

Annual Report 2024

EDP Finance B.V.

Annual Report

31 December 2024

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RESPONSIBILITY STATEMENT


The Managing Directors of the Company wish to state:

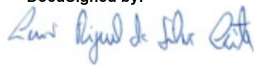
1. That the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of EDP Finance B.V.;
2. That the annual report gives a true and fair view of the position as per the balance sheet date, the development during the financial year of EDP Finance B.V. in the annual financial statements, together with a description of principal risks it faces;
3. That the Report of the Managing Directors gives a true and fair review of the development and the performance of the business of EDP Finance B.V. during the financial year to which the report relates.

Amsterdam, 26 February 2025

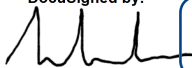
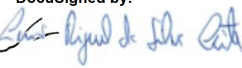
The Managing Directors

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EDP, S.A.

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TMF Netherlands B.V.

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REPORT OF THE MANAGING DIRECTORS

The Managing Directors of EDP Finance B.V. (hereinafter “the Company”) submit the annual report, which includes the financial statements of the Company for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

General

The Company was incorporated under the laws of The Netherlands on 1st October 1999 and is a direct wholly-owned subsidiary of EDP, S.A..

Activities

The main activity of the Company is to act as a finance company for the EDP Group (“EDP”), raising funds mainly in the international capital and bank loan markets to finance EDP’s activities and investment plan. The activity of the Company is therefore determined in accordance with the business plan and overall strategy defined for EDP, its debt maturity schedule and EDP’s financial policy, including a conservative liquidity profile and being part of the centralization of the fund raising at EDP SA and the Company for Group subsidiaries, as well as prevailing market conditions.

The Consolidated Financial Statements of EDP can be consulted on www.edp.com.

Overview of the Company’s Results, Solvency and Liquidity

During the year ended on 31 December 2024, the Company recorded a net profit of EUR 15.99 million (2023: net profit of EUR 2.24 million).

The improvement in results is essentially related with the increase on the average interest rate of assets following the refinancing of operations that matured during the year, at higher interest rates and the reimbursement of the bond, in January, of GBP 325M, that had a very high interest rate and was impacting negatively the results of the Company.

The Company holds an equity position that amounts to EUR 139.3 million (2023: EUR 122.7 million). The increase results essentially from the profit generated in 2024, as mentioned above.

Net current assets amount to EUR 38.0 million (31 December 2023: EUR 288.1 million), which reflect the Company’s ability to generate enough cash to pay off all its short-term liabilities once they become due, during a 12-month period.

The Company has strong liquidity, with available funds (including committed credit lines) sufficient to cover its refinancing needs for at least 18 months, especially considering the negotiations taken in of the Revolving Credit Facilities in 2024, consistent with EDP's liquidity policy.

Major Developments

Several long-term liabilities reached maturity during the financial year, with a total of EUR equivalent of 2,294 million, corresponding to: a bond in GBP of 325 million that matured in 4th of January; a bond of EUR 1.000 million that matured on the 12th of February; and a bond of USD 1.000 million that matured on the 15th of July, all together with an average rate of 5.41%.

In January 2024, a tender offer was launched by EDP Servicios Financieros España, S.A. (EDP SFE), for the outstanding debt security issued by EDP Finance B.V. in October 2022, amounting to USD 500 million. At the early tender deadline, the total amount of securities that were validly tendered and not withdrawn was USD 366.878 million, and the remaining USD 133,122 million will mature only in December 2027.

EDP Finance B.V. and EDP, S.A. are co-borrowers of two Revolving Credit Facilities (RCFs): EUR 3,650 million signed on August 4, 2022, and EUR 3,000 million signed on July 27, 2023. Both can be drawn in Euros, US Dollars, and Pound Sterling. These

RCFs are sustainability-linked loans with ESG KPIs: reducing scope 1 and 2 greenhouse gas emissions and increasing the percentage of renewable energy capacity in the EDP Group. By year-end 2024, several changes were made: each facility's termination date was extended for one additional year through a rollover; EDP SFE was included as a co-borrower; and the EUR 3,650 million RCF increased to EUR 4,250 million with four new lenders added.

EDP, S.A. and EDP Finance B.V. (acting as co-borrowers), have two Commercial Paper Programs active that were going to mature in 2025, in a total amount of USD 475 million. These programs have been extended to new maturity dates: July 2029 for USD 112.5 million and January 2030 for USD 362.5 million.

In 2024, EDP Finance B.V. has also executed a private placement for issuance of notes in an aggregate amount of EUR 200 million with Banco BPI and a Green Term Loan Facility of EUR 145 million, with UOB, with a tenor of 5,5Y and a coupon of 3,125%.

The financing transactions concluded in the year allowed the Company and EDP Group to reach different markets and investors, obtaining the necessary funding for current and next year's redemptions as well as to strengthen the liquidity position, ahead of refinancing needs for the following years.

Subsequent Events

No subsequent events have occurred.

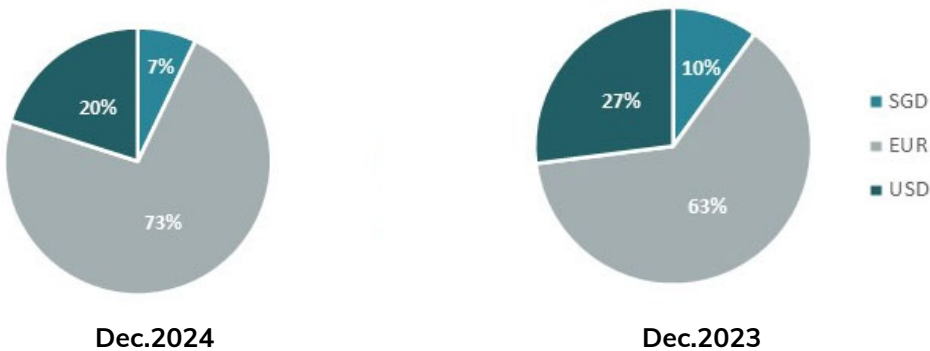
Debt

In 2024, EDP Finance B.V.'s total debt amounted to EUR 9,965 million, representing an increase of EUR 237 million since December 2023. Although with a significant reduction in the Bonds (- 24%), such amount was compensated by the increase in the Bank loans of around EUR 900 million, mainly due to the issuance of Commercial Paper.

EUR millions	Dec 2024	Dec 2023	Change
Debt - Short term	2,153	2,605	-17%
Bonds	1,408	2,396	-41%
Bank loans	679	76	+790%
Intercompany loans	66	133	-50%
Debt - Long term	7,812	7,123	10%
Bonds	5,084	6,134	-17%
Bank loans	1,288	990	30%
Intercompany loans	1,440	0	n.a.
Debt under IFRSs	9,965	9,728	+2,4%

In terms of currencies of EDP Finance B.V. external debt, the USD financing contracted to fund the purchase and capex of EDP Renewables North America justifies the Company's USD denominated debt (20% of EDP Finance B.V. 's debt). Euro continues to be the main funding currency of the Company's debt (73%), while the Singapore Dollar weight is justified by the loan facility signed in April 2023 (7%).

Liabilities per currency



Rating

Regarding the latest rating actions, in March 2023, Standard & Poor's Global Ratings ("S&P") affirmed EDP, S.A. and the Company's rating at "BBB" with stable outlook. Also, in May 2023, Moody's Investors Service ("Moody's") upgraded EDP, S.A. and the Company's rating to "Baa2" with stable outlook. More recently, in April 2024, Fitch Ratings ("Fitch") affirmed EDP, S.A. and the Company's rating at "BBB" with stable outlook.

Risk Management

Financial risk management

EDP Finance B.V.'s business is exposed to a variety of market/financial risks which arise, essentially, from the mismatch between the loans granted to EDP Group companies and its debt portfolio, resulting in interest rate, foreign exchange rate, liquidity and counterparty risks.

The Company has an overall low risk appetite and therefore aims to minimize these market risks arising from its relevant activities, preferably through natural hedging, but also, whenever necessary/appropriate, with the use of over-the-counter derivative financial instruments. The risk appetite of the Company is in line with EDP's and subject to regular review.

On 14 March 2001, EDP SA signed a Keep Well agreement with the Company. This agreement states that for as long as the Company has outstanding instruments under an external debt Programme and in case the Company shall have insufficient funds or other liquid assets to meet its payment obligations (including in respect of any Debt Obligations) at any time, EDP SA shall make available to the Company funds sufficient to enable the Company to meet such payment obligations in full as they fall due. However, the Keep Well agreement is not a guarantee, direct or indirect, by EDP SA of any debt obligations or any other debt of the Company or any instrument issued by the Company.

The management of the financial risks of EDP Finance B.V. is carried out, measured and controlled, in accordance with the general risk management principles and exposure limits established for the EDP Group companies by EDP SA. Financial risk management is implemented by the Financial Department of EDP SA, under a service agreement signed between the latter and several EDP Group Companies, among which EDP Finance B.V.

The Board of Directors of the Company is made aware of the exposure to the different risks on an ongoing basis and considers that the existing risk management policies and controls are appropriate to achieve the desired mitigation and low risk exposure.

EDP uses various metrics, both statistical and nonstatistical, including VaR, economic-value stress testing and nonstatistical risk measures such as sensitivities to variables used to value positions (refer to note 5 of the financial statements for additional information), to monitor and control limits.

Hedge relationships are established through instruments and structures that have critical terms similar to those of the hedged asset or liability, confirming the economic relationship between hedged item and hedging instrument. The hedge ratio is of 1:1 for all the hedging relationships to minimize hedge ineffectiveness. Therefore, the main source of ineffectiveness would be a significant deterioration of the credit risk of a counterparty.

For a more detailed information than presented below about each type of risk being managed, please see the Risk management section of the financial statements.

Foreign Exchange rate risk management

Exchange rate risk refers to potential changes of value in financial assets, liabilities or derivatives in response to fluctuations in exchange rates. These can have adverse effects on the financial position of the Company. EDP Finance B.V. has very low appetite to exchange rate risk.

The Company is exposed to exchange rate risk through its debt and assets denominated in currencies other than EUR, currently US Dollars (USD), and Singapore dollars (SGD). EDP hedges this risk naturally by maintaining a matched position between assets and liabilities in each currency. Any residual exposure is closely monitored and hedged with over-the-counter derivative financial instruments, namely forwards and cross-currency swaps.

The Company issued USD loans and debt securities (bonds) as well as executed foreign exchange derivative financial instruments that convert the debt issued in currencies such as EUR into USD, with the objective of mitigating the exchange rate risk related to the intercompany loans granted to finance the USD assets of the EDP Group.

Interest rate risk management

Interest rate risk refers to potential changes of value in financial assets, liabilities or derivatives in response to fluctuations in interest rates. EDP Finance B.V. has moderate appetite to interest-rate risk.

The Company's interest rate risk management policy aim is to reduce exposure to interest rate changes which may affect the value of its financial instruments, namely debt. EDP Finance BV mitigates this risk, preferably, through natural hedging, by maintaining an aligned fixed-floating ratio between its assets and liabilities, but also through the use of over-the-counter derivative financial instruments, such as forwards, interest rate swaps and cross-currency swaps.

As the Company provides funding to different Group Companies according to their requirements (timing, amounts and tenor) and raises funding from the market according to refinancing needs and market conditions (timing, tenor and spread wise), interest rates applied to assets and liabilities may differ. The Company tries to manage such risk by refinancing its debt under the best possible conditions the market allows, extending the average life of its debt portfolio and lending to Group companies according to arms-length principles.

Counterparty and credit risk management

The Company has a low-risk appetite for counterparty and credit risk. EDP's policy regarding the management of counterparty and credit risk on financial transactions involves the analysis of the technical capacity, competitiveness, credit rating and exposure of each counterparty, so as to avoid significant concentrations of risk.

