



EDP'S 2022 RESULTS TO BE IMPACTED BY IMPAIRMENT COST RELATED TO THERMAL PLANT IN BRAZIL

Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP PL

Lisbon, January 26th, 2023: EDP – Energias de Portugal, S.A. (“EDP”), through its 57.55%¹ owned subsidiary EDP - Energias do Brasil S.A. (“EDP Brasil”), informs the market that its subsidiary Pecém Geração de Energia S.A. (“Pecém”) will have an impairment cost of €0.23 billion in 2022 (non-cash impact).

Pecém is a 720 MW coal power plant in the state of Ceará with a license to operate until January 2044, that contributes to the security of supply of the Brazilian electricity system. The plant has a Power Purchase Agreement (“PPA”) in place until July 2027, providing a stable revenue stream that is adjusted to inflation and availability levels.

The postponement of the A-5 energy capacity auction (for new PPAs starting in 2027) that was expected to take place in November 2022, and the lack of visibility regarding the terms of upcoming energy capacity auctions in Brazil has impacted the expectations of economic conditions of the plant post the maturity of the existing PPA. As a result, EDP in accordance with IAS 36, incorporated this scenario into the annual impairment tests, which resulted in an extraordinary impairment cost in EDP Brasil’s reported net profit, to be booked in 2022, with a negative impact of €0.13 billion on EDP’s reported net profit for the same year.

The final impact is subject to approval by external auditors and this extraordinary accounting cost is neutral in terms of cash flow and net debt in 2022.

EDP is committed to maintain its leadership position in the energy transition, with a clear growth strategy focused on renewables, having set the goal of being coal free until 2025.

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.

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¹ EDP owns directly 56.05% of EDP Brasil, however consolidates 57.55%, considering treasury stock adjustment.