



**EDP Renováveis, S.A.  
and its subsidiaries**

Report on limited review  
Condensed consolidated interim financial statements  
for the six-month period ended 30 June 2023  
Consolidated interim management report



## Report on limited review of condensed consolidated interim financial statements

To the shareholders of EDP Renováveis, S.A. at the request of the Board of Directors

### Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of EDP Renováveis, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the statement of financial position as at 30 June 2023, and the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes, all condensed and consolidated, for the six-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

### Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

### Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2023 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

### Emphasis of matter

We draw attention to note 2 of the condensed consolidated interim financial statements, in which it is mentioned that these condensed consolidated interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying condensed consolidated interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2022. Our conclusion is not modified in respect of this matter.



**Other matters**

**Consolidated interim management report**

The accompanying consolidated interim management report for the six-month period ended 30 June 2023 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the six-month period ended 30 June 2023. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from EDP Renováveis, S.A. and its subsidiaries' accounting records.

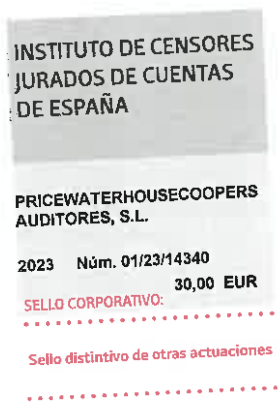
**Preparation of this review report**

This report has been prepared at the request of the Board of Directors in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

Antonio Velasco Dañobeitia

26 July 2023





edp

Renewables

Interim Report 1H23

We choose Earth





## Our Purpose

# Our energy

Speaks of our stamina, our track record and what drives us to continuously deliver green energy

# and heart

Highlights our people and their key role in delivering our commitment to our clients, partners and communities

# drive a better

Reflects our ambition and leadership in making change happen

# tomorrow

The reason why we work every day

# Index

## 1H23 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statements	3
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## 1H23 CONSOLIDATED MANAGEMENT REPORT

<b>01 The company</b>	4	<b>03 Performance</b>	33
EDPR in brief	5	Financial capital	35
1H23 in review	9	Human capital	44
Organisation	12	Supply chain capital	47
		Social capital	49
<b>02 Strategic approach</b>	21	Natural capital	51
Strategy	23	Digital capital	54
Risk management	28	Innovation capital	56

# Index

## 1H23 Consolidated Financial Statements

Consolidated income statement	3
Consolidated statement of comprehensive income	4
Consolidated statement of financial position	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7
Notes to the consolidated Financial Statements	9



## Condensed consolidated income statement for the six-month period ended 30 June 2023 and 2022

THOUSAND EUROS	NOTES	2023	2022
Revenues	7	1,102,531	1,113,568
Income from institutional partnerships in North America	8	122,813	123,751
		1,225,344	1,237,319
Other income	9	43,467	134,417
Supplies and services	10	-226,485	-196,459
Personnel costs and employee benefits	11	-131,066	-113,819
Other expenses	12	-153,750	-152,443
Impairment losses on trade receivables and debtors	23	64	-665
		-467,770	-328,969
Joint ventures and associates	20	-3,464	67,155
		754,110	975,504
Provisions	32	-15,240	-545
Amortisation and impairment	13	-369,958	-335,318
<b>Operating profit</b>		<b>368,912</b>	<b>639,642</b>
Financial income	14	464,227	275,416
Financial expenses	14	-623,035	-460,543
Financial result – net		-158,808	-185,127
<b>Profit before tax and CESE</b>		<b>210,104</b>	<b>454,515</b>
Income tax expense	15	-42,326	-66,819
Extraordinary contribution to the energy sector (CESE)	15	-2,958	-3,114
<b>Net profit for the year</b>		<b>164,820</b>	<b>384,581</b>
Attributable to			
Equity holders of EDP Renováveis	29	79,827	264,739
Non-controlling interests	30	84,993	119,843
<b>Net profit for the year</b>		<b>164,820</b>	<b>384,581</b>
Earnings per share basic and diluted – Euros	28	0.08	0.28

## Condensed consolidated statement of comprehensive income for the six-month period ended at 30 June 2023 and 2022

THOUSAND EUROS	2023		2022	
	EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS
Net profit for the year	79,827	84,993	264,739	119,843
Items that will never be reclassified to profit or loss				
Actuarial gains/(losses)	-	-	-	-
Tax effect of actuarial gains/(losses)	-	-	-	-
Items that are or may be reclassified to profit or loss				
Fair value reserve (Equity instruments at fair value)	-	-	-	-
Tax effect of fair value reserve (Equity instruments at fair value)	-	-	-	-
Fair value reserve (cash flow hedge)	1,029,439	5,061	-502,041	2,339
Tax effect from the fair value reserve (cash flow hedge)	-250,738	-1,361	118,272	-762
Share of other comprehensive income of joint ventures and associates, net of taxes	20,633	-	37,215	-
Reclassification to profit and loss due to changes in control	-	-	1,914	-
Exchange differences arising on consolidation	59,149	-3,880	127,936	86,709
Other comprehensive income for the year, net of income tax	858,483	-180	-216,704	88,286
Total comprehensive income for the year	938,310	84,812	48,035	208,129

## Condensed consolidated statement of financial position as at 30 June 2023 and 31 December 2022

THOUSAND EUROS	NOTES	2023	2022
<b>ASSETS</b>			
Property, plant and equipment	16	19,426,791	17,890,854
Right-of-use assets	17	988,693	988,302
Intangible assets	18	374,316	380,846
Goodwill	19	2,274,297	2,329,964
Investments in joint ventures and associates	20	1,195,998	1,157,249
Equity instruments at fair value	40	38,482	43,321
Deferred tax assets	21	775,531	625,357
Debtors and other assets from commercial activities	23	39,949	36,006
Other debtors and other assets	24	942,286	462,174
Collateral deposits associated to financial debt	31	40,784	23,311
<b>Total Non-Current Assets</b>		<b>26,097,127</b>	<b>23,937,384</b>
Inventories	22	276,680	252,844
Debtors and other assets from commercial activities	23	608,874	569,687
Other debtors and other assets	24	629,774	1,222,906
Current tax assets	25	372,605	302,384
Collateral deposits associated to financial debt	31	40,973	26,734
Cash and cash equivalents	26	1,306,941	1,171,932
Assets held for sale	27	390,297	9,198
<b>Total Current Assets</b>		<b>3,626,144</b>	<b>3,555,685</b>
<b>Total Assets</b>		<b>29,723,271</b>	<b>27,493,069</b>
<b>Equity</b>			
Share capital	28	5,119,891	4,802,791
Share premium	28	2,275,225	1,599,013
Reserves	29	-313,261	-1,171,745
Other reserves and Retained earnings	29	3,776,603	3,179,241
Consolidated net profit attributable to equity holders of the parent		79,827	616,231
<b>Total Equity attributable to equity holders of the parent</b>		<b>10,938,285</b>	<b>9,025,531</b>
Non-controlling interests	30	1,582,897	1,545,134
<b>Total Equity</b>		<b>12,521,182</b>	<b>10,570,665</b>
<b>Liabilities</b>			
Medium / Long term financial debt	31	5,796,263	4,869,851
Provisions	32	290,758	269,490
Deferred tax liabilities	21	898,474	638,290
Institutional partnerships in North America	33	2,085,256	2,212,162
Trade and other payables from commercial activities	34	636,178	633,049
Other liabilities and other payables	35	2,078,398	2,844,344
<b>Total Non-Current Liabilities</b>		<b>11,785,327</b>	<b>11,467,186</b>
Short term financial debt	31	1,279,301	1,290,103
Provisions	32	403	723
Trade and other payables from commercial activities	34	2,980,748	2,918,744
Other liabilities and other payables	35	806,693	1,010,244
Current tax liabilities	36	253,333	235,404
Liabilities held for sale	27	96,284	-
<b>Total Current Liabilities</b>		<b>5,416,762</b>	<b>5,455,218</b>
<b>Total Liabilities</b>		<b>17,202,089</b>	<b>16,922,404</b>
<b>Total Equity and Liabilities</b>		<b>29,723,271</b>	<b>27,493,069</b>

## Condensed consolidated statement of changes in equity for the years ended at 30 June 2023 and 31 December 2022

THOUSAND EUROS	TOTAL EQUITY	SHARE CAPITAL	SHARE PREMIUM	RESERVES AND RETAINED EARNINGS	EXCHANGE DIFFERENCES	HEDGING RESERVE	FAIR VALUE RESERVE	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF EDP RENOVÁVEIS	NON-CONTROLLING INTERESTS
Balance as at 31 December 2021	10,174,907	4,802,791	1,599,013	3,275,735	-159,922	-754,882	4,146	8,766,881	1,408,026
Comprehensive income									
- Fair value reserve (equity instruments at fair value) net of taxes	5,607	-	-	-	-	-	5,239	5,239	368
- Fair value reserve (cash flow hedge) net of taxes	-358,252	-	-	-	-	-359,687	-	-359,687	1,435
- Share of other comprehensive income in joint ventures and associates, net of taxes	89,946	-	-	-	-3,043	82,637	10,352	89,946	-
- Reclassification to profit and loss due to changes in control	-29,325	-	-	-	-9,116	-20,209	-	-29,325	-
- Actuarial gains/(Losses)	102	-	-	94	-	-	-	94	8
Exchange differences arising on consolidation	88,656	-	-	-	32,740	-	-	32,740	55,916
- Net profit for the year	817,102	-	-	616,231	-	-	-	616,231	200,871
<b>Total comprehensive income for the year</b>	<b>613,836</b>			<b>616,324</b>	<b>20,581</b>	<b>-297,259</b>	<b>15,591</b>	<b>355,238</b>	<b>258,598</b>
Dividends paid	-86,450	-	-	-86,450	-	-	-	-86,450	-
Dividends attributable to non-controlling interests	-62,867	-	-	-	-	-	-	-	-62,867
Acquisition of Sunseap	40,620	-	-	-	-	-	-	-	40,620
Other	-109,381	-	-	-10,138	-	-	-	-10,138	-99,243
Balance as at 31 December 2022	10,570,665	4,802,791	1,599,013	3,795,472	-139,341	-1,052,141	19,737	9,025,531	1,545,134
Comprehensive income									
- Fair value reserve (equity instruments at fair value) net of taxes	-	-	-	-	-	-	-	-	-
- Fair value reserve (cash flow hedge) net of taxes	782,401	-	-	-	-	778,701	-	778,701	3,700
- Share of other comprehensive income in joint ventures and associates, net of taxes	20,633	-	-	-	6,576	14,057	-	20,633	-
- Reclassification to profit and loss due to changes in control	-	-	-	-	-	-	-	-	-
- Actuarial gains/(Losses)	-	-	-	-	-	-	-	-	-
Exchange differences arising on consolidation	55,269	-	-	-	59,149	-	-	59,149	-3,880
- Net profit for the year	164,820	-	-	79,827	-	-	-	79,827	84,993
<b>Total comprehensive income for the year</b>	<b>1,023,123</b>			<b>79,827</b>	<b>65,725</b>	<b>792,758</b>		<b>938,310</b>	<b>84,813</b>
Dividends paid	-20,580	-	-	-20,580	-	-	-	-20,580	-
Dividends attributable to non-controlling interests	-31,837	-	-	-	-	-	-	-	-31,837
EDPR Capital increase	993,312	317,100	676,212	-	-	-	-	993,312	-
Other changes resulting from acquisitions/sales and equity increases	-14,482	-	-	-	-	-	-	-	-14,482
Other	981	-	-	1,711	-	1	-	1,712	-731
Balance as at 30 June 2023	12,521,182	5,119,891	2,275,225	3,856,430	-73,616	-259,382	19,737	10,938,285	1,582,897



## Condensed consolidated statement of cash flows for the six-month period ended 30 June 2023 and 2022

THOUSAND EUROS	2023	2022
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	1,026,231	2,402,923
Payments to suppliers	-346,289	-793,374
Payments to personnel	-158,542	-300,607
Other receipts / (payments) relating to operating activities	-102,753	-203,364
Net cash from operations	418,647	1,105,578
Income tax received / (paid)	-88,528	-56,818
Net cash flows from operating activities	330,119	1,048,760
<b>INVESTING ACTIVITIES</b>		
Cash receipts relating to:		
Changes in cash resulting from perimeter variations (*)	4,977	155,314
Property, plant and equipment and intangible assets	26,349	36,714
Interest and similar income	30,838	41,031
Dividends	19,794	54,616
Loans to related parties	371,220	679,783
Sale of subsidiaries with loss of control	183,336	1,476,044
Other receipts from investing activities	106,891	10,938
	743,405	2,454,440
Cash payments relating to:		
Changes in cash resulting from perimeter variations	92	-99,485
Acquisition of subsidiaries	-19,797	-1,169,852
Property, plant and equipment and intangible assets	-1,903,872	-2,349,595
Loans to related parties	-383,555	-718,064
Other payments in investing activities	-169,322	-36,067
	-2,476,454	-4,373,063
Net cash flows from investing activities	-1,733,049	-1,918,623
<b>FINANCING ACTIVITIES</b>		
Payments/receipts related with transactions with non-controlling interest without change of control	-	-
Receipts / (payments) relating to loans from third parties	-281,277	323,438
Receipts / (payments) relating to loans from non-controlling interests	-9,734	-65,542
Receipts / (payments) relating to loans from Group companies	1,205,665	1,481,949
Interest and similar costs including hedge derivatives from third parties	-44,758	-90,868
Interest and similar costs from non-controlling interests	-1,651	-5,002
Interest and similar costs including hedge derivatives from Group companies	-49,540	-149,789
Payments of lease liabilities	-33,479	-54,612
Dividends paid	-50,969	-155,052
Receipts / (payments) from derivative financial instruments	-105,496	-147,472
Receipts / (payments) from institutional partnerships in North America	-49,788	-77,385
Increases / (decreases) in capital and share premium by non-controlling interests	-13,928	-94,562
Other cash flows from financing activities	2,726	689
Share capital increases/ Decreases	993,312	-
Net cash flows from financing activities	1,561,083	965,792
Changes in cash and cash equivalents	158,153	95,929
Effect of exchange rate fluctuations on cash held	-23,144	72,219
Cash and cash equivalents at the beginning of the period	1,171,932	1,003,784
Cash and cash equivalents at the end of the period	1,306,941	1,171,932

(\*) Refers to the acquisition portfolio (see note 6).

**Variations in the following captions, including cash flow variations, during the period ending June 30, 2023 are as follows:**

THOUSAND EUROS	BANK LOANS (*)	GROUP LOANS	NON-CONTROLLING INTERESTS LOANS	U.S. INSTITUTIONAL PARTNERSHIPS	DERIVATIVES (**)	TOTAL
Balance as at December 31, 2022	1,322,457	4,758,186	100,302	2,212,162	65,666	8,458,773
Cash flows						
- Receipts / (payments) relating to loans from third parties	-281,277	-	-	-	-	-281,277
- Receipts / (payments) relating to loans from non-controlling interests	-	-	-9,734	-	-	-9,734
- Receipts / (payments) relating to loans from Group companies	-	1,205,665	-	-	-	1,205,665
- Interest and similar costs including hedge derivatives from third parties	-35,743	-	-	-	-9,016	-44,758
- Interest and similar costs from non controlling interests	-	-	-1,651	-	-	-1,651
- Interest and similar costs including hedge derivatives from Group companies	-	-64,243	-	-	14,704	-49,540
- Receipts/ (payments) from derivative financial instruments	-	-	-	-	-105,496	-105,496
- Receipts / (Payments) from institutional partnership in North America	-	-	-	-49,788	-	-49,788
Changes of perimeter	-	-	-	42,753	315	43,068
Exchange differences	14,654	-37,772	789	-40,258	-	-62,588
Fair value changes	-	-	-	-	114,715	114,715
Accrued income/expenses (***)	61,950	44,602	2,112	-	-4,630	104,035
Unwinding	-	-	-	41,752	-	41,752
Changes in U.S. Institutional Partnerships related to ITC/PTC	-	-	-	-121,365	-	-121,365
Balance as at June 30, 2023	1,082,041	5,906,438	91,818	2,085,256	76,258	9,241,810

(\*) Net of collateral deposits;

(\*\*) The Group considers as financing activities all derivative financial instruments excluding derivatives related with commodities;

(\*\*\*) Net of interests capitalized

# Index

Notes to the Condensed consolidated interim financial statements for the six-month period ended 30 June 2023

01 The business operations of the EDP Renováveis Group .....	10
02 Accounting policies .....	12
03 Recent accounting standards and interpretations issued .....	13
04 Critical accounting estimates and judgments in applying accounting policies .....	13
05 Financial risk management policies .....	14
06 Consolidation perimeter .....	20
07 Revenues .....	22
08 Income from institutional partnerships in North America .....	22
09 Other income .....	22
10 Supplies and services .....	23
11 Personnel costs and employee benefits .....	23
12 Other expenses .....	24
13 Amortisation and impairment .....	25
14 Financial income and financial expenses .....	26
15 Income tax expense and Extraordinary Contribution to the Energy Sector (CESE) .....	27
16 Property, plant and equipment .....	31
17 Right of use assets .....	33
18 Intangible assets .....	35
19 Goodwill .....	36
20 Investments in Joint Ventures and Associates .....	37
21 Deferred tax assets and liabilities .....	38
22 Inventories .....	39
23 Debtors and other assets from commercial activities .....	39
24 Other debtors and other assets .....	40
25 Current tax assets .....	41
26 Cash and cash equivalents .....	41
27 Assets and liabilities held for sale .....	42
28 Share capital and share premium .....	42
29 Other comprehensive income, reserves and retained earnings .....	44
30 Non-controlling interests .....	46
31 Financial debt .....	47
32 Provisions .....	49
33 Institutional partnerships in North America .....	50
34 Trade and other payables from commercial activities .....	51
35 Other liabilities and other payables .....	52
36 Current tax liabilities .....	54
37 Derivative financial instruments .....	54
38 Commitments .....	56
39 Related Parties .....	57
40 Fair value of financial assets and liabilities .....	62
41 Relevant subsequent events .....	64
42 Operating segments report .....	64
Annex I .....	66

## 01. The business operations of the EDP Renováveis Group

EDP Renováveis, Sociedad Anónima (hereinafter referred to as “EDP Renováveis” or “EDPR”) was incorporated in Spain on 4 December 2007. Its main corporate objective is to engage in activities related to the electricity sector, namely the planning, construction, operation and maintenance of electricity generating power stations, using renewable energy sources, mainly wind and solar. The registered offices of the company are located in Oviedo, Plaza de la Gesta 2, Spain. On 18 March 2008 EDP Renováveis was converted into a company incorporated by shares (Sociedad Anónima).

The Company belongs to the EDP Group, of which the ultimate parent company is EDP Energias de Portugal, S.A., with registered offices at Avenida 24 de Julho, 12, Lisbon. As at 30 June 2023 EDP Energias de Portugal, S.A through its Spanish branch EDP S.A. – Sucursal en España (“EDP Branch”) held a qualified shareholding of 71.27% (74.98 % as at 31 December 2022) of the share capital and voting rights of EDPR and 28.73% (25.02% as at 31 December 2022) of the share capital was free floated in the Euronext Lisbon.

As of 30 June 2023, EDP Renováveis S.A. directly holds a 100% stake in the share capital of the following companies: EDP Renewables Europe, S.L. (EDPR EU), EDP Renewables North America, LLC (EDPR NA), EDP Renewables Canada, Ltd. (EDPR Canada), EDP Renováveis Brasil, S.A. (EDPR BR), Colombian companies Eolos Energía S.A.S. E.S.P., Vientos del Norte S.A.S. E.S.P., Solar Power Solutions S.A.S. E.S.P, Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P, Vietnamese company EDP Renewables Vietnam Ltd., Singaporean companies Trung Son SG Pte. Ltd., Sunseap Group Pte. Ltd., Chilean company EDP Renewables Chile SpA. and the Mexican company Parque Solar Los Cuervos, S. de R.L. de C.V. Refer to note 6 for the changes in the perimeter.

The Group essentially operates in the European (Spain, Portugal, Poland, Romania, France, Italy, Greece, UK and Belgium), American (U.S., Brazil, Canada and Mexico) and Asian (Vietnam, Singapore, Taiwan and China) energy sectors. EDPR Group is currently developing wind and solar onshore projects in other countries such as, UK, Germany, Netherlands, Chile, Colombia, Hungary, Malaysia, Indonesia, Thailand, Cambodia, South Korea and Japan. Further, EDPR Group signed an agreement with ENGIE on January 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L. (Ocean Winds), in fixed and floating offshore wind business. This entity is the exclusive vehicle of investment of EDPR and ENGIE for offshore wind opportunities worldwide.

EDP Renováveis Group, through its subsidiaries has an installed capacity, as follows:

INSTALLED CAPACITY MW	30 JUN 2023	31 DEC 2022
United States of America	6,080	6,025
Spain	2,211	2,166
Portugal	1,190	1,168
Brazil	1,114	1,114
Poland	917	733
Romania	521	521
Mexico	496	496
Vietnam	402	405
Italy	375	295
France	214	214
Singapore	267	230
Canada	130	130
Greece	45	45
China	73	44
Taiwan	37	32
Belgium	11	11
United Kingdom	5	5
Thailand	1	1
	14,089	13,635



Additionally, the EDP Renováveis Group through its equity-consolidated companies has an installed capacity, attributed to EDPR, as follows:

INSTALLED CAPACITY MW	30 JUNE 2023	31 DEC 2022
United States of America	592	592
Spain	120	156
Portugal	31	31
APAC	16	15
Rest of Europe	311	311
	1,070	1,105

## Regulatory framework

During the six-month period ended 30 June 2023, we emphasize the following changes:

### Regulatory framework for the activities in Spain

In June 2023, Royal Decree-Law 5/2023 (RDL 5/2023) was published, with important amendments on citizen energy communities, incentives for electrification and the adaptation of administrative milestones, among others. In particular, the RDL includes a 6-month extension of the term for the accreditation of obtaining the authorization for the construction of electricity generation and storage facilities. This is relevant as in Spain there are around 43 GW of renewable projects that must obtain the construction authorization before July 25 or restart all the administrative process after obtaining access permits and connection to the grid again, in accordance with the milestone calendar established by RDL 23/2020.

This RDL 5/2023 also introduces changes to the Rinv scheme, as it has updated the market price forecasts to be used in the estimation of the Rinv in the 2023-25 semi-period.

### Regulatory framework for the activities in France

In April 2023, a decree enabling wind farms with COD before October 2022 to request a temporary uprise of their output, was published. The request would be possible for up to 1 MW per wind turbine and only until 2023YE. The uprise is not to be achieved by replacing the wind turbine, but only when a higher nominal capacity of the wind turbine had been capped at 3 MW.

### Regulatory framework for the activities in Belgium

In February 2023, the government officially introduced expected changes on the "Rho factor" methodology. In particular:

- 6 months revisions instead of 1 year, in order to better adjust any short-term market variation
- A "Re-calculated kECO" (instead of Rho) will be defined in order to allow GC rate to become positive if they fall to zero
- For new reservations (starting the 1st of January 2023), initial GC rate during the first 3 years of operations become subject to revisions
- Current scheme of kECO will also be extended up to 2023YE or before the new methodology (the so-called CPMA) is implemented

### Regulatory framework for the activities in Romania

Emergency Ordinance 186/2022 introduced on 29th December 2022 a solidarity contribution to be paid by companies with a turnover coming mainly ( $\geq 75\%$ ) from crude oil, natural gas, coal and refineries for financial years 2022 and 2023. This contribution is calculated as 60% of the annual taxable profits of the year that exceed by more than 20% the average of taxable profits of years 2018-2021. The proceeds of the contribution are to be used for support final energy consumers, especially vulnerable households, and electro-intensive industries, as well as for projects aligned with REPowerEU objectives.

### Regulatory framework for the activities in Greece

In March, law 5037/2023 was published and introduced new provisions regarding RES State Aid contracts. Given the financial difficulties that projects could find, if a project is commissioned and has started its contract for less than 4 years, then the contract could be terminated without losing any guarantees. In addition, projects that have a CfD signed before 31/12/2023 would have the right to go merchant for up to 2 years after the issuance of the operation license, without losing their CfD contract and maintaining its tenure.

In May 2023, new renewables injection restriction rules were officially published via Ministerial Decision published in the state journal. According to former rule (included in Law 4957/2022), in case of high grid congestion, injection restrictions could be applied to renewable plants. However, these restrictions could not amount to more than 5% of the annual energy generated by the renewable facility. New rules published in 2023 will apply to all renewable plants under development (including storage) with connection offers and to renewable plants with connection requests already submitted either to DEDDIE/HEDNO or IPTO. According to these new rules, solar PV plants will be subject to injection restrictions, and the maximum power of injection will be capped at 72%. Wind and BESS will also be subject to restrictions (for wind, maximum power of injection will range between 65–80%), but only during the day (in solar hours). In any case, these restrictions will be applied with the limitation of the maximum 5% of annual generation maximum cut, that will still apply.

### **Regulatory frameworks for the activities in Brazil**

In July 2023, in an attempt to partially settle the imbalance between generation offer and grid capacity, ANEEL approved an extraordinary mechanism allowing generators, on their own will, to revoke their grants and terminate the connection contracts without any penalties. More than 11 GW is expected to be free-up, which shall be confirmed by Sep/2023. The increasing participation of renewables, especially the intermittent wind/solar, has been driving ANEEL to promote enhancements in existing regulations as the recent changes in Normative Resolution 1.030/2022, which establishes the rules for ancillary services in the National Interconnected System (SIN), including renewables to be compensated for reactive power support.

### **Regulatory framework for the activities in Singapore**

In June 2023, Singapore's Energy Markets Authority (EMA) will impose a temporary wholesale power price cap from 1 July 2023, according to a document published on its website. The objective is to protect electricity retailers (and final consumers) from high and volatile LNG prices. The cap price will be calculated according to a formula that takes into account natural gas and generation costs, but the formula has not been disclosed.

## **02. Accounting policies**

### **A) Basis of preparation**

The accompanying condensed consolidated financial statements reflect the results of EDP Renováveis, S.A. and its subsidiaries (EDPR Group or Group) and the Group's interest in its joint ventures and associated companies. The condensed consolidated interim financial statements for the period ended at 30 June 2023 have been prepared to present fairly the consolidated equity and consolidated financial position of EDP Renováveis, S.A. and subsidiaries at 30 June 2023, the consolidated results of operations, consolidated statement of comprehensive income, consolidated cash flows and changes in consolidated equity for the six-month period. The Board of Directors approved these condensed consolidated annual accounts on 25 July 2023. The condensed consolidated interim financial statements are presented in thousand Euros, rounded to the nearest thousand.

In accordance with Regulation (EC) no. 1606/2002 of 19 July 2002, of the European Council and Parliament, the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and their predecessor bodies.

The EDPR Group's condensed consolidated interim financial statements for the period ended at 30 June 2023 were prepared in accordance with IFRS as adopted by the E.U. until 1 January 2023 and considering the International Financial Reporting Standard IAS 34 - Interim Financial Reporting. These financial statements do not include all the information required to be published on the consolidated annual financial statements, and should, therefore, be read together with the consolidated financial statements of the Group for the year ended 31 December 2022.

The Group has followed the same accounting policies and methods of computation as compared with the consolidated financial statements of the Group for the year ended 31 December 2022. The new standards and interpretations recently issued but not yet effective and that the Group has not yet applied on its consolidated financial statements, are detailed in note 3.

### 03. Recent accounting standards and interpretations issued

#### Standards, amendments and interpretations issued effective for the Group

The amendments to standards already issued and effective that the Group applied in the preparation of its financial statements, can be analysed as follows:

- **IAS 12 (Amended) – Deferred tax related to assets and liabilities**

The IASB amended IAS 12, "Income taxes", in order to clarify the recognition of deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The amendments target the recognition of deferred tax in respect of:

- Right-of-use assets and lease liabilities; and
- Provision for dismantling, decommissioning and the corresponding tangible fixed assets.

As part of the adoption of these amendments, effective on 1 January 2023, the EDPR Group proceeded with the breakdown of deferred tax assets and deferred tax liabilities related with: i) assets under right of use and lease liabilities; and ii) provisions for dismantling and decommissioning and corresponding tangible fixed assets, where and whenever these amounts are not deductible until the payment date.

Thus, on 30 June 2023, the impacts of this amendment are disclosed in note 21.

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

- IAS 1 (Amended) – Disclosure of Accounting Policies; and
- IAS 8 (Amended) – Definition of Accounting Estimates.
- IFRS 17 – Insurance Contracts

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

The standards, amendments and interpretations issued but not yet effective for the Group (whose effective application date has not yet occurred or, despite their effective dates of application, they have not yet been endorsed by the EU), for which no significant impact is expected, are the following:

- 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 12 (Amended) – International Tax Reform: Pillar Two Model Rules.

### 04. Critical accounting estimates and judgments in applying accounting policies

IFRS requires the use of judgement and the making of estimates in the decision process regarding certain accounting treatments, with impact in total assets, liabilities, equity, costs and income. The actual effects may differ from these estimates and judgments, namely in relation to the effect of actual costs and income.

The critical accounting estimates and judgements made by management in applying EDPR Group's accounting policies were the same as those applied to the consolidated financial statements as at 31 December 2022, with a special note for the following items.

Considering that in many cases there are alternatives to the accounting treatment adopted by EDPR Group, the reported results could differ if a different treatment was chosen. The Executive Board of Directors believes that the choices made are appropriate and that the financial statements present fairly the Group operations in all material respects.

#### Measurement of the fair value of financial instruments

Fair values are based on listed market prices, if available. Otherwise, fair value is determined either by the price of similar recent transactions under market conditions, or determined by external entities, or based on valuation methodologies, supported by

discounting future cash flows techniques, considering market conditions, time value, yield curves and volatility factors. These methodologies may require the use of assumptions or judgements in determining fair values.

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

Additionally, financial instruments' classification as debt or equity requires judgement in the interpretation of contractual clauses and in the evaluation of the existence of a contractual obligation to deliver cash or other financial assets.

### **Review of the useful life of the assets**

The Group reviews periodically the reasonableness of the assets' useful lives that are used to determine the depreciation rates of assets assigned to the activity, and prospectively changes the depreciation charge of the year based on such review.

### **Entities included in the consolidation perimeter**

In order to determine which entities must be included in the consolidation perimeter, the Group evaluates whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

This evaluation requires judgement, assumptions and estimates in order to conclude whether the Group is in fact exposed to variable returns and has the ability to affect those returns through its power over the investee. Other assumptions and judgments could lead to a different consolidation perimeter of the Group, with direct impact in the consolidated financial statements.

### **Business combinations**

Under IFRS 3 (Business Combination) in a business combination, the acquirer shall recognize and measure in the consolidated financial statements the assets acquired and liabilities assumed at fair value at the acquisition date. The difference between the purchase price and the fair value of the assets and liabilities acquired leads to the recognition of goodwill or a gain from a purchase at a low price (bargain purchase).

The fair value determination of the assets acquired and liabilities assumed is carried out internally or by independent external evaluators, using the discounted cash flows method, using the replacement cost or other fair value determination techniques, which rely on the use of assumptions including macroeconomic indicators such as inflation rates, interest rates, exchange rates, discount rates, sale and purchase prices of energy, cost of raw materials, production estimates, useful life and business projections. Consequently, the determination of the fair value and goodwill or gain from a purchase at a low price is subject to numerous assumptions and judgments and therefore changes could result in different impacts on results.

### **Fair value measurement of contingent consideration and variable prices**

Contingent consideration from a business combination or variable prices for a sale of assets or businesses are measured at fair value at the acquisition date as part of the business combination or at the date of the sale in the event of a sale of assets or businesses. This contingent consideration or variable price are subsequently remeasured at fair value at each report date. Fair value is based on discounted cash flows. The main assumptions consider the probability of achieving each objective and the discount factor, corresponding to the best estimates of management at each report date. Changes in assumptions could have significant impact on the values of variable prices for the assets and contingent liabilities recognised in the financial statement.

## **05. Financial risk management policies**

The businesses of EDP Renováveis Group are exposed to a variety of risks, including the effects of changes in electricity market prices, foreign exchange and interest rates. The main financial risks arise from interest-rate and the exchange-rate exposures. The volatility of financial markets is analysed on an on-going basis in accordance with EDPR's risk management policies. Financial instruments are used to mitigate potential adverse effects on EDP Renováveis financial performance resulting from interest rates and foreign exchange rates changes.

The Board of Directors of EDP Renováveis is responsible for the definition of general risk-management policies and the establishment of exposure limits. Recommendations to manage financial risks of EDP Renováveis Group are proposed by EDPR's Finance and Global Risk Departments and discussed in the Financial Risk Committee of EDP Renováveis, which is held quarterly. The pre-agreed strategy is shared with the Finance Department of EDP – Energias de Portugal, S.A., to verify the accordance with



the policies approved by the Board of Directors of EDP. The evaluation of appropriate hedging mechanisms and the execution is done by EDPR but may also be outsourced to the Finance Department of EDP.

All transactions undertaken using derivative financial instruments require the prior approval of the Board of Directors, which defines the parameters of each transaction and approves the formal documents describing their objectives.

### Exchange-rate risk management

EDPR and EDP Group's Financial Department are responsible for managing the foreign exchange exposure of the Group, seeking to mitigate the impact of exchange rate fluctuations on the net assets and net profits of the Group. Instruments used for hedging are foreign exchange derivatives, foreign exchange debt and other hedging structures with offsetting exposure versus the item to be hedged. The effectiveness of these hedges is reassessed and monitored throughout their lives.

EDPR operates internationally and is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. With the objective of minimizing the impact of exchange rates fluctuations, EDP Renováveis general policy is to fund each project in the currency of the operating cash flows generated by the project.

Currently, the main currencies exposure are the U.S. Dollar, resulting from the shareholding in EDPR NA and Singaporean Dollar resulting from the shareholding in EDPR APAC companies. EDPR is also exposed to Polish Zloty, Romanian Leu, Brazilian Real, British Pound, Canadian Dollar, Colombian Peso, Hungarian Forint and a marginal fiscal exposure to MXN due to Mexican assets and relatively small exposure to other southeast Asian currencies.

To hedge the risk originated with net investment in EDPR NA, EDP Renováveis uses financial debt expressed in USD and also entered into cross currency interest rate swaps (CIRS) USD/EUR with EDP - Energias de Portugal, S.A. Following the same strategy adopted to hedge the net investments in USA, EDP Renováveis has also entered into CIRS in BRL/EUR, GBP/EUR, CAD/EUR and in COP/EUR to hedge the investments in Brazil, United Kingdom, Canada and Colombia, respectively, where exposures are sizable for hedging (see note 37).

### Sensitivity analysis - Foreign exchange rate

As a consequence, a depreciation/appreciation of 10% in the most significant foreign currency exchange rate, with reference to 30 June 2023 and 2022, would originate an increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

30 JUN 2023				
THOUSAND EUROS	PROFIT OR LOSS			EQUITY
	+10%	-10%	+10%	-10%
USD/EUR	16,707	-20,420	-48,569	59,362
BRL/EUR	19	-23	-24,053	29,398
SGD/EUR	2,139	-2,164	-12,483	15,257
	18,865	-23,057	-85,105	104,018

30 JUN 2022				
THOUSAND EUROS	PROFIT OR LOSS			EQUITY
	+10%	-10%	+10%	-10%
USD/EUR	15,404	-18,827	-157,646	192,678
RON/EUR	23	-28	-8,879	10,852
BRL/EUR	97	-119	-21	26
SGD/EUR	47	-58	-60,952	74,497
	15,571	-19,032	-227,498	278,053

This analysis assumes that all other variables, namely interest rates, remain unchanged.

## Interest rate risk management

The Group's operating cash flows are substantially independent from the fluctuation in interest-rate markets.

The purpose of the interest-rate risk management strategy is to reduce the exposure of debt cash flows to market fluctuations. As such, whenever considered necessary and in accordance to the Group's policy, interest-rate financial instruments are contracted to hedge interest rate risks. These financial instruments hedge cash flows associated with future interest payments, converting floating rate loans into fixed rate loans.

All these hedges are undertaken on liabilities in the Group's debt portfolio and are mainly perfect hedges with a high correlation between changes in fair value of the hedging instrument and changes in fair value of the interest-rate risk or upcoming cash flows.

The EDP Renováveis Group has a portfolio of interest-rate derivatives with maturities up to 18 years. The Financial Department of EDP Group undertakes sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations or upcoming cash flows.

About 88% of EDP Renováveis Group financial debt bear interest at fixed rates, considering operations of hedge accounting with financial instruments.

Additionally, during the fiscal year 2022, EDPR executed interest rate pre-hedges of its future intercompany loans refinancing needs with EDP, both in EUR and USD, aiming to lock-in future interest rates levels given the scenario of high volatility and uncertainty.

## Sensitivity analysis – Interest rates

EDPR/EDP Group's Financial Departments are responsible for managing the interest rate risk associated to activities developed by the Group, contracting derivative financial instruments to mitigate this risk.

Based on the EDPR Group debt portfolio and the related derivative financial instruments used to hedge associated interest rate risk, as well as on the shareholder loans received by EDP Renováveis, a change of 100 basis points in the interest rates with reference to 30 June 2023 and 2022 would increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

30 JUN 2023				
THOUSAND EUROS	PROFIT OR LOSS			EQUITY
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Cash flow hedge derivatives	-	-	33,376	-8,507
Unhedged debt (variable interest rates)	-18,543	18,543	-	-
	-18,543	-18,543	33,376	-8,507

31 DEC 2022				
THOUSAND EUROS	PROFIT OR LOSS			EQUITY
	+100 BPS	-100 BPS	+100 BPS	-100 BPS
Cash flow hedge derivatives	-	-	35,830	-7,560
Unhedged debt (variable interest rates)	-9,580	9,580	-	-
	-9,580	9,580	35,830	-7,560

This analysis assumes that all other variables, namely foreign exchange rates, remain unchanged.

## Counter-party credit-rate risk management in financial transactions

The EDP Renováveis Group counter-party risk exposure in financial and non-financial transactions is managed by an analysis of technical capacity, competitiveness and probability of default of the counter-party. EDP Renováveis has defined a counter-party risk policy inspired in Basel III, which is implemented across all departments in all geographies. EDP Renováveis Group is mainly exposed to counter-party risk in financial derivatives transactions in energy sales (electricity and Environmental Attributes such as GC and RECs) and in supply contracts.

Counterparties in derivatives and financial transactions are restricted to high-quality credit institutions or to the EDP Group.

Most relevant counterparties in derivatives and financial transactions are companies within EDP Group. Financial instruments contracted outside EDP Group are generally engaged under ISDA Master Agreements and credit quality of external counterparties is analysed and collaterals required when needed.

In the process of selling the energy (electricity and Environmental Attributes), counter-party exposure arises from trade receivables, but also from mark-to-market of long-term contracts:

- In the specific case of the energy sales of EDPR EU & Latam platform, the Group's main customers are utilities and regulated entities in the different countries (EDP and CNMC in the case of the Spanish market). Credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of its debtors. Additional counter-party risk comes from the countries with renewables incentives, which is usually treated as regulatory risk;
- In the specific case of EDPR NA platform, the Group's main customers are regulated utility companies, regional market agents in the US and large C&I corporations. As it occurs in Europe, credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of the debtors. However, the exposure due to the mark-to-market of long-term contracts may be significant.

With the acquisition of Sunseap, in the specific case of EDPR APAC, the Group's main customers are Distributed Generation off-takers and regulated entities in the different markets, namely in Singapore and Vietnam. Just like with the other platforms, credit risk from trade receivables is not significant due to same reasons. However, counter-party risk can arise from countries with renewables incentives paid through regulated tariffs, which is usually treated as regulatory risk.

Exposure in all markets is managed by a detailed assessment of the counter-party before signing any agreement and by a requirement of collaterals when financial soundness of the counterparty deteriorates.

Regarding Trade receivables and other debtors, they are recognized net of the impairment losses. The Group believes that the credit quality of these receivables is adequate and that no significant impaired credits exist that have not been recognised as such and provided for.

Counter-party exposure to suppliers arises mainly from pre-paid contracts with equipment manufacturers and civil engineering contractors. Counter-party analyses are performed for each new contract. If needed, either parent company guarantees or bank guarantees are requested to comply with the limits of exposure established by EDP Renováveis counter-party risk policy.

The maximum exposure to customer credit risk by counterparty type is detailed as follows:

THOUSAND EUROS	JUN 2023	DEC 2022
<b>CORPORATE SECTORS AND INDIVIDUALS</b>		
Supply companies	50,047	73,275
Business to business	100,523	31,387
Other	32,945	18,306
<b>Total Corporate sectors and individuals</b>	<b>183,516</b>	<b>122,968</b>
Public sector	909	452
<b>Total Public sector and Corporate sectors/individuals</b>	<b>184,225</b>	<b>123,420</b>

Trade receivables by geographical market for the Group EDPR, is as follows:

THOUSAND EUROS	JUN 2023					
	EUROPE	NORTH AMERICA	LATAM	APAC	OTHER	TOTAL
Corporate sectors and individuals	107,801	23,017	13,423	39,178	97	183,516
Public sector	-	909	0	0	0	909
<b>Total</b>	<b>107,801</b>	<b>23,926</b>	<b>13,423</b>	<b>39,178</b>	<b>97</b>	<b>184,425</b>

In accordance with accounting policies, impairment losses are determined using the simplified approach precluded in IFRS 9, based on lifetime expected losses.