Counterparties in over-the-counter derivative financial instruments are financial institutions with high credit ratings and therefore the risk of counterparty default is not considered to be significant. Guarantees and other collaterals are not required on these transactions.

The Company documents its financial operations in accordance with international standards. Therefore, derivative financial instruments are contracted under ISDA Master Agreements, facilitating the transfer of the instruments in the market and ensuring compliance and consistency with EDP policies.

The credit risk arising from loans granted to EDP Group companies is mitigated by the control that EDP SA has over the management of those companies.

The Company monitors the credit risk using multiple inputs for risk assessment and for calculation of the loss allowances for financial assets, including: (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 behavior 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; (iv) Internal credit risk assessments on the credit profiles of EDP Group subsidiaries; and (v) macroeconomic information (such as market interest rates or growth rates).

Liquidity risk management

The Company has a very low appetite for liquidity risk. This risk is associated with the possibility of a default by the Company in meeting all its short-term liabilities in the committed time periods, or just being able to do so under unfavorable conditions due to difficulties in access/cost of credit and rating reduction.

Liquidity risk is managed by engaging and maintaining credit lines and financing facilities with a firm underwriting commitment, with international reliable financial institutions with high credit ratings, as well as term deposits, allowing immediate access to funds, covering refinancing needs for the next 18 to 24 months (refer to notes 5 and 17 of the financial statements for additional information). These lines are used to complement and backup commercial paper programs, allowing for a diversification of EDP Finance B.V.'s short-term financing sources.

Capital management

EDP Finance, B.V. 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.

The Company's goal in managing equity is to safeguard the capacity to continue operating as a going concern.

Internal Control System

The Company's administrative and accounting procedures used in the financial reporting and daily operations, are assessed on a regular basis and comply with the internal control system.

The controls are integrated into the Company through the establishment of a segregation of roles and responsibilities for the different functions, set out in the procedures approved and disseminated within the Company. These controls, implemented to manage and mitigate significant financial reporting and operating risks, aim to prevent and reduce the risk of errors namely the fraud factor in the financial reporting process. As a finance company, EDP Finance BV has a reinforced segregation of duties and monitoring on payments, namely each one of the managing directors have separate/independent controls and monitoring required to authorize any payment, where each payment is reviewed (against supporting documentation and business rationale) by multiple layers of staff (controllers and authorizers). In addition, monthly, the accounting reports are also reviewed / monitored by multiple layers of staff at the level of the 2 corporate directors.

EDP Group's internal control system is subject to an annual external audit at consolidated level.

Integrity / Prevention of Corruption and Fraud

EDP Finance B.V. falls within the EDP Group's Specific Program of Compliance for Integrity / Corruption Prevention. The systematization of this 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 preventing 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, the Procedure for prevention of conflicts of interest and the Policy of transactions with related parties, in addition to the EDP Group's own Code of Ethics and the irregularities communication channels made available). The EDP Group's Integrity Policy, disclosed to all employees (in the case of a mandatory reading document, with record of the respective acknowledgment) and available both at EDP's intranet and website (www.edp.com), reinforces the zero tolerance policy 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, conducting 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 of international sanctions. All of these principles have been implemented through the development of specific procedures and internal control mechanisms (such as but not limited to the authorization of bank payments within the payment process). 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. The contact 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. Within the scope of the reporting of irregularities, EDP's Integrity Policy reinforces the principle of non-retaliation and identifies the different channels available both internally and externally. EDP also implemented an Investigations procedure to ensure an adequate treatment of the communications received, defining the guidelines for the investigation process and corresponding follow-up initiatives.

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. In this context, no incidents were reported or identified in 2024.

Climate change

EDP Finance B.V.'s exposure is solely through EDP Group's potential impact from climate change, which EDP's contribution to combating climate change is realized through its Climate Action Approach, embodied in the Climate Transition Plan (published in an autonomous document in 2023).

EDP Group prepares its information on climate change following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Detailed information can be found in the EDP Group Annual Report and Sustainability reporting, which are available on the website www.edp.com. No significant impacts are expected for EDP Finance B.V.'s financial position.

EDP Finance BV being a debt listed company is expected to be in scope of the Corporate Sustainability Reporting Directive ('CSRD') as of 2026 for reporting over the financial year starting 1 January 2025. In the context of the Sustainability Omnibus proposal of the European Commission, for simplifying several Sustainable Finance Regulations, including CSRD, Taxonomy and CS3D, a decision on CSRD scoping thresholds and/or a revised date for implementation is expected to be presented shortly. Based on current regulation, EDP Finance BV falls in scope of CSRD and is on track to prepare the required disclosures in the annual report 2025.

EDP Finance BV, through its Parent Company, is committed to environmental responsibility, particularly in the areas most relevant to the Group's strategy: climate change, circular economy and biodiversity. To achieve these commitments and policies, EDP has implemented a framework for the governance of its sustainability objectives, which involves (i) supervision by the General and Supervisory Board; (ii) decision-making and approval from the Executive Board of Directors; and (iii) operational practices for managing, implementing and monitoring the Group's policies and sustainability strategy.

EDP materiality assessment process has been developed, since 2016, through a transversal methodology across the Group, systematized and detailed in "link". Materiality assessment is conducted every two years, aligned with the Business Plan review. This process allows to identify the relevance of non-financial topics for stakeholders, in relation to its business strategy and priorities. Among various stakeholders, EDP Finance BV was indirectly involved in the most recent materiality analysis process through the stakeholder: Finance Department of the Corporate Center of the EDP Group. In the next materiality analysis process, consultation with EDP Finance BV will be explicitly mentioned.

In 2024 the EDP Group, part of which directly through EDP Finance BV, has issued around EUR 2.700 million with Use of Proceeds in line with EDP Green Bond Framework, of which EUR 345 million directly by EDP Finance BV.

Headcount

As at 31 December 2024, the Company has two employees (2023: three employees).

Management Board

As a general guidance for Dutch public limited companies, in accordance with art. 166, Title 4, Book 2 Dutch Civil Code, certain major companies must aim for a balanced distribution between men and women with respect to their positions on the Management Board.

To ensure diversity within the Board of Management, the Company takes into consideration candidates' experience, expertise, background, and qualifications, in order to effectively fulfill responsibilities and perform duties.

Expectations for 2025

Given the cash flow generated by the Group, as well as the available liquidity, the Company's refinancing needs are covered up until 2026.

The Company expects to continue its normal course of business in 2025, raising funding in the international loan and capital markets so as to refinance debt that matures as well as to provide the necessary funding to EDP Group companies. It is expected that the Company will keep operating as an intragroup financing vehicle, with a balanced portfolio in terms of average maturity and currency mix. Recurrent financial results for the upcoming year will remain stable with a preliminary forecast for Net Profit.

Audit Committee

The Company makes use of the exemption to establish its own Audit Committee, based on Article 3a of the Royal Decree of 26 July 2008 implementing Article 41 of the EU Directive 2006/43/EG. The Audit Committee of the parent company, EDP, S.A., acts as Audit Committee for the Company. In 2024, the audit committee held in four sessions. This Committee is composed as follows:

Gonçalo Moura Martins: President

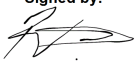
María José García: Member

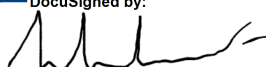
Sofia Salgado Pinto: Member

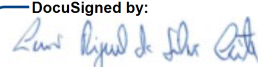
Victor Roza Fresno: Member

Amsterdam, 26 February 2025

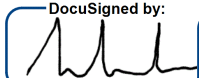
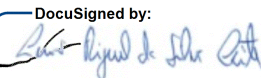
The Managing Directors:

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EDP Finance B.V.

Financial Statements

31 December 2024

EDP Finance B.V.**Company Income Statement
for the year ended 31 December 2024**

Thousand Euros	Notes	2024	2023
Interest income			
Amortized cost	7	375.456	330.782
Fair value through profit or loss	7	1.857	36.609
Interest expenses			
Amortized cost	7	-330.349	-291.802
Fair value through profit or loss	7	-20.516	-49.871
Net interest income / (expenses)		26.448	25.718
Impairment losses on financial assets		-	-
Other financial income	8	70.489	126.144
Other financial expenses	8	-73.727	-147.195
Net financial income / (expenses)		23.210	4.667
Other operating income / (expenses)			
Services rendered	9	3.081	905
Supplies and services	10	-4.626	-2.460
Personnel costs		-129	-151
Profit / (Loss) before income tax		21.536	2.961
Income tax expense / (benefit)	11	-5.543	-724
Net profit / (loss) for the year - fully attributable to the owners		15.993	2.237

EDP Finance B.V.**Company Statement of Other Comprehensive Income for the year ended
31 December 2024**

Thousand Euros	2024	2023
Net profit / (loss) for the year	15.993	2.237
Items that are or may be reclassified to profit or loss		
Cost of hedging reserve	910	-1.794
Tax effect from the cost of hedging reserves	-235	463
Other comprehensive income / (loss) for the year (net of income tax)	675	-1.331
Total comprehensive income / (loss) for the year - fully attributable to the owners	16.668	906

EDP Finance B.V.

Company Statement of Financial Position as at 31 December 2024
(before proposed appropriation of result)

Thousand Euros	Notes	2024	2023
Assets			
Loans to and receivables from group entities	12	7.852.076	6.960.567
Derivative financial instruments	19	83.553	70.967
Deferred tax assets	13	2.956	4.114
Total Non-Current Assets		7.938.585	7.035.648
Loans to and receivables from group entities	12	1.555.349	2.444.643
Derivative financial instruments	19	13.298	34.319
Debtors and other assets		23	25
Tax receivable		-	1.576
Cash and cash equivalents	14	639.746	461.478
Total Current Assets		2.208.416	2.942.041
Total Assets		10.147.001	9.977.689
Equity			
Share capital	15	2.000	2.000
Share premium	15	11.980	11.980
Reserves and retained earnings	16	109.350	106.438
Profit / (Loss) for the year		15.993	2.237
Total Equity		139.323	122.655
Liabilities			
Debt securities	17	5.084.371	6.133.570
Loans and credit facilities from third parties	17	1.288.473	989.808
Loans from group entities	18	1.440.000	-
Derivative financial instruments	19	24.460	77.758
Total Non-Current Liabilities		7.837.304	7.201.136
Debt securities	17	1.407.536	2.395.765
Loans and credit facilities from third parties	17	678.627	76.259
Loans from group entities	18	66.313	133.008
Derivative financial instruments	19	14.287	48.866
Trade and other payables		765	-
Tax payable		2.846	-
Total Current Liabilities		2.170.374	2.653.898
Total Liabilities		10.007.678	9.855.034
Total Equity and Liabilities		10.147.001	9.977.689

EDP Finance B.V.

Company Statement of Changes in Equity for the year ended 31 December 2024

Thousand Euros	Total Equity	Share capital	Share premium	Cost of hedging reserves (*)	Retained earnings (*)	Result for the year
Balance as at 31 December 2022 - fully attributable to owners	121.749	2.000	11.980	656	113.544	-6.431
Prior year result	-	-	-	-	-6.431	6.431
Comprehensive income / (loss):						
Net result for the year	2.237	-	-	-	-	2.237
Changes in the cost of hedging reserve net of taxes	-1.331	-	-	-1.331	-	-
Total comprehensive income for the year	906	-	-	-1.331	-	2.237
Balance as at 31 December 2023 - fully attributable to owners	122.655	2.000	11.980	-675	107.113	2.237
Prior year result	-	-	-	-	2.237	-2.237
Comprehensive income / (loss):						
Net result for the year	15.993	-	-	-	-	15.993
Changes in the cost of hedging reserve net of taxes	675	-	-	675	-	-
Total comprehensive income for the year	16.668	-	-	675	-	15.993
Balance as at 31 December 2024 - fully attributable to owners	139.323	2.000	11.980	-	109.350	15.993

(*) See note 16

EDP Finance B.V.

