EDP Renováveis, S.A.
and its subsidiaries

Report on limited review
Condensed consolidated interim financial statements
for the six-month period ended June 30, 2022
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 2022, 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 Standards (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 2022 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, in which it is mentioned that these 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 2021. Our conclusion is not modified in respect of this matter.

R. M. Madrid, hoja 87.250-1, folio 75, tomo 9.267, libro 8.054, sección 3ª
Inscrita en el R.O.A.C. con el número S0242 - CIF: B-79 031290

Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the six-month period ended 30 June 2022 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 2022. 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 119 of Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Securities Market Law developed by Royal Decree 1362/2007, of 19 October.

PricewaterhouseCoopers Auditores, S.L.

Iñaki Goiriena Basualdu

27 July 2022

INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

2022 Núm. 01/22/06288

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INTERIM REPORT
EDPR
1H 2022

CHANGING TOMORROW NOW

We are creating a new energy on the planet.
More inclusive. More shared. Greener.
Promoting renewable energy on a worldwide scale.
Accelerating decarbonization, to achieve carbon neutrality. Investing € 19 billion in the energy transition.
Duplicating the capacity in solar and wind power.
Betting on new technologies, such as green hydrogen.
Leading the way in sustainability indexes.
It's in our hands. The only one who change the world, is whoever can change himself, the one who finds the will, the knowledge and the action.
Because this is our story:

To always discover a new ambition.

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Condensed consolidated income statement for the six-month period ended 30 June 2022 and 2021

THOUSAND EUROS	NOTES	2022	2021
Revenues	7	1,113,568	769,438
Income from institutional partnerships in North America	8	123,751	86,518
		1,237,319	**855,956**
Other income	9	134,417	141,018
Supplies and services	10	-196,459	-156,153
Personnel costs and employee benefits	11	-113,819	-82,020
Other expenses	12	-152,443	-93,138
Impairment losses on trade receivables and debtors	23	-665	216
		-328,969	**-190.077**
Joint ventures and associates	20	67,155	-11,637
		975,504	**654,242**
Provisions	32	-545	-874
Amortisation and impairment	13	-335,318	-289,764
Operating profit		639,642	**363,604**
Financial income	14	275,416	94,643
Financial expenses	14	-460,543	-205,765
Financial result – net		-185,127	-111,122
Profit before tax and CESE		454,515	**252,482**
Income tax expense	15	-66,819	-43,714
Extraordinary contribution to the energy sector (CESE)	15	-3,114	-3,004
Net profit for the year		384,581	**205,764**
ATTRIBUTABLE TO			
Equity holders of EDP Renováveis	29	264,739	141,554
Non-controlling interests	30	119,843	64,210
Net profit for the year		384,581	**205,764**
Earnings per share basic and diluted - Euros	28	0.28	**0.16**

Condensed consolidated statement of comprehensive income for the six-month period ended at 30 June 2022 and 2021

	2022		2021	
THOUSAND EUROS	EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS
Net profit for the year	264,739	119,843	141,554	64,210
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)	-	-	-244,466	2
Tax effect of fair value reserve (Equity instruments at fair value)	-	-	60,494	-378
Fair value reserve (cash flow hedge)	-502,041	2,339	-	-
Tax effect from the fair value reserve (cash flow hedge)	118,272	-762	-	-
Share of other comprehensive income of joint ventures and associates, net of taxes	37,215	-	480	-
Reclassification to profit and loss due to changes in control	1,914	-	19,903	-
Exchange differences arising on consolidation	127,936	86,709	49,753	33,366
	-216,704	88,286	-113,836	32,990
Other comprehensive income for the year, net of income tax	-216,704	88,286	-113,836	32,990
Total comprehensive income for the year	**48,035**	**208,129**	**27,718**	**97,200**

Condensed consolidated statement of financial position as at 30 June 2022 and 31 December 2021

THOUSAND EUROS	NOTES	2022	2021(*)
ASSETS			
Property, plant and equipment	16	16,648,812	14,562,300
Right-of-use assets	17	770,409	668,788
Intangible assets	18	157,163	158,875
Goodwill	19	1,755,035	1,268,035
Investments in joint ventures and associates	20	1,131,480	988,522
Equity instruments at fair value	40	37,842	14,878
Deferred tax assets	21	415,272	331,803
Debtors and other assets from commercial activities	23	34,893	32,923
Other debtors and other assets	24	455,933	771,415
Collateral deposits associated to financial debt	31	23,943	23,397
Total Non-Current Assets		21,430,782	18,820,936
Inventories	22	255,177	219,807
Debtors and other assets from commercial activities	23	570,403	465,311
Other debtors and other assets	24	1,537,323	775,310
Current tax assets	25	283,572	224,796
Collateral deposits associated to financial debt	31	21,709	25,708
Cash and cash equivalents	26	1,118,421	1,003,784
Assets held for sale	27	329,701	495,924
Total Current Assets		4,116,306	3,210,640
Total Assets		25,547,088	**22,031,576**
EQUITY			
Share capital	28	4,802,791	4,802,791
Share premium	28	1,599,013	1,599,013
Reserves	29	-1,127,362	-910,658
Other reserves and Retained earnings	29	3,168,682	2,620,292
Consolidated net profit attributable to equity holders of the parent		264,739	655,443
Total Equity attributable to equity holders of the parent		8,707,863	8,766,881
Non-controlling interests	30	1,574,321	1,408,026
Total Equity		10,282,184	10,174,907
LIABILITIES			
Medium / Long term financial debt	31	4,610,761	3,353,104
Provisions	32	337,820	318,317
Deferred tax liabilities	21	463,584	454,564
Institutional partnerships in North America	33	2,338,966	2,259,741
Trade and other payables from commercial activities	34	711,130	634,687
Other liabilities and other payables	35	2,008,976	1,231,218
Total Non-Current Liabilities		10,471,237	8,251,631
Short term financial debt	31	1,787,721	687,845
Provisions	32	6,571	6,316
Trade and other payables from commercial activities	34	1,699,516	1,688,791
Other liabilities and other payables	35	1,015,610	967,643
Current tax liabilities	36	243,046	191,956
Liabilities held for sale	27	41,203	62,487
Total Current Liabilities		4,793,667	3,605,038
Total Liabilities		15,264,904	**11,856,669**
Total Equity and Liabilities		25,547,088	**22,031,576**

* See note 2.A) for details regarding the modification as a result of the change in the Green Certificates and RECs accounting policy

Condensed consolidated statement of changes in equity for the years ended at 30 June 2022 and 31 December 2021

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 2020	**8,623,831**	**4,361,541**	**552,035**	**2,678,982**	**-225,076**	**-23,251**	**3,318**	**7,347,549**	**1,276,282**
COMPREHENSIVE INCOME									
- Fair value reserve (equity instruments at fair value) net of taxes	895	-	-	-	-	-	828	828	67
- Fair value reserve (cash flow hedge) net of taxes	-737,009	-	-	-	-	-737,625	-	-737,625	616
- Share of other comprehensive Income in joint ventures and associates, net of taxes	-14,086	-	-	-	-8,711	-5,375	-	-14,086	-
- Reclassification to profit and loss due to changes in control	5,747	-	-	-	-5,622	11,369	-	5,747	-
- Actuarial gains/(Losses)	16	-	-	12	-	-	-	12	4
Exchange differences arising on consolidation	146,690	-	-		79,487	-	-	79,487	67,203
- Net profit for the year	809,578	-	-	655,443	-	-	-	655,443	154,135
Total comprehensive income for the year	211,831	-	-	655,455	65,154	-731,631	828	-10,194	222,025
Dividends paid	-76,845	-	-	-76,845	-	-	-	-76,845	-
Dividends attributable to non-controlling interests	-38,387	-	-	-	-	-	-	-	-38,387
Share capital increase	1,488,228	441,250	1,046,978	-	-	-	-	1,488,228	-
Other	-33,751	-	-	18,143	-	-	-	18,143	-51,894
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 (cash flow hedge) net of taxes	-382,192	-	-	-	-	-383,769	-	-383,769	1,577
- Share of other comprehensive Income in joint ventures and associates, net of taxes	37,215	-	-	-	-2,474	39,689	-	37,215	-
- Reclassification to profit and loss due to changes in control	1,914	-	-	-	2,063	-149	-	1,914	-
- Actuarial gains/(Losses)	-	-	-	-	-	-	-	-	-
Exchange differences arising on consolidation	214,645	-	-	-	127,936	-	-	127,936	86,709
- Net profit for the year	384,581	-	-	264,739	-	-	-	264,739	119,843
Total comprehensive income for the year	256,163	-	-	264,739	127,525	-344,229	-	48,035	208,129
Dividends paid	-86,450	-	-	-86,450	-	-	-	-86,450	-
Dividends attributable to non-controlling interests	-32,505	-	-	-	-	-	-	-	-32,505
Share capital increase	31,483	-	-	-13,760	-	-	-	-13,760	45,243
Other	-61,414	-	-	-6,843	-	-	-	-6,843	-54,571
Balance as at 30 June 2021	**10,282,184**	**4,802,791**	**1,599,013**	**3,433,421**	**-32,397**	**-1,099,111**	**4,146**	**8,707,863**	**1,574,321**

Condensed consolidated statement of cash flows for the six-month period ended 30 June 2022 and 2021

THOUSAND EUROS	2022	2021
OPERATING ACTIVITIES		
Cash receipts from customers	1,179,995	1,656,183
Payments to suppliers	-366,233	-508,927
Payments to personnel	-143,011	-176,479
Other receipts / (payments) relating to operating activities	-146,555	-113,928
Net cash from operations	**524,196**	**856,849**
Income tax received / (paid)	-44,937	-45,361
Net cash flows from operating activities	479,259	811,488
INVESTING ACTIVITIES		
Cash receipts relating to:		
Changes in cash resulting from perimeter variations (*)	135,672	4,942
Property, plant and equipment and intangible assets	4,191	87,609
Interest and similar income	11,195	9,033
Dividends	16,153	31,926
Loans to related parties	251,560	628,382
Sale of subsidiaries with loss of control	632,539	615,298
Other receipts from investing activities	894	20,506
	1,052,204	**1,397,696**
Cash payments relating to:		
Changes in cash resulting from perimeter variations (**)	-32,705	-26,963
Acquisition of subsidiaries	-630,420	-87,721
Property, plant and equipment and intangible assets	-1,131,593	-2,372,090
Loans to related parties	-626,144	-487,917
Other payments in investing activities	-357,465	-384,686
	-2,778,327	**-3,359,377**
Net cash flows from investing activities	-1,726,123	-1,961,681
FINANCING ACTIVITIES		
Payments/receipts related with transactions with non-controlling interest without change of control	-	-
Receipts / (payments) relating to loans from third parties	611,005	295,709
Receipts / (payments) relating to loans from non-controlling interests	-28,759	-39,777
Receipts / (payments) relating to loans from Group companies	1,301,001	-391,623
Interest and similar costs including hedge derivatives from third parties	-41,056	-39,599
Interest and similar costs from non-controlling interests	-2,878	-6,227
Interest and similar costs including hedge derivatives from Group companies	-66,450	-107,468
Payments of lease liabilities	-20,491	-43,746
Dividends paid	-122,495	-114,085
Receipts / (payments) from derivative financial instruments	-163,979	13,889
Receipts / (payments) from institutional partnerships in North America	-42,222	692,164
Increases /(decreases) in capital and share premium by non-controlling interests	-55,798	1,413,909
Other cash flows from financing activities	344	-
Net cash flows from financing activities	1,368,222	1,673,146
Changes in cash and cash equivalents	121,358	522,953
Effect of exchange rate fluctuations on cash held	-6,721	6,447
Cash and cash equivalents at the beginning of the period	1,003,784	474,384
Cash and cash equivalents at the end of the period (see note 26 for a detailed)	**1,118,421**	**1,003,784**

(*) Refers mainly to the acquisition of the Sunseap Group

(**) Refers mainly to i) sale of Polish and Spanish portfolio (note 6) S.A. which proceeds are included in caption “Sale of subsidiaries with loss of control” (see note 6); and ii) reclassification to held for sale of certain portfolio of European companies (see note 27).

Variations in the following captions, including cash flow variations, during the period ending June 30, 2022 are as follows:

THOUSAND EUROS	BANK LOANS (*)	GROUP LOANS	NON-CONTROLLING INTERESTS LOANS	U.S. INSTITUTIONAL PARTNERSHIPS	DERIVATIVES (**)	TOTAL
Balance as of December 31, 2021	893,426	3,098,418	162,726	2,259,741	65,891	6,462,869
Cash flows						
- Receipts / (payments) relating to loans from third parties	611,005	-	-	-	-	611,005
- Receipts / (payments) relating to loans from non-controlling interests	-		-28,759	-	-	-28,759
- Receipts / (payments) relating to loans from Group companies	-	1,301,001	-	-	-	1,301,001
- Interest and similar costs including hedge derivatives from third parties	-31,962	-	-	-	-9,094	-41,056
- Interest and similar costs from non controlling interests	-	-	-2,878	-	-	-2,878
- Interest and similar costs including hedge derivatives from Group companies	-	-52,344	-	-	-14,106	-66,450
- Receipts/ (payments) from derivative financial instruments	-	-	-	-	-163,979	-163,979
- Receipts / (Payments) from institutional partnership in North America	-	-	-	-42,222	-	-42,222
Changes of perimeter	104,950	-	-	-	-49,051	55,899
Exchange differences	97,652	247,266	-721	197,561	-3,807	537,951
Fair value changes	-	-	-	-	325,667	325,667
Accrued income/expenses	30,023	53,395	3,508	-675	23,189	109,440
Unwinding	-	-	-	48,311	-	48,311
Changes in U.S. Institutional Partnerships related to ITC/PTC	-	-	-	-123,750	-	-123,750
Balance as of June 30, 2022	1,705,094	4,647,736	133,876	2,338,966	174,710	9,000,382

(*) Net of collateral deposits;

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

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Situation of conflict and geopolitical instability in Eastern Europe - Macroeconomic, Regulatory, Operational, Accounting Impact and relationship with Stakeholders

On 24 February 2022, a military conflict was initiated in Ukraine with the invasion of its territory by the Russian troops which resulted in a humanitarian crisis. Direct and indirect victims, a significant number of refugees and displaced citizens (UN estimate of over 14 million people by end of June 2022) have been caused by the attacks to Ukrainian localities, with several repercussions on the energy, commodities, intermediate goods, customer and service markets. This note identifies potential business, financial, operational, accounting and strategic impacts.

Giving its geographical and geopolitical positioning, the conflict has particular relevance to the continuity of EDPR Group's business in Europe, and for more attenuated potential spill-overs for the operations in North America, Latin America and Asia.

The rising geopolitical tensions intensified in the last weeks and some of the impacts of this crisis continue to be felt, however, the escalation and/or prolongation of this conflict may increase further the risk to EDPR Group's business.

Impact on energy markets – energy crisis

The prices of energy markets, particularly in Europe, rose to historically high levels in the 2nd half of 2021. The recent military conflict has further weakened energy markets and led to a larger sustained increase in energy prices in Europe, since Russia is one of the main exporters of natural gas. Taking into account the introduction of regulatory measures to contain the price of gas and electricity in Iberia, its pool price has stabilized, but not in rest of EU geographies, where due to the prolongation of this conflict and possible consequences for energy supplies to Europe during the winter months, the gas price continues to increase (as a result of the supply restrictions to Europe), as well as the coal price (due to higher demand to deal with gas supply restrictions).

The main impacts/risks in terms of energy markets are:

- Prices of commodities: the sanctions and economic boycott of Russia, in an attempt to stop the aggression against Ukraine, have led to a limitation in the supply of natural gas, and an increase in demand from other markets (e.g., US's LNG market), putting high pressure on prices of raw materials and, consequently, in the final price of energy; and
- Energy dependence/availability of resources/increase in economic protectionism: European energy reliance on Russia has also forced a reflection on viable alternatives to ensure energy independence, reinforcing the problem already felt at various levels (economic, political and now energetic) of regionalization/clustering – in opposition to globalization. This phenomenon consists in the approximation and dialogue with countries/neighboring regions with common principles and goals, and an increase in protectionism in relation to other countries, operating autonomously in relation to the rest of the world.

EDPR continues to take a cautious approach, and closely monitoring the evolution of the markets.

The climate transition is also seen as a measure to increase the resilience and energetic independence of the markets, increasing the renewable share in the energy portfolio, reducing dependence on gas supply, with EDP being a player with a leadership role in this area.

Regulatory impact

In a context of economic uncertainty and energy crisis, the way in which international and governmental institutions in each country accommodate the impacts and try to limit economic consequences for economic agents were object of analysis and discussion. The most significant measures have already been adopted (Spain, Portugal, Italy, Romania), while others remain under analysis. In particular, to contain energy prices increase, regulatory mechanisms were created in Portugal and Spain by introducing a cap on the value considered for gas, as an electricity production factor (approved on 8 June, with effective date from 15 June 2022 to 31 May 2023). This mechanism, already in force, implies the payment of compensation amounts to the electricity generators by consumers who will have benefited from the effects of the mechanism. In Romania and Italy, fiscal measures were imposed to electricity generation companies that may be benefitting from the increase in pool prices.

In regulatory terms, the main risks identified are:

- Potential increase in sectorial charges or taxes on energy companies, similar to the ones in Italy or Romania: creation/increase of additional fees and taxes to bridge the gap between energy production and sale prices (only for those companies benefitting); and
- Change in market structure: possible changes in market structure (e.g., introduction of a cap on the price of electricity, or decoupling of gas).

EDPR has been closely monitoring the developments on this topic, positioning itself in the best possible way in the face of the challenges brought about by the aforementioned changes.

Financial impact

In addition to energy markets, financial markets continue to experience times of huge instability and volatility, with a significant negative impact.

The main financial risks identified are:

- Inflation: current constraints are not only limited to gas sourcing, with impact in the energy sector, but also to essential raw materials in sectors such as agriculture, transport, among others, leading to a general increase in prices. EDPR businesses has some exposure to inflation in its revenues (directly or indirectly), mitigating this risk;
- Growing interest rates: pressure on interest rates leads to increases in financing costs related with floating rate debt; EDPR has focused on increasing the duration of its fixed debt during the first half of 2022;
- Counterparty default: the huge increase of prices in the energy market raised the exposure to some counterparties. Additionally, the prolongation of the conflict and the increase of sanctions against Russia and the penalizations of several institutions may lead to an increase in in the default risk of some counterparties; and
- Liquidity: extremely high revised initial margins in organized markets due to very high prices and volatility, giving rise to significant cash variations and an increase in collateral requests.

EDPR has been closely monitoring the evolution of the financial markets and the financial situation of its counterparties, seeking to mitigate exposure to potential financial risks, with a cautious approach in terms of the interest rate combination with a high percentage of fixed rate, a careful choice of its main counterparties favoring high ratings and high levels of liquidity (cash and available credit lines).

Operational impact

The Russia-Ukraine conflict has been resulted in several operational impacts, direct and indirect, either due to the presence of EDPR operations in border regions with Ukraine, or due to the dependence on products and raw materials coming from the region.

Several risks with operational impacts were identified, namely:

- Physical assets and operations: the proximity of physical generation assets to the border with Ukraine, namely in Poland, Romania and Hungary, countries with greater risk of suffering damage in the event of a geographic expansion of the military conflict, is noteworthy. There may also be constraints or increases in the maintenance costs of assets due to a rise in the price of resources and raw materials, and/or due to the unavailability of labour coming from the affected countries;
- People's safety: the existence of generation infrastructures close to the conflict region also implies the presence of EDPR teams and subcontracted teams, which, even though these are not permanently in these facilities, may expose them to a higher level of risk with the evolution of the conflict;
- Cybersecurity: there has been an increase in the number and sophistication of cyberattacks worldwide, with potential impact for EDPR, directly or indirectly (for example, through providers of critical IT and OT services), which motivated, on the part of EDPR, a reinforcement of safety monitoring and the adoption of complementary measures;
- Supply chain: there is no relevant direct exposure of EDPR to countries in conflict or sanctioned, however, there may be indirect dependence through EDPR suppliers of products and raw materials (such as copper, aluminium, nickel, among others), from Russia or Ukraine, or whose transport route crosses/passes in the area of the conflict zone, raising the possibility that the supply chain may be subject to disruptions by different causes and with variable duration. There is also an increase in the costs associated with these goods, both in terms of production, given the shortage of some raw materials, and in terms of transport; and
- Compliance: the application of sanctions to Russia by different countries and organizations, including the EU, requires internal monitoring in order to reduce the risk of EDPR's non-compliance with such sanctions and manage any previously established partnerships.

EDPR continues to reinforce the security and contingency mechanisms associated with its employees, as well as its operation and critical assets, including an active monitoring of the evolution of the different risk factors identified. Additionally, EDPR established local plans and strategies to answer to the possible geographic spread of the conflict, in order to protect people and assets.

EDPR's operational and investment activities are reliant on local and global supply chains, with an active management of critical supplies being carried out to minimize potential impacts of disruptions in these chains.

Accounting impact

EDPR has not applied any different classifications from those normally used in its condensed consolidated income statement, as a result of the conflict above mentioned. To assess possible accounting impacts, the Group reassessed the estimates it considers relevant and which may have been impacted by this fact. Thus, on 30June 2022, the Group carried out a series of analyses of the relevant estimates and has not determined any material relevant impact compared to 31 December 2021.

The condensed consolidated financial statements of EDPR for the period ended 30 June 2022, were prepared in accordance with IFRS as adopted by the EU up to 1 January 2022 and considering the International Financial Reporting Standard IAS 34 - "Interim Financial Report", so they do not include all the information required for the annual financial statements and should be read in conjunction with the Group's consolidated financial statements for the period ended on 31 December 2021.

Strategic impact (macroeconomics and relationship with key stakeholders)

Macroeconomic impact

The current geopolitical crisis in Eastern Europe includes significant risks for the economy and society, with an associated level of uncertainty about the duration of the conflict and the economic impacts that will outcome. In global macroeconomic, impacts have been felt in terms of increased costs of raw materials, particularly regarding energetic and agricultural, as well as a greater probability of disruption in international supply chains.

Additionally, besides causing the escalation of existing geopolitical tensions, contributing to global instability with still uncertain medium-long-term consequences, the proximity of the conflict to the borders of the EU also represents a challenge to the cohesion between its member states and to the single currency.

Relationship with stakeholders

Since the first moment, EDPR has assumed the commitment to safeguard the interests of its stakeholders and has been permanently following up the main developments of the military conflict and possible implications for all the stakeholders involved.

This monitoring and intervention has been manifested at different levels, of which the following stand out:

- Employees: EDPR has been reinforcing its internal communication, raising awareness of possible impacts arising from the conflict, as well as its positioning and measures adopted to manage such outcomes;
- Communities: EDP has already launched a humanitarian aid campaign with its employees, and has combined efforts with institutions present locally, in order to support the most disadvantaged and vulnerable; and
- Shareholders: the Management Team has been working closely with the Audit Committee, in order to act in the most suitable manner, protecting the interests of its shareholders.

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 2022 and 31 December 2021, EDP Energias de Portugal, S.A through its Spanish branch EDP S.A. - Sucursal en España ("EDP Branch") held a qualified shareholding of 74.98 % of the share capital and voting rights of EDPR and 25.02% of the share capital was free floated in the Euronext Lisbon.

EDP Renováveis, S.A. reached an agreement to acquire the control over the Sunseap Group Pte. Ltd., the largest distributed solar player and top 4 solar player in South East Asia. The operation has been structured through an agreement with the major shareholders of Sunseap for a total consideration of €0.6bn. Sunseap is a Solar focused renewables company headquartered in Singapore and has more than 400 employees spread across 9 markets, namely Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan and by the time of the agreement had more than 0.5

GW of capacity in operation and under construction and almost 5 GW of pipeline in different stages of development. This transaction has been completed in February 2022 once the conditions precedent have been fulfilled (See note 6).

As of 30 June 2022, 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., Vietnamese company EDP Renewables Vietnam Ltd., Singaporean companies Trung Song SG Pte. Ltd., Sunseap Group Pte. Ltd., Korean company EDPR Korea, Ltd. and Chilean company EDP Renewables Chile SpA. Refer to note 6 for the changes in the perimeter of consolidation.

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 (Singapore, Vietnam and China) energy sectors.

EDPR Group is currently developing wind and solar onshore projects in other countries such as Chile, Colombia, Hungary, South Korea, Vietnam, Singapore and China. 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 will be the exclusive vehicle of investment of EDPR and ENGIE for offshore wind opportunities worldwide.

Regulatory framework

During the six-month period ended 30 June 2022, we emphasize the following changes:

Regulatory framework for the activities in United States:

In January 2022, the Biden Administration's first year came to a close. The key component of the Administration's domestic agenda, "Build Back Better," which would have extended existing renewables tax credits and expanded credit eligibility among other policies, was rejected by Senator Manchin (D-WV) in a statement published in December 2021. Without this 50th Senate vote, the omnibus bill did not pass. The tax credits are still being considered as part of the budget reconciliation process, though the scope of policies included is unclear – it may range from a simple production tax credit (PTC) and investment tax credit (ITC) extension to the introduction of a direct-pay provision – and economic concerns over rising inflation and gas prices have emerged as top political priorities. Despite these headwinds, several appointees are advancing energy transition goals. Secretary Haaland of the Department of the Interior announced the "Offshore Wind Path Forward" plan to organize as many as seven offshore wind lease auctions by 2025, including the February 2022 New York Bight lease sale.

In May 2022, President Biden also announced his intent to nominate FERC Chairman Richard Glick to a second five-year term. Glick's current agenda includes overhauling transmission planning and generation interconnection rules and better incorporating distributed energy resources in wholesale markets.

In June 2022 President Biden signed an Executive Order protecting southeast Asian solar PV panel imports for the next 2 years from any additional tariff resulting from the Department of Commerce's Anti-Dumping and Countervailing Duty (AD/CVD) tariff investigation, as well as authorizing use of the Defense Production Act (DPA) to increase domestic manufacturing of five clean energy technologies including solar PV panels.

Regulatory framework for the activities in Spain

In January 2022, the High Court resolved on the 2016-2022 social bonus mechanism declaring that imposing the financing obligation exclusively on the retailing companies was against the European legislation. According to the resolution, the government has to give back the financed amounts (except the amounts that have been passed thought the costumers).

In March 2022, a new Royal Decree Law (RDL 06/2022) was published with a comprehensive set of measures to mitigate the effects of the Ukranian war, in particular the impact of rising fuel prices on electricity prices. The RDL mandates an extraordinary RECORE (specific remuneration regime for renewables cogeneration and waste) settlement dated 1st January 2022. The adjustment needs to take into account actual prices in 2020 and 2021, and a new price forecast for 2022, resulting in lower payments. Within the RDL 06/2022, bilateral contracting of RECORE energy is fostered by removing the regulatory collar from 2023 onwards. However, the collar was later rectified in RDL 10/2022: bands remain but from 2023 instead of using only the average day-ahead and intraday prices, forward prices will also be taken into account. Therefore, in 2023, the

price will take into account a weighted average of day-ahead market prices (75%), annual forwards (15%) and quarterly forwards (2,5% each). In the following years, the share of forwards will be risen. The RDL also extended the scope of the social bonus (the financing will be borne by generators) and reduced by 80% the access tolls for electrointensive consumers. Regarding new generation projects, the permitting process for certain projects was streamlined while some provisions to facilitate the deployment of new technologies were introduced (storage, floating PV, hydrogen, and self-consumption projects). Finally, the RDL extended the gas clawback (approved by RDL 17/2021) until 30 June (and included the energy covered by instruments signed after 29th March with a tenure of one year or more and a price above 67€/MWh).