### Liquidity risk

Liquidity risk is the possibility that the Group will not be able to meet its financial obligations as they fall due. The Group strategy to manage liquidity is to ensure, as far as possible, that it will always have significant liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The liquidity policy followed ensures compliance with acquired payment obligations, by maintaining sufficient credit facilities and also by having access to the EDP Group's facilities. Group liquidity risk is managed through the engagement and maintenance of credit lines and financing facilities with a firm underwriting commitment with international reliable financial institutions, as well as term deposits, thus allowing immediate access to funds. These credit lines are used to complement and backup national and international commercial paper programs, allowing EDP Group's short-term financing sources to be diversified.

The Directors have estimated cash flows that show that the Group will meet the commitments existing at the close as at 30 June 2023.

The maturity analysis for financial debt (see note 31), including expected future interests, is as follows:

THOUSAND EUROS	DEC 2023	DEC 2024	DEC 2025	DEC 2026	DEC 2027	FOLLOWING YEARS	TOTAL
Bank loans	126,871	105,783	132,017	81,820	79,788	650,216	1,176,495
Loans received from EDP Group	869,951	439,647	229,055	486,149	460,151	3,421,245	5,906,198
Other loans	2,356	2,237	-	252	-	-	4,845
Expected future interests	102,554	749,166	202,083	188,923	184,552	366,378	1,793,656
	1,101,372	1,303,207	547,844	750,769	724,491	3,261,281	8,881,194

EDPR has developed and presented to the market a very ambitious Multi-Year Growth Plan, aimed at creating value for its shareholders, which entails a significant annual investment volume. EDPR defines itself as a listed company with a low risk profile and as such has defined a financing plan that ensures a balanced financial position structure, preserving its credit quality and, at the same time, guaranteeing the necessary flexibility to accommodate any temporary deviation that may occur throughout the implementation period of its growth plan.

In the base case, the financing of the investment volume is ensured based on 5 major sources of financing:

- The cash flow generated by the assets in operation and retained in the Group;
- The program for selling assets in operation (sell down/Asset Rotation), as a way to anticipate and crystallize value/cash flow;
- The Tax Equity Investment (the entry of institutional investors in projects developed in the US that materializes just before the entry into operation of the assets);
- The capital increase in EDP Renováveis S.A.
- Complemented by medium and long-term external financing, and namely:
  - Via Corporate Finance, as the most relevant solution; and
  - Project Finance, particularly in markets where the functional currency is different from EUR/USD and it is important to manage equity exposure to the market.

Flexibility, in order to manage temporary differences or adjustments in the proportions of the components identified above, is given by the following variables:

- EDPR has Current Accounts in EUR and USD with EDP Group that uses to manage daily/weekly/monthly its net liquidity needs;
- EDPR has a formal agreement with its parent company (EDP Group) whereby EDP has agreed to provide the necessary financing for the execution of EDPR's Growth Plan;
- Current Accounts and Overdrafts negotiated with commercial banks (as backup).

## Electricity market price risk

As at 30 June 2023, electricity market price risk affecting the EDP Renováveis Group is not significant. In the case of EDPR NA, the great majority of the plants are under power purchase agreements or long-term financial contracts, with fixed or escalating prices. In the case of EDPR EU, the electricity is sold in Spain, France, Italy, Portugal and Poland through regulated tariffs or financial PPAs. In Romania the green certificates have a floor.

For the smaller share of energy with merchant exposure after tariff regimes, PPAs or long-term financial contracts (electricity, green certificates and RECs), market risk is managed through the execution of electricity and Environmental Attributes forward contracts. For this exposure EDPR EU and EDPR NA have financial swaps that qualify for hedge accounting (cash flow hedge) that are related to sales for the years 2023 to 2025 (see note 37). The purpose of EDP Renováveis Group is to hedge in advance a significant volume of the merchant exposure to reduce the volatility of energy prices in each reporting year.

For the first six-month of 2023, 66% of the Group's total generation was subject to both regulated remuneration and long-term contracts, while the remaining 34% was remunerated at market price. Anyway, as commented above, this portion of generation remunerated at market price is practically fully hedged, increasing overall hedged position in the year to ca. 87%.

During the first six months of 2023, market prices have experienced a generalised decreasing trend, however, they are still above historical averages in nearly all regions. For EDPR EU and EDPR NA, the potential loss from the decrease in electricity prices was very limited, since, as indicated above, EDPR's merchant exposure for the year 2023 was already hedged before the start of this trend.

Considering recent trends of market prices and volatility, EDPR is closely managing and monitoring its exposure to market prices variations, despite it being limited with current hedges in place. For 2023, EDPR's exposure to a potential decrease of 30% in market prices would be approximately of 55 million Euros.

## Capital management

The Group's goal in managing equity, in accordance with the policies established by its main shareholder, is to safeguard the Group's capacity to continue operating as a going concern, grow steadily to meet established growth targets and maintain an optimum equity structure to reduce equity cost.

In conformity with other sector groups, the Group controls its financing structure based on the leverage ratio. This ratio is calculated as net financial borrowings divided by total equity and net borrowings. Net financial borrowings are determined as the sum of financial debt, institutional equity liabilities corrected for non-current deferred revenues, less cash and cash equivalents.

## Climate-related risk

The Earth's climate has changed throughout history. Scientists attribute the current global warming trend observed since the mid-20th century to the human expansion of the "greenhouse effect" – warming that occurs when the atmosphere traps heat radiating from Earth toward space. Over the last century, the burning of fossil fuels like coal and oil has increased the concentration of atmospheric carbon dioxide (CO<sub>2</sub>).

EDPR is a clear example of how fighting against climate change creates business opportunities. The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fight against climate change and its impacts.

Since its inception, EDPR has been performing a strategy focused on selective growth, by investing in quality projects with predictable future cash-flows, and seamless execution, supported by core competences that yield superior profitability, all embedded within a distinctive and self-funding model designed to accelerate value creation. As a result of undertaking such strategy, at the same time flexible enough to accommodate changing business and economic environments, EDPR remains today a leading company in the renewable energy industry. As presented in its 2023–26 Business Plan, EDPR plans to add 17.1 GW in the 2023–2026, of which 8.9 GW is already secured. EDPR will diversify its portfolio geographically and technologically even more, developing more wind onshore, solar, wind offshore, green hydrogen and storage technology along with the entrance in new markets.

During the first six-month of 2023, EDPR added 0,4 GW (429.1 MW) and finished the first half with a global portfolio of 15.1 GW. Benefiting from a diversified portfolio, the Company generated 17.9 TWh of renewable energy, avoiding the emissions of 10 (10,428) million tons of CO<sub>2</sub>. Capital expenditures and financial investments with capacity additions, ongoing construction and development works during the year totalled 2,273 million Euros.

However, EDPR faces climate change not only as a business opportunity, but also as an opportunity to innovate. EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. Currently, the Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns and a more sustainable future. As a result, EDPR engages in projects that cover wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

Nevertheless, on the risk side, meteorological changes may pose a risk for EDPR's activities and results since they are carried out in areas of the planet that are being affected by climate change. In addition, future estimations of wind and solar production are based on analysis of historical measurements for more than 20 years and they are considered to be representative of the future. However, relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data. Thus, when evaluating a new investment, EDPR considers potential changes in the production forecasted but, even so, the size of the potential deviation in the case of relevant meteorological changes is uncertain.

Moreover, renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc. These risks depend on the location of the assets. At EDPR, all plants are insured from the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident will also be partially insured to cover revenue losses due to the event. Thus, no material impacts are identified in the EDPR's consolidated financial statements as a consequence of climate change.

As a sector leader, EDPR is aware of the urgency to fight climate change and even though its business inherently implies a positive impact on the environment, the Company continues to work on a daily basis to hold itself to a higher standard and to incorporate innovation in its value chain in order to further contribute to the protection of the climate.

## 06. Consolidation perimeter

During the six-month period ended in 30 June 2023, the changes in the consolidation perimeter of the EDP Renováveis Group were:

### Companies acquired:

The following acquisitions were classified as asset purchases, out of scope of IFRS 3 – Business Combinations, due to the substance of these transactions, the type of assets acquired and the very early stage of the projects:

- EDP Renovables España, S.L.U. acquired 100% of the company Global Pracima, S.L. and its subsidiaries Jul Solar, S.L., Agos Fotovoltaicas, S.L. and Corona Fotovoltaicas, S.L.;
- EDPR PT – Promoção e Operação, S.A. acquired 100% of the company SPEE – Sociedade Produção Energia Eólica, S.A.;
- EDP Renewables Italia Holding, S.r.l. acquired 100% of the companies Solar Italy XXIII, S.r.l. and Wind Energy Castelluccio, S.r.l.;
- EDP Renewables Polska, Sp. Z o.o. acquired 100% of the companies Farma Fotowoltaiczna Pakosław, Sp. z o.o. and Farma Fotowoltaiczna Iłża, Sp. z o.o.;
- EDP Renewables North America LLC acquired 100% of the companies Cheboygan Solar Farm LLC and Three Lakes Solar LLC;
- EDPR Sunseap Pte. Ltd. through its subsidiaries acquired 100% of the Chinese companies Chuzhou Huitai Photovoltaic Power Generation Co., Fangxian Tianhang New Energy Co., Ltd. and Siping Lvsheng Energy Technology Co., Ltd., 100% of the Japanese company Godo Kaisha NW-3, 100% of the Vietnamese companies Millennium Energy Investment Co., Ltd., HTD Vietnam Investment Development Co., Ltd. and HTT Binh Duong Investment Development Co., Ltd., 100%, Lam Gia Luat Co., Ltd. and Dai Linh Phat Co., Ltd.

Additionally, the following companies were acquired:

- During the second quarter of 2023, EDPR NA Distributed Generation LLC. acquired the 100% stake in a distributed solar generation portfolio, Longroad Solar Portfolio III LLC and SunE Solar V LLC, located in North America for a total of 44MW solar operational projects. The total amount paid for these transactions has been 17,294 thousand Euros. These transactions were framed within the scope of IFRS 3 – Business combinations that has implied the recognition of a provisional goodwill in the amount of 15,116 thousand Euros (see note 19).
- During the second quarter of 2023, EDP Renovables España, S.L.U. has acquired the remaining 52.99% of the share capital of San Juan de Bargas Eólica, S.L. As a consequence, as at 30 June, 2023, EDPR has the 100% of the shares capital in this company. The total amount paid for these transactions has been 13,898 thousand Euros. These



transactions were framed within the scope of IFRS 3 – Business combinations achieved in stage. that has implied the recognition of a provisional goodwill in the amount of 21,719 thousand Euros (see note 19).

#### Companies sold and liquidated:

- EDPR France Holding, S.A.S. sold the company Eoles Montjean, S.A.S. with no significant impacts in the condensed consolidated interim financial statements.
- EDP Renewables Europe, S.L.U. sold the company EDPR Investment Hungary, Kft. with no significant impacts in the condensed consolidated interim financial statements.
- Viesgo Renovables, S.L.U. liquidated the company Viesgo Mantenimiento, S.L.U. no significant impacts in the condensed consolidated interim financial statements.
- EDP Renewables North America LLC liquidated fully companies owned Nine Kings Transco LLC, C2 CA WMS Redlands #1693 LLC, C2 IL WMS Bloomington #3459 LLC, C2 IL WMS Skokie #1998 LLC, DC- JD Portfolio – Barrel Roof, DC- JD Portfolio – Flat Roof, DC- JD Portfolio – Green Roof, DC- JD Portfolio – Parking Deck, VA- Green Acres, 2021 DG Agora Sol I LLC, 2021 DG CA Agora Sol I LLC, EDPR Wind Ventures X LLC, 2011 Vento X LLC, McLean Solar 1 LLC, Amsterdam 3 Solar LLC, C2 OH Otsego I LLC, RI Stainless LLC, C2 WM California 2039 LLC, C2 WM California 5884 LLC, New Scotland 5 Solar LLC, SC Heathwood Hall Solar LLC, DC Green Solar LLC, DC PD Solar LLC, NY Gomer SAS LLC, NY Broadway SAS LLC, NY Highland SAS LLC and the joint venture company Nine Kings Wind Farm LLC.

#### Companies Incorporated:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Fengcheng Xingtai New Energy Technology Co., Ltd.</li> <li>• Desarrollos Renovables de Alfajarin, S.L.U.</li> <li>• KS SPV from 81 to 85 Limited</li> <li>• Fransol from 51 to 70, S.A.S.</li> <li>• EDPRNA DG Ridgefield BOE LLC (*)</li> <li>• Pueblo Norte Solar Park LLC (*)</li> <li>• Carpenter Wind Farm LLC (*)</li> <li>• NDIW California RE LLC (*)</li> <li>• Eighty South Solar Park LLC (*)</li> <li>• Hobolochitto Solar Park LLC (*)</li> <li>• Poplarville Solar Park LLC (*)</li> <li>• Stone North Solar Park LLC (*)</li> <li>• Twenty North Solar Park LLC (*)</li> <li>• EDPR Wind Ventures XXIV LLC (*)</li> <li>• 2023 Vento XXIV LLC (*)</li> <li>• Central Eólica Itaúna III, S.A.</li> </ul> | <ul style="list-style-type: none"> <li>• Central Eólica São Domingos IV, S.A.</li> <li>• Central Eólica São Domingos V, S.A.</li> <li>• Renewables Energy Colombia, S.A.S.</li> <li>• KSD from 41 to 60 UG</li> <li>• EDPR Sicilia Quattro, S.r.l.</li> <li>• Miyagi Motoyoshi Solar GK</li> <li>• Gumisan Wind Power Co., Ltd.</li> <li>• Winding Canyon Wind LLC (*)</li> <li>• EDPRNA DG PR Aguadilla LLC (*)</li> <li>• Duff Storage LLC (*)</li> <li>• Buffalo Lick Solar Park LLC (*)</li> <li>• EDPRNA DG Kentucky Development LLC (*)</li> <li>• EDPRNA DG Bristol Solar LLC (*)</li> <li>• EDPRNA DG Livermore Solar LLC (*)</li> </ul> |
|---|--|

\* EDPR Group holds, through its subsidiary EDPR NA, a set of subsidiaries legally established in the United States without share capital and that, as at 30 June 2023, do not have any assets, liabilities, or any operating activity.

#### Others:

- Merger of the company EDPR PT -. Promoção e Operação, S.A. into the company EDP Renewables SGPS, S.A. with no impacts in the condensed consolidated interim financial statements.
- Viesgo Renovables, S.L.U. has sold the 36.23% of the interest in the share capital that hold of Geólica Magallón, S.L. As a consequence of this transaction, EDPR has registered a loss amounted to 10,566 thousand Euros in the caption Joint ventures and associates in the condensed consolidated income statements ( see note 20).
- Sale of the 49% of the stake hold by EDPR in Todae Solar Pty. Ltd. with no impacts in the condensed consolidated interim financial statements.

## 07. Revenues

Revenues are analysed as follows:

THOUSAND EUROS	30 JUNE 2023	30 JUNE 2022
<b>REVENUES BY BUSINESS AND GEOGRAPHY</b>		
Electricity in Europe	582,156	642,579
Electricity in North America	377,168	401,389
Electricity in LATAM	32,802	19,313
Electricity in APAC	59,401	30,656
	1,051,527	1,093,937
Other revenues	24,849	-15,301
	1,076,376	1,078,636
Services rendered	27,557	28,074
Cost of consumables used and changes in inventories	-1,402	6,858
<b>Total Revenues</b>	<b>1,102,531</b>	<b>1,113,568</b>

The breakdown of revenues by segment is presented in the segmental reporting (see annex I).

Decrease in electricity revenues is, mainly, explained by the stabilisation of energy prices after the high volatility in 2022 as a consequence of the conflict in Eastern Europe which affected the world economic situation.

Other revenues include mainly settlement of energy trading derivative and hedge.

## 08. Income from institutional partnerships in North America

Income from institutional partnership in North America in the amount of 122,813 thousand Euros (30 June 2022: 123,751 thousand Euros), includes revenue recognition related to production tax credits (PTC), investments tax credits (ITC) and other tax benefits, mostly from accelerated tax depreciation related to projects Sol I and II, Vento I to V, Vento XI to XVI, Vento XVIII and Vento XXI to XXIII (see note 33).

## 09. Other income

Other income is analysed as follows:

THOUSAND EUROS	30 JUNE 2023	30 JUNE 2022
Amortisation of deferred income related to power purchase agreements	404	501
Contract and insurance compensations	16,785	17,485
Gains on business combination	276	-
Gains on disposals	3,861	99,048
Other income	22,141	17,383
	43,467	134,417

Main variation is explained because as at 30 June 2023, the caption Gains on disposals essentially included:

- Gain amounting to 56,167 thousand Euros resulting from the sale of the entire stake in the Polish companies Winfan, Sp. z o.o., Lichnowy Windfarm, Sp. z o.o., Kowalewo Wind, Sp. z o.o., EWP European Wind Power Krasin, Sp. z o.o., Nowa Energia 1, Sp. z o.o. and Farma Wiatrowa Bogoria, Sp. z o.o.
- Gain amounting to 42,596 thousand Euros resulting from the sale of the entire stake in the Spanish companies Eólica La Janda, S.L. and Parc Eòlic Serra Voltorera, S.L.

As at 30 June 2023, the caption other income included, among others, an amount equal to 5,573 thousand Euros corresponding to a positive share's price adjustment related with a 2015 transaction in accordance with relevant agreements.

## 10. Supplies and services

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	30 JUN 2022
Rents and leases	19,113	22,891
Maintenance and repairs	117,914	98,513
<b>SPECIALISED WORKS:</b>		
- IT Services, legal and advisory fees	8,161	5,828
- Shared services	10,343	10,005
- Other services	37,751	28,403
Other supplies and services	33,203	30,819
	226,485	196,459

The caption Rents and leases mainly includes costs for variable lease payments and rental costs for short-term leases.

The caption Other services has increased in the six-month period ended 30 June 2023, mainly due to local audits, legal services, strategic consulting and information systems services due to the natural growth of the company in the different geographies.

The caption Other supplies and services mainly includes in the six-month period ended 30 June 2023, insurances, travels and accommodations and outsourced services.

## 11. Personnel costs and employee benefits

Personnel costs and employee benefits is analysed as follows:

THOUSAND EUROS	30 JUN 2023	30 JUN 2022
<b>PERSONNEL COSTS</b>		
Board remuneration (see note 39)	393	348
Remunerations	112,122	89,273
Social charges on remunerations	18,020	15,063
Employee's variable remuneration	24,646	21,012
Other costs	4,289	3,231
Own work capitalised (see note 16)	-42,567	-28,019
	116,903	100,908
<b>EMPLOYEE BENEFITS</b>		
Costs with pension plans	4,425	3,961
Costs with medical care plans and other benefits	9,738	8,950
	14,163	12,911
	131,066	113,819

As at 30 June 2023, Costs with pension plans relates essentially to defined contribution plans in the amount of 4,344 thousand Euros (30 June 2022: 3,918 thousand Euros) and defined benefits plans amounting to 5 thousand Euros (30 June 2022: 6 thousand Euros).

The average breakdown by management positions and professional category of the permanent staff during six-month period 30 June 2023 and 2022 is as follows:

	30 JUN 2023	30 JUN 2022
Male	2,061	1,674
Female	1,036	779
	3,097	2,453

The breakdown by gender of the permanent staff as at 30 June 2023 and 2022 is as follows:

	30 JUN 2023	30 JUN 2022
Male	2,051	1,931
Female	1,065	874
	3,116	2,805

The increase in the number of employees mainly is a consequence of the growth within the platforms acquired in 2022, the Sunseap Group and Kronos Group.

In the companies in Spain where there is a legal obligation to have people with disabilities in the workforce to comply with the LISMI due to the number of employees, EDPR has opted for the exceptionality measures provided by the Law. The Company is able to comply with the quota that legally applies to it through contracts of goods or services with companies that promote the hiring of disabled people and also through donations.

EDPR's companies under this obligation are covered with the exceptionality measures since March 2021 until 2023. For the rest of EDPR countries, the approach is the same. In 2020, as part of EDPR's global strategy, a Diversity and Equality Committee was set up with the participation of the Management Team, whose objective is to integrate the commitment to this issue within the company. One of the objectives of this Committee is focused on the group of people with disabilities as one of the most important topics to be developed.

## 12. Other expenses

Other expenses are analysed as follows:

THOUSAND EUROS	30 JUN 2023	30 JUN 2022
Taxes	105,188	101,661
Losses on fixed assets	902	3,288
Other costs and losses	47,660	47,494
	153,750	152,443

The caption Taxes, as at 30 June 2023 includes other direct and indirect taxes. The impact of extraordinary taxes on profit incurred in geographies such as Romania or Italy during this six-month period ended 30 June 2022 has have no significant impact due to the stabilisation of energy prices mentioned. This effect has been compensated by the new Regulatory Framework established in Poland for which in October 2022, an Act on Emergency measures was released aimed to counteract the effects on consumers of high energy prices by introducing a clawback mechanism, as well as for the new polish wind farms that have received the generation licence.

In December 2022, a new tax for energy operators was approved in Spain. This tax will apply in 2023 and 2024 (based on 2022 and 2023 turnover) to energy operators with a turnover over 1 billion Euros in 2019. Tax would be charged at a 1.2% rate on the net amount of last Fiscal Year's turnover (this will include the tax groups income derived from its activities carried out in Spain, excluding the income derived from regulated activities). The impact for the six-month period ended 30 June 2023 is 1,663 thousand Euros.

Losses on fixed assets as at 30 June 2023 and 2022 mainly refers to abandonment of projects in North America for 2023 and for North America and Europe for 2022.

Other costs and losses include as at 30 June 2023 and 2022, mainly, operating costs associated with compensations and availability bonus to O&M suppliers.

### 13. Amortisation and impairment

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	30 JUN 2022
<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Buildings and other constructions	241	235
Plant and machinery	331,966	311,270
Other	3,616	2,957
	<b>335,823</b>	<b>314,462</b>
<b>RIGHT-OF-USE ASSETS</b>		
Right-of-use assets	24,531	19,846
Intangible assets		
Industrial property, other rights and other intangibles	18,439	9,671
	<b>378,793</b>	<b>343,979</b>
Amortisation of deferred income (Government grants)	-8,835	-8,661
	<b>369,958</b>	<b>335,318</b>

Right of use assets includes depreciation of IFRS 16 related assets.

Amortisation of deferred income (Government grants) refers to grants for fixed assets received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States that are amortised through the recognition of revenue in the income statement over the useful life of the related assets (see note 34).

## 14. Financial income and financial expenses

Financial income and financial expenses are analysed as follows:

THOUSAND EUROS	30 JUN 2023	30 JUN 2022
<b>FINANCIAL INCOME</b>		
Interest income	33,517	11,236
Derivative financial instruments:		
Interest	20,909	5,093
Fair value	151,513	205,745
Foreign exchange gains	258,288	53,342
	464,227	275,416
<b>FINANCIAL EXPENSES</b>		
Interest expense	149,971	93,298
Derivative financial instruments:		
Interest	75,508	36,547
Fair value	237,056	191,290
Foreign exchange losses	136,221	73,674
Own work capitalised	-50,393	-11,967
Unwinding	64,393	66,807
Other financial expenses	10,279	10,894
	623,035	460,543
Net financial income / (expenses)	-158,808	-185,127

Derivative financial instruments include interest liquidations on the derivative financial instrument established between EDPR and EDP – Energias de Portugal, S.A. (see notes 24, 35 and 37). The decrease in the captions fair value is mainly due to the stabilisation of the exchange rates which had increased in 2022 a consequence of the conflict in Eastern Europe which affected the world economic situation.

The increase of interest income is related to interest from deposits interest of EDP Renováveis Brasil, S.A., EDPR PT – Promoção e Operação, S.A. and EDP Renováveis Servicios Financieros, S.A. as well as to interest from loans granted to Joint Ventures and Associates.

The increase on both foreign exchange gains and losses is related to the financing of Colombian entities in foreign currency, mainly in US Dollars.

In accordance with the corresponding accounting policy, the borrowing costs (interest) capitalised in tangible fixed assets in progress as of 30 June 2023 amounted to 50,393 thousand Euros (at 30 June 2022 amounted to 11,967 thousand Euros) (see note 16), which are included under Own work capitalised (financial interest). The interest rates used for this capitalisation vary in accordance with the related loans' Interest expense refers to interest on loans bearing interest at contracted and market rates.

Interest expense refers to interest on loans bearing interest at contracted and market rates.

Unwinding expenses refers essentially to: (i) the implied return in institutional partnerships in North America amounting to 41,752 thousand Euros (30 June 2022: 48,311 thousand Euros) (see note 33); (ii) financial update of lease liabilities related to IFRS 16 in the amount of 17,228 thousand Euros (30 June 2022: 15,621 thousand Euros) (see note 35); and (iii) financial update of provisions for dismantling and decommissioning of wind and solar farms in the amount of 5,404 thousand Euros (30 June 2022: 2,872 thousand Euros) (see note 32).

## 15. Income tax expense and Extraordinary Contribution to the Energy Sector (CESE)

The following note includes an analysis on the reconciliation between the theoretical and the effective income tax rate applicable at the level of the EDPR Group, on a consolidated basis. In general terms, the analysis on the reconciliation between the theoretical and the effective income tax rate aims at quantifying the impact of the income tax, recognised in the income statement, which includes both current and deferred tax. The note also includes an analysis on the extraordinary contribution to the energy sector (CESE).

As the EDPR Group prepares and discloses its financial statements in accordance with IFRS, an alignment between the accounting of income tax expense or income and the corresponding cash flow is not mandatory. Accordingly, this analysis does not represent the income tax paid or received by the EDPR Group for the corresponding reporting period.

Notwithstanding the above, the income tax paid by the EDPR Group on a country-by-country basis is disclosed in the Annual Report, which is available on EDPR's website ([www.edpr.com](http://www.edpr.com)). This website also includes the details on the general principles concerning EDPR Group's mission and tax policy and the overall tax contribution to public finance in 2023.

### Main features of the tax systems of the countries in which the EDP Renewables Group operates

The statutory corporate income tax rates applicable in the countries in which EDP Renewables Group operates are as follows:

COUNTRY	30 JUN 2023	30 JUN 2022
<b>EUROPE</b>		
Belgium	25%	25%
France	15% - 25%	15% - 25%
Germany	30%	-
Greece	22%	22%
Hungary	9%	9%
Italy	24% - 28.8%	24% - 28.8%
Netherlands	15% - 25.8%	-
Poland	19%	19%
Portugal	22.5% - 25.5% - 27.5% - 31.5%	22.5% - 25.5% - 27.5% - 31.5%
Romania	16%	16%
Spain	25%	25%
United Kingdom	19% - 25%	19%
<b>AMERICA</b>		
Brazil	34%	34%
Canada	26.5%	26.5%
Chile	27%	27%
Colombia	35%	35%
Mexico	30%	30%
United States of America	24.91%	24.91%
<b>APAC</b>		
Australia	30%	-
Cambodia	20%	20%
China	25%	25%
Indonesia	22%	22%



Japan	31%	31%
South Korea	9% - 24%	10% - 25%
Malaysia	24%	24%
The Philippines	25%	25%
Singapore	17%	17%
Taiwan	20%	20%
Thailand	20%	20%
Vietnam	20%	20%

EDP Renováveis S.A. and its subsidiaries file individual tax returns in accordance with the applicable tax legislation. Nevertheless, the company and the majority of its Spanish subsidiaries are taxed under the tax consolidation group regime foreseen in the Spanish law. EDP – Energias de Portugal, S.A. – Sucursal en España (Branch) is the dominant company of this Group, which includes other subsidiaries that are not within the renewables energy industry.

As per the applicable tax legislation, tax periods may be subject to inspection by the various Tax Administrations during a limited number of years. Statutes of limitation differ from country to country generally as follows: USA, Chile, Belgium Philippines and France: 3 years; Australia, Spain, United Kingdom, Singapore and Portugal: 4 years; Brazil, Colombia, Greece, Hungary, Indonesia, Italy, Netherlands, Poland, Romania, Korea, Japan, Malaysia, Taiwan and Mexico: 5 years; Canada, Cambodia, China, Thailand and Vietnam: 10 years. In Japan, the statute of limitations is extended to 7 years for transfer pricing liabilities and 10 years for carry forward of tax losses. Notwithstanding this, it is important to note that, in some geographies, if tax losses/credits being carried-forward are utilized, the statute of limitation is extended to the years when such tax losses/credits were generated. In Spain and France, tax losses may be subject to the Tax Authorities' verification up to 10 years after they are generated; once this period has expired, taxpayers must prove the origin of the tax losses whose utilization is intended. In Netherlands and Korea, the statute of limitation is extended to 12 years and 7 years respectively for non-resident income.

Tax losses generated each year are also subject to Tax Administrations' review and reassessment. As per the legislation currently in force, losses may be used to offset yearly taxable income assessed in the subsequent periods as follows: 3 years in Philippines; 5 years in Cambodia, China, Greece, Hungary, Indonesia, Poland, Portugal, Thailand, and Vietnam; 7 in Malaysia and Romania; 9 in Japan; 10 in Mexico and Taiwan; 12 in Colombia; 15 in Korea; 20 in Canada; and indefinitely in Australia, Belgium, Brazil, Chile, France, Italy, Netherlands, Singapore, Spain, United Kingdom and the United States. Notwithstanding this, it is important to note that, in some geographies, tax losses generated in previous years might be subject to the limitation period that was applicable at the moment when they were generated (e.g., Portugal and the United States). Moreover, in France, Netherlands, Japan and Singapore tax losses in a given year may be carried back against the taxable base assessed in the previous tax year; and in Canada and the USA in the 3 previous years. In addition, the deduction of tax losses in Brazil, Colombia, France, Greece, Hungary, Italy, Japan, Korea, Netherlands, Poland, Portugal, Spain, the United Kingdom and the United States is limited to a percentage of the taxable income of each period, or subject to other limitations.

EDP Renováveis Group companies may, in accordance with the law, benefit from certain tax benefits or incentives under specific conditions. Most importantly, Production Tax Credits in the US which are the dominant form of wind remuneration in this country, and represent an extra source of revenue per unit of electricity over the first 10 years of the asset's life. Wind farms that qualify for the application of the PTC prior to 1 January 2017, benefit from 100% of the credit (\$28/MWh in 2018, \$25/MWh in 2019-2022, being adjusted to inflation in subsequent years). The PTC amount is reduced by 20% for wind farms qualifying in 2017, 40% in 2018 and 60% in 2019. Additional legislation in 2020 & 2021 extended the aforementioned regime to wind facilities, with start of construction in 2020 or 2021, attributing 60% of the tax credit amount. Additionally, EDP Group companies benefit from the Investment Tax Credit which avails solar projects to a credit based upon its capital expenditures. This credit amount equates to 28% for projects that start construction before 2022 and 22% for projects starting construction in 2023 as long as these projects go into service by 2025.

Transfer pricing legislation is duly complied with by EDP Renováveis Group. Its policy follows the rules, guidelines and best international practices applicable across all geographies where the Group operates, in due compliance with the spirit and letter of the Law.

During 2023, the EDPR Group had various tax audits regarding different topics. In May 2022, the commencement of a general tax audit was notified to the Spanish tax consolidation group headed by EDP – Energias de Portugal, S.A. – Sucursal en España (Branch), whose scope covers fiscal years 2017 – 2019. This audit is ongoing and being monitored by Tax Team. No impact is

expected other than the actually stated in the condensed consolidated interim financial statements. In addition, the general tax audit in Romania, made to the company Cernavoda Power, S.A, was finalized and is currently undergoing a litigation phase; however, EDPR does not expect any further liability than the one already recorded in the companies' accounts at June, 2023.

### Changes in the tax law with relevance to the EDP Renewables Group in 2023

As from 2023, the statutory CIT rates applicable in the following relevant geographies have been modified as follows:

- In the United Kingdom, the general CIT rate has raised to 25% from April 2023, onwards. The former 19% still applies only for profits under £50,000.
- In Korea, a reduction of 1% has been enacted for the CIT rate applicable for each bracket. Namely, from January 2023 onwards, 9% on income up to KRW 200 million; 19% between KRW 200 M and 20,000 M; 21% between KRW 20,000 M and 300,000 M; 24% on excess.

#### Windfall / extra-profit taxes

As per described in the referred Note, the European Union Council Regulation 2022/1854 of 6 October 2022 (Regulation) substantiated on a European Union wide emergency intervention to address high energy prices. While EDPR fully acknowledges that the existing emergency situation required for extraordinary measures, the Company also considers that (i) the principle of not taxing unrealized extra-profits should always prevail and (ii) the compatibility with existing, legitimately implemented, risk management strategies, needs to be ensured. These requirements are necessary to avoid harming producers that do not actually benefit from the current high electricity prices, due to having hedged, individually or at Group level, their revenues, against fluctuations in the wholesale electricity market. These financial hedges follow the Company's established low risk strategy to secure long term revenues and to remove electricity prices volatility on the company's earnings.

EDPR will pursue all legal actions at its disposal in order to challenge the legality of these measures.

#### Corporate income tax provision.

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	30 JUN 2022
Current tax	-41,849	-37,553
Deferred tax	-477	-29,226
Income tax expense	-42,326	-66,819

The effective income tax rate as at 30 June 2023 and 2022 is analysed as follows:

THOUSAND EUROS	30 JUN 2023	30 JUN 2022
Profit before tax	210,104	454,515
Income tax expense	-42,326	-113,629
Effective Income Tax Rate	20.15%	25.00%

The difference between the theoretical and the effective income tax expense, results from the application of the law provisions in the determination of the tax base, as demonstrated below.

The reconciliation between the nominal and the effective income tax rate for the Group during the period ended 30 June 2023 and 2022 is analysed as follows:

THOUSAND EUROS	30 JUN 2023	30 JUN 2022
Profit before taxes	210,104	454,515
Nominal income tax rate (*)	25.00%	25.00%
Theoretical income tax expense	-52,526	-113,629
Fiscal revaluations, amortization, depreciation and provisions	409	794
Tax losses and tax credits	-7,786	-2,233
Financial investments in associates	7,717	6,417
Difference between tax and accounting gains and losses	1,378	5,930
Effect of tax rates in foreign jurisdictions and CIT rate changes	589	9,812
Taxable differences attributable to non-controlling interests (USA)	7,810	10,065
Other	83	16,025
Effective income tax expense as per the Consolidated Income Statement	-42,326	-66,819

(\*) Statutory corporate income tax rate applicable in Spain

The main captions are the following:

- The caption "Taxable differences attributable to non-controlling interests (USA)" essentially includes the effect inherent to the attribution of taxable income to non-controllable interests in the subgroup EDPR NA, as determined by the tax legislation of that geography.

#### Extraordinary Contribution to the Energy Sector (CESE)

Law 83-C/2013, of the State Budget 2014 ("Lei do Orçamento de Estado 2014"), approved by the Portuguese Government on 31 December 2013, introduced an extraordinary contribution applicable to the energy sector (CESE), with the objective of financing mechanisms that promote the energy sector systemic sustainability, through the establishment of a fund which aims to contribute for the reduction of tariff debt and to finance social and environmental policies in the energy sector. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transportation or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CESE is calculated based on the companies' net assets as at 1 January, which comply, cumulatively, to: (i) property, plant and equipment; (ii) intangible assets, except industrial property elements; and (iii) financial assets assigned to concessions or licensed activities. In the case of regulated activities, CESE focuses on the value of regulated assets if it is higher than the value of those assets.

As at 30 June 2023, EDPR Group recorded in caption Tax Liabilities a fair value for this contribution of 2,958 thousand Euros.

## 16. Property, plant and equipment

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>COST</b>		
Land and natural resources	52,646	50,481
Buildings and other constructions	17,873	30,925
Plant and machinery:		
– Renewables generation	20,594,040	19,969,929
– Other plant and machinery	9,652	9,992
Other	91,266	87,417
Assets under construction	6,029,790	4,870,215
	26,795,267	25,018,959
Depreciation charge	-335,823	-648,345
Accumulated depreciation in previous years	-6,828,699	-6,280,429
Impairment losses		-54,432
Impairment losses in previous years	-203,954	-144,899
	-7,368,476	-7,128,105
Carrying amount	19,426,791	17,890,854

The movement in Property, plant and equipment for the six-month period ended 30 June 2023, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 30 JUN
<b>COST</b>							
Land and natural resources	50,481	77	-	-	-305	2,393	52,646
Buildings and other constructions	30,925	573	-	-	-304	-13,321	17,873
Plant and machinery	19,979,921	47,480	-9,879	963,256	-140,135	-236,951	20,603,692
Other	87,417	1,518	-230	1,245	-615	1,931	91,266
Assets under construction	4,870,215	2,070,923	-428	-963,991	57,323	-4,252	6,029,790
	25,018,959	2,120,571	-10,537	510	-84,036	-250,200	26,795,267

	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 30 JUN
Buildings and other constructions	14,638	241	-	-213	-565	14,101
Plant and machinery	6,932,514	331,966	-9,719	-56,129	-34,710	7,163,922
Assets under construction	122,987	-	-	8,155	-3,619	127,523
Other	57,966	3,616	-78	-562	1,988	62,930
	7,128,105	335,823	-9,797	-48,749	-36,906	7,368,476

Plant and machinery include the cost of the wind farms and solar plants under operation.

Additions includes the investment in wind farms and solar plants under development and construction mainly in the United States of America, Spain, Brazil, Canada, Italy, Poland, Chile, Greece, Portugal, Singapore, France, Colombia, Mexico, China, Japan and Taiwan. This caption also includes the allocation of the acquisition cost of certain companies due to the nature of the transactions, the type of assets and the initial stage of completion of the projects acquired (see note 6). The most significant ones, including additions from their acquisition, are:

- North American companies Cheboygan Solar Farm LLC and Three Lakes Solar LLC for a total amount of 39,883 thousand Euros;
- Italian Companies Solar Italy XXIII, S.r.l. and Wind Energy Castelluccio for a total amount of 33,530 thousand Euros;
- Portuguese company SPEE – Sociedade Produção Energia Eólica, S.A. for a total amount of 16,686 thousand Euros;
- Spanish companies Global Pracima, S.L., Jul Solar, S.L., Agos Fotovoltaicas, S.L., Corona Fotovoltaicas, S.L. for a total amount of 15,694 thousand Euros;
- Vietnamese companies Millennium Energy Investment Co., Ltd., HTD Vietnam Investment Development Co., Ltd. and HTT Binh Duong Investment Development Co., Ltd., 100%, Lam Gia Luat Co., Ltd. and Dai Linh Phat Co., Ltd. for a total amount of 2,125 thousand Euros;
- The dismantling cost associated with the projects that have reached COD during the period ended 30 June 2023 for a total amount of 7,039 thousand Euros.

Transfers from assets under construction into operation refer to wind and solar farms that became operational in Brazil, Spain, Italy, United States of America, Portugal, Singapore, France, Mexico, Taiwan and China.

Write-offs mainly refer to abandonment of projects in the United States of America. This amount is recorded under the caption Losses on fixed assets in the consolidated income statement (see note 12).

Exchange differences are mainly generated by the variation in the exchange rate of the US dollar, Brazilian real, Colombian peso, Polish zloty, Mexican peso, Singaporean dollar and Vietnamese dong.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 48,977 thousand Euros related to the acquisition in 2023 of the new Longroad portfolio, a distributed solar generation business in the United States of America (see note 6);
- Increase amounting to 4,294 thousand Euros related to the acquisition of the remaining stake in San Juan de Bargas Eólica, S.L., a Wind generation business in the Spain (see note 6);
- Decrease net amounting to 261,824 thousand euros related to the reclassification to held for sale of certain portfolio in Spain (see note 27);

The Company has taken out an insurance global program to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered to be sufficient.

Loans with credit institutions formalized as 'Project Finance' are secured by the shares of the corresponding wind farms and, ultimately, by the fixed assets of the wind farm to which the financing is related (see note 31). Additionally, the construction of certain assets has been partly financed by grants received from different Government Institutions.

Assets under construction as at 30 June 2023 and 31 December 2022 are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
EDPR NA	3,757,755	2,589,575
EDPREU	1,283,697	1,074,177
EDPR LATAM	875,119	1,098,164
EDPR APAC	113,219	108,299
	6,029,790	4,870,215

Assets under construction as at 30 June 2023 are mainly related to wind and solar farms under construction and development in the United States of America, Colombia, Poland, Canada, Spain, Brazil, Mexico, Italy, Greece, Portugal, China, Japan, Singapore, Taiwan, Hungary, France, United Kingdom, Chile and Romania.

Financial interests capitalized during the period amount to 50,393 thousand Euros as at 30 June 2023 (31 December 2022: 41,342 thousand Euros) (see note 14).