Company Statement of Cash Flows for the year ended
31 December 2024

Thousand Euros	2024	2023
Cash flows from operating activities		
Profit / (Loss) for the year (after tax)	15.993	2.237
Adjustments for:		
Net interest income / (expenses)	-26.448	-21.176
Net other financial income and expenses	-36.901	-59.184
Supplies and services	-208	-
Tax income / (expense)	5.543	724
	-42.021	-77.399
Changes in:		
Loans to and receivables from group entities	155.676	2.122.823
Debtors and other assets	-2	-401
Amounts owed on commercial paper	-	-600.000
Trade and other payables	764	-338
	114.417	1.444.685
Interest received	380.308	341.326
Interest paid	-395.351	-315.234
Tax received	-197	-74
Net cash generated from / (used in) operating activities	99.177	1.470.703
Cash flows from financing activities (*)		
Proceeds from issued debt securities	200.000	-
Redemption of debt securities	-2.327.111	-1.360.000
Proceeds of loans and credit facilities from third parties	3.437.415	684.978
Redemption of loans and credit facilities from third parties	-2.586.663	-700.350
Proceeds of loans from group entities	1.456.857	11.843
Redemption of loans from group entities	-93.861	-
Net cash flow (used in)/generated from financing activities	86.636	-1.363.529
Net increase / (decrease) in cash and cash equivalents	185.813	107.174
Cash and cash equivalents at the beginning of the year	461.478	357.384
Effect of exchange rate fluctuations on cash and cash equivalents held	-7.545	-3.080
Cash and cash equivalents at the end of the year (**)	639.746	461.478

(*) See changes in Debt securities and Loans and credit facilities from third parties arising from financing activities, including cash and non-cash changes, in note 17 to the Financial Statements.

(**) See details of "Cash and cash equivalents" in note 14 to the Financial Statements.

EDP Finance B.V.
Notes to the Financial Statements
for the year ended 31 December 2024

1. ECONOMIC ACTIVITY OF EDP FINANCE B.V.

EDP Finance B.V. ("the Company"), a corporation with limited liability, having its statutory seat in Amsterdam, The Netherlands, was incorporated under the laws of The Netherlands on 1 October 1999 with registered office at Herikerbergweg 130, 1101 CM Amsterdam, The Netherlands (EDP Finance B.V. is registered in the Dutch Chamber of Commerce under the number 34121496). The parent company of EDP Finance B.V. is EDP, S.A., Lisbon, Portugal, which is also its ultimate controlling party.

The principal activity of the Company is to act as a finance company.

The Company's objective is to raise funds in the debt capital market, bank loan market and through loans from EDP Group (EDP) companies to fund EDP activities and investment plan. EDP Finance B.V. borrows funds from both markets and lends the funds to several EDP Group Companies. The financing of EDP Group activities is determined in accordance with the business plan approved for EDP, its debt maturity schedule and its conservative liquidity profile, considering the existing market conditions and the Group's strategic lines. The Financial Statements of EDP Group can be consulted in www.edp.com.

The company is managed prudently, taking into consideration the need to comply with its obligations and to fulfill the requirement of maintaining a positive Tangible Net Worth as agreed on the Keep Well agreement with EDP, S.A. (see paragraph in note 5).

As at 31 December 2024 the Company has two employees working in The Netherlands.

The financial statements only comprise the separate financial statements of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting standards as adopted by the European Union (EU-IFRS) and with the applicable sections of Part 9 of Book 2 of the Dutch Civil Code. The Company's Managing Directors approved the financial statements (referred to as financial statements) on 26 February 2025.

The accompanying financial statements of the Company reflect the results of the Company's operations and the financial position for the years ended 31 December 2024.

As described in note 3, the Company adopted in the preparation of the financial statements as at 31 December 2024, the accounting standards issued by IASB and IFRIC interpretations effective since 1 January 2024. The accounting policies used by the Company in preparing the financial statements described in this note were adopted in accordance.

The financial statements are presented in Euros, which is the Company's functional currency, rounded to the nearest thousand.

Taking into account the amendments to IAS 1, effective on 1 January 2024, regarding the disclosure of accounting policies, the Company reviewed the information disclosed in this note and made the changes deemed relevant.

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 and financial liabilities at fair value through profit or loss. Assets and liabilities that are hedged under hedge accounting are stated at fair value in respect of the hedged risk. The Company's Managing Directors evaluated the financial position of the counterparties of loans to group companies and their ability to repay the notional and interest to the Company. The Company has not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Additionally, the Company has a Keep Well agreement with EDP, S.A. as mentioned in note 5.

The preparation of financial statements in conformity with EU-IFRS requires the Company 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 in all years presented in the financial statements.

b) 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 statement of financial position date. These exchange differences arising on translation are recognised in the income statement.

EDP Finance B.V.
Notes to the Financial Statements
for the year ended 31 December 2024

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.

The following exchange rates have been applied as at 31 December 2024 and 2023:

Currency		2024 Closing rates	2023 Closing rates
Dollar	USD	1,039	1,105
British Pounds	GBP	0,829	0,869
Singapore Dollar	SGD	1,416	1,459

c) 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, and changes therein are generally recognised in profit or loss. Recognition, in profit or loss, of the resulting gains and losses on remeasurement of derivatives depends on the nature of the risk being hedged and of the hedge model used.

Derivative financial instruments are derecognised at settlement date or by an early termination agreement.

Hedge accounting

The Company uses financial instruments to hedge interest rate risk and exchange rate risk resulting from its financing activities. Derivatives not qualifying for hedge accounting under IFRS 9 are accounted for as held for trading, despite being contracted for economic hedge purposes.

Therefore, as per the economical hedge purpose for all derivatives, these are accounted as current or as non-current according to their remaining maturity, respectively under or over one year.

Hedging derivatives are recorded at fair value. Gains and losses arising from changes in fair value are recognised in accordance with the hedge accounting model applied by the Company.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit and loss, 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 spreads are 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.

Effectiveness

The Company 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.

Offsetting

All derivative transactions entered into with external counterparties are under an ISDA Master Agreement. EDP Finance B.V. has not applied any offsetting in its balance sheet as at reporting date.

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Notes to the Financial Statements
for the year ended 31 December 2024

d) Other financial assets

EDP Finance B.V. classifies its financial assets, at initial recognition, based on the business model for managing the financial assets ("business model test") and their contractual cash flow characteristics ("SPPI test"), on the following categories:

Thousand Euros	Notes	Dec 2024	Dec 2023
Assets			
Financial assets at amortised cost			
Loans to and receivables from group entities	12	9.407.425	9.405.210
Debtors and other assets		23	25
Cash and cash equivalents	14	639.746	461.478
Financial assets at fair value through profit or loss (FVTPL)			
Derivative financial instruments	19	96.851	105.286
Liabilities			
Financial liabilities at amortised cost			
Debt securities	17	5.738.621	7.423.138
Loans and credit facilities from third parties	17	1.967.100	1.066.067
Loans from group entities	18	1.506.313	133.008
Trade and other payables		765	-
Tax payable		2.846	-
Financial liabilities at fair value through profit or loss (FVTPL)			
Debt securities	17	753.286	1.106.197
Derivative financial instruments	19	38.747	126.624

Financial assets at amortised cost

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.

All of the Company's Loans and Debt Securities are measured at amortised cost, since all are held to collect the contractual cash flows, which represent solely payments of principal and interest and thus they meet the criteria for amortised cost measurement.

Financial assets at fair value through other comprehensive income (FVOCI)

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 or 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 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.

Regardless of the business model assessment, EDP Finance B.V. classifies a financial asset at fair value through profit or loss when doing so reduces or eliminates a measurement or recognition inconsistency ("accounting mismatch").

Financial liabilities at fair value through profit or loss (FVTPL)

Regardless of the business model assessment, EDP Finance B.V. classifies a financial liability at fair value through profit or loss when doing so reduces or eliminates a measurement or recognition inconsistency ("accounting mismatch").

Changes in the business model assessment over time

Changes of the business model are not likely to occur. In case a change occurs, financial assets will be reclassified subsequent to their initial recognition.

Recognition and derecognition of financial assets

Regular way purchases and sales of financial assets are recognised on the trade date, which is the date on which the Company commits to purchase or sell these financial assets.

Financial assets are derecognised when: (i) the contractual rights to receive their future cash flows have expired, (ii) the Company 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 Company has transferred control over the assets.

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Impairment

EDP Finance B.V. 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. If the credit risk on a financial asset does not increase significantly since its initial recognition, EDP Finance B.V. 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 Finance B.V. 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 Company 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, the impairment allowance would be allocated directly to the financial asset affected, which provides the same accounting treatment, from that point, including the treatment of interest revenue. The asset's carrying amount is reduced and the amount of the loss is recognised in profit or loss. If, in a subsequent year, 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.

Credit risk on other receivables has no significant financing component, so the loss allowance is measured at initial recognition and throughout the life of the receivable, by the simplified approach, at an amount equal to lifetime ECL, which is not significant. While cash and cash equivalents are also subject to the same impairment requirements, no significant impairment loss was identified.

EDP Finance B.V. assesses the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. 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 include: (i) credit ratings (as far as available) from external credit rating companies such as Standard and Poor, Moody's and Fitch; (ii) significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the EDP Group and changes in the operating results of the borrower; (iii) Public market data, namely on probabilities of default and loss given default expectations; (iv) Internal credit risk assessments on the credit profiles of EDP Group subsidiaries; and (v) macroeconomic information (such as market interest rates or growth rates). There were no significant changes in the assumptions or methodology applied in the assessment of expected credit losses, compared with the prior year.

e) Cash and cash equivalents

Cash and cash equivalents include balances with a maturity of less than three months from the date of acquisition, including cash and deposits at 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.

EDP Finance B.V. classifies as Cash and cash equivalents the current account balances with EDP Group companies formalized through current accounts (EDP Group's financial system).

f) Other financial liabilities

EDP Finance B.V. recognises financial liabilities at the issuance date (trade date) (i) initially at fair value less transaction costs and (ii) subsequently at amortised cost, using the effective interest rate 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.

g) Interest income and expense

Interest income and expense are recognised in profit or loss using the effective interest rate method. The effective interest rate includes all fees and premium or discount paid or received that are an integral part of the effective interest rate. This includes transaction costs that are directly attributable to the acquisition or issue of financial assets or liabilities.

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Interest income and interest expense presented in the Income statement include:

- Interest on financial assets and financial liabilities measured at amortised cost; and
- Interest on hedging derivatives.

Interest is recognised in profit and loss on an accrual basis.

Costs and revenues are recognised in the year to which they relate regardless of when paid or received, in accordance with the accrual basis. Differences between amounts received and paid and the corresponding revenue and costs are recognised under the correspondent caption of financial assets or financial liabilities.

h) Net other financial income and expenses

Financial results include foreign exchange gains and losses, realised gains and losses, unrealised gains and losses from changes in the fair value of derivatives (including accrued interest of trading derivatives) and changes in the fair value of the hedged items (including the ineffective portion).

i) Other operating income and expenses

Costs and revenues are recognised in the year to which they relate regardless of when paid or received, in accordance with the accrual basis. Differences between amounts received and paid and the corresponding revenue and costs are recognised under Other assets or other liabilities.

j) 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.

Current tax is the tax expected to be paid on the taxable income for the year, 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 difference is 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 they will probably not be reversed in the future. Deferred tax assets are recognised to the extent it is probable that future taxable profits will be available to absorb deductible temporary differences for taxation purposes.

