for the early termination of the PPAs and the implementation of the CMEC mechanism and; (ii) EDP's right of use over the DPH.

As a result, the EC addressed a clarification request to the Portuguese Government over the early termination of the PPAs, and its replacement by the CMEC framework.

The EC's ruling came in September 2013 establishing that the compensation attributed to EDP Produção did not exceed the amount required to reimburse the investment costs to be recovered throughout the operational life of the related assets. In addition, it certified the execution of the CMEC framework in line with the terms notified to the EC, approved in 2004. Accordingly, the EC has at this stage concluded its investigation regarding the early termination of the PPAs. 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.

Separately, the EC decided to undertake an in-depth investigation in September 2013 related to the right of use over the DPH matter. These in-depth proceedings were formally concluded in May 2017 with the EC's ruling that EDP's pay was in line with market conditions. It ruled that the financial methodology used 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 formulating as unfounded the accusations of underappreciation or inaccurate financial calculation methodology related to the 759 million euros price.

On the 2<sup>nd</sup> of June 2017, EDP was made aware of the investigation by DCIAP ongoing since 2012 related to the amounts to EDP for the early termination of the PPAs and the right of use over the DPH. On that date, Portuguese authorities carried out searches at EDP, REN (national grid) and at a consulting firm. DCIAP issued a public release on the ongoing investigation, the nature of the alleged facts related to active and passive corruption, in addition to alleged economic participation in business transactions involving executive members of EDP's Board, as well as placing former company directors under investigation.

On the 6<sup>th</sup> of July 2020, the Public Prosecutor's Office issued a restraining order suspending both the executive chair António Mexia and the executive board member João Manso Neto, with the investigation at the inquiry stage. This resulted in the General and Supervisory Board and the Executive Board of Directors' decision to appoint then Chief Financial Officer Miguel Stilwell d' Andrade as interim Chair, for the duration of the impediment of the suspended members.

On the 13<sup>th</sup> of July 2020, EDP was notified by the Portuguese Authorities to appoint a legal representative at the DCIAP for questioning and subsequently placed as a defendant in relation to the hiring of the former Energy Under-Secretary Artur Trindade's father. This legal case was pursued separately from the PPA/CMEC proceeding and remains under investigation.

On the 30<sup>th</sup> of November 2020, both suspended members of the Executive Board of Directors gave their formal notice to EDP and informed of their unavailability to be re-appointed to their term in office.

On the 19<sup>th</sup> of January 2021, the company held an Extraordinary General Shareholders' Meeting appointing a new management team to the Executive Board of Directors for the 2021-2023 term-of-office.

As a recent development to this case, Portugal's Public Prosecutor's Office released a statement on the 28<sup>th</sup> of October 2024, issuing an accusation to six defendants including former EDP's EBD members António Mexia and João Manso Neto. This relates to facts occurred between 2006 and 2014, in relation to the PPA-CMEC transition, notably the alleged overevaluation of the CMEC, in addition to "(...) the award of the Alqueva and Pedrogão dams to (...) EDP without a public tender and also to the payment of a chair at Columbia University to a former minister.". In this statement, the Public Prosecutor's Office mentioned "the State incurred a loss of over € 840 million, requiring the return of this amount relating to the loss of assets to the defendants and to EDP Gestão de Produção de Energia and EDP."

EDP is not accused and is not a defendant in this case, and no crime was attributed to EDP on these matters. EDP is targeted in the accusation through the Public Prosecutor's Office request regarding the loss of EDP and EDP Produção's assets, pursuant to the "Loss of product and benefits" mechanism in Portugal's criminal law which establishes that assets of third parties benefiting from an illicit act, may be declared lost in favour of the State.

EDP remains adamant of no wrongdoing, reaffirming the belief of the absence of irregularities in this process. Of note, is the fact that the material aspects referred here were covered in depth by national and supra-national institutions, notably the EC as abovementioned.

EDP obtained no undue or illicit economic benefit, either with regards to the PPA-CMEC transition or with the extension of the DPH. In relation to the awarding of concessions for the exploration of the Alqueva and Pedrogão hydroelectric plants this process fully followed all legal and contractual terms in force.

EDP remains fully committed behind the pursuit of its corporate purpose and the fulfilment of its shareholders, employees, clients, and remaining stakeholders' highest expectations. EDP is entirely invested in the delivery of its strategic goals with no impact expected to its consolidated financial statements resulting from the above.

#### **D. Update on Regulatory Developments**

##### *Portugal*

Decree-Law no. 99/2024, of 3 December, amends Decree-Law no. 15/2022, of 14 January, and partially transposes Directive (EU) 2023/2413 of the European Parliament and of the Council of 18 October 2023, amending Directive (EU) 2018/2001, Regulation (EU) 2018/1999 and Directive 98/70/EC as regards the promotion of energy from renewable sources, and repealing Council Directive (EU) 2015/652. Among other amendments, this decree-law establishes new maximum deadlines applicable to certain licensing procedures to accelerate renewable energy projects in Portugal and approves new rules applicable to storage systems and self-consumption units.

In December 2024, ERSE approved Directive no. 12/2024, of 16 December, and the document that sets out the tariffs for 2025 "*Tarifas e Preços para a Energia Elétrica e outros Serviços em 2025*", announcing the final electricity tariffs and prices for 2025.

The methodology to calculate the rate of return applicable to the deferral of the recovery of the overcosts with the costs of general economic interest was approved by Ministerial Order no. 300/2023, of 4 October. The final value of the rate of return depends on parameters defined annually in supplementary legislation. The parameters for 2025 were set by Order no. 12032/2023, of 27 November.