In June 2021, the Spanish government had decided to temporarily reduce the VAT applied in electricity to 10%. After that, Royal Decree-Law 06/2022, stipulated that the reduced VAT would be maintained as long as the price in the wholesale market was higher than 45€/MWh. The Royal Decree also stated that severe vulnerable consumers or at risk of exclusion (therefore, consumers eligible for the social bonus), would still be charged a reduced VAT, even if the price in the wholesale market was less than €45/MWh. In June 2022, the Spanish cabinet (RDL 11/2022) agreed to further reduce the VAT on electricity from 10% to 5%, to counteract the staggering rise in energy prices until 2022 year end. The remaining temporary measures on energy taxes would be also extended until 2022 year end: the rate of the Special Tax on Electricity (that had been reduced 5,1% to 0,5%) and the temporary suspension of the tax on the Value of Electricity Production (the 7% levy). Additionally, the gas price clawback mechanism (approved by RDL 17/2021) was extended until December 2022. This RDL established a rate for non-emitting carbon technologies based on the price of natural gas

In June, the European Commission approved a year-long cap on the price of gas used for power generation. The measure, which applies to both the Spanish and Portuguese markets, will run until May 31, 2023. During the first six months of the application of the measure, the actual price cap will be set at €40/MWh. As of the seventh month, the price cap will increase by €5/MWh per month, resulting in a price cap of €70/MWh in the 12th month. The measure will be financed by the "congestion income" obtained by the grid operator as result of cross-border electricity trade between France and Spain and a charge imposed by Spanish and Portugal on buyers benefiting from the measure.

Regulatory framework for the activities in Portugal

In January 2022, a new Decree Law (DL) governing the functioning of the SEN (National Energy System) was approved. The legislation had been under public consultation. The new DL has been structured into five fundamental axes, namely the administrative activity of control of the activities of the SEN, networks planning, the introduction of competitive mechanisms for the exercise of the SEN's activities, the active participation of consumers in generation activities and in markets, and, the legislative framework for the development of new realities (such as repowering, hybridization and storage). The DL also transposes into national law EU directive 2019/244 regarding internal electricity market rules and the Renewable Energy Directive.

Regarding renewables, the DL keeps the three options to obtain grid connection (general, agreement and auction) and includes a payment of 1,5k€/MW in the general case and an obligation to install self-consumption devices for the municipalities equivalent to 0,3% of the connection capacity (or a compensation of 1,5k€/MW). Also, the DL includes deadlines to obtain production licenses and set the obligation to generators to present a "decommissioning plan" for the facility. Repowering of power plants is allowed up to 20% or more, until the NECP targets are achieved (and the original remuneration scheme can be kept by the repowered assets).

In April, the first floating PV auction was held in Portugal. The auction intended to grant 263 MVA of connection capacity in 7 different lots with sizes ranging from 8 to 100 MVA. Under the auction, two modalities were possible: a contract-for-difference or a contribution to the SEN. EDP was awarded the Alqueva lot (70 MVA).

In April the Decree-Law 30-A/2022 was published, providing for exceptional measures to ensure the installation of renewable and storage capacity, hydrogen facilities and electricity transmission and distribution infrastructures. In line with the measures recommended by the European Commission (namely the REPowerEU Plan), the DL states that the Environmental Impact Assessment (IEA) of electricity generation projects, up until then, always mandatory, will only occur at the request of the licensing authority when there are indications that the project may cause significant impacts on the environment. The DL also aims to streamline administrative procedures for the issuing of opinions and authorisations within the IEA producer or in the analysis of environmental impacts. Regarding wind projects, the DL allows existing projects to inject all their production (without the limit of the administratively allocated injection capacity) as to guarantee the maximum possible production according to the installed power of each generation unit.

In June, the European Commission approved a year-long cap on the price of gas used for power generation. The measure, which applies to both the Spanish and Portuguese markets, will run until May 31, 2023. During the first six months of the application of the measure, the actual price cap will be set at €40/MWh. As of the seventh month, the price cap will increase by €5/MWh per month, resulting in a price cap of €70/MWh in the 12th month. The measure will be financed by the "congestion income" obtained by the grid operator as result of cross-border electricity trade between France and Spain and a charge imposed by Spanish and Portugal on buyers benefiting from the measure.

Regulatory framework for the activities in France

In February 2022, the so-called "Law 3DS" was adopted. It allows municipalities to define specific zones for onshore wind deployment by modifying urbanism plans. However, such modifications shall be based on a public consultation and details will be detailed in an upcoming decree.

Two auctions under the 2021-2026 framework were held in the first half of 2022. On April 15th, the second onshore wind auction was held, in which 925 MW were offered in the auction, with a ceiling price of 70€/MWh. On May 20th, the second on-the-ground solar PV was held, offering 700 MW, with a ceiling price of 90€/MWh.

In April 2022, a decree revising eligibility conditions to benefit from the so-called "complement de remuneration" (CR17 scheme) was issued. According to the decree, a 137 meters tip height limit will be introduced, starting the 1st of July 2022 (except for projects from cooperatives or majority-owned by municipalities). Wind farms wishing to be included in the scheme, will need to prove they comply with the civil/military aeronautical restrictions as well. The new eligibility criteria are also extended to repowered assets and storage-collocated ones.

In May 2022, a decree defining the terms of the tender procedure for the development of electricity storage capacities was published. The decree stipulates that once the TSO has received guidelines from the Energy Ministry, it will draw up draft specifications for the call for tenders in compliance the specified conditions and organize then a consultation on the project.

Regulatory framework for the activities in Romania

In October 2021, the Romanian Parliament endorsed Law 259/2021, which approved and put into action the Emergency Ordinance 118/2021. The Ordinance immediately came into force on November 1st. It contained measures to alleviate the burden of the current rise in energy price providing direct financial support and a lowering the amount of taxes paid by end-consumers. For example, the regulation set a price cap mechanism until 31st of March 2022 applying to household customers and other selected customers (hospitals, NGOs, etc) to cap the final price for electricity to 1 RON/kWh and natural gas at 0,37 RON/kWh. The differences between the average prices and the capped prices would be reimbursed from the state budget, through a separate budgetary expense.

Law 259/2021 also introduced a windfall tax for electricity producers that was running until 31st March 2022. According to the law, the additional income obtained by electricity producers and resulting from the difference between the average monthly selling price of electricity and the price of 450 RON/MWh would be taxed at 80%. However, this tax only applied to CO2-free generation facilities and not to producers of electricity based on fossil fuels, including cogeneration. The methodology of the calculation of this tax was clarified in March 2022, with the publication of the Emergency Ordinance 27, which added details and clarifications to the tax calculation methods, specifically including balancing costs and some financial costs. The Emergency Ordinance also extended the measures until March 2023.

In November 2021, Order 117-2021 established a new algorithm for the calculation of the estimated average impact on consumers of green certificates for the following year. The regulation sets that the maximum impact that the consumers would assume in order to support the Green Certificates scheme would be 14,5 €/MWh, but the algorithm uses the previous years' share of excess to slowly reduce the impact on consumers and make the reduction more progressive, with the final objective to allow the termination of the scheme in 2031.

On 31 March 2022, the Romanian Ministry of Energy launched a call for projects under a new scheme for supporting the development of new wind and solar PV plants. The support scheme was launched under Romania's recovery and resilience fund. Total budget amounts to 457M€, of which 382 M€ will be dedicated to wind and solar PV with over 1 MW of installed capacity and 75 M €for wind and solar projects with installed capacity between 0,2-1 MW. About 950 MW of renewable capacity could benefit from this support scheme. Applications to participate in the scheme were submitted between 31 March 2022 and 31 May 2022.

Regulatory framework for the activities in Italy

In December 2021, the GSE announced the 8th auction under DM FER 19. The auction was held in February 2022. Out of the 2.346 MW available for "Bloc A" projects (onshore wind and solar PV, utility scale), only 306,5 MW (of which 40 MW of onshore wind) were selected in the auction, which was highly undersubscribed. The average price was 65,05 €/MWh, close to the ceiling price of 65,15 €/MWh. The remaining 2 GW (capacity not awarded in previous rounds) was auctioned in June 2022.

A new decree was published in the Italian Official Gazette no. 21 of 27 January 2022, setting "urgent measures to support businesses and economic operators as well as to limit the effects of price increases in the electricity sector". It was repealed

and replaced the 25th February by DL nº 23, slightly modifying Article 16, in which the clawback measures are defined. Under new wording, clawback affects certain RES with a COD previous to 1st January 2010:

- Solar plants (>20kW) with fixed premium schemes and non-incentivized plant (>20kW)
- The measure excludes PPA's when the contract does not exceed by more than 10% the reference price
- The clawback measure, applying from 1st February to 31st December, introduces a 2 ways CfD scheme at what is considered as the reasonable price for the mechanism (ca. 60 €/MWh) . Revenues over this value are reimbursed.

In March the government approved "DL Tagliaprezi" a potential clawback through a 10% one-off levy on producers and sellers of electricity, natural gas and petrol products. The measure needs to be approved in 60 days

The measure applies to profit margins which rose by more than 5 million euros during the Oct. 2021 - March 2022 period compared to a year earlier, excluding cases where the profit margin rose by less than 10%.

In March 2022, the Minister of Ecological Transition announced a plan to replace Russian gas imports in the next 3 years.

In May 2022, the so-called "DL Aiuti" (Decree-Law no. 50 of 17 May 2022) aimed to counteract the high energy prices effects on consumers, was approved. The Decree increased the one-off levy on producers and sellers on electricity, natural gas and petrol products from the initial 10% (previously approved in March 2022) to 25% and extended the period one extra month (up to April 2022). The Decree also introduced significant permitting simplifications, aimed at facilitating the development of new renewable plants.

Regulatory framework for the activities in UK

In December 2021, the energy regulator (Ofgem) rose the energy price cap (the energy price cap limits the rates a supplier can charge for their default tariffs) and announced that updates would become more frequent (up until now, the price cap was updated on a 6-month basis). Accordingly, a new price cap of 1.971£ (vs. previous 1.277£) was set starting on April 1st to September 20th, 2022.

The Fourth Allocation Round ("AR4") bid window was opened from May 24th to June 15th, and results are expected in July, with more than 12 GW of renewables expected to be granted a 15-year contract-for-difference. The participating technologies were divided in 3 "pots", meaning that projects only compete with other projects on their same pot. All pots are subject, however, to a budget limit. Pot 2 (which includes wind onshore and solar PV, among other technologies) was the only one that was also constrained to a maximum capacity of 5 GW, with both onshore wind and solar PV having each a capacity cap of 3,5 GW.

In February 2022, the government announced that upcoming CfD allocation rounds will be held annually. In March 2023, AR5 will be opened to applications.

In April 2022, the Energy Security Strategy was published. The key aim of the strategy is for the UK to achieve long-term independence from foreign energy sources and decarbonise the nation's power supply. The document announced new targets across the different sectors, including:

- Oil and gas: a new licensing round for new North Sea oil and gas projects expected to be launched in 2022, with the final aim to reduce gas imports
- Wind: new ambition to deliver up to 50 GW of offshore wind, a tenth of which would come from floating facilities
- Solar PV: ambition to deliver 70 GW by 2035
- Nuclear: total capacity expected to triple up to 24 GW by 2050, supplying around 25% of total electricity demand
- Hydrogen: the government has doubled its ambition to increase hydrogen production, with a new target of 10 GW by 2030, with at least half of this being electrolytic hydrogen

In April 2022, Ofgem announced the removal of Balancing Services Use of System (BSUoS) charges from generation. BSUoS charges are the means by which the Electricity System Operator recovers costs associated with balancing the electricity transmission system. Starting in April 2023, these charges will only be collected from final demand (electricity consumers, excluding generators and electricity exports).

Regulatory framework for the activities in Greece

In December 2021, the minister of energy published in the Official Gazette B 6250 the decision 123726/5096, defining technologies and categories of electricity generation units from renewables and Combined Heat and Power plants (CHP) eligible to apply for operational support. The listed categories and estimated timings are the following:

- Technology-specific competitive bidding procedures for PV above 0,5 MW and below 1MW until December 2022, and for solar PV below 1MW, wind above 0, 06 MW and below 6 MW, from January 2023 to December 2025.
- Competitive tendering procedures by region, to cover power margin for the interconnection Nea Makri – Polypotamos with Evia, the Cyclades and the second phase of Attica with Crete.
- Joint competitive processes until December 2025 for wind above 0,06 MW and solar PV above 1 MW (units from the technology-specific process are also eligible from January 2023).
- Additionally, specific joint competitive processes for renewables with storage are included until December 2025, for wind and solar power plants above 10 MW with integrated electricity storage of guaranteed (useful) storage capacity of at least equal to 20% of the maximum hourly energy produced

Under this plan, a total of 3 GW of renewables are expected to be auctioned during the period 2022-2025, although there is no visibility on the expected volumes and timings for each year.

Regulatory framework for the activities in Singapore:

Singapore aims to halve its CO2 emissions by 2050, according to its commitments raised in the latest National Energy and Climate Plan.

The country also aspires to achieve net-zero emissions as soon as viable in the second half of the century but has not committed to a firm net-zero target yet. To this end, the country launched the “Singapore Green Plan 2030”, which is a roadmap to advance its sustainability agenda toward its long-term net-zero aspiration.

Singapore also aims at decarbonizing its power sector through four levers, being solar PV one of them. Due to the lack of natural resources and the high population density, solar PV is regarded as the most viable renewable energy option. Specifically, the country targets 2 GW of solar PV capacity by 2030 (and 1,5 GWp by 2025). Most of this capacity is expected to be constrained to rooftops (and floating solar) as land resources are scarce.

From the regulatory point of view, no support is given to large-scale renewable energy, as the government seeks to facilitate renewable energy’s access to the power market. The only specific support system is the net metering scheme which allows electricity consumers to sell excess electricity from their rooftop PV systems to the grid. Payment varies according to the type of consumer and the capacity of the PV system. Both residential and commercial consumers can sell excess power from rooftop PV to the grid. On the one hand, non-contestable customers (usually residential consumers) are paid the regulated tariff minus the grid charges (being the regulated tariffs reviewed every quarter by Singapore Power, the State-owned utility). On the other hand, non-residential consumers (with a monthly consumption equal or above 2.000 kWh and systems with a size equal or above 1 MW (regardless their monthly consumption) are paid the nodal price.

In addition to this, solar PV development has also been accelerated thanks to the SolarNova programme, launched in 2014, which aggregates demand for solar PV across government agencies to achieve economies of scale. Since 2014, six SolarNova tenders have been launched, granting 366 MW. Awarded companies are given a 20-years floating or fixed PPA with Housing & Development Board (HDB), which is Singapore’s public housing authority.

Other government-led initiatives have been launched in order to use new spaces to deploy solar capacity, in particular, floating solar PV. For example, the Public Utilities Board launched a 60 MW floating solar PV tender at the Tengeh Reservoir. The tender had 2 components: first was the solar power to be sold into the wholesale market and a 25-year retail contract for the reservoir owner.

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 financial statements for the period ended at 30 June 2022 have been prepared to present fairly the condensed consolidated equity and condensed consolidated financial position of EDP Renováveis, S.A. and subsidiaries at 30 June 2022, the condensed consolidated results of operations, condensed consolidated statement of comprehensive income, condensed consolidated cash flows and changes in consolidated equity for the six-month period. The Board of Directors approved these condensed consolidated financial statements on 26 July 2022. The condensed consolidated financial statements are presented in thousand Euros, rounded to the nearest thousand, except otherwise indicated.

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 financial statements for the period ended at 30 June 2022 were prepared in accordance with IFRS as adopted by the E.U. until 1 January 2022 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 2021.

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 2021. 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.

Change on Green Certificates and RECs presentation - Inventories

During 2022, EDPR Group has proceeded to review the accounting policy for Green Certificates and RECs. To carry out the analysis, the enforcement decisions of the European Securities and Markets Authority (ESMA) regarding transactions of the similar nature have been considered. The result of the analysis concludes that these Certificates are considered government aid in accordance with IAS 20 to be recorded under the heading "Other income" or alternatively reducing the corresponding expense, recognizing the unsold certificates as inventories in accordance with IAS 2, which are derecognized at the time of sale, registering the corresponding income. Taking this into consideration, EDPR has reclassified from intangibles assets to inventories the stock of certificates booked in the balance sheet not-sold. This change in accounting affects only the presentation and disclosure of green certificates and recs in the consolidated statement of financial position, and without any impact on initial recognition, subsequent measured and de-recognition, where the criteria described in the consolidated financial statements of the Group for the year ended 31 December 2021 will be maintained, as they are aligned with the conclusions of the analysis. This change in the accounting policy for the Green Certificates and RECs does not have significant impacts in the condensed consolidated financial statements as of 30 June 2022 and 31 December 2021.

This change in accounting policy has been accounted for retrospectively, and the comparative statements for 2021 have been modified. The effect of the change on 2021 is the following:

THOUSAND EUROS	CHANGE ON GREEN CERTIFICATES AND RECS		
	31 DEC 2021	RECLASSIFICATION	31 DEC 2021 (MODIFIED)
Intangible assets	316,408	-157,533	158,875
Inventories	62,274	157,533	219,807
	378,682	-	378,682

Change on Segments

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.

EDPR's presence in new geographies has been increasingly growing over the last years leading to a rapid development of projects in new countries. This trend is expected to consolidate in the coming years, as defined in the Group's Business Plan 2021 – 2025, reaching a solid asset base around four regions: Europe, Latin America (Latam), North America (NA) and Asia-Pacific (APAC).

As a consequence of the above, EDPR implemented a new operating model and is now organized in those regions, thus the new business segments defined by the Group are the following:

- Europe: refers to EDPR EU Group companies operating in Spain, Portugal, Belgium, France, Italy, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;
- North America: refers to EDPR North America, EDPR Canada and EDPR Mexico Group companies that operate in United States of America, Canada and Mexico, respectively;
- LATAM: refers to EDPR Brasil Group Companies, EDPR Chile Group Companies and the 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, Elipse Energía, S.A.S. E.S.P., Omega Energía, S.A.S. E.S.P, Kappa Energía, S.A.S. E.S.P.) that operate in Brasil, Chile and Colombia;
- APAC: refers to EDPR Korea Group companies, EDP Renewables Vietnam Company Limited Group companies, Trung Song SG Group companies, and Sunseap Group companies that operate in Korea, Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, have similar economic characteristics and are similar in various prescribed respects.

For comparability purposes and regarding the changes occurred in the segments composition, a corresponding modification of the previous year information was made (See appendix 1).

03. Recent accounting standards and interpretations issued

Standards, amendments and interpretations issued effective for the Group

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:

- IFRS 3 (Amended) - Reference to the Conceptual Framework;
- IAS 16 (Amended) - Proceeds before Intended Use;
- IAS 37 (Amended) - Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvement Project (2018-2020).

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 UE) for which no significant impact is expected, are the following:

- IFRS 17 – Insurance Contracts (and amendments related to initial application and comparative information);
- IAS 1 (Amended) - Classification of Liabilities as Current or Non-current;
- IAS 1 (Amended) - Disclosure of Accounting Policies;
- IAS 8 (Amended) - Disclosure of Accounting Estimates; and
- IAS 12 (Amended) - Deferred tax related to assets and liabilities arising from a Single Transaction.

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 judgements, 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 2021, 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 a 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 currency exposure is the U.S. Dollar, resulting from the shareholding in EDPR NA. 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. With the acquisition of Sunseap, EDPR is also exposed to Singaporean Dollar.

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 2022 and 2021, would originate an increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

				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**

				30 JUN 2021
THOUSAND EUROS	PROFIT OR LOSS		EQUITY	
	+10%	-10%	+10%	-10%
USD/EUR	7,211	-8,814	-30,154	36,855
	7,211	**-8,814**	**-30,154**	**36,855**

For the currency PLN/EUR, since the process of selling of most of the portfolio of companies in Poland started (see note 27) , the global exposure will decrease significantly and will not achieve material impacts (see note 27).

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 87% of EDP Renováveis Group financial debt bear interest at fixed rates, considering operations of hedge accounting with financial instruments.

Additionally, during the first half of 2022, EDPR has 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 current scenario of high volatility and uncertainty.

Sensitivity analysis - Interest rates

EDPR/EDP Group's Financial Department 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 50 basis points in the interest rates with reference to 30 June 2022 and 2021 would increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

				30 JUN 2022
THOUSAND EUROS	+50 BPS	-50 BPS	+50 BPS	-50 BPS
Cash flow hedge derivatives	-	-	8,004	-8,004
Unhedged debt (variable interest rates)	10,080	-10,080	-	-
	10,080	**-10,080**	**8,004**	**-8,004**

				30 JUN 2021
THOUSAND EUROS	+50 BPS	-50 BPS	+50 BPS	-50 BPS
Cash flow hedge derivatives	-	-	3,161	-1,248
Unhedged debt (variable interest rates)	5,030	-5,030	-	-
	5,030	**-5,030**	**3,161**	**-1,248**

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 to the counter-party. EDP Renováveis has defined a counter-party risk policy inspired in Basel III, which is implemented across all departments in all EDP Renováveis geographies. EDP Renováveis Group is exposed to counter-party risk in financial derivatives transactions in energy sales (electricity, 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, GCs and RECs produced), 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 Group, 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 it is usually treated as regulatory risk;

In the specific case of EDPR NA Group, the Group's main customers are regulated utility companies and regional market agents in the US. 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 offtakers and regulated entities in the different countries, namely in Singapore and Vietnam. As it occurs in Europe and

Latam, credit risk from trade receivables is not significant due to same reasons. However, counter-party risk comes from countries with renewables incentives through regulated tariffs, which it is usually treated as regulatory risk.

Exposure in all geographies is managed by a detailed assessment of the counter-party before signing any long term 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 2022	JUN 2021
CORPORATE SECTORS AND INDIVIDUALS		
Supply companies	116,490	53,407
Business to business	5,126	4,485
Other	169	118
Total Corporate sectors and individuals	121,785	58,010
Public sector	-	1,056
Total Public sector and Corporate sectors/individuals	**121,785**	**59,066**

The significant variation is mainly related to Spain and significant increase in electricity prices.

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

THOUSAND EUROS						JUN 2022
	EUROPE	NORTH AMERICA	LATAM	APAC	OTHER	TOTAL
Corporate sectors and individuals	79,898	33,779	6,905	1,096	107	121,785
Public sector	-	-	-	-	-	1,748
Total	**79,898**	**33,779**	**6,905**	**1,096**	**107**	**167,329**

In accordance with accounting policies, impairment losses are determined using the simplified approach precluded in IFRS 9, based on life time 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 payment obligations acquired, through maintaining sufficient credit facilities and having access to the EDP Group facilities who manages the Group liquidity risk 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, allowing immediate access to funds. These credit lines are used to complement and backup national and international commercial paper programs, allowing the 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 2022.

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

THOUSAND EUROS	DEC 2022	DEC 2023	DEC 2024	DEC 2025	DEC 2026	FOLLOWING YEARS	TOTAL
Bank loans	582,364	54,454	127,995	77,862	67,122	769,725	1,679,522
Loans received from EDP Group	1,206,866	439,568	501,766	254,622	508,568	1,751,659	4,663,050
Other loans	3,261	498	12,345	1,031	1,052	12,027	30,214
Expected future interests	91,991	72,965	118,693	92,192	79,578	319,925	830,511
	1,884,482	**567,485**	**760,799**	**425,707**	**656,321**	**2,853,337**	**7,203,297**

EDPR has developed and presented to the markets 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. (as had been the case in 2021);

- Complemented by medium and long-term external financing, and namely:

    o Via Corporate Finance, as the most relevant solution; and

    o 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 of 30 June 2022, 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 small 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, green certificate and REC forward contracts. For this marginal exposure EDPR EU and EDPR NA have electricity, green certificates and REC financial swaps that qualify for hedge accounting (cash flow hedge) that are related to sales for the years 2022 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 2022, the Group's total expected generation is 34.2 TWh, of which 66% was subject to both regulated remuneration and long-term contracts and the remaining 34% is 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. 90%.

During 2022 energy market prices have experienced significant volatility as a result of Ukraine's crisis, affecting natural gas prices, thus electricity prices globally. Such spike in volatility and prices has become specially relevant in Europe, where maximum historical electricity prices were reached during March 2022. For EDPR EU and EDPR NA, the potential gain from the increase in electricity prices was very limited, since, as indicated above, EDPR´s merchant exposure for the year 2022 was already hedged before the start of this trend.

Considering recent spike in market prices and volatility, EDPR is closely managing and monitoring its exposure to market prices variations, despite being limited with current hedges in place. As of June 2022, EDPR´s exposure to a potential decrease of 30% in market prices would be approximately of 19,900 thousand 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 results 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 (CO2).

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 2021-25 Business Plan, EDPR plans to add 20 GW in the 2021-2025, of which 10.6 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 1st half 2022, EDPR added 567 MW and finished the semester managing a global portfolio of 13.8 GW. Benefiting from a diversified portfolio, the Company generated 17.8 TWh of renewable energy, avoiding the emissions of 11 million tons of CO2. Capital expenditures and financial investments with capacity additions, ongoing construction and development works during the year totaled €2,958 million.

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 englobe 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 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 2022, 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 Renováveis, S.A. acquired the 100% Farma Fotowoltaiczna Radziejów, Sp. z o.o. and Farma Fotowoltaiczna Ujazd, Sp. Z.o.o.;
- EDP Renewables Europe, S.L.U. acquired 100% of the Hungarian companies Szabadsolar, Kft. , Sunglare Capture, Kft., Sunglare Expert, Kft. and Napenergia, Kft.;
- EDPR NA Distributed Generation LLC acquired 100% of the companies, Bar Harbor Community Solar LLC, Mohave Power Holdings LLC and Ragsdale Solar LLC.;
- EDP Renewables North America LLC acquired 100% of the company Hickory Solar LLC;
- EDP Renováveis Brasil, S.A. acquired 100% of the company Central Geradora Fotovoltaica Zebu, Ltda.;

Additionally, the following companies were acquired:

- In the first quarter of 2022, EDP Renováveis, S.A acquired a 91.4% stake in a distributed solar generation portfolio, Sunseap Group Pte. Ltd., located in Southeast Asia, which includes a portfolio that allows EDPR to set up up to 10 GW of solar projects, for a value of about 614 million Euros. This transaction was framed within the scope of IFRS 3 – Business combinations that has implied the recognition of provisional goodwill in the condensed consolidated financial statements in the amount of 453,362 thousand Euros (see note 19).

  At acquisition date, the book value of the net assets of this portfolio amounted to 208 million Euros and the evaluation is still in progress to determine the allocation of its fair value (see note 17).

  In addition, during the second quarter of 2022, EDP Renováveis, S.A acquired a 2,04% stake in Sunseap Group Pte. As of 30 June 2022, EDP Renováveis, S.A has the 93,44% in the stake of Sunseap Group Pte. Ltd..

In May 2022 EDPR, Sunseap Group and the Japan Shareholders (meaning Sumitomo, Shikoku, and SMFL) entered into an agreement by which the Japan Shareholders jointly grant to EDPR an option to purchase all of the Shares held by the Japan Shareholders (*"Call-option"*), and EDPR grants to the Japan Shareholders an option to sell to EDPR the shares (*"Put-option")* during the period beginning on the first anniversary of the Effective Date and ending on the date falling six months from the first anniversary of the Effective Date.

The total value of the liability recorded in the condensed consolidated financial statements as at 30th June, 2022 amounted to 21,273 thousand Euros registered in the caption Other liabilities and other payables – Current.

- In the second quarter of 2022, EDP Renováveis, S.A acquired a 100% stake in a distributed solar generation portfolio Long Road located in North America, that own a 6.7 MW solar operational projects, for a total amount of 16,598 thousand Euros. This transaction was framed within the scope of IFRS 3 – Business combinations. At acquisition date, the book value of the net assets of this portfolio amounted to 18,321 million Euros.