EDP Finance, B.V. offsets 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 significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

When accounting for interest and penalties related to income taxes, EDP Finance, B.V. considers whether a particular amount payable or receivable is, in its nature, an income tax and, if so, applies IAS 12 to this amount. Otherwise, IAS 37 is applied.

k) Statement of cash flows

The Statement of cash flows is presented under the indirect method, by which gross cash flows from operating and financing activities are disclosed.

l) Determination of operating segments

The Company determined one operating segment based on the information that is internally provided to the management.

3. RECENT ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED

Standards, amendments and interpretations issued effective for the Company

The amendments that have been issued and that are already effective and that the Company has applied on its financial statements, with no significant impacts, are the following:

- IAS 1 (Amended) - Classification of Liabilities as Current or Non-current;
- IAS 1 (Amended) - Non-current Liabilities with Covenants;
- IFRS 16 (Amended) - Lease liability in a sale and leaseback; and
- IAS 7 (Amended) and IFRS 7 (Amended) - Supplier Finance Arrangements.

Standards, amendments and interpretations issued but not yet effective for the Company

The standards, amendments and interpretations issued but not yet effective for the Company (whose effective application date has not yet occurred or, despite their effective dates of application, they have not yet been endorsed by the EU) are the following:

- IAS 21 (Amended) - The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability;
- IFRS 9 (Amended) and IFRS 7 (Amended) - Classification and measurement of financial instruments;
- IFRS 9 (Amended) and IFRS 7 (Amended) - Contracts referencing nature-dependent electricity;
- IFRS 18 - Presentation and disclosure in financial statements;
- IFRS 19 - Subsidiaries without public accountability: disclosures; and
- Annual Improvements (Volume 11).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS IN PREPARING THE FINANCIAL STATEMENTS

IFRS require the use of judgement and the making of estimates in the decision process about certain accounting treatments, with impact in total assets, liabilities, equity, costs and income. Actual results may differ from these estimates.

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 their application affects the Company's reported results and disclosures. A broader description of the accounting policies employed by the Company is disclosed in note 2 to these Financial Statements.

Considering that in many cases there are alternatives to the accounting treatment adopted by EDP Finance B.V., the Company's reported results could differ if a different treatment was chosen. The Company believes that the choices made are appropriate and that the financial statements present fairly, in all material aspects, the Company's financial position and results. The alternative outcomes discussed below are presented solely to assist the reader in understanding the financial statements and are not intended to suggest that other alternatives or estimates would be more appropriate.

Fair value of financial instruments

Fair values of financial instruments (see note 2 d)) 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 by pricing models based on net present value of estimated 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 estimating fair values (see detailed information in note 21).

Consequently, the use of different methodologies or different assumptions or judgements in applying a particular model, could have produced different financial results from those reported.

Impairment of financial assets measured at amortised cost

Impairment of financial assets measured at amortised cost is considered as an accounting estimate (see note 2 d)).

For 2024 and 2023, no impairment loss was recognised.

5. FINANCIAL-RISK MANAGEMENT POLICIES

Financial risk management

EDP Finance B.V.'s business is exposed to a variety of market/financial risks which arise, essentially, from the mismatch between the loans granted to EDP Group companies and its debt portfolio, resulting in interest rate risk, foreign exchange rate risk, liquidity, counterparty and credit risk.

The Company has an overall low risk appetite and therefore aims to minimize these market risks arising from its relevant activities, preferably through natural hedging, but also, whenever necessary/appropriate, with the use of over-the-counter derivative financial instruments. The risk appetite of the Company is in line with the EDP Group's risk appetite and subject to regular review.

On 14 March 2001, EDP, S.A. signed a Keep Well agreement with the Company. This agreement states that for as long as the Company has outstanding instruments under an external debt Programme and in case the Company shall have insufficient funds or other liquid assets to meet its payment obligations (including in respect of any Debt Obligations) at any time, EDP, S.A. shall make available to the Company funds sufficient to enable the Company to meet such payment obligations in full as they fall due. However, the Keep Well agreement is not a guarantee, direct or indirect, by EDP, S.A. of any debt obligations or any other debt of the Company or any instrument issued by the Company.

The management of the financial risks of EDP Finance B.V. is carried out, measured and controlled, in accordance with the general risk management principles and exposure limits established for the EDP Group companies by EDP, S.A., with specific adaptations according to the characteristics of each subsidiary. Financial risk management is implemented by the Financial Department of EDP, S.A, under a service agreement signed between the latter and several EDP Group Companies, among which EDP Finance B.V.

The Board of Directors of the Company is made aware of the exposure to the different risks on an ongoing basis and considers that the existing risk management policies and controls are appropriate to achieve the desired mitigation and low risk exposure.

The hedge relationships are established through instruments and structures that have critical terms similar to those of the hedged asset or liability, confirming the economic relationship between hedged item and hedging instrument. The hedge ratio is of 1:1 for all the hedging relationships to minimize hedge ineffectiveness. Therefore, the main source of ineffectiveness is a significant deterioration of the credit risk of a counterparty.

Throughout 2022 to 2024, considering the COVID-19 pandemic and the military conflicts, in Ukraine and in Gaza, and their impacts on the markets, namely on interest and foreign exchange rates to which the EDP Finance B.V. 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 Company's profile, not being necessary its revision. However, given that the duration of the military conflicts and global impacts are still unknown, the EDP Finance B.V. continues to monitor the risks, seeking to anticipate and manage possible impacts not currently contemplated.

Foreign exchange rate risk management

EDP Finance B.V. has very low appetite to exchange-rate risk. The Company is exposed to exchange rate risk through its debt and assets denominated in currencies other than Euro (EUR), currently US Dollars (USD) and Singapore Dollars (SGD). The Group's objective is to maintain a matched position between assets and liabilities, in each currency, in order to mitigate balance sheet exposure to foreign exchange rate risks. Any residual exposure is closely monitored and hedged with derivatives instruments, hence not generating relevant net exchange gains nor losses. The amounts recorded in the P&L, on exchange gains or losses, are off-set by exchange gains or losses recorded in other P&L captions due to the different natures of the items denominated in foreign currencies. Currently, the exposure to EUR/USD exchange rate risk results essentially from the USD debt issued to hedge the EDP Group investments in the USA. EDP Finance B.V. issued USD loans and debt securities (bonds) as well as executed foreign exchange derivative financial instruments that convert the debt issued in currencies such as EUR into USD, with the objective of mitigating the exchange rate risk related to the intercompany loans granted to finance the USD assets of the EDP Group. The exchange rate risk on the SGD loan facility mitigated the exchange rate risk on the intercompany loan granted to finance the SGD assets.

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Under the aforementioned service agreement, the Financial Department of EDP, S.A. manages EDP Finance B.V.'s exchange rate risk exposure resulting from foreign currency funding, seeking to mitigate the impact of exchange rate fluctuations on the financial costs of the Company through exchange rate derivative financial instruments. The operations are revalued and monitored throughout their lives and, periodically, their effectiveness in controlling and hedging the risk that gave rise to them is duly assessed.

Sensitivity analysis - exchange rate

Though the Company has loans to EDP Group companies and issues debt instruments in currencies other than Euro, the impact on Equity or P&L due to changes in currency rates is not significant as the risk management policy in place aims to avoid material mismatches between assets and liabilities denominated in currencies other than Euro.

Interest rate risk management

EDP Finance B.V. has moderate appetite to interest-rate risk. The Company's interest rate risk management policy aim is to reduce exposure to interest rate changes which may affect the value of financial instruments, namely debt. EDP Finance B.V. mitigates this risk, preferably, through natural hedging, by maintaining an aligned fixed-floating ratio and duration between its assets and liabilities, if necessary through the use of over-the-counter derivative financial instruments, such as forwards, interest rate swaps and cross-currency swaps.

Long-term loans contracted at fixed rates are, when appropriate, converted into floating rate loans through interest rate derivative financial instruments.

All hedging operations are undertaken on liabilities of EDP Finance B.V's debt portfolio and mainly involve perfect hedges, resulting in a high level of correlation between the changes in the fair value of the hedging instrument and the changes in the fair value of the hedged item attributable to the risk being hedged.

As the Company provides funding to different Group Companies according to their requirements (timing, amounts and tenor) and raises funding from the market according to refinancing needs and market conditions (timing, tenor and spread wise), interest rates applied to assets and liabilities may differ. The Company tries to manage such risk by refinancing its debt under the best possible conditions the market allows, extending the average life of its debt portfolio and lending to Group companies according to arms-length principles.

Sensitivity analysis - Interest rates

Based on the financial instruments with exposure to interest rate risk as at 31 December 2024 and 2023 (mainly Derivative financial instruments, Debt securities and Loans to and receivables from group entities), a 100 basis points change in the reference interest rates would lead to the following increases / (decreases), gross from tax, in equity and results of EDP Finance B.V.:

Thousand Euros	Dec 2024			
	Results		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Assets				
Cash flow effect:				
Unhedged loans	30.670	-30.670	-	-
	30.670	-30.670	-	-
Liabilities				
Cash flow effect:				
Hedged debt	-6.000	6.000	-	-
Unhedged debt	-10.625	13.495	-	-
	-16.625	19.495	-	-

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Thousand Euros	Dec 2023			
	Results		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Assets				
Cash flow effect:				
Unhedged loans	15.996	-15.996	-	-
	15.996	-15.996	-	-
Liabilities				
Cash flow effect:				
Hedged debt	-10.103	10.103	-	-
Unhedged debt	-3.870	4.281	-	-
	-13.974	14.384	-	-

This analysis assumes that all other variables, namely exchange rates and credit risk, remain unchanged.

Counterparty credit risk management

The Company has a low risk appetite for counterparty risk. EDP Group's policy regarding the management of counterparty risk on financial transactions involves the analysis of the technical capacity, competitiveness, credit rating and exposure of each counterparty, so as to avoid significant concentrations of credit risk.

Counterparties, external to EDP Group, in derivative financial instruments are credit institutions with strong credit ratings and therefore the risk of counterparty default is not considered to be significant. Guarantees and other collaterals are not required on these transactions.

EDP Finance B.V. documents its financial operations in accordance with international standards. Therefore, derivative financial instruments are contracted under ISDA Master Agreements, facilitating the transfer of the instruments in the market and ensuring compliance and consistency with EDP's policies.

The credit risk arising from loans granted to EDP Group companies is mitigated by the control that EDP, S.A. has over the management of those companies. As at 31 December 2024 and 2023, all loans granted by EDP Finance B.V. had as counterparties companies controlled by EDP, S.A. None of the amounts receivable from related parties are past due or impaired and repayments have been received regularly and on time historically. EDP, S.A. is rated BBB/Baa2/BBB by S&P (since March 2021, with stable outlook)/Moody's (upgraded in May 2023 with stable outlook)/Fitch (since May 2021, with stable outlook), reflecting a low credit risk.

The Company monitors the credit risk using multiple inputs for risk assessment and for calculation of the loss allowances for financial assets, including: (i) credit ratings (as far as available) from external credit rating companies such as Standard and Poor, Moody's and Fitch; (ii) significant changes in the expected performance and behavior 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; (iv) Internal credit risk assessments on the credit profiles of EDP Group subsidiaries; and (v) macroeconomic information (such as market interest rates or growth rates). Since the application of IFRS 9, and the forward-looking approach, according to the assessment performed by Company has not identified any significant losses.

The maximum credit exposure equals the amount of total assets deducted by tax receivable as per 31 December 2024 and 31 December 2023 being 10.1 billion Euros and 10 billion Euros, respectively.