Personnel costs capitalised during the period amount to 42,567 thousand Euros as at 30 June 2023 (31 December 2022: 72,666 thousand Euros) (see note 11).

The EDP Renováveis Group has purchase obligations disclosed in Note 38 – Commitments.

## 17. Right of use assets

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>COST</b>		
Land and natural resources	1,069,520	1,070,178
Buildings and other constructions	74,953	51,490
Plant and machinery:	142	-
Other	7,548	6,743
	1,152,163	1,128,411
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>		
Depreciation charge	-24,531	-44,067
Accumulated depreciation	-138,939	-96,042
	-163,470	-140,109
Carrying amount	988,693	988,302

The movements in Right of use assets, for the Group, for the six-month period ended 30 June 2023, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 30 JUN
<b>COST</b>							
Land and natural resources	1,070,178	41,647	-220	-12,927	-9,661	-19,497	1,069,520
Buildings and other constructions	51,490	12,454	-1	12,522	-735	-777	74,953
Plant and machinery:	-	-	-	405	23	-286	142
Other	6,743	903	-62	-	58	-94	7,548
	1,128,411	55,004	-283	-	-10,315	-20,654	1,152,163

THOUSAND EUROS	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 30 JUN
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>							
Land and natural resources	113,271	18,600	-116	-	-1,094	-1,736	128,925
Buildings and other constructions	22,590	5,423	-	-	-48	1,790	29,755
Plant and machinery:	-	2	-	-	16	-18	-
Other	4,248	506	-	-	37	-1	4,790
	140,109	24,531	-116	-	-1,089	35	163,470

Cost additions include new lease contracts mainly located in the USA, Spain, and APAC.

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar.

The caption Changes in perimeter/Other mainly includes:

- Decrease, net of accumulated depreciation, amounting to 15,156 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies.



## 18. Intangible assets

This caption is analysed as follows:

THOUSAND EUROS EUROS	30 JUN 2023	31 DEC 2022
<b>COST</b>		
Industrial property, other rights and other intangible assets	454,171	426,891
Concession Rights	45,704	55,913
Intangible assets under development	63,187	70,511
	563,062	553,315
<b>ACCUMULATED AMORTISATION</b>		
Amortisation charge	-18,439	-23,900
Accumulated amortisation in previous years	-158,784	-137,010
Impairment losses	-	-
Impairment losses in previous years	-11,523	-11,559
	-188,746	-172,469
Carrying amount	374,316	380,846

Industrial property, other rights and other intangible assets include mainly:

- Power sales contracts in relation to former asset acquisitions out of the scope of IFRS 3 in the amount of 57,808 thousand Euros (31 December 2022: 58,892) that are amortized over the term of the power sales contracts. The variation is explained by the effect of the exchange rates;
- Fair value related to the power sales contracts acquired in business combination transactions in the amount of 224,163 thousand Euros (31 December 2022: 219,438);
- Software substation access rights and wind generation permit and licenses amounting to 137,885 thousand Euros (31 December 2022: 135,698 thousand Euros).

The movement in Intangible assets for the six-month period ended 30 June 2023, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 30 JUN
<b>COST</b>						
Industrial property, other rights and other intangible assets	426,891	553	3,895	-6,505	29,337	454,171
Concession rights	55,913	2	8,528	26	-18,765	45,704
Intangible assets under development	70,511	6,054	-12,933	-880	435	63,187
	553,315	6,609	-510	-7,359	11,007	563,062
<b>ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES</b>						
Industrial property, other rights and other intangible assets	147,543	15,924	12,475	-1,344	-663	173,935
Concession Rights	24,926	2,515	-12,026	12	-616	14,811
	172,469	18,439	449	-1,332	-1,279	188,746

Additions mainly refer to software development during the period.

Changes in the perimeter and others mainly refers to the provisional allocation to the fair value of power purchase agreements associated to the generation assets acquired in the business combination transaction acquired in December 2022 of Longroad portfolio for a total amount of 10,972 thousand Euros (see note 6 and 19), 8,951 for the acquisition of certain rights for future projects in APAC and due the reclassification to held for sale of certain portfolio in Spain for a total amount of 6,544 thousand euros (see note 27).

## 19. Goodwill

For the Group, the breakdown of Goodwill resulting from the difference between the cost of the investments and the corresponding share of the fair value of the net assets acquired, is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Goodwill booked in EDPR EU :	1,134,597	1,177,206
- EDPR Spain	376,157	419,023
- EDPR France	25,904	25,904
- EDPR Portugal	43,712	43,712
- Kronos Solar Group	651,657	651,657
- Others	37,167	36,910
Goodwill booked in EDPR NA	743,780	758,736
Goodwill booked in EDPR LATAM	714	668
Goodwill booked in EDPR APAC	395,206	393,354
	2,274,297	2,329,964

The movements in Goodwill, by subgroup, during the period ended 30 June 2023 is as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	INCREASES	DECREASES	IMPAIRMENT	EXCHANGE DIFFERENCES	CHANGE PERIMETER / OTHERS	BALANCE AT 30 JUN
EDPR EU :							
- EDPR Spain	419,023	21,719	-10,696	-	-	-53,889	376,157
- EDPR France	25,904	-	-	-	-	-	25,904
- EDPR Portugal	43,712	-	-	-	-	-	43,712
- Kronos Solar Group	651,657	-	-	-	-	-	651,657
- Other	36,910	-	-	-	257	-	37,167
EDPR NA	758,736	15,116	-	-	-13,921	-16,151	743,780
EDPR LATAM	668	-	-	-	46	-	714
EDPR APAC	393,354	-	-	-	1,852	-	395,206
	2,329,964	36,835	-10,696	-	-11,766	-70,039	2,274,297

Changes in the perimeter / others refer to:

- Increase amounting to 21,719 thousand Euros provisional goodwill related to the business combination for the acquisition of the Spanish company San Juan de Bargas, S.L. (see note 6);
- Increase amounting to 15,116 thousand Euros provisional goodwill related to the business combination for the acquisition of the North American companies Longroad Solar Portfolio III LLC and SunE Solar V LLC (see note 6);
- Decrease in amount of 16,151 in EDPR NA as a consequence of the provisional purchase price allocation for the Longroad DG Portfolio I, LLC and Longroad Fund III Holdings, LLC portfolio acquired in December 2022 (see note 18 and 32).

- The rest of Goodwill's movements in Spain are related to the portfolio of operating parks classified as Held for sale (see note 27).

## 20. Investments in Joint Ventures and Associates

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>INVESTMENTS IN ASSOCIATES</b>		
Interests in joint ventures	1,110,673	1,057,048
Interests in associates	85,325	100,201
Carrying amount	1,195,998	1,157,249

For the purpose of the consolidated financial statements presentation, goodwill arising from the acquisition of joint ventures and associated companies is presented in this caption. None of the companies is listed.

The movement in Investments in joint ventures and associates, is analysed as follows:

THOUSAND EUROS	2023
Balance as at 1 January	1,157,249
Changes in the consolidation perimeter	-9,906
Changes in consolidation method	-8,595
Acquisitions / other perimeter variations	73,561
Disposals	-657
Share of profits of joint ventures and associates	6,948
Dividends	-19,794
Exchange differences	-15,641
Hedging reserve in joint ventures and associates	14,057
Others	-1,224
Balance as at the end of the period	1,195,998

Acquisition and other perimeter variations includes mainly an amount related to capital increases of 73,429 thousand Euros of the entity OW Offshore S.L.

The caption changes in the consolidation perimeter includes the impact from the sale of the associate entity of Geóllica Magallón, S.L. The caption changes in the consolidation method includes the change to full consolidation method after the acquisition of the remaining 52.99% of the share capital of San Juan de Bargas Eólica, S.L. (see note 6).

The caption "joint venture and associates" in the income statement includes a loss amounting to 10,566 thousand Euros resulting from the sale of the associate entity of Geóllica Magallón, S.L., as well as amount of gains of 154 thousand euros from entity RE Capital Co., Ltd., which are not reflected in the table above and are recorded in the corresponding holding company (see note 6).

## 21. Deferred tax assets and liabilities

EDP Renováveis Group records the tax effect resulting from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As of 30 June 2023, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

THOUSAND EUROS	NET DEFERRED TAX ASSETS				
	BALANCE AT 31.12.2022	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 30.06.2023
Tax losses and tax credits	856,933	45,693	-2,670	-40,808	859,148
Provisions	51,079	14,733	-	6,647	72,459
Financial instruments	353,836	25,668	-166,561	169,918	382,861
Property plant and equipment	39,254	-8,535	-87,423	12,652	-44,052
Non-deductible financial expenses	-1,385	-	-	1,419	36
Lease liabilities and other temporary differences	296,189	-22,194	-	-9,482	264,513
Assets/liabilities compensation of deferred taxes	-970,549	-24,908	-	236,024	-759,433
	625,357	30,457	-256,654	376,370	775,531

THOUSAND EUROS	NET DEFERRED TAX LIABILITIES				
	BALANCE AT 31.12.2022	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 30.06.2023
Financial instruments	34,361	-7,940	31,657	49,644	107,722
Property plant and equipment	613,964	18,573	-	-3,453	629,084
Allocation of fair value to assets and liabilities acquired	459,109	-3,195	-166	-33,680	422,068
Income from institutional partnerships (North America)	439,588	7,485	35	-8,091	439,017
Other temporary differences	61,819	989	-326	-2,466	60,016
Assets/liabilities compensation of deferred taxes	-970,549	-24,908	-	236,026	-759,431
	638,290	-8,996	31,200	237,980	898,474

The compensation between deferred tax assets and liabilities is performed at each subsidiaries' level, and therefore the consolidated financial statements reflect the total deferred tax assets and deferred tax liabilities of the Group's subsidiaries.

Provisions, Property plant and equipment and Lease liabilities and Other temporary differences include 216,529 thousand Euros (31 December 2022: 217,138 thousand Euros) of Deferred tax assets related to Lease liabilities and 200,852 thousand Euros (31 December 2022: 202,836 thousand Euros) of Deferred tax liability related to Right of use assets, due to the application of IFRS 16. Additionally, Provisions for social benefits, bad debts, dismantling and other risks and Property plant and equipment, intangible assets and right of use includes, respectively, deferred tax assets and deferred tax liabilities associated with the recognition of provisions for dismantling, pursuant to the IAS 12 amendments – Income taxes mentioned in note 3.

## 22. Inventories

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Advances on account of purchases	5,045	4,749
Finished and intermediate products	14,675	11,490
Green certificates and RECs	175,421	172,658
Raw and subsidiary materials and consumables	81,539	63,947
	276,680	252,844

During the six-month period ended 30 June 2023 the caption Green certificates and RECs has increased amounting to 2,833 thousand Euros related to the Green certificates and RECs generated during the period pending to be sold.

## 23. Debtors and other assets from commercial activities

Debtors and other assets from commercial activities are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES – NON-CURRENT</b>		
Trade receivables	30	54
Deferred costs	22,285	23,209
Sundry debtors and other operations	17,634	12,743
	39,949	36,006
<b>DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES – CURRENT</b>		
Trade receivables	383,080	370,231
Services rendered	29,692	44,825
Advances to suppliers	23,333	44,810
Deferred costs	89,021	58,473
Sundry debtors and other operations	87,447	55,344
	612,573	573,683
Impairment losses	-3,699	-3,996
	648,823	605,693

The amount of trade receivables – current as at 30 June 2023 principally refers to Europe in the amount of 170,244 thousand Euros (188,828 thousand Euros as at 31 December 2022) and to North America in the amount of 127,471 thousand Euros (120,288 thousand Euros as at 31 December 2022), which mainly includes electricity generation invoicing and services rendered. Also, as at 30 June 2023 the caption includes an amount of 46,320 thousand Euros refers to APAC (32,210 thousand Euros as at 31 December 2022).

The caption Sundry debtors and other operations assets from commercial activities – Current has increased in the six-month period ended as at 30 June 2023, mainly, as a consequence of the derivative liquidation pending to collect from EDP Finance, B.V. and the guarantee fees invoice pending to collect from OW SF, S.A. In addition, the caption includes 3,699 thousand Euros, which is the result of impairment losses under the expected credit loss model recommended in IFRS 9.

The caption Advances to suppliers mainly includes as at 30 June 2023 an amount of 23,333 thousand Euros as a result of the under construction of certain projects mainly in LATAM.

The caption Deferred costs – current has increased due to the advance payment for the maintenance services in Singapore and North America, advance payment for the energy purchases in Colombia and the insurance payment by the Group.

The credit risk analysis are disclosed in note 5, under the Counterparty credit risk management section.

The fair values and carrying amounts of current debtors and other assets do not differ significantly.

## 24. Other debtors and other assets

Other debtors and other assets are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>OTHER DEBTORS AND OTHER ASSETS – NON-CURRENT</b>		
Loans to related parties	456,387	185,775
Derivative financial instruments	316,669	137,597
Sundry debtors and other operations	169,230	138,802
	942,286	462,174
<b>OTHER DEBTORS AND OTHER ASSETS – CURRENT</b>		
Loans to related parties	86,959	337,020
Derivative financial instruments	77,042	163,262
Sundry debtors and other operations	465,773	722,624
	629,774	1,222,906
	1,572,060	1,685,080

Loans to related parties mainly include loans granted to Ocean Winds in the amount of 456,264 thousand Euros in the long-term with maturity between 2029 and 2030 and 73,277 thousand Euros in the short-term, in the context of the agreement with ENGIE on January 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L., to jointly develop fixed and floating offshore wind business (184,644 thousand Euros in the long-term and 326,730 thousand Euros in the short-term as at 31 December 2022). These loans bear interest at market rates, which are fixed or with reference rate indexed to Euribor, plus a market spread.

Sundry debtors and other operations– non-current mainly includes:

- Fair value of the variable price in the amount of 42,078 thousand Euros in connection with the sale in 2020 of the stake in the company Mayflower Wind Energy LLC in the context of the sale of the offshore business to OW Offshore S.L. (41,452 thousand Euros as at 31 December 2022);
- 66,489 thousand Euros (51,758 thousand Euros as at 31 December 2022) mainly related to Interconnection and transmission deposits in EDPR NA;
- 30,000 thousand Euros related to the advance payment paid during 2022 for future investment acquisitions.
- 9,421 thousand Euros as at 30 June 2023 and 31 December 2022 as part of the price adjustment, according to the corresponding agreements, in the transaction of selling 49% of EDP Renováveis Portugal S.A to CTG that took place in 2013.
- An amount of 10,991 thousand Euros for the tax expense compensation from EDP – Energias de Portugal, S.A. Sucursal en España (EDP Branch) (see note 9).

Sundry debtors and other operations–current mainly includes:

- As at 31 December 2022, fair value of the variable price in connection with the sale in 2020 and 2018 of 29.5% and 13.5% stake of the French companies Éoliennes en Mer Dieppe – Le Tréport, S.A.S. and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S. to OW Offshore S.L. and Sumitomo Corporation respectively, in accordance with the relevant agreements signed, that amounts to 77,920 thousand Euros and 29,112 thousand Euros, respectively. As at 30 June 2023 an amount of 39,400 thousand Euros and 18,030 thousand Euros has been collected from OW Offshore S.L. and Sumitomo, respectively.



- As at 31 December was included the receivable for the proceeds for the sale of the Brazilian companies Aventura Holding, S.A. and SRMN Holding, S.A. and its subsidiaries in the amount 184,778 thousand Euros (see note 9). The amount has been collected during 2023;
- Cash collateral held in markets where the Group enters into derivative instruments and trades US green certificates in the amount of 241,956 thousand Euros (238,375 thousand Euros as at 31 December 2022);
- 116,141 thousand Euros related to the sale transaction in 2020 of the entire stake in the company Rosewater Wind Farm LLC and the sale transaction in 2021 of the company Indiana Crossroads Wind Farm LLC;
- Receivables related to the derivatives with the EDP Group in the amount of 4,740 thousand Euros (19,916 thousand Euros as at 31 December 2022);
- 4,634 thousand Euros related to the advance payment paid during 2022 for future investment acquisitions.
- As at 30 June 2023 and 31 December 2022 16,063 thousand Euros as part of the price adjustment, according to the corresponding agreements, in the transaction of selling 49% of EDP Renováveis Portugal S.A. to CTG that took place in 2013.

For derivatives, refer to note 37.

The fair values and carrying amounts of other debtors and other assets do not differ significantly.

## 25. Current tax assets

Current tax assets are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Income tax	81,731	68,345
Value added tax (VAT)	254,779	208,883
Other taxes	36,095	25,156
	372,605	302,384

## 26. Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Cash	382	410
<b>BANK DEPOSITS</b>		
Current deposits	584,913	799,938
Term deposits	84,228	30,632
Specific demand deposits in relation to institutional partnerships	1,994	1,536
	671,135	832,106
Other short-term investments	635,424	339,416
	1,306,941	1,171,932

Term deposits include temporary financial investments to place treasury surpluses.

Specific demand deposits in relation to institutional partnerships are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships (see note 33), under the accounting policy. The governing agreements of these partnerships and specific escrow agreements define the appropriate expenditure of these funds.

The caption "Other short-term investments" essentially includes, as at 30 June 2023 and 31 December 2022, the debit balance of the current account with EDP Servicios Financieros España S.A. in accordance with the terms and conditions of the contract signed between the parties (see note 39).

## 27. Assets and liabilities held for sale

The criteria for classifying assets and liabilities as held for sale and discontinued operations, as well as their presentation in the EDPR Group's consolidated financial statements, are presented under accounting policies.

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023		31 DEC 2022	
	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE
Electricity generation assets – Offshore wind	-	-	-	-
Electricity generation assets – Onshore wind	390,297	96,284	9,198	-
	390,297	96,284	9,198	-

### Electricity generation assets – Onshore wind

Reduction of 1,126 thousand Euros related to the closing of the sale of certain onshore wind portfolio in Europe (see note 6).

Increase in 382,225 thousand Euros related to the process of selling the assets a project in Spain. Liabilities associated to this operation amount to 96,284 thousand Euros.

As at 30 June 2023 the following reclassifications were made to held for sale:

THOUSAND EUROS	ONSHORE WIND	OFFSHORE WIND	TOTAL
<b>ASSETS</b>			
Property, plant and equipment	269,896	-	269,896
Right-of-use assets	15,156	-	15,156
Other assets	105,245	-	105,245
Cash and cash equivalents	-	-	-
Non-Current Assets Held for Sale	390,297	-	390,297
<b>LIABILITIES</b>			
Financial debt	-	-	-
Provisions	5,669	-	5,669
Other liabilities	90,615	-	90,615
Non-Current Liabilities Held for Sale	96,284	-	96,284

These reclassifications were made only for financial statement presentation purposes, without impact on the measurement of these assets and liabilities, as it is expected that the fair value less costs to sell is higher than its book value, in accordance with IFRS 5.

## 28. Share capital and share premium

On March 6, 2023, EDPR made a capital increase by issuing 50,968,400 ordinary shares, with a par value of 5 Euros each and a share premium of 14,62 Euros per share. The new shares are fungible with EDPR's other shares and will confer on their holders, as from the date of the respective issue, the same rights as the other shares existing prior to the capital increase.

On April 4, 2023, the Annual General Shareholders' Meeting approved for 2022 profits distribution through a scrip dividend to be executed as a share capital increase, through the issuance of new ordinary shares, with a par value of 5 Euros, without share premium. The scrip dividends were executed by the 92,32% of the Shareholders. This has meant that the company has increased its share capital by issuing 12,451,539 new shares with a par value of 5 Euro against the share premium. The new shares are fungible with EDPR's other shares and will confer on their holders, as from the date of the respective issue, the same rights as the other shares existing prior to the capital increase. The capital increase has been completed on May 25, 2023. The shareholders

who have not executed this mechanism have sold their subscription rights to the company for a total amount of 20,580 thousand Euro, receiving this amount as a dividend charged against the EDPR's reserves.

As such, the share capital of EDPR at 30 June 2023 amounts to 5,119,890,505 Euros, represented by 1,023,978,101 shares of 5 euros par value each, all of a single class and series. As of 31 December 2022 the share capital of EDPR amounted to 4,802,790,810 Euros, represented by 960,558,162 shares of 5 euros par value each, all of a single class and series.

The shares are in book-entry bearer form, the company is entitled to request the listing of its shares and all the shareholders are registered in the relevant book-entry records. These shares have the same voting and profit-sharing rights and are freely transferable.

EDP Renováveis, S.A. shareholder's structure as at 30 June 2023 is analysed as follows:

	NO. OF SHARES	% CAPITAL	% VOTING RIGHTS
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	729,793,922	71.27%	71.27%
Other (*)	294,184,179	28.73%	28.73%
	1,023,978,101	100.00%	100.00%

(\*) Shares quoted on the Lisbon stock exchange

EDP Renováveis, S.A. shareholder's structure as at 31 December 2022 is analysed as follows:

	NO. OF SHARES	% CAPITAL	% VOTING RIGHTS
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	720,191,372	74.98%	74.98%
Other (*)	240,366,790	25.02%	25.02%
	960,558,162	100.00%	100.00%

(\*) Shares quoted on the Lisbon stock exchange

Movements in Share capital and Share premium during 2023 are as follows:

	SHARE CAPITAL	SHARE PREMIUM
Balance as at 1 January 2023	4,802,791	1,599,013
Movements during the period (net of transaction costs)	317,100	676,212
Balance as at 30 June 2023	5,119,891	2,275,225

There were no changes in Share capital and Share premium during 2022. The Share premium is freely distributable

Earnings per share attributable to the shareholders of EDPR are analysed as follows:

	30 JUN 2023	31 DEC 2022
Profit attributable to the equity holders of the parent (in thousand Euros)	79,827	616,231
Profit from continuing operations attributable to the equity holders of the parent (in thousand Euros)	79,827	616,231
Weighted average number of ordinary shares outstanding	998,687,608	960,558,162
Weighted average number of diluted ordinary shares outstanding	998,687,608	960,558,162
Earnings per share (basic) attributable to equity holders of the parent (in Euros)	0.08	0.64
Earnings per share (diluted) attributable to equity holders of the parent (in Euros)	0.08	0.64
Earnings per share (basic) from continuing operations attributable to the equity holders of the parent (in Euros)	0.08	0.64
Earnings per share (diluted) from continuing operations attributable to the equity holders of the parent (in Euros)	0.08	0.64

The EDPR Group calculates its basic and diluted earnings per share attributable to equity holders of the parent using the weighted average number of ordinary shares outstanding during the period.

The company does not hold any treasury stock as at 30 June 2023 and 31 December 2022.

The average number of shares was determined as follows:

	30 JUN 2023	31 DEC 2022
Ordinary shares issued at the beginning of the period	960,558,162	960,558,162
Effect of shares issued during the period	38,129,446	-
Average number of realised shares	998,687,608	960,558,162
Average number of shares during the period	998,687,608	960,558,162
Diluted average number of shares during the period	998,687,608	960,558,162

## 29. Other comprehensive income, reserves and retained earnings

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>OTHER COMPREHENSIVE INCOME</b>		
Fair value reserve (cash flow hedge)	-259,382	-1,052,141
Fair value reserve (equity instruments at fair value)	19,737	19,737
Exchange differences - Currency translation arising on consolidation	643,391	672,254
Exchange differences - Net investment hedge	-700,553	-790,670
Exchange differences - Net investment hedge - Cost of hedging	-16,454	-20,925
	-313,261	-1,171,745
<b>OTHER RESERVES AND RETAINED EARNINGS</b>		
Retained earnings and other reserves	3,501,108	2,903,746
Additional paid in capital	60,666	60,666
Legal reserve	214,829	214,829
	3,776,603	3,179,241
	3,463,342	2,007,496

### Additional paid in capital

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absence of specific guidance, within IFRSs, the Group EDPR has adopted an accounting policy for such transactions, judged appropriate. According to the Group's policy, business combinations among entities under common control are accounted for in the consolidated financial statements using the book values of the acquired company (subgroup) in the EDPR consolidated financial statements. The difference between the carrying amount of the net assets received and the consideration paid is recognised in equity.

### Legal reserve

The legal reserve has been appropriated in accordance with Article 274 of the Spanish Companies Act whereby companies are obliged to transfer 10% of the profits for the year to a legal reserve until such reserve reaches an amount equal to 20% of the share capital. This reserve is not distributable to shareholders and may only be used to offset losses, if no other reserves are available, or to increase the share capital.

### Fair value reserve (cash flow hedge)

The Fair value reserve (cash flow hedge) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments.

### Fair value reserve (equity instruments at fair value)

This reserve includes the cumulative net change in the fair value of equity instruments at fair value as at the balance sheet date:

	THOUSAND EUROS
Balance as at 1 January 2022	4,146
Parque Eólico Montes de las Navas, S.L.	4,542
Eólicas Páramo de Poza, S.A.	10,352
Others	697
Balance as at 31 December 2022	19,737
Parque Eólico Montes de las Navas, S. L.	-
Eólicas Páramo de Poza, S.A.	-
Others	-
Balance as at 30 June 2023	19,737

### Exchange differences arising on consolidation

This caption reflects the amount arising on the translation of the financial statements of subsidiaries and associated companies from their functional currency into Euros. The most significant exchange rates used in the preparation of the consolidated financial statements are as follows:

		EXCHANGE RATES AT 30 JUNE 2023		EXCHANGE RATES AT 30 JUNE 2022	
		CLOSING RATE	AVERAGE RATE	CLOSING RATE	AVERAGE RATE
US Dollar	USD	1.09	1.08	1.04	1.09
Zloty	PLN	4.45	4.63	4.68	4.64
Brazilian Real	BRL	5.28	5.48	5.42	5.56
New Leu	RON	4.96	4.93	4.95	4.95
Pound Sterling	GBP	0.86	0.88	0.86	0.84
Canadian Dollar	CAD	1.44	1.46	1.34	1.39
Mexican Peso	MXN	18.60	19.77	20.94	22.17
Colombian Peso	COP	4,572.69	4,961.36	4,315.06	4,281.18
Hungarian Forint	HUF	371.93	380.85	397.04	375.13
Vietnamese Dong	VND	25,616.60	25,427.57	24,154.97	24,891.59
Singaporean Dollar	SGD	1.47	1.44	1.45	1.49

### 30. Non-controlling interests

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Non-controlling interests in income statement	84,993	200,871
Non-controlling interests in share capital and reserves	1,497,904	1,344,263
	1,582,897	1,545,134

Non-controlling interests, by subgroup, are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
EDPR NA	913,124	912,461
EDPR EU	551,343	520,217
EDPR LATAM	71,233	65,131
EDPR APAC	47,197	47,325
	1,582,897	1,545,134

The movement in non-controlling interests of EDP Renováveis Group is mainly related to:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Balance at the beginning of the period	1,545,134	1,408,026
Dividends distribution	-31,837	-62,867
Net profit for the year	84,993	200,871
Exchange differences arising on consolidation	-3,880	55,916
Acquisitions and sales without change of control	-	-2,076
Increases/(Decreases) of share capital	-14,482	-98,508
Other changes	2,969	43,772
Balance at the end of the period	1,582,897	1,545,134

## 31. Financial debt

Financial debt current and Non-current is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>FINANCIAL DEBT – NON-CURRENT</b>		
Bank loans:		
– EDPR EU	41,026	66,876
– EDPR LATAM	380,913	325,656
– EDPR NA	344,136	361,177
– EDPR APAC	196,801	182,886
Loans received from EDP group entities:		
– EDP Renováveis, S.A.	–	207,507
– EDP Renováveis Servicios Financieros, S.L.	4,833,134	3,698,948
Other loans:		
– EDPR EU	253	15,374
– EDPR APAC	–	11,428
<b>Total Debt and borrowings – Non-current</b>	<b>5,796,263</b>	<b>4,869,851</b>
Collateral Deposit – Project Finance and others (*)	–40,784	–23,311
<b>Total Collateral Deposits – Non-current</b>	<b>–40,784</b>	<b>–23,311</b>
<b>FINANCIAL DEBT – CURRENT</b>		
Bank loans:		
– EDPR EU	124,406	318,482
– EDPR LATAM	10,182	9,393
– EDPR NA	25,090	37,455
– EDPR APAC	34,405	66,847
Loans received from EDP group entities:		
– EDP Renováveis, S.A.	239,900	37,026
– EDP Renováveis Servicios Financieros, S.L.	773,117	770,298
Other loans:		
– EDPR EU	5	1,207
– EDPR APAC	4,580	1,258
Interest payable	67,616	48,137
<b>Total Debt and borrowings – Current</b>	<b>1,279,301</b>	<b>1,290,103</b>
Collateral Deposit – Project Finance and others (*)	–40,973	–26,734
<b>Total Collateral Deposits – Current</b>	<b>–40,973</b>	<b>–26,734</b>
<b>Total Debt and borrowings – Current and Non-current</b>	<b>7,075,564</b>	<b>6,159,954</b>
<b>Total Debt and borrowings net of collaterals – Current and Non-current</b>	<b>6,993,807</b>	<b>6,109,909</b>

(\*) Collateral deposits mainly refer to amounts held in bank accounts to comply with obligations under project finance agreements entered into by certain EDP Renewable subsidiaries.

Loans received from EDP group entities current and non-current as of 30 June 2023 mainly refer to a set of loans granted by EDP Finance BV amounting to 4,853,842 thousand Euros (31 December 2022: 4,213,354 thousand Euros), including accrued interests and deducted of debt origination fees (4,332,692 thousand Euros non-current and 521,150 thousand Euros current) (31 December 2022: 3,906,456 thousand Euros non-current and 306,898 thousand Euros current) and by EDP Servicios



Financieros España S.A. amounting to 1,052,357 thousand Euros current (31 December 2022: 544,832 thousand euros), the balance includes an amount related to cash pooling of 382,232 thousand Euros (31 December 2022: 311,807 thousand euros). The bundled average maturity regarding long-term loans is approximately 5 years and bear interest at weighted average fixed market rates of 3,6% for EUR loans and 4% for USD loans. In 2023, EDPR has received corporate loans from EDP Group for total amount of 1,179 million of Euros. The purpose of these corporate financings is to fund the growth of EDPR either paying new investments in acquisition of projects (mainly in Europe) and developing and construction costs of the EDPR pipeline.

The main events regarding external financing and refinancing of the Group refers to: i) new debt in the Sunseap portfolio, (CNY 179,994 and VND 64,572,000), ii) Brazilian project of Monte Verde and Catanduba plus additional dispositions in existing projects resulting in 57,362 thousand Euros debt increase and iii) Amortization on existing project finance around 120,899 thousands of Euros.

Regarding the new Corporate loans, two were contracted in 2023: a 1,000,000 thousand SGD were financed, with EDP Finance BV, on a 5Y tenor, at a variable rate, but with an interest rate swap of 70% over the notional amount of the loan, with an average all-in rate, at 30 of June of 4,77%; a 500,000 thousand Euros Loan with EDP Servicios Financieros España SA also with a 5y tenor, at fixed rate, but due to the use of the pre-hedge executed, in 2022, by the EDPR group, the average all-in rate of this loan was set on 3,37%.

As at 30 June 2023, future debt and borrowings payments and accrued interest by type of loan and currency are analysed as follows:

THOUSAND EUROS	2023	2024(*)	2025	2026	2027	FOLLOWING YEARS	TOTAL
<b>BANK LOANS</b>							
Euro	79,186	25,224	11,755	-	-	-	116,165
Polish Zloty	17,974	20,151	8,669	3,482	-	-	50,276
American dollar	13,787	25,121	27,971	31,192	39,923	225,899	363,893
Brazilian Real	9,911	14,282	20,346	20,986	20,835	230,030	316,390
Canadian dollar	2,845	6,453	7,802	7,988	8,121	114,213	147,422
Singaporean dollar	2,827	5,580	26,861	-	-	21,936	57,204
Other	341	21,722	22,237	11,798	10,909	58,138	125,145
	126,871	118,533	125,641	75,446	79,788	650,216	1,176,495
THOUSAND EUROS	2023	2024	2025	2026	2027	FOLLOWING YEARS	TOTAL
<b>LOANS RECEIVED FROM EDP GROUP</b>							
Euro	171,779	-	-	-	-	500,000	671,779
American Dollar	684,356	439,647	229,055	486,149	460,151	2,242,451	4,541,809
Other	13,816	-	-	-	-	678,794	692,610
	869,951	439,647	229,055	486,149	460,151	3,421,245	5,906,198
<b>OTHER LOANS</b>							
Euro	12	-	-	252	-	-	264
Other	2,344	2,237	-	-	-	-	4,581
	2,356	2,237	-	252	-	-	4,845
Origination fees	-575	-	-75	-596	-	-10,728	-11,974
	998,603	560,417	354,621	561,251	539,939	4,060,733	7,075,564

(\*) The future debt and borrowings referred to 2024 include the corresponding part of the financial current debt.

The Group has project finance funding that include the usual guarantees on this type of financings, namely the pledge or a promise of pledge of bank accounts and assets of the related projects. As of 30 June 2023, these financings amount to 1,153,611 thousand Euros (31 December 2022: 1,097,288 thousand Euros), which are included within the financial debt caption. At 30 June 2023 and 31 December 2022, the Group confirms the fulfilment of all the covenants of the Project Finance Portfolio under the Facilities Agreements. Additionally, there are no loans, as of 30 of June 2023, that are being guaranteed by EDPR (31 December 2022 was 16,111 thousand Euros), due to an early repayment performed in June 2023.

The fair value of EDP Renováveis Group's debt is analysed as follows:

THOUSAND EUROS	30 JUN 2023		31 DEC 2022	
	CARRYING VALUE(*)	MARKET VALUE	CARRYING VALUE(*)	MARKET VALUE
Financial debt - Non-current	5,796,263	5,478,542	4,869,851	4,196,714
Financial debt - Current	1,279,301	1,279,301	1,290,103	1,290,103
	7,075,564	6,757,843	6,159,954	5,486,817

(\*) Net of origination fees

The market value of the medium/long-term (non-current) debt and borrowings that bear a fixed interest rate is calculated based on the discounted cash flows at the rates ruling at the balance sheet date. The market value of debt and borrowing that bear a floating interest rate is considered not to differ from its book value as these loans bear interest at a rate indexed to Euribor. The book value of the short-term (current) debt and borrowings is considered to be the market value.

## 32. Provisions

Provisions are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Dismantling and decommission provisions	270,540	264,756
Provision for other liabilities and charges	20,161	4,987
Long-term provision for other liabilities and charges	19,758	4,266
Short-term provision for other liabilities and charges	403	723
Employee benefits	460	468
	291,161	270,213

Dismantling and decommission provisions refer to the costs to be incurred for dismantling wind and solar farms and restoring sites and land to their original condition, in accordance with the corresponding accounting policy. The above amount mainly refers to: (i) 141,757 thousand Euros for wind farms and solar plants in North America (31 December 2022: 140,723 thousand Euros); (ii) 112,399 thousand Euros for wind farms and solar plants in Europe (31 December 2022: 110,441 thousand Euros); (iii) 4,679 thousand Euros for wind farms and solar plants in LATAM (31 December 2022: 2,679 thousand Euros) and (iv) 11,705 thousand Euros for wind farms and solar plants in APAC (31 December 2022: 10,913 thousand Euros).

The variation during the six-month period ended 30 June 2023 in the dismantling provision is mainly explained by:

- Increase in the amount of 7,077 thousand Euros for projects that have reached the COD during the period ended 30 June 2023;
- Increase in the amount of 4,355 thousand Euros related to the Longroad acquisition (see note 6) and 640 thousand Euros related to the Juan de Bargas Eólica, S.L. acquisition.
- Decrease in the amount of 3,711 thousand Euros due to the provisional purchase price allocation from the 2022 acquisition of Longroad (see note 19);
- Decrease in amount of 5,669 thousand euros for projects under held for sale (see note 27);
- Decrease in the amount of 2,312 thousand Euros related to the effect of the exchange rates variation, and mainly for the US Dollar.
- Increase for the unwinding charged for the period ended 30 June 2023 amounted to 5,404 thousand Euros.

The caption Long-term provision for other liabilities and charges has increased mainly due to the provision registered based in the actual estimation about the probability to recover the unfair withholding tax paid during 2022 by the Group as a result of the certain clawback mechanism.

EDP Renováveis believes that the provisions booked on the consolidated statement of financial position adequately cover the foreseeable obligations described in this note. Therefore, it is not expected that they will give rise to liabilities in addition to those recorded.

### 33. Institutional partnerships in North America

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Deferred income related to benefits provided	771,835	798,362
Liabilities arising from institutional partnerships in North America	1,313,421	1,413,800
	2,085,256	2,212,162

The movements in Institutional partnerships in North America are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Balance at the beginning of the period	2,212,162	2,259,741
Proceeds received from institutional investors	12,112	57,095
Deferred transaction costs	-411	-2,172
Cash paid to institutional investors	-61,489	-134,480
Income (see note 8)	-122,813	-233,505
Unwinding (see note 14)	41,752	96,955
Loss of control of companies with institutional partnerships	-	-
Exchange differences	-40,241	142,242
Others	44,184	26,286
Balance at the end of the period	2,085,256	2,212,162

The Group has entered in several partnerships with institutional investors in the United States, through limited liability companies operating agreements that apportions the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTC), Investment Tax Credits (ITC) and accelerated depreciation, largely to the investor.

Proceeds received from institutional investors mainly refer to proceeds secured and received amounting to 12,112 thousand Euros (13,088 thousand US dollars) in exchange for an interest in onshore wind and solar projects.

EDPR NA is providing its tax equity investors with standard corporate guarantees typical of these agreements to indemnify them against costs they may incur as a result of fraud, wilful misconduct or a breach of EDPR NA of any operational obligation under the tax equity agreements.

Caption others includes, mainly, as at 30 June 2023 an amount of 45,607 thousand Euros related to the Longroad acquisition of 2022 (see note 6).

## 34. Trade and other payables from commercial activities

Trade and other payables from commercial activities are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES – NON-CURRENT</b>		
Government grants / subsidies for investments in fixed assets	304,829	317,446
Electricity sale contracts – EDPR NA	3,864	4,353
Property, plant and equipment suppliers	237,786	202,826
Other creditors and sundry operations	89,699	108,424
	636,178	633,049
<b>TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES – CURRENT</b>		
Suppliers	203,271	248,577
Property, plant and equipment suppliers	2,541,597	2,387,080
Other creditors and sundry operations	235,880	283,087
	2,980,748	2,918,744
	3,616,926	3,551,793

Government grants for investments in fixed assets are essentially related to grants received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States of America Government.

Property plant and equipment suppliers–non–current mainly includes success fees payables in the long term for the acquisition of certain projects in the USA for a total amount of 73,822 thousand Euros (46,600 thousand Euros as of December 31, 2022), Colombia for a total amount of 46,875 thousand Euros (47,754 thousand Euros as of December 31, 2022), Greece for a total amount of thousand Euros 32,795 (32,687 thousand Euros as of December 31, 2022), UK for a total amount of 27,295 thousand Euros (32,754 thousand Euros as of December 31, 2022), Poland for a total amount of 13,587 thousand Euros (22,155 thousand Euros as of December 31, 2022), Italy for a total amount of 19,520 thousand Euros and Romania for a total amount of 13,285 thousand Euros (13,396 thousand Euros as of December 31, 2022), Portugal for a total amount of 4,500 thousand Euros that, due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions (see note 6). The main variation in this caption is due to the acquisition of various projects in North America and Europe and payments made in Europe.

Variation in other creditors and sundry operations –non–current is mainly explained by the evolution of the energy pool prices in the Spanish market related to the establishment of the pool boundaries adjustment as a result of the publication of Royal Decree–Law 413/2014 and Order IET/1045/2014, and the regulatory reforms established by Royal Decree–Law 6/2022, Royal Decree–Law 10/2022 and Royal Decree 5/2023.

The balance of such concept as at 30 June 2023 amounts to a credit amount of 71,894 thousand Euros (87,369 thousand Euros as at 31 December 2022) of which a debit amount of 9,354 thousand Euros refers to the current 2023 semi–period, a credit amount of 71,859 thousand Euros refers to the 2020–2022, a credit amount of 12,337 thousand Euros refers to the 2017–2019 semi–period and a debit amount of 2,948 thousand Euros refers to the 2014–2016 semi–period.

The movements during the period, which has been recorded under the revenues caption of the consolidated income statement, are mainly related to:

- Decrease amounting to 9,354 thousand Euros as a result of the adjustment for the current 2023 semi–period.
- Decrease amounting to 6,041 thousand Euros as a result of the straight–line basis recognition according to the EDPR accounting policy.

Because of the high electricity prices that are occurring in the Spanish market, considering the market prices until June 2023, the EDPR Group facilities whose commissioning was in the years 2006–2007 will reach net present value equal to zero the next regulatory semi–period (2026) instead of at the end of the regulatory useful life of the facility. Thus, EDPR Group has stopped recognizing, for these installations, adjustments for deviations from market prices, and has derecognized the net accruals

(assets & liabilities). The accounting impact as at 30 June 2023, in the amount of 40,324 thousand Euros, has been recorded as an increase under the revenues caption of the consolidated income statement.

Variation in suppliers, is caused by the normal course of the business.