Companies sold and liquidated:

- In the second quarter of 2022, EDPR Group, through its fully owned subsidiary EDP Renewables Polska, Sp. Z o.o., sold to Mirova Anemoska the EDPR's 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.. Total shares proceeds for the transaction amount to 88,466 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 56,167 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9).
- In the second quarter of 2022, EDPR Group, through its fully owned subsidiary EDP Renovables España, S.L., sold to China Three Gorges ("CTG") the EDPR's entire stake in the Spanish companies Eólica La Janda, S.L. and Parc Eòlic Serra Voltorera, S.L. Total shares proceeds for the transaction amount to 206,180 thousand Euros. This transaction has generated a gain, net of transaction costs, amounting to 42,596 thousand Euros, which has been registered within the "Other income" caption of the consolidated income statement (see note 9).
- EDP Renewables North America LLC sold the company RSBF E470 I LLC, NJ GSEB Fal Solar LLC, ME Punky Meadows, Parkman Solar DG LLC, Waterville Solar LLC, RI- Comolli with no significant impacts in the condensed consolidated financial statements
- EDP Renovables España S.L. sold the 49% of the stake in the compan Desarrollos Renovables de Teruel, S.L. with no significant impact in the condensed consolidated financial statements.

Companies Incorporated:

- EDPR Vento II Holding LLC (*)
- EDPR Vento III Holding LLC (*)
- EDPR Scarlet II LLC
- Clover Creek Solar Project II LLC (*)
- EDPR Cross Solutions, S.A.
- EDPR Korea Ltd.
- Hytlantic, S.A.
- EDPR Sicilia Uno, S.r.l.
- EDPR Sicilia Due, S.r.l.
- EDPR Scarlet I LLC (*)
- EDPR Scarlet III LLC (*)
- Fotovoltaica Flutuante do Grande Lago, S.A.
- Crooked Lake Solar II LLC (*)
- Cypress Knee Solar Park LLC (*)
- Eagle Creek Solar Park LLC (*)
- Rose Run Solar Park LLC (*)
- Salt Lick Solar Park LLC (*)
- Lotus Blocker LLC (*)
- Lotus DevCo I LLC (*)
- Lotus DevCo II LLC (*)
- EDPR Solar Ventures VI LLC (*)
- 2022 SOL VI LLC (*)
- EDPR Solar Ventures VII LLC (*)
- 2022 SOL VII LLC (*)
- EDPRNA DG Ohio Development LLC (*)
- EDPRNA DG Illinois Development CO LLC (*)
- EDPRNA DG Wisconsin Development CO LLC (*)
- EDPRNA DG New York Development CO LLC (*)
- Big River Solar Park LLC (*)
- Shy Place Solar Park LLC (*)

Companies Incorporated:

- Eoles Montjean, S.A.S.
- EDPR Sardegna, S.r.l.
- EDPR Sud Italia, S.r.l.
- EDPR Puglia Uno, S.r.l.
- EDPR Puglia Due, S.r.l.
- EDPR Basilicata, S.r.l.
- EDPRNA DG Mississippi Development LLC (*)
- EDPR NA DG Missouri Development LLC (*)

* 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 2022, do not have any assets, liabilities, or any operating activity.

Others:

- EDP Renováveis, S.A. acquired 50% of the Polish companies Lomartico Investments, Sp. z o.o., Medsteville Investments, Sp. Z o.o., Ondentille Investments, Sp. z o.o., (acquisitions with no control).
- EDPR France Holding, S.A.S. acquired 51% of the company Centrale Eolienne D'Occey, S.A.S. According to the Shareholder Agreements, key operation and financial matters are included under “Reserved Matters” and shall be approved and resolved by the unanimously of the Board of Directors, therefore is considered under joint control.

07. Revenues

Revenues are analysed as follows:

THOUSAND EUROS	30 JUN 2022	30 JUN 2021
REVENUES BY BUSINESS AND GEOGRAPHY		
Electricity in Europe	642,579	441,633
Electricity in North America	401,389	212,934
Electricity in LATAM	19,313	16,382
Electricity in APAC	30,656	-
	1,093,937	670,949
Other revenues	-15,301	3,324
	1,078,636	674,273
Services rendered	28,074	20,182
CHANGES IN INVENTORIES AND COST OF RAW MATERIAL AND CONSUMABLES USED		
Cost of consumables used and changes in inventories	6,858	74,983
Total Revenues	**1,113,568**	**769,438**

The breakdown of revenues by segment is presented in the segmental reporting (see note 42).

Increase in revenues is, mainly, explained by the income from the projects that have reached the COD during the six-month period ended 30 June 2022 and the impacts of the current world economic situation explained in the note "Situation of conflict and geopolitical instability in Eastern Europe - Macroeconomic, Regulatory, Operational, Accounting Impact and relationship with Stakeholders."

Other revenues includes settlement of energy trading derivatives.

08. Income from institutional partnerships in North America

Income from institutional partnerships in North America in the amount of 123,751 thousand Euros (30 June 2021: 86,518 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, II and V, Blue Canyon I, Vento I to V, Vento IX to XVI, Vento XVIII and Vento XX to XXII (see note 33).

09. Other income

Other income is analysed as follows:

THOUSAND EUROS	30 JUN 2022	30 JUN 2021
Amortisation of deferred income related to power purchase agreements	501	942
Contract and insurance compensations	17,485	11,900
Gains on disposals	99,048	100,809
Other income	17,383	27,367
	134,417	**141,018**

The power purchase agreements between EDPR NA and its customers were valued based on market assumptions, at the acquisition date of the business combination, using discounted cash flow models. At that date, these agreements were valued at approximately 190,400 thousand of USD and booked as a non-current liability (see note 34). This liability is amortised over the period of the agreements against other income. As at 30 June 2022, the amortisation for the period amounts to 501 thousand Euros (30 June 2021: 942 thousand Euros) and the non-current liability amounts to 5,004 thousand Euros (31 December 2021: 5,092 thousand Euros).

As at 30 June 2022, the caption Gains on disposals essentially includes:

- 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. (see note 6).
- 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. (see note 6).

As at 30 June 2021, the caption Gains on disposals referred to the gain amounting to 100,809 thousand Euros related to the sale of the 68% stake and loss of control in the company 2019 Vento XX, LLC and subsidiaries.

As at 30 June 2022, the caption other income includes, 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.

As at 30 June 2021, the caption Other income mainly includes an amount of 15,778 thousand Euros that referred to a net change in the fair value of the contingent consideration related to the sale in 2018 to Sumitomo Corporation and in 2020 to Ocean Winds of the stake in the companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S. and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S., in accordance with the relevant agreements signed (see note 24).

10. Supplies and services

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2022	30 JUN 2021
Rents and leases	22,891	13,678
Maintenance and repairs	98,513	83,628
SPECIALISED WORKS:		
- IT Services, legal and advisory fees	5,828	11,941
- Shared services	10,005	7,293
- Other services	28,403	19,449
Other supplies and services	30,819	20,164
	196,459	**156,153**

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

11. Personnel costs and employee benefits

Personnel costs and employee benefits is analysed as follows:

THOUSAND EUROS	30 JUN 2022	30 JUN 2021
PERSONNEL COSTS		
Board remuneration (see note 39)	348	254
Remunerations	89,273	62,674
Social charges on remunerations	15,063	11,715
Employee's variable remuneration	21,012	15,698
Other costs	3,231	2,603
Own work capitalised (see note 16)	-28,019	-20,116
	100,908	72,828
EMPLOYEE BENEFITS		
Costs with pension plans	3,961	3,274
Costs with medical care plans and other benefits	8,950	5,918
	12,911	9,192
	113,819	**82,020**

As at 30 June 2022, Costs with pension plans relates essentially to defined contribution plans in the amount of 3,918 thousand Euros (30 June 2021: 3,227 thousand Euros) and defined benefit plans amounting to 6 thousand Euros (2 thousand Euros as at 30 June 2021).

The average breakdown by gender of the permanent staff during six-month period ended 30 June 2022 and 30 June 2021 is as follows:

	30 JUN 2022	30 JUN 2021
Male	1,674	1,285
Female	779	580
	2,453	**1,865**

The breakdown by gender of the permanent staff as at 30 June 2022 and 2021 is as follows:

	30 JUN 2022	30 JUN 2021
Male	1,931	1,354
Female	874	622
	2,805	1,976

The increase in the number of employees is mainly a consequence of the acquisition of the Sunseap Group (see note 6).

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 2022	30 JUN 2021
Taxes	101,661	64,126
Losses on fixed assets	3,288	1,331
Other costs and losses	47,494	27,681
	152,443	**93,138**

The caption Taxes, on 30 June 2022, besides other direct and indirect taxes, includes the amount of 28,998 related to the exceptional income tax imposed to electricity generation in Romania and resulting from the difference between the average monthly selling price of electricity and the price fixed by the Romanian Authorities.

Further, as commented in the Regulatory Framework of Italy, in May "DL Aiuti" decree was published aimed to counteract the effects on consumers of high energy prices by introducing an increases the one-off levy on producers and sellers of electricity, natural gas and petrol products to 25%. The measure applies to profit margins which rose by more than 5 million euros during the Oct. 2021 - April 2022 period compared to a year earlier. The amount included for this concept in the caption Taxes amounts to 12,384 thousand Euros.

Losses on fixed assets as at 30 June 2022 and 2021 mainly refers to abandonment of projects in Europe.

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

Other costs and losses included as at 30 june 2021 an amount of 12,462 thousand Euros that refers to a change in the fair value of the contingent consideration related to the sale in 2018 to Sumitomo Corporation of 13,5% stake in the companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S. and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S., in accordance with the relevant agreements signed (see note 24).

13. Amortisation and impairment

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2022	30 JUN 2021
PROPERTY, PLANT AND EQUIPMENT		
Buildings and other constructions	235	189
Plant and machinery	311,270	269,041
Other	2,957	2,485
Impairment loss	-	657
	314,462	272,372
RIGHT-OF-USE ASSETS		
Right-of-use assets	19,846	16,277
INTANGIBLE ASSETS		
Industrial property, other rights and other intangibles	9,671	8,982
	343,979	297,631
Impairment of goodwill	-	-
	-	-
Amortisation of deferred income (Government grants)	-8,661	-7,867
	335,318	**289,764**

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 JUNE 2021	30 JUN 2022
FINANCIAL INCOME		
Interest income	11,236	5,446
Derivative financial instruments:		
Interest	5,093	483
Fair value	205,745	6,981
Foreign exchange gains	53,342	81,363
Other financial income	-	370
	275,416	94,643
FINANCIAL EXPENSES		
Interest expense	93,298	70,318
Derivative financial instruments:		
Interest	36,547	13,302
Fair value	191,290	11,350
Foreign exchange losses	73,674	66,179
Own work capitalised	-11,967	-14,793
Unwinding	66,807	53,376
Other financial expenses	10,894	6,033
	460,543	**205,765**
Net financial income / (expenses)	**-185,127**	**-111,122**

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 increase in the captions fair value during the six-month period ended 30 June 2022 is a due to the current world economic situation.

In accordance with the corresponding accounting policy, the borrowing costs (interest) capitalised in tangible fixed assets in progress as at 30 June 2022 amounted to 11,967 thousand Euros (at 30 June 2021 amounted to 14,793 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 48,311 thousand Euros (30 June 2021: 37,688 thousand Euros) (see note 33); (ii) financial update of lease liabilities related to IFRS 16 in the amount of 15,621 thousand Euros (30 June 2021: 13,762 thousand Euros); and (iii) financial update of provisions for dismantling and decommissioning of wind and solar farms in the amount of 2,872 thousand Euros (30 June 2021: 1,924 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). 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 2021.

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 2022	30 JUN 2021
EUROPE:		
Belgium	25%	25%
France	15% - 25%	28%
Greece	22%	24%
Hungary	9%	-
Italy	24% - 28.8%	24% - 28,8%
Poland	19%	19%
Portugal	22.5% - 25.5% - 27.5% - 31.5%	21% - 31,5%
Romania	16%	16%
Spain	25%	25%
United Kingdom	19%	-
AMERICA:		
Brazil	34%	34%
Canada	26.5%	26.5%
Chile	27%	27%
Colombia	35%	31%
Mexico	30%	30%
United States of America	24.91%	24.91%
ASIA:		
South Korea	10%-25%	-
Singapore	17%	-
Cambodia	20%	-
China	25%	-
Indonesia	22%	-
Japan	31%	-
Malaysia	24%	-
Taiwan	20%	-
Thailand	20%	-
Philippines	25%	-
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; 6 years in the Netherlands; 7 years in Malaysia and Romania; 9 years in Japan; 10 years in Mexico and Taiwan; 12 years in Colombia; 15 years in Korea; 20 years in Canada; and indefinitely in Australia, Belgium, Brazil, Chile, France, Italy, 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, 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 26% 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 2022, the EDPR Group had various tax audits regarding different topics. In May, the commencement of a general tax 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 currently at a very preliminary stage. 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, 2022.

Changes in the tax law with relevance to the EDP Renewables Group in 2022

As from 2022, the statutory CIT rates applicable in the following relevant geographies have been modified as follows:

- In Colombia, even though the CIT rate was subject to a reduction from 32% to 31% in 2021, it was raised again from 2022 onwards from 31% to 35%.
- In France, the Finance Bill 2018 voted on 30 December 2017 (LOI n° 2017-1837 du 30 décembre 2017 de finances pour 2018) approved a progressive reduction of the general CIT rate to 25% by 2022. For fiscal years starting in 2022, the CIT rate amounts to 25%.

Corporate income tax provision.

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2022	30 JUN 2021
Current tax	-37,553	-69,890
Deferred tax	-29,226	25,866
Income tax expense	**-66,819**	**-43,714**

The effective income tax rate as at 30 June 2022 and 2021 is analysed as follows:

THOUSAND EUROS	30 JUN 2022	30 JUN 2021
Profit before tax	454,515	252,482
Income tax expense	-113,629	-43,714
Effective Income Tax Rate	25.00%	17.31%

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 six-month period ended 30 June 2022 and 2020 is analysed as follows:

THOUSAND EUROS	30 JUN 2022	30 JUN 2021
Profit before taxes	454,515	252,482
Nominal income tax rate (*)	25.00%	25.00%
Theoretical income tax expense	-113,629	-63,120
Fiscal revaluations, amortization, depreciation and provisions	794	-1,062
Tax losses and tax credits	-2,233	26,150
Financial investments in associates	6,417	535
Difference between tax and accounting gains and losses	5,930	16
Effect of tax rates in foreign jurisdictions and CIT rate changes	9,812	1,631
Taxable differences attributable to non-controlling interests (USA)	10,065	7,409
Other	16,025	-15,273
Efective income tax expense as per the Consolidated Income Statement	-66,819	-43,714

(*) Statutory corporate income tax rate applicable in Spain

The main captions are the following:

- The caption "Tax losses and tax credits" mainly reflects the effect of the abovereferred PTCs retained by EDPR North America and the effect of tax losses in different geographies.
- The caption "Difference between tax and accounting gains and losses" refers to changes in the Group's perimeter not subject to income taxes. In 2022, the main effect comes from Project Flores, an asset rotation in Spain that benefitted from the Spanish participation exemption regime.

- 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.

- The caption "Others" is partly explained by movements in and out the EDPR perimeter due to the acquisitions and sales of subsidiaries, including asset rotations (e.g., Project Flores) or other acquisitions (e.g., the entry of Sunseap into the EDPR Group).

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 2022, EDPR Group recorded in caption Tax Liabilities a fair value for this contribution of 3,144 thousand Euros.

16. Property, plant and equipment

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
COST		
Land and natural resources	36,533	31,491
Buildings and other constructions	23,024	20,646
Plant and machinery:		
- Renewables generation	19,962,540	18,265,839
- Other plant and machinery	10,029	10,467
Other	86,434	76,909
Assets under construction	3,419,882	2,420,599
	23,538,442	20,825,951
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-314,610	-570,111
Accumulated depreciation in previous years	-6,426,558	-5,546,034
Impairment losses	-	-
Impairment losses in previous years	-148,462	-147,506
	-6,889,630	-6,263,651
Carrying amount	**16,648,812**	**14,562,300**

The movement in Property, plant and equipment for the six-month period ended 30 June 2022, 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
COST							
Land and natural resources	31,491	3,703	-49	-	1,523	-135	36,533
Buildings and other constructions	20,646	52	-	34	1,460	832	23,024
Plant and machinery	18,276,306	38,918	-12,643	452,145	1,077,568	140,275	19,972,569
Other	76,909	4,056	-507	1,733	3,861	383	86,434
Assets under construction	2,420,599	1,239,927	-3,003	-453,168	184,749	30,778	3,419,882
	20,825,951	**1,286,656**	**-16,203**	744	**1,269,161**	**172,133**	**23,538,442**

	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	IMPAIRMENT LOSSES/ REVERSES	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 30 JUN
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Buildings and other constructions	13,056	235	-	-	1,191	-	14,482
Plant and machinery	6,126,449	311,270	-	-12,060	328,292	-7,155	6,746,211
Assets under construction	73,131	-	-	-	-781	-	73,126
Other	51,015	2,957	-	-399	2,736	-362	55,901
	6,263,651	**314,462**	**-**	**-12,459**	**331,494**	**-7,517**	**6,889,630**

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

Additions include the investment in wind farms and solar plants under development and construction mainly in the United States, Poland, Brazil, Spain, Italy, Portugal, Mexico, France, Canada, Colombia, Greece and Singapore. 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 Mohave Power Holdings, LLC, Bar Harbor Community Solar LLC and Hickory Solar LLC for a total amount of 16,877 thousand Euros.
- Italian company Sarve, S.r.l. in the amount of 4,699 thousand Euros;
- Hungarian Szabadsolar, Kft. , Sunglare Capture, Kft., Sunglare Expert, Kft. and Napenergia, Kft for a total amount of 5,955 thousand Euros.

Transfers from assets under construction into operation refer to wind and solar farms that became operational in the United States, Mexico, Italy, France, Brazil, Spain, Poland and Singapore.

Write-offs mainly refer to abandonment of projects in Europe.

Exchange differences are mainly generated by the variation in the exchange rate of the US Dollar, Mexican Peso, Canadian Dollar, Colombian COPS, Singaporian Dollar, Polish zloty and Brazilian Real.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 402.143 thousand Euros related to the acquisition of Sunseap, a distributed solar generation business in Singapore (see note 6);
- Increase amounting to 16,971 thousand Euros related to the acquisition of a distributed solar generation business “Long Road” in EDPR North America (see note 6);

- Decrease amounting to 9,953 thousand Euros due to the sale of the 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.. (see note 6).
- Decrease amounting to 224,603 thousand Euros due to the reclassification to held for sale of a certain portfolio of European companies;

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 31 June 2022 and 31 December 2021 are analysed as follows:

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
EDPR NA	1,795,093	1,079,633
EDPR EU	712,941	825,986
EDPR LATAM	852,037	509,951
EDPR APAC	59,811	5,029
	3,419,882	**2,420,599**

Assets under construction as at 30 June 2022 are mainly related to wind and solar farms under construction and development in the United States of America, Poland, Brazil, Colombia, South Asia, Spain, Italy, Mexico, France, Canada, Greece, Hungary and Portugal.

Financial interests capitalized during the period amount to 11,967 thousand Euros as at 30 June 2022 (30 June 2021: 14,793 thousand Euros) (see note 14).

Personnel costs capitalised during the period amount to 28,019 thousand Euros as at 30 June 2022 (30 June 2021: 20,116 thousand Euros) (see note 11).

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

17. Righ of use assets

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2021
COST		
Land and natural resources	836,844	721,642
Buildings and other constructions	46,573	35,720
Plant and machinery:	138	119
Other	5,931	5,568
	889,486	763,049
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-19,846	-34,807
Accumulated depreciation	-99,231	-59,454
	-119,077	-94,261
Carrying amount	**770,409**	**668,788**

The movements in Right of use assets, for the Group, for the six-month period ended 30 June 2022, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 30 JUN
COST						
Land and natural resources	721,642	38,443	-278	48,605	28,431	836,843
Buildings and other constructions	35,720	9,117	-	1,765	-29	46,573
Plant and machinery:	119	-	-	19	-	138
Other	5,568	335	-18	47	-	5,932
	763,049	**47,894**	**-296**	**50,436**	**28,402**	**889,486**

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 30 JUN
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Land and natural resources	-75,789	-15,740	113	-5,184	821	-95,779
Buildings and other constructions	-15,168	-3,563	-	-714	13	-19,432
Plant and machinery:	-10	-2	-	-2	-	-14
Other	-3,294	-541	-	-17	-	-3,852
	-94,261	**-19,846**	**113**	**-5,917**	**834**	**-119,077**

Cost additions include new lease contracts mainly located in USA, Portugal, Spain, Brazil, Italy, Greece, Colombia and Singapore. New leases are typically signed for a similar period than the useful life of the projects. See note 35 for maturity of lease contracts.

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

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 38,941 thousand Euros related to the acquisition of a Sunseap Group (see note 6);
- Decrease amounting to 10,539 thousand Euros due to the reclassification to held for sale of a certain portfolio of European companies.

18. Intangible assets

This caption is analysed as follows:

THOUSAND EUROS EUROS	30 JUN 2021	31 DEC 2021 (*)
COST		
Industrial property, other rights and other intangible assets	229,746	232,351
Concession Rights	52,110	31,493
Intangible assets under development	40,189	44,461
	322,045	308,305
ACCUMULATED AMORTISATION		
Amortisation charge	-9,671	-18,402
Accumulated amortisation in previous years	-143,646	-119,282
Impairment losses	-	-
Impairment losses in previous years	-11,565	-11,746
	-164,882	-149,430
Carrying amount	**157,163**	**158,875**

* See note 2.A) for details regarding the modification as a result of the change in the Green Certificates and RECs accounting policy

Industrial property, other rights and other intangible assets include:

- Power sales contracts in relation to former asset acquisitions out of the scope of IFRS 3 in the amount of 60,474 thousand Euros (31 December 2021: 55,460) that are amortized over the term of the power sales contracts. The variation is explained by the effect of the exchange rates;
- Software, substation access rights and wind generation permits and licenses amounting to 137,515 thousand Euros (31 December 2021: 145,134 thousand Euros).

The movement in Intangible assets for the six-month period ended 30 June 2022, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS / WRITE-OFFS	TRANSFERS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 30 JUN
COST							
Industrial property, other rights and other intangible assets	232,351	608	-	4,111	10,352	-17,676	229,746
Concession rights	31,494	-	-853	2,534	57	18,878	52,110
Intangible assets under development	44,461	3,927	-1,315	-7,389	505	-	40,189
	308,306	**4,535**	**-2,168**	**-744**	**10,914**	**1,202**	**322,045**

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFFS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 30 JUN
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES						
Industrial property, other rights and other intangible assets	-140,245	-7,919	-	-5,574	11,737	-142,001
Concession Rights	-9,185	-1,752	177	-22	-12,099	-22,882
	-149,430	**-9,671**	**177**	**-5,596**	**-362**	**-164,882**

Additions mainly refer to software development during the period.

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 2022	31 DEC 2021
Goodwill booked in EDPR EU:	525,579	578,120
- EDPR Spain	419,023	470,784
- EDPR France	25,904	25,904
- EDPR Portugal	43,712	43,712
- Other	36,940	37,720
Goodwill booked in EDPR NA	747,783	686,842
Goodwill booked in EDPR LATAM	730	627
Goodwill booked in EDPR APAC	480,943	2,446
	1,755,035	**1,268,035**

The movements in Goodwill, by subgroup, during the six-mont period ended 30 June 2022 are analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	INCREASES	DECREASES	IMPAIRMENT	EXCHANGE DIFFERENCES	CHANGE PERIMETER / OTHERS	BALANCE AT 31 DEC
EDPR EU:							
- EDPR Spain	470,784	-	-	-	-	-51,761	419,023
- EDPR France	25,904	-	-	-	-	-	25,904
- EDPR Portugal	43,712	-	-	-	-	-	43,712
- Other	37,720	-	-	-	-95	-685	36,940
EDPR NA	686,842	-	-	-	60,941	-	747,783
EDPR LATAM	627	-	-	-	103	-	730
EDPR APAC	2,446	-	-	-	25,135	453,362	480,943
	1,268,035	-	-	-	86,084	400,916	1,755,035

Changes in the perimeter / others refer to:

- Increase amounting to 453,362 thousand Euros provisional goodwill related to the business combination for the acquisition of the Sunseap Group (see note 6 and 42);
- Decrease in the amount of 51,761 thousand Euros related to the sale of Spanish companies during the six-month period ended 30 June 2022 (see note 6).
- Decrease in amount of 685 thousand Euros related to a certain European portfolio 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 2022	31 DEC 2021
INVESTMENTS IN ASSOCIATES		
Interests in joint ventures	1,044,096	911,196
Interests in associates	87,384	77,326
Carrying amount	**1,131,480**	**988,522**

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.

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

THOUSAND EUROS	2022
Balance as at 1 January	988,522
Changes in the consolidation perimeter	-440
Acquisitions / Increases	9,447
Share of profits of joint ventures and associates	67,609
Dividends	-14,548
Exchange differences	48,239
Hedging reserve in joint ventures and associates	32,788
Others	-133
Balance as at the end of the period	**1,131,480**

Acquisition/ increases mainly include the joint ventures companies acquired as a consequence of the acquisition of Sunseap Group.

EDPR Group granted parent company guarantees for certain joint venture projects. Total guarantees granted refer to financial and operational guarantees granted by EDPR to joint ventures in the amount of 17,745 thousand Euros and 466,559 thousand Euros respectively. Further, EDP Energías de Portugal Sucursal en España has granted financial and operational guarantees to EDPR's joint ventures in the amount of 256,351 thousand Euros and 12,034 thousand Euros respectively.

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 at 30 June 2022, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

					NET DEFERRED TAX ASSETS
THOUSAND EUROS	BALANCE AT 30.06.2022	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2021
Tax losses and tax credits	1,019,939	204,698	-	52,328	762,913
Provisions	15,244	-4,467	-	-3,609	23,320
Financial instruments	160,369	-112,574	138,806	876	133,260
Property plant and equipment	65,566	2,200	-	-4,739	68,107
Non-deductible financial expenses	-96,329	-110,767	-	-1,419	15,858
Other temporary differences	74,660	1,650	325	35,877	36,808
Assets/liabilities compensation of deferred taxes	-824,177	-5,534	-288	-109,894	-708,463
	415,272	**-24,795**	**138,843**	**-30,580**	**331,803**

					NET DEFERRED TAX LIABILITIES
THOUSAND EUROS	BALANCE AT 30.06.2022	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 31.12.2021
Financial instruments	6,734	-17,910	23,718	-1,192	2,119
Property plant and equipment	338,418	11,114	-	24,920	302,384
Allocation of fair value to assets and liabilities acquired	460,073	215	-	-1,516	461,374
Income from institutional partnerships (North America)	433,358	15,563	(82)	34,645	383,232
Other temporary differences	49,177	1,394	22	23,047	24,715
Assets/liabilities compensation of deferred taxes	824,177	-5,534	-288	-99,095	-719,260
	463,584	**4,842**	**23,369**	**-19,191**	**454,564**

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

Management considers that in accordance with the business plan approved by the Board of Directors, the deferred tax assets related to tax losses and tax credits will be recoverable with future tax profit.