Liquidity risk management

The Company has a very low appetite for liquidity risk. Liquidity risk is managed by engaging and maintaining credit lines and financing facilities with a firm underwriting commitment with international financial institutions with sound credit ratings, as well as term deposits, allowing immediate access to funds and covering refinancing needs for the next 12 to 24 months. These lines are used to complement and backup commercial paper programmes, allowing for a diversification of EDP Finance B.V.'s short-term financing sources (see notes 14 and 17). 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.

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The table below shows the contractual undiscounted cash flows and the estimated interests due, computed using the rates available at 31 December 2024:

Thousand Euros	2025	2026	2027	2028	2029	Following years	Total
Debt securities	1.407.536	1.348.089	977.983	816.513	1.245.573	696.213	6.491.907
Loans and credit facilities from third parties	678.627	-	-	701.061	238.485	348.927	1.967.100
Loans from group entities	66.313	-	1.240.000	-	100.000	100.000	1.506.313
Interest Payments	178.811	144.066	129.628	72.469	54.010	25.625	604.609
	<u>2.331.287</u>	<u>1.492.155</u>	<u>2.347.611</u>	<u>1.590.043</u>	<u>1.638.068</u>	<u>1.170.765</u>	<u>10.569.929</u>

The table below shows the contractual undiscounted cash flows and the estimated interests due, computed using the rates available at 31 December 2023:

Thousand Euros	2024	2025	2026	2027	2028	Following years	Total
Debt securities	2.395.765	1.329.880	1.346.714	948.086	767.300	1.741.590	8.529.335
Loans and credit facilities from third parties	76.259	327.852	-	-	661.956	-	1.066.067
Loans from group entities	133.008	-	-	-	-	-	133.008
Interest Payments	122.977	174.546	141.083	126.645	90.638	62.188	718.077
	<u>2.728.009</u>	<u>1.832.278</u>	<u>1.487.797</u>	<u>1.074.731</u>	<u>1.519.894</u>	<u>1.803.778</u>	<u>10.446.487</u>

Capital management

EDP Finance, B.V. is not an entity subject to regulation in terms of capital or solvency ratios. Therefore, capital management is carried out within the financial management process of the entity.

The company's goal in managing equity is to safeguard the capacity to continue operating as a going concern, grow steadily to meet established objectives and maintain an optimum capital structure to reduce equity cost.

6. OPERATING SEGMENT REPORT

The Company determined one operating segment. The Company generates interest income by providing loans to EDP Group entities as well as through derivative financial instruments concluded with banks to hedge market risks. The loans are provided to EDP Group companies in Portugal and Spain. Income by geographic market is presented in note 7.

These EDP Group companies are EDP, S.A. (group parent company), EDP Renováveis, S.A., EDP Renováveis Servicios Financieros, S.A., EDP, S.A. Sucursal en España, EDP Servicios Financieros España, S.A., EDP International Investments and Services, S.L., Energia RE and EDP España, S.A.U.

7. INTEREST INCOME AND EXPENSES

Interest income and expenses are analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Interest income		
Amortized cost		
Loans to and receivables from group entities	368.351	317.286
Interest income from term deposits (Note 14)	7.105	13.496
Fair value through profit or loss		
Derivative financial instruments	1.857	36.609
	<u>377.313</u>	<u>367.391</u>
Interest expenses		
Amortized cost		
Bank loans	58.061	43.371
Loans from group entities	72.472	-
Medium term notes	166.636	239.773
Commercial Paper	33.180	8.658
Fair value through profit or loss		
Derivative financial instruments	20.516	49.871
	<u>350.865</u>	<u>341.673</u>

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Loans to and receivables from group entities, by geographic market, is analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Portugal	105.881	95.096
Spain	262.470	222.190
	<u>368.351</u>	<u>317.286</u>

8. OTHER FINANCIAL INCOME AND EXPENSES

Net other financial income and expenses are analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Other financial income		
Derivative financial instruments - Trading	70.489	133.053
Hedge ineffectiveness (see note 19)	-	-6.909
	<u>70.489</u>	<u>126.144</u>
Other financial expenses		
Derivative financial instruments - Trading	76.704	140.781
Hedge ineffectiveness (see note 19)	-2.031	-
Foreign exchange losses	-976	6.395
Other	30	19
	<u>73.727</u>	<u>147.195</u>
	<u>-3.238</u>	<u>-21.051</u>

As mentioned in note 5, the amounts recorded in the P&L on foreign exchange gains or losses are partially off-set by the exchange gains or losses recorded in other P&L lines within the caption presented in the table above, due to the different natures of the items denominated in foreign currencies, mainly by the mark-to-market of the derivatives.

9. SERVICES RENDERED

Services rendered are analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Debt portfolio management	3.081	905
	<u>3.081</u>	<u>905</u>

The Company is remunerated for arranging, managing and maintaining the debt portfolios of EDP Group companies. Either party may terminate the service agreement by one month notice in writing to the other party. However, no such termination has taken place to date.

In 2024 this caption included the fees for the year (1,904 thousand Euros) and the adjustment of the previous year's estimated fees (1,177 thousand Euros). In 2023 this caption included the fees for the year (727 thousand Euros) and the adjustment of the previous year's estimated fees (178 thousand Euros).

10. SUPPLIES AND SERVICES

Supplies and services are analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
EDP, S.A. Services	3.430	1.112
Specialised works - Consulting services	782	388
Specialised works - Legal services	48	375
Other	366	585
	<u>4.626</u>	<u>2.460</u>

The Company has signed a service agreement with EDP, S.A. This service agreement states that the Company has to pay an annual fee for services that EDP, S.A. provides to the Company by arranging, managing and maintaining all debt portfolios of the Company, based on the total amount of existing debt to manage. Either party may terminate the service agreement by one month notice in writing to the other party. However, no such termination has taken place to date.

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11. INCOME TAX (BENEFIT) / EXPENSE

This caption is analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Tax benefit / (expense)	5.543	724
Profit / (Loss) before income tax	21.536	2.961
Effective tax rate of the Company	26%	24%

The effective corporate income tax rate of EDP Finance B.V. corresponds to the Dutch statutory tax rate of 25.8%, to amounts over 200 thousand Euros under which 19% is applied.

Considering the approval of the Dutch budget law for tax year 2022 and the plans for the years thereafter, the company has estimated the deferred tax assets and liabilities (as applicable), by applying the tax rate.

The Council Directive (EU) 2022/2523, adopted on December 14, 2022, establishes a framework for implementing the OECD's Pillar Two global minimum tax within the European Union. It enacted rules to ensure that multinational enterprises (MNEs) and large domestic groups with annual revenues exceeding €750 million are subject to a minimum effective tax rate of 15% in every jurisdiction where they operate. As mentioned above, EDP Finance B.V. has an effective tax rate higher than 15%. The directive is aligned with the Global Anti-Base Erosion (GloBE) Rules developed by the OECD/G20 Inclusive Framework and aims to prevent tax avoidance by limiting profit shifting to low-tax jurisdictions.

EDP Group is subject to this new tax regulation. Thus, it was evaluated the potential impact to the top-up tax across the jurisdictions in which the Group operates. Most of these jurisdictions have either implemented or announced plans to adopt the GloBE Rules. As a result of this analysis, only a limited number of cases were identified where the effective tax rate falls below 15%. Based on this assessment, any additional top-up tax payable by EDP Group under the GloBE Rules is not expected to have a material impact. In the majority of the jurisdictions where the Group operates, the transitional Country-by-Country Reporting (CbCr) safe harbour applies and therefore no additional tax will be due. In this regard, no material impact at the level of EDP Finance BV is expected.

12. LOANS TO AND RECEIVABLES FROM GROUP ENTITIES

Loans to and receivables from Group entities are analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Non-Current:		
EDP, S.A.	1.000.000	1.800.000
EDP Renováveis Serviços Financieros, S.A.	3.079.519	4.028.025
EDP Servicios Financieros España, S.A.	3.772.557	1.132.542
	<u>7.852.076</u>	<u>6.960.567</u>
Current:		
EDP, S.A.	800.002	1.850.890
EDP Servicios Financieros España, S.A.	650.000	-
EDP Renováveis, S.A.	-	200.167
EDP Renováveis Serviços Financieros, S.A.	-	271.493
EDP International Investments and Services, S.L.	-	13.036
Accrued interest	105.347	109.057
	<u>1.555.349</u>	<u>2.444.643</u>
	<u>9.407.425</u>	<u>9.405.210</u>

The financial assets disclosed in this caption are measured at amortised cost.

As at 31 December 2024, these assets have an average maturity of 3.4 years (31 December 2023: 3.5 years) and bear interest at an average rate of 3.45% (31 December 2023: 3.5%).

For 31 December 2024, the maturity of loans to group entities split in different currencies, is analysed as follows:

Thousand Euros	2025	2026	2027	2028	2029	Following years	Total
Loans to and receivables from group entities:							
Euro	1.521.431	550.000	1.740.000	300.000	1.525.973	819.324	6.456.728
Singapore Dollar	6.663	-	-	706.015	-	-	712.678
US Dollar	27.255	-	484.283	508.230	240.639	977.612	2.238.019
	<u>1.555.349</u>	<u>550.000</u>	<u>2.224.283</u>	<u>1.514.245</u>	<u>1.766.612</u>	<u>1.796.936</u>	<u>9.407.425</u>

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For 31 December 2023, the maturity of loans to group entities split in different currencies, are analysed as follows:

Thousand Euros	2024	2025	2026	2027	2028	Following years	Total
Loans to and receivables from group entities:							
Euro	1.928.400	800.000	-	1.000.000	300.000	2.100.296	6.128.696
Singapore Dollar	7.338	-	-	-	685.354	-	692.692
US Dollar	508.905	225.241	478.054	452.489	-	919.133	2.583.822
	<u>2.444.643</u>	<u>1.025.241</u>	<u>478.054</u>	<u>1.452.489</u>	<u>985.354</u>	<u>3.019.429</u>	<u>9.405.210</u>

Loans to group entities are not collateralised.

The Company has not and has not been asked to grant any payment holidays on their loans to group companies.

13. DEFERRED TAX ASSETS

The deferred tax assets of 2,956 thousand Euros (31 December 2023: 4,114 thousand Euros) refers to the interest costs that can only be deducted from the taxable income assessed in the following years (Earnings Stripping Rules).

The Earning Stripping Rule limits the deduction of the on balance interest cost to 20% of the taxpayer's EBITDA, with a threshold of EUR 1 million and a carryforward rule for the (part of the) interest that may not be deductible in a tax year to later tax years without time limitation.

As for the mechanism to use the deferred tax assets, the losses (both carryforward and carryback) can only be fully deducted up to an amount of EUR 1 million taxable profit. If the profit in a year exceeds EUR 1 million, the losses are only deductible up to 50% of the higher taxable profit minus an amount of EUR 1 million.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Bank deposits:		
Current deposits	34.225	261.843
Current accounts	605.521	199.635
	<u>639.746</u>	<u>461.478</u>

Cash and cash equivalents are freely disposable to be used by the Company. The interest received for the current or term deposits amounts to 7,105 thousand Euros (31 December 2023: 13,496 thousand Euros) (see note 7).

15. SHARE CAPITAL AND SHARE PREMIUM

The authorised share capital of the Company consists of 80,000 shares of 100 Euros each, of which 20,000 shares have been issued and fully paid-up.

During 2024 and 2023, no movements occurred in Share capital and Share premium.

16. RESERVES AND RETAINED EARNINGS

This caption is analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Cost of hedging reserve	-	-675
Retained earnings	109.350	107.113
	<u>109.350</u>	<u>106.438</u>

These amounts represent the accumulated results before the appropriation of results for the year.

Subject to the provision under Dutch law that no dividends can be declared until all losses have been recovered, retained earnings are at the disposal of the shareholders in accordance with article 20 of the Articles of Association of the Company. Furthermore, Dutch law prescribes that a Company may take distributions to the shareholders and other persons entitled to distributable profits only to the extent that its shareholders' equity exceeds the sum of the amount of the paid and called up part of the capital and the reserves which must be maintained under the law or the articles.