Property plant and equipment suppliers –current refer to wind and solar farms in construction mainly in the USA in the amount of 1,362,053 thousand Euros (1,225,554 thousand Euros as of December 31, 2022), Canada in the amount of 226,437 thousand Euros (108,275 thousand Euros as of December 31, 2022), Colombia in the amount of 175,368 thousand Euros (356,474 thousand Euros as of December 31, 2022), Spain in the amount of 146,450 thousand Euros (73,724 thousand Euros as of December 31, 2022), Poland in the amount of 104,904 thousand Euros (172,308 thousand Euros as of December 31, 2022), Mexico in the amount of 81,430 thousand Euros (74,769 thousand Euros as of December 31, 2022), Italy in the amount of 72,732 thousand Euros (69,769 thousand Euros as of December 31, 2022), Portugal in the amount of 70,874 thousand Euros (97,709 thousand Euros as of December 31, 2022), Greece in the amount of 63,546 thousand Euros and Chile in the amount of 49,142 thousand Euros.

The caption Property plant and equipment suppliers –current also includes success fees payables for the acquisition of certain projects in the amount of 139,413 thousand Euros (31 December 2022: 141,838 thousand Euros) mainly in US, Colombia, Brazil, UK, Greece, Italy, Romania and Poland that due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions.

The fair values and carrying amounts of current trade and other payables do not differ significantly.

### 35. Other liabilities and other payables

Other liabilities and other payables are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>OTHER LIABILITIES AND OTHER PAYABLES – NON-CURRENT</b>		
Amount payable for changes in the perimeter	71,202	71,035
Loans from non-controlling interests	71,340	82,895
Derivative financial instruments	577,687	1,335,600
Rents due from lease contracts	972,024	966,932
Other creditors and sundry operations	386,145	387,882
	<b>2,078,398</b>	<b>2,844,344</b>
<b>OTHER LIABILITIES AND OTHER PAYABLES – CURRENT</b>		
Amount payable for changes in the perimeter	150,063	229,186
Derivative financial instruments	366,581	647,419
Loans from non-controlling interests	20,478	17,407
Rents due from lease contracts	73,503	72,889
Other creditors and sundry operations	196,068	43,343
	<b>806,693</b>	<b>1,010,244</b>
	<b>2,885,091</b>	<b>3,854,588</b>

The caption Loans from non-controlling interests Current and Non-Current mainly includes:

- Loans granted by ACE Portugal (CTG Group) due to the sale in 2017 of 49% of shareholding in EDPR PT – Parques Eólicos S.A and subsidiaries for a total amount of 21,104 thousand Euros, including accrued interests (20,713 thousand Euros as of 31 December 2022), bearing interest at a fixed rate of 3.75%;
- Loans granted by ACE Poland (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Polska HoldCo, S.A. and subsidiaries for a total amount of 34,175 thousand Euros including accrued interests (41,026 thousand Euros as at 31 December 2022), bearing interest at a fixed rate of a range between 2.95% and 7.23%;
- Loans granted by ACE Italy (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Italia, S.r.l. and subsidiaries for a total amount of 29,885 thousand Euros including accrued interests (31,954 thousand Euros as at 31 December 2022), bearing interest at a fixed rate of 4.50%.

The caption Rents due from lease contracts – Non-Current and Current includes lease liabilities related to IFRS 16. Variation in both captions is as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Balance as at 1 January	1,039,821	698,527
Increases due to new lease contracts	55,004	327,487
Unwinding (note 14)	17,228	33,612
Payment of leases	-33,479	-54,612
Reclassification to held for sale	-15,373	-
Exchange rates	-10,095	28,590
Other changes in the perimeter and other changes	-7,579	6,217
Balance at the end of the period	1,045,527	1,039,821

Increases due to new lease contracts are mainly located in the USA, Spain, and APAC.

Reclassification to held for sale during the six-month period as at 30 June 2023 mainly refers to:

- Decrease amounting to 15,373 thousand Euros due to the reclassification to held for sale of certain European portfolio of companies.

As at 30 June 2023, the nominal value of the rents due from lease contracts is detailed as follows: (i) less than 5 years: 352,648 thousand Euros; (ii) from 5 to 10 years: 339,268 thousand Euros; (iii) from 10 to 15 years: 330,934 thousand Euros; and (iv) more than 15 years: 658,300 thousand Euros.

The caption amount payable for changes in the perimeter current at 30 June 2023 decrease mainly due to the payment during 2023 for the remaining costs related to the sold projects Indiana Crossroads Wind Farm LLC and Meadow Lake Solar Park LLC and the effect of the exchange rates.

The captions amount payable for changes in the perimeter non-current at 30 June 2023 and 31 December 2022 mainly includes an amount of 71,035 thousand Euros related to the acquisition of Kronos Group.

The caption other creditors and sundry operations non-current and current mainly includes as at 30 June 2023 the present value accrued for the put options associated to the Sunseap Group acquisition in the amount of 39,789 thousand Euros in non-current and 14,998 thousand Euros in current (40,991 thousand Euros and 15,451 thousand Euros respectively as at 31 December 2022) and Kronos Group in the amount of 341,996 thousand Euros in non-current (341,996 thousand Euros as at 31 December 2022). In addition, during 2023, the current balance of tax pooling with the head of the Spanish tax Group, EDP – Energias de Portugal, S.A. Sucursal en España, has increased in 145,717 thousand Euros.

The fair values and carrying amounts of current trade and other payables do not differ significantly.

See note 37 for non-current and current derivatives.

### 36. Current tax liabilities

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
Income tax	48,196	99,463
Withholding tax	6,323	13,674
Value added tax (VAT)	62,310	45,430
Other taxes	136,504	76,837
	253,333	235,404

The caption Other taxes mainly includes windfall taxes in Poland and Italy as well as Property taxes in the United States of America.

### 37. Derivative financial instruments

As of 30 June 2023, the fair value of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE		NET
	ASSETS	LIABILITIES	
<b>NET INVESTMENT HEDGE</b>			
Cross currency rate swaps	33,349	-108,454	-75,105
Currency forwards	5,860	-12,317	-6,457
	39,209	-120,771	-81,562
<b>FAIR VALUE HEDGES</b>			
Cross currency rate swaps	19	-3,922	-3,903
	19	-3,922	-3,903
<b>CASH FLOW HEDGE</b>			
Power price swaps	241,595	-680,969	-439,374
Interest rate swaps	38,675	-4,233	34,442
Currency forwards	7,040	-44,494	-37,454
	287,310	-729,696	-442,386
<b>TRADING</b>			
Power price swaps	17,907	-52,831	-34,924
Cross currency rate swaps	37,490	-6,331	31,159
Currency forwards	11,776	-30,717	-18,941
	67,173	-89,879	-22,706
	393,711	-944,268	-550,557



As of 31 December 2022, the fair value and maturity of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE		NET
	ASSETS	LIABILITIES	
<b>NET INVESTMENT HEDGE</b>			
Cross currency rate swaps	5,702	-159,114	-153,412
Currency forwards	22,583	-84,063	-61,480
	28,285	-243,177	-214,892
<b>FAIR VALUE HEDGES</b>			
Cross currency rate swaps	18	-2,056	-2,038
	18	-2,056	-2,038
<b>CASH FLOW HEDGE</b>			
Power price swaps	44,117	-1,594,997	-1,550,880
Interest rate swaps	79,753	-1,725	78,028
Currency forwards	13,985	-14,578	-593
	137,855	-1,611,300	-1,473,445
<b>TRADING</b>			
Power price swaps	29,338	-94,952	-65,614
Interest rate swaps	1,189	-105	1,084
Cross currency rate swaps	25,539	-1,521	24,018
Currency forwards	78,635	-29,654	48,981
	134,701	-126,231	8,470
	300,859	-1,983,019	-1,682,160

The fair value of derivative financial instruments is recorded under Other debtors and other assets (note 24) or Other liabilities and other payables (note 35), if the fair value is positive or negative, respectively.

The net investment derivatives are mainly related to the CIRS and Forward in USD and EUR with EDP SA as referred in the notes 39 and 40. The net investment derivatives also include CIRS and Forward in CAD, BRL, COP and SGD with EDP with the purpose of hedging EDP Renováveis Group's operations in Canada, Brazil, Colombia and Singapore.

Interest rate swaps are related to the project finances and have been formalised to convert variable to fixed interest rates.

Cash flow hedge power price swaps are related to the hedging of the sales price. EDPR NA has entered into a power price swap to hedge the variability in the spot market prices received in some of its projects. Additionally, both EDPR NA and EDPR EU have entered in short and long term hedges to hedge the short and long term volatility of certain un-contracted generation of its wind farms.

In certain US power markets, EDPR NA is exposed to congestion and line loss risks which typically have a negative impact on the price received for power generated in these markets. To economically hedge these risk exposures, EDPR NA entered into Financial Transmission Rights ("FTR") and a three year fixed for floating Locational Marginal Price (LMP) swap.

The trading derivative financial instruments are derivatives contracted for economic hedging that are not eligible for hedge accounting.

Fair value of derivative financial instruments is based, mainly, on quotes indicated by external entities, which are compared in each date of report to fair values available in common financial information platforms. These entities use discounted cash flows

techniques usually accepted and data from public markets. The only exceptions are the CIRS in USD/EUR with EDP SA, which fair values are determined by the Financial Department of EDP, using the same above-mentioned discounted cash flows techniques and data. As such, according to IFRS13 requirements, the fair value of the derivative financial instruments is classified as of level 2 (see note 40) and no changes of level were made during this period.

During 2023 and 2022 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, daily brazilian CDI, CAD-BA-CDOR 3M, Wibor 3M, Wibor 6M and CO IBR index; and exchange rates: EUR/BRL, EUR/PLN, EUR/CAD, EUR/GBP, EUR/COP, EUR/USD and USD/EUR.
Interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Wibor 6M, Libor 1M, Libor 3M, CAD-BA-CDOR 3M and WIBOR 6M.
Foreign exchange forwards	Fair value indexed to the following exchange rates: EUR/USD, EUR/PLN, EUR/GBP, USD/PLN, USD/HUF, EUR/HUF, USD/CAD, EUR/CAD, BRL/CNY, BRL/EUR, BRL/USD, COP/USD, SGD/USD, EUR/SGD, EUR/TWD, JPY/EUR, EUR/KRW, USD/VND, EUR/JPY, USD/EUR, VND/USD, EUR/COP, EUR/BRL, USD/SGD, SGD/EUR, EUR/HUF, KRW/EUR and TWD/EUR
Power price swaps	Fair value indexed to the price of electricity.

## 38. Commitments

As at 30 June 2023 and 31 December 2022, the financial commitments not included in the statement of financial position in respect of financial and operational guarantees provided, are analysed as follows:

THOUSAND EUROS	30 JUN 2023	31 DEC 2022
<b>GUARANTEES OF OPERATIONAL NATURE</b>		
EDP Renováveis, S.A.	1,372,480	1,625,852
EDPR NA	2,153,550	1,973,492
EDPR EU	16,534	16,628
EDPR LATAM	144,450	86,373
EDPR APAC	11,521	15,166
<b>Total</b>	<b>3,698,535</b>	<b>3,717,511</b>

The above operating guarantees, which are not included in the consolidated statement of financial position or in the Notes, as at 30 June 2023 and 31 December 2022, mainly refer to Power Purchase Agreements (PPA), interconnection, permits and market participation guarantees. Concepts covered by PPA guarantees depends on the status of the project and typically cover related risks of development and construction, correct operation and maintenance of the projects and compliance with payment obligations. These guarantees amount to 1,358,320 thousand Euros as at 30 June 2023 of which 363,682 thousand Euros refer to guarantees granted by EDP to EDPR companies and 92,832 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures (1,037,351 thousand Euros as at 31 December 2022, of which 341,085 thousand Euros refer to guarantees granted by EDP to EDPR companies and 87,826 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures).

Additional to the above, there are guarantees in the amount of 6,657 thousand euros associated with the certain Spanish portfolio that is classified as held for sale on 30 June 2023.

Refer to note 39 for guarantees granted by EDP Group companies to EDPR Group companies.

There are additional financial and operating guarantees granted by EDPR Group that have underlying liabilities already reflected in its Consolidated Statement of Financial Position and/or disclosed in the Notes.

EDPR does not expect any significant liability arising from the above commitments related to financial and operational guarantees provided.

The EDPR Group future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations by maturity date are as follows:

THOUSAND EUROS	30 JUN 2023				
	CAPITAL OUTSTANDING BY MATURITY				
	TOTAL	UP TO 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS
Future Cash Outflows not reflected in the measurement of the Lease Liabilities	152,194	20,524	22,926	12,443	96,301
Purchase obligations	7,243,853	5,036,974	1,585,070	138,647	483,162
	7,396,047	5,057,498	1,607,996	151,090	579,463

The significant variation in commitments with respect to 2022 is fully in line with the evolution of the business and increasing activity of the EDPR Group.

According with IFRS 16 EDPR Group presents the information related to lease contracts in the caption Right-of-use assets (see note 17).

Purchase obligations include debts related with long-term agreements of property, plant and equipment and operational and maintenance contracts product and services supply related to the Group operational activity. When prices are defined under forward contracts, these are used in estimating the amounts of the contractual commitments.

Some of the disposal of non-controlling interests' transactions retaining control carried out in previous years incorporate contingent assets and liabilities according to the terms of the corresponding agreements.

### 39. Related parties

The Members of the Board of Directors of the Company and its delegated Committees do not own directly or indirectly any shares from EDPR, as of 30 June 2023 or 31 December 2022.

According to Article nr 229 of "Ley de Sociedades de Capital" (Spanish Companies Law), the members of the Board of Directors of EDP Renováveis have not communicated, or the parent company has knowledge, of any conflict of interests or incompatibility that could affect the performance of their duties.

#### Remuneration of the members of the Board of Directors and Management Team

In accordance with the Company's by-laws, the remuneration of the members of the Board of Directors is proposed by the Appointments, Remunerations and Corporate Governance Committee to the Board of Directors on the basis of the overall amount of remuneration authorized by the General Meeting of Shareholders. The Board of Directors approves the distribution and the exact amount to be paid to each Director on the basis of this proposal. The average number of members of the Board of Directors during 2023 is 11 and as a 2022 is 11.

The remuneration paid to the members of the Board of Directors in 2023 and 2022 were as follows:

THOUSAND EUROS	30 JUN 2023	30 JUN 2022
CEO	-	-
Board members	392	348
	392	348

The above amount refers to salaries, allowances and other remuneration as members of the Board of Directors and their membership/chairmanship of the Delegated Committees. Further, EDPR signed an Executive Management Services Agreement with EDP, under which EDP bears the cost for the services rendered by its Executive and Non-Executive Directors, which are Miguel Stilwell d'Andrade, Rui Teixeira, Miguel Setas (who resigned in April 2023), Vera de Morais Pinto Pereira Carneiro and Ana Paula Marques. This corporate governance practice of remuneration is in line with the model adopted by the EDP Group, in which

the executive Directors of EDP do not receive any remuneration directly from the group companies on whose governing bodies they serve, but rather through EDP.

Under this contract, EDPR is due to pay an amount to EDP, for the services rendered by the Executive Managers and the Non-executive Managers. The amount due under said Agreement for the management services rendered by EDP for the six-month period ended 30 June 2023 is 778 thousand Euros (1,208 thousand Euros in 2022), of which 691 thousand Euros refers to the management services rendered by the Executive Members and 87 thousand Euros to the management services rendered by the non-executive Members. Also, this amount includes 34 thousand Euros related to retirement saving plans.

The retirement savings plan for the members of the Management Team that are also Officers, acts as an effective retirement supplement with a range between 3% to 6% of their annual salary. The percentage is defined according with the retirement savings plan applicable in their home country.

In the case of the COOs/CTO which are members of the Management Team (Duarte Bello – COO EU&LatAm; Bautista Rodríguez, –CTO&Business Offshore; Sandhya Ganapathy – COO NA; and Pedro Vasconcelos – COO APAC), the remuneration is as follows:

THOUSAND EUROS	30 JUN 2023
Salaries and other allowances	1,980
Retirement saving plans	60
Life insurance premiums	3

Additionally, they received the following non-monetary benefits: retirement savings plan (as described above), company car and Health Insurance in the amount of 48 thousand Euros as at 30 June 2023 (21 thousand Euros in 2022).

#### **Relevant balances and transactions with subsidiaries and associates of China Three Gorges Group**

Within the context of the transactions with CTG related to the sale of 49% of EDPR Portugal, EDPR PT-PE, EDPR Italia and EDPR Polska equity shareholding to CTG Group, CTG has granted loans to the EDPR Group in the amount of 85,028 thousand Euros including accrued interests (20,452 thousand Euros as current and 64,576 thousand Euros as non-current) as at 30 June 2023. As at 31 December 2022, this balance amounted to 93,693 thousand Euros including accrued interests (17,392 thousand Euros as current and 76,301 thousand Euros as non-current). See note 35.

During the year ended 31 December 2022, EDPR sold the entire stake in the Spanish companies Eólica La Janda, S.L. and Parc Eòlic Serra Voltorera, S.L. to CTG. Total shares proceeds amounted to 207,018 thousand Euros.

#### **Balances and transactions with EDP Group companies**

In their ordinary course of business, EDPR Group companies establish commercial transactions and operations with other Group companies, whose terms reflect current market conditions.

As at 30 June 2023, assets and liabilities with related parties, are analysed as follows:

THOUSAND EUROS			ASSETS
	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	33,362	33,362
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	926	926
Joint Ventures and Associated companies	535,645	102,734	638,379
EDP Serviço Universal, S.A.	-	18,536	18,536
EDP Finance B.V.	-	118,893	118,893
EDP Servicios Financieros España, S.A.	624,090	1,313	625,403
EDP España S.A.U.	-	26,376	26,376
EDP GEM Portugal, S.A.	-	109,781	109,781
Other EDP Group companies	-	854	854
	1,159,735	412,775	1,572,510

THOUSAND EUROS			LIABILITIES
	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	128,720	128,720
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	161,653	161,653
Joint Ventures and Associated companies	105	2,531	2,636
EDP Finance B.V.	4,854,284	47,155	4,901,439
EDP Servicios Financieros España, S.A.	1,052,357	6,244	1,058,601
EDP Global Solutions	-	784	784
EDP GEM Portugal, S.A.	-	125,035	125,035
Other EDP Group companies	-	19,442	19,442
	5,906,746	491,564	6,368,310

Assets mainly refer to:

- Debit balance of the Euro and US Dollar current accounts with EDP Servicios Financieros España, S.A. (see note 26) amounting to 624,090 thousand Euros as at 30 June 2023;
- Loans granted to companies consolidated by the equity method, mainly to Ocean Winds in the total amount of 535,224 thousand Euros.
- Others with Joint Ventures and Associated companies correspond mainly with the variable price related to the sale of the offshore business to Ocean Winds in the amount of 80,598 thousand Euros and derivatives contracted with Eólica de São Julião in the amount of 9,070 thousand Euros (see note 24 and 37);
- Commercial receivables related to the sale of energy in EDPR Portugal and EDPR Spain through EDP Serviço Universal, S.A. (which is a last resort retailer due to regulatory legislation) and EDP España S.A.U.;
- Derivatives contracted with EDP Energias de Portugal, S.A., EDP Finance B.V. and EDP GEM Portugal, S.A. which market value as at 30 June 2023 amounts to 33,170 thousand Euros, 75,559 thousand Euros and 103,683 thousand Euros, respectively (see note 37);

Liabilities mainly refer to:

- Loans obtained by EDP Renováveis S.A. and by EDP Renováveis Servicios Financieros S.A. from EDP Finance BV in the amount, including interests and deducted from debt origination fees, of 4,853,842 thousand Euros (31 December 2022: 4,212,912 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 1,052,357 thousand Euros

(544,832 thousand Euros as at 31 December 2022) (see note 31) including the cash-pooling in the amount of 382,232 thousand Euros as at 31 June 2023;

- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 30 June 2023 amounts to 128,334 thousand Euros, with EDP Finance B.V. which market value as at 30 June 2023 amounts to 46,943 thousand Euros and with EDP GEM Portugal, S.A. which market value as at 30 June 2023 amounts to 118,641 thousand Euros, mainly related to power price derivatives and Cross currency rate swaps (See note 37);
- The amount included in EDP – Energias de Portugal, S.A. Sucursal en España is mainly explained by the to the increase of the tax pooling base for a total amount of 148,237 thousand Euros.

Transactions with related parties for the period ended 30 June 2023 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	58,773	144,451	-331,536	-248,867
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	1,238	-	-21,318	-532
Joint Ventures and Associated companies	13,328	12,339	-10,530	-51,574
EDP Serviço Universal, S.A.	127,394	-	-17	-
EDP Finance B.V.	27,376	17,492	-	-100,130
EDP Servicios Financieros España, S.A.	-	3,198	-	-20,482
EDP España S.A.U.	185,676	-	-3,202	-22
EDP Clientes S.A.	1,747	-	-628	-
EDP Trading Comercialização e Serviços de Energia	19,998	-	-38	-
EDP GEM Portugal, S.A.	350,606	-	-3,296	-
Other EDP Group companies	3,666	-	-4,899	-
	789,802	177,480	-375,464	-421,607

Operating income mainly includes electricity sales to EDP Serviço Universal, S.A. which is a supplier of last resource in Portugal due to regulatory legislation, to EDP España S.A.U. as the commercial agent in Spain, to EDP Trading Comercialização e Serviços de Energia.

Operating transactions with EDP Energias de Portugal, S.A., EDP Finance BV and EDP GEM Portugal, S.A. are mainly related to commodity derivatives financial instruments.

Financial Income is mainly explained by the derivative financial instruments of EDP Energias de Portugal, S.A. and EDP Finance B.V.

Financial expenses with EDP Energias de Portugal, S.A., EDP Finance B.V., EDP Servicios Financieros España S.A. and Eólica de São Julião, Lda. are related to interests on the loans granted to EDP Renováveis S.A. and EDP Renováveis Servicios Financieros, S.A. referred above, and the income/expenses related to derivative financial instruments.

As at 31 December 2022, assets and liabilities with related parties, are analysed as follows:

THOUSAND EUROS			ASSETS
	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	100,978	100,978
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	140	140
Joint Ventures and Associated companies	521,584	148,361	669,945
EDP Serviço Universal, S.A.	-	26,860	26,860
EDP Finance B.V.	-	73,812	73,812
EDP Servicios Financieros España, S.A.	326,815	-	326,815
EDP España S.A.U.	-	41,947	41,947
Other EDP Group companies	-	5,322	5,322
	848,399	397,420	1,245,819

THOUSAND EUROS			LIABILITIES
	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	634,935	634,935
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	13,243	13,243
Joint Ventures and Associated companies	-	820	820
EDP Finance B.V.	4,213,354	37,693	4,251,047
EDP Servicios Financieros España, S.A.	544,832	3,493	548,325
EDP Global Solutions	-	1,861	1,861
Other EDP Group companies	-	16,951	16,951
	4,758,186	708,996	5,467,182

Assets mainly refer to:

- Debit balance of the Euro and US Dollar current accounts with EDP Servicios Financieros España, S.A. (see note 26) amounting to 326,815 thousand Euros as at 31 December 2022;
- Loans granted to companies consolidated by the equity method, mainly to Ocean Winds in the total amount of 511,374 thousand Euros.
- Others with Joint Ventures and Associated companies correspond mainly with the variable price related to the sale of the offshore business to Ocean Winds in the amount of 77,920 thousand Euros and derivatives contracted with Eólica de São Julião in the amount of 17,775 thousand Euros (see note 24 and 37);
- Commercial receivables related to the sale of energy in EDPR Portugal and EDPR Spain through EDP Serviço Universal, S.A. (which is a last resort retailer due to regulatory legislation) and EDP España S.A.U.;
- Derivatives contracted with EDP Energias de Portugal, S.A. and EDP Finance B.V. which market value as at 31 December 2022 amounts to 84,686 thousand Euros and 73,812 thousand Euros, respectively (see note 37);

Liabilities mainly refer to:

- Loans obtained by EDP Renováveis S.A. and by EDP Renováveis Servicios Financieros S.A. from EDP Finance BV in the amount, including interests and deducted from debt origination fees, of 4,212,912 thousand Euros (31 December 2021: 2,652,219 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 544,832 thousand Euros (445,499 thousand Euros as at 31 December 2021) (see note 31) including the cash-pooling in the amount of 311,807 thousand Euros as at 31 December 2022;



- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2022 amounts to 614,415 thousand Euros and with EDP Finance B.V. which market value as at 31 December 2022 amounts to 37,270 thousand Euros, mainly related to power price derivatives and Cross currency rate swaps (See note 37).

Transactions with related parties for the year ended 30 June 2022 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	31,984	131,154	-206,472	-164,621
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	1,169	-	-16,772	-598
Joint Ventures and Associated companies	6,410	2,870	-731	-18,468
EDP Serviço Universal, S.A.	130,254	-	-70	-
EDP Comercializadora, S.A.U.,	454,139	-	-5,211	-38
EDP Finance B.V.	-	96,261	-	-140,502
EDP Servicios Financieros España, S.A.	-	-	-	-
EDP España S.A.U.	-	-	-	-
EDP Clientes S.A.	1,094	-	-3,092	-
Other EDP Group companies	17,195	-	-5,885	-
	642,245	230,285	-238,233	-324,227

Operating income mainly includes electricity sales to EDP Serviço Universal, S.A. which is a supplier of last resource in Portugal due to regulatory legislation and to EDP España S.A.U. as the commercial agent in Spain.

Transactions with EDP Energias de Portugal, S.A. are mainly related to derivative financial instruments.

Financial expenses with EDP Finance B.V. and EDP Servicios Financieros España S.A., are related interests on the loans granted to EDP Renováveis S.A. and EDP Renováveis Servicios Financieros, S.A. referred above and the income/expenses related to derivative instruments.

Refer to note 38 for guarantees granted by EDP Group and EDPR Group to joint venture companies.

#### 40. Fair value of financial assets and liabilities

Fair value of financial instruments is based, whenever available, on quoted market prices. Otherwise, fair value is determined through internal models, which are based on generally accepted cash flow discounting techniques and option valuation models or through quotations supplied by third parties.

Non-standard instruments may require alternative techniques, which consider their characteristics and the generally accepted market practices applicable to such instruments. These models are developed considering the market variables that affect the underlying instrument, namely yield curves, exchange rates and volatility factors.

Market data is obtained from generally accepted suppliers of financial data (Bloomberg and Reuters). Non-listed equity instruments, for which a reliable and consistent fair value estimate is not available either by internal models or external providers, are recognized at their historical cost.

#### Equity instruments at fair value and financial assets at fair value through profit or loss

Listed financial instruments are recognized at fair value based on market prices. The financial instruments for which reliable fair value estimates are not available, are recorded in the statement of financial position at their cost.

## Cash and cash equivalents, trade receivables and suppliers

These financial instruments include mainly short-term financial assets and liabilities. Given their short-term nature at the reporting date, their book values are not significantly different from their fair values.

## Financial debt

The fair value of the financial debt is estimated through internal models, which are based on generally accepted cash flow discounting techniques. At the reporting date, the carrying amount of floating rate loans is approximately their fair value. In case of fixed rate loans, mainly the intercompany loans granted by EDP Group, their fair value is obtained through internal models based on generally accepted discounting techniques.

## Derivative financial instruments

All derivatives are accounted at their fair value. For those which are quoted in organized markets, the respective market price is used. For over-the-counter derivatives, fair value is estimated through the use of internal models based on cash flow discounting techniques and option valuation models generally accepted by the market, or by dealer price quotations.

## CIRS with EDP – Energias de Portugal, S.A. (note 37)

With the purpose of hedging the foreign exchange risk resulting from the net investment in EDPR NA, the Group entered into CIRS in USD and EUR with EDP – Energias de Portugal, S.A. These financial derivatives are presented in the statement of financial position at its fair value, which is estimated by discounting the projected USD and EUR cash flows. The discount rates and forward interest rates were based on the interest rate curves referred to above and the USD/EUR exchange rate is disclosed on note 29. See also note 35.

The fair values of assets and liabilities as at 30 June 2023 and 31 December 2022 are analysed as follows:

THOUSAND EUROS	30 JUNE 2023			31 DECEMBER 2022		
	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE
<b>FINANCIAL ASSETS</b>						
Equity instruments at fair value	38,482	38,482	-	43,321	43,321	-
Debtors and other assets from commercial activities	648,823	648,823	-	605,693	605,693	-
Other debtors and other assets	1,178,349	1,178,349	-	1,656,881	1,656,881	-
Derivative financial instruments	393,711	393,711	-	300,859	300,859	-
Cash and cash equivalents	1,306,941	1,306,941	-	1,171,932	1,171,932	-
	<b>3,566,306</b>	<b>3,566,306</b>	<b>-</b>	<b>3,778,686</b>	<b>3,778,686</b>	<b>-</b>
<b>FINANCIAL LIABILITIES</b>						
Financial debt	7,075,564	6,690,803	384,761	6,159,954	5,486,817	673,137
Suppliers	2,982,654	2,982,654	-	2,838,483	2,838,483	-
Institutional partnerships in North America	2,085,256	2,085,256	-	2,212,162	2,212,162	-
Trade and other payables from commercial activities	634,272	634,272	-	713,310	713,310	-
Other liabilities and other payables	1,940,823	1,940,823	-	1,871,568	1,871,568	-
Derivative financial instruments	944,268	944,268	-	1,983,019	1,983,019	-
	<b>15,662,837</b>	<b>15,662,837</b>	<b>384,761</b>	<b>15,778,496</b>	<b>15,105,359</b>	<b>673,137</b>

The fair value levels used to value EDP Renováveis Group financial assets and liabilities are defined as follows:

- **Level 1** – Quoted prices (unadjusted) in active market for identical assets and liabilities
- **Level 2** – Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- **Level 3** – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

THOUSAND EUROS	30 JUNE 2023			31 DECEMBER 2022		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
<b>FINANCIAL ASSETS</b>						
Equity instruments at fair value	38,482	-	-	32,876	-	10,445
Derivative financial instruments	-	393,711	-	-	300,859	-
	38,482	393,711		32,876	300,859	10,445
<b>FINANCIAL LIABILITIES</b>						
Liabilities arising from options with non-controlling interests	-	-	883	-	-	883
Derivative financial instruments	-	944,268	-	-	1,983,019	-
	-	944,268	883	-	1,983,019	883

The remaining assets and liabilities are valued within Level 1 or correspond to assets and liabilities which fair value is the same as its carrying amount. In 2023, there are no transfers between levels.

The movements in 2023 and 2022 of the derivative financial instruments are presented in note 37.

## 41. Relevant subsequent events

In July 2023, EDPR has closed the sale of a 257 MW wind portfolio in Spain to Verbund AG (Verbund) for an Enterprise Value of 0.46 billion Euros as of 31/12/2022. The transaction scope comprises 9 operating wind farms with an average age of 14 years and with the potential for repowering and additional hybrid solar capacity. The assets sold were part of the acquisition of the renewable business of Viesgo, closed on December 2020 (see note 27).

This transaction comes in the context of the 7 billion Euros Asset rotation program for 2023–26 announced in EDPR's Capital Markets Day in March 2023, allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

## 42. Operating segments report

The Group generates energy from renewable resources and has, since 1 January 2022, four reportable segments which are the Group's business platforms, Europe, North America, LATAM and APAC. The strategic business units have operations in different geographic zones and are managed separately because their characteristics are quite different. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

The accounting policies of the reportable segments are the same as described in 2022 consolidated annual accounts. Information regarding the results of each reportable segment is included in Annex 1. Performance is based on segment operating profit measures, as included in the internal management reports that are reviewed by the Management. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

A business segment is an identifiable component of the Group, aimed at providing a single product or service, or a group of related products or services, and it is subject to risks and returns that can be distinguished from those of other business segments.

The Group generates energy from renewable sources in several locations and its activity is managed based on the following business segments:

- Europe: refers to companies that operate in Spain, Portugal, Belgium, France, Italy, Germany, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;
- North America: refers to companies that operate in United States of America, Canada and Mexico;
- LATAM: refers to companies that operate in Brazil, Chile and Colombia;
- APAC: refers to companies that operate in Korea, Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan.

As at 31 December 2022, business segments were the following:

- Europe: refers to companies that operate in Spain, Portugal, Belgium, France, Italy, Germany, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;
- North America: refers to companies that operate in United States of America, Canada and Mexico;
- LATAM: refers to companies that operate in Brazil, Chile and Colombia;
- APAC: refers to companies that operate in Korea, Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan.

### **Segment definition**

The amounts reported in each business segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter, including the intra-segment eliminations, without any inter-segment allocation adjustment.

The financial information disclosed by each business segment is determined based on the amounts booked directly in the subsidiaries that compose the segment, including the intra-segment eliminations, without any inter-segment allocation adjustment.

# ANNEX I

## Group Activity by Operating Segment

Operating Segment Information for the years ended 30 June 2023:

THOUSAND EUROS	EUROPE	NORTH AMERICA	LATAM	APAC	SEGMENTS TOTAL
Revenues	581,397	394,072	33,313	60,084	1,068,866
Income from institutional partnerships in North America	-	122,813	-	-	122,813
	581,397	516,885	33,313	60,084	1,191,679
Other operating income	21,868	19,865	956	589	43,278
Supplies and services	-111,552	-104,713	-21,742	-12,797	-250,804
Personnel costs and Employee benefits expenses	-33,607	-56,534	-4,601	-13,005	-107,748
Other operating expenses	-76,793	-71,724	-3,796	-456	-152,770
	-200,084	-213,105	-29,184	-25,669	-468,043
Joint ventures and associates	-6,452	16,050	-	239	9,838
Gross operating profit	374,861	319,830	4,129	34,654	733,473
Provisions	-15,246	-	-	-	-15,246
Amortisation and impairment	-128,357	-196,668	-16,130	-22,667	-363,822
Operating profit	231,258	123,162	-12,001	11,986	354,405
Assets	7,018,532	12,732,799	1,743,469	1,555,695	23,050,494
Liabilities	681,610	2,033,100	341,840	100,952	3,157,502
Operating Investment	509,086	1,268,079	236,729	84,704	2,098,598

Note: The Segment "Europe" includes: i) revenues in the amount of 179,195 thousand Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,250,871 thousand Euros.

## Reconciliation between the Segment Information and the Financial Statements:

THOUSAND EUROS	
Revenues of the Reported Segments	1,068,866
Revenues of Other Segments	22,453
Elimination of intra-segment transactions	11,212
<b>Revenues of the EDPR Group</b>	<b>1,102,531</b>
Gross operating profit of the Reported Segments	733,473
Gross operating profit of Other Segments	-123,041
Elimination of intra-segment transactions	143,677
<b>Gross operating profit of the EDPR Group</b>	<b>754,109</b>
Operating profit of the Reported Segments	354,405
Operating profit of Other Segments	-143,596
Elimination of intra-segment transactions	158,102
<b>Operating profit of the EDPR Group</b>	<b>368,911</b>
Assets of the Reported Segments	23,050,494
Not Allocated Assets	5,721,941
Financial Assets	3,069,854
Tax assets	866,292
Debtors and other assets	1,785,795
Assets of Other Segments	13,083,119
Elimination of intra-segment transactions	-12,132,284
<b>Assets of the EDPR Group</b>	<b>29,723,271</b>
Investments in joint ventures and associates	1,195,998
Liabilities of the Reported Segments	3,157,502
Not Allocated Liabilities	11,079,082
Financial Liabilities	2,206,931
Institutional investors in wind farms in USA	2,085,256
Tax liabilities	812,835
Payables and other liabilities	5,974,061
Liabilities of Other Segments	3,884,262
Elimination of intra-segment transactions	-918,757
<b>Liabilities of the EDPR Group</b>	<b>17,202,089</b>
Operating Investment of the Reported Segments	2,098,598
Operating Investment of Other Segments	29,200
<b>Operating Investment of the EDPR Group</b>	<b>2,127,798</b>

THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in North America	122,813	-	-	122,813
Other operating income	43,278	188	1	43,467
Supplies and services	-250,804	-29,275	53,594	-226,485
Personnel costs and Employee benefits expenses	-107,748	-22,843	-476	-131,066
Other operating expenses	-152,770	-80,263	79,282	-153,750
Provisions	-15,246	-15,868	15,875	-15,240
Amortisation and impairment	-363,822	-4,686	-1,450	-369,958
Joint ventures and associates	9,838	-13,302	1	-3,464

Operating Segment Information for the consolidated income statement and consolidated statement of financial position ended 30 June 2022:

THOUSAND EUROS	EUROPE	NORTH AMERICA	LATAM	APAC	SEGMENTS TOTAL
Revenues	636,226	413,656	19,739	31,693	1,101,315
Income from institutional partnerships in North America	-	123,751	-	-	123,751
	636,226	537,407	19,739	31,693	1,225,065
Other operating income	110,349	22,589	87	1,108	134,133
Supplies and services	-104,013	-88,997	-14,110	-7,222	-214,342
Personnel costs and Employee benefits expenses	-28,144	-54,982	-3,485	-6,877	-93,489
Other operating expenses	-69,155	-77,314	-4,079	-363	-150,910
	-90,963	-198,704	-21,587	-13,354	-324,608
Joint ventures and associates	18,477	20,777	-	214	39,468
Gross operating profit	563,740	359,480	-1,848	18,552	939,925
Provisions	-545	-	-	-	-545
Amortisation and impairment	-123,947	-189,662	-10,373	-5,928	-329,910
Operating profit	439,248	169,818	-12,221	12,624	609,470
Assets	5,795,624	11,140,557	1,429,901	1,008,008	19,374,090
Liabilities	594,790	1,127,351	263,558	66,578	2,052,277
Operating Investment	200,537	674,674	361,766	33,911	1,270,888

Note: The Segment "Europe" includes: i) revenues in the amount of 228,293 thousand Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,250,225 thousand Euros.