22. Inventories

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2022	31 DEC 2021(*)
Advances on account of purchases	6,283	4,892
Finished and intermediate products	14,573	11,215
Green certificates & RECs	175,937	157,533
Raw and subsidiary materials and consumables	58,383	46,167
	255,176	**219,807**

* See note 2.A) for details regarding the modification as a result of the change in the Green Certificates and RECs accounting policy

During the six-month period ended 30 June 2022 the caption Green certificates & RECs has increased by the amount of 17,583 thousand Euros related to the Green certificates & RECs generated during the period pending to be sold. The exchange differences as at 30 June 2022 amounted to 821 thousand Euros.

23. Debtors and other assets from commercial activities

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

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Trade receivables	940	617
Deferred costs	24,330	20,621
Sundry debtors and other operations	9,623	11,685
	34,893	32,923
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES - CURRENT		
Trade receivables	358,588	364,676
Services rendered	54,468	29,349
Advances to suppliers	65,631	4,845
Deferred costs	42,367	48,062
Sundry debtors and other operations	51,807	19,037
	572,861	465,969
Impairment losses	-2,458	-658
	605,296	**498,234**

The amount of trade receivables - current as at 30 June 2022 principally refers to EDPR EU in the amount of 161,258 thousand Euros (228,481 thousand Euros as at 31 December 2021) and to EDPR NA in the amount of 139,531 thousand Euros (115,725 thousand Euros as at 31 December 2021), which mainly includes electricity generation invoicing. Also, as at 30 June 2022 the caption includes an amount of 26,906 thousand Euros related to Sunseap Group (see note 6).

The caption Advances to suppliers include as at 30 June 2022 an amount of 42,278 thousand Euros as a result of the acquisition of Sunseap Group (see note 6).

The caption Sundry debtors and other operations – current increase mainly due to the amount pending to collect from the stoppage of the turbine and as a result of the acquisition of Sunseap Group (see note 6).

The caption of Debtors and other assets from commercial activities – Current includes 2,458 thousand Euros, which is the result of impairment losses under the expected credit loss model recommended in IFRS 9.

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 JUN2022	31 DEC 2021
OTHER DEBTORS AND OTHER ASSETS - NON-CURRENT		
Loans to related parties	192,475	172,906
Derivative financial instruments	58,380	51,013
Sundry debtors and other operations	205,078	547,496
	455,933	771,415
OTHER DEBTORS AND OTHER ASSETS – CURRENT		
Loans to related parties	565,557	91,498
Derivative financial instruments	138,284	60,868
Sundry debtors and other operations	833,482	622,944
	1,537,323	775,310
	1,993,256	**1,546,725**

Sundry debtors and other operations- non current mainly include:

- During the six-month period ended 30 June 2022 an amount of 381,798 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 has been reclassified to Sundry debtors and other operations – current.
- 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, SAS to OW Offshore S.L. and Sumitomo Corporation respectively, in accordance with the relevant agreements signed, that amounts to 77,440 thousand Euros and 28,853 thousand Euros as at 30 June 2022 and 31 December 2021;
- Fair value of the variable price in the amount of 39,109 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 offsore business to OW Offshore S.L. (35,866 thousand Euros as at 31 December 2021);
- 39,817 thousand Euros (36,170 thousand Euros as at 31 December 2021) mainly related to Interconnection and transmission deposits in EDPR NA;
- 13,056 thousand Euros as at 30 June 2022 and 31 December 2021 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.

Loans to related parties mainly include loans granted to Ocean Winds in the amount of 189,617 thousand Euros in the long-term with maturity in 2029 and 550,605 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 (26,118 thousand Euros in the short-term and 172,095 thousand Euros in the long-term as at 31 December 2021). These loans bear interest at market rates, which are made of a reference rate indexed to Euribor in its majority, plus a market spread.

Sundry debtors and other operations-current mainly includes:

- 375,307 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. During the six-month period an amount of 6,491 thousand Euros has been collected.
- Cash collateral held at exchanges where the Group enters into derivative instruments and trades US green certificates in the amount of 308,086 thousand Euros (161,362 thousand Euros as at 31 December 2021);
- Estimated corporate income tax due by EDP Energias de Portugal, S.A. Sucursal en España in the amount of 80,843 thousand Euros (38,611 as at 31 December 2021).

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 is analysed as follows:

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
Income tax	50,887	16,964
Value added tax (VAT)	210,269	192,698
Other taxes	22,417	15,134
	253,572	**224,796**

The increase in the income tax caption corresponds, mainly, to the amount related with the tax paid in the past for the sale of certain companies which Directors and legal experts have estimated recoverable.

26. Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
Cash	69	79
BANK DEPOSITS		
Current deposits	1,031,126	540,204
Term deposits	77,468	38,938
Specific demand deposits in relation to institutional partnerships	1,316	231
	1,109,911	579,373
Other short-term investments	8,441	424,332
	1,118,421	**1,003,784**

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 2022 and 31 December 2021, 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:

	30 JUN 2022		31 DEC 2021	
THOUSAND EUROS	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE
Electricity generation assets – Offshore wind	59,355	-	25,111	-
Electricity generation assets – Onshore wind	270,346	41,203	470,813	62,487
	329,701	41,203	**495,924**	**62,487**

Electricity generation assets – Offshore wind

The assets and liabilities, which are associated with Moray West Holdings Limited, remain classified as non-current assets and liabilities held for sale under the sale plan that the EDPR Group has entered into in the past.

Electricity generation assets – Onshore wind

During 2022, EDPR Group started the process of selling onshore wind portfolios in Europe. Assets and liabilities associated with these portfolios were presented in non-current assets and liabilities held for sale, according to the analysis performed under IFRS 5.

As at 30 June 2022 the following reclassifications were made to held for sale:

THOUSAND EUROS	Onshore wind	Offshore wind	Total
ASSETS			
Property, plant and equipment	228,550	-	228,550
Right-of-use assets	9,705	-	9,705
Other assets	31,753	59,355	91,108
Cash and cash equivalents	338	-	338
Non-Current Assets Held for Sale	270,346	59,355	329,701
LIABILITIES			
Financial debt	-	-	-
Provisions	5,356	-	5,356
Other liabilities	35,847	-	35,487
Non-Current Liabilities Held for Sale	41,203	-	41,203

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 April 15, 2021, EDPR made a capital increase by issuing 88,250,000 ordinary shares, with a par value of 5 Euros each and a subscription price of 17 Euros per share, with the exclusion of the pre-emptive subscription rights of the Company´s shareholders. 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. As such, the share capital of EDPR at 30 June 2022 and 31 December 2021 amounts 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 2022 and 31 December 2021 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

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

Movements in Share capital and Share premium during 2021 are as follows:

	SHARE CAPITAL	SHARE PREMIUM
Balance as at 1 January 2021	4,361,541	552,035
Movements during the period (net of transaction costs)	441,250	1,046,978
Balance as at 31 December 2021	4,802,791	1,599,013

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

	30 JUN 2022	30 JUN 2021
Profit attributable to the equity holders of the parent(in thousand Euros)	264,739	141,554
Profit from continuing operations attributable to the equity holders of the parent (in thousand Euros)	264,739	141,554
Weighted average number of ordinary shares outstanding	960,558,162	909,078,995
Weighted average number of diluted ordinary shares outstanding	960,558,162	909,078,995
Earnings per share (basic) attributable to equity holders of the parent (in Euros)	0.28	0.16
Earnings per share (diluted) attributable to equity holders of the parent (in Euros)	0.28	0.16
Earnings per share (basic) from continuing operations attributable to the equity holders of the parent (in Euros)	0.28	0.16
Earnings per share (diluted) from continuing operations attributable to the equity holders of the parent (in Euros)	0.28	0.16

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 2022 and 31 December 2021.

The average number of shares was determined as follows:

	30 JUN 2022	30 JUN 2021
Ordinary shares issued at the beginning of the period	960,558,162	872,308,162
Effect of shares issued during the period	-	36,770,833
Average number of realised shares	960,558,162	**909,078,995**
Average number of shares during the period	960,558,162	909,078,995
Diluted average number of shares during the period	960,558,162	**909,078,995**

29. Other comprehensive income, reserves and retained earnings

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
OTHER COMPREHENSIVE INCOME		
Fair value reserve (cash flow hedge)	-1,099,111	-754,882
Fair value reserve (equity instruments at fair value)	4,146	4,146
Exchange differences - Currency translation arising on consolidation	906,180	383,406
Exchange differences - Net investment hedge	- 945,378	-544,039
Exchange differences - Net investment hedge - Cost of hedging	6,801	711
	-1,127,362	-910,658
OTHER RESERVES AND RETAINED EARNINGS		
Retained earnings and other reserves	2,893,187	2,344,797
Additional paid in capital	60,666	60,666
Legal reserve	214,829	214,829
	3,168,682	2,620,292
	2,041,320	**1,709,634**

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 31 December 2021	**4,146**
Parque Eólico Montes de las Navas, S.L.	-
Balance as at 30 June 2022	**4,146**

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 2021		EXCHANGE RATES AT 30 JUNE 2021	
		CLOSING RATE	AVERAGE RATE	CLOSING RATE	AVERAGE RATE
US Dollar	USD	1.04	1.09	1.19	1.21
Zloty	PLN	4.68	4.64	4.52	4.54
Brazilian Real	BRL	5.42	5.56	5,91	6.49
New Leu	RON	4.95	4.95	4.93	4.90
Pound Sterling	GBP	0.86	0.84	0.86	0.87
Canadian Dollar	CAD	1.34	1.39	1.47	1.50
Mexican Peso	MXN	20.94	22.17	23.66	24.31
Colombian Peso	COP	4,315.06	4,281.18	4,455.03	4,364.85
Hungarian Forint	HUF	397.04	375.13	351.68	357.88
Vietnamese Dong	VND	24,154.97	24,891.59	27,349.84	27,706.10
Singaporian Dollar	SGD	1.45	1.49	-	-

30. Non-controlling interests

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2021
Non-controlling interests in income statement	119,843	154,135
Non-controlling interests in share capital and reserves	1,454,478	1,253,891
	1,574,321	**1,408,026**

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

THOUSAND EUROS	30 JUN 2021	31 DEC 2021
EDPR NA	924,437	886,475
EDPR EU	526,233	461,283
EDPR LATAM	69,253	58,524
EDPR APAC	54,398	1,744
	1,574,321	**1,408,026**

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

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
Balance as at 1 January	**1,408,026**	1,276,282
Dividends distribution	-32,506	-38,387
Net profit for the year	119,843	154,135
Exchange differences arising on consolidation	86,709	67,203
Acquisitions and sales without change of control	2,902	1,020
Increases/(Decreases) of share capital	-58,002	-69,164
Other changes	47,349	16,937
Balance as at 31 December	**1,574,321**	**1,408,026**

31. Financial debt

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

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
FINANCIAL DEBT - NON-CURRENT		
Bank loans:		
- EDPR EU	87,972	114,592
- EDPR LATAM	395,674	330,402
- EDPR NA	478,562	368,622
- EDPR APAC	180,420	-
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	250,964	230,036
- EDP Renováveis Servicios Financieros, S.A.	3,190,216	2,293,120
Other loans:		
- EDPR EU	15,618	16,332
- EDPR APAC	11,335	-
Total Debt and borrowings - Non-current	4,610,761	3,353,104
Collateral Deposit - Project Finance and others (*)	-23,943	-23,397
Total Collateral Deposits - Non-current	-23,943	-23,397
FINANCIAL DEBT – CURRENT		
Bank loans:		
- EDPR EU	433,865	46,056
- EDPR LATAM	15,408	11,156
- EDPR NA	47,559	45,881
- EDPR APAC	64,354	-
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	893,739	99,150
- EDP Renováveis Servicios Financieros, S.A.	274,587	439,029
Other loans:		
- EDPR EU	1,206	1,001
- EDPR EU APAC	1,542	-
Interest payable	55,461	45,572
Total Debt and borrowings – Current	1,787,721	687,845
Collateral Deposit - Project Finance and others (*)	-21,709	-25,708
Total Collateral Deposits – Current	-21,709	-25,708
Total Debt and borrowings – Current and Non-current	6,398,482	4,040,949
Total Debt and borrowings net of collaterals – Current and Non-current	**6,352,830**	**3,991,844**

(*) 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 at 30 June 2022 mainly refer to a set of loans granted by EDP Finance BV amounting to 3,304,955 thousand Euros, including accrued interests and deducted of debt origination fees (3,271,179 thousand Euros non-current and 33,776 thousand Euros current) and by EDP Servicios Financieros España S.A. amounting to 1,304,551 thousand Euros (170,000 thousand Euros non-current and 1,134,551thousand Euros current). The bundled average maturity regarding long-term loans is approximately 5 years and bear interest at weighted average fixed market rates of 1.9% for EUR loans and 3.5% for USD loans.

The main events regarding financing and refinancing of the Group refers mainly to the external financial debt where the incorporation of the Sunseap Group (note 6) resulted in the addition of 256,361 thousands Euros, The Nation Rise project inancing in Canada also increase debt in 9,759 thousands Euros and Brazil project Boqueirao plus additional dispositions in existing projects resulted in 165,459 thousand Euros debt increase, also in Poland during the year several projects was acquired with a total debt of 160,805 thousand Euros lately dispossed also in the year in asset rotation program.

Loans received from EDP group entities - main events are the refinancing in amount of USD 370M with 10 years maturity and a new debt amounted to USD 500M signed with 7 year maturity.

As at 30 June 2022, future debt and borrowings payments and accrued interest by type of loan and currency are analysed as follows:

THOUSAND EUROS	2022	2023	2024	2025	2026	FOLLOWING YEARS	TOTAL
BANK LOANS							
Euro	419,978	12,648	25,224	11,755	-	-	469,605
American Dollar	41,036	9,901	17,356	22,410	23,351	256,358	370,413
Brazilian Real	29,599	13,580	20,273	20,693	21,083	325,591	430,820
Singaporian Dollar	42,203	3,646	28,340	-714	2,161	28,773	104,410
Others	49,548	14,679	36,801	23,717	20,527	159,002	304,274
	582,364	54,454	127,995	77,862	67,122	769,725	1,679,522
LOANS RECEIVED FROM EDP GROUP							
Euro	1,168,326	170,000	-	-	-	773,858	2,112,185
American Dollar	34,084	269,568	501,766	254,622	508,568	977,801	2,546,410
	1,202,410	439,568	501,766	254,622	508,568	1,751,659	4,658,594
OTHER LOANS							
Euro	1,206	498	1,011	1,031	1,052	12,027	16,825
Others	2,055	-	11,334	-	-	-	13,389
	3,261	498	12,345	1,031	1,052	12,027	30,214
Origination fees	-538	-1,908	-2,178	-1,105	-2,208	-7,562	-15,499
	1,787,491	**492,612**	**639,928**	**332,410**	**574,534**	**2,525,899**	**6,352,830**

The Group has project finance loans with the usual guarantees for such loans, namely pledges or promissory pledges over shares, bank accounts and assets relating to the projects. As at 30 June 2022, these loans amounted to 1,245,015thousand Euros (31 December 2021: 843,778 thousand Euros). At 30 June 2022, the Group confirms the fulfillment of all the covenants of the Project Finance Portfolio under the Facilities Agreements.

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

	30 JUNE 2022		31 DEC 2022	
THOUSAND EUROS	CARRYING VALUE(*)	MARKET VALUE	CARRYING VALUE(*)	MARKET VALUE
Financial debt - Non-current	4.610.761	4.347.103	3,353,104	3,354,591
Financial debt – Current	1.787.721	1.787.721	687,845	687,845
	6.398.482	6.134.824	**4,040,949**	**4,042,436**

(*) 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 2022	31 DEC 2021
Dismantling and decommission provisions	333,658	313,594
Provision for other liabilities and charges	10,245	10,565
Long-term provision for other liabilities and charges	3,674	4,249
Short-term provision for other liabilities and charges	6,571	6,316
Employee benefits	488	474
	344,391	**324,633**

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) 179,815 thousand Euros for wind farms and solar plants in North America (31 December 2021: 163,100 thousand Euros); (ii) 148,102 thousand Euros for wind farms and solar plants in Europe (31 December 2021: 146,014 thousand Euros); (iii) 4,539 thousand Euros for wind farms and solar plants in LATAM (31 December 2021: 3,370 thousand Euros) and (iv) 1,202 thousand Euros for wind farms and solar plants in APAC (31 December 2020: 1,110 thousand Euros).

Dismantling and decommission provisions have increased during six-monht period ended 30 June 2022 in the amount of 7,311 thousand Euros due to the Sunseap Group acquisition (see note 6) and the projects that have reached the COD, decrease in amount of 5,356 thousand Euros related to the assets classified as held for sale. Also, the caption include the negative exchange differences and the unwinding (see note 14) for the six-month period ended 30 June 2022 amounted to 15,237 thousand Euros and 2,872 thousand Euros recpectively.

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 2022	31 DEC 2021
Deferred income related to benefits provided	815,508	731,573
Liabilities arising from institutional partnerships in North America	1,523,458	1,528,168
	2,338,966	**2,259,741**

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

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
Balance at the beginning of the period	**2,259,741**	1,933,542
Proceeds received from institutional investors	21,601	779,825
Deferred transaction costs	-667	-4,431
Cash paid to institutional investors	-63,823	-83,230
Income (see note 7)	-123,750	-177,205
Unwinding (see note 14)	48,311	79,023
Loss of control of companies with institutional partnerships	-	-420,522
Exchange differences	197,561	168,318
Others	-8	-15,579
Balance at the end of the period	**2,338,966**	**2,259,741**

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 21,601 thousand Euros (23,194 thousand US Dollars) in exchange for an interest in onshore wind and solar projects.

In 2021, EDPR NA lost control over the Vento XX portfolio upon the completion of the sale of 68% of equity shareholding and over the Rivestart portfolio (see note 6), implying a decrease in the amount of 420,522 thousand Euros in the Institutional partnerships liabilities related to these portfolio.

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, willful misconduct or a breach of EDPR NA of any operational obligation under the tax equity agreements.

34. Trade and other payables from commercial activities

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

THOUSAND EUROS	30 JUN 2022	31 DEC 2021
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Government grants / subsidies for investments in fixed assets	331,974	311,203
Electricity sale contracts - EDPR NA	5,004	5,092
Property, plant and equipment suppliers	209,934	189,052
Other creditors and sundry operations	164,218	129,340
	711,130	634,687
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES - CURRENT		
Suppliers	252,008	176,410
Property, plant and equipment suppliers	1,245,658	1,334,230
Other creditors and sundry operations	201,850	178,151
	1,699,516	1,688,791
	2,410,646	**2,323,478**

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.

At the moment of the EDPR North America acquisition, the contracts signed between this subsidiary and its customers, determined under the terms of the Purchase Price Allocation, were valued through discounted cash flow models and market

assumptions at 190,400 thousands of USD, being booked as a non-current liability under Electricity sale contracts - EDPR NA, which is depreciated over the useful life of the contracts under Other income (see note 9).

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 66,542 thousand Euros (31 December 2021: 47,481 thousand Euros), Colombia for a total amount of 40,022 thousand Euros (31 December 2021: 40,022 thousand Euros), UK for a total amount of 34,034 thousand Euros (31 December 2020: 34,760 thousand Euros), Greece for a total amount of thousand Euros 25,427 (31 December 2021: 24,769 thousand Euros), Poland for a total amount of 15490 thousand Euros and Romania for a total amount of 15,469 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).

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 and Royal Decree-Law 10/2022.

The balance of such concept as at 30 June 2022 amounts to a credit amount of 145.662 thousand Euros of which a credit amount of 67.215 thousand Euros refers to the current 2022 semi-period, a credit amount of 59,811 thousand Euros refers to the 2020-2021 semi-period, a credit amount of 24.254 thousand Euros refers to the 2017-2019 semi-period and a debit amount of 5.618 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 18,888 thousand Euros as a resulting of the wind capture rate updated for the 2020-2021 semi-period.

- Increase amounting to 67,215 thousand Euros as a result of the adjustment for the current 2022 semi-period.

The rest of the movements in the caption are relating to the straight-line basis recognition according to the EDPR accounting policy.

Variation in suppliers, besides the normal course of the business, is impacted by the acquisition of the distributed generation business of Sunseap Group (see note 6) in the amount of 21,688 thousand Euros.

Property, plant and equipment suppliers -current refer to wind and solar farms in construction mainly in the USA in the amount of 644,763 thousand Euros (873,189 thousand Euros as of December 31, 2021), Canada in the amount of 71,197 thousand Euros, Colombia in the amount of 173,161 thousand Euros, Poland in the amount of 102,594 thousand Euros (31 December 2021: 104,864 thousand Euros), Mexico in the amount of 55,612 thousand Euros (31 December 2021: 60,338 thousand Euros), Italy in the amount of 52,344 thousand Euros (31 December 2021: 43,754 thousand Euros) and Spain in the amount of 83,899 thousand Euros (31 December 2021: 32,016 thousand Euros).

This caption also includes success fees payables for the acquisition of certain projects in the amount of 96,606 thousand Euros (31 December 2021: 97,390 thousand Euros) mainly in Colombia, UK, Greece, Italy 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	31 JUN 2021	31 DEC 2021
OTHER LIABILITIES AND OTHER PAYABLES - NON-CURRENT		
Amount payable for changes in the perimeter	800	21,200
Loans from non-controlling interests	110,093	122,964
Derivative financial instruments	1,135,445	437,620
Rents due from lease contracts	757,967	648,082
Other creditors and sundry operations	4,671	1,352
	2,008,976	1,231,218
OTHER LIABILITIES AND OTHER PAYABLES – CURRENT		
Amount payable for changes in the perimeter	47,352	62,589
Derivative financial instruments	828,571	788,580
Loans from non-controlling interests	23,783	39,762
Rents due from lease contracts	56,351	50,445
Other creditors and sundry operations	59,553	26,267
	1,015,610	967,643
	3,024,586	**2,198,861**

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 26,245 thousand Euros, including accrued interests (25,760 thousand Euros as of 31 December 2021), 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 53,321 thousand Euros including accrued interests (74,086 thousand Euros as at 31 December 2021), 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 41,342 thousand Euros including accrued interests (43,868 thousand Euros as at 31 December 2021), bearing interest at a fixed rate of 4.50%;
- Loans granted by CITIC CWEI Renewables (CTG Group) due to the sale in 2013 of 49% of shareholding in EDP Renováveis Portugal, S.A. for a total amount of 6,887 thousand Euros including accrued interests (31 December 2020: 13,590 thousand Euros), bearing interests at a fixed rate of 5.50%.

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 2022	31 DEC 2021
Balance as at 1 January	698,527	689,709
Increases due to new lease contracts	41,765	137,858
Unwinding (note 14)	15,621	28,852
Payment of leases	-20,491	-43,746
Exchange differences	48,630	43,568
Changes in the perimeter and other changes	30,266	-157,714
Balance at the end of the period	**814,318**	**698,527**

Increases due to new lease contracts are mainly located in the USA, Portugal, Spain, Brazil, Italy, Mexico, Canada and Greece.

Changes in the perimeter and other changes during the six-month period as at 30 june 2022 mainly refers to:

- Increase amounting to 39,881 thousand Euros related to the acquisition of a Sunseap Group (see note 6);
- Decrease amounting to 10,097 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies.

As at 30 June 2022, the nominal value of the rents due from lease contracts is detailed as follows: (i) less than 5 years: 292,966 thousand Euros; (ii) from 5 to 10 years: 270,797 thousand Euros; (iii) from 10 to 15 years: 266,184 thousand Euros; and (iv) more than 15 years: 413,120 thousand Euros.

Amount payable for changes in the perimeter -non current at 31 December 2021 is mainly related to the variable price adjustment in the amount of 20,396 thousand Euros related to the sale of the company Vento XX and subsidiaries (see note 6). Amount payable for changes in the perimeter – current mainly refers to the remaining cost to pay in the amount of 54,326 thousand Euros related to the project Indiana Crossroads Wind Farm LLC.

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 2022	31 DEC 2021
Income tax	94,538	16,947
Withholding tax	4,121	1,682
Value added tax (VAT)	61,188	56,027
Other taxes	83,199	35,156
	243,046	**109,812**

37. Derivative financial instruments

As of 30 June 2022, the fair value of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE		
	ASSETS	LIABILITIES	NET
NET INVESTMENT HEDGE			
Cross currency rate swaps	7,623	-195,209	-187,586
Currency forwards	215	-79,827	-79,612
	7,838	-275,036	-267,198
FAIR VALUE HEDGE			
Cross currency rate swaps	19	-1,547	-1,528
	19	-1,547	-1,528
CASH FLOW HEDGE			
Power price swaps	36,154	-1,557,357	-1,521,203
Interest rate swaps	42,770	-9,617	33,153
Currency forwards	19,238	-8,259	10,979
	98,162	-1,575,233	-1,477,071
TRADING			
Power price swaps	38,936	-110,376	-71,440
Interest rate swaps	434	-106	328
Cross currency rate swaps	10,479	-475	10,004
Currency forwards	40,796	-1,244	39,552
	90,645	-112,201	-21,556
	196,664	-1,964,017	-1,767,353

As of 31 December 2021, the fair value and maturity of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE		
	ASSETS	LIABILITIES	NET
NET INVESTMENT HEDGE			
Cross currency rate swaps	13,851	-84,028	-70,177
Currency forwards	2,289	-29,004	-26,715
	16,140	-113,032	-96,892
CASH FLOW HEDGE			
Power price swaps	11,852	-1,031,455	-1,019,603
Interest rate swaps	17,561	-17,072	489
Currency forwards	21,917	-727	21,190
	51,330	-1,049,254	-997.924
TRADING			
Power price swaps	24,305	-53,131	-28,826
Interest rate swaps	-	-1,085	-1,085
Cross currency rate swaps	8,125	-1,117	7,008
Currency forwards	11,981	-8,581	3,400
	44,411	-63,914	-19,503
	111,881	-1,226,200	-1,114,319

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 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 on listed market prices, whenever available, or on valuations determined through valuation models that use variables observable on the market. These valuation models are based on generally accepted discounted cash flow techniques and option valuation models generally accepted, using market data obtained through financial information platforms. Therefore, 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 2022 and 2021 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, ROBOR 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/RON EUR/COP and EUR/USD.
Interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Wibor 6M, Libor 1M, Libor 3M and CAD-BA-CDOR 3M.
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 and SGD/EUR.
Power price swaps	Fair value indexed to the price of electricity.

38. Commitments

As at 30 June 2022 and 31 December 2021, 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 2022	31 DEC 2021
GUARANTEES OF OPERATIONAL NATURE		
EDP Renováveis, S.A.	1,807,215	1,357,766
EDPR NA	1,520,417	919,746
EDPR EU	8,784	6,088
EDPR LATAM	95,964	5,180
EDPR APAC	20,873	-
Total	**3,453,253**	**2,288,780**

The above operating guarantees, which are not included in the consolidated statement of financial position or in the Notes, as at 30 June 2022 and 31 December 2021, mainly refer to Power Purchase Agreements (PPA), interconnection, permits and market participation guarantees. The significant variation with respect to 2021 is fully in line with the evolution of the business and increasing activity of the EDPR Group during 2022. 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 977,153 thousand Euros as at 30 June 2022 of which 340,744 thousand Euros refer to guarantees granted by EDP to EDPR companies and 107,723 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures (867,280 thousand Euros as at 31 December 2021, of which 324,869 thousand Euros refer to guarantees granted by EDP to EDPR companies and 105,987 thousand Euros refer to guarantees granted by EDP and EDPR to Joint Ventures).

Additionally to the above guarantees, an amount of 4,801 thousand Euros refer to guarantees of operational nature related to the Spanish and Polish companies that were sold as at 30 June 2022 (see note 6) although EDPR assumes temporarily the responsibility under such guarantees until these are effectively replaced. Further, an amount of 19,315 thousand Euros refer to guarantees of operational nature related to certain portfolio of European companies that have been reclassified to held for sale (see note 26).