The Managing Directors propose to add the profit for the financial year ended 31 December 2024 of 15,993 thousand Euros to the retained earnings.

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17. DEBT SECURITIES AND LOANS AND CREDIT FACILITIES FROM THIRD PARTIES

This caption is analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Non-Current:		
Debt securities	5.084.371	6.151.438
Fair value of the issued debt hedged risk	-	-17.868
	<u>5.084.371</u>	<u>6.133.570</u>
Loans and credit facilities from third parties	1.288.473	989.808
	<u>6.372.844</u>	<u>7.123.378</u>
Current:		
Debt securities	1.349.153	2.279.101
Fair value of the issued debt hedged risk	-3.458	-208
Accrued interest	61.841	116.872
	<u>1.407.536</u>	<u>2.395.765</u>
Loans and credit facilities from third parties	666.575	65.000
Accrued interest	12.052	11.259
	<u>678.627</u>	<u>76.259</u>
	<u>2.086.163</u>	<u>2.472.024</u>
	<u>8.459.007</u>	<u>9.595.402</u>

EDP Finance B.V. has various credit facilities it uses for liquidity management, all with firm underwriting commitment, namely (i) 4,250 million Euros, which matures in 2029, totally available as at 31 December 2024, resulting from two extensions of maturity (of one year each) and an increase of the amount of the previous 3,650 million Euros RCF (ii) 3,000 million Euros, which matures in 2029, totally available as at 31 December 2024, also resulting from an one year extension of maturity.

Debt securities issued under the Euro Medium Term Notes program were as follows:

Date issued	Interest rate	Type of hedge	Type of instrument	Conditions/ Redemption	Nominal amount Euro'000	ISIN
Apr/15	Fixed rate EUR 2.00% (i)	Fair Value	IRS	Apr/25	750.000	XS1222590488
Nov/17	Fixed rate EUR 1.50%	n.a.	n.a.	Nov/27	500.000	XS1721051495
Jun/18	Fixed rate EUR 1.625%	n.a.	n.a.	Jan/26	750.000	XS1846632104
Oct/18	Fixed rate EUR 1.875%	n.a.	n.a.	Oct/25	600.000	XS1893621026
Sep/19	Fixed rate EUR 0.375%	n.a.	n.a.	Sep/26	600.000	XS2053052895
Sep/20	Fixed rate USD 1.710%	n.a.	n.a.	Jan/28	816.513	XS2233217558
Mar/22	Fixed rate EUR 1.875%	n.a.	n.a.	Mar/29	1.250.000	XS2459544339
Oct/22	Fixed rate EUR 6.3%	n.a.	n.a.	Oct/27	479.422	XS2532478190
Oct/22	Fixed rate EUR 3.875%	n.a.	n.a.	Mar/30	500.000	XS2542914986
Nov/24	Fixed rate EUR 3.125%	n.a.	n.a.	May/30	200.000	XS2934657037

(i) This issue by EDP Finance B.V. have associated interest rate swaps and/or currency swaps.

At 31 December 2024 all securities outstanding are listed in the Irish Stock Exchange.

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For 31 December 2024, the remaining maturity of debt securities and loans and credit facilities from third parties (including accrued interest and fair value of the issued debt hedged risk), by currency, is as follows:

Thousand Euros	2025	2026	2027	2028	2029	Following years	Total
Debt securities							
Euro	1.394.698	1.348.089	498.094	-	1.245.573	696.213	5.182.667
US Dollar	12.838	-	479.889	816.513	-	-	1.309.240
	<u>1.407.536</u>	<u>1.348.089</u>	<u>977.983</u>	<u>816.513</u>	<u>1.245.573</u>	<u>696.213</u>	<u>6.491.907</u>
Loans and credit facilities from third parties:							
Euro (ii)	452.659	-	-	-	130.419	-	583.078
Singapore Dollar	5.965	-	-	701.061	-	-	707.026
US Dollar	220.003	-	-	-	108.066	348.927	676.996
	<u>678.627</u>	<u>-</u>	<u>-</u>	<u>701.061</u>	<u>238.485</u>	<u>348.927</u>	<u>1.967.100</u>
	<u>2.086.163</u>	<u>1.348.089</u>	<u>977.983</u>	<u>1.517.574</u>	<u>1.484.058</u>	<u>1.045.140</u>	<u>8.459.007</u>

For 31 December 2023, the remaining maturity of debt securities and loans and credit facilities from third parties (including accrued interest and fair value of the issued debt hedged risk), by currency, is as follows:

Thousand Euros	2024	2025	2026	2027	2028	Following years	Total
Debt securities							
Euro (i)	1.464.498	1.329.880	1.346.714	497.454	-	1.741.590	6.380.136
US Dollar	931.267	-	-	450.632	767.300	-	2.149.199
	<u>2.395.765</u>	<u>1.329.880</u>	<u>1.346.714</u>	<u>948.086</u>	<u>767.300</u>	<u>1.741.590</u>	<u>8.529.335</u>
Loans and credit facilities from third parties:							
Euro (ii)	66.733	-	-	-	-16.932	-	49.801
Singapore Dollar	6.809	-	-	-	678.888	-	685.697
US Dollar	2.717	327.852	-	-	-	-	330.569
	<u>76.259</u>	<u>327.852</u>	<u>-</u>	<u>-</u>	<u>661.956</u>	<u>-</u>	<u>1.066.067</u>
	<u>2.472.024</u>	<u>1.657.732</u>	<u>1.346.714</u>	<u>948.086</u>	<u>1.429.256</u>	<u>1.741.590</u>	<u>9.595.402</u>

(i) These issues include a GBP bond that was converted into EUR through cross currency swaps.

(ii) Negative amounts include the deferred discount and origination fees of celebrated RCF.

For 31 December 2024, the changes in Debt securities and Loans and credit facilities from third parties (excluding accrued interest) arising from financing activities, including cash (see Statement of Cash Flows) and non-cash changes, are as follows:

Thousand Euros	Dec 2023	Cash Flows	Foreign exchange movement	Fair value changes	Deferred discount	Dec 2024
Debt securities	8.412.463	-2.127.111	153.791	-14.410	5.333	6.430.066
Loans and credit facilities from third parties	1.054.808	850.752	49.488	-	-	1.955.048
	<u>9.467.271</u>	<u>-1.276.359</u>	<u>203.279</u>	<u>-14.410</u>	<u>5.333</u>	<u>8.385.114</u>

For 31 December 2023, the changes in Debt securities and Loans and credit facilities from third parties (excluding accrued interest) arising from financing activities, including cash (see Statement of Cash Flows) and non-cash changes, are as follows:

Thousand Euros	Dec 2022	Cash Flows	Foreign exchange movement	Fair value changes	Deferred discount	Dec 2023
Debt securities	9.795.962	-1.360.000	-68.574	25.002	20.073	8.412.463
Loans and credit facilities from third parties	1.076.991	-15.372	-13.866	-	7.055	1.054.808
	<u>10.872.953</u>	<u>-1.375.372</u>	<u>-82.440</u>	<u>25.002</u>	<u>27.128</u>	<u>9.467.271</u>

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18. LOANS FROM GROUP ENTITIES

This caption is analysed as follows:

Thousand Euros	Dec 2024	Dec 2023
Current:		
EDP Servicios Financieros España, S.A.	-	93.361
EDP S.A.	1.450.309	-
Energia RE	56.004	39.647
	<u>1.506.313</u>	<u>133.008</u>

The financial liabilities disclosed in this caption are measured at amortised cost.

For 31 December 2024, the changes in Loans from group entities are as follows:

Thousand Euros	Dec 2023	Additions	Repayments	Foreign Exchange Differences	Dec 2024
EDP Servicios Financieros España, S.A.	93.361	1.047.414	-1.146.025	5.250	-
EDP S.A.	-	1.450.309	-	-	1.450.309
Energia RE	39.647	115.407	-100.605	1.555	56.004
	<u>133.008</u>	<u>2.613.130</u>	<u>-1.246.630</u>	<u>6.805</u>	<u>1.506.313</u>

For 31 December 2023, the changes in Loans from group entities are as follows:

Thousand Euros	Dec 2022	Additions	Repayments	Foreign Exchange Differences	Dec 2023
EDP Servicios Financieros España, S.A.	-	-1.461.511	1.554.872	-	93.361
Energia RE	28.251	110.648	-98.735	-517	39.647
	<u>28.251</u>	<u>-1.350.863</u>	<u>1.456.137</u>	<u>-517</u>	<u>133.008</u>

19. DERIVATIVE FINANCIAL INSTRUMENTS

In accordance with IFRS 9, EDP Finance B.V. classifies derivative financial instruments as fair value hedges of recognised assets or liabilities (Fair value hedge) and as cash flow hedges of recognised liabilities and highly probable future transactions (Cash flow hedge). Derivatives that do not qualify for hedge accounting are recorded under derivatives held for trading.

In 2024 the fair value and the maturity of the derivative financial instruments are analysed as follows:

Thousand Euros	Fair value		Notional			Total
	Assets	Liabilities	Up to 1 year	From 1 to 5 years	Over 5 Years	
Fair value hedges						
Interest rate swaps	160	-5.106	600.000	-	-	600.000
Derivatives held for trading						
Cross currency interest rate swaps	95.825	-26.686	-	-	1.688.978	1.688.978
Foreign exchange forwards	866	-6.955	354.568	-	-	354.568
	<u>96.851</u>	<u>-38.747</u>	<u>954.568</u>	<u>-</u>	<u>1.688.978</u>	<u>2.643.546</u>

In 2023 the fair value and the maturity of the derivative financial instruments are analysed as follows:

Thousand Euros	Fair value		Notional			Total
	Assets	Liabilities	Up to 1 year	From 1 to 5 years	Over 5 Years	
Fair value hedges						
Interest rate swaps	297	-21.209	-	600.000	-	600.000
Cross currency interest rate swaps	23.834	-36.343	410.314	-	-	410.314
Derivatives held for trading						
Cross currency interest rate swaps	81.155	-69.072	-	-	1.644.752	1.644.752
	<u>105.286</u>	<u>-126.624</u>	<u>410.314</u>	<u>600.000</u>	<u>1.644.752</u>	<u>2.655.066</u>

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In 2024, the undiscounted cash flow of the derivative financial instruments, per maturity, is as follows:

Thousand Euros	2025	2026	2027	2028	Following years	Total
Fair value hedges						
Interest rate swaps	-5.048	-	-	-	-	-5.048
Derivatives held for trading						
Cross currency interest rate swaps	-3.576	-8.010	-8.023	-7.873	21.525	-5.957
Foreign exchange forwards	-6.090	-	-	-	-	-6.090
	<u>-14.714</u>	<u>-8.010</u>	<u>-8.023</u>	<u>-7.873</u>	<u>21.525</u>	<u>-17.095</u>

In 2023, the undiscounted cash flow of the derivative financial instruments, per maturity, is as follows:

Thousand Euros	2024	2025	2026	2027	Following years	Total
Fair value hedges						
Interest rate swaps	-20.179	-7.575	-	-	-	-27.754
Cross currency interest rate swaps	-12.518	-	-	-	-	-12.518
Derivatives held for trading						
Cross currency interest rate swaps	- 4 183	- 4 201	- 4 232	-4.172	-13.326	-30.114
	<u>-36.880</u>	<u>-11.776</u>	<u>-4.232</u>	<u>-4.172</u>	<u>-13.326</u>	<u>-70.386</u>

The Company enters into interest rate and cross currency interest rate swaps classified as held for trading to economically hedge exposures to changes in the fair value of its fixed rate debt as well as foreign exchange exposures from debt denominated in other currencies. In addition, the Company contracts fx forwards classified as held for trading to economically hedge net exposures in foreign currencies.