## Reconciliation between the Segment Information and the Financial Statements

THOUSAND EUROS	
Revenues of the Reported Segments	1,101,315
Revenues of Other Segments	-9,770
Elimination of intra-segment transactions	22,024
<b>Revenues of the EDPR Group</b>	<b>1,113,568</b>
Gross operating profit of the Reported Segments	939,925
Gross operating profit of Other Segments	145,912
Elimination of intra-segment transactions	-110,332
<b>Gross operating profit of the EDPR Group</b>	<b>975,504</b>
Operating profit of the Reported Segments	609,470
Operating profit of Other Segments	141,833
Elimination of intra-segment transactions	-111,661
<b>Operating profit of the EDPR Group</b>	<b>639,641</b>
Assets of the Reported Segments	19,374,090
Not Allocated Assets	5,906,820
Financial Assets	3,157,038
Tax assets	824,968
Debtors and other assets	1,924,815
Assets of Other Segments	11,185,221
Elimination of intra-segment transactions	-10,793,523
<b>Assets of the EDPR Group</b>	<b>25,672,608</b>
Investments in joint ventures and associates	1,131,480
Liabilities of the Reported Segments	2,052,277
Not Allocated Liabilities	11,190,898
Financial Liabilities	2,290,153
Institutional investors in wind farms in USA	2,338,966
Tax liabilities	697,121
Payables and other liabilities	5,864,657
Liabilities of Other Segments	2,998,927
Elimination of intra-segment transactions	-851,676
<b>Liabilities of the EDPR Group</b>	<b>15,390,425</b>
Operating Investment of the Reported Segments	1,270,888
Operating Investment of Other Segments	6,043
<b>Operating Investment of the EDPR Group</b>	<b>1,276,931</b>



THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in North America	233,505	-	-	233,505
Other operating income	522,108	6,554	-2,637	526,026
Supplies and services	-467,134	-48,880	77,039	-438,974
Personnel costs and Employee benefits expenses	-206,359	-43,446	9,195	-240,611
Other operating expenses	-235,070	317,374	-322,292	-239,987
Provisions	5,608	-	-	5,608
Amortisation and impairment	-730,043	-8,517	-12,751	-751,311
Joint ventures and associates	84,121	95,148	-2	179,267

# Our action



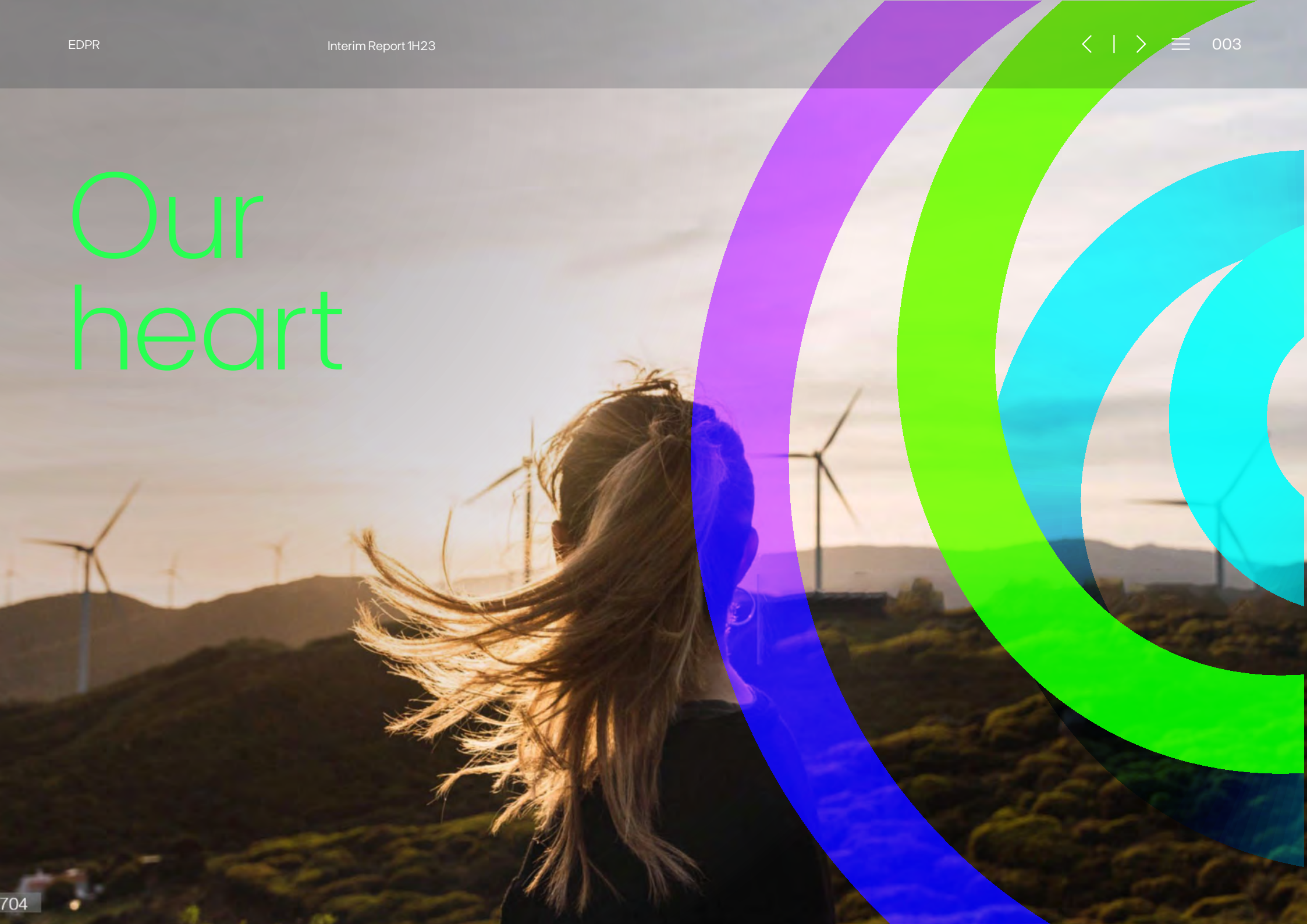
# Index

## 1H23 Consolidated Management Report

<b>01 The company</b>	4	<b>03 Performance</b>	33
EDPR in Brief	5	Financial Capital	35
1H 2023 in Review	9	Human Capital	44
Organisation	12	Supply Chain Capital	47
		Social Capital	49
<b>02 Strategic Approach</b>	21	Natural Capital	51
Strategy	23	Digital Capital	54
Risk Management	28	Innovation Capital	56

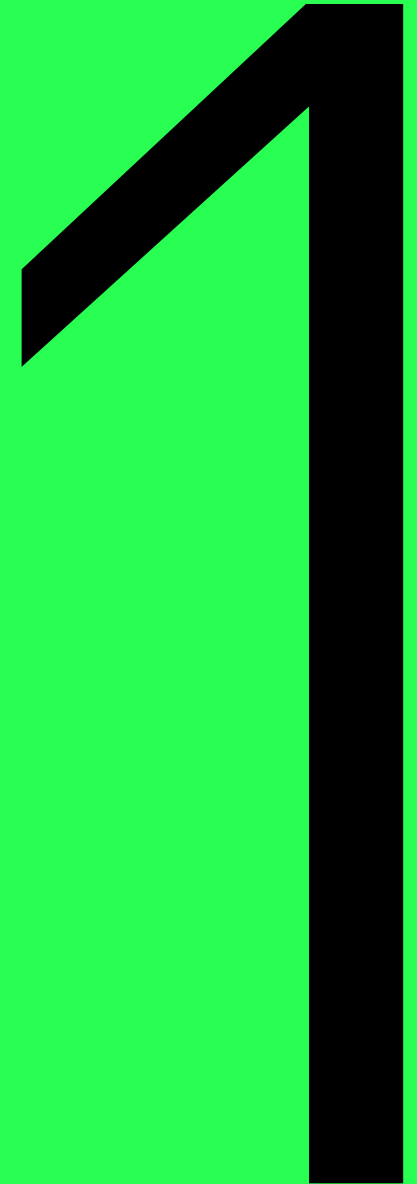


# Our heart



# The Company

EDPR in Brief	5
1H 2023 in Review	9
Organization	12





## 1.1. EDPR in brief

### 1.1.1.

# Our Vision

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

## Our values

### **Innovation**

We want to create value in the various areas in which we operate.

### **Sustainability**

We aim to improve the quality of life of current and future generations.

### **Humanization**

We build genuine and trusting relationships with our employees, customers, partners, and local communities.

## Our commitments

### **Results**

Delivering on our commitments to shareholders; leading through the ability to anticipate and execute; demanding excellence.

### **Sustainability**

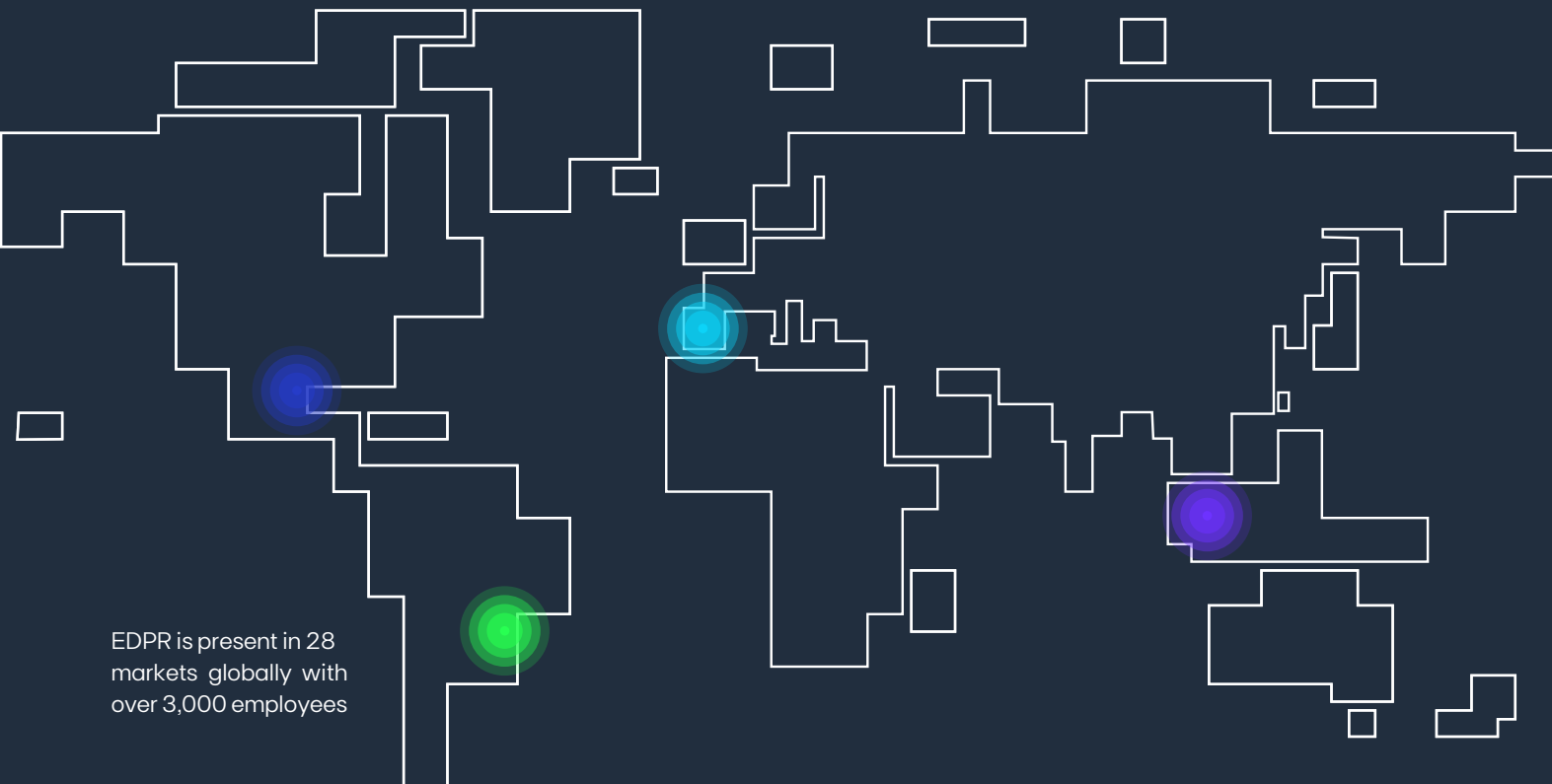
Taking on environmental responsibilities; contributing to developing the regions where we operate;  
Reducing gas emissions; actively championing energy efficiency

### **Customers**

Staying focused on customers; making sure we listen to their concerns; responding simply and transparently; surprising them and anticipating their needs.

### **People**

Combining an ethical and rigorous conduct with enthusiasm and initiative; encouraging teamwork; investing in competence and merit; promoting a balance between professional and personal life.



EDPR is present in 28 markets globally with over 3,000 employees

# 1.1.2. EDPR in the world

## 15.2 GW

Total capacity

## 18.0 TWh

Total production

## 10 mt

CO<sub>2</sub> emissions avoided

**Europe** 👤 1,378 ↑ 5,628 MW ⚡ 5,867 GWh  
⚡ 3.5 GW

Portugal	↑ 1,210 MW	⚡ 1,306 GWh
Spain	↑ 2,331 MW	⚡ 2,354 GWh
France	↑ 214 MW	⚡ 259 GWh
Belgium	↑ 11 MW	⚡ 14 GWh
Poland	↑ 917 MW	⚡ 895 GWh
Romania	↑ 521 MW	⚡ 655 GWh
Italy	↑ 375 MW	⚡ 338 GWh
Greece	↑ 45 MW	⚡ 42 GWh
U.K.	↑ 5 MW	⚡ 4 GWh
Hungary		
Germany		
Netherlands		

**South America** 👤 180 ↑ 1,114 MW ⚡ 2,210 GWh  
⚡ 1.5 GW

Brazil	↑ 1,114 MW	⚡ 2,210 GWh
Colombia		
Chile		

**North America** 👤 1,094 ↑ 7,297 MW ⚡ 9,321 GWh  
⚡ 3.7 GW

USA	↑ 6,672 MW	⚡ 8,404 GWh
Canada	↑ 130 MW	⚡ 154 GWh
Mexico	↑ 496 MW	⚡ 763 GWh

**APAC** 👤 464 ↑ 806 MW ⚡ 588 GWh  
⚡ 0.3 GW

Vietnam	↑ 412 MW	⚡ 400 GWh
Singapore	↑ 267 MW	⚡ 132 GWh
Rest of APAC	↑ 127 MW	⚡ 56 GWh

**Offshore** ↑ 322 MW  
OW has a portfolio of 16.6 GW gross ⚡ 0.7 GW ⚡ 1.3 GW

Portugal	↑ 11 MW	
Rest of Europe	↑ 311 MW	
Total OW	↑ 322 MW (net) 1,462 MW gross	

👤 Number of employees  
⚡ Capacity secured to be installed until 2026  
⚡ Capacity secured to be installed post 2026  
⚡ Generation

1.1.3.

# Business Description

## Development

### Site identification and grid connection

Search for sites with top-class wind conditions or irradiance resource and analyse grid connection feasibility.

### Renewable resources analysis

Install meteorological equipment to collect and study wind profile and solar radiance.

### Obtain permits

Engage with local public authorities to secure environmental, construction, operating and other licences.

### Design layout & equipment choice

Optimise the layout of the asset and select the best fit of equipment model based on the site characteristics.

### Origination

Secure long term contracts for energy sale, guaranteeing stable and predictable cash-flows.

### Project funding

Find appropriate financing for the project.

To maximise the environmental positive impacts of wind and solar energy from a life cycle approach, EDPR has two main aspects in consideration when dismantling/repowering a site at the end of its useful life: land restoration and proper treatment of the waste generated.

- Even though EDPR works to minimise any impact on the land, the Company commits to clean up and rehabilitate the sites to return the area to its initial state.

- The main waste generated are turbines which are c.80%-90% recyclable, and EDPR participates in several initiatives to find a solution for the remaining percentage.

### End of life

Once wind farms and solar plants reach the end of useful life (30-35 years), wind turbines and solar panels need to be assessed and replaced.

### Efficiency

EDPR increases power generated by reducing the overall number of wind turbines and replacing them with more efficient machines.

## Dismantling/Repowering

## Construction

### Procurement

Source major equipment and construction contracts globally.

### Construction

Build access roads, prepare foundations, assemble wind turbines or solar panels, construct substation.

## Operation

### Start of operations & deliver clean energy

A better energy, a better future, a better world!

### Ongoing maintenance service

Keep availability figures at the highest level possible and minimise failure rates.

### Data analysis

Monitor real-time operational data, analyse performance and identify opportunities for improvement.

### Risk & Energy management

Mitigate market exposure and manage energy sales.



# 1.1.4. 1H23 Main Events

## Jan

- 12 EDPR commissions its **first hybrid solar and wind energy park on the Iberian Peninsula**, further contributing to our decarbonisation goal.
- 17 EDPR revalidates its **Top Employer Europe** certificate for the fifth consecutive year, in Brazil for the second year and extends it to Greece and Colombia for the first time.
- 30 EDPR and Cepsa sign an alliance and will jointly **study the development of a project of up to 1 GW of hydrogen** within the Andalusian Green Hydrogen Valley, in Spain.
- 30 EDPR closes an **Asset Rotation** deal of a 260 MW operating wind portfolio in Brazil.
- 31 EDPR is included in the **Bloomberg Gender-Equality Index** for the fourth consecutive year, improving its overall score compared to last year.

## Mar

- 30 EDPR signs an agreement to secure solar modules for EDPR's US projects with First Solar, which uses a thin film PV **technology setting industry benchmarks** for quality, durability, and environmental performance.
- 28 Kronos Solar EDPR **begins construction of its first two projects in The Netherlands** with a combined installed capacity of 20.6 MWac, seizing the solar potential of the region and maximizing its transition to cleaner energy.
- 2 EDPR entered into an **investment agreement with GIC** in which the latter committed to subscribe ~€1 bn to help fund EDPR's updated growth plan.
- 2 EDPR presents its **Business Plan 2023-2026**, investing €20 bn until 2026 to boost renewable additions, forecasting to add >4 GW/ year during this period.

## Feb

- 27 EDPR announces **new Scrip Dividend programme** to start in 2023, aiming to improve its dividend policy to a 30-50% payout ratio in order to provide a flexible and competitive remuneration to its shareholders.
- 14 EDPR signs its **first PPA secured in Greece** to sell the green energy produced by a 78 MW wind portfolio.
- 9 EDPR inaugurates in Brazil its **largest wind farm complex worldwide**, which has a total installed capacity of 580 MW and could produce enough energy to supply more than 1.5 million people per year.
- 1 EDPR is given the **Top Workplaces USA** Award for the 3<sup>rd</sup> consecutive year, recognising EDPR's efforts to preserve and enhance its people-centered culture.

## Apr

- 17 EDPR secures a 20-year **PPA** to sell the green energy produced by a **198 MW wind project in the US**.
- 21 EDPR informs about a long-term **PPA** secured for solar portfolio of **109 MWac in Italy**.
- 24 **Google and EDPR** agree to develop 650MWp of solar energy, the **largest US corporate sponsorship of distributed PV**, while promoting an initiative that provides benefits to nearly 25,000 low-to-moderate income families.
- 27 EDPR secures long-term **PPA for a 110 MWac solar project in the US**, in which EDPR committed to employ women and minorities in positions of leadership on the project, undertake habitat restoration activities and ensure the project is carbon neutral.

## May

- 2 EDPR secures a long-term virtual **PPA to develop a 54 MW portfolio of wind projects** in the region of Galicia, **Spain**.
- 3 EDPR secures a 15-year **PPA** to sell the green energy produced by a **150 MWac solar project** in Texas, **US**.

## Jun

- 1 EDPR is awarded with a 20-year **FiT for 159 MW** of renewable capacity in **Italy** for wind and solar projects.
- 14 Google chooses Kronos Solar EDPR for long-term energy **contract of 40 MWac in The Netherlands**, EDPR's first PPA in the country.
- 23 EDPR is authorized to commission **Spain's first wind-solar hybrid project**, through which the Company will efficiently increase electricity production by utilizing existing infrastructures to expand its renewable energy generation.

## 1.2. 1H23 in review

### 1.2.1.

# Key Metrics

## Operational

**15.2 GW**

Installed capacity  
EBITDA + Net Equity

**95%**

Technical availability  
vs 96% in 1H22

**18.0 TWh**

Generation  
+1% YoY

**30%**

Load factor  
-3pp YoY

**1,986 MW**

New additions  
EBITDA + Net Equity

**10 mt CO<sub>2</sub>**

Emissions avoided

## Financial

**€764 m**

Recurring EBITDA  
vs €976 m in 1H22

**€334 m**

Cash flow from operations  
-39% YoY

**€2,120 m**

CAPEX  
vs €1,285 m in 1H22

**€5.7 Bn**

Net debt  
vs €4.9 Bn in 2022

**€102 m**

Recurring Net Profit  
vs €265 m in 1H22

**€358m**

Core OPEX  
vs €310m in 1H22

## ESG

**3,116**

Employees  
34% female

**92%**

Employees trained  
vs 94% in 1H22

**74%**

Total waste  
recovered

**c. 100%**

Capacity certified<sup>1</sup>  
ISO 14001 & ISO 45001

**100%**

Independent members  
of BoD committees

**€0.6 m**

In social impact programs  
and volunteering actions

<sup>1</sup> Calculation based on 2021YE installed capacity EBITDA. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2022 will be certified in 2023.

## 1.2.2 Share performance

EDPR has 1,024 million shares listed and admitted to trading in NYSE Euronext Lisbon, following the successful share capital increase concluded in April. On June 30<sup>th</sup>, 2023, EDPR had a market capitalisation of €18.7 billion, and equivalent to €18.30 per share. In 1H23 total shareholder return was -10%, considering the dividend paid on May 26<sup>th</sup> of €0.265 per share.

Indexed EDPR Share Performance vs. PSI20 & SX6E



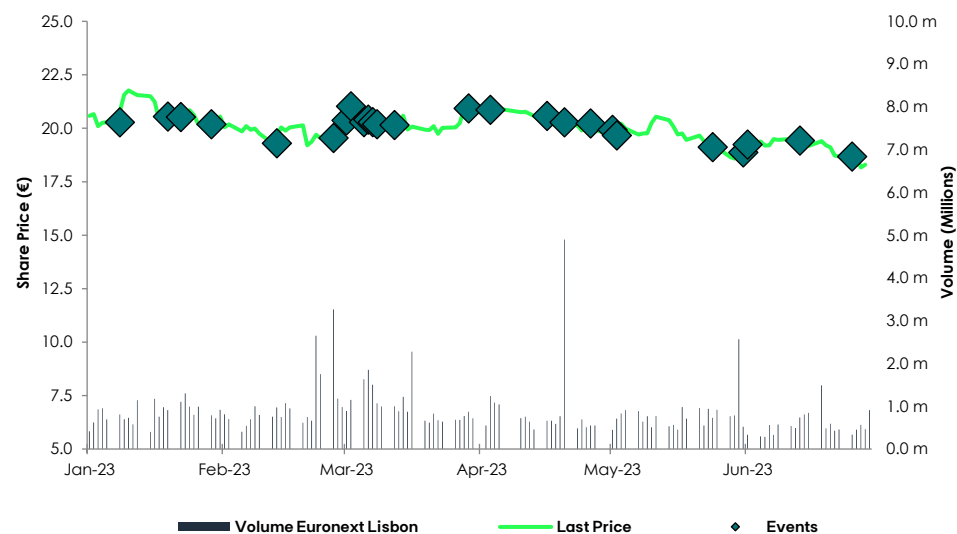
EDPR IN CAPITAL MARKETS	1H23	2022	2021	2020
Opening Price (€)	20.58	21.90	22.80	10.42
Minimum Price (€)	18.17	17.00	16.17	8.82
Maximum Price (€)	21.77	26.55	25.69	23.00
Closing Price (€) (adjusted for dividend and splits)	18.30	20.58	21.90	22.80
Market Capitalisation (€ Millions)	18,734	19,768	21,036	19,889
Total Traded Volume: Listed & OTC (Millions)	384.7	712.6	1,016.10	381.9
of which in Euronext Lisbon (Millions)	192.9	379.3	552.2	48.0
Average Daily Volume (Millions)	3,03	2,77	3,95	1,49
Turnover (€ Millions)	3,856	13,989	20,079	4,966
Average Daily Turnover (€ Millions)	30.36	54.43	77.85	19.32
Rotation of Capital (% of Total Shares)	38%	74%	106%	44%
Rotation of Capital (% of Floating Shares)	160%	296%	423%	195%
Total Shareholder Return	-10%	-6%	-3%	120%
Share Price Performance	-11%	-6%	-4%	119%
PSI 20	3%	3%	14%	-6%
Dow Jones Eurostoxx Utilities	9%	-11%	4%	10%

**RELEVANT EVENTS**

1	09-Jan	EDPR informs about clawback taxes in Romania and Poland renewables generation
2	20-Jan	EDPR informs about gender equality plan
3	23-Jan	EDPR informs about notification of decrease of qualified shareholding of Blackrock
4	30-Jan	EDPR informs about the closing of Asset Rotation deal of a 260 MW operating wind portfolio in Brazil
5	14-Feb	EDPR informs about its first PPA secured in Greece
6	27-Feb	EDPR informs about the increase of its target dividend payout ratio to 30-50% and announces new Scrip Dividend programme
7	27-Feb	EDPR informs about FY 2022 Results
8	02-Mar	EDP Renováveis informs about its Business Plan 2023-2026
9	02-Mar	Intention from EDPR to pursue equity raise of ~€1.0 billion
10	02-Mar	EDPR informs about the approval of non-preemptive capital increase
11	02-Mar	EDPR informs about notification of qualified shareholding of Blackrock
12	03-Mar	EDPR informs on the Notice of the General Shareholders Meeting of April 4th, 2023
13	03-Mar	EDP Renováveis informs about capital increase completion and final terms
14	06-Mar	EDP Renováveis informs about the registration of share capital increase of EDPR
15	07-Mar	EDP Renováveis informs about the admission to trading of shares of EDPR
16	08-Mar	EDPR informs about notification of decrease of qualified shareholding of Blackrock
17	09-Mar	EDPR informs about notification of qualified shareholding of GIC
18	13-Mar	EDPR informs about resignation of a member of the Board of Directors
19	30-Mar	EDPR informs about agreement with First Solar to secure solar modules
20	04-Apr	EDPR informs about resolutions of the Annual General Shareholders Meeting
21	17-Apr	EDPR informs about a PPA secured for a wind project in the US
22	17-Apr	EDPR informs about 1Q23 operating data
23	21-Apr	EDPR informs about PPA secured for solar portfolio in Italy
24	27-Apr	EDPR informs about PPA secured for a solar project in the US
25	02-May	EDPR informs about securing long term VPPAs for a 54 MW wind portfolio in Spain
26	02-May	EDPR informs about Scrip Dividend Programme launch and approval of the informative document
27	03-May	EDPR informs about PPA secured for 150 MW solar project in the US
28	25-May	EDPR informs about registration of share capital increase of EDPR

**RELEVANT EVENTS**

29	01-Jun	EDPR informs about 20-year FIT awarded in the eleventh GSE auction in Italy
30	02-Jun	EDPR informs about admission to trading of shares of the Company
31	14-Jun	EDPR informs about its first long-term PPA in the Netherlands
32	26-Jun	EDPR informs about EDP increase participation in EDPR as a result of Scrip Dividend program



Source: BLOOMBERG / EDPR

# 1.3 Organisation

## 1.3.1 Shareholder structure

EDPR shareholders are spread across more than 35 countries, being EDP the main shareholder.

Since the successful Share capital increase in March 2023, where 50,968,400 new shares were issued at a subscription price of 19.62 euros per share for a share premium of 14.62 euros, along with the issuance of 12,451,539 new shares following the scrip dividend programme concluded in June 2023, EDPR total share capital is composed of 1,023,978,101 shares with a nominal value of five euros each, fully paid. All these shares are part of a single class and series and are admitted to trading on the Euronext Lisbon regulated market.

### Major shareholders, the EDP Group

The majority of the Company’s share capital is owned by EDP Group, holding 71.27% of the share capital and voting rights. EDP group is a global company operating in all parts of the energy industry chain, from generation to the distribution and supply of gas and electricity. Over the past four decades, the company has built a significant position in the global energy landscape, establishing a presence in 4 continents. With over 13,000 employees, EDP supplies electricity and/or gas to over 9 million customers and is a sustainability partner for its clients, offering products and services in solar energy, energy efficiency, electric mobility, among others.

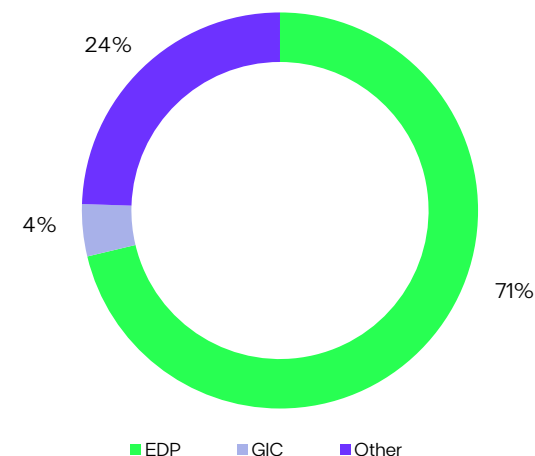
By the end of June 2023, EDP had an installed capacity of 28.5 GW, generating 29.1 TWh of energy, of which 87% came from renewables. In this context, sustainability is part of the company's DNA, which is why the EDP Group has been a member of the Dow Jones Sustainability Index for more than 15 years.

### Other qualified shareholders

Besides the qualified shareholder EDP Group, GIC – Government of Singapore Investment Corporation – communicated to CNMV the 9<sup>th</sup> of March 2023 an indirect qualified position, as collective investment institution, that surpassed the 3.00% shareholding threshold in EDPR share capital and voting rights and therefore becoming a qualified shareholder.

As of June 30<sup>th</sup>, 2023, GIC owned 4.25% of EDPR share capital and voting rights.

EDPR shareholder structure



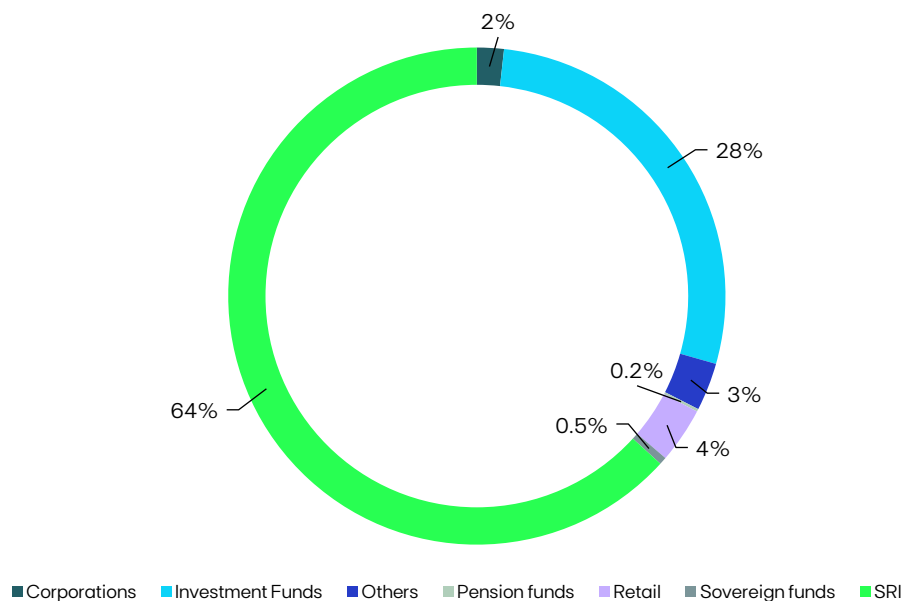
## Broad base of investors

EDPR has an international base of investors. Excluding EDP Group, EDPR shareholders comprise more than 35,000 institutional and private investors spread worldwide.

Within institutional investors, which represent about 96% of shareholder base (ex-EDP Group), sustainable and responsible funds (SRI) are the major type of investor, followed by investment funds.

In this context, EDPR is a member of several financial indexes that aggregate top performing companies for sustainability.

### Shareholders (Ex-EDP) by Type

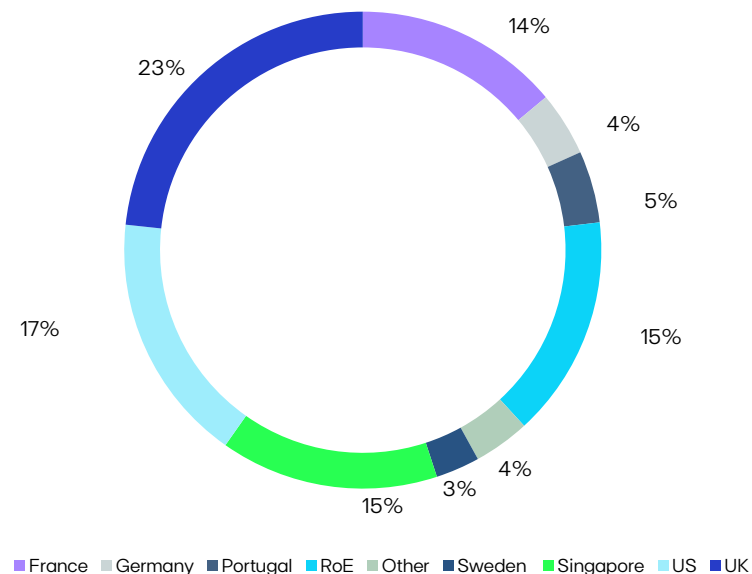


## Worldwide shareholders

EDPR shareholders are spread across more than 35 countries.

The United Kingdom is the most representative country accounting for 23% of EDPR's shareholder base (ex-EDP Group), followed by the US, Singapore, France, Portugal, Germany and Sweden. In the Rest of Europe, the most representative countries are Switzerland, Spain, Belgium, Norway and Austria.

### Shareholders (EX-EDP) by Country



### 1.3.2. Governance model

The organisation and functioning of EDPR’s corporate governance model aim to achieve the highest standards of corporate governance, business conduct and ethics referenced on the best national and international practices.

#### Regulatory framework

EDPR is a Spanish Company listed in a regulated stock exchange in Portugal. The corporate organisation of EDPR is subject to its personal law and to the extent possible, to the recommendations contained in the Corporate Governance Code of the *Instituto Português de Corporate Governance* (“IPCG”). As such, the Company intends to comply with both legal systems but always considering that its personal law is the Spanish one and that in case of discrepancy the aim is to adopt the law that entails more protectionism for its shareholders.

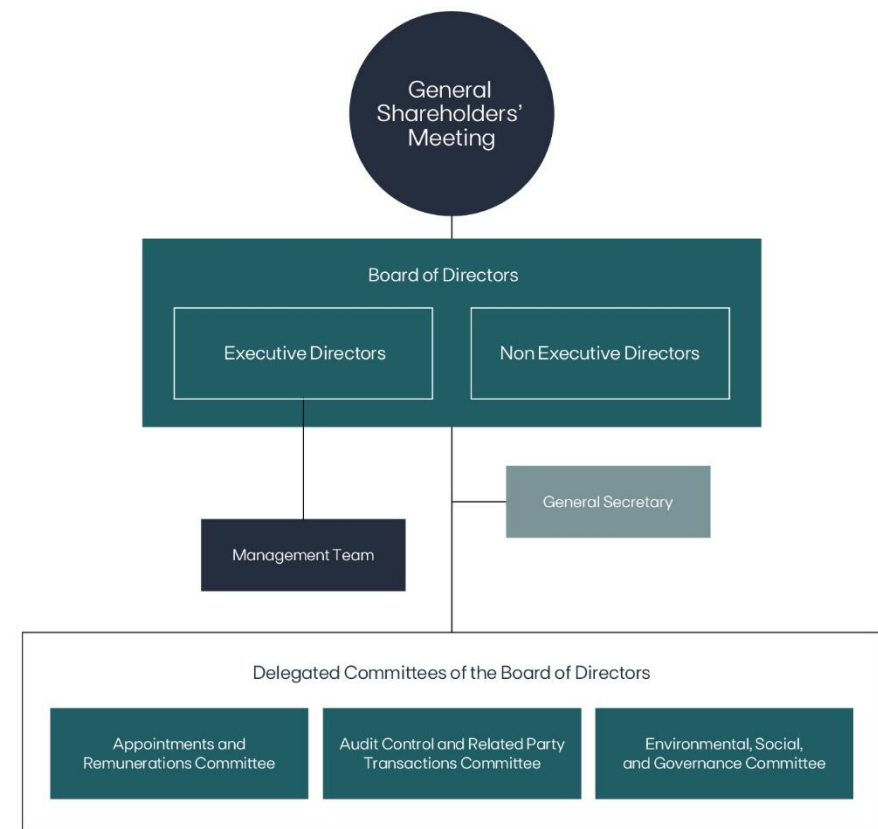
The Company’s governance model is the one applicable under its personal law, and EDPR parallelly seeks to correspond it to the so-called “Anglo-Saxon” model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit, Control and Related Party Transactions Committee.

#### Governance structure

In line with the framework above referred, the Company’s governance model comprises a General Shareholders’ Meeting and a Board of Directors that represents and manages the Company. In addition, EDPR’s Board of Directors has set up three Delegated Committees entirely composed by Members of the Board of Directors: the Audit, Control and Related-Party Transactions Committee; the Appointments and Remunerations Committee; and the Environmental, Social and Corporate Governance Committee. This structure and its functioning enables a fluent workflow between all levels of the governance model, as: i) each of the Delegated Committees shall report the decisions taken to the Board of Directors and ii) as the Committees’ members are also members of the Board, all of them will also receive the complete information at Board of Directors in order to take the corresponding decisions; and all in all, thus ensuring in time and manner the access to all the information to the whole Board of Directors in order to appraise the performance, current situation and perspectives for the further development of the Company.

The experience gained operating the Company through this structure indicates that the governance model approved by EDPR shareholders, and adopted in EDPR, is the most appropriate in line with the corporate organisation of its activity, especially because it ensures the transparent and meticulous separation of duties, management, and the specialisation of supervision.

#### Governance Model



## Governing bodies

### General Shareholders' Meeting

The General Shareholders' Meeting is the body in which the shareholders participate. It represents the Company with the full authority corresponding to its legal personality and has the power to deliberate, vote and adopt decisions, particularly on matters that the law and Articles of Association reserve for its decision and that must be submitted for its approval.

### Board of Directors

The Board of Directors is the body that represents and administrates the Company under the broadest powers of management, supervision, and governance with no limitations other than the responsibilities expressly and exclusively granted to the jurisdiction of the General Shareholders' Meeting in the Company's Articles of Association, in the General Shareholders' Regulations or in the applicable law. EDPR's BoD shall consist of no less than five (5) and no more than seventeen (17) members (including a Chairperson), who are elected for 3 years period and that may be re-elected for equal periods. In the Shareholder's Meeting held on February 22<sup>nd</sup>, 2021, it was approved to adjust the total members of EDPR's BoD in twelve (12).

The commitment of EDPR with ESG best practices and with the continuous improvement of its corporate governance was again reflected in the composition considered for its governing bodies during 2023, which enabled an agile, independent, and diverse corporate governance structure. EDPR's Board of Directors is composed by twelve (12) members of which there is currently one vacant position (corresponding formerly to a non-executive Director), 9 non-executive and has an independent Chairperson. The presence of independent Directors and women is key for EDPR, representing 50% and 33% of the composition of the Board respectively. In addition, in line with EDPR's commitment with the best corporate governance practices, 100% of the members of the delegated Committees are independent.

As stated above, on April 12<sup>th</sup>, 2023, EDPR received the resignation of Mr. Miguel Setas, and the position remains currently vacant.

Thus, the composition of EDPR's Board of Directors as of June 30<sup>th</sup>, 2023, is the following:

- António Gomes Mota, Chairperson and Independent Director;
- Miguel Stilwell d'Andrade, Executive Vice-Chairman and CEO;
- Rui Teixeira, Executive Director and CFO;
- Vera Pinto Pereira, Dominical Director;
- Ana Paula Marques, Dominical Director;
- Manuel Menéndez, External Director;
- Acácio Piloto, Independent Director;
- Allan J. Katz, Independent Director;
- José Félix Morgado, Independent Director;
- Rosa García, Independent Director;
- Kay McCall, Independent Director.

### Executive Directors

EDPR has two Executive Directors who are also Joint Directors – Miguel Stilwell d'Andrade (CEO) and Rui Teixeira (CFO) – to whom the Board agreed to delegate all the competences that can be delegated as per established under the Company Bylaws and the applicable law.

### Delegated Committees of the Board of Directors

As regulated by the applicable Law and pursuant to the best corporate governance recommendations, EDPR has set up three additional specialised internal committees, which are entirely composed by non-executive and independent Directors.

### Audit, Control, and Related Party Transactions Committee

The main duties of the Audit, Control and Related Party Transactions Committee are the supervision of the financial information and internal control, risk management and Compliance systems. It also assumes the functions related to the analysis and, when applicable, the approval of the Related Party Transactions of the Company.



The Audit, Control, and Related Party Transactions Committee consists of three (3) non-executive and independent members, who as of June 30<sup>th</sup>, 2023, are the following:

- Acácio Piloto, who is the Chairperson
- Rosa García
- José Félix Morgado

#### **Appointments and Remunerations Committee**

The main duties of this Committee are the assistance and report to the Board of Directors in the appointments, re-elections, dismissals, evaluation, and remunerations of the members of the Board of Directors and Management Team members.

The Appointments and Remunerations Committee consists of three (3) non-executive and independent directors, who as of June 30<sup>th</sup>, 2023, are the following:

- António Gomes Mota, who is the Chairperson
- Rosa García
- José Félix Morgado

#### **Environmental, Social and Corporate Governance Committee**

Considering: i) that Environmental, Social and Corporate Governance issues are gaining more relevance; ii) that the new investor profiles demand more and better information on the ESG performance of companies; and iii) the new regulation trends that aim to get commitment with the integration of these aspects; during 2022 it was analysed the convenience of incorporating a delegated committee specialised on these matters.

In this sense, on October 25<sup>th</sup>, 2022, the Board of Director agreed, in accordance with the proposal submitted the Appointments and Remunerations Committee, to incorporate in EDPR an Environmental, Social and Corporate Governance Committee, also specifically approving its competences, composition, remuneration of its members and the regulations applicable to the Committee.

The main duties of the Environmental, Social and Corporate Governance Committee are the assistance and report to the Board of Directors in the alignment with the market trends and the company needs regarding Environmental, Social and Corporate Governance matters, with

the aim of also providing the investors with more transparent and exhaustive information regarding matters related to Corporate Governance and the Environmental and Social pillars.

The Environmental, Social, and Corporate Governance Committee consists of five (5) non-executive an independent, that as of June 30<sup>th</sup>, 2023, are the following:

- António Gomes Mota, who is the Chairperson
- Allan J. Katz
- Kay McCall
- Rosa García
- José Félix Morgado

### **Management structure**

#### **Management Team**

In January 2021, the Board of Directors agreed to create this body in order to assume the conduction and supervision of the daily activity and performance of the Company. Then, throughout the year, considering EDPR's growth tendency and its presence in new geographies, the appropriate composition of the Management Team was analysed to ensure the required support of both business and technical needs.

Accordingly, it was agreed to establish a new structure for the Management Team that entails the following composition: the CEO and CFO, the representatives of EDPR's Platforms (Europe & Latin America, North America and Asia-Pacific) and a member in charge of the coordination of the technical functions and offshore business.

In this context, as of June 30<sup>th</sup>, 2023, the composition of the Management Team was the following:

- Miguel Stilwell d'Andrade (CEO)
- Rui Teixeira (CFO)
- Duarte Bello (COO Europe & Latin America)
- Sandhya Ganapathy (COO North America)
- Pedro Vasconcelos (COO Asia-Pacific)
- Bautista Rodríguez (CTO & Offshore Business)

## Remuneration policy

EDPR's governance model is reinforced by an incentive structure with transparent remuneration. The definition of the proposal of the remuneration policy for the members of the Board of Directors is incumbent on Appointments and Remunerations Committee, which is appointed by the Board of Directors.