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

Refer to note 20 for guarantees granted by EDP Group and EDPR' Group to joint venture 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:

					30 JUN 2022
					CAPITAL OUTSTANDING BY MATURITY
THOUSAND EUROS	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	45,429	3,153	13,924	5,553	22,799
Purchase obligations	5,035,362	3,543,216	905,708	114,890	472,178
	5,080,791	**3,546,369**	**919,632**	**120,443**	**494,977**

The significant variation in commitments with respect to 2021 is fully in line with the evolution of the business and increasing activity of the EDPR Group.

EDPR Group has adopted IFRS 16 and therefore 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 2022 or 31 December 2021.

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 as at 30 June is 11 and as a June 2021 is 12.

The remuneration paid to the members of the Board of Directors in 2022 and 2021 were as follows:

THOUSAND EUROS	30 JUN 2022	30 JUN 2021
CEO	-	-
Board members	348	254
	348	**254**

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 , 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 2022 is 758 thousand Euros (758 thousand Euros as at 30 June 2021), of which 691 thousand Euros refers to the management services rendered by the Executive Members and 67 thousand Euros to the management services rendered by the non-executive Members. 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 2022
Salaries and other allowances	1,575
Retirement saving plans	18
Life insurance premiums	3
	1,596

The remuneration of the COOs of the Management Team in the six-month period ended 30 Juune 2022 amounted to 1,596 thousand Euros (1,283 thousand Euros as at 30 June 2021). Additionally they received the following non-monetary benefits: retirement savings plan (as described above), company car and Health Insurance in the amount of 21 thousand Euros (187 as at 30 June 2021).

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 157,201 thousand Euros including accrued interests (39,734 thousand Euros as current and 117,467 thousand Euros as non-current) as at 31 December 2021. As at 31 December 2020, this balance amounted to 194,978 thousand Euros including accrued interests (43,617 thousand Euros as current and 151,259 thousand Euros as non-current). See note 35.

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 2022, assets and liabilities with related parties, are analysed as follows:

			ASSETS
THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	62,941	62,941
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	81,386	81,386
Joint Ventures and Associated companies	750,060	148,614	898,674
EDP Serviço Universal, S.A.	-	20,762	20,762
EDP Finance B.V.	-	33,738	33,738
EDP España S.A.U.	-	72,175	72,175
Other EDP Group companies	-	3,895	3,895
	750,060	**423,511**	**1,173,571**

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	639,530	639,530
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	12,262	12,262
Joint Ventures and Associated companies	-	2,535	2,535
EDP Finance B.V.	3,308,756	73,687	3,382,443
EDP Servicios Financieros España, S.A.	1,339,090	3,146	1,342,237
EDP Global Solutions	-	683	683
Other EDP Group companies	-	19,653	19,653
	4,647,846	**751,496**	**5,399,343**

Assets mainly refer to:

- 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. respectively;
- Derivatives contracted with EDP Energias de Portugal, S.A. and EDP Finance B.V. which market value as at 30 June 2021 amounts to 53,885 thousand Euros and 33,738 thousand Euros, respectively (see note 37);
- Loans granted to companies consolidated by the equity method and namely to Ocean Winds in the total amount of 740,223 thousand Euros and variable price related to the sale of the offshore business to Ocean Winds in the amount of 111,543 thousand Euros (see note 24);
- Estimated corporate income tax due by EDP Energias de Portugal, S.A. Sucursal en España in the amount of 80,813 thousand Euros (see note 24).

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 3,308,756 thousand Euros (31 December 2021: 2,652,219 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 1,339,090 thousand Euros (445,499 thousand Euros as at 31 December 2021) (See note 31);
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 30 June 2022 amounts to 639,530 thousand Euros, mainly related to power price derivatives and Cross currency rate swaps and with EDP Finance B.V. which market value as at 31 December 2021 amounts to 73,505 thousand Euros, mainly related to Cross currency rate swaps and Currency forwards (See note 37).

Transactions with related parties for the six-month period 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.

As at 31 December 2021, assets and liabilities with related parties, are analysed as follows:

			ASSETS
THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	56,451	56,451
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	39,044	39,044
Joint Ventures and Associated companies	209,488	174,458	383,946
EDP Serviço Universal, S.A.	-	32,690	32,690
EDP Servicios Financieros España, S.A.	-	418,805	418,805
EDP España S.A.U.	-	144,975	144,975
Other EDP Group companies	-	2,906	2,906
	209,488	**869,329**	**1,078,817**

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	576,117	576,117
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	13,294	13,294
Joint Ventures and Associated companies	-	3,335	3,335
EDP Finance B.V.	2,652,919	27,732	2,680,651
EDP Servicios Financieros España, S.A.	445,499	362	445,861
EDP Global Solutions	-	1,429	1,429
Other EDP Group companies	-	10,942	10,942

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
	3,098,418	**633,211**	**3,731,629**

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 418,805 thousand Euros as at 31 December 2021 (214,002 thousand Euros as at 31 December 2020);
- Loans granted to companies consolidated by the equity method and namely to Ocean Winds in the total amount of 198,213 thousand Euros and variable price related to the sale of the offshore business to Ocean Winds in the amount of 142,216 thousand Euros (see note 24);
- 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. respectively;
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2021 amounts to 42,851 thousand Euros (see note 37);
- Estimated corporate income tax due by EDP Energias de Portugal, S.A. Sucursal en España in the amount of 38,611 thousand Euros (see note 24).

Liabilities mainly refer to:

- Loans obtained by EDP Renováveis S.A. and by EDP Renováveis Servicios Financieros S.L. from EDP Finance BV in the amount, including interests and deducted from debt origination fees, of 2,652,219 thousand Euros (31 December 2020: 2,832,418 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 445,499 thousand Euros (the same amount at 31 December 2020). See note 31;
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value as at 31 December 2021 amounts to 513,350 thousand Euros, mainly related to power price derivatives (see note 37).

Transactions with related parties for the year ended 31 December 2021 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	550	36,636	-173,987	-55,616
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	-	-29,850	-1,289
Joint Ventures and Associated companies	37,889	7,599	-24,861	-9
EDP Serviço Universal, S.A.	259,593	-	-130	-
EDP Comercializadora, S.A.U,.	15	-	-	-
EDP Finance B.V.	-	-	-	-95,513
EDP Servicios Financieros España, S.A.		3	-	-13,980
EDP España S.A.U.	457,638	-	-4,603	-256
EDP Clientes S.A.	719	-	-540	-
Other EDP Group companies	8,175	-	-11,788	-
	764,579	**44,238**	**-245,759**	**-166,663**

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.

As at 31 December 2020, assets and liabilities with related parties, are analysed as follows:

			ASSETS
THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	69,234	69,234
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	8,175	8,175
Joint Ventures and Associated companies	415,940	75,478	491,418
EDP Serviço Universal, S.A.	-	24,218	24,218
EDP Servicios Financieros España, S.A.	-	214,002	214,002
EDP España S.A.U.	-	21,640	21,640
Other EDP Group companies	-	40,871	40,871
	415,940	**453,618**	**869,558**

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	32,101	32,101
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	8,109	8,109
Joint Ventures and Associated companies	-	2,603	2,603
EDP Finance B.V.	2,832,418	596	2,833,014
EDP Servicios Financieros España, S.A.	445,499	92	445,591
EDP Global Solutions	-	23,817	23,817
Other EDP Group companies	-	3,946	3,946
	3,277,917	**71,264**	**3,349,181**

As part of its operational activities, the EDP Renováveis Group must present guarantees in favor of certain suppliers and in connection with renewable energy contracts. As at 30 June 2022, EDP España and EDP Energías de Portugal Sucursal en España granted operational guarantees to suppliers in favor of EDP Renováveis S.A. and EDPR NA in the amount of 432,914 thousand Euros (520,475 thousand Euros as at 31 December 2021). The operational guarantees are issued following the commitments assumed by EDPR EU and EDPR NA in relation to Power Purchase Agreements (PPA), interconnection, permits and market participation.

Refer to note 20 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 2022 and 31 December 2021 are analysed as follows:

	30 JUNE 2022			31 DECEMBER 2021		
THOUSAND EUROS	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE
FINANCIAL ASSETS						
Equity instruments at fair value	37,842	37,842	-	14,878	14,878	-
Debtors and other assets from commercial activities	605,297	605,297	-	498,234	498,234	-
Other debtors and other assets	1,993,256	1,993,256	-	1,546,725	1,546,725	-
Derivative financial instruments	196,664	196,664	-	111,881	111,881	-
Cash and cash equivalents	1,118,421	1,118,421	-	1,003,784	1,003,784	-
	3,951,480	**3,951,480**	**-**	**3,175,502**	**3,175,502**	**-**
FINANCIAL LIABILITIES						
Financial debt	6,398,482	6,134,824	263,658	4,040,949	4,042,432	1,483
Suppliers	1,707,599	1,707,599	-	1,699,692	1,699,692	-
Institutional partnerships in North America	2,338,966	2,338,966	-	2,259,741	2,259,741	-
Trade and other payables from commercial activities	703,048	703,048	-	623,786	623,786	-
Other liabilities and other payables	2,827,922	2,827,922	-	2,198,861	2,198,861	-
Derivative financial instruments	1,964,017	1,964,017	-	1,226,200	1,226,200	-
	15,940,034	**15,676,376**	263,658	**12,049,229**	**12,050,712**	**1,483**

The fair value levels used to valuate 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).

	30 JUNE 2022			31 DECEMBER 2021		
THOUSAND EUROS	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS						
Equity instruments at fair value	-	-	37,842	-	-	14,878
Derivative financial instruments	-	190,130	6,534	-	107,137	4,744
		190,130	44,376	-	107,137	19,622
FINANCIAL LIABILITIES						
Liabilities arising from options with non-controlling interests	-	-	15,256	-	-	883
Derivative financial instruments	-	1,848,150	115,866	-	1,017,888	208,312
	-	**1,848,150**	**131,122**	**-**	**1,017,888**	**209,195**

The remaining assets and liabilities are valuated within Level 1 or correspond to assets and liabilities which fair value is the same as its carrying amount. In 2022, there are no transfers between levels.

The Trade and other payables within level 3 are related to Liabilities with non-controlling interests.

The movements in 2021 and 2020 of the derivative financial instruments are presented in note 37.

41. Relevant subsequent events

Ocean Winds awarded with CfD for its Moray West project

EDP Renováveis, S.A. ("EDPR") is pleased to announce that Ocean Winds ("OW"), the 50/50 Offshore JV owned by EDPR and Engie, has been awarded by the UK government with a 15-year CfD to sell the energy produced by 294 MW out of the 882 MW wind offshore project Moray West at a price of £37.35/MWh in 2012 prices.

The project is located in the UK and it is expected to deliver first power in 2024.

With this transaction, EDPR has now 10.6 GW secured out of the 20 GW target for 2021- 25 announced in the company's Capital Markets Day. Additionally, EDPR has now accomplished its target of around 1 GW of offshore capacity secured for 2021-25.

EDPR's success reinforces its low-risk profile and growth strategy based on the development of competitive projects with long-term visibility, fostering the acceleration of the energy transition and the decarbonization of the economy. This information is disclosed pursuant to the terms and for the purposes of the article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council.

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 and 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 note 2. 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 EDPR EU Group companies operating in Spain, Portugal, Belgium, France, Italy, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;
- North America: refers to EDPR North America, EDPR Canada and EDPR Mexico Group companies that operate in United States of America, Canada and Mexico, respectively;
- LATAM: refers to EDPR Brasil Group Companies, EDPR Chile Group Companies and the 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, Elipse Energía, S.A.S. E.S.P., Omega Energía, S.A.S. E.S.P, Kappa Energía, S.A.S. E.S.P.) that operate in Brasil, Chile and Colombia;
- APAC: refers to EDPR Korea Group companies, EDP Renewables Vietnam Company Limited Group companies, Trung Song SG Group companies, and Sunseap Group companies that operate in Korea, Singapore, Vietnam, Malaysia, Indonesia, Thailand, Cambodia, China, Taiwan and Japan.

As at 31 December 2021, business segments were the following:

- Europe: refers to EDPR EU Group companies operating in Spain, Portugal, Belgium, France, Italy, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece;

- North America: refers to EDPR North America, EDPR Canada and EDPR Mexico Group companies that operate in United States of America, Canada and Mexico, respectively;
- Brazil: refers to EDPR Brasil Group companies that operate in this country.

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 six-month period ended 30 June 2022:

THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	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 101,582 thousands of Euros from Spanish companies; ii) assets from spanish companies in the amount of 2,161,439 thousands of 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
Revenues of the EDPR Group	**1,113,568**
Gross operating profit of the Reported Segments	939,925
Gross operating profit of Other Segments	145,912
Elimination of intra-segment transactions	-110,332
Gross operating profit of the EDPR Group	**975,504**
Operating profit of the Reported Segments	609,470
Operating profit of Other Segments	141,833
Elimination of intra-segment transactions	-111,661
Operating profit of the EDPR Group	**639,641**
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
Assets of the EDPR Group	**25,672,608**
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 partnerships in North America	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
Liabilities of the EDPR Group	**15,390,425**
Operating Investment of the Reported Segments	1,270,888
Operating Investment of Other Segments	6,043
Operating Investment of the EDPR Group	**1,276,931**

¡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	123,751	-	-	123,751
Other operating income	134,133	284	-0	134,417
Supplies and services	-214,342	-18,432	36,315	-196,459
Personnel costs and Employee benefits expenses	-93,489	-20,210	-120	-113,819
Other operating expenses	-150,910	166,348	-168,546	-153,108
Provisions	-545	-	-	-545
Amortisation and impairment	-329,910	-4,079	-1,329	-335,318
Joint ventures and associates	39,468	27,692	-5	67,155

Operating Segment Information for the condensed consolidated income statement for the six-month period ended 30 June 2021 and condensed consolidated statement of financial position ended 31 December 2021 modified (*) considering Operating Segment approved in 2022. See note 2.A):

THOUSAND EUROS	EUROPE	NORTH AMERICA	LATAM(*)	APAC (*)	SEGMENTS TOTAL (*)
Revenues	453,123	297,513	16,579	-	767,215
Income from institutional partnerships in North America	-	86,518	-	-	86,518
	453,123	384,031	16,579	-	853,733
Other operating income	25,501	102,639	550	-	128,690
Supplies and services	-85,638	-76,604	-8,127	-72	-170,441
Personnel costs and Employee benefits expenses	-22,306	-40,937	-1,893	-	-65,136
Other operating expenses	-34,159	-56,016	-580	-	-90,757
	-116,602	-70,918	-10,051	-72	-197,644
Joint ventures and associates	2,141	-1,066	-	-	1,075
Gross operating profit	338,662	312,045	6,528	-72	657,164
Provisions	-475	-415	16	-	-874
Amortisation and impairment	-126,523	-153,831	-5,038	-	-285,392
Operating profit	211,664	157,799	1,506	-72	370,898
Assets	6,023,039	9,694,220	755,027	36,583	16,696,440
Liabilities	688,155	1,260,641	39,517	4,129	2,038,538
Operating Investment	744,986	1,370,260	329,778	4,763	2,501,204

N Note: The Segment "Europe" includes: i) revenues in the amount of 176,218 thousands of Euros from Spanish companies; ii) assets from spanish companies in the amount of 2,416,073 thousands of Euros.

Reconciliation between the Segment Information and the Financial Statements

THOUSAND EUROS	
Revenues of the Reported Segments	767,215
Revenues of Other Segments	9,000
Elimination of intra-segment transactions	-6,778
Revenues of the EDPR Group	769,438
Gross operating profit of the Reported Segments	657,164
Gross operating profit of Other Segments	12,581
Elimination of intra-segment transactions	-15,503
Gross operating profit of the EDPR Group	654,242
Operating profit of the Reported Segments	370,898
Operating profit of Other Segments	9,366
Elimination of intra-segment transactions	-16,660
Operating profit of the EDPR Group	363,604
Assets of the Reported Segments	16,696,440
Not Allocated Assets	4,557,615
Financial Assets	2,098,337
Tax assets	557,851
Debtors and other assets	1,901,427
Assets of Other Segments	8,817,625
Elimination of intra-segment transactions	-8,040,104
Assets of the EDPR Group	22,031,576
Investments in joint ventures and associates	988,522
Liabilities of the Reported Segments	2,038,538
Not Allocated Liabilities	9,479,364
Financial Liabilities	1,505,984
Institutional partnerships in North America	2,259,741
Tax liabilities	600,705
Payables and other liabilities	5,112,934
Liabilities of Other Segments	654,301
Elimination of intra-segment transactions	-315,535
Liabilities of the EDPR Group	11,856,669
Operating Investment of the Reported Segments	2,501,204
Operating Investment of Other Segments	20,817
Operating Investment of the EDPR Group	2,522,021

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	86,518	-	-	86,518
Other operating income	128,690	19,237	-6,909	141,018
Supplies and services	-170,441	-14,862	29,150	-156,153
Personnel costs and Employee benefits expenses	-65,136	-16,884	-	-82,020
Other operating expenses	-90,757	28,567	-30,732	-92,922
Provisions	-874	-	-	-874
Amortisation and impairment	-285,392	-3,216	-1,156	-289,764
Joint ventures and associates	1,075	-12,477	-235	-11,637

Operating Segment Information for the condensed consolidated income statement for the six-month period ended 30 June 2021 and condensed consolidated statement of financial position ended 31 December 2021:

THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	SEGMENTS TOTAL
Revenues	453,123	297,513	16,579	767,215
Income from institutional partnerships in North America	-	86,518	-0	86,518
	453,123	384,031	16,579	853,732
Other operating income	25,501	102,639	519	128,659
Supplies and services	-85,638	-76,604	-5,609	-167,852
Personnel costs and Employee benefits expenses	-22,306	-40,937	-1,313	-64,556
Other operating expenses	-34,159	-56,017	-459	-90,635
	-116,602	-70,919	-6,862	-194,384
Joint ventures and associates	2,141	-1,066	-	1,075
Gross operating profit	338,662	312,045	9,717	660,424
Provisions	-475	-415	16	-874
Amortisation and impairment	-126,523	-153,831	-5,035	-285,389
Operating profit	211,664	157,799	4,698	374,161
Assets	6,023,039	9,694,220	755,027	16,472,286
Liabilities	688,155	1,260,641	39,517	1,988,313
Operating Investment	744,986	1,370,260	329,778	2,445,024

Note: The Segment "Europe" includes: i) revenues in the amount of 263,264 thousand of Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,228,498 thousands of Euros.

Reconciliation between the Segment Information and the Financial Statements

THOUSAND EUROS	
Revenues of the Reported Segments	767,215
Revenues of Other Segments	6,246
Elimination of intra-segment transactions	-4,023
Revenues of the EDPR Group	769,438
Gross operating profit of the Reported Segments	660,424
Gross operating profit of Other Segments	6,984
Elimination of intra-segment transactions	-13,166
Gross operating profit of the EDPR Group	654,242
Operating profit of the Reported Segments	374,161
Operating profit of Other Segments	3,766
Elimination of intra-segment transactions	-14,323
Operating profit of the EDPR Group	363,604
Assets of the Reported Segments	16,472,286
Not Allocated Assets	4,473,450
Financial Assets	2,090,731
Tax assets	553,893
Debtors and other assets	1,828,826
Assets of Other Segments	8,942,671
Elimination of intra-segment transactions	-7,856,831
Assets of the EDPR Group	22,031,576
Investments in joint ventures and associates	988,522
Liabilities of the Reported Segments	1,988,313
Not Allocated Liabilities	9,384,056
Financial Liabilities	1,505,984
Institutional partnerships in North America	2,259,741
Tax liabilities	593,723
Payables and other liabilities	5,024,608
Liabilities of Other Segments	799,990
Elimination of intra-segment transactions	-315,690
Liabilities of the EDPR Group	11,856,669
Operating Investment of the Reported Segments	2,445,024
Operating Investment of Other Segments	76,997
Operating Investment of the EDPR Group	2,522,021

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	86,518	-	-	86,518
Other operating income	128,659	19,254	-6,895	141,018
Supplies and services	-167,852	-14,572	26,271	-156,153
Personnel costs and Employee benefits expenses	-64,556	-17,464	-	-82,020
Other operating expenses	-90,635	25,998	-28,285	-92,922
Provisions	-874	-	-	-874
Amortisation and impairment	-285,389	-3,219	-1,156	-289,764
Joint ventures and associates	1,075	-12,477	-235	-11,637

CHANGING TOMORROW NOW

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SAFETY

Protecting our people
is more than a will, it is a commitment.

01
— THE COMPANY

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1.1.1. Vision, Commitments and Values

VISION

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

COMMITMENTS

SUSTAINABILITY

We assume the social and environmental responsibilities that result from our performance thus contributing towards the development of the regions in which we operate.

We avoid specific greenhouse gas emissions with the energy we produce.

We ensure the participatory, competent and honest governance of our business.

PEOPLE

We value professional conduct together with enthusiasm and initiative, emphasizing teamwork.

We promote the development of skills and merit.

We believe that the balance between private and professional life is fundamental in order to be successful.

CLIENTS

We place ourselves in our clients' shoes whenever a decision has to be made.

We listen to our clients and answer in a simple and clear manner.

We surprise our clients by anticipating their needs.

RESULTS

We fulfil the commitments to our shareholders.

We are leaders due to our capacity of anticipating and implementing.

We demand excellence in everything that we do.

VALUES

HUMANIZATION

With the aim of creating value in the many areas in which we operate.

SUSTAINABILITY

Aiming to improve the quality of life of current and future generations.

INNOVATION

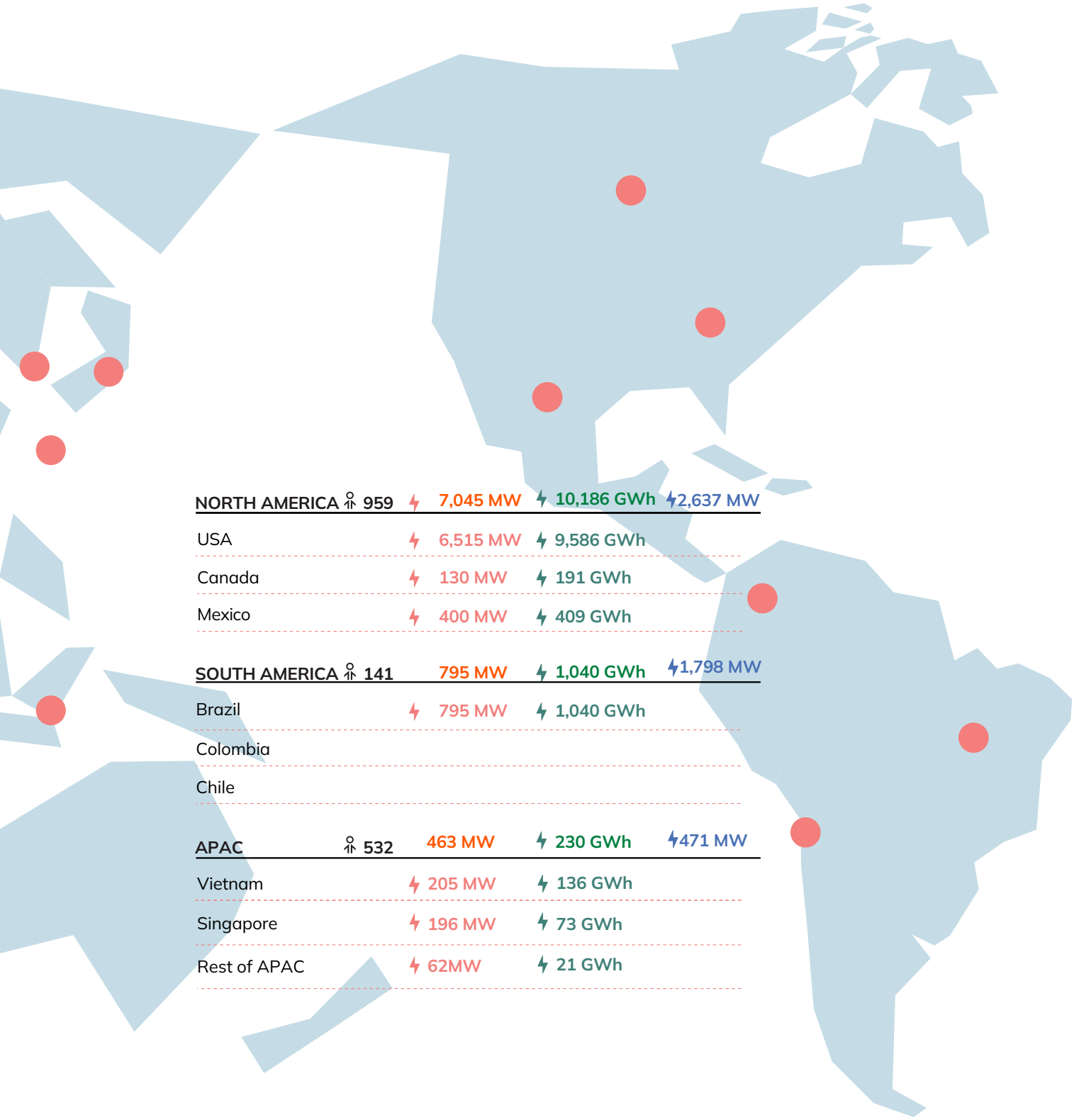
Building genuine and trusting relationships with our employees, customers, partners and communities.

1.1.2. EDPR in the world

In the first half of 2022, EDPR generated 17.8 TWh of clean energy, avoiding the emissions of 11 million tons of CO_2. EDPR is a market leader with top quality assets in 26 markets, and has 2,805 employees. As of June 2022, the Company manages a global portfolio of 13.8 GW of installed capacity and has 10.6 GW secured out of the 20 GW target for 2021-25, out of which 3.2 GW have already been added since 2021.

EUROPE	1,173	5,192 MW	6,334 GWh	1,252 MW
Portugal		1,162 MW	1,381 GWh	
Spain		2,213 MW	2,534 GWh	
France		202 MW	202 GWh	
Belgium		11 MW	12 GWh	
Poland		648 MW	1,026 GWh	
Italy		384 MW	452 GWh	
Romania		521 MW	681 GWh	
Greece		45 MW	40 GWh	
Hungary				
UK		5 MW	6 GWh	
OFFSHORE		322 MW		728 MW 550 MW
Portugal		11 MW		
Rest of Europe		311 MW		
Total OW Gross		322 MW	1,462 MW gross	

OW has a portfolio of 12 GW gross



NORTH AMERICA	**959**	**7,045 MW**	**10,186 GWh**	**2,637 MW**
USA		6,515 MW	9,586 GWh	
Canada		130 MW	191 GWh	
Mexico		400 MW	409 GWh	
SOUTH AMERICA	**141**	**795 MW**	**1,040 GWh**	**1,798 MW**
Brazil		795 MW	1,040 GWh	
Colombia				
Chile				
APAC	**532**	**463 MW**	**230 GWh**	**471 MW**
Vietnam		205 MW	136 GWh	
Singapore		196 MW	73 GWh	
Rest of APAC		62MW	21 GWh	

Capacity Installed · Generation · Capacity secured to be installed until 2025 · Capacity secured to be installed post 2025

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 meteorogical equipment to collect and study wind profile and solar radiance.

OBTAIN PERMITS
Engage with local public authorities to secure environmental, construction, operating and other licenses.

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.

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.

DISMANTLING / REPOWERING

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.

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.

1.1.4. EDPR 1H22 Main Events

JANUARY

- EDPR is included in the Bloomberg Gender-Equality Index for the third consecutive year.
- EDPR completes Asset rotation deal of a 221 MW wind portfolio in Portugal for an EV of €534 million.