The fair value of derivative financial instruments is based on quotes indicated by external entities, which are compared in each date of report to fair values available in common financial information platforms. Therefore, according to IFRS 13 requirements, the fair value of the derivative financial instruments is classified as level 2 (see note 21) and no changes of level were made during the year. These entities use generally accepted discounted cash flow techniques and data from public markets.

The changes in the fair value of hedging instruments and the hedged risks are analysed as follows:

			Thousand Euros			
Type of hedge	Hedging instrument	Hedged risk	2024		2023	
			Changes in fair value		Changes in fair value	
			Instrument	Risk	Instrument	Risk
Fair value	Interest rate swap	Interest rate	14.727	-14.410	14.790	-18.176
Fair value	Cross currency interest rate swaps	Interest and exchange rate	36.344	-33.720	9.835	-15.152
			<u>51.071</u>	<u>-48.130</u>	<u>24.625</u>	<u>-33.328</u>

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 2024 and 2023, the following market inputs were considered for the fair value calculation:

Instrument	Market input
Cross currency interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Libor 3M; and exchange rates: EUR/GBP and EUR/USD.
Interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M and SOFRRATE.
Foreign exchange forwards	Fair value indexed to the following exchange rate: EUR/USD.

The changes in the fair value reserve related to cost of hedging in 2024 and 2023 (with no recycling through P&L) were as follows:

Thousand Euros	Dec 2024	Dec 2023
Balance at the beginning of the year	-910	884
Fair value changes	910	-1.794
Balance at the end of the year	-	-910

EDP Finance B.V.
Notes to the Financial Statements
for the year ended 31 December 2024

The gains and losses on the financial instruments portfolio booked in the profit and loss in 2024 and 2023 are as follows:

Thousand Euros	Dec 2024	Dec 2023
Derivatives held for trading	-6.215	-7.728
Fair value hedges:		
Derivatives	50.161	26.419
Hedged liabilities	-48.130	-33.328
	-4.184	-14.637

The effective interest rates of the derivative financial instruments relating to financing operations at 31 December 2024 are as follows:

Thousand Euros	Notional	Currency	BV Pays	BV Receives
Interest rate contracts				
Interest rate swaps (i)	600.000	EUR	3,03%	[1,05% - 0,45%]
Currency interest rate				
CIRS (currency interest rate swaps) (ii)	825.428	EUR / USD	[5,27% - 1,91%]	[5,30% - 3,53%]
CIRS (currency interest rate swaps) (iii)	863.550	USD / EUR	[4,17% - 3,53%]	[5,58% - 1,91%]

The effective interest rates of the derivative financial instruments relating to financing operations at 31 December 2023 were as follows:

Thousand Euros	Notional	Currency	BV Pays	BV Receives
Interest rate contracts				
Interest rate swaps (i)	600.000	EUR	4.13%	[1.05% - 0.45%]
Currency interest rate				
CIRS (currency interest rate swaps) (i)	410.314	EUR / GBP	8.04%	8.63%
CIRS (currency interest rate swaps) (iii)	825.428	EUR / USD	[5.3% - 3.53%]	[3.88% - 1.91%]
CIRS (currency interest rate swaps) (iv)	819.324	USD / EUR	[4.17% - 1.91%]	[5.78% - 3.53%]

- (i) Pays floating rate and receives fixed rate;
- (ii) Pays fixed and receives floating rate;
- (iii) Pays floating rate and receives fixed rate.

20. RELATED PARTIES

Main shareholders and shares held by company officers

EDP, S.A. holds 100% of EDP Finance B.V.'s share capital.

Other Related Parties

TMF Netherlands B.V. fulfils administrative services to the Company and provides three statutory directors to the Company. Those three statutory directors consist of two natural persons and TMF Netherlands B.V.

Remuneration of directors

The charges regarding remuneration of directors that were engaged during the relevant period amount to 64,431 Euros (2023: 86,856 Euros) and refer only to the yearly management fees due on that period, with no other long term benefits nor outstanding balances as at 31 December 2024 and 2023.

Other management services

The charges regarding Other management services amount to 363,201 Euros (2023: 282,816 Euros) with no outstanding balances as at 31 December 2024 and 2023. The Other management services are consulting services provided by TMF Netherlands B.V.

EDP Finance B.V.
Notes to the Financial Statements
for the year ended 31 December 2024

Balances and transactions with related parties

As at 31 December 2024, the outstanding assets with related parties are analysed as follows:

Thousand Euros	Loans Granted	Derivatives	Other assets	Total
EDP, S.A.	1.821.871	40.091	270.116	2.132.078
EDP Renováveis Serviços Financieros, S.A.	3.123.306	46.120	-	3.169.426
EDP Servicios Financieros España, S.A.	4.462.248	866	335.405	4.798.519
	9.407.425	87.077	605.521	10.100.023

In 2024 and 2023, Other assets related to EDP Servicios Financieros España, S.A. are mainly balances related to EDP Group's financial system (see note 2 e)).

As at 31 December 2023, the outstanding assets with related parties are analysed as follows:

Thousand Euros	Loans Granted	Derivatives	Other assets	Total
EDP, S.A.	3.673.384	58.414	6.200	3.737.998
EDP Renováveis Serviços Financieros, S.A.	4.362.182	8.476	-	4.370.658
EDP Servicios Financieros España, S.A.	1.152.665	-	193.431	1.346.096
EDP Renováveis, S.A.	203.837	-	-	203.837
Other	13.142	-	4	13.146
	9.405.210	66.890	199.635	9.671.735

The changes in Loans Granted are analysed as follows:

Thousand Euros	Loans Granted	
	2024	2023
Balance at beginning of the year	9.405.210	11.415.975
Loans advanced	3.231.481	7.805.136
Loan repayments received	-3.387.157	-9.746.757
Interest charged	320.302	255.684
Interest received	-324.202	-224.270
Foreign exchange	161.791	-100.558
Balance at the end of year	9.407.425	9.405.210

As at 31 December 2024, the outstanding liabilities with related parties are analysed as follows:

Thousand Euros	Loans Obtained	Derivatives	Other liabilities	Total
EDP, S.A.	1.450.309	5.106	-	1.455.415
EDP Servicios Financieros España, S.A.	358.085	-	-	358.085
EDP Renováveis Serviços Financieros, S.A.	-	-	-	-
Energia RE	56.003	-	-	56.003
	1.864.397	5.106	-	1.869.503

In January 2024, EDP Servicios Financieros España, S.A., concluded a cash tender offer targeting EDP Finance B.V.'s "\$500,000,000 6,3% Notes due 2027". As a result of this offer, EDP Servicios Financieros España, S.A. acquired 366,878 thousand US dollars. As at 31 December 2024, this operation totaled 358.085 thousand Euros in EDP Finance B.V. liabilities.

As at 31 December 2023, the outstanding liabilities with related parties are analysed as follows:

Thousand Euros	Loans Obtained	Derivatives	Other liabilities	Total
EDP, S.A.	258.739	21.209	-	279.948
EDP Servicios Financieros España, S.A.	93.361	-	-	93.361
EDP Renováveis Serviços Financieros, S.A.	-	60.596	-	60.596
Energia RE	39.647	-	-	39.647
	391.747	81.805	-	473.552

EDP Finance B.V.
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for the year ended 31 December 2024

Income and expenses related to transactions with related parties as at 31 December 2024 and 2023, are as follows:

Thousand Euros	Dec 2024			Dec 2023		
	Interest on Intra-Group Financial Mov.	Other	Total	Interest on Intra-Group Financial Mov.	Other	Total
EDP, S.A.	31.853	-3.430	28.423	124.196	-1.112	123.084
EDP Renováveis Serviços Financieros, S.A.	263.609	-	263.609	102.267	-	102.267
EDP Servicios Financieros España, S.A.	160.908	826	161.734	53.677	478	54.155
EDP Renováveis, S.A.	7.047	2.249	9.296	8.820	420	9.240
Remuneration costs regarding Directors	-	-64	-64	-	-87	-87
Other	-114	6	-108	236	7	243
	<u>463.303</u>	<u>-413</u>	<u>462.890</u>	<u>289.196</u>	<u>-294</u>	<u>288.902</u>

Other includes the expenses related with the service agreement with EDP, S.A (see note 10) as well as the services rendered to EDP Group companies (see note 9).

In the normal course of its activity, EDP Finance B.V. performs business transactions and operations with its related parties based on normal market conditions.

EDP, S.A. and the Company entered into a Keep Well agreement on March 14, 2001 which remains applicable, details of which are provided in note 5.

21. 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 internal models, which are based on cash flow discounting techniques and option valuation models. These models are developed considering the market variables which affect the financial instruments, namely yield curves, exchange rates and volatility factors, including credit risk.

Market data is obtained from stock exchange and suppliers of financial data (Bloomberg). The credit risk factor in the data is based on the credit spread of similar companies in the market.

Fair value of assets and liabilities as at 31 December 2024 and 31 December 2023 is analysed as follows:

Thousand Euros	Dec 2024			Dec 2023		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Financial assets						
Loans to and receivables from group entities	9.407.425	9.338.059	-69.366	9.405.210	9.178.341	-226.869
Derivative financial instruments	96.851	96.851	-	105.286	105.286	-
Cash and cash equivalents (assets)	639.746	639.746	-	461.478	461.478	-
	<u>10.144.022</u>	<u>10.074.656</u>	<u>-69.366</u>	<u>9.971.974</u>	<u>9.745.105</u>	<u>-226.869</u>
Financial liabilities						
Debt securities	6.491.907	6.327.444	-164.463	8.529.335	8.184.311	-345.024
Loans and credit facilities from third parties	1.967.100	1.976.068	8.968	1.066.067	1.106.105	40.038
Loans from group entities	1.506.313	1.551.190	44.877	133.008	133.008	-
Derivative financial instruments	38.747	38.747	-	126.624	126.624	-
	<u>10.004.067</u>	<u>9.893.449</u>	<u>-110.618</u>	<u>9.855.034</u>	<u>9.550.048</u>	<u>-304.986</u>

The market value of the medium/long term financial debt, when no listed market prices are available, is calculated based on the discounted cash flows at market interest rates at the date of the statement of financial position, increased by the best estimate, at the same date, of market conditions applicable to the Company's debt. Regarding short term debt (current account), the market value does not differ substantially from the book value.

According to IFRS 13, EDP Finance B.V. 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 in active markets (not adjusted) in the identified market for assets and liabilities;
- Level 2 – Fair value based on market inputs not included in Level 1, but observable in the market for the asset or liability, either directly or indirectly; and
- Level 3 – Fair value of the assets and liabilities calculated with inputs that are not based on observable market information.

EDP Finance B.V.'s debt securities are classified as Level 1. The other financial assets and liabilities are included in Level 2

The Company did not transfer financial assets nor liabilities between categories in 2024 or 2023.

22. SUBSEQUENT EVENTS

No subsequent events to be reported have occurred.

23. AUDIT AND NON-AUDIT FEES

Fees and expenses incurred for professional services are rendered as follows (VAT excluded):


Thousand Euros	Dec 2024	Dec 2023
Audit and statutory audit of accounts:		
- PricewaterhouseCoopers Accountants N.V.	163	163
Other audit procedures	-	-
Tax services	-	-
Other non-audit services	7	7
Total	170	170

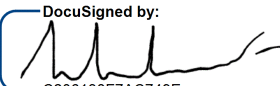
PricewaterhouseCoopers Accountants N.V. has audited the financial statements of EDP Finance B.V. for 2024 and 2023. These fees relate to the audit of the 2024 and 2023 financial statements, regardless of whether the work was performed during the financial year.