The Remuneration Policy applicable for the reporting period was approved by the General Shareholders' Meeting and maintains a structure with a fixed remuneration for all members of the Board of Directors, whereas for the Executive Directors also defines a fixed and a variable remuneration based on key performance indicators, with an annual component and a multi-annual component.

Variable annual and multi-annual remuneration will be a percentage of fixed annual component, with a superior weight for multiannual vs. annual component (120% vs. 80%). The key performance indicators (KPIs) used to determine the amounts of the annual and multi-annual variable remuneration for each year of the term are proposed by the Appointments and Remunerations Committee with the aim of aligning them with the strategic pillars of the Company: growth, risk control and efficiency.

The Remuneration Policy establishes that the indicators shall be set in accordance with 6 clusters: (i) Shareholders, (ii) People, (iii) Environment & Communities, (iv) Assets and Operations, (v) Innovation & Partners, and (vi) Clients, though 14 KPIs, including all dimensions of EDPR's strategy. Each of such clusters shall have at least one indicator.

All in all, EDPR considers that its Remuneration Policy includes key elements to enhance the Company's management performance not only focused on short-term objectives, but also incorporate as part of its results (as in particular with regards of the assignation of the variable remuneration) the interests and sustainability of the Company and of shareholders in the medium and long term.

### 1.3.3. Organisation structure

EDPR has grown significantly in a short period of time and will continue to step-up its growth, in line with its ambitious objectives for 2026. In this context, the Company’s operative model is evolving to have an adequate organisation to cope with the strategic ambitions and enhanced growth standard.

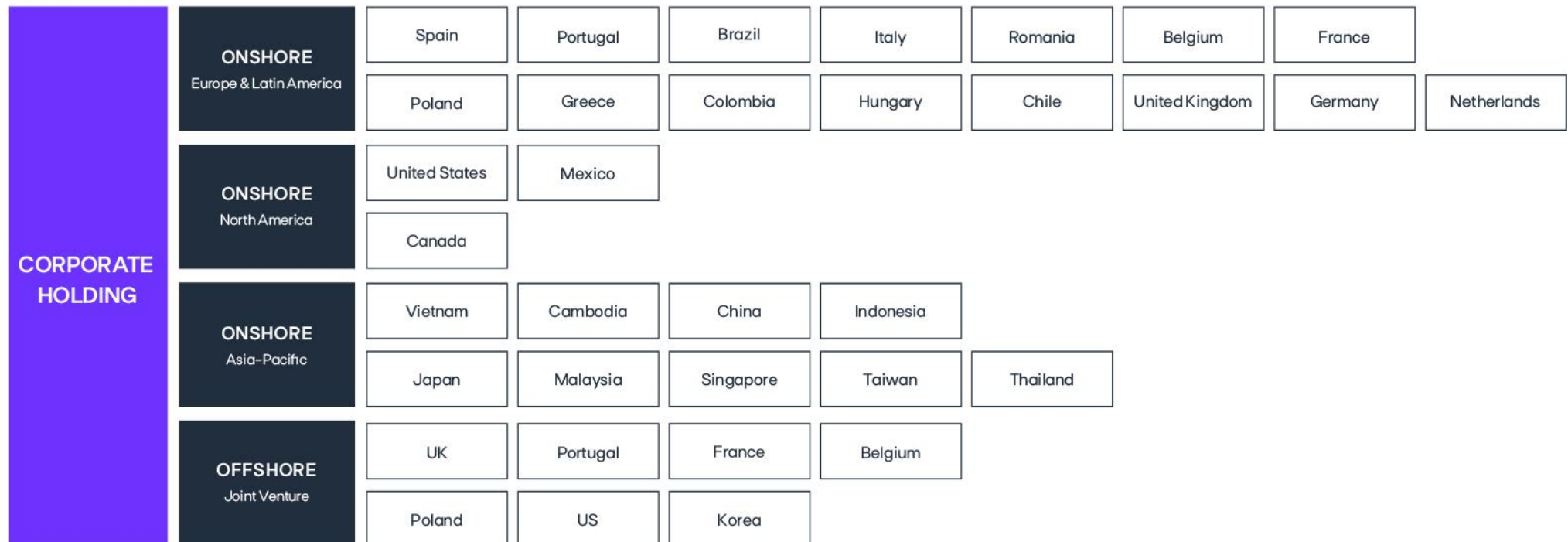
Accordingly, EDPR’s organisation structure was defined based in the following fundamentals:

- Ensure corporate functions enable growth, maximize efficiency, and promote one global company;
- Empower core regions (Europe, Latin America, North America and Asia-Pacific) to lead growth and development;

- Leverage existing transversal logic in key business functions, with central and local resources;
- Ensure new technologies (such as storage and hydrogen) are nurtured and amplified by regions and foster further continuous and disruptive innovation.

As a result, EDPR’s organisation model is organised around five main elements: a Corporate Holding, Onshore Europe & Latin America (EU & LATAM) platform, Onshore North America (NA) platform, Onshore Asia-Pacific (APAC) platform and Offshore platform. Each platform includes different business units specialised in each of the market’s specificities.

This structure provides a perfect balance between the global view necessary to further develop EDPR’s leadership in global renewable energy and the local approach that is critical for the successful development of our wind farms and solar plants, ensuring alignment with the defined strategy, optimising support processes and creating synergies.



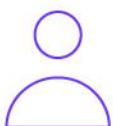
## Organisational model principles

The principles on which EDPR bases its organisational model are defined by the Management Team. These are a set of performance aspects that define the characteristics of the relationships, grant the rights between EDPR Holding and the business units, and ensure optimal efficiency and value creation.



### Accountability alignment

Critical KPIs and span of control should be hierarchically aligned at project, country, platform and holding level to endure accountability tracking, and to take advantage of complementarities derived from end-to-end process vision.



### Client-service

Corporate areas function as competence support centers and are internal service providers to all business units for all geographical non-specific needs. Business priorities and needs are defined by local businesses, and best practices are defined and distributed by corporate units.



### Lean organization

Execution of activities at holding level are held only when significant value is derived, coherently with defined EDPR holding role.



### Reinforce collegiate decision making

Ensure proper country-balance dynamics to ensure multiple-perspective challenge across functions



### Clarity and transparency

Platforms organization models should remain similar, to allow for:

- 1) Easy coordination, vertically (holding-platforms) and horizontally (across platforms);
- 2) Scalability and replicability to ensure efficient integration of future growth.

## EDPR holding

EDPR Holding seizes value creation through the dissemination of best practices in the organisation and the standardisation of corporate processes to the platforms and the business units to improve efficiency. The internal coordination model and interface with EDP Group impacts functions and responsibilities of both the Company's processes and structure. The assignments of the main responsibilities and activities of EDPR Holding to fulfil their respective missions include:

- Define internal structures;
- Ensure a global budget and its periodic monitoring;
- Manage the essential human resources;
- Provide appropriate management information;
- Compete for a culture of excellence throughout the Group;
- Integrate risk management and compliance in each area of responsibility, ensuring the monitoring and effectiveness of controls.

## Strategic Management

### Covers the activity of EDPR Holding to support the Management Team

- Define strategy objectives, policies, rules and procedures;
- Promote the dissemination of the EDPR culture and best practices;
- Review the accomplishment of the Company's business plan;
- Control key performance indicators.

## Transversal Operation

### Systematically and progressively coordinate between EDPR Holding and the Business Units

- Leading the activities included in the mission and functions of corporate addresses;
- Align the policies and strategies of each Business Unit;
- Ensure a functional reporting including policies, plan of action of activities;
- Linking the regulatory obligations of each Business Unit with efficient and effective management by leveraging corporate knowledge to maximise the interests and results of the Group;
- Capture synergies and optimise support processes.

## EDPR platforms

The four platforms are defined as: Onshore Europe & Latin America, Onshore North America, Onshore Asia-Pacific and Offshore.

### Onshore Europe & Latin America platform

After its consolidation in Spain since 1997 as one of the leading companies in the renewable industry, EDPR continued to expand its business in Europe in 2007 with the entry, throughout these years, in other markets such as Portugal, France, Belgium, Italy, Poland, Romania, and more recently Greece, Hungary, UK, Germany and Netherlands.

In South America, EDPR's history began in 2009 through Brazil, entering in the Colombian market ten years later and in the Chilean market in 2021.

In this platform, the technologies that represent the installed capacity are wind and solar photovoltaic (PV).

### Onshore North America platform

As part of its growth strategy, EDPR entered the US market in 2007, having more than doubled its wind power production capacity since.

This first approach to the North American market was followed by EDPR's activity in Canada and Mexico and reinforced by its recent entry into distributed solar (DG) power generation in the US in 2021.

On the North American Onshore platform, along with solar DG, wind and solar PV make up the installed base of technologies.

### Onshore APAC platform

EDPR entered in Asia through a solar PV project in Vietnam in 2021.

In February 2022, EDPR concluded the acquisition of a majority stake in Sunseap, which has become the most established home-grown clean energy solutions provider in Singapore, being the largest owner and developer of rooftop PV systems. Backed by its strong market position as a leading Pan-Asian solar player, Sunseap is the largest distributed solar player in SEA and top 4 largest solar player in SEA, with an expanding presence.

As a result, EDPR is currently present in 9 APAC markets: Vietnam, Singapore, China, Taiwan, Japan, Cambodia, Malaysia, Thailand, and Indonesia.

The APAC Onshore platform's installed technologies are solar photovoltaic (PV) and distributed solar (DG).

### Offshore platform

EDPR has a 50:50 Joint Venture with ENGIE (Ocean Winds) for offshore wind energy since 2020, which grants the development of projects in the United Kingdom, Portugal, France, Belgium, Poland, South Korea, and the United States.

Ocean Winds develops both bottom-fixed and floating offshore wind farms.



# Our energy



# Strategic Approach

Strategy	23
Risk Management	28



# 2.1. Strategy

The energy transition has become increasingly critical for addressing climate change and the pressure has never been greater. Over the past decade we have witnessed continuous breaking of warmest year records, all-time high-water levels, and record high CO<sub>2</sub> emissions. Climate change has become the most significant challenge facing society today.

Furthermore, there has been a shift in global dynamics showcasing the higher need for endogenous, affordable, and reliable energy. This shift has been aggravated by the impact of macro movements such as the conflict in Ukraine, that have promoted the volatility of energy markets, supply chain disruption and concerns about energy security.

So, it comes as no surprise that the World has come together to recognize that: renewables play a key role in the global solution to energy independence and a sustainable planet. The energy transition is an opportunity to create more resilient, efficient, and sustainable energy systems that will meet future energy needs while reducing greenhouse gas emissions. Governments worldwide are taking decisive action to support the transition to low-carbon energy systems. Legislative frameworks such as the Inflation Reduction Act in the United States and REPowerEU in Europe, are evidence of clear targets and incentives for companies, cities, and countries to take decisive action towards the decarbonization of the economy.

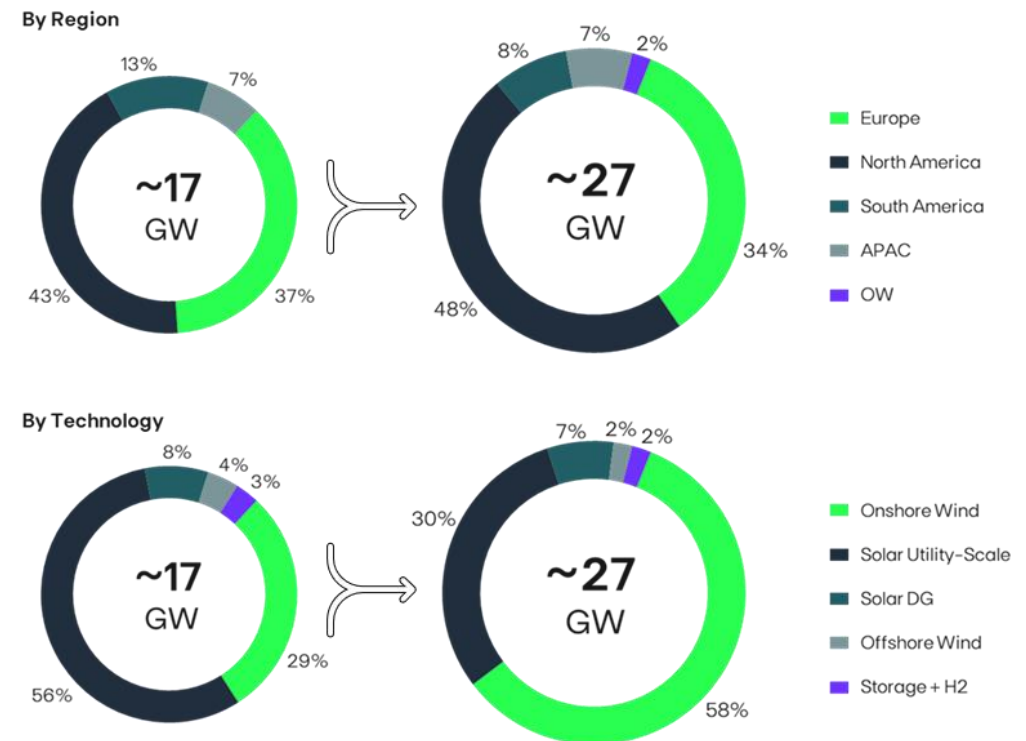
To take early action in the energy transition and be better positioned to seize the opportunities presented by this shift, EDPR released in March 2023 its new Business Plan for 2023-26, where it clearly restates the Company's commitment to step-up to the Net Zero challenge and create superior value as a leading pure renewable global player.

## 2.1.1. Ramping Up Growth

EDPR, as a leading pure renewables player, is focused on profitable and diversified growth. Through its robust pipeline and diversification strategy, EDPR is targeting a ramping up growth of ~17 GW of renewable capacity additions until 2026.

EDPR's strategy of growth is supported by a flexible pipeline which allows to capture opportunities and respond effectively to market conditions. The Company sustains a clear diversification both geographically and technologically with focus in its main markets in Europe and US along with a bet in solar technology to diversify even more its current operating portfolio and reinforce its resilience. As of June 2023, EDPR had secured ~52% of the ~17 GW additions targeted with long-term contracted revenues through PPAs, CfDs or under stable legal and regulatory frameworks.

### Adding ~17 GW until 2026, that will result in ~27 GW of Installed Capacity in 2026



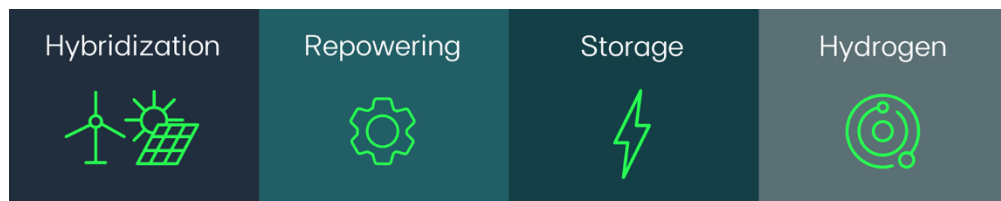
**A Leading Global Renewables Major**  
Pure 100% Renewable Player

<b>&gt;4 GW/year</b> Renewables deployed in 2023-26	<b>Net Zero</b> By 2040	<b>Double</b> Wind & Solar Capacity by 2026 vs 2020
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## Leveraging on New and Superior Assets

EDPR is leveraging its superior portfolio and infrastructure as a competitive advantage for increased renewables deployment:



### Hybridization

EDPR leverages on the existing grid connection capacity and current operating capacity, enabling the combination of wind and solar energy sources, which accelerates renewable deployment. Planned to have ~1 GW in Europe coming from 60 projects, including the first operational Iberian hybrid site.

### Repowering

Building upon EDPR's successful track record, the Company's approach enables an increase in both project capacity and longevity. It is expected ~70 MW in Europe across 8 projects.

### Storage

EDPR aims to add ~0.5 GW of battery storage capacity between 2023-26, primarily through co-located projects. The majority of this capacity, roughly ~90%, will be derived from North America, which is a more mature market in terms of energy storage. Additionally, EDPR sees opportunities for battery storage in other markets where the Company has a presence.

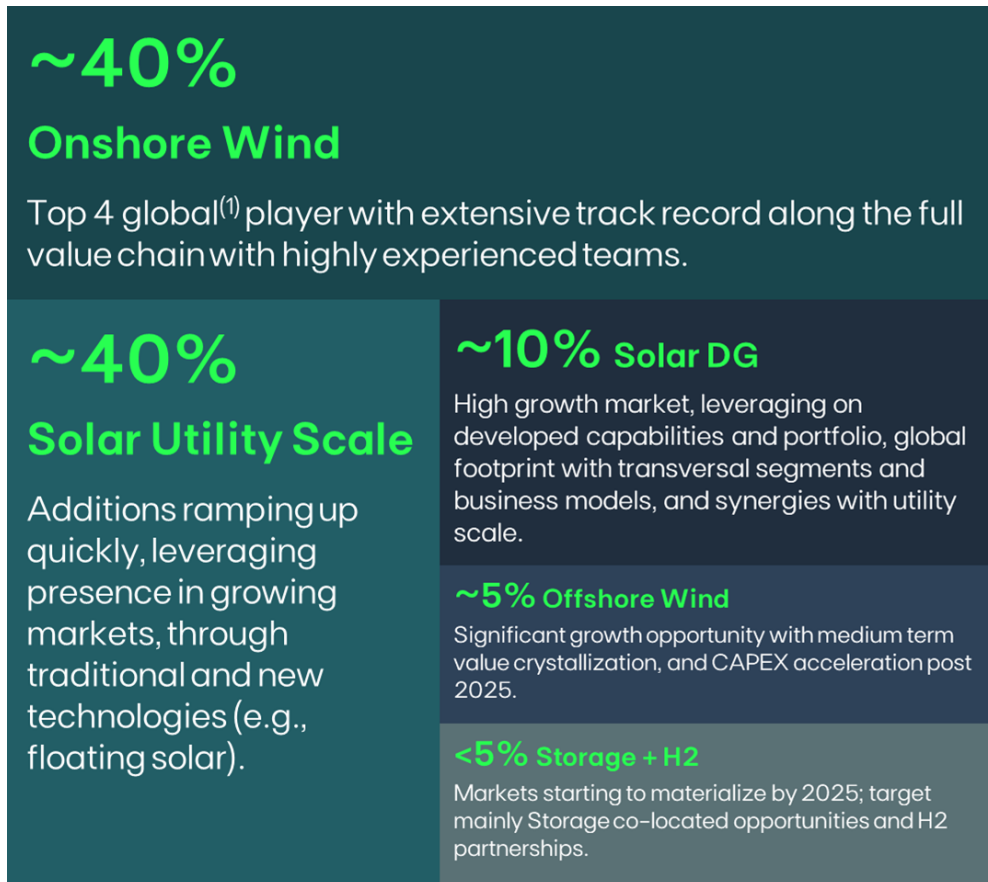
### Hydrogen

Enabling the deployment of RES and providing long-term optionality through strategic partnerships, serving as a mechanism for scaling up. With an expected gross installed capacity of ~1.5 GW by 2030, EDPR is well-positioned for growth. The company also benefits from a competitive advantage derived from its involvement in just transition projects in the Iberian region.

## 2.1.2. Backed by a Solid Investment Plan

EDPR's ambitious growth will be backed by a €20 billion gross investment plan for 2023-26. Despite pursuing growth, EDPR will maintain a selective investment approach that considers both returns and risk profiles. Investment will be diversified across growth technologies and geographies in differentiating value propositions, leveraging on its expertise and experience.

### €20 billion in Gross Investments for 2023-26



(1) Excluding China

## Source of Funding

### Keeping our Value-Adding Asset Rotation Model

EDPR's Asset Rotation strategy has been an important part of the Company's performance proved with a consistent track record since 2012 of multiple successful transactions crystallizing close to €20 billion of proceeds.

EDPR will continue creating value through this self-funding strategy by selling majority stakes in operational or under-development assets, being able to de-risk its portfolio, crystallizing future value upfront and recycling capital for future project.

Asset Rotation plan will be based in selling ~30% of all annual capacity additions from 2023 until 2026, selling a total of 5 GW for the period and generating a total of ~€7 billion of proceeds. These transactions will reflect expected capital gains of ~€0.3 billion each year.

#### EDPR Asset Rotation Model



### Whilst maintaining diversified sources of cash to deliver growth

EDPR will maintain a diversified range of cash sources supporting the ~€20 billion of Gross Investments for 2023-26. Starting with ~€6 billion that will be generated from Asset Rotation deals, excluding capital gains and an additional ~€4 billion from TEI structures in the US.

As a result, EDPR will present a Net Investment of ~€10 billion. Furthermore, around ~€6 billion will come from the Organic Cash Flow, where the capital gains from Asset Rotation will be accounted for. EDPR will also rely on an equity raise of ~€1 billion, that has already been successfully executed during the first quarter of 2023. Finally, the remaining ~€4 billion will be obtained through Net Debt changes.

## 2.1.3. Ensure Delivery at the Highest Excellence Standards

EDPR will keep on managing the value chain in its entirety in order to ensure the delivery of competitive and quality projects at the highest excellence standards.

### Development

EDPR possesses local development knowledge and a multi-partnership network, with a track record in asset financing and tax equity structuring in the US, as well as strong commercial capabilities and risk management expertise in the CPPA market, allowing to secure shaped PPAs at premium prices.

### Procurement and Construction

By leveraging EDPR's global scale, the Company engages in competitive procurement processes, partnering with local OEMs to ensure flexibility, and benefiting from an experienced E&C team with over 15 GW built in the past 15 years, supported by agile project management practices.

### Operations and Maintenance

With strong O&M expertise, EDPR implements predictive maintenance strategies to maximize asset value, that are backed by Global Energy and Risk Management strategies for effective operational and risk mitigation measures.

#### EDPR Track Record



(1) As of FY 2022

We are working every day towards Net Zero, operating with the best ESG practices along the value chain

ESG Frameworks, 2026 targets

We will

**Decarbonize** for a climate-positive world

>4 GW/year of clean energy      Ambition to Net Zero by 2040

**Empowering our communities** for an active role in the transition

€16m in social investments<sup>(1)</sup>

45% training in upskilling<sup>(2)</sup>

>2,000 new hires

**Protecting our planet** contributing to its regeneration

100% projects with Net Gain Biodiversity tracking system

85% waste recovery along the value chain<sup>(3)</sup>

**Engaging our partners** for an impactful transformation

100% suppliers compliant with ESG Due Diligence<sup>(4)</sup>

90% of purchases volume aligned with EDPR's ESG goals

A strong ESG culture protecting and empowering human life

Zero fatal accidents      31% of women in leadership positions

36% of women employees      70% employees with ESG training

1) Accumulated OPEX 2021-2026. Includes voluntary & mandatory investment + management costs.  
 2) Excludes transversal training. 3) Includes construction, operational and dismantling phases. 4) Purchases >25k€.

Targets supported by a top-class global team

Talent strategy

Strong value proposition

**Attraction**

Bringing on-board the best talent

Boost employer branding strategy

Scale-up sourcing strategy

Broader and diverse talent pool

**Experience**

Nurturing an unrivaled workplace

Global strategy for well-being, flexibility and inclusion

Global compensation and benefits framework

Top talent retention and succession planning

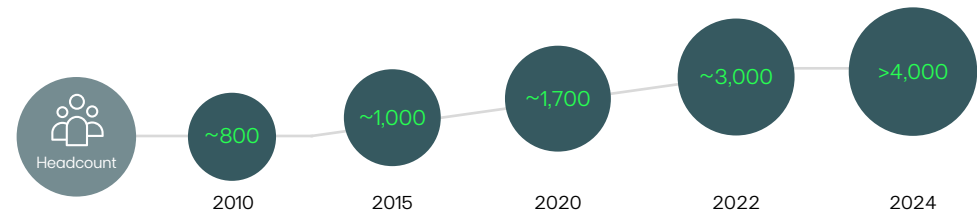
**Development**

Preparing for the future, empowered

Global collaboration and mobility

Fostering leadership growth

Continued re/upskilling



Recognized as top employer across markets



### 2.1.4. Resulting in a Delivery of Superior Value, While Keeping a Sound Balance Sheet and Risk Profile

Business Plan, 2026 targets

#### Step-up delivery

Deployment GW/year	2.1 2022	~3.9 avg. 2023-24	~4.7 avg. 2025-26	+~2.6 2026 vs 2022
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#### Increased results with superior renewables portfolio

EBITDA €bn	2.2 2022	~2.5 2024	~3.0 2026	~9% CAGR 2022-26
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#### Earnings growth through accretive investments in attractive projects

Recurring Net Profit €bn	0.67 2022	~0.7 2024	~0.9 2026	~9% CAGR 2022-26
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#### Sound balance sheet

Net Debt €bn	5 2022	~7 2024	~9 2026	+~4 2026 vs 2022
Net Debt/EBITDA <sup>(1)</sup> x	2.8 2022	~3.2 2024	~3.2 2026	+~0.4 2026 vs 2022

#### Script dividend providing optionality to shareholders, who can choose to receive dividend in shares or in cash

Script Dividend	30-50% Target Payout Ratio	Converging to renewables peers
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1) Net Debt includes Leases

## 2.3. Risk management

In line with EDPR's controlled risk profile, Risk Management process defines the mechanisms for measurement and management of risks and opportunities impacting the business, increasing the likelihood of the Company in achieving its financial, operational and ESG targets, while minimising fluctuations of results.

### Risk management process

EDPR's Enterprise Risk Management Process is an integrated and transversal management model that ensures the minimisation of the effects of risk on EDPR's capital and earnings, as well as the implementation of best practices of Corporate Governance and transparency.

EDPR's Enterprise Risk Management Process is inspired on Basel Committee on Banking Supervision's principles, guidelines, and recommendations.

The process aligns EDPR's risk exposure with the Company's desired risk profile. Risk management policies are aimed to mitigate risks without ignoring potential opportunities, thus optimising return versus risk exposure within predefined risk appetite limits.

### Risk governance model

Risk management is closely followed and supervised by the Audit, Control and Related Party Transactions Committee; an independent supervisory body composed of non-executive members. It is also endorsed by the Management Team, supported by the Risk Committee, and implemented for investment and day-to-day decisions by all managers of the Company.

EDPR has created three distinct forums within the Company's Risk Management processes, separating discussions on execution of mitigation strategies from those on definition of new policies, in order to help decision-making process:

- **Restricted Risk Committee:** Held every month, it is mainly focused on execution risk and counterparty risk, as well as providing visibility on the decisions taken on energy hedging strategies (electricity price, basis, profile, Green Certificates, RECs and Guarantees of Origin). It is the forum to discuss the evolution of projects under development and construction, to review exposure to offtakers, suppliers and financial institutions and to track merchant exposure and provide visibility on hedging decisions. It also monitors compliance with risk thresholds defined within risk policies (market risk, counterparty risk, operational risk and country risk).
- **Financial Risk Committee:** Held every quarter, it is held to review main financial markets risks and discuss the execution of mitigation strategies (exchange rates, interest rates, inflation and commodities), liquidity risk and credit risk to financial institutions.
- **Risk Committee:** Held every quarter, it is the forum where new strategic analyses are discussed, and new policies and procedures are proposed for approval to the Management Team. Additionally, EDPR's overall risk position is reviewed, together with EBITDA@Risk and Net Income@Risk.

## Risk map at EDPR

Risk Management at EDPR is focused on covering all risks of the Company, including ESG. To have a holistic view, they are classified in five Risk Categories. Within each Risk Category, risks are classified in Risk Groups. In addition, for each risk category and risk group, EDPR implements a series of mitigation strategies with specific measures. The Risk Categories, the Risk Groups and the Risk Management mitigation strategies are summarised below.

### Risk categories

**Market risks** It refers to the risk to EDPR resulting from movements in market prices. Due to the relationship between wind production and energy price, production risk is considered within market risk. In particular, market risks are changes in energy prices, energy production risk, interest rates, foreign exchange rates and other commodity prices.

**Counterparty risks** Risk that counterparty to a transaction could default before final settlement of the transaction's cash flows. A direct economic loss would occur if transactions with the counterparty had positive economic value at the time of default. Even in the case of not defaulting, it may not comply with its contract obligations (timing, quality, etc.), implying additional higher costs due to its replacement or to delays in fulfilling the contract.

**Operational risks** Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates, increasing O&M, or natural disasters) and ensuring Business continuity at all times. It also includes risks such as ESG and environmental impact in the business.

### Risk groups

- Energy Price Risk
- Energy Production Risk
- Commodity Price Risk
- Liquidity Risk
- Inflation Risk
- Exchange Rate Risk
- Interest Rate Risk

- Counterparty Credit Risk
- Counterparty Operational Risk

- Development Risk
- Legal Claims Risk (Compliance, Corruption, Fraud)
- Execution Risk
- Personnel Risk (health and safety, human rights, discrimination)
- Operation Risk (Damage to Physical Assets, Equip. Performance, Environmental and Climate Change aspects)
- Processes Risk (including Business Continuity)
- Information
- Technologies Risk

### Mitigation strategies

- Close analysis of natural hedges to define best alternatives.
- Hedge of market exposure through long term power purchase agreements (PPA) or short and medium term financial contracts.
- Natural FX hedging, with debt and revenues in same currency.
- Execution of FX hedging for net investment (after deducting local debt).
- Execution of FX hedging to eliminate FX transaction risk, mainly in Capex.
- Execution of interest rate hedging.
- Execution of inflation hedging.
- Alternative funding sources such as Tax equity structures and Multilateral/ Project Finance agreements.

- Counterparty exposure limits by counterparty and at EDPR level.
- Collateral requirement if limits are exceeded.
- Monitoring of compliance with internal policy.

- Supervision of suppliers by EDPR's engineering team.
- Flexible CODs in PPAs to avoid penalties.
- Partnerships with strong local teams.
- Monitor recurrent operational risks during construction and development.
- Close follow-up of O&M costs, turbine availability and failure rates.
- Insurance against physical damage and business interruption.
- Strict compliance with legal requirements and zero tolerance for discrimination, unethical behavior or fraud.
- Attractive remuneration packages and training for personnel.
- Revision and compliance with all regulations that affect EDPR activity (H&S, environmental, taxes...).
- Control of internal procedures.
- Redundancy of servers and control centers of wind farms.
- TCFD analysis and climate mitigation measures
- Contingency plans
- ESG policies and specific measures



### Risk categories

**Business risks** Potential loss in the Company's earnings due to adverse changes in business margins. Such losses can result, above all, from a serious increase in equipment prices or changes in the regulatory environment. Changes in energy prices and energy production are considered market risks

**Strategic risks** It refers to risks coming from macroeconomic, political, social or environmental situation in countries where EDPR is present, as well as those coming from a change in competitive landscape, from technology disruptions, from changes in energy markets or from governance decisions (investment decisions criteria, Corporate Governance and Reputational issues).

### Risk groups

- Regulatory Risk (renewables)
- Equipment Price Risk
- Equipment Supply Risk

- Country Risk
- Competitive Landscape Risk
- Technology Disruptions Risk
- Invest. Decisions Criteria Risk
- Reputational Risk
- Meteorological Changes
- Corp. Organisation and Governance
- Energy Planning

### Mitigation strategies

- Careful selection of energy markets based on country risk and energy market fundamentals.
- Diversification in markets and remuneration schemes.
- Diversification in technologies.
- Follow-up of regulation changes in markets where EDPR is present to adjust strategy if needed.
- Active involvement in major industry associations in all EDPR markets.
- Signing of medium-term agreements with equipment manufacturers to ensure visibility of prices and supply.
- Relying on a large base of equipment suppliers to ensure supply.

- Careful selection of countries.
- Worst case profitability analysis of every new investment considering all risks factors.
- Risk-return metrics at project and equity level
- Profitability resilience metrics.
- Consideration of stress case scenarios in the evolution of energy markets for new investment decisions.
- Follow-up of cost effectiveness of renewable technologies and potential market disruptions.

### Risk analyses highlights during 1H23

In the first half of 2023, EDPR presented a proposal for a revised Risk Taxonomy and some additional updates to its Enterprise Risk Management Framework, in order to strengthen it even further and incorporate new aspects that are gaining relevance, such as ESG risks. Revised ERM and the new Risk Taxonomy will be in place from 2H23 onwards.

Additionally, an historical analysis was performed on EDPR's Project Portfolio at the time of approval, to understand how the different profitability risk metrics have changed in the last decade and to gain a deeper understanding on the evolution of EDPR's risk profile and appetite, at the time of approval. Slight changes in methodology were proposed and a set of recommendations were issued to further improve resilience of current metrics being used.

Finally, during the first half of 2023, a deep dive on EDPR's historical and projected structural merchant exposure was performed, to understand how future capacity additions could impact the company's desired risk profile. The analysis provided insights on current trends, how average contracted life of EDPR's assets is evolving and offered recommendations to ensure risk profile is maintained in the following years.

## EDPR risk matrix by financial impact

EDPR's risk matrix is a qualitative assessment of likelihood and impact of the different risk categories within the Company. It is dynamic and it depends on market conditions and future internal expectations and scenarios.



## EDPR ESG risks

The commitment to promote sustainable development and climate action is one of the main priorities of EDPR's strategy and decision-making process. Given its activity, the Company generates clean energy and directly contributes to global climate goals, while ensuring high ESG standards. This commitment to the management of environmental, social and governance aspects is reflected in the procedures the Company has in place, as well as in the ESG risk management.

EDPR has identified five potential ESG risk factors for the Company, for which it implements procedures and measures to avoid and mitigate:

- a. **Environmental Risk:** The Environmental Policy of EDPR sets out the Company's main environmental commitments to prevent, correct or compensate the potential impacts of its activities on the environment, through a series of measures and processes. The main measure that allows the Company to manage environmental issues is the Company's Health & Safety and Environmental Management System (HSEMS). Following the reference provided by the international standard ISO 14001:2015, EDPR certifies its facilities through an independent certifying organization. By the implementation of these management systems the Company identifies specific risk mitigation measures, that would depend on the characteristics of its facilities. More information regarding how EDPR addresses and mitigates these environmental risks is available in the Natural Capital section of the report (subchapter 3.5.).

Moreover, EDPR reported for the first time in 2022 its approach to TCFD recommendations based on its 4 pillars:

- **Governance:** EDPR established a governance structure for the management of climate issues. These governance bodies are responsible for overseeing the management of climate risks and opportunities.
- **Strategy:** The identification of climate-related risks and opportunities in the short, medium and long term, as well as the impacts on the Company's business, are essential for the definition of the organisation's strategy and financial planning. The resilience of the organisation's strategy takes into consideration different scenarios.
- **Risk Management:** The management of climate-related risks and opportunities is integrated into EDPR's overall risk management process, through a climate risk assessment created for the identification and quantification of such risks.



- **Targets and Metrics:** The company establishes a set of metric and targets when analysing climate issues and climate-related risks and opportunities, in order to serve as inputs for EDPR's strategy and risk management process.

More information regarding EDPR's TCFD framework is available in EDPR's 2022 Annual Report, chapter 4, Annex I: Alignment with TCFD recommendations.

- b. Human Resources Risk:** Regarding to people and social issues, EDPR's priority is to promote, improve and apply good labour practices in its management and care of human capital. In this sense, the Company promotes the integration of human capital aspects in its planning and decision-making, optimizing employment policies and labour practices and actively listening to employee's needs. In addition, aware of the importance of its employees in addressing current and future challenges, EDPR strives to attract and retain talent, ensuring diversity and inclusion in all its activity. Moreover, the Company ensures non-discrimination during selection processes and has an Onboarding Policy for the integration of new employees. EDPR also offers top-class working conditions to its employees on a personal and professional level, supporting their well-being and families and promoting a positive social impact through volunteering activities. More information on how EDPR addresses and mitigates social risks in the Human Capital section (subchapter 3.2.) and the Human Rights and Labour Practices section of the report (section 3.4.2.).
- c. Health and Safety Risk:** The Occupational Health and Safety Policy sets out the Company's commitment to the health, safety and the well-being of all EDPR's employees and the people with whom the Company collaborates. As with environmental risks, the Company ensures best practices in health and safety through its integrated Health & Safety and Environmental Management System (HSEMS) and through an external certification that allows EDPR to demonstrate its alignment and compliance with ISO 45001:2018. More information about the Company's health and safety risk management on the Health & Safety section of the report (section 3.4.1.).
- d. Human Rights Risk:** Through its Human and Labour Rights Policy EDPR is committed to promote respect for human rights both internally and throughout its entire value chain, including the supply chain and local communities. In addition, this Policy and the Company's Code of Ethics are aligned with the Universal Declaration of Human Rights and international conventions, treaties or initiatives, such as the Conventions of the International Labour Organization, the United Nations Global Compact and the Guiding Principles for Business of the Human Rights Council. The Company monitors human

rights risks in its supply chain, and also develops an engagement process with its suppliers to avoid any risk situation. The Human Rights & Labour Practices section of the report (section 3.4.2.) includes further information on how EDPR addresses and mitigates these risks.

- e. Corruption and Fraud Risk:** EDPR has several measures in place to avoid any corruption and fraud risks. Among these measures are the Integrity Policy, the Code of Ethics and the Global Compliance Program (which includes an Integrity Compliance Program, a Criminal Compliance Program for Spain, a Global Data Compliance Program and a local Compliance Program according to regulations). EDPR's Integrity Policy (publicly available) sets out a series of procedures that govern EDPR and its employees' dealings with external parties, and all new EDPR's hires should be aware of and understand this Policy. EDPR's Code of Ethics has a channel for communicating any possible deviation or complaint related to the Code. In addition, EDPR's Ethics Ombudsman is responsible for managing this communication channel, as well as analysing and presenting any potential issues to the Ethics Committee. Finally, EDPR has a Compliance Program that aims to develop a robust set of policies and procedures for the Group. The Integrity and Ethics section of the report (section 1.3.4.) includes further information on how EDPR addresses and mitigates corruption and fraud risks.

The Company's Operational Risk analysis includes these five ESG risk factors, as well as the financial impact they could have. Based on Basel III guidelines EDPR identifies and assesses on an ongoing basis the economic impact of its operational risks, as well as the mitigation measures to be implemented in the short, medium and long term. To this end, the Company takes into account academic papers and historic data, in order to assess the relevance of these risks. The final results of the Operational Risk analysis are then communicated to the Management Team and shared with every department involved.



# Our drive



# Performance



Financial Capital	35
Human Capital	44
Supply Chain Capital	47
Social Capital	49
Natural Capital	51
Digital Capital	54
Innovation Capital	56



# 3.1. Financial capital

## 3.1.1. Operational performance

OPERATING PORTFOLIO	INSTALLED CAPACITY (MW)				NET CAPACITY FACTOR (%)			ELECTRICITY GENERATION (GWh)		
	1H23	ADDED	AR	Δ YTD	1H23	1H22	Δpp YoY	1H23	1H22	Δ% YoY
<b>Europe</b>	<b>5,488</b>	<b>+330</b>	-	<b>+330</b>	<b>27%</b>	<b>28%</b>	<b>-1pp</b>	<b>5,867</b>	<b>6,334</b>	<b>-7%</b>
Spain	2,211	+45	-	+45	26%	26%	-	2,354	2,534	-7%
Portugal	1,190	+22	-	+22	27%	27%	-	1,306	1,382	-5%
Rest of Europe	2,088	+264	-	+264	28%	28%	-	2,207	2,419	-9%
France	214	-	-	-	28%	25%	+3pp	259	202	+28%
Belgium	11	-	-	-	32%	26%	+6pp	14	12	+18%
Poland	917	+184	-	+184	29%	33%	-3pp	895	1,027	-13%
Romania	521	-	-	-	29%	30%	-1pp	655	681	-4%
Italy	375	+80	-	+80	26%	28%	-2pp	338	452	-25%
Greece	45	-	-	-	22%	21%	+1pp	42	40	+5%
UK	5	-	-	-	21%	28%	-7pp	4	6	-24%
<b>North America</b>	<b>6,705</b>	<b>+58</b>	-	<b>+55</b>	<b>33%</b>	<b>38%</b>	<b>-5pp</b>	<b>9,321</b>	<b>10,186</b>	<b>-8%</b>
US	6,080	+58	-	+55	33%	37%	-5pp	8,404	9,586	-12%
Canada	130	-	-	-	27%	34%	-7pp	154	191	-19%
Mexico	496	-	-	-	38%	47%	-9pp	763	409	+86%
<b>South America</b>	<b>1,114</b>	-	-	-	<b>32%</b>	<b>31%</b>	<b>+2pp</b>	<b>2,210</b>	<b>1,040</b>	<b>+113%</b>
Brazil	1,114	-	-	-	32%	31%	+2pp	2,210	1,040	+113%
<b>APAC</b>	<b>790</b>	<b>+79</b>	-	<b>+79</b>	<b>18%</b>	<b>17%</b>	<b>+2pp</b>	<b>588</b>	<b>231</b>	<b>+155%</b>
Vietnam	412	+7	-	+7	23%	21%	+1pp	400	136	+194%
Singapore	267	+37	-	+37	12%	13%	-1pp	132	73	+80%
Rest of APAC	112	+35	-	+35	15%	16%	-2pp	56	21	+160%
<b>Total EBITDA level</b>	<b>14,097</b>	<b>+467</b>	-	<b>+464</b>	<b>30%</b>	<b>33%</b>	<b>-3pp</b>	<b>17,985</b>	<b>17,791</b>	<b>+1%</b>

<b>Europe</b>	<b>462</b>	<b>-36</b>	<b>-</b>	<b>-36</b>
Spain	120	-36	-	-36
Portugal	31	-	-	-
Rest of Europe	311	-	-	-
<b>North America</b>	<b>592</b>	<b>-</b>	<b>-</b>	<b>-</b>
US	592	-	-	-
<b>APAC</b>	<b>16</b>	<b>+1</b>	<b>-</b>	<b>+1</b>
Rest of APAC	16	+1	-	+1
Total Equity level	1,070	-35	-	-35
<b>TOTAL</b>	<b>15,167</b>	<b>+468</b>	<b>-</b>	<b>+429</b>

(1) AR stands for Asset Rotation

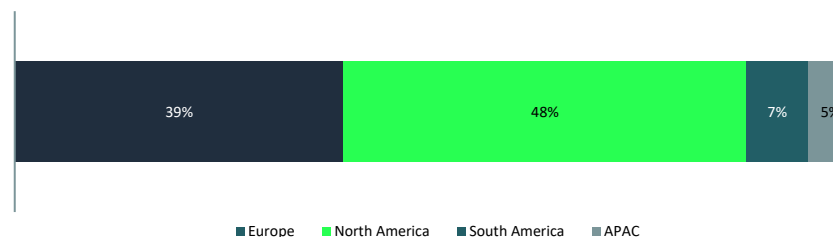
### EDPR continues to deliver selective growth

With a top-quality portfolio, EDPR has a strong track record and proven capability to execute superior projects and deliver on targets. The installed asset base of 15.2 GW is not only young, on average 9 years, it is also mostly certified in terms of environmental and health and safety standards.