FEBRUARY

- EDPR completes Sunseap's acquisition, allowing the Company to establish a portfolio for the APAC region of close to 10 GW of solar projects.
- EDPR is awarded lease area to develop up to 1.7 GW offshore wind project in the US through Ocean Winds, its 50:50 JV with ENGIE.

MARCH

- EDPR signs the UN's Women's Empowerment Principles, in line with its commitment to nurture an inclusive environment where all employees are equally empowered.
- EDPR makes €500 thousand donation to help support Ukrainian refugees in Poland. The funds will allow to distribute food to those in need.
- EDPR informs about resolutions of the General Shareholders Meeting and the payment of dividends of the 2021 fiscal year (gross dividend equivalent to €0.09 per share).

APRIL

- EDPR is awarded with grid connection in floating solar auction in Portugal.
- EDPR completes Asset Rotation deal of a 149 MW wind portfolio in Poland for an EV of €0.3 billion.

MAY

- EDPR appoints Mrs. Kay McCall as an independent member of the Board of Directors.
- EDPR enters into an industrial agreement with Lhyfe, a pure player in green hydrogen production, to jointly identify, develop, build and manage projects in this area.

JUNE

- EDPR becomes a signatory of the Sustainable Ocean Principles, highlighting its commitment to healthy and productive oceans.
- EDPR concludes Asset rotation deal of a 181 MW wind portfolio in Spain for an EV of €328 million.

1.2 1H22 in review

1.2.1. Key Metrics

OPERATIONAL

13.8 GW
Installed capacity
EBITDA + Net Equity

17.8 TWh
Generation
+ 16% YoY

+567 MW
New additions 1H22
EBITDA + Net Equity

96%
Technical availability
vs 97% in 1H21

33%
Load factor
+2pp vs 1H21

11 mt CO_2
Emissions avoided

FINANCIAL

€976m
EBITDA
vs €654m in 1H21

€1,285m
CAPEX
vs €968m in 1H21

€265m
Net profit
vs €142m in 1H21

€479m
Operating cash-flow
+64% YoY

€5.2Bn
Net debt
vs €3.6Bn in 1H21

€22 k/MW
Core OPEX / average MW[1]
+15% YoY

ESG

2,805
Employees
33% female

77%
Total waste recovered
+5pp vs 1H21

100%
Independent members of BoD committees

94%
Employees trained during 1H22

100%
Capacity certified[1]
ISO 14001 & ISO 45001

€1m
In supporting communities

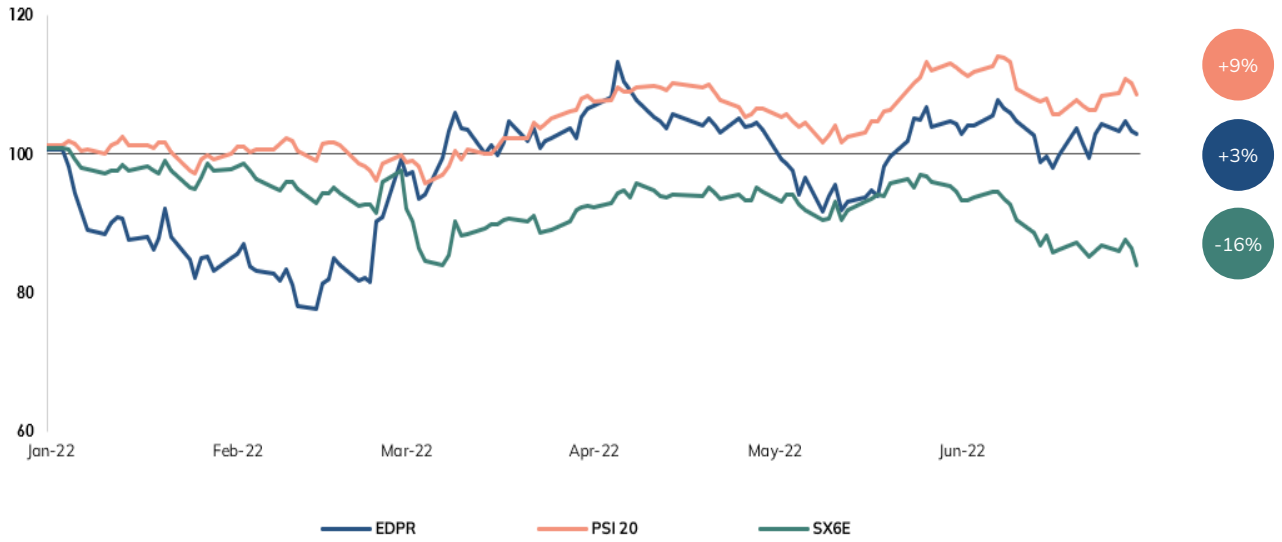
[1] Adjusted by offshore costs (mainly cross-charged to projects' SPVs), service fees, one-offs, and forex.

[2] Calculation based on 2020YE installed capacity EBITDA. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2021 will be certified in 2022.

1.2.2. Share performance

EDPR has 960.6 million shares listed and admitted to trading in NYSE Euronext Lisbon. By June 30th 2022, EDPR had a market capitalisation of €21.6 billion, above the €21.0 billion at year-end, and equivalent to €22.52 per share. In 1H22, total shareholder return was +3%, considering the dividend paid on April 29th of €0.09 per share.

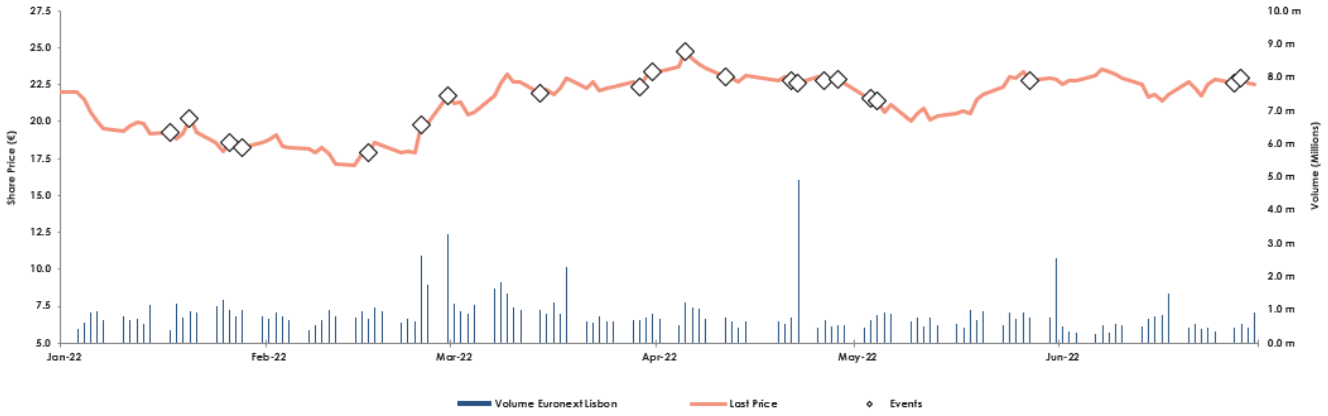
Indexed EDPR Share Performance vs. PSI20 & SX6E



EDPR IN CAPITAL MARKETS[1]	1H22	2021	2020	2019
Opening Price (€)	21.90	22.80	10.50	7.78
Minimum Price (€)	17.00	16.24	8.89	7.78
Maximum Price (€)	24.77	25.80	23.00	10.50
Closing Price (€) (adjusted for dividend and splits)	22.52	21.90	22.80	10.50
Market Capitalisation (€ Millions)	21.632	21,036	19,889	9,159
Total Traded Volume: Listed & OTC (Millions)	384.1	1,011	441.79	159.97
of which in Euronext Lisbon (Millions)	110.43	279.99	135.99	36.24
Average Daily Volume (Millions)	3.02	3.93	1.72	0.63
Turnover (€ Millions)	8,160	20,021	6,612	1,481
Average Daily Turnover (€ Millions)	64.25	77.60	23.98	5.81
Rotation of Capital (% of Total Shares)	40%	105%	51%	18%
Rotation of Capital (% of Floating Shares)	160%	421%	290%	105%
Total Shareholder Return	3%	-4%	118%	36%
Share Price Performance	3%	-4%	117%	35%
PSI 20	9%	14%	-6%	10%
Dow Jones Eurostoxx Utilities	-16%	4%	10%	22%

[1] 2021, 2020 and 2019 data restated.

EDPR's main events in 1H22		
1	17-Jan	EDPR informs about changes in corporate bodies
2	17-Jan	Ocean Winds is awarded with exclusive rights to develop around 1 GW offshore wind project in Scotland
3	20-Jan	EDPR awarded Top Employer Europe for the 4th consecutive year and Top Employer Brazil for the 1st time
4	26-Jan	EDPR is included in the Bloomberg Gender-Equality Index (GEI) for the 3rd consecutive year
5	28-Jan	EDPR informs about conclusion of Asset rotation deal of a 221 MW wind portfolio
6	16-Feb	EDPR informs about FY 2021 results
7	24-Feb	EDPR informs about completion of Sunseap acquisition in the APAC region
8	28-Feb	EDPR informs about the results of the NY Bight offshore auction in the US
9	14-Mar	EDPR informs about notification of qualified shareholding of Blackrock
10	29-Mar	EDPR is recognized as a 2022 Top Workplace USA for the 2nd consecutive year
11	31-Mar	EDPR informs about resolutions of the Annual General Shareholders Meeting
12	31-Mar	EDPR informs about the payment of dividends of the 2021 fiscal year
13	05-Apr	EDPR is awarded with grid connection in floating solar auction in Portugal.
14	11-Apr	EDPR informs about PPAs secured for a 240 MW solar park in Texas
15	21-Apr	EDPR informs about PPA secured for a solar park in Brazil
16	22-Apr	EDPR informs about PPAs secured for a solar portfolio in the US
17	26-Apr	Blackrock notifies change in qualified shareholding in EDPR
18	28-Apr	EDPR completes Asset Rotation deal of a 149 MW wind portfolio in Poland for an EV of €0.3bn.
19	03-May	EDPR appoints Mrs. Kay McCall as an independent member of the Board of Directors.
20	04-May	EDPR informs about 1Q22 results
21	27-May	EDPR informs about PPAs secured for a 124 MW wind project in Brazil
22	27-Jun	EDPR informs about the solar PV deal in APAC
23	28-Jun	EDPR informs about conclusion of Asset rotation of a wind portfolio in Spain



Source: BLOOMBERG / EDPR

1.3. Organisation

1.3.1. Shareholder structure

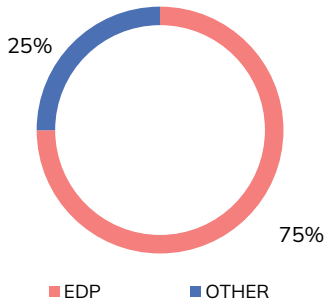
EDPR shareholders are spread across more than 30 countries, being EDP the main shareholder.

Since the successful Share capital increase in April 2021, where 88,250,000 new shares were issued at a subscription price of seventeen euros per share for a share premium of twelve euros, EDPR total share capital is composed of 960,558,162 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 74.98% of the share capital and voting rights. EDP Group is a vertically integrated utility company, the largest generator, distributor and supplier of electricity in Portugal, has significant operations in electricity in Spain and is one of the largest private generation group in Brazil through its stake in Energias do Brasil. In the Iberian Peninsula, EDP is the third largest electricity generation company and one of the largest distributors of electricity. EDP has a worldwide relevant presence, being present in 28 markets and has about 12,909 employees around the world. In the 1H22, EDP had an installed capacity of 27.2 GW, generating 31.7 TWh, of which 75% came from renewables. EDP is part of sustainability indexes (DJSI World and Europe), following its performance in the economic, social and environmental dimensions. Its holding company, EDP S.A. is a listed company whose ordinary shares are traded in the Euronext Lisbon since its privatisation in 1997.

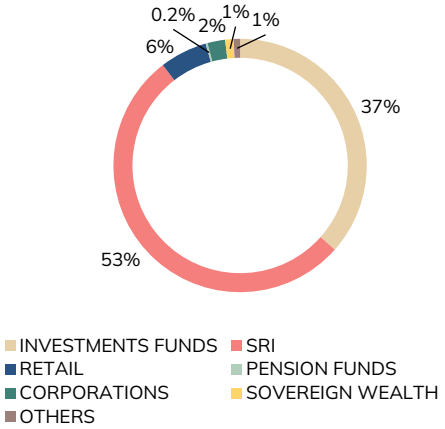
EDPR shareholder structure



Broad base of investors

EDPR has an international base of investors. Excluding EDP Group, EDPR shareholders comprise more than 30,000 institutional and private investors spread worldwide. Within institutional investors, which represent about 94% of shareholder base (ex-EDP Group), sustainable and responsible funds (SRI) are the major type of investor, followed by investment funds. EDPR is a member of several financial indexes that aggregate top performing companies for sustainability.

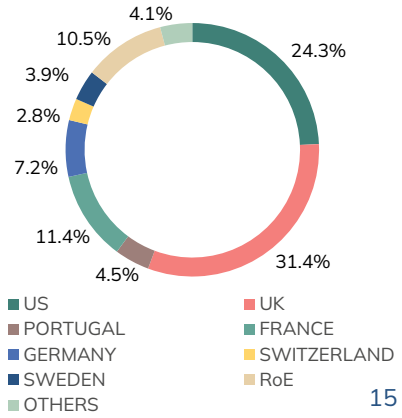
Shareholders (Ex-EDP) by type



Worldwide shareholders

EDPR shareholders are spread across more than 30 countries, the United Kingdom is the most representative country accounting for 31% of EDPR shareholder base (ex-EDP Group), followed by the US, France, Germany, Portugal, Sweden and Swit-zerland. In the Rest of Europe, the most representative countries are 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.

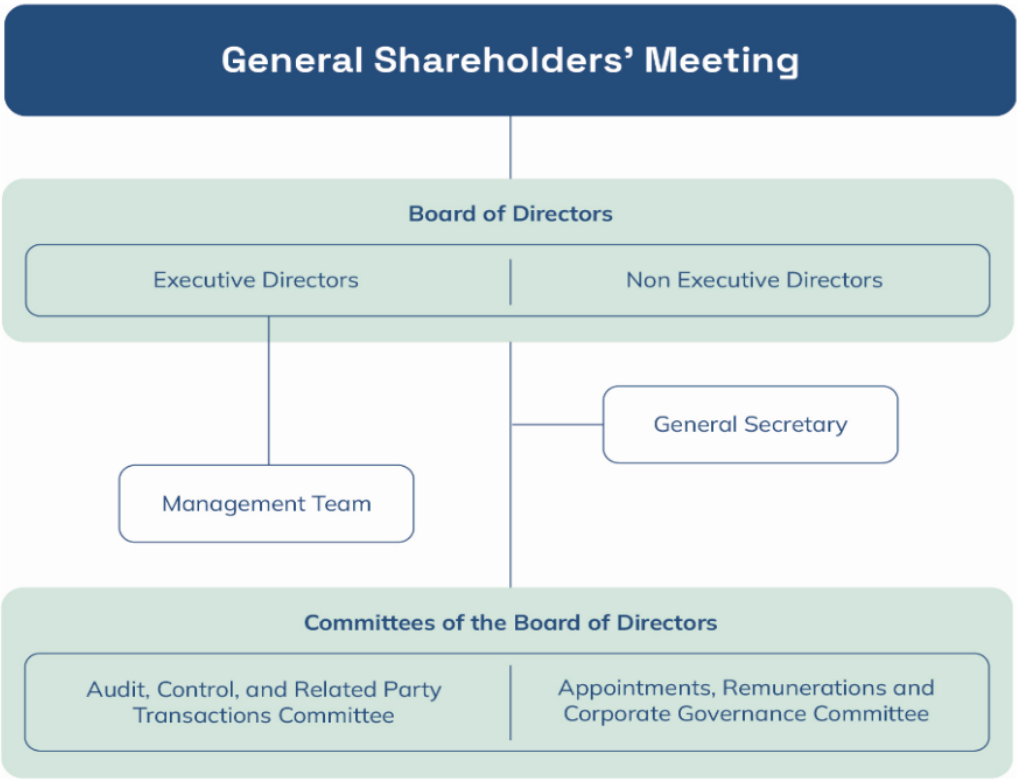
EDPR is a Spanish company listed in a regulated stock exchange in Portugal, being the regulation of its corporate organisation subject to the Spanish law but trying to parallelly also comply to the extent possible with the Portuguese recommendations contained in the Corporate Governance Code of the Instituto Português de Corporate Governance ("IPCG"). As such, the Company intends to comply with both legal systems but always taking into account 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.

Considering the applicable guidelines as of this regulatory framework, EDPR's governance model was designed with the aim of ensuring a transparent and meticulous separation of duties and management by the same time that provides a specialisation in the supervision functions. With this purpose, EDPR's governance structure is comprised by a General Shareholders' Meeting and a Board of Directors (BoD) that represents and manages the Company, which, in accordance with the law and its Articles of Association, has additionally set up two delegated Committees entirely composed its members: The Audit, Control, and Related Party Transactions Committee; and the Appointments, Remunerations and Corporate Governance Committee.

With the purpose of adapting this structure to the Portuguese legislation when feasible, despite the fact that, as referred, the personal law of EDPR is the Spanish one, the Company 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 and Control Committee.

This structure and its functioning enable a fluent workflow between all levels of the governance model, as each of the delegated Committees shall report the decisions taken to the Board of Directors, and all the Committees members are also members of the Board. Hence, this organisation allows Directors to receive the complete information at Board of Directors level in order to take the corresponding decisions and all in all ensuring in time and manner the access to all the information in order to appraise the performance, current situation and perspectives for the further development of the Company.

As described, EDPR's governance model was designed to ensure the transparent and meticulous separation of duties and the specialisation of supervision through the following governing bodies and management structure:



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 or in the applicable law. EDPR's Board of Directors 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 22nd, 2021, it was approved to adjust the total members of the Board of Directors of the Company in twelve (12).

The commitment of EDPR with ESG best practices and with the continuous improvement of its corporate governance was reflected in the proposals submitted for the General Shareholders' Meetings held in 2021 (February 22nd and April 12th), which contributed to a more agile, independent and diverse corporate governance structure. As a result of these resolutions, EDPR's Board of Directors is composed by 12 members, of which 10 non-executive, and has an independent Chairperson. EDPR strengthened the presence of independent Directors and women, 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, and the specialisation on Corporate Governance matters is attributed to the Appointments, Remunerations and Corporate Governance Committee.

On January 17th, 2022, EDPR received the resignation of Mrs. Joan Avalyn Dempsey as member of EDPR's Board of Directors, and in the General Shareholders' Meetings held on March 31st, 2022, it was approved the continuation of the existing vacancy on the Board of Directors. However, on May 3rd, 2022, the Board of Directors approved the appointment by co-option of Mrs. Kay McCall as independent member of the EDPR's BoD, in order to fill the vacancy. This appointment entered into effect on June 1st, 2022, and will be proposed for ratification to the next General Shareholders' Meeting. In this context, the composition of EDPR's Board of Directors as of June 30th, 2022, 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;
- Miguel Setas, 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 two specialised internal committees, which are both 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 30th 2022, are the following:

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

Appointments, Remunerations and Corporate Governance 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. It also assumes the functions related to the reflection on the Corporate Governance structure of the Company and its efficiency. The Appointments, Remunerations and Corporate Governance Committee consists of three (3) non-executive and independent directors, who, as of June 30th 2022, are the following:

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

Management Structure

Management Team

In January 2021, the BoD 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, its presence in new geographies, and following the proposal of the Appointments, Remunerations and Corporate Governance Committee, the BoD 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 & LatAm, North America, and APAC), a responsible for the offshore business through EDPR's JV Ocean Winds, and a member in charge of coordinating the technical functions.

As a result, as of June 30th 2022, the composition of the Management Team of EDPR is the following:

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

Remuneration policy

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

The Remuneration Policy establishes that the indicators shall be set in accordance with 3 clusters: (i) Attractive return, (ii) Organisation & People of the future, and (iii) ESG Excellence, through 12 KPIs. Each of such clusters shall have at least one indicator.

Components

Fixed Compensation
(Board of Directors)

+

Variable Compensation
(Executive Directors)

80%
Annual

145%
Multiannual
3 years deferred payment

Variable Remuneration

60% ATTRACTIVE RETURN

20% SHAREHOLDERS
- Total Shareholder Return

20% GROWTH
- Recurring Net Profit

10% INVESTMENT EFFICIENCY
- Capex per MW

10% OPERATIONAL EFFICIENCY
- Core Opex adjusted per MW

20% ORGANISATION & PEOPLE OF THE FUTURE

10% WORKING ENVIRONMENT
- Working environment survey + Retention rate

5% DIVERSITY AND INCLUSION
- Women in workforce & leadership

2.5% HEALTH AND SAFETY
- Frequency rate (employees and service providers)
- Total frequency rate (employees and service providers) 2.5%

20% ESG EXCELLENCE

10% CLIMATE ACTION
- Built renewable capacity (MW)

6% SUSTAINABLE SERVICES AND OPERATIONAL EXCELLENCE
- BP21-25 Secured projects

2% ETHICS & COMPLIANCE
- Ethics & Compliance Index

2% SUSTAINABLE SUPPLY CHAIN
- Integration of EDPR into EDP's sustainable supply chain processes

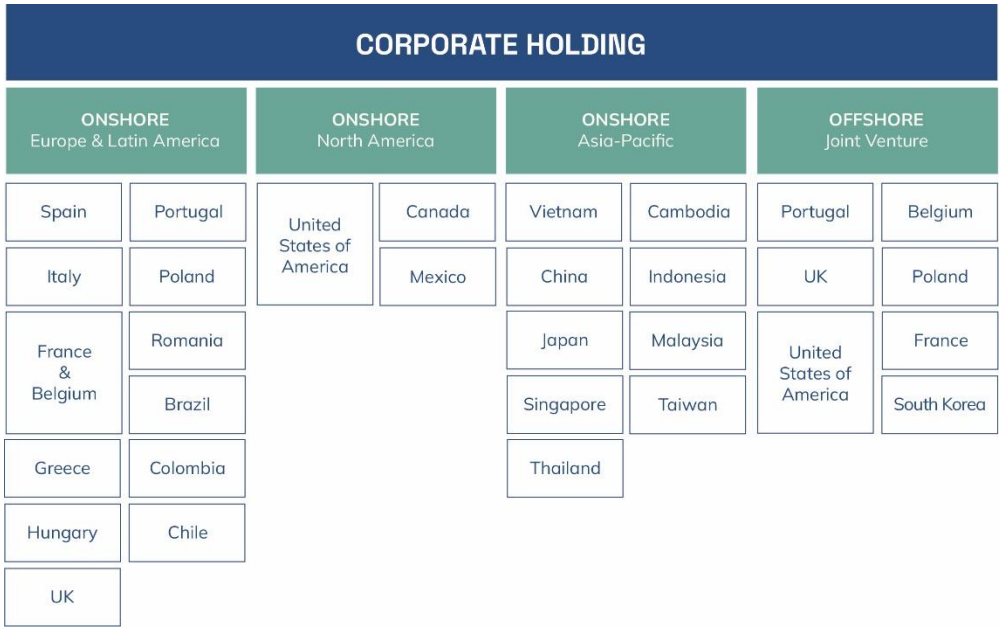
For further detailed information regarding the responsibilities and roles of the different social bodies, its activity during 1H22, and the Company's up-to-date articles of association and regulations, please visit www.edpr.com.

1.3.3. Organisation structure

The organisation structure is designed to accomplish the strategic management of the Company but also a transversal operation of all the business units, ensuring alignment with the defined strategy, optimising support processes and creating synergies.

Organisational model principles

EDPR organisation model is organised around five main elements: a Corporate Holding, Onshore Europe & Latin America (LatAm), Onshore North America, Onshore APAC and Offshore. Each platform includes different business units specialised in each of the market's specificities.



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 provides 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;
- Ensuring a functional reporting, including policies and action plans;
- 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 & LatAm, Onshore North America, Onshore APAC and Offshore.

- **Europe & LatAm Onshore 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 and UK. 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).
- **North America Onshore 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.
- **APAC Onshore platform:** EDPR entered in Asia through a project in Vietnam in 2021. In February 2022, EDPR's acquisition of a majority stake in Sunseap became effective, enabling the Company to enter new Asia-Pacific geographies and markets. 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 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.

Vestas

INNOVATION

Progressive and
meaningful change.

02 — STRATEGIC APPROACH

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2.1. Strategy

The World is joining forces to face global warming, one of the major challenges that currently threatens the planet which, if not controlled, might have irreversible consequences.

There is an undeniable new private and social commitment demanding and supporting an unparallel renewables growth to meet the requirements for a decarbonized and electrified world in which a clean, affordable and reliable energy sector is at the centre of the economy. This will inevitably lead to an unparalleled growth of renewable energy that is expected to be supported by a continued decrease in renewables' costs. EDPR has extensive experience in the sector and a track-record in delivering its targets, often ahead of schedule, and is prepared to deliver on a even more ambitious plan.

EDPR's Business Plan for the 2021-25 period is based on a strategy focused on accelerating growth, supported by the value generated by its ongoing Asset rotation strategy and performed by its proven high quality teams and efficient operations based on sustainable excellence across all ESG dimensions.

2021-25

Growth

Solid value creation, investing in quality projects with predictable cash-flow stream...

Cumulative build-out of which >50% already secured

+20 GW

Value

...enhanced by selling assets' stakes, crystalizing value and accelerate value creating...

Asset rotation proceeds from on going strategy to generate extra-value

€8 bn

Excellence

...and supported by distinctive core competences and unique know-how

Core Opex/MW (CAGR 2020-25):

-2%

1H22

10.6 GW
Capacity secured

€2.6 bn
Secured proceeds

+15%
Core Opex/MW[1] YoY

[1] Adjusted by offshore costs (mainly cross-charged to projects' SPVs), service fees, one-offs & forex

EDPR's Business model to deliver solid and ambitious growth targets through 2025, positioning to successfully lead a sector with increased worldwide relevance.

2.1.1. Growth

Accelerated and selective growth is the key principle behind EDPR's investment selection process, with new projects having long-term PPAs or CfDs secured or awarded through long-term contracts under stable legal and regulatory frameworks.

As presented in 2021, EDPR plans to double its installed capacity and add 20 GW for the 2021-2025 period, of which 10.6 GW are already secured. EDPR will diversify its portfolio geographically and technologically even more, developing more wind onshore, solar, wind offshore and storage technology along with the entrance in new markets. Geographical distribution of the 20 GW will be translated to 45% in North America, 35% in Europe, 15% in South America and 5% in Other geographies (now Asia-Pacific), while technological distribution will result in 45% additions on wind onshore, 40% in solar PV, 7% in solar DG, 5% in wind offshore and 2% in storage.

2.1.1.1 The creation of a new platform

EDPR Business Plan 2021-25 foresaw that ~5% of the overall 2021-25 investment would be directed to new markets in order to develop optionality and diversify EDPR's portfolio. Key criteria when assessing new markets are having strong fundamentals, stable legal and regulatory frameworks, growth potential, large market size and visibility on low-risk contracted remuneration.

APAC is one of the largest and fastest growing renewables market globally with expected additions of 120 GW/p.a. on average until 2030 (55% of global additions) and Solar will represent ~65% of these additions, split between PV and DG. Therefore, besides announcing the entrance in Vietnam through an acquisition back in June 2021, EDPR acquired Sunseap in February 2022, a solar focused platform based in Singapore present in 9 markets.

Also, Sunseap brings a strong footprint in APAC and encompasses a best-in-class development team with demonstrated innovation and technical expertise and proven track record. With this remarkable reputation as an operator, Sunseap is fully aligned with EDPR's growth plan and within the investment contemplated for new geographies, allowing EDPR to leverage on Sunseap and accelerate growth in Asia-Pacific both in Solar and Wind.