For the normal low voltage segment, prices for end user's regulated electricity tariffs will increase by 2.1 per cent. when compared to the 2024 average. In addition, the regulated gross profits for electricity distribution, operated by E-Redes was set at EUR 1,134 million.

#### **E. Update to Portuguese Taxation**

2025 State Budget law (Law no. 45-A/2024, of 31 December 2024), which entered into force on 1 January 2025 amended applicable corporate income tax rates as follows:

(i) the general corporate income tax rate from 21% to 20% and (ii) the rate that is applicable to the first €50,000 of taxable income obtained by small and medium sized companies or small and mid-capitalisation companies, as defined in the annex of Decree-Law no. 372/2007, of 6 November, from 17% to 16%.

2025 State Budget law has also amended the relevant threshold of taxable income of the taxpayer to €83,696, including the balance of the capital gains and capital losses, from which the positive balance between capital gains and capital losses arising from the transfer for consideration of shares and other securities, which includes gains obtained on the disposal or the refund of Instruments, is mandatorily accumulated and taxed at progressive rates if the assets have been held for less than 365 days.

#### **F. Update to The Netherlands Taxation**

The final paragraph of section (a) of the "*Corporate and Individual Income Tax*" section under page 255 of the Base Prospectus shall be updated as follows:

" If neither condition (i) nor condition (ii) above applies, an individual that holds the Instruments, must in principle determine taxable income with regard to the Instruments on the basis of a deemed return on savings and investments (*sparen en beleggen*). This deemed return on savings and investments is determined based on the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a statutory threshold (*heffingvrij vermogen*) (EUR 57,000 in 2024). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities on 1 January. The individual's deemed return is calculated by multiplying the individual's yield basis with a 'deemed return percentage' (*effectief rendementspercentage*), which percentage depends on the actual composition of the yield basis, with separate deemed return percentages for savings (*banktegoeden*), other investments (*overige bezittingen*) and debts (*schulden*). As of 1 January 2024, the percentage for other investments, which include the Instruments, is set at 6.04.

However, on 6 June 2024 the Dutch Supreme Court (*Hoge Raad*) ruled in a number of cases (i.e. ECLI:NL:HR:2024:704, ECLI:NL:HR:2024:705, ECLI:NL:HR:2024:756, ECLI:NL:HR:2024:771 and ECLI:NL:HR:2024:813) that the current system of taxation in relation to an individual's savings and investments based on a 'deemed return' contravenes with Section 1 of the First Protocol to the European Convention on Human Rights in combination with Section 14 of the European Convention on Human Rights if the deemed return applicable to the savings and investments exceeds the actual return in the respective calendar year. In these rulings, the Dutch Supreme Court has also provided guidance for calculating the actual return: (i) all assets that are taxed under the regime for savings and investments are taken into account, and the statutory threshold will not be deducted from the individual's yield basis; (ii) the actual return should be based on a nominal return without considering inflation; (iii) the actual return includes not only benefits derived from assets, such as interest, dividends and rental income, but also positive and negative changes in the value of these assets, including unrealized value changes; (iv) costs are not taken into account for determining the actual return, but interest on debts that are included in the individual's yield basis should be taken into account; and (v) positive or negative returns from previous years are not taken into account.

If the individual demonstrates that the actual return – calculated in accordance with the guidelines of the Dutch Supreme Court – is lower than the deemed return, only the actual return should be taxed under the regime for savings and investments. As of the date of this Supplement, no legislative changes have been proposed by the Dutch legislator in response to the 6 June 2024 rulings.

The deemed or actual return on savings and investments is taxed at a rate of 36 per cent. "

#### **G. Update to Spanish Taxation**

The first two paragraphs of section (a) of the "*Individuals with Tax Residency in Spain*" section under pages 257-258 of the Base Prospectus shall be updated as follows:

" (a) **Personal Income Tax (*Impuesto sobre la Renta de las Personas Físicas*)**

Individuals with tax residency in Spain are subject to Personal Income Tax on a worldwide basis. Accordingly, income obtained from the Instruments will be taxed in Spain when obtained by individuals that are considered resident in Spain for tax purposes. The fact that a Spanish company pays interest or guarantee payments under an Instrument will not lead an individual or entity being considered tax-resident in Spain.

Both interest periodically received and income deriving from the transfer, redemption or repayment of the Instruments would constitute a return on investment obtained from the transfer of own capital to third

parties in accordance with the provisions of Section 25.2 of the Personal Income Tax Law, and therefore must be included in each investor's savings tax base and taxed at the tax rate applicable from time to time, currently at the rate of 19 per cent. for taxable income up to €6,000, 21 per cent. for taxable income between €6,000.01 and €50,000, 23 per cent. for taxable income between €50,000.01 and €200,000, 27 per cent for taxable income between €200,000.01 and €300,000 and 30 per cent for taxable income in excess of €300,000. Income from the transfer of the Instruments is computed as the difference between their transfer value and their acquisition or subscription value. Furthermore, ancillary acquisition and disposal charges are taken into account, insofar as adequately evidenced, in calculating the income. "

#### **H. No significant change statement**

There has been no significant change in the financial performance or position of EDP B.V. or EDP SFE since 30 June 2024.

There has been no significant change in the financial performance or position of EDP or the EDP Group since 30 September 2024.

There has been no material adverse change in the prospects of EDP, EDP B.V., EDP SFE or the EDP Group since the date of their last published audited financial statements, being 31 December 2023.