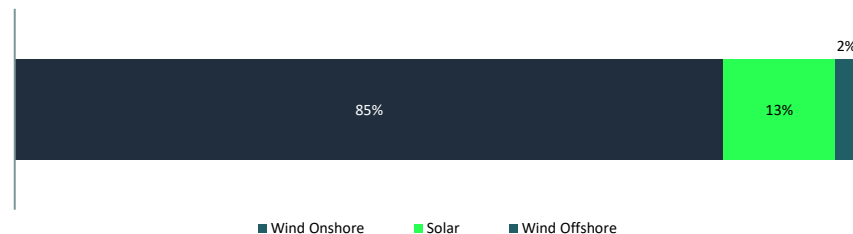
As of 1H23, EDPR had, in terms of EBITDA + Equity capacity, 5,951MW installed in Europe, 7,297 MW in North America, 1,114 MW in South America and 806 MW in APAC.

In terms of technology, EDPR continued its effort to diversify its portfolio, which translates into 12,833 MW of wind onshore, 322 MW of wind offshore and 2,012 MW of solar technology, that includes 1,336 MW of solar PV utility-scale and 677 MW of solar DG.

### Capacity by Region (%)



### Capacity by Technology (%)



## 1H23 installations were global, mainly driven by Europe

During the first half of 2023, EDPR added a total of 468 MW, geographically and technologically diversified.

More specifically, EDPR added 147 MW of wind onshore, with 80 MW in Italy, 45 MW in Spain and 22 MW in Portugal.

In terms of solar capacity, EDPR added a total of 321 MW globally of which ~43% came from solar DG. By country, 184 MW were added in Poland, 58 MW of Solar DG in the US, 37 MW in Singapore, 7 MW in Vietnam and 35 MW in Rest of APAC.

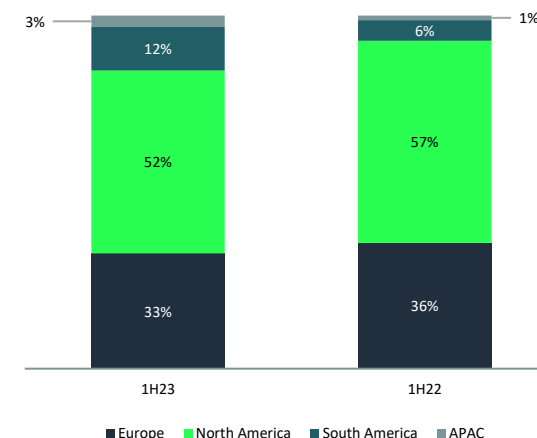
No asset rotation deals were completed in the first half of the year but EDPR's 2023 asset rotation plan continues evolving positively, with expected transactions to be concentrated in 2H23.

## Generation flat Year on Year

EDPR produced 18 TWh (+1% YoY) of clean energy in 1H23 and achieved a 30% load factor (vs 33% in 1H22) reflecting 95% of P50 long term average GCF. The YoY evolution has been affected by weaker wind conditions, mainly in the US due to El Niño weather phenomenon which is specially affecting Midwest region and to curtailment in Europe mainly related to Spain. 1H23 resources and availabilities also compare with extraordinary levels in 1H22.

The Company continues to leverage on its competitive advantages to maximise the projects' output and also on its diversified portfolio across different geographies to minimise the renewable resource volatility risk.

Generation by Region (%)



## EDPR diversified portfolio delivers balanced output

In the 1H23, Europe output decreased -7% YoY to 5.9 TWh and represented 33% of the total output, impacted by asset rotation deals closed in 2022 and YoY increase of generation curtailment. In Europe, EDPR achieved a 27% load factor (-1% YoY). Specifically, in Spain, load factor during the first half of the year was 26% (flat YoY), in Portugal reached a load factor of 27% (-1pp YoY) and in the Rest of Europe, a 28% load factor (-1pp YoY).

In North America, output decreased -8% YoY to 9.3 TWh, reflecting mainly a weak renewable resource at 33% (-5 pp YoY) related to El Niño weather phenomenon. North America represented 52% of EDPR's total output.

EDPR's production in South America, more precisely in Brazil, increased to 2.2 TWh (+113% YoY), mainly explained by higher installed capacity. The region represented 12% of all EDPR generation in the period with a higher load factor at 32% (+2pp YoY).

Finally, APAC load factor stood at 18% (+2 pp YoY) with production during the period reaching 0.6 TWh (vs. 0.2 TWh in the 1H22) following the full integration of Sunseap acquisition and other solar capacity additions in the platform. In the 1H23, APAC represented 3% of all EDPR generation.

## EDPR manages a portfolio of 15.2 GW with 5.0 GW of capacity under construction

In the 1H23, EDPR added a total of 468 MW, specifically 147 MW were added in onshore wind all in Europe, including 22 MW of over equipment in Portugal. Solar additions in the period amounted to 321 MW with a strong contribution from Poland and solar DG in the US and APAC that accounted for ~43% of the total solar additions YTD. All in all, portfolio amounted to 15.2 GW.

As of June 2023, EDPR had 5.0 GW of capacity under construction, with +1.1 GW added during the period, including some sizable projects with commissioning beyond 2023, namely Moray West wind offshore project in the United Kingdom, two wind offshore projects in France and two wind projects in Colombia.

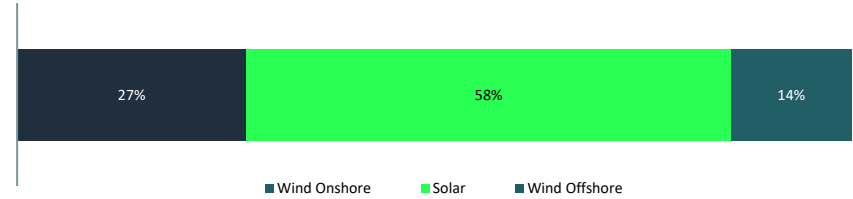
In terms of wind onshore, under construction capacity amounted to 197 MW in Europe, with 102 MW in Greece, 37 MW in Italy, 26 MW in France, 20 MW in Spain and 12 MW in Poland. In North America, 502 MW were under construction, of which 300 MW corresponding to Canada and 202 MW to the US. In South America, Colombia had 504 MW under construction, 99 MW in Brazil and 83 MW in Chile, for a total of 686 MW.

Regarding solar capacity under construction, 531 MW were in Europe, more precisely, 188 MW in Portugal, 147 MW in Italy, 147 MW in Spain, 30 MW in Netherlands and 20 MW in France. In North America, EDPR had 1,808 MW under construction, all of them coming from the US. In South America, 467 MW were under construction in Brazil. Finally, EDPR also had 125 MW of capacity under construction in APAC.

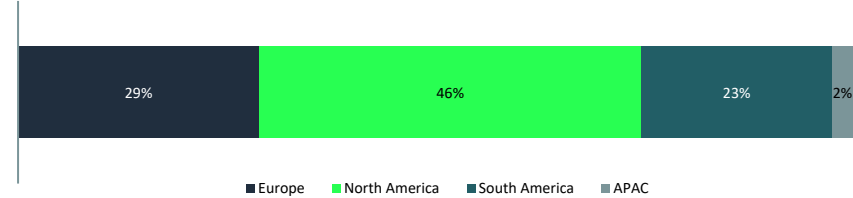
In terms of wind offshore, EDPR had, through Ocean Winds, 728 MW under construction at equity level coming from various projects in UK and France, which translates to 1,896 MW gross capacity.

EDPR has a young portfolio with 9 years of average operating age, with an estimate of over 22 years of remaining useful life to be captured.

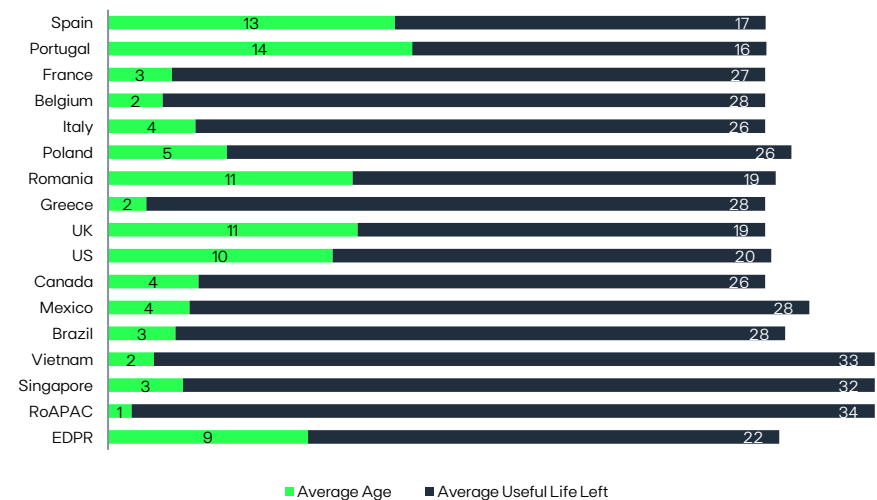
### Capacity Under Construction by Technology (%)



### Capacity Under Construction by Region (%)



### Assets Average Life (years)



## 3.1.2. Financial performance

### Income Statement

Revenues reached €1.2 billion and EBITDA summed €0.8 billion.

#### Revenues (€m)



Revenues totaled €1,225 million (-1% vs 1H22) on the back of lower volume driven by additional installed capacity (+€116 million vs 1H22) partially offset by low wind resource (-€85m vs 1H22), average selling price contribution to revenues was positive due to derivatives evolution (+€53 million vs 1H22), Asset rotation effect (-€89 million vs 1H22) and forex translation and others (-€7 million vs 1H22).

Other operating income amounted to €43 million (-68% vs 1H22), with 1H22 largely driven by €99 million of capital gains from Asset rotation transactions closed during the period.

Since 2021, macro environment has rapidly changed worldwide with supply chain unbalances and inflationary pressure leading into higher costs. EDPR continued to grow despite such circumstances. During the first half of 2023, Operating Costs (Opex) were also impacted by regulatory clawbacks mainly related to Poland and Romania. In this context Opex totalled €511 million (+10% vs 1H22). In June 2023, Spanish government updated the reference pool price of its banding system through the RDL 5/2023, which is used to calculate 2023-25 RINV. This change led to a negative accounting impact (non-cash impact nor valuation change) where 2023 reference price would be now €109.3 /MWh (vs the previous €207.88/ MWh), with the bands being adjusted accordingly. In 1H23, EBITDA summed €754 million (vs €976 million in 1H22) driven by already mentioned drivers along with lower contribution from Ocean Winds which compares with an extraordinary contribution during the 1H22 through share of profits from associates and EBIT amounted to €369 million (vs €640 million in 1H22). Net Financial Expenses decreased to €159 million (vs €185 million in 1H22) with capitalizations and positive interest coming from Ocean Winds driving the trend.

Non-controlling interests in the period totalled €85 million (vs €120 million in 1H22), as a result of top line performance. At the bottom line, Net Profit summed €80 million (vs €265 million in 1H22).

During the period, EDPR was impacted by non-recurring events, mainly €10 million from the Massachusetts offshore PPA cancellation and €12 million from a provision in Romania related to regulatory clawbacks, leading to a Recurring EBITDA of €764 million and a Recurring Net Profit of €102 million.

CONSOLIDATED INCOME STATEMENT	1H23	1H22	Δ% YoY
Revenues	1,225	1,237	-1%
Other Operating Income	43	134	-68%
Operating Costs	-511	-463	+10%
Supplies and Services	-226	-196	+15%
Personnel Costs	-131	-114	+15%
Other Operating Costs	-154	-153	+0%
Share of Profit of Associates	-3	67	-105%
<b>EBITDA</b>	<b>754</b>	<b>976</b>	<b>-23%</b>
<i>EBITDA/Revenues</i>	<i>62%</i>	<i>79%</i>	<i>-1730%</i>
Provisions	-15	-1	-
Depreciation and Amortisation	-379	-344	+10%
Amortisation Government Grants	9	9	+3%
<b>EBIT</b>	<b>369</b>	<b>640</b>	<b>-42%</b>
Financial Income/ (Expense)	-159	-185	-14%
<b>Pre-tax Profit</b>	<b>210</b>	<b>455</b>	<b>-54%</b>
Income Taxes	-45	-70	-35%
Profit of the Period	165	385	-57%
Non-controlling Interests	-85	-120	-29%
<b>NET PROFIT</b>	<b>80</b>	<b>265</b>	<b>-70%</b>
<b>Recurring EBITDA</b>	<b>764</b>	<b>976</b>	<b>-22%</b>
<b>Recurring NET PROFIT</b>	<b>102</b>	<b>265</b>	<b>-62%</b>



## Balance sheet

As of June 2023, total equity increased by €1,951 million.

Total Equity of €12.5 billion increased by €1,951 million in the first half of 2023, of which €1,456 million are attributable to reserves and retained earnings. Equity attributable to EDPR shareholders increase is mainly explained by the +€993 million capital increase, along with +€80 million from Net profit in the period, +€65 million of the exchange rate effects, +€793 million from variation in fair value cash flow hedges and –€21 million from dividend distributions to EDPR shareholders.

Total Liabilities increased €280 million year on year to €17.2 billion, explained by the increase in financial debt (+€916 million), deferred tax liabilities (+€260 million), provisions (+€21 million) and rents due from lease contracts (+€6 million), despite the decrease in other liabilities (–€796 million), Institutional partnerships (–€100 million) and in deferred revenues from Institutional partnerships (–€27 million). Debt-to-equity ratio stood at 137% by the first half of 2023. Liabilities were mainly composed of financial debt (41%; vs 36% in 2022), liabilities related to institutional partnerships in the US (8%; flat vs 2022) and other liabilities (34% vs 39% in 2022).

Liabilities related to Institutional Partnerships in the United States totalled €2,085 million, decreasing by €127 million. Deferred revenues related to institutional partnerships primarily represent the non-economic liability associated to the tax credits already realised by the institutional investor, arising from accelerated tax depreciation, and yet to be recognised as income by EDPR throughout the remaining useful lifetime of the respective assets. Deferred tax liabilities reflect the liabilities arising from temporary differences between the accounting and the tax basis of assets and liabilities. Accounts payables include trade suppliers, PP&E suppliers, deferred income related to investment grants received and derivative financial instruments.

As total assets summed €29.7 billion in June 2023, the equity ratio of EDPR reached 42%. Assets were 65% composed of net PP&E – property, plant and equipment representing €19.4 billion (+€1,536 million vs 2022). In detail it included +€2.1 billion of capex, –€0.3 billion of depreciation charges along with positive exchange differences of +€0.03 billion.

Net intangible assets of €2.8 billion mainly include €2.3 billion from goodwill registered in the books, for the most part related to the acquisitions made in the period.

STATEMENT OF FINANCIAL POSITION	1H23	2022	Δ YoY
Property, Plant and Equipment, net	19,427	17,891	+1,536
Intangible Assets and Goodwill, net	2,824	2,883	–59
Financial Investments, net	1,234	1,201	+34
Deferred Tax Assets	776	625	+150
Inventories	101	80	+21
Accounts Receivable – Trade, net	649	606	+43
Accounts Receivable – Other, net	1,945	1,987	–43
Right-of-use asset	989	988	+0
Collateral Deposits	82	50	+32
Cash and Cash Equivalents	1,307	1,172	+135
Assets Held for Sale	390	9	+381
<b>TOTAL ASSETS</b>	<b>29,723</b>	<b>27,493</b>	<b>+2,230</b>
Share Capital + Share Premium	7,395	6,402	+993
Reserves and Retained Earnings	3,463	2,007	+1,456
Net Profit (Equity Holders of EDPR)	80	616	–536
Non-controlling Interests	1,583	1,545	+38
<b>Total Equity</b>	<b>12,521</b>	<b>10,571</b>	<b>+1,951</b>
Financial Debt	7,076	6,160	+916
Institutional Partnerships	1,322	1,423	–100
Rents due from lease contracts	1,046	1,040	+6
Provisions	291	270	+21
Deferred Tax Liabilities	898	638	+260
Deferred Revenues from Institutional Partnerships	763	790	–27
Other Liabilities	5,807	6,602	–796
<b>Total Liabilities</b>	<b>17,202</b>	<b>16,922</b>	<b>+280</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>29,723</b>	<b>27,493</b>	<b>+2,230</b>

## Cash flow statement and Investment activity

Operating cash flow impacted by top line performance

In the first half of 2023, EDPR generated Cash-Flow from Operations of €334 million (-39% vs 1H22), due to a lower top line performance. Cash-Flow from Operations is nothing more than the EBITDA net of income tax, changes in working capital, and non-cash items.

Cash flow evolution was mainly impacted by Net Expansion Investments of €1,787 million (-10% vs 1H22), driven by lower Financial Investments of €158 million (-91% vs 1H22) and higher levels of Capex at €2,120 million (+65% vs 1H22).

Following the new dividend program EDPR Scrip Dividend, dividends paid to EDPR Shareholders amounted to €21 million (-76% vs 1H22) as over 90% of the of the incorporation rights issued in the program have been converted into shares and have therefore taken part in the €62.3 million capital increase.

All in all, Net Debt increased €748 million during the year.

CASH FLOW	1H23	1H22	Δ% YoY
EBITDA	754	976	-23%
Non-cash Items	-119	-188	-37%
Income Tax Paid	-88	-45	+97%
Changes in working capital	-213	-190	+12%
<b>Cash-Flow from Operations</b>	<b>334</b>	<b>552</b>	<b>-39%</b>
Net Interest Paid	-248	-278	-11%
Minorities/Partnerships	-74	-139	-47%
Other	-34	-16	+116%
<b>Organic Cash-Flow</b>	<b>-21</b>	<b>120</b>	<b>-118%</b>
Net Expansion Investments	-1,787	-1,990	-10%
Dividends paid to EDPR Shareholders	-21	-88	-76%
Forex	57	-305	-119%
Other (including one-off adjustments)	24	-36	-
Capital Increase	1,000	-	n.a
<b>DECREASE/(INCREASE) IN NET DEBT</b>	<b>-748</b>	<b>-2,300</b>	<b>-67%</b>

## Net debt

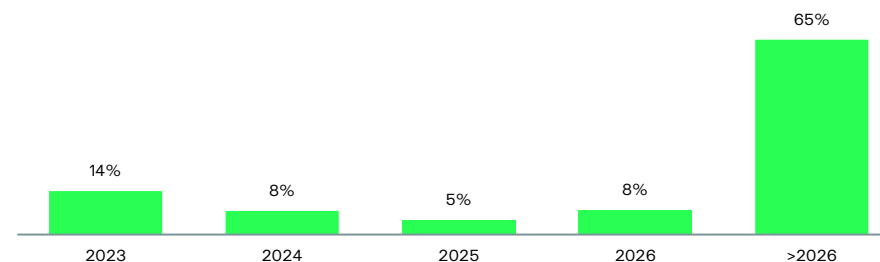
Supporting the investments that are behind the growth plan

As of June 2023, Net Debt totalled €5,686 million (vs €4,938 million in December 2022) reflecting the investments made in the period with capex increasing at €2.1 billion (vs. €1.3 billion in the 1H22), to support the company's growth targets.

### Net Debt (€m)



### Debt Maturity (%)



## Income statement by region

### Europe

In the 1H23, Europe decreased its revenues to €581 million (-9% vs 1H22) due to lower production at 5.9 TWh (-7% vs 1H22) and lower average prices, mainly in Italy, Poland, and the effect of Spanish regulatory change (€109.3/MWh vs €207.88/MWh). Net Operating costs (Operating costs net of other operating income), increased to €200 million, explained by the impact of clawbacks and inflation. All in all, EBITDA in Europe totalled €375 million (vs €439 million in 1H22, with €99 million of capital gains), reflecting an EBITDA margin of 64%.

### North America

In North America, revenues decreased to €517 million in 1H23 (-4% vs 1H22) on the back of lower resource in period due to the impact of El Niño weather phenomenon. Net Operating costs increased to €213 million, reflecting that operating costs increased +5% vs 1H22 on the back on inflation. North America EBITDA totalled €320 million (vs €359 million in 1H22), reflecting an EBITDA margin of 62%.

INCOME STATEMENT	Europe			North America		
	1H23	1H22	Δ% YoY	1H23	1H22	Δ% YoY
Revenues	581	636	-9%	517	537	-4%
Other Operating Income	22	110	-80%	20	23	-12%
Operating Costs	-222	-201	+10%	-233	-221	+5%
Supplies and Services	-112	-104	+7%	-105	-89	+18%
Personnel Costs	-34	-28	+19%	-57	-55	+3%
Other Operating Costs	-77	-69	+11%	-72	-77	-7%
Share of Profit of Associates	-6	18	-	16	21	-23%
<b>EBITDA</b>	<b>375</b>	<b>564</b>	<b>-34%</b>	<b>320</b>	<b>359</b>	<b>-11%</b>
<i>EBITDA/Revenues</i>	<i>64%</i>	<i>89%</i>	<i>-24pp</i>	<i>62%</i>	<i>67%</i>	<i>-5pp</i>
Provisions	-15	-1	-	-	-	n.a
Depreciation and Amortisation	-129	-124	+4%	-205	-198	+4%
Amortisation Government Grants	0.5	0.4	+10%	9	8	+2%
<b>EBIT</b>	<b>231</b>	<b>439</b>	<b>-47%</b>	<b>123</b>	<b>170</b>	<b>-27%</b>

### South America

In South America, revenues increased to €53 million (+40% vs 1H22) on the back of higher generation (+113% vs 1H22) in Brazil mainly driven by new additions and higher renewable resource. Net Operating costs increased to €19 million (vs. €16 million in the 1H22). All in all, EBITDA in South America totalled €33 million (vs €22 million in 1H22), reflecting an EBITDA margin of 63%.

### APAC

In APAC, revenues amounted to €60 million (+90% vs 1H22) due to the integration during the last 12 months of the acquisition of Sunseap in EDPR along with other new capacity additions in the platform (+80 MW in the 1H23). With Net Operating costs amounting to €25 million in the period, EBITDA in APAC totalled €35 million (vs. €19 million in 1H22) reflecting an EBITDA margin of 58%.

INCOME STATEMENT	South America			APAC		
	1H23	1H22	Δ% YoY	1H23	1H22	Δ% YoY
Revenues	53	38	+40%	60	32	+90%
Other Operating Income	1	0.1	-	1	1	-47%
Operating Costs	-20	-16	+30%	-26	-14	+82%
Supplies and Services	-15	-11	+43%	-13	-7	+77%
Personnel Costs	-3	-2	+28%	-13	-7	+89%
Other Operating Costs	-2	-3	-26%	-0.5	-0.4	+26%
Share of Profit of Associates	-	-	n.a	0.2	0.2	+12%
<b>EBITDA</b>	<b>33</b>	<b>22</b>	<b>+51%</b>	<b>35</b>	<b>19</b>	<b>+87%</b>
<i>EBITDA/Revenues</i>	<i>63%</i>	<i>59%</i>	<i>+5pp</i>	<i>58%</i>	<i>59%</i>	<i>-1pp</i>
Provisions	-	-	n.a	-	-	n.a
Depreciation and Amortisation	-16	-10	+55%	-23	-6	-
Amortisation Government Grants	-	-	n.a	-	-	n.a
<b>EBIT</b>	<b>17</b>	<b>12</b>	<b>+48%</b>	<b>12</b>	<b>13</b>	<b>-5%</b>

Note: Income statements only take into consideration countries with operating capacity

## Other reporting topics

### Subsequent events

#### **EDPR closes Asset Rotation deal for a 257 MW wind portfolio in Spain**

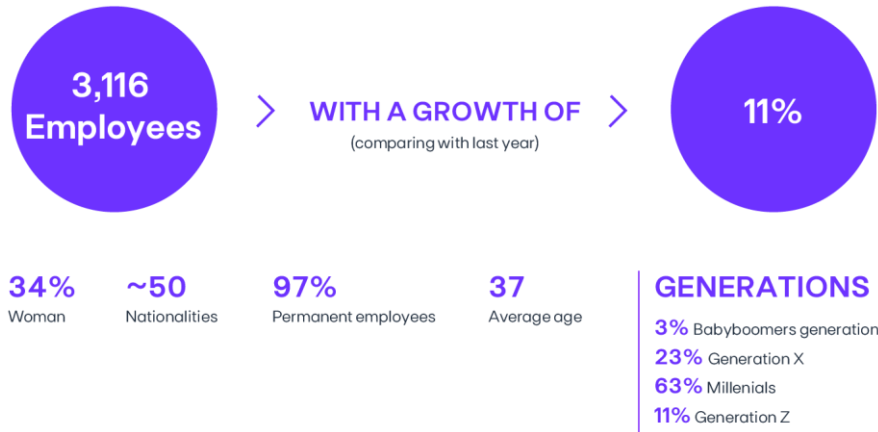
Madrid, July 25<sup>th</sup> 2023: EDP Renováveis, S.A. ("EDPR") has closed the sale of a 257 MW wind portfolio in Spain to Verbund AG ("Verbund") for an Enterprise Value of €0.46 billion as of 31/12/2022.

The transaction scope comprises 9 operating wind farms with an average age of 14 years and with the potential for repowering and additional hybrid solar capacity. The assets sold were part of the acquisition of the renewable business of Viesgo, closed on December 2020.

This transaction comes in the context of the €7 billion Asset rotation program for 2023-26 announced in EDPR's Capital Markets Day in March 2023, allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

# 3.2. Human capital

## Key Data



## 1H23 highlights

During the first half of 2023, EDPR was consolidated as a human-centred company under its vision of one company, one culture, and one purpose, where “Our energy and heart drive a better tomorrow”.

To become future-proof and evolve as a global, agile, and efficient organisation, EDPR needs empowered people that help the Company become prepared for its future challenges, ignited by a human-centred approach and a holistic development, which requires a common DNA and purpose that fulfil its business and people needs.

To bring this DNA and purpose to life, which was driven by the global development mindset rollout worldwide, a human skillset is a crucial piece of this transformational puzzle, helping EDPR translate who it is, how it delivers and what impact it wants to have in the world.

In fact, the Company’s increasingly global scope in business and geographies, made it revisit the purpose and skills needed to reinforce a one global company culture, mobilising it towards its goals and ensuring a common and engaging employee experience. In that way, EDPR now has a hybrid working model worldwide, looking for encouraging a culture of flexibility and well-being.

## Employee journey

EDPR is aware that people are its most important asset, and that is why it is devoted to support the employee experience and life within the Company as a key factor in achieving the objectives of the 2023–26 Business Plan. A customised Employee Value Proposal is offered to employees throughout their journey in EDPR, which allows them to join a multinational team and grow along with it. EDPR believes that motivated workforce aligned with the Company’s strategy is one of the key drivers behind the ability to deliver positive results.

In this sense, EDPR has a People & Organisational Development (P&OD) strategy defined by five key pillars: Empowered Organisation, Human-Centred Experience, People Management Lift, Capabilities for the Future, and Smart & Digital Ecosystem. Much has been done to advance each of these pillars in the recent months, considering an active listening of the employees, and EDPR will continue to make progress in each of them in the coming years.

In this context, EDPR continuously works to provide excellent conditions for its employees, to grow and develop talent at all levels, and to optimise its policies and practices. As a result, EDPR has been recognised again by the Top Employers Institute as one of the best companies to work for in Europe in 2023 and, at a local level, in Spain, France, Italy, Portugal, Poland, Romania, Brazil and for first time in Greece and Colombia. The Company was also recognised as a 2023 Top Workplace in the United States. These certifications endorse EDPR as one of the best companies to work at worldwide thanks to the journey it offers its employees.



Practice active listening with employees throughout their journey



## Attract

### Attracting talent

EDPR is leading energy transition process in the renewable energy sector and is aware that its team is key to achieve this. Therefore, the Company is continuously striving to attract talent, bringing in the right skills and profiles to address current and future business challenges, and retain professionals who seek to excel in their work.

In EDPR, non-discrimination and equal opportunities are guaranteed during all the selection processes. This is reflected in its Code of Ethics and Recruitment Manual of EDPR, which contains specific clauses on non-discrimination and equal opportunities, in line with the Company's culture of Diversity, Equity, Inclusion and Belonging (DEIB) and the respect for human and labour rights.

During 1H23, EDPR implemented different talent attraction initiatives to strengthen its image as a leading employer:

- **Job fairs:** EDPR attends job fairs from the most relevant Universities and Business Schools worldwide, aiming to reach a global and top-class team. In 1H23, EDPR focused on both professional and field technician job fairs. This not only allowed the Company to connect with students and professionals, but also to achieve a higher brand awareness in the US, and to grow EDPR's early career bench with the upcoming talent of the future. In addition, EDPR revamped its employer branding initiatives with new approaches to attract talent, such as the open days.
- **Recruitment sources:** The most important recruitment source for EDPR, aligned with its P&OD strategy and philosophy, is its own team, therefore fostering hires internally from the Group and referrals from EDPR's own employees. Nonetheless, EDPR's main source of recruitment are LinkedIn and head-hunters.
- **EHUB:** EDPR NA and EDPR EU&LATAM platforms have worked together in close collaboration to build a specific unit of professional employees, focused on technical areas who support the North American areas who live in Porto, Portugal, and Madrid, Spain. The program provides a true global experience for the employee and hiring manager. Although the intent was not to move employees to the NA platform as the program grows, there are opportunities for the employees in Porto to move to the US.

### Integrating the team

The onboarding of the new team members plays a critical role in their success and builds relationships that are important in integration process, increasing motivation and performance. Aware of this, EDPR has an Onboarding Policy for new hires which follows a path from the time a candidate signs the offer letter, until he/she completes one year in the Company. This onboarding model encompasses a series of measures that significantly improve the new hire experience, providing them with the necessary corporate information, feedback meetings with the P&OD team and hiring Managers, interaction with other new hires, among others.

### Experience

EDPR strives every day to create an environment of trust and professionalism among its team. To this end, it regularly implements activities, measures and campaigns that are important for the professional and personal development of employees, by offering an individualised Employee Value Proposition (EVP) with working conditions that allow employees to grow and thrive, helping their well-being and that of their families, supporting volunteer activities and promoting diversity, equity, inclusion and belonging.

### Individualisation

Part of EDPR's EVP is a competitive remuneration package aligned with the best practices in the market. EDPR's Compensation Package includes (i) an Annual Base Salary, (ii) a Variable Pay depending on the achievements of the Area, Company KPIs, and an Individual Global Assessment of the employee, and (iii) an above market practices, vital benefits package such as Health Insurance, Life Insurance or Pension Plan, besides the well-being benefits package. The remuneration package is not static, which means that it evolves at the same pace as the business and employees' needs and concerns.

### Well-being and Flexibility

EDPR implements several initiatives focused on family, time, and health, offering its team a wide range of benefits that reinforce the Company's position as a flexible workplace with work-life balance policies; it also encourages an efficient use of time in employees' daily tasks to reconcile their professional and personal life while still achieving excellent results.

EDPR has a Hybrid Model of work, in which employees can work remotely 2 days a week, where feasible, as EDPR believes that remote work is crucial to improve flexibility, work-life balance and the overall well-being of its team while remaining productive. In addition, there is a *Flex Fridays* initiative implemented globally, which implies having Fridays' afternoon off through an intensive working schedule. Furthermore, EDPR has a volunteer program addressed to its employees in order to promote social responsibility, giving them the opportunity to grow not only at work but also personally while also contributing to the society.

### Diversity, Equity, and Inclusion

As it looks forward, EDPR continues to evolve its organisation and is dedicated to fostering a culture of human equality and valuing the strengths of our differences, as it builds a more inclusive, sustainable environment for future generations. EDPR's goal is to contribute to improving the quality of life of its employees, removing professional barriers, regardless of age, culture, gender, sexual orientation, or disability, ensuring a transparent and safe workplace environment where mutual respect and equal opportunities prevail. In this context, EDPR celebrated different milestones in terms of diversity like Women Month in March, Diversity Week in May, and Pride Month in June, during which different trainings, initiatives and talks were carried out to raise awareness among employees on these important topics.

As a result of its commitment and practices, EDPR was recognised again in the Bloomberg Gender-Equality Index (GEI) in 2023, highlighting the Company's work to promote equal opportunities for women through development, representation, and transparency policies.

### Global Development Mindset

EDPR is committed to the development of its employees, offering them an attractive professional career, and aligning their capabilities and skills with the current and future needs of the company. The growth and development of the Company's business leads EDPR to invest in the employees by discovering, improving, and emphasising the potential of each mainly through training, internal mobility, and development actions.

### Learning

EDPR offers job-specific ongoing learning opportunities to contribute to the self-development of employees according to the new learning model as part of the Global Development Mindset. Regular and continuous Development Conversations with the

Manager contribute to identify learning needs along the year in close relationship with strategic goals and the main business challenges, so they are anticipated and prioritised.

A mature Learning culture requires a proper environment that stimulates curiosity, autonomy and share of learning among employees, not only through formal but also through informal ways. The offer has evolved to a more on-demand approach where employees have online learning contents and transversal cross-functional resources to personalise the learning experience. This approach implies a fluid learning process that happens in the pace of work, anytime, anywhere, anyhow... supporting the upskilling and reskilling needs of our employees.

During 1H23, EDPR delivered a total of 30,529 training hours to 92% of its employees, translating into an average of 10 hours of training per employee.

### Knowledge management

EDPR is aware of the importance of Knowledge as a valuable asset within the business and in employees' development. Thus, EDPR is boosting LINK as a knowledge platform, increasing the number of areas, domains and curated documents with valuable content captured and shared across the organisation encouraging the access to recommended documents. During 1H23, EDPR organised a total of 19 sessions of *40fiveminutes* (online or in-person), an initiative to easily share main business insights in a friendly and informal way by internal Experts to those employees who voluntarily register in these Open Sessions.

### Mobility

EDPR considers both functional and geographical mobility as a tool that contributes to the organisational development by stimulating employees' motivation, skills, productivity, personal fulfilment and fostering the share of best practices. The mobility processes within EDPR aim to respond to the different challenges and needs of the Company, considering the characteristics of the different geographies, and they can be functional, geographical or both functional and geographical. In addition, entering in new geographies such as APAC has meant that new mobility opportunities have arisen.



## 3.3. Supply chain capital

EDPR's market leadership, based in value creation capacity, innovation and relationship with its stakeholders, is much influenced by the performance of its suppliers. Suppliers are a key partner for the Company, and also a main one to achieve its installed capacity growth targets and sustainability goals. Technical excellence, execution performance, economic competitiveness, together with sustainability are the basis of EDPR relationship with suppliers. This results in close collaboration, joint capacity to innovate, but also strengthen the sustainability practices and improve the quality of the Company's operations.

### EDPR's supply chain

EDPR has a strong interaction, and a permanent dialogue and engagement process with its supply chain, in particular with the suppliers of the critical equipment and services, understood as WTG (Wind Turbine Generator) & Solar Panels, Inverters, Structures/Trackers, Batteries, Balance of Plant (BOP) and Operation and Maintenance (O&M) contractors. This close relationship allows EDPR to benefit from all the new technical solutions and innovations available and helps the Company to anticipate and minimize impacts during the projects' execution.

### High quality and sustainable procurement

EDPR's Procurement Policy establishes the framework under which the Company's procurement process is developed. This process extends to direct and indirect suppliers and allows EDPR to establish practices and procedures that ensure a transparent and high-quality relationship with its suppliers and sustainability practices through the entire supply chain. Many practices are possible through continuous dialogue and engagement with suppliers where the main priorities of both parties are shared at the technical, implementation and ESG levels.

EDPR has in place requirements related to ESG, Quality and Risk management that have to be met by its suppliers throughout the main procurement phases: Registration and Qualification, Requests for Proposals and Contracting and, lastly, the Monitoring and Evaluation of the suppliers.

### Registration and Qualification phase

The registration process is a mandatory requirement for any company who intends to become a supplier or apply for a qualification process issued by EDPR. The Corporate System of Supplier Registration of the Company works as the support to search and select suppliers by providing detailed information, validated and updated by credible sources, in order to guarantee their accreditation through financial, H&S, quality and ESG criteria. EDPR has also its own Supplier Qualification Process in place, focusing in specific and critical issues and requirements for EDPR's business. In addition, during the Qualification Process, the Company shares for suppliers' knowledge: EDPR Code of Ethics, EDPR Integrity Policy and EDP Supplier Code of Conduct. The qualified suppliers are then included in a Qualified Suppliers List and only those suppliers who have been qualified and are included in this List will be able to receive a subsequent award.

### Request for Proposals (RFP) and Contracting phase

#### Request for Proposals (RFP) from suppliers

The incorporation of strict criteria in the contracting processes of the Company is essential to ensure in-depth management, mitigation, and avoidance of operational and ESG risks in the supply chain. EDPR has included an additional analysis on 5 ESG priorities in its turbine, module, trackers and inverters tenders (RFPs): Decarbonisation, Circular Economy, Human Rights, Health and Safety, and Biodiversity. EDPR analyses corporate policies, targets, strategies, statements, roadmaps and other corporate documents or procedures that show suppliers' commitment and performance to EDPR's ESG priorities. This analysis also helps the Company to avoid and mitigate potential ESG risks. Adequate compliance by all EDPR suppliers with applicable H&S and environmental requirements is essential to guarantee the correct performance of the contracted services and works.

Moreover, EDPR has a Third-Party Integrity Due Diligence Procedure which was approved with the goal to reinforce the mechanisms for identifying and preventing possible integrity or corruption risks for EDPR in the relationship with third parties. In this sense, during 1H23, 208 Compliance analysis of suppliers were performed (closed Integrity Due Diligence Analysis). In addition, an internal tool has been developed to facilitate the management of the Integrity Due Diligence analyses. In cases with high risk, it is necessary the approval of the Management Team, and the inclusion of robust clauses related to corruption in the corresponding agreements is recommended. These IDD allows the Company to verify public sanction lists, Political Exposed Persons lists (PEPs) and adverse media, in order to avoid any integrity risk.



### Supplier Contracting and Awarding

In addition, during the contracting and awarding phase, the Company also establishes a fluent dialogue with its suppliers. Through this engagement process, EDPR requests information from strategic suppliers regarding the traceability of materials and components, and adds technical and ESG clauses. Technical components, including serial number and manufacturing origin must be provided by suppliers during this phase, ensuring traceability and enabling post-contracting manufacturing audits. This traceability information on the origin of the components allows the company to assess and avoid potential ESG risks.

In parallel, financial capacity of the suppliers and their insurance policy are evaluated according to the EDPR's Credit-in procedure that defines the requirements to ensure the compliance with EDPR's Counterparty Risk Policy and the proper follow-up of active guarantees.

### Monitoring and Evaluation phase

In order to guarantee that the suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery and activity in EDPR's facilities. EDPR has passive and active mechanisms to ensure that suppliers comply with its contractual obligations. Passive mechanisms are those related to suppliers' disclosure when they identify any situation, infringement, or circumstance that may affect the agreement. Active mechanisms include: quality physical audits of the manufacturing process; inspections to suppliers to monitor the suppliers' and contractors' performance regarding environmental and H&S aspects and identify corrective actions (over 1,400 inspections performed to suppliers in 1H23); external parties for additional supervision in these areas; HSE management system externally certified according to international standards ISO 45001 and ISO 14001; in Europe and South America Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR; and finally suppliers' evaluation and classification according HSE performance and risk to classify suppliers and implement action plans.