EDPR main growth market driven by PPAs secured

North America is EDPR's main growth market, with 7.0 GW of installed capacity, representing more than half of EDPR total portfo-lio. **The US, Canada and Mexico will account for 45% of the total 20 GW targeted capacity additions. EDPR has already secured 47% of such target** with 4.1 GW secured, of which 3.6 GW in the US, with around 2.6 GW in solar technologies.

Focus on low risk Requlatory frameworks

EDPR growth in Europe is supported by identified short-term opportunities along with medium-term pipeline options and PPA appetite. **EDPR plans to add 6.7 GW in Europe, representing** 35% of the total capacity to be added in the period 2021-2025. From the 6.7 GW, **EDPR already secured 3.4 GW related to wind onshore and solar PV.** In April, EDPR was awarded 70 MW of floating solar PV in Portugal. Finally, in 1H22, EDPR added 117 MW of wind onshore in Europe.

Projects with long-term PPAs

South America will represent a 15% of the total capacity to be added in the 2021-2025 period. EDPR has been active in upcoming new opportunities, namely auction and long term PPAs, given the strong fundamentals of some South American countries, with high growth of electricity demand, robust renewable resources and stable regulatory frameworks. E**DPR has already secured 2.2 GW in South America**, with 1.5 GW in Brazil (of which 0.5 GW will be solar), 0.5 GW of wind in Colombia and 0.2 GW of wind in Chile.

Solid platform on one of the fastest growing renewables market globally

New geographies will represent a 5% of EDPR 2021-25 growth. EDPR managed to secure 50% of such target with the acquisition of Sunseap, a solar focused platform based in Singapore. Currently, EDPR has presence in 9 markets and already secured 0.9 GW in APAC. In 1H22, EDPR added 0.4 GW of solar in APAC. In June, EDPR strengthened its position in Vietnam with the agreement to acquire two solar projects of 200 MWac in operation since 2020 and with a 20-year PPA. With this, EDPR will expand its footprint in the world, accelerating its growth in Asia-Pacific where establishes a solid platform.

Investing in offshore wind technology

Offshore wind energy is becoming an essential part of the global energy transition, leading to the market's rapid growth and increased competitiveness. In 2019, a **Joint Venture** was announced by **EDPR and ENGIE** for worldwide offshore wind investments opportunities to bring together the industrial expertise and development capacity of both companies. EDPR and ENGIE will combine their offshore wind assets and project pipeline. Ocean Winds has **target of 5 to 7 GW of projects in operation** or construction **and 5 to 10 GW under advanced development by 2025.** In 1H22, Ocean Winds was awarded two new projects: ScotWind, 2 GW in the Caledonia offshore wind farm, and NY Bight, a lease area to develop up to 1.7 GW in the US. In July, 0.3 GW in Moray West were secured through a CfD contract.

Developing new technologies and business models to ensure long term renewables competitive edge and growth

NEW TECH AND BUSINESS MODELS

HYBRIDIZATION

Improve profitability and assets utilization

- Opportunities combining Solar + Wind to improve infrastructure utilization.
- 0.4 GW of hybrid projects analyzed for 2021-25.
- 70 MW of hybrid wind capacity awarded in Portugal.

STORAGE

Strong path to address intermittency

- Deploy storage coupled with solar (first solar 200 MW + storage 40 MW to be installed in 2022 in the US).
- New unit to develop capabilities for standalone storage management (0.4 GW expected through 2025).
- Addressing client requirements.

FLOATING OFFSHORE

Differentiated business case

- Early-mover advantage and technology partner.
- Large GW project in early stage in Korea and pipeline in Spanish and Greek islands.
- Two new projects awarded YTD in North America and Scotland.

REPOWERING

Increasing current assets long-term value

- Using current infrastructure and upgrade with more efficient technology.
- First repowerings successfully installed/under construction in Spain (42 MW) and in US (162 MW).
- At least additional 0.4 GW expected through 2025 (in the US taking advantage of current PTC framework).

SOLAR DG

Leverage distinctive go-to-market capabilities

- Through the acquisition of Sunseap, Solar DG enabled EDPR to enter a new market such as Asia Pacific where utility-scale will also play a key role.
- With the acquisition of C2, EDPR will develop the distributed generation segment, broaden competitive solutions to its customers and boost the North America platform growth potential reinforcing the company's commitment with the region.
- Enables EDPR to serve a rapidly growing market segment offering a range of new services and solutions to meet its clients' renewable energy needs.

HYDROGEN

Key role on decarbonization

- Improve renewables value creation through synergies, offering additional services and repurpose thermal assets.
- Ambition to deploy 1.5 GW of green energy hydrogen production capacity by 2030.
- Agreement with Lhyfe to jointly develop and manage renewable hydrogen production projects.

2.1.2. Value

The Company's ongoing Asset rotation model has been a cornerstone of EDPR's strategy, and its success has been key to crystallize value upfront to redeploy and fund accretive new growth opportunities.

The Asset Rotation model relies on a combination of the cash generated from operating assets and EDPR's strategy of selling majority stakes in projects in operation or under development, along with the US Tax Equity structures to finance the profitable growth of the business. This model allows the Company to crystalize value upfront while recycling capital to reinvest in other projects.

2021-25

€19 bn	€8 bn	€11 bn
Gross Investments	Asset rotation proceeds	Net investments

Value: Ongoing Asset rotation strategy

Proceeds from selling majority stakes in operational or under development assets are also important sources of funds for the self-funding model of EDPR in financing its profitable growth. Under this strategy, EDPR sells majority stakes in projects in operation or in late stage of development, allowing the Company to recycle capital, with up-front cash flow crystallization, and create value by reinvesting proceeds in accretive growth, with the option to provide operating and maintenance services. On the top of these, the Asset rotation strategy makes visible the value creation on reported financial statements, with capital gains being booked in the income statement. EDPR value creation assumption expects to deliver c.€0.3 billion p.a. projected for 2021-25 Business Plan period. As of today, EDPR has already secured €2.6 billion out of the €8.0 billion of Asset rotation proceeds for 2021-25.

2.1.3. Excellence

One of the strategic pillars that has always been a cornerstone of the Company, setting it apart in the industry, is the drive to maximise the operational performance of its wind and solar plants though excellence and the experience from its quality teams. EDPR has flexibility on managing the full value chain to deliver competitive and quality projects at the highest excellence standards, while guaranteeing the compliance with the best ESG standards.

> 20 years
Experience from development through operation

>600
Parks under management by 2025

-2%
Core OPEX/MW CAGR 2020-25

Development: Competitive Projects

EDPR leverages on its local development knowledge and multi-partnership network to find and develop competitive and quality projects. The Company's second to none energy assessment track record, experienced PPA origination teams and efficient site layouts are set to maximize the output of each and every project, both operational and financial wise.

Construction: On time and on budget

EDPR's global scale provides competitive procurement over the whole portfolio. Its long-term business with top tier suppliers becomes a scarce asset nowadays, accounting with more than 20 years of relationships, it brings EDPR the best market opportunities.

The large experience in years and MW of EDPR's E&C team, leverage on agile project management, focused in deliver "On time and on budget" new projects to the portfolio.

Operations: Excellence in asset management

EDPR's unique O&M strategy has allowed the Company to increase internalization post-warranty, therefore resulting in service price reductions and flexibility to choose today on an asset by asset basis the most competitive choice between insourcing or outsourcing. During the 2021-25 Business Plan, EDPR is committed to reduce its Core Opex/ avg. MW by -2% CAGR.

Setting targets for ESG excellence throughout the value chain

Promoting clean energy while operating in a sustainable way across the three ESG dimensions is one of the key messages of EDPR's Business Plan. As a sustainable company working towards a better world for current and future generations, the commitment to sustainable development has been one of the core values of its strategic agenda, with clear and demanding objectives for the future.

100%
Biodiversity high risk facilities with action plans

€35m
Social & Access to Energy (A2E) investment

>85%
Waste recovered along the whole value chain

>75%
Sustainable purchases

Zero
Health & Safety accidents mindset

100%
Facilities certified by ISO 14001 & ISO 45001

EDPR's growth derived from the 2021-25 Business Plan will be supported by the current top-class team and reinforced by the best talent in the market, attracted by a superior value proposition offered by the Company. Accordingly, EDPR aims to double the size of its team by the end of 2025. In this context, EDPR developed a Human Resources strategy focused on three main pillars and supported by specific targets:

Attract

EDPR aims to integrate the best talent in the market, attracted by a great company culture, while fostering diversity and inclusion as a trigger for innovation.

First Choice employer

36% women in EDPR

Experience

The Company will continue to work on promoting the best experience for its team, providing tailored reward schemes and career paths and consolidating the flexibility measures offered, resulting in the retention of top talent.

Top[1] in Engagement & Enablement

>50% employees on hybrid[2] model

Develop

Relying on internal talent is a key drive for EDPR mainly accomplished by favouring development through training, functional and geographic mobility and development programs.

90% people with digital training

30% women in management

[1] Better than utilities and high performing companies
[2] Work at home for some part of the week

2.2. 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 sustainability 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 risk 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 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 created three distinct meetings of the Risk Committee, separating discussions on execution of mitigation strategies from those on definition of new policies, in order to help decision-making:

- **Restricted Risk Committee:** Held every month, it is mainly focused on development risk and market risk from selling energy (electricity price, basis, profile, GCs and RECs). It is the forum to discuss the evolution of projects under development and construction and the execution of mitigation strategies to reduce merchant exposure. 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 (exchange rates, interest rates and inflation), liquidity risk and credit risk to financial institutions and discuss the execution of mitigation strategies.
- **Risk Committee:** Held every quarter, it is the forum where new strategic analysis is 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. In order to have a holistic view, they are classified in five Risk Categories. Within each Risk Category, risks are classified in Risk Groups. The full description of the risks and how they are managed can be found in the Corporate Governance chapter. The graph below summarises the Risk Categories, the Risk Groups and the Risk Management mitigation strategies at EDPR.

Risk Categories		Risk Groups
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.	• Energy Price Risk • Energy Production Risk • Commodity Price Risk • Liquidity Risk • Inflation Risk • Exchange Rate Risk • Interest Rate Risk
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.	• Counterparty Credit Risk • Counterparty Operational Risk
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.	• 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) • Processes Risk (including Business Continuity) • Information technologies Risk
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.	• Regulatory Risk (renewables) • Equipment Price Risk • Equipment Supply Risk
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).	• Country Risk • Competitive Landscape Risk • Technology Disruptions Risk • Invest. Decisions Criteria Risk • Reputational Risk • Meteorological Changes • Corp. Organisation and Governance • Energy Planning

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 sarne 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.

- 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.

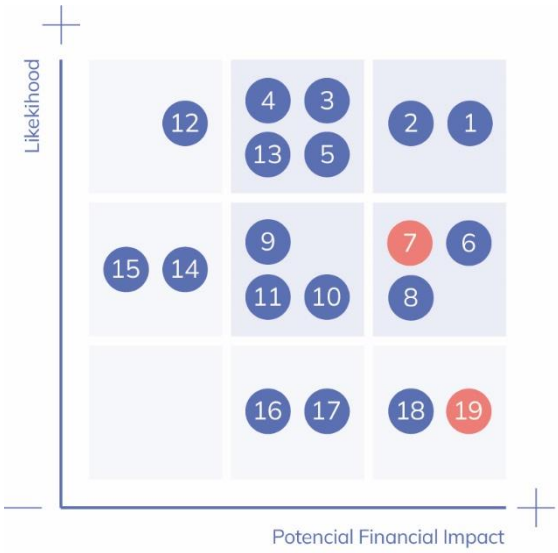
Risk analyses highlights during 1H22

In the first half of 2022, EDPR analysed the impact of the current inflationary scenario on costs and revenues. On costs, it was considered the exposure to inflation of operating expenses, capital expenses and interest payments, while on revenues, the exposure of inflation-indexed PPAs and merchant revenues. Different measures were put in place to balance inflation exposure, namely the increase in the duration of the corporate debt with EDP.

Moreover, a detailed analysis on the effects of the conflict between Ukraine and Russia was performed to determine which are the main risks to which EDPR is exposed and to define a contingency plan to reduce potential impacts. As a follow-up of this analysis, EDPR took some business continuity measures in bordering countries with Ukraine.

EDPR risk matrix by financial impact

EDPR 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.



1 Energy Price
2 Energy Production
3 FX
4 Interest Rate
5 Equip. Market Risk
6 Pipeline Develop.
7 Counterparty
8 Regulatory
9 Execution/Construction
10 Legal
11 Operation (damages, equip. perf)
12 Comm. Price
13 Inflation
14 IT
15 Personnel
16 Processes
17 Liquidity
18 Strategic
19 Business Continuity

● Reviewed policies or procedures in 1st half 2022

EDPR ESG risks

The commitment to foster a sustainable development has been one of the core values of EDPR's strategic agenda, with clear and demanding objectives for the future. Accordingly, the Company promotes clean energy delivering superior value through a solid business model operated with the highest ESG standards. In this context, EDPR has identified five potential risk factors key to the ESG practices of the Company. The highest standards have been put in place to mitigate these risks:

- **Environmental Risk**: As stated in its Environmental Policy, EDPR seeks to prevent, correct or compensate the potential impact of its activities on the environment through a set of commitments that ensure the implementation and maintenance of an effective Environmental Management System (EMS). Following the reference provided by the international standards ISO 14001:2015 and ISO 45001:2018, EDPR merged the Environmental with the H&S management systems for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The Health, Safety and Environment Management System (HSEMS) was certified by an independent certifying organisation. More information regarding how EDPR addresses and mitigates this risk is available at the Natural Capital section of the report (subchapter 3.5.).
- **Human Resources Risk**: At EDPR, it is top priority to promote fair labour practices throughout the employees' journey in the Company by integrating the human capital aspects in planning and decision-making, optimising employment policies and labour practices, and implementing its actions considering an active listening of the employees. Accord-

ingly, EDPR strives to attract and retain talent, bringing in the right skills to address current and future business challenges while guaranteeing non-discrimination during all the selection processes, and has an Onboarding Policy for new hires detailing the process to follow when integrating a new employee in the Company. In addition, EDPR regularly implements measures and campaigns important for the employees professional and personal experience such as providing an individualised value proposition, creating top-class working conditions, supporting their wellbeing and families, fostering volunteer activities, and promoting diversity and inclusion. Lastly, the growth and development of the EDPR's business leads it to invest in the employees by improving and emphasising the potential of each mainly through internal mobility, training, and development actions. The Human Capital section of the report (subchapter 3.2.) and the Human Rights & Labour Practices section of the report (subchapter 3.4.2.) include further information on how EDPR addresses and mitigates this risk.

- **Health and Safety Risk**: The health, safety and wellbeing of those who contribute to EDPR's activities are a priority for the Company. These commitments are firmly set in the Occupational Health & Safety Policy and implemented through the Health & Safety Management System. Following the reference provided by the international standards ISO 14001:2015 and ISO 45001:2018, EDPR merged the Environmental and H&S management systems for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS was certified by an independent certifying organisation. The Health & Safety section of the report (subchapter 3.4.1.) addresses how EDPR mitigates this risk.
- **Human Rights Risk**: EDPR has committed, through its Code of Ethics, to respect and undertake to promote Human Rights internally, in its suppliers, customers and local communities, by guiding its actions according to the Universal Declaration of Human Rights and international conventions, treaties or initiatives, such as the Conventions of the International Labour Organisation, the United Nations Global Compact and the Human Rights Council's Guiding Principles for Companies. The Human Rights & Labour Practices section of the report (subchapter 3.4.2.) includes further information on how EDPR addresses and mitigates this risk.
- **Corruption and Fraud Risk**: EDPR has implemented a Code of Ethics, an Integrity Policy and a Global Compliance Program (which includes an Integrity Compliance Program, a Criminal Compliance Program for Spain, a Global Data Compliance Program, and local Compliance Program according to regulations). The Code of Ethics has its own regulation that defines a process and channel, open to all stakeholders, to report any potential claim or doubt on the application of the Code. The Ethics Ombudsperson is behind this communication channel and is responsible for analysing and presenting to the Ethics Committee any potential ethical problem. EDPR's Integrity Policy, which implies a series of procedures regarding the relationships of EDPR employees with external parties, is available at EDPR's website and intranet, and all new hires must acknowledge the reception of the Policy when they join the Company. Lastly, EDPR has a Compliance Program with the goal of developing a robust set of policies and procedures for the Group. The Compliance Channel is also available to report any questionable practice and wrongdoing.

The quantification of the financial impact on the Company's performance of these five ESG risk factors is included within the Operational Risk analysis. EDPR frequently evaluates the economic impact of its Operational Risk, following the guidelines of Basel III. The analysis includes the identification, estimation and mitigation of individual operational risks belonging to the short, medium and long term in all its geographies. For this purpose, EDPR takes into account present and future relevance of these risks, as well as historical data of their impact, with the help of department heads. The final results of the Operational Risk analysis are then communicated to the Management Team and shared with every department involved.

During 1H22, the economic valuation of Operational Risk at EDPR was reassessed and none of the five ESG risk factors had a material financial impact on the Company's performance.

RENEWABLE

Where innovation
and sustainability meet.

03
— EXECUTION

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NATURAL CAPITAL 56

DIGITAL CAPITAL 58

INNOVATION CAPITAL 60

3.1. Financial capital

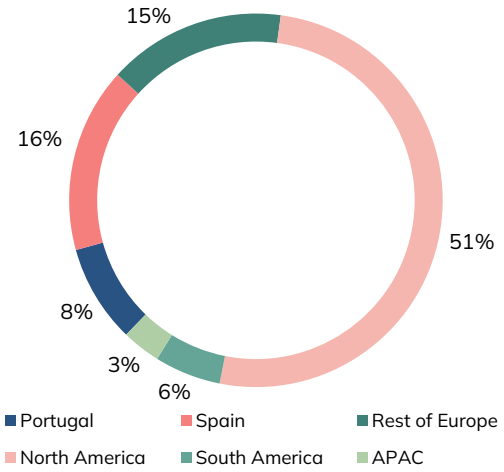
3.1.1. Operational performance

INSTALLED CAPACITY (MW)		2022			NCF			GWh		
	Jun-22	ADDED	AR	YTD	Jun-22	Jun-21	YoY	Jun-22	Jun-21	YoY
EUROPE										
Spain	2,058	+45	(181)	(136)	26%	28%	-2pp	2,534	2,613	(3%)
Portugal	1,142	-	-	-	28%	28%	+0.3pp	1,382	1,483	(7%)
Rest of Europe	1,816	+72	(149)	(78)	30%	26%	+3pp	2,419	1,670	+45%
France	202	+21	-	+21	25%	27%	-2pp	202	160	+27%
Belgium	11	-	-	-	26%	28%	-2pp	12	12	(3%)
Poland	648	+51	(149)	(99)	33%	26%	+7pp	1,027	557	+84%
Romania	521	-	-	-	30%	26%	+4pp	681	597	+14%
Italy	384	-	-	-	28%	28%	+1pp	452	343	+32%
Greece	45	-	-	-	21%	-	-	40	-	-
UK	5	-	-	-	28%	-	-	6	-	-
Total	5,016	+117	(330)	(214)	28%	28%	+0.2pp	6,334	5,766	+10%
NORTH AMERICA										
US	5,923	+15	-	+15	37%	33%	+4pp	9,586	8,474	+13%
Canada	130	-	-	-	34%	30%	+4pp	191	106	+81%
Mexico	400	-	-	-	47%	47%	+0.3pp	409	498	(18%)
Total	6,453	+15	-	+15	38%	34%	+4pp	10,186	9,079	+12%
SOUTH AMERICA										
Brazil	795	-	-	-	31%	34%	-4pp	1,040	494	+111%
Total	795	-	-	-	31%	34%	-4pp	1,040	494	+111%
APAC										
Vietnam	205	+177	-	+177	21%	-	-	136	-	-
Singapore	196	+196	-	+196	13%	-	-	73	-	-
Other APAC	48	+48	-	+48	16%	-	-	21	-	-
Total	449	+421	-	+421	17%	-	-	231	-	-
Total EBITDA MW	**12,712**	**+552**	**(330)**	**+222**	**33%**	**31%**	**+2pp**	**17,791**	**15,338**	**+16%**
EUROPE										
Spain	156	-	-	-						
Portugal	31	-	-	-						
Rest of Europe	311	-	-	-						
Total	498	-	-	-						
NORTH AMERICA										
US	592	-	-	-						
Total	592	-	-	-						
APAC										
Rest of APAC	14	+14	-	+14						
Total	14	+14	-	+14						
Total Equity MW	**1,104**	**+14**	**-**	**+14**						
Total EBITDA + Equity MW	**13,816**	**+567**	**(330)**	**+237**						

EDPR continues to deliver solid 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 13.8 GW is not only young, on average 9 years, it is also mostly certified in terms of environmental and health and safety standards. Since 2008, EDPR has more than tripled its installed capacity, resulting in a total installed capacity of 13,816 MW (EBITDA + Equity MW). As of June 2022, EDPR had 5,514 MW installed in Europe, 7,045 MW in North America, 795 MW in South America and 463 MW in APAC.

TOTAL CAPACITY BY REGION



1H22 installations concentrated in the APAC region through the integration of Sunseap assets

During the first half of 2022, EDPR added a total of 567 MW, mainly driven by the integration of the 435 MW of solar that Sunseap assets in the APAC region. More specifically, EDPR added 117 MW of wind onshore, all coming from Europe, namely 51 MW in Poland, 45 MW in Spain and 21 MW in France. In terms of solar, EDPR installed a total of 450 MW, mainly driven by the previously mentioned 435 MW that were added in the APAC region, with 196 MW from Singapore, 177 MW in Vietnam and the remaining 62 MW from other APAC markets like China, Taiwan, Japan, Cambodia, Malaysia and Thailand. Moreover, EDPR also installed 15 MW worth of solar DG in North America, more precisely in the US.

Pursuing its Asset rotation strategy, EDPR successfully concluded two Asset rotation deals in Europe during the period. In detail, a 100% stake in a 149 MW wind portfolio in Poland that comprised six wind projects already in operation, and a 100% stake in a 181 MW wind portfolio in Spain that consisted of twelve wind projects also in operation. All in all, in the first six months of 2022, EDPR consolidated portfolio net variation was of +237 MW.

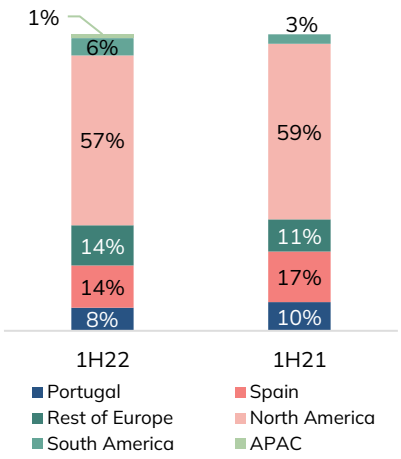
+16% increase in Year on Year generation

EDPR produced 17.8 TWh (+16% YoY) of clean energy in 1H22. The YoY evolution comes in line with a higher average installed capacity YoY and stronger renewable resource in the period.

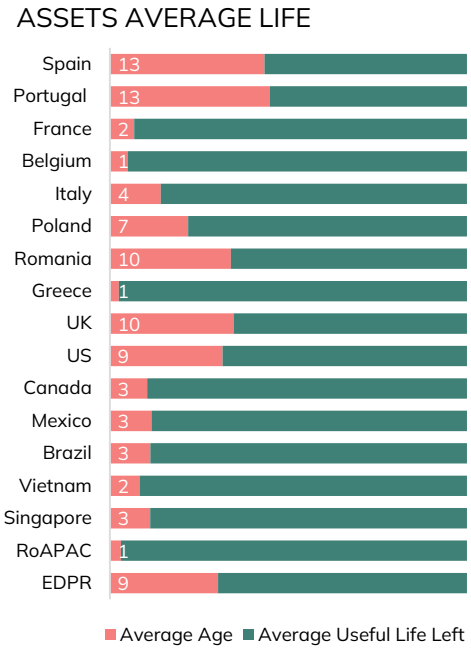
In the 1H22, EDPR achieved a 33% load factor (vs 31% in 1H21) reflecting 102% of P50 long term average GCF, mainly driven by the strong renewable resource experienced in North America that was +10pp above the long term average GCF for the period.

EDPR achieved a 96% availability in 1H22 vs 97% in 1H21. The company continues to implement strategies in order to maximise projects' output and diversify its portfolio across different geographies to minimise the renewable resource volatility risk.

GENERATION BY REGION



Solid growth and diversified portfolio deliver strong and balanced output



In the 1H22, Europe output increased +10% YoY to 6.3 TWh and represented 36% of the total output. This is mainly explained by the new capacity in operation and the stale renewable resource. In Europe, EDPR achieved a 28% load factor (+0.2pp YoY), with the positive renewable resource impact from the Rest of Europe being offset by the negative renewable resource experienced in Spain.

EDPR obtained a load factor of 26% in Spain (-2pp YoY), while in Portugal reached a load factor of 28% (+0.3pp YoY). On the other hand, in the Rest of Europe, EDPR accomplished a 30% load factor (+3pp YoY).

EDPR's operations in North America were a major driver for the electricity production increase in the 1H22, increasing +12% YoY to 10.2 TWh, reflecting the good renewable resource in the period at 38% (+4pp YoY), mainly driven by the improvement of US and Canada in terms of load factor with the countries reaching load factors of 37% (+4pp vs YoY) and 34% (+4pp YoY), respectively. It should be noted that in previous period, the region was negatively impacted by the one-off ERCOT event that occurred in the 1Q21. North America represented 57% of EDPR's total output in the 1H22.

EDPR's production in South America, more precisely in Brazil, increased to 1.0 TWh vs 0.5 TWh in the 1H21, representing a YoY increase of +111% in generation and 6% of total EDPR's generation, this is mainly explained by higher installed capacity, despite the lower resource where EDPR reached a 31% load factor (vs 34% in 1H21).

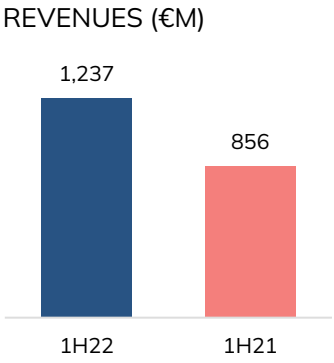
In APAC, EDPR generated 0.2 TWh of clean energy, and it should be noted that this generation only considers Sunseap's generation after its incorporation by the end of February. The load factor experienced in the period was of 17% for the solar assets in the region.

EDPR manages a portfolio of 13.8 GW with a record-high 3.2 GW of capacity under construction

As of June 2022, EDPR had reached its highest ever level of capacity under construction with 3,150 MW of capacity to be installed between the second half of 2022 and 2023, of which 1,820 MW related to wind onshore and 1,330 MW to solar technology. In terms of wind onshore, in Europe 340 MW were under construction, with 159 MW in Italy, 100 MW in Spain, 61 MW in Poland, 11 MW in France and 10 MW in Portugal. In North America 396 MW of wind onshore were under construction, of which 300 MW in Canada and 96 MW in Mexico. Lastly in terms of wind, in South America EDPR had 1,084 MW of capacity under construction, more precisely, 580 MW in Brazil and 504 MW in Colombia. Regarding solar capacity, EDPR had 374 MW of capacity under construction in Europe, 189 MW in Poland, 176 MW in Portugal and 9 MW in Spain. In North America the entirety of the 793 MW that were under construction came from US. Finally, in APAC 163 MW were under construction with 127 MW in Singapore and 35 MW from the Rest of APAC markets.