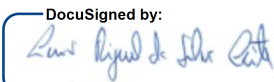
The non-audit services performed by PricewaterhouseCoopers Accountants N.V. in 2024 and 2023 are related to procedures performed in connection with the issuance of a debt prospectus. These non-audit services are permitted under the current regulations.

Amsterdam, 26 February 2025



The Managing Directors

Signed by:

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EDP, S.A.

DocuSigned by:

C206138F7AC749E...
Hiebendaal, D.

DocuSigned by:

A1867FE10AC3401...
Leite, L.

TMF Netherlands B.V.

DocuSigned by:

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OTHER INFORMATION

1. Statutory Information

1.1 Proposed appropriation of result

In accordance with Article 20 – Profits, of the Articles of Association of the Company, the result for the year is at the disposal of the General Meeting of Shareholders. Dutch law stipulates that distributions may only be made to the extent the Company's equity is in excess of the reserves it is required to maintain by law and its Articles of Association. Moreover, no distributions may be made if the Management Board is of the opinion that, by such distribution, the Company will not be able to fulfil its financial obligations in the foreseeable future.

1.2 Independent Auditor's opinion

The independent auditor's report is included on the next page.



Independent auditor's report

To: the general meeting of EDP Finance B.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion, the financial statements of EDP Finance B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2024, and of its result and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted in the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of EDP Finance B.V., Amsterdam.

The financial statements comprise:

- the company statement of financial position as at 31 December 2024;
- the following statements for 2024: the company income statement, the company statement of comprehensive income, the company statement of changes in equity and the company statement of cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. We have further described our responsibilities under those standards in the section 'Our responsibilities for the audit of the financial statements' of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independence

We are independent of EDP Finance B.V. in accordance with the European Union Regulation on specific requirements regarding statutory audit of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

Overview and context

EDP Finance B.V.'s main activity is the financing of group companies by raising funds mainly in the international capital and bank loan markets to finance EDP's activities and investment plans. The Company has derivative financial instruments in place to mitigate interest rate risk and currency risk. We paid specific attention to the areas of focus driven by the operations of the Company, as set out below.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the managing directors made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change. In note 4 of the financial statements, the Company describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the measurement of expected credit losses and the fair value valuation of the loans to and receivables from group entities, we considered these matters as key audit matters as set out in the section 'Key audit matters' of this report.

EDP Finance B.V. assessed the possible effects of climate change on its financial position, refer to the section 'Climate change' in the report of the managing directors. We discussed the Company's assessment and governance thereof with the managing directors and evaluated the potential impact on the financial position including underlying assumptions and estimates included in the financial statements. Given the nature of the Company's activities, the impact of climate change is not considered a key audit matter.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a finance company. We therefore included specialists in the areas of amongst others valuation and hedge accounting in our team.



Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

Overall materiality	€ 101,470,000 (2023: €99,776,000).
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 1% of total assets.
Rationale for benchmark applied	We used total assets as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that total assets is the most relevant metric for the financial performance of the Company.
Qualitative threshold	For the expenses other than interest expenses and other financial income and expenses, we used a qualitative threshold of 10% (2023: 10%) of those other income and expenses.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the managing directors that we would report to them any misstatement identified during our audit above €5,073,500 (2023: €4,988,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of EDP Finance B.V. and its environment and the components of the internal control system. This included the managing directors' risk assessment process, the managing directors' process for responding to the risks of fraud and monitoring the internal control system. We refer to section 'Integrity/Prevention of Corruption and Fraud' of the report of the managing directors.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct, whistleblower procedures, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked the managing directors as well as other senior members of the staff from EDP Group whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.



As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risk and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
<p>The risk of management override of control</p> <p>The managing directors are in a unique position to perpetrate fraud because of managing directors' ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.</p> <p>That is why, in all our audits, we pay attention to the risk of management override of controls in:</p> <ul style="list-style-type: none">• the appropriateness of journal entries and other adjustments made in the preparation of the financial statements;• estimates;• significant transactions, if any, outside the normal course of business for the entity. <p>We pay particular attention to tendencies due to possible interests of the managing directors.</p>	<p>We evaluated the design and implementation of the internal control measures, i.e. authorisation of payments, which are intended to mitigate the risk of management override of control and to the extent relevant for our audit tested the effectiveness of this control. Furthermore, we evaluated the design and implementation of the control in the processes for generating and processing journal entries and making of estimates. We performed our audit procedures primarily substantive based.</p> <p>We have selected journal entries based on risk criteria and performed specific audit procedures on these, also paying attention to significant transactions outside the normal business operations.</p> <p>We also performed specific audit procedures related to important estimates of the managing directors, including the fair value valuation of loans to and receivables from group entities. We refer to the section 'Key audit matters' for the audit procedures performed. We specifically paid attention to the inherent risk of bias of management in estimates.</p> <p>We did not identify any significant transactions outside the normal course of business.</p> <p>Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of violations of the internal controls.</p>

We incorporated an element of unpredictability in our audit. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations.

Audit approach going concern

As disclosed in note 2 on page 16 of the financial statements the managing directors performed their assessment of the entity's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the entity's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the managing directors' going-concern assessment included, amongst others:

- considering whether the managing directors' going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the managing directors regarding the managing directors' most important assumptions underlying its going-concern assessment;
- evaluating the managing directors' current budget including cash flows for at least 12 months from the date of preparation of the financial statements taken into account current developments in the industry and all relevant information of which we

were aware as a result of our audit;

- analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the entity's operations, including compliance with relevant covenants;
- performing inquiries of the managing directors as to its knowledge of going-concern risks beyond the period of the managing directors' assessment. Confirmed that there is a Keep Well agreement in place between EDP, S.A. and EDP Finance B.V. This agreement states that for as long as EDP Finance B.V. has outstanding instruments under an external debt Programme and in case the Company shall have insufficient funds or other liquid assets to meet its payment obligations at any time, EDP, S.A. shall make available to EDP Finance B.V. funds sufficient to enable EDP Finance B.V. to meet such payment obligations in full as they fall due.

Our procedures did not result in outcomes contrary to the managing directors' assumptions and judgements used in the application of the going-concern assumption.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the managing directors. The key audit matters are not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matters and included a summary of the audit procedures we performed on those matters.

Key audit matter	Our audit work and observations
<p>Measurement of expected credit losses</p> <p>Note 12</p> <p>We considered the valuation of the loans to group companies, as disclosed in note 12 to the financial statements for a total amount of €9,407,425,000, to be a key audit matter. This is due to the size of the loan portfolio and impairment rules introduced by IFRS 9.</p> <p>The impairment rules of IFRS 9 are complex and require judgement to calculate the expected credit loss ('ECL'). Amongst other things, this applies to choices and judgements made in the impairment methodology, including the determination of the probability of default ('PD'), the loss given default ('LGD') and the exposure at default ('EAD'). With the application of the impairment rules of IFRS 9, these calculations must also take into account forward-looking information of macro-economic factors considering multiple scenarios.</p> <p>The managing directors monitor the need for changes in the methods, significant assumptions or the data used in making the accounting estimate by monitoring key performance indicators that may indicate unexpected or inconsistent performance. Mainly with respect to the PD and LGD used in the determination of the expected credit losses, the managing directors have applied significant judgement given the low default character of the Company's loan portfolio. As a result, there is limited internal historical data to support and back-test the PD and LGD.</p>	<p>We performed the following procedures to audit the managing directors' assessment of the expected credit loss to support the valuation of the loans to EDP, S.A. group companies:</p> <ul style="list-style-type: none"> • With respect to the ECL calculation, we determined that the loans qualify as stage 1 loans by assessing the actual performance of the loans (i.e. no significant deterioration of credit risk). • We evaluated the financial position of the counterparties of loans to group companies by assessing observable data from rating agencies, developments in credit spreads, the latest available financial information and other publicly available data in order to assess if there are no adverse conditions present suggesting classifying the loans as stage 2 or stage 3 loans. • For the expected credit loss, we assessed that the impairment methodology and model applied by the entity were in accordance with the impairment requirements of IFRS 9. We assessed that the forward-looking information used by the Company as part of the impairment methodology was appropriate considering the characteristics of the loan portfolio of EDP Finance B.V.

Key audit matter	Our audit work and observations
<p>The managing directors have determined that all loans to group companies are categorised as stage 1 loans, hence only a twelve-month expected credit loss ('ECL') has been recognised.</p> <p>As disclosed in note 12 to the financial statements, the Company has not granted, nor has been requested to grant, any payment holidays on their loans to group companies.</p> <hr/> <p>Fair value valuation of the loans to and receivables from group entities</p> <p>Note 21</p> <p>We considered the fair value of the loans to and receivables from group entities portfolio of €9,338,059,000 as disclosed in note 21 to the financial statements.</p> <p>We have included the fair value of the loans to and receivables from group entities portfolio as a key audit matter due to its significance and complexity. The Company has Singapore dollars (SGD) loans since last year, where the swap curves used to discount the cash flows are less liquid.</p> <p>The managing directors monitor the need for changes in the methods, significant assumptions, or the data used in making the accounting estimate by assessing key performance indicators that may indicate unexpected or inconsistent performance. The market for these loans to and receivables from group entities is not always fully liquid, and therefore valuation is a complex area.</p>	<ul style="list-style-type: none"> • We assessed for a sample of financial instruments that the PD and LGD and the assumptions applied by the managing directors are appropriate and were based upon data from external data source providers including indicators for potential management bias. We have recalculated the impairment recorded in the financial statements. <p>We found the managing directors' assessment to be adequate. Our procedures as set out above did not indicate material differences.</p> <p>We performed the following procedures to audit the managing directors' assessment of the fair value valuation of the loans to and receivables from group entities:</p> <ul style="list-style-type: none"> • We have included specialists to obtain market observable data (swap curves, currency exchange rates) from Bloomberg (external reliable source) and test the data used by the managing directors. • We have inspected the contract agreements of the loans to and receivables from group entities to validate the cashflows. • We tested the mathematical accuracy of the models used and reconciled the outcome of the valuations with the general ledger. • We found the managing directors' assumptions used in the valuation of loans to and receivables from group entities to be reasonable and appropriate compared to market data and the chosen models to be in line with market practice. <p>We found the managing directors' assessment to be adequate. Our procedures as set out above did not indicate material differences.</p>

Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements; and
- contains all the information regarding the report of the managing directors and the other information that is required by Part 9 of Book 2 of the Dutch Civil Code.



We have read the other information. Based on our knowledge and the understanding obtained in our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The managing directors are responsible for the preparation of the other information, including the report of the managing directors and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of EDP Finance B.V. This followed the passing of a resolution by the shareholders at the annual general meeting held on 1 June 2017. Our appointment has been renewed annually by shareholders and now represents a total period of uninterrupted engagement of 8 years.

No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

Services rendered

The services, in addition to the audit, that we have provided to the Company, for the period to which our statutory audit relates, are disclosed in note 23 to the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the managing directors

The managing directors are responsible for:

- the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the EU and Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as the managing directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the managing directors are responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the managing directors should prepare the financial statements using the going-concern basis of accounting unless the managing directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so. The managing directors should disclose in the financial statements any event and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are 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 but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 26 February 2025

PricewaterhouseCoopers Accountants N.V.

Original has been signed by H.C.L. Scholtes MSc RA

Appendix to our auditor's report on the financial statements 2024 of EDP Finance B.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining 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 intentional override of internal control.
- Obtaining 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 Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the managing directors.
- Concluding on the appropriateness of the managing directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company'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 and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the managing directors 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. In this respect, we also issue an additional report to the audit committee in accordance with article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the managing directors with a statement that we have complied 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, related actions taken to eliminate threats or safeguards applied.

From the matters communicated with the managing directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.