### EDPR's scope 3 and supply chain decarbonization

EDPR's activity inherently contributes to the achievement of global climate goals. Despite this, scope 3 has become a priority for the Company, as most of the Company's emissions are directly related to the supply chain.

EDPR has implemented during 2022 a methodology for measuring upstream emissions from the supply chain, for which it has been essential to engage with suppliers to know the emissions linked to their activity with EDPR.

In this sense, EDPR's recent commitment to SBTi (near term and net zero standards) makes it a priority for the Company to continue improving this upstream assessment, its climate disclosure and continue with its engagement and green procurement processes.

## 3.4. Social capital

At EDPR, there's a commitment to integrate the social aspects in planning and decision-making and to guarantee responsible operations throughout the whole lifecycle of its business. As a result, EDPR undertakes to respect and foster due respect for these practices within the Company and in its supply chain.

Specifically, EDPR believes it is indispensable to contribute to the development of the society respecting both human and labour rights and creating value in different ways, for different people. With this in mind, the Company is guided by three key social responsibility principles: guarantee the highest health and safety standards, respect human and labour rights in the whole value chain and, lastly, support communities.

### 3.4.1. Guarantee the highest health & safety standards

The health and safety of those who contribute to EDPR's activities is a key value and a priority for its success. Consequently, the Company aims to promote and build on a positive safety culture in which every employee, service provider and supplier is engaged. According to its Code of Ethics, EDPR undertakes to give priority to the employees and suppliers' safety, health and wellbeing and to ensure the development of appropriate occupational health and safety management systems. The commitment to guarantee the welfare of employees and contractors is further supported by EDPR's Occupational Health and Safety Policy.

EDPR's integrated Health & Safety and Environmental Management System was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS, where synergies play a fundamental role, was implemented and jointly certified by an independent certifying organisation. The implementation of this integrated system allows for better management and prevention of accidents, with the objective of zero accidents overall. The commitment to health & safety is further supported through the ISO 45001 certification, which covers c.100%<sup>1</sup> of EDPR's installed capacity by 1H23.

<sup>1</sup> Calculation based on 2021YE installed capacity (EBITDA MWs). EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2022 will be certified in 2023.

### Key data

During the first half of the year, EDPR registered 31 work-related injuries that resulted in lost workdays for employees and contractors, resulting in an injury rate of 3.2 work injuries per million hours worked (+22% YoY). The lost day rate was of 90 days lost due to work accidents per million hours worked (-41 YoY).

### 3.4.2. Respect human and labour rights

For the Company, it is a top priority to promote human rights and fair labour practices across the entire value chain. EDPR respects and undertakes to promote Human and Labour Rights internally, in its suppliers, customers and local communities, namely in indigenous communities. This commitment is reflected in EDPR's Human and Labour Rights Policy.

This Policy applies to all EDPR Group companies and employees, business relationship and activities, in all its geographic locations, regardless of the local practices or level of social and economic development. In addition, it is articulated with the Code of Ethics, the Stakeholder Relationship Policy, and the Supplier's Code of Conduct, and identifies the references, norms, and international conventions to which it is submitted, establishing the principles and procedures that ensure compliance with them.

As stated in its Human and Labour Rights Policy, EDPR is committed to respecting and enforcing all internationally recognised human and labour rights, which translates into:

- Supporting the International Bill of Human Rights, subscribing to and implementing the Principles of the United Nations Global Compact and the instruments to protect vulnerable people and groups;
- Applying the ILO Declaration on Fundamental Principles and Rights at Work and related conventions and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy;
- Operating a human and labour rights management system that is active and present in all its activities, implementing the United Nations Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct, and the Directive of the European Parliament and of the Council on Corporate Due Diligence and Corporate Accountability.

EDPR also requires its suppliers and service providers to comply with its ethical standards. In this way, the alignment with the spirit of EDPR's Code of Ethics is required. Moreover, the Sustainable Procurement Policy references the promotion of respect for dignity and human rights, and the rejection of any form of forced labour or child labour, harassment, discrimination, abuse, or other types of physical or psychological violence.

In addition, as stated in its Code of Ethics, EDPR promotes a culture free from any sort of harassment, understanding this to be systematically undesired behaviour of a moral or sexual nature, in a verbal, non-verbal or physical form, which has the goal or effect of disturbing or embarrassing another person, or affecting their dignity or creating an intimidating, hostile, degrading, humiliating or destabilizing environment. Harassing forms of behaviour in a business context violate the victims' labour rights, and may affect their value as people and workers, causing harm that can have an impact on their self-esteem, physical and mental health, life project and family relationships. Therefore, in addition to the legal obligations to which EDPR is subject to, the Code of Ethics also states that it is the duty of all employees to prevent, confront and report all behaviour that may preclude a situation of harassment.

In this regard, EDPR's Speak Up Channel is accessible to all employees, customers, suppliers and other stakeholders that may be adversely impacted by the Company or, irrespective of this, that wish to complain, denounce, clarify or expose any situation of ethical nature, including those related to human and labour rights.

The Ethics Ombudsperson, an independent third party that is behind the Speak Up channel, receives the complaints and doubts submitted through this channel and investigates and documents the procedure for each of them. A preliminary report is then submitted to the Ethics Committee, whose main goal is to ensure compliance with the Code of Ethics within EDPR.

### 3.4.3. Support communities

The Company believes that besides excelling in the way it performs, there must be a main factor weighing in every action or activity EDPR does – people. The Company considers that in order to have a positive impact on society, it is vital to work for the common good by promoting and supporting social investment activities.

EDPR's strategy for social investment reinforces two major topics – Fair Energy Transition, and Culture – having defined concrete objectives for the allocation of social investment to each of these themes.

- The **Fair Energy Transition** theme, which englobes social investment activities such as Closer2You, Keep it Local, Wind Experts and Your Energy, aims to promote energy efficiency, renewable energy and decarbonization through increased awareness, supporting education on renewable energy for all. This thematic focus is greatly aligned with EDPR's business and therefore also promotes a more efficient use of the Company's skills, thus contributing to supporting communities in a more efficient manner.
- The **Culture** theme, which englobes EDPR's Powering Culture initiative, contributes to the protection and promotion of cultural heritage, local traditions and access to culture and art, contributing to a more vibrant and creative society.

In parallel and recognising the need to continue supporting projects that respond to other social needs of the communities where EDPR is present, the Company will maintain its investment in various topics such as health, social inclusion and response to emergency situations, among others.

In this context, and as an integral part of the communities where it operates, EDPR undertakes to maintain a relationship of proximity with the local communities engaging in regular and open dialogue, seeking to know their needs, respecting their cultural integrity and looking to contribute to improve the living conditions of local population, taking measures to consider and respect the community interests. Therefore, in line with its social investment strategy and the communities' needs and expectations, EDPR has defined a Catalogue of Activities that works as a tool for defining the social investment made in local communities. Nevertheless, in addition to the development of social activities, EDPR provides long-lasting economic benefits to the surrounding areas that include, but are not limited to, infrastructure investments, tax payments, landowners' royalty payments and job creation.

Globally, during 1H23, EDPR invested a total of €0.6 million in supporting communities, as a result of several activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities. 6% of EDPR employees participated in volunteering initiatives, contributing with more than 1,300 hours of their time to the development and wellbeing of the society.

All in all, the Company believes that this support powerfully contributes to make EDPR's vision of a sustainable, safe, and healthy world a reality.

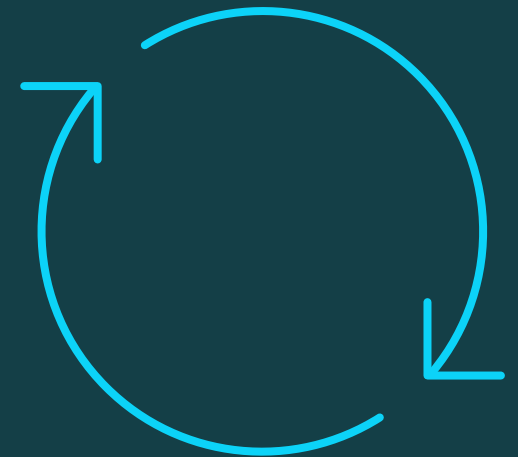
# 3.5. Natural Capital

Wind and solar power are two of the most environmentally friendly ways to produce energy, while contributing to achieving global climate goals and decarbonizing the economy. Despite the positive impact of EDPR's activities on the environment, the Company continues to implement processes and measures to manage ESG issues, and works on a daily basis to protect the natural capital and ecosystems in which it operates. As a result of this commitment, EDPR integrates ESG aspects into the Company's decision making, with sustainability playing a key role within the EDPR's Business Plan 2023–26. Specifically, environmental issues are three of the specific ESG targets included in the BP.

EDPR's Environmental Policy establishes the Company's specific commitments to contribute to the mitigation of climate change, the promotion of the circular economy and the protection of biodiversity. The Policy reflects EDPR's approach to complement the Company's strategy through responsible and proactive management of environmental aspects along its entire value chain. EDPR implements measures to avoid, minimize and compensate any potential impact on the environment, establishing a series of commitments to ensure the proper implementation and maintenance of an effective Environmental Management System at its facilities.

The integrated Health & Safety and Environmental Management System, developed and certified according to international standards ISO 45001 and ISO 14001, enables EDPR to adopt a global environmental and safety efficient approach, standardizing processes and allowing the Company to manage the potential risks of its activity. This management system is implemented and then certified by an independent certification organization. By the end of 1H23, ISO 14001 certification covers c. 100%<sup>1</sup> of EDPR's installed capacity.

**With an expected life span of 30 years, EDPR's wind farms will pay back their life-cycle energy consumption in less than one year<sup>2</sup>, meaning that for the remaining 29 years of their life cycle they will be producing clean energy.**



<sup>1</sup> Calculation based on 2021YE installed capacity EBITDA. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2022 will be certified in 2023;

<sup>2</sup> According to the life cycle assessments of our main turbine suppliers.

**2023-26**  
Business Plan  
Targets



**1. Development**



**2. Construction**

<p><b>&gt; 4</b> <b>GW/yr</b></p> <p>Gross additions</p>	<p><b>Climate Change</b></p>	<p>EDPR promotes the development of new renewable energy projects that contribute to achieving global decarbonization goals and fight against climate change.</p> <p>During the development phase, the Company's highly experienced and qualified EDPR teams locate the best sites for renewable energy generation, based on the necessary resources (wind and sun) and with nearby transmission lines.</p>	<p>EDPR aims to be a reference in the industry for building the most cost competitive, safe and efficient wind farms and solar plants in order to generate clean energy and help protect the climate.</p> <p>The Procurement, Engineering and Construction teams from EDPR are well equipped to select the best wind turbines and solar panel systems based on each project's specifics. The Company also uses in-house expertise to design the best sites, and assure top-class engineering and construction standards.</p>		
		<p><b>85%</b></p> <p>Waste recovery along the value chain</p>	<p><b>Circular Economy</b></p>	<p>During the development phase, EDPR takes into account circular opportunities when designing the facilities. The search for circular solutions in this phase allows the Company to design facilities that are as circular as possible, taking advantage of rainfall resources and taking into consideration future waste treatment and collection.</p> <p>EDPR, through its sustainability guidelines and its engagement with suppliers during the RFPs, shares with them the recyclability of materials as one of the Company's priorities.</p>	<p>The construction phase is essential to the circularity goals of the Company and its operations by promoting the efficient use of natural resources and maximizing the recovery of waste and resources, as well as their reintroduction into the economy as by-products. In Europe, for both the construction and operation phases, the Company has sustainability guidelines for suppliers, which include environmental and social aspects, including proper waste management.</p> <p>Finally, the environmental monitoring and surveillance of the construction works ensures a sustainable use of resources, as well as the correct management of the waste generated.</p>
				<p><b>100%</b></p> <p>Projects with Net Gain Biodiversity tracking system</p>	<p><b>Biodiversity</b></p>

2023-26  
Business Plan  
Targets



### 3. Operation



### 4. Dismantling / Repowering

<p><b>&gt; 4</b> <b>GW/yr</b> Gross additions</p> <p><b>Climate Change</b></p>	<p>EDPR produces renewable energy, which inherently involves contribution to the fight against climate change and the reduction of GHG emissions. Both wind and solar energy are emission-free and do not produce harmful SOx, NOx or mercury emissions, thus protecting air and water resources.</p> <p>During 1H23, EDPR's operations allowed the Company to avoid the emission of 10 million tons of CO<sub>2</sub>. In addition, CO<sub>2</sub> emissions related to EDPR's activities (including all EDPR's upstream and supply chain emissions<sup>3</sup> in 2022) represent only 26% of total emissions avoided.</p>	<p>The efficiency of wind turbines and solar panels, as well as their end of life, are evaluated by the Company for their replacement or dismantling. The repowering of wind farms has been one of the solutions applied by EDPR, which consists of replacing equipments with more efficient models. The new modern models and equipments allow the Company to increase installed capacity, the CO<sub>2</sub> avoided and the clean energy generated.</p>	
	<p><b>85%</b> Waste recovery along the value chain</p> <p><b>Circular Economy</b></p>	<p>EDPR promotes a sustainable and rational use of the resources it needs, as well as a reuse of components whenever possible. In this regard, the Company encourages the recovery and recycling of waste. In 1H23, EDPR recovered 74% of the total waste generated in its operations, and 94% of the hazardous waste. Most of this waste is related to the necessary maintenance of the assets during their operational phase, with the remaining part coming from the offices.</p> <p>For the time being, the activity carried out by EDPR does not involve material water consumption. However, the Company continuously analyzes this variable for its correct management.</p>	<p>In the case of wind turbines, the recycling rate is between 80-90%, as the remaining percentage is related to turbine blades, which are composed and manufactured with complex materials that make them difficult to recycle. As the Company's solar energy capacity grows, EDPR integrates circularity criteria into its operations and decision-making process.</p> <p>EDPR is committed to supporting processes and initiatives to recover blades and promote the circular economy. In addition, EDPR integrates circularity criteria in upcoming dismantling projects and takes them into account when working with suppliers at this stage.</p>
	<p><b>100%</b> Projects with Net Gain Biodiversity tracking system</p> <p><b>Biodiversity</b></p>	<p>In order to ensure that suppliers comply with environmental requirements during the operation and maintenance phase, EDPR has an environmental monitoring plan implemented. In this regard, EDPR conducts internal inspections to monitor the environmental performance of contractors, in order to ensure proper monitoring of operations and the implementation of measures and initiatives to protect biodiversity.</p> <p>In 1H23, EDPR performed more than 500 inspections to around 100 suppliers on their environmental procedures during the construction and operation of the Company's projects.</p>	<p>The Company is committed to cleaning and restoring the land to return it to its initial state, as well as minimizing any potential impact generated.</p> <p>To this end, EDPR has been working on an environmental management guide for the dismantling phase, with the aim of serving as a framework for all the measures to be applied in the process, including biodiversity criteria. In addition, EDPR North America has a Corporate Wildlife Policy that includes best management practices for dismantling.</p>

<sup>3</sup> Supply chain emissions are assessed on an annual basis.

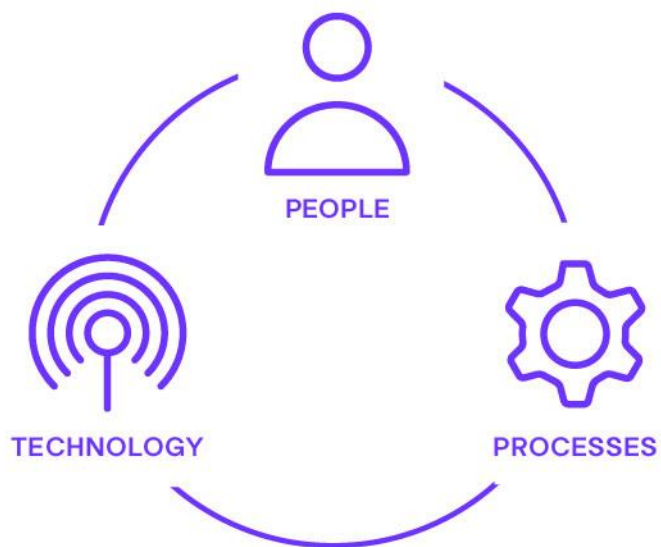
## 3.6. Digital Capital

EDPR is evolving to a more global, digital, and agile organisation by aligning business vision and ambition to EDPR’s Business Plan 2023–2026 and converging the Company’s former digital initiatives and programs into a unique program with the goal of having “One team with a Common vision and Global impact.”

The Digital Transformation Program is focused on:

1. Aggregating all initiatives in one common program to ensure an alignment with EDPR’s ambition and creating a global digital roadmap;
2. Monitoring through an aggregated vision, both locally and globally;
3. Accelerating initiatives’ deployment to ensure successful and timely delivery.

The transformation program is focus on strategic drivers as: Data, People & Culture, Cybersecurity, Innovation, Architecture.



### Technology

Some of the highlights during the 1<sup>st</sup> half of 2023 are:

#### Cybersecurity

- Established a risk based, IT integrated cybersecurity governance, framework and capabilities across the globe to reduce cyber risk exposure and improve incident response efficiency.

#### Reference Architecture

- Converge and standardise reference architecture across platforms to maximise synergies, speed up time to market of new products and applications and ensure scalability.

#### Digital Roadmap

- Digital Roadmap 2023–26 is in progress and seeks to have an aligned digital vision, focusing on higher business value and engaging the organisation toward the digital transformation.
- The key drivers for the exercise success are:
  - Value driven & business oriented
  - Actionable with tangible results
  - Engaged & Collaborative

### Processes

In the first half of 2023, EDPR continued the implementation of digital priorities identified in the “Digital Start” exercise performed in 2021 to boost digitalisation of processes across the company. In parallel, the team continued with existing programs to fast-track digital transformation at EDPR.



## Digital Start

We introduced a new digital process in the Asset Management department to better coordinate landowner payments. This process creates recurring tasks for payment obligations to help the team in determining when payments are due. Together with a digital process already in place for non-landowner payments, our Asset Management team processed more than 2,000 tasks in the first half of 2023.

In addition, our new E2E digital pricing process was rolled out improving coordination and reducing overall response time when calculating project pricing.

## BPM

Over the past decade, our Business Process Excellence (BPE) practice has been instrumental in accelerating the digitalisation and streamlining of processes at EDPR. In the first half of 2023, EDPR teams created approximately 190,000 digital records in our 175+ BPM tools, and the BPE team implemented over 125 ideas for new tools or improvements to existing tools.

## RPA

In the first half of 2023, the BPE team alongside with our five citizen developer areas used Robotic Process Automation (RPA) technology to automate tasks in more than 80% of departments across EDPR. With intelligent use of RPA technology, teams can increase efficiency and support profitable growth by automating routine tasks and enabling their employees to spend more time on higher-value work. Currently, 412 different automations are in place throughout EDPR, and already in 2023 these automations performed tasks that would have taken our employees an estimated 78,000 hours to do on their own.

## People

Every change in culture must start with people, and Digital Transformation only takes place if the people with both the necessary skills and mindset are involved in the process. During 1H23, digitalisation training continued to be a key aspect of the learning strategy with digital contents available as an important pillar of the digital skills transformation: new resources coming from eLearning solutions, recorded webinars conducted internally by employees, sessions delivered in streaming or remote methodologies or learning contents from the UDEMY Business portfolio with +11,000 online top courses selected added to the learning offer at EDPR and a new look & feel of the Campus Online (the LMS of the EDP Group) with new

features such as recommended online contents and learning resources coming from different portfolios.

With the digital mindset project now launched, EDPR is taking a more integrated approach to accelerate digital adoption. With a clear diagnostic of the core pillars that will accelerate change, until the end of the year an individual assessment and report will be provided to each employee with tools and tips on how to accelerate each one's digital maturity and change management pilots will take place. In parallel to the project, some specific immersive experiences are being held targeting critical segments like leadership. One worth mentioning is the *'Digital 2 leaders'*, a 3-day immersive experience where top leaders are inspired and learn about the main technologies that impact our business and how to adopt digital ways of work.

The EDPR People & Organisational area plays an active role in the Digital Transformation Roadmap, leading the implementation of initiatives that directly impact on the digitalisation roadmap of the employees or internal initiatives exclusively addressed to P&O professionals such as *'Let's Try Agile'* to create awareness, provide skills and foster the Agile mindset in every project. New initiatives are expected to be launched regularly in order to reinforce and ensure that a digital culture is spreading all over the Company and that everyone is on board with the changes that are taking place across the business. The OT Cybersecurity program starting in September 2022 keep on training more employees on the importance of security and prevent cyberattacks in Operation Technologies during the first quarter of 2023 and new eLearning contents have been developed or revised in this period (*'Lean Training'* or *'HSE Management System'*).

EDPR is driving a learn anytime, anywhere, and anyhow experience where employees are accountable for their growth. From strong on demand contents on "digital to all", to making available certifications on key technological fields to professionalise tech profiles, there is a strong investment in upskilling EDPR's digital capabilities.



## 3.7. Innovation capital

Innovation is one of the hallmarks of EDPR. The Company's history is built on the continuous searching of new trends and solutions in energy production to meet its stakeholders' expectations. Accordingly, EDPR develops projects within the framework of its two main strategic pillars for Innovation: Cleaner Energy focused on sustainable power generation, and Energy Storage & Flexibility to ensure a smoother transition to an energy mix system.

The Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns, and a more sustainable future. As a result, EDPR engages in projects that englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen, and hybrid power plants.

EDPR is also developing core key-tech enablers initiatives to unblock innovation capabilities, using digitalisation as a powerful innovation enabler. Business Information Modelling (BIM) together with Geographical Information System (GIS) are game changers for design, control and render of the assets, which opens windows for further innovations. Digital environment is moving forward in the operations area as well, focused on all activities which provide accuracy in operations as Statistical applications based on R and Machine learning for components failure rate and failure modes estimation, Reliability with Robot field activities as blade repairing in wind turbines, and efficiency as blade inspection through A.I. image processing.

### Cleaner energy

### Construction

#### BIM + GIS

BIM allows to define and implement a collaborative working methodology to generate a digital asset from the engineering phase until operations, centralizing all its information in a digital information model generated by all its agents. BIM is currently at a medium level of implementation in the construction sector, and low in the renewable one, so its implementation is an innovation in itself as it is a disruptive change, a cultural change that involves multiple processes of design, quality, communication, and whole management. EDPR is nowadays consistently implementing BIM focused on development and engineering stages in different regions across Europe and is starting the first pilot project at the Construction stage. The

degree of innovation is directly related to the layers of information or BIM uses that can be implemented in the virtual construction models, being in the case of EDPR multiple uses applied, including elements of calculations (CapEx), simulations (road traffic, hydrological, etc.) and automations (connection with ProjectWise and GIS).

The connection of BIM with GIS also represents a high degree of development and the increase of interoperability between systems. By combining BIM and GIS, spatial analysis becomes more comprehensive and accurate, bringing clash detection to the forefront of the Construction strategy. This integration fosters sustainable and data-driven strategies, and as a result, stakeholders can make informed decisions based on accurate and up-to-date data, leading to improved project outcomes.

#### Construction digital controlling

Vyntelligence, winner of the 2020 Free Electrons program, delivers augmented intelligence with the purpose of simplifying workflow processes, while it increases operational efficiency, reducing costs, and creating invaluable business intelligence. Their Remote Audit solution makes it easier to remotely audit work in the field with Video intelligence, by combining AI with a more human way of capturing data in the field, using a short, guided video from the mobile. This solution approach can improve the quality and operational efficiency of EDPR's projects thanks to remote supervision specifically at the construction stage.

Vyntelligence will provide a platform that allows an acceleration of workflows, helping in the digitalization of processes. Remote supervision of Meteorological Mast assembly and start-up on one hand and Substation switchyard electromechanical assembly and commissioning, on the other hand, are the objectives of a pilot that will last until October 2023. Preliminary conclusions led to good implementation of the EDPR audit process, very good user experience in the field, and even better potential savings in efficiency thanks to data analytics once the AI training has started. This initiative will open the door to checking the fit of augmented reality among Construction Control digitalization.

#### Foundation Optimization

Analysis of new concepts that allows to reduce the BoP Capex due to decrement of quantities of concrete and steel and the improvement of foundation construction due to new type of concretes that allows the timing executions

## Operations

### Wind farms

#### Blade inspection and repair

In the recent months, several demonstrations of blade inspection were performed with different approaches (auto-flight drones, live streaming drones, non-stop inspection) to understand their advantages, disadvantages, maturity and future of each technology. In addition, the ROMAIN project for blade maintenance was kicked-off. A collaboration project led by EDP that aims to design a compact robot capable of carrying and deploying the newly developed inspection and repair kit along the blade.

#### Virtual reality

The Telepresence and Virtual Dispatcher initiative tries to provide the O&M team a remote and collaborative inspection tool for wind farms implementing a Virtual Reality based approach. A first concept test was built for Carondio wind farm in Spain, and the goal is to deploy the technology for all the WTG in a wind farm during 2023.

### Solar plants

#### PV module technologies benchmark @SUNLAB (in Santarém, Portugal)

New PV module testbed showcasing the most promising technologies of this decade. Currently, 2 different manufacturer Heterojunction modules are being tested and compared with mono PERC. Solar PV-Technology team, with Oxford PV, GCL and Hanwha with the goal of getting some Si-Perovskite tandem modules as soon as they are ready to provide them.

#### Automated Guided Vehicles (AGV) for services in PV plants

EDPR supported a local manufacturer with an agreement for manufacturing an autonomous robot for cleaning the panels of a PV power plant. The prototype will be able to perform the cleaning without any human intervention. It consists of an outdoor electric AGV provided with a brush and fast change water tank and battery pack. This prototype is scheduled to be tested in Acampo Arval PV plant in the second half of 2023. In addition, the VASD project was launched in 2022, aiming to develop an autonomous robot for vegetation mowing and collecting the leftover. The system will be able to face rough and dense vegetation.

### Hybrid plants

Hybrid power plants combine different sources of energy production and storage to leverage the strengths and address the challenges of each specific production method with the aim of generating energy that is more affordable, reliable, and sustainable. The hybridisation of pre-existing assets is one of the main pathways for growth within the renewable energy sector, increasing the efficiency of projects, promoting the use and co-opting of existing electrical infrastructure, increasing cost stability and a reduced impact on the environment.

In January 2023, EDPR connected its first international hybrid plant to the grid, combining wind and energy production on a single site in Portugal. This was the first plant on the Iberian Peninsula to combine the two different technologies. Later in June, EDPR was granted permission to operationalize Spain's inaugural hybrid project that combines wind and solar power generation. This milestone makes EDPR the first company in the sector to implement wind-solar hybrid projects in both Spain and Portugal. Nevertheless, EDPR intends to carry on focusing on similar projects in all regions of the world where it is present, with hybrid plants development already under way in North and South America in addition to other European countries including Poland, Italy, and Greece.

## Energy storage & flexibility

### Battery storage

EDPR works on different projects to improve battery life, improving and maximising battery life to obtain the highest possible efficiency, allowing to get more potential out of them. EDPR's Technology team is working on the development of software and hardware tools to enable better analysis of the State of Health (SOH) of lithium-ion batteries. SOH is a key parameter that determines the remaining capacity (Ah) of a battery cell as a function of the degradation experienced by both cyclic degradation and lifetime. Thus, through an accurate characterisation of the SOH, optimisation of the complete lifetime of a Battery Energy Storage System (BESS) project, from design/sizing to operations/maintenance, can be achieved.

Modelling is also extended to the other components of a BESS, mainly the Power Conversion System (PCS). The PCS acts as the connecting element between the DC component and the AC interface. The PCS is of vital importance to extract the full potential of a BESS as a provider of key and novel applications for the grid (RES integration, grid formation, etc.). Different power conversion system topologies for grid integration of lithium-ion batteries are analysed and modelled in order to assess their capabilities with respect to each of these applications.



# Our change



# Concepts and definitions

# Concepts and definitions

## A

### Asset Rotation

Strategy aimed at crystallizing the value of a project by selling a minority stake in an asset and reinvesting the proceeds in another asset, targeting greater growth.

### Availability

The percentage of time a wind turbine is technically available to capture the wind resource and convert it to electricity.

## B

### Blades

The large “arms” of wind turbines that extend from the hub of a generator. Most turbines have either two or three blades. Wind blowing over the blades causes the blades to “lift” and rotate.

### BOP

Balance of plant. All the supporting components and auxiliary equipment of the wind farm other than the generating unit.

### BP

Business Plan.

### BU

Budget.

## C

### CAGR

Compound annual growth rate.

### Carbon leakage

Occurs when due to the higher costs related with climate change policies (for example taxes or other penalties on carbon emissions), the companies decide to move their production to countries with more relaxed policies, therefore leading to higher carbon emissions ex-post.

### Capex

Capital Expenditure. Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings, or equipment (ex: construction of wind farms).

### Cash-flow

Amount of cash generated and used by a company in a given period. Cash flow can be used as an indication of a company’s financial strength.

### CfD

Contract for difference. Remuneration scheme based on the difference between the market price and an agreed “strike price” where if the “strike price” is higher than the market price, the CfD. Counterparty pays the generator the price difference.

### CO<sub>2</sub>

Carbon dioxide. A heavy colorless gas that does not support combustion, dissolves in water to form carbonic acid, is formed especially in animal respiration and in the decay or combustion of animal and vegetable matter, is absorbed from the air by plants in photosynthesis, and is used in the carbonation of beverages.



## COD

Commercial Operating Date. Date at which the project starts officially operating, after the testing and commissioning period.

## Core opex

Includes costs of supplies and services and with personnel, costs that are controllable by the company.

## Critical suppliers

Includes suppliers of turbines, balance of plant and O&M.

## Curtailment

The forced shut-down of some or all the wind turbine generators within a wind farm to mitigate issues associated with turbine loading export to the grid, or certain planning conditions. Curtailment is controlled by the regional transmission operator.

## CO<sub>2</sub>e avoided (by renewables)

Emissions that would have occurred if the electricity generated by renewable energy sources in each geography was produced from the mix of thermoelectric power plants in that geography.

## D

### Dividend pay-out ratio.

Measures the percentage of a company's net income that is given to shareholders in the form dividends. (Total Annual Dividends per Share / Earnings per Share).

### Dividend policy

Set of guidelines a company uses to decide how much of its earnings it will pay out to shareholders.

## E

### EBITDA

An accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation and amortization are subtracted, as a proxy for a company's current operating profitability.

### EMS

Environmental Management System. System that assures the protection of the environment through a proactive environmental management of the facilities in operation.

### EPS

Earnings per share. The portion of a company's profit allocated to each outstanding share of common stock.

### Equity consolidation

Accounting process of treating equity investments, in associate companies. Equity account is usually applied where the entity holds 20-50% of voting stock.

## F

### Feed in tariffs

Remuneration framework that guarantees that a company will receive a set price from their utility, applied to all of the electricity they generate and provide to the grid.

### Financial investment

An asset in which to put money into with the expectation of obtaining gains or an appreciation into a larger sum of money.

## Forex/FX

The market in which currencies are traded.

## Full scope

Scheme of maintenance in which a third-party supplier is directly responsible for the full maintenance of the project. The project pays a fixed fee and assumes low risk.

## G

### GC

Green certificate. Tradable commodity proving that certain electricity is generated using renewable energy sources.

### GCF

Gross Capacity Factor – The ratio of a site's gross output over a period of time, to its potential output if it were possible for it to operate at full capacity continuously over the same period of time.

### GHG

Greenhouse gases. Gases that trap the heat of the sun in the Earth's atmosphere, producing the greenhouse effect; the two major greenhouse gases are water vapor and carbon dioxide; lesser greenhouse gases include methane, ozone, chlorofluorocarbons, and nitrogen oxides.

### GO/GoO

Guarantee of Origin. Tracking instrument that guarantees that electricity has been produced from renewable energy sources. Those GO are traded and used by suppliers to sell green energy.

## Gross profit

An accounting measure calculated using a company's revenue minus its cost of goods sold. Gross profit is a company's residual profit for selling a product or service and deducting the cost associated with its production and sale.

## GW

Unit of electric power equal to 1,000 MW.

## GWh

Equal to 1,000 MW used continuously for one hour.

## H

## Hedging

Risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, or securities.

## I

### IFRS16

Regulatory standard of operating leases that requires the recognition of lease commitments for the entire duration of contracts into the balance sheet liabilities as well as the recognition of a new asset "Right of Use Asset" as counterparty.

## Installed capacity

Capacity installed and ready to produce energy.



## ISO 14001

ISO 14001:2015 – Environmental Management Certification is an international standard for designing and implementing an effective environmental management system (EMS) to enhance the company's environmental performance.

## ISO 45001

ISO 45001:2018 – Specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organizations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

## ITC

Investment tax credit. Tax incentive in the US which differ from the Production Tax Credit in the sense that the Tax Equity Investor receives a one shot tax credit that covers a percentage of the investment.

## L

### LCOE

Levelized cost of electricity. Provides a common way to compare the cost of energy across technologies. LCOE takes into account the installed system price and associated costs such as financing, land, insurance, transmission, operation and maintenance, and depreciation. The LCOE is a true apples-to-apples comparison of electricity costs and is the most common measure used by electric utilities or purchasers of power to evaluate the financial viability and attractiveness of a wind energy project.

## M

### M3

Modular maintenance model. Maintenance scheme which is halfway between the self-perform and a full scope maintenance, with some activities being performed in-house.

## MW

Unit of electric power equal to 106 watts.

## MWh

Equal to 106 watts of electricity used continuously for one hour.

## N

### Net capacity factor (NCF)

The ratio of a plant's actual output over a period of time, to its potential output if it were possible for it to operate at full nameplate capacity continuously over the same period of time. Also known as Load Factor.

### Net debt

A metric that shows a company's overall debt situation calculated using company's total debt less cash on hand.

### Net investment

Equals (Capex + Financial investments – Financial divestments).

## O

### O&M

Operations and maintenance. All the activities necessary to run the wind farm in a reliable, safe and economical way including for instance maintenance, repair, monitoring and operation.

## PPA

Power purchase agreement. A legal contract between an electricity generator (provider) and a power purchaser (host). The power purchaser buys energy, and sometimes also capacity and/or ancillary services, from the electricity generator.

## PTC

Production tax credit. The result of the Energy Policy Act of 1992, a commercial tax credit in the US that applies to wholesale electrical generators of wind energy facilities based upon the amount of energy generated in a year.

## R

### Renewable energy

Energy that is derived from resources that are regenerative or that cannot be depleted including wind energy, solar, biomass, geothermal, and moving water. Also known as alternative energy.

## REC

Renewable energy credit. Represents the property rights to the environmental, social, and other non-power qualities of renewable electricity generation. A REC can be sold separately from the electricity associated with a renewable energy generation source.

## RES

Renewable energy sources.

## RCF

Retained cash-flow. The amount to pay dividends to shareholders and/or to fund new investments and includes EBITDA after paying interests and tax equity investor's costs and after paying distributions to equity partners and taxes.

## ROIC Cash

Return on Invested Capital (based on Cash Flows). Represents a measure of the profitability and value creation of a project or company.

## RPS

Renewable Portfolio Standard. Regulation in the US that places an obligation in certain states on electricity supply companies to source a specific percentage of their energy from renewable sources.

## S

### Self-perform

Maintenance scheme in which all the maintenance works are done in-house which means that the project assumes the whole risk.

### Sell-down

Divestment strategy by which the company sells majority stakes of projects in operation or under development to recycle capital, with up-front cash flow crystallization, and creates value by reinvesting the proceeds in accretive growth, while continuing to provide operating and maintenance services.

## SF<sub>6</sub>

Sulfur hexafluoride. Colorless, odorless, non-flammable and potent greenhouse gas which is used in the electrical industry especially in gas insulated switchgear power installations.

## Solar DG

Solar Distributed Generation. Facilities that generate electricity by means of solar power through Distributed Generation (DG), a system that generates power near the point of consumption.

## Solar PV

Solar photovoltaic. Plant that generates electricity by means of solar power through photovoltaics, consisting of an arrangement of several components, including solar panels to absorb and convert sunlight into electricity, a solar inverter, cables and other electrical accessories.

## T

### TSR

Total Shareholder Return. Measures the return that the stock provides to the shareholder, including dividends paid and the stock price appreciation.

## Tax equity

Financing structure (US) where the tax equity investor contributes capital in exchange of tax benefits and cash distributions during the 1st ten years the park operates, or until investment is recovered.

## TEI

Tax Equity Investor – Financing structure (US) where the tax equity investor contributes capital in exchange of tax benefits and cash distributions during the 1st ten years the park operates, or until investment is recovered.

## Transition risks

Climate risks related to the transition to a lower-carbon economy, that may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these

changes, transition risks may pose varying levels of financial and reputational risk to organizations.

## UN SDG

United Nation's Sustainable Development Goal.

## W

### WATT (W)

The rate of energy transfer equivalent to one ampere under an electrical pressure of one volt. One watt equals 1/746 horsepower, or one joule per second. It is the product of voltage and current (amperage). Watts are the yardstick for measuring power.

## Wind energy

Power generated by converting the mechanical energy of the wind into electrical energy using a wind generator.

## Wind farm

Used in reference to the land, wind turbine generators, electrical equipment, and transmission lines for the purpose of generating wind energy and alternative energy.

## Y

### YoY

Year-on-Year.

### YTD

Year-to-date.

Members of the Board of Directors of the Company EDP Renováveis, S.A.

**DECLARE:**

To the extent of our knowledge, the information referred to in article 29-J of the Portuguese Securities Code, approved by Decree-Law no. 486/99 of 13 November, and in sub-paragraph a) of paragraph 1 of article 11 of the Royal Decree 1362/2017 of 19 October for the development of the Spanish Securities Market Act, both partly transposing Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, as well as other documents relating to the submission of Condensed Interim Consolidated Financial Statements required by current regulations have been prepared in accordance with applicable accounting standards and principles, reflecting a true faithful and appropriate view of the assets, liabilities, financial position and results of EDP Renováveis, S.A., and the companies included in its scope of consolidation and the Condensed Interim Consolidated Management Report fairly presents the business evolution, performance, business results and position of EDP Renováveis, S.A., and the companies included in its scope of consolidation, containing a description of the principal risks and uncertainties that they face.

Consequently, the Board of Directors has drawn up the Condensed Interim Consolidated Financial Statements and the Condensed Interim Consolidated Management Report for the six-month period, ended 30 June 2023, on its meeting held in Lisbon, on July 25, 2023.

A handwritten signature in blue ink, consisting of the initials "AS" followed by a long horizontal stroke.

Antonio Sarmiento Gomes Mota  
Chairman

A handwritten signature in black ink, featuring a large, stylized initial "M" followed by several vertical strokes and a checkmark-like flourish at the end.

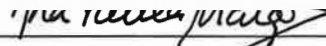
Miguel Stilwell de Andrade  
Vice-Chairman


A handwritten signature in black ink, consisting of a large, stylized initial "R" followed by a horizontal stroke.

Rui Manuel Rodrigues Lopes Teixeira  
Director


A handwritten signature in black ink, consisting of a large, stylized initial "V" followed by several vertical strokes.

Vera de Moraes Pinto Pereira Carneiro  
Director

  
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Ana Paula Garrido de Pina Marques  
Director

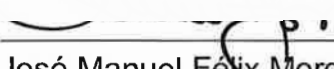
  
\_\_\_\_\_  
Acácio Jaime Liberado Mota Piloto  
Director

\_\_\_\_\_  
Manuel Menéndez Menéndez  
Director

  
\_\_\_\_\_  
Rosa María García García  
Director

\_\_\_\_\_  
Allan J. Katz  
Director

\_\_\_\_\_  
Cynthia Kay McCall  
Director

  
\_\_\_\_\_  
José Manuel Félix Morgado  
Director



Mrs. María González Rodríguez, Secretary of the Board of Directors of EDP Renováveis, S.A. (hereinafter, the “Company”)

**CERTIFIES:**

That, the documentation submitted is a hard copy of the Condensed Interim Consolidated Financial Statements and the Condensed interim Consolidated Management Report for the six-month period, ended 30 June 2023, drawn up by the Board of Directors on July 25<sup>th</sup>, 2023, and the relevant Auditor’s Report (the “Interim Report 1H2023”).

Except for the Board Members pointed out herein below, all Board Members have signed the Interim Report 1H2023.

Mr. Manuel Menéndez Menéndez, Mr. Allan J. Katz and Ms. Cynthia Kay McCall attended the Board Meeting by videoconference, as set forth by the By Laws of the Company. All of them expressly approved the Interim Report 1H2023, although they were not able to sign the Interim Report 1H2023 due to the lack of e-signature.

This certification is issued in Lisbon, on July 25<sup>th</sup>, 2023.

**VºB CHAIRMAN**

**SECRETARY**

A handwritten signature in blue ink, appearing to be 'A Sarmiento', positioned above a horizontal line.

Antonio Sarmiento Gomes Mota

A handwritten signature in blue ink, appearing to be 'M González', positioned above a horizontal line.

María González Rodríguez