3.1.2. Financial performance

Income Statement



Revenues reached over €1.2 billion and EBITDA summed €1.0 billion

Revenues totalled €1,237 million (+45% increase vs 1H21) on the back of additional installed capacity (+€213 million vs 1H21), higher average selling price excluding Sell-down (+€69 million vs 1H21) along with forex translation and others (+€100 million vs 1H21).

Other operating income amounted to €134 million (-€6m million vs 1H21), mainly related to Sell-down transactions closed in Poland and Spain.

In the context of EDPR's continuous growth, Operating Costs (Opex) totalled €463 million (+40% vs 1H21), given upfront costs to support expected growth over the coming years. In comparable terms, adjusted by offshore costs (mainly cross charged to projects' SPV), one-offs, service fees and forex, Core Opex (defined as Supplies and Services and Personnel Costs) per average MW was +15% year on year.

In 1H22, EBITDA summed €976 million (vs €654 million in 1H21) and EBIT amounted to €640 million (vs €364 million in 1H21). Net Financial Expenses increased to €185 million (+67% vs 1H21) with year on year comparison impacted by higher debt, forex and TEI unwinding. At the bottom line, Net Profit summed €265 million (vs €142 million in 1H21) mainly driven by the top-line performance. Non-controlling interests in the period totalled €120 million, increasing by €56 million year on year, as a result of better overall performance.

CONSOLIDATED INCOME STATEMENT (€ MILLIONS)	1H22	1H21	Δ %
REVENUES	1,237	856	+45%
Other Operating Income	134	141	(5%)
Operating Costs	(463)	(331)	+40%
Supplies and Services	(196)	(156)	+26%
Personnel Costs	(114)	(82)	+39%
Other Operating Costs	(153)	(93)	+65%
Share of Profit of Associates	67	(12)	-
EBITDA	976	654	+49%
EBITDA/Revenues	*79%*	*76%*	*+2pp*
Provisions	(0.5)	(0.9)	(38%)
Depreciation and Amortisation	(344)	(298)	+16%
Amortisation Government Grants	9	8	+12%
EBIT	640	364	+76%
Financial Income/ (Expense)	(185)	(111)	+67%
PRE-TAX PROFIT	455	252	+80%
Income Taxes	(70)	(47)	+50%
Profit of the Period	385	206	+87%
Non-controlling Interests	(120)	(64)	+87%
NET PROFIT (EQUITY HOLDERS OF EDPR)	265	142	+87%

Balance sheet

In 1H22, total assets increased by €3,516 million

Total Equity of €10.3 billion increased by €107 million since December 2021, of which €2,041 million are attributable to reserves and retained earnings. Equity attributable to EDPR shareholders decreased €59 million in the last six months, mainly explained by -€344 million from variation in fair value cash flow hedges along with -€86 million from dividend distributions to EDPR shareholders, +€265 million from Net profit in the period, and +€125 million of the exchange rate effects.

Total Liabilities increased €3,408 million vs December 2021 to €15.3 billion, explained by the increase in financial debt (+€2,358 million), deferred tax liabilities (+€9 million), rents due from lease contracts (+€116 million), provisions (+€20 million), deferred revenues from Institutional partnerships (+€84 million), and other liabilities (+€827 million), notwithstanding the slight decrease in Institutional partnerships (-€5 million).

Debt-to-equity ratio stood at 148% by the end of June 2022. Liabilities were mainly composed of financial debt (42% vs 34% in 2021), liabilities related to institutional partnerships in the United States (10% vs 13% in 2021) and other liabilities (32% vs 34% in 2021).

Liabilities to tax equity partnerships in the United States increased by €79 million to €2,339 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 €25.5 billion in June 2022, the equity ratio of EDPR reached 40%. Assets were 65% composed of net PP&E - property, plant and equipment representing €16.6 billion (+€2,087 million vs 2021). It was mainly explained by +€1.3 billion of capex investments, -€0.3 billion of depreciation charges along with positive exchange differences of +€0.8 billion.

Net intangible assets of €2.1 billion mainly include €1.8 billion from goodwill registered in the books, for the most part related to the acquisition of Sunseap business.

STATEMENT OF FINANCIAL POSITION (€ MILLIONS)	1H22	2021	Δ €
ASSETS			
Property, Plant and Equipment, net	16,649	14,562	+2,087
Intangible Assets and Goodwill, net	2,088	1,584	+504
Financial Investments, net	1,169	1,003	+166
Deferred Tax Assets	415	332	+83
Inventories	79	62	+17
Accounts Receivable - Trade, net	605	498	+107
Accounts Receivable - Other, net	2,277	1,772	+505
Right-of-use asset	770	669	+102
Collateral Deposits	46	49	(3)
Cash and Cash Equivalents	1,118	1,004	+115
Assets Held for Sale	330	496	(166)
Total Assets	**25,547**	**22,032**	**+3,516**
EQUITY			
Share Capital + Share Premium	6,402	6,402	-
Reserves and Retained Earnings	2,041	1,710	+332
Net Profit (Equity Holders of EDPR)	265	655	(391)
Non-controlling Interests	1,574	1,408	+166
Total Equity	**10,282**	**10,175**	**+107**
LIABILITIES			
Financial Debt	6,398	4,041	+2,358
Institutional Partnerships	1,532	1,537	(5)
Rents due from lease contracts	814	699	+116
Provisions	344	324	+20
Deferred Tax Liabilities	464	455	+9
Deferred Revenues from Institutional Partnerships	807	723	+84
Other Liabilities	4,906	4,079	+827
Total Liabilities	**15,265**	**11,857**	**+3,408**
Total Equity & Liabilities	**25,547**	**22,032**	**+3,516**

Cash flow statement and Net debt

Operating cash-flow impacted by top line performance

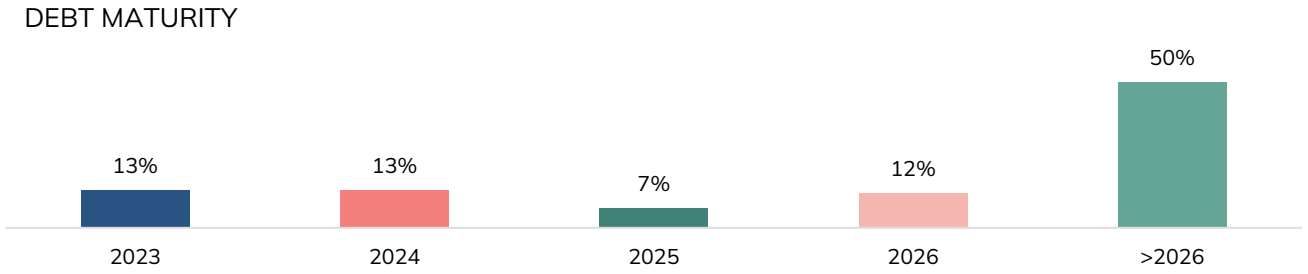
In the first half of 2022, EDPR generated Operating Cash-flow of €479 million (+64% vs June 2021), with year on year evolution explained by better top line performance. The key items that explain 1H22 cash-flow evolution are the following:

- Funds from operations, resulting from EBITDA after net interest's expenses, share of profits of associates and current taxes, were €700 million (vs €605 million in June 2021);
- Operating Cash-flow, which is the EBITDA net of income tax and adjusted by non-cash items (namely income from United States institutional partnerships) and net of changes in working capital, was €479 million (+64% YoY). Non-cash items include €99 million from capital gains and -€3 million from losses on fixed assets;
- Capital expenditures with capacity additions, ongoing construction and development works totalled €1,285 million (+33% YoY) mainly from higher capex in North America and South America, while Cash Financial Investments totalled €1,593 million (vs €211 million in June 2021) where it is included the acquisition of Sunseap;
- Payments to institutional partnerships totalled €64 million, contributing to the reduction of Institutional Partnership liabilities. Total net dividends and other capital distributions received totalled -€178 million (vs €1,350 million in YoY including €1,494 million from the capital increase). In the period, Forex & others had a negative impact in Net Debt of -€602 million.

CASH-FLOW (€ MILLIONS)	1H22	1H21	Δ %
EBITDA	976	654	+49%
Current Income Tax	(43)	(8)	+421%
Net Interest Costs	(232)	(41)	+469%
FFO (FUNDS FROM OPERATIONS)	700	605	+16%
Net Interest Costs	232	41	+469%
Income from Institutional Partnerships	(124)	(87)	+43%
Share of Profit of Associates	(67)	12	-
Non-cash Items Adjustments	(96)	(100)	(4%)
Changes in Working Capital	(166)	(178)	(7%)
OPERATING CASH-FLOW	479	293	+64%
Capex	(1,285)	(968)	+33%
Cash Financial Disinvestments/ (Investments)	(1,593)	(211)	+655%
Changes in Working Capital related to PP&E Suppliers	179	(644)	-
Government Grants	-	-	n/a
NET OPERATING CASH-FLOW	(2,220)	(1,530)	+45%
Sale of Non-controlling Interests and Sell-down Strategy	975	239	+307%
Proceeds from Institutional Partnerships	22	(0.1)	-
Payments to Institutional Partnerships	(64)	(37)	+74%
Net Interest Costs (Post Capitalisation)	(232)	(41)	+469%
Dividends Net and Other Capital Distributions	(178)	1,350	-
Forex & Others	(602)	(102)	+490%
DECREASE/(INCREASE) IN NET DEBT	(2,300)	(120)	-

NET DEBT + TAX EQUITY (€ MILLIONS)	Jun-22	Dec-21	Δ €
TOTAL NET DEBT + TAX EQUITY	6,766	4,472	+2,294
Net Debt	5,234	2,935	+2,300
Institutional Partnerships	1,532	1,537	(5)

As of June 2022, Net Debt totalled €5,234 million (+€2,300 million vs December 2021) reflecting on the one hand assets cash generated and Sell-down strategy and on the other hand investments in the period and forex translation. Institutional Partnership Liabilities summed €1,532 million (-€5 million vs December 2021), with benefits captured by the projects and tax equity partners along with a new institutional tax equity financing in the period and offset by Sell-down transaction concluded in the period.



Other reporting topics

Subsequent events

Ocean Winds awarded with CfD for its Moray West project

Madrid, July 7th 2022: EDP Renováveis, S.A. ("EDPR") is pleased to announce that Ocean Winds, the offshore JV owned by EDPR (50%) and Engie (50%), has been awarded by the UK government with a 15-year CfD to sell the energy produced by 294 MW out of the 882 MW wind offshore project Moray West at a price of £37.35/MWh in 2012 prices. The project is located in the UK and it is expected to deliver first power in 2024.

With this transaction, EDPR has now 10.6 GW secured out of the 20 GW target for 2021- 25 announced in the company's Capital Markets Day. Additionally, EDPR has now accomplished its target of around 1 GW of offshore capacity secured for 2021-25.

EDPR's success reinforces its low-risk profile and growth strategy based on the development of competitive projects with long-term visibility, fostering the acceleration of the energy transition and the decarbonization of the economy.

3.2. Human Capital

Key data

2,805 Employees WITH A GROWTH OF (comparing with last year) **+42%**

33% Women

32 Nationalities

99.7% Permanent employees

38 Average age

GENERATIONS

- 7% Babyboomers generation
- 23% Generation X
- 60% Millennials
- 9% Generation Z

Highlights

During recent times, which were highly marked by the pandemic, EDPR team's commitment and capacity to adapt by working together while apart allowed the Company to keep achieving and surpassing its ambitious goals while always putting health and well-being first.

Following the initial outbreak of the pandemic, EDPR implemented a Response Plan, quickly taking measures to minimise the conditions for the virus to spread, focusing on people's health and keeping essential services in operation. Even during the global crisis, EDPR was able to continue hiring and maintain the promotions, mobilities and training sessions, adapting the processes to the situation. Following the measures established in 2021, employees had the option to work from home during two days of the week during 1H22, always respecting flexibility and allowing employees to choose the most conciliatory option, depending on the situation. Currently, EDPR is also gradually returning to providing presential training sessions with geographical specifications, always guaranteeing the highest health and safety standards for all.

In February 2022, EDPR announced the acquisition of Sunseap, the largest distributed solar player and top 4 solar player in Southeast Asia. This acquisition allowed EDPR to incorporate an experienced team of more than 600 employees spread across 9 markets, enabling the Company to ensure a truly global reach.

Employee journey

A customised value proposition 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 bases its Human Resources policies on the Business Plan goals and implements its actions considering an active listening of the employees.

EDPR continuosly works to provide excellent conditions for its employees, to grow and develop talent at all levels, and to optimise its employment policies and labour practices. As a result, EDPR was recognised by the Top Employers Institute as one of the best companies to work for in Europe in 2022 for the fourth consecutive year. At a local level, this recognition was achieved in Spain for the fifth consecutive year, in Portugal, France, and Italy for the fourth year, in Poland for the third year, and in Romania for the second year. In addition, and for the first time, EDPR has earned this certification in Brazil as well, thereby making the leap to a new continent. The Company was also recognised as a 2022 Top Workplace in the US for the second year in a row. These certifications endorse EDPR as one of the best companies to work at thanks to the journey it offers its employees. The main actions carried out in this sense by EDPR during 1H22 are detailed in this chapter.

Attract

Attracting talent

EDPR aims to be a long-term market leader 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, which contains specific clauses on non-discrimination and equal opportunities, in line with the Company's culture of diversity and inclusion and the respect for human and labour rights.

During 1H22, EDPR implemented different talent attraction initiatives to strengthen its image as a leading employer:

- **Pool of Engineers Program:** EDPR selects exceptional junior engineers for Tech profiles and different academic backgrounds to join and be an active part of one of the most compelling junior engineer programs in the market. Through the program, EDPR gives new talents the tools to develop themselves professionally and personally, having the chance to know and influence different technical areas, including a tailor-made training program. During the 24 month program, junior engineers have the opportunity to complete two rotations in EDPR in different technical areas. The current pool of 5 engineers completed their first rotation in February 2021, after which they assumed their new position in the second rotation to complete their technical training. In February 2022, they assumed their final assigned position.
- **Job Fairs:** EDPR attends job fairs from the most relevant Universities and Business Schools worldwide, aiming to reach a global and top-class team.
- **LinkedIn:** The platform is a main source of Recruitment, covering up over 60% of the Corporate positions hired.

Integrating the team

Onboarding plays a critical role in a new hire's success and happiness, and builds relationships that are important to job satisfaction and performance. Aware of this, EDPR has an Onboarding Policy for new hires which details the process and measures to follow when integrating a new employee in the Company.

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 value proposition with working conditions that allow employees to grow and thrive, helping their wellbeing and that of their families, supporting volunteer activities and promoting diversity and inclusion.

Individualisation

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

Flexibility

Throughout 1H22, both physical and mental health have remained a global priority for the Company. Accordingly, 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 believes that remote work is crucial to improve flexibility, work-life balance and the overall well-being of its team while remaining productive. In this context, and following the measures established in 2021, employees had the option to work from home during two days of the week during 1H22, always respecting flexibility and allowing employees to choose the

most conciliatory option, depending on the situation. Currently, EDPR is also gradually returning to providing presential training sessions with geographical specifications, always guaranteeing the highest health and safety standards for all.

In June 2022, to celebrate the Global Wellness Day, the EDP Group launched an initiative to promote well-being in five dimensions – emotional, physical, social, professional and financial – seeking to provide an increasingly human experience to all employees. In this context, the first EDP Well-being Week took place, a global initiative across the entire Group which seeks to raise employees' awareness of the importance of self-knowledge in promoting a culture of well-being. During this week, employees had the opportunity to participate in various global and local initiatives and to hear EDP Group's Executive Board of Directors take on the five dimensions.

Diversity, Equity and Inclusion

EDPR incorporates the principles of diversity, equity and inclusion in its values and practices, as it is aware that a diverse team brings together different perspectives and knowledge, as well as representing different sources of talent. In particular, EDPR's goal is to contribute to improving the quality of life of its employees, removing professional barriers and promoting gender equality, in order to ensure a transparent workplace environment where mutual respect and equal opportunities prevail. In accordance, EDPR has a Diversity, Equity and Inclusion Committee to promote its commitment to these fundamental principles. The main objectives of the Committee are to reflect EDPR's strategy on diversity, equity and inclusion, including the definition and development of initiatives that contribute to a global action plan and local action plans, and to foster the exchange of knowledge and best practices. However, as a responsible company, EDPR's goal is to actively promote these values in its team.

As a result of its commitment and practices, EDPR was featured for the third consecutive year in the Bloomberg Gender-Equality Index (GEI) in early 2022, a benchmark index that selects the listed companies most involved in the development of gender equality in the world. EDPR's inclusion as part of this index highlights the Company's work to promote equal opportunities for women through development, representation and transparency policies.

Develop

People are EDPR's most important asset. In this sense, 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 internal mobility, training and development actions.

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.

Training

EDPR offers job-specific ongoing training opportunities to contribute to the learning, the improvement of knowledge and skills, as well as specific development programs aligned with the Company's strategy. The 360 potential appraisal process is created for all employees with the goal of defining each person's training needs along with their manager, which is then used to define a customised Training Plan. The annual Training Plan is based on a catalogue of programs that is constantly evolving and is aligned with the Company's challenges and new markets. The key aspect about the courses offered is that they usually contain subjects to promote the development of skills needed to ensure the sustainability of EDPR's business. Moreover, the networking and the share of best practices foster innovation and improve performance.

During 1H22, EDPR delivered a total of 30,779 training hours that included 17,151 participants. This translates into an average of 14 hours of training per employee and results in 94% of EDPR's team receiving training. EDPR has consolidated both the redesign and modification of training contents and sessions to virtual, e-learning or remote formats. This effort allowed to maintain and even increase the training provided when comparing with previous years, increasing the training courses delivered in e-learning, live webinars or other non-synchronous including game-based training.

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. Technical excellence, together with sustainability, are the basis of EDPR's relationship with suppliers. This results in close collaboration, joint capacity to innovate, strengthen the sustainability practices and improve the quality of the Company's operations.

EDPR's supply chain

EDPR has a strong and permanent interaction with its supply chain, in particular with the strategic suppliers understood as WTG (Wind Turbine Generator) & Solar Panels manufacturers and suppliers, Balance of Plant (BOP) and Operation and Maintenance (O&M) contractors. Those suppliers contribute in a meaningful and visible way to EDPR's core activities – the construction and operation of wind farms and solar plants. This close relationship allows EDPR to benefit from all the new technical solutions and innovations available on the market to maximise the value creation in the projects worldwide.

High quality and sustainable procurement

EDPR's procurement process is developed within the framework of the Procurement Policy, which extends to EDPR's both direct and indirect suppliers, and from which the most relevant aspects for EDPR, regarding the supply chain's high quality and sustainability, are established. The implementation of the Procurement Policy leads to a better control in the suppliers' management process, assuring EDPR values are respected, product quality is high and risks are minimised. In this context, EDPR has requirements related to Sustainability, Quality and Risk management in place throughout the main procurement phases: registration and qualification, contracting and, lastly, the monitoring and evaluation of the suppliers.

Registration and qualification: The registration process is an indispensable 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, technical quality and sustainability criteria. EDPR also has a Supplier Qualification Process, whose main goal is to provide a more thorough analysis on critical topics such as technical capabilities, health and safety, environment and ethics, and to establish highly standardised minimum requirements to ensure that the suppliers with whom EDPR conducts business are qualified. The qualified suppliers are then included in a Suppliers Qualification List and are able to participate in the EDPR bidding and contracting processes.

Contracting: The incorporation of adequate criteria in the bidding and contracting processes of the company is essential to ensure the management and mitigation of operational risks in the supply chain. In Europe & Brazil, EDPR has a Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR expects its suppliers to meet, including H&S, environmental and ethical requirements. In addition, EDPR has a process that classifies suppliers according to their H&S and environmental risks. The classification serves as an input in the selection of suppliers during the bidding phase, from which suppliers may be excluded based on the values obtained, since adequate compliance by all EDPR suppliers with applicable H&S and environmental requirement is essential to guarantee the correct performance of the contracted services and works.

Monitoring and evaluation: In order to guarantee that the suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery. EDPR performs internal inspections during the construction and operation phases to monitor the suppliers performance regarding environmental and H&S aspects and to identify potential risks. During 1H22, EDPR performed more than 1,000 inspections to over 100 suppliers regarding EHS procedures. As a result of these inspections, the Company identifies corrective actions needed and establishes an action plan for continuous improvement. Furthermore, EDPR hires an external party for additional supervision in these areas. These processes are reinforced by the integrated Health and Safety and Environmental Management System, which was developed and externally certified according to international standards ISO 45001 and ISO 14001. Moreover, EDPR has a Third Party Integrity Due Diligence Procedure which aims 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 1H22, EDPR has performed 305 compliance analysis of third parties.

3.4. Social Capital

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.

During 1H22, EDPR registered 19 work-related accidents that resulted in lost workdays for employees and contractors (+27% YoY). One of these accidents was fatal and EDPR is currently analysing the causes and improvement opportunities related to this incident. Lastly, the injury and the lost day rate were 2.7 work accidents per million hours worked and 68[1] days lost due to work accident per million hours worked, respectively.

However, EDPR continuously works to improve these ratios and to bring awareness to the best H&S practices. This is reinforced by the integrated Health & Safety and Environmental Management System, which 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 100%[2] of EDPR's installed capacity by 1H22.

The impacts from the COVID-19 pandemic are still being felt since they resulted in a new way of living and working through strengthened H&S measures, adaption of work arrangements, and management of stress and other psychosocial risks. Following the initial outbreak of the pandemic, EDPR implemented a Response Plan, quickly taking measures to minimise the conditions for the virus to spread, focusing on people's health and keeping essential services in operation. Following the measures established in 2021, employees had the option to work from home during two days of the week during 1H22, always respecting flexibility and allowing employees to choose the most conciliatory option, depending on the situation.

In addition, physical and mental health continue to be a global priority. Accordingly, EDPR implements several initiatives focusing on employees' health and well-being. In June 2022, to celebrate the Global Wellness Day, the EDP Group launched an initiative to promote well-being in five dimensions – emotional, physical, social, professional and financial – seeking to provide an increasingly human experience to all employees. In this context, the first EDP Well-being Week took place, a global initiative across the entire Group which seeks to raise employees' awareness of the importance of self-knowledge in promoting a culture of well-being. During this week, employees had the opportunity to participate in various global and local initiatives and to hear EDP Group's Executive Board of Directors take on the five dimensions.

[1] Adjusted severity rate excluding the lost days derived from accidents in 2021 (non-adjusted severity rate: 153).
[2] Calculation based on 2020YE 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 2021 will be certified in 2022.

3.4.2. Respect human and labour rights

The EDP Group follows a framework of integral respect for human and labour rights and, at the same time, of active promotion of universal human values. These commitments are established in the Human and Labour Rights Policy, which was published in 2021. This Policy, which is an update the EDP Group's Declaration of Respect for Human and Labor Rights, is articulated with the Code of Ethics, the Stakeholder Relationship Policy and the Supplier's Code of Conduct. The Policy has a prescriptive nature, identifies the references, norms and international conventions to which it is submitted, establishes the strategic principles, specifies the principles of action, assigns responsibilities, defines obligations and management bodies. The Policy details the operational commitments, the way of working, the complaint channels and the communication and training obligations. In particular, the Policy establishes Due Diligence procedures, implementing the Ruggie methodology.

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, as well as to provide dignified working conditions for all.

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 Rights internally, in its suppliers, customers and the communities where it operates, namely in indigenous communities, by guiding its actions according to the Universal Declaration of Human Rights and international conventions, treaties or initiatives, such as the Conventions of the International Labour Organisation, the United Nations Global Compact and the Human Rights Council's Guiding Principles for Companies. This is reflected in EDPR's Code of Ethics, which contains specific clauses regarding non-discrimination and equal opportunities, in line with the Company's culture of diversity and respect for human and labour rights. The Code is not an isolated feature – it belongs to an Ethics framework that includes functional units, specific regulations, monitoring and accountability for our ethical performance, along with training, awareness-raising and capacity building for employees, service providers and suppliers.

EDPR requires its suppliers and service providers to comply with their 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 any and all behaviour that may preclude a situation of har-assment. In this regard, the Code of Ethics has its own regulation that defines a process and channel, open to all stake-holders, to report any potential claim or doubt on the application of the Code.

An Ethics Channel is available for the communication of any breach of the Code related to the matters of human rights or labour practices, including those in the context of the supply chain. The Ethics Ombudsman receives ethical-related complaints, 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. Supporting 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.

Following last year's strategic reflection at Group level, the social investment strategy reinforces two main themes - just energy transition and culture - having defined concrete targets 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 maintains 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 and as stated in its Code of Ethics, 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. 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.

During the first half of the year, EDPR invested €0.9 million in supporting communities as a result of activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities, of which €0.3 million were aimed to support the humanitarian crisis in Ukraine. The outbreak of the conflict has generated a wave of solidarity around the world, to which no one is indifferent. Due to its presence in the Polish, Romanian and Hungarian markets, EDPR provided specific support to locations on the border with Ukraine (Tomaszów, Jarczów and Tyszowce in Poland and Tulcea in Romania).

However, as a responsible company, EDPR works to promote the wellbeing and development of not only the communities where it operates but also of society in general, focusing on the people who contribute to the success of the Company's business and how society may benefit from it. Specifically, as a global leader in the renewable energy sector, EDPR defined a clear strategy for promoting Access to Energy (A2E[3]): to provide clean energy in developing countries based on energy efficiency and decentralised renewable energy solutions, promoting the sustainable development of communities involved.

Access to renewable energy makes the difference for people not connected to the electricity grid not only by providing sustainable energy services but also by enabling improvement on health and education conditions, job creation and new economic activities. Moreover, the use of clean energies and the promotion of energy efficiency has a positive impact on the environment. Therefore, the Company believes that the A2E initiative powerfully contributes to make EDPR's vision of a sustainable, safe and healthy world a reality. As of June 2022, EDPR has made a cumulative investment of €5 million in A2E.

The objective of supporting communities is fully supported by the Company's ambitious 2021-25 Business Plan, in which EDPR commits to contribute to the decarbonization of the economy by promoting clean energy while operating in a sustainable way across the three ESG dimensions. Within the new Business Plan, one of the targets set by EDPR is to invest €35 million by 2025 (around €7 million per year) in social investment and A2E.

[3] Please note that A2E is being transferred to EDP. The transaction is expected to be complete in 3Q22.

3.5. Natural Capital

Wind and solar power are two of the most environmentally friendly ways of producing energy and actively contribute to the decarbonization of the economy. Even though EDPR's 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. Accordingly, promoting clean energy while operating in a sustainable way across the three ESG dimensions is one of the key messages of the 2021-2025 Business Plan, which includes three specific targets related to the environmental performance of the Company.

2021-25 Business Plan Targets		Development	Construction
20 GW Gross additions	Climate Change	As a clean energy company, EDPR is strongly committed to the protection of the climate by stepping-up to the challenge of the decarbonization of the economy. By producing renewable energy, EDPR is contributing to the world's fight against climate change. During the development phase, EDPR's teams of highly experienced and qualified developers start by locating sites with quality renewable resource (wind or solar) with nearby electricity transmission lines.	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. 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.
85% Recovery rate for waste generated in the whole value chain	Circular Economy	EDPR carries out environmental viability studies to detect the environmental constraints and to ensure the best location of the project. It is key in this phase to have a circular economy approach to guarantee respect for the environment and to ensure a efficient use of natural resources in the following phases. It is also the phase to select and contract suppliers that prioritise materials and products with a high proportion of recyclable materials or a high possibility of recycling at the end of their useful life.	The construction phase is essential for circularity of the The Company, which promotes the efficient use of natural resources in the value chain, in particular by minimizing the use of resources, by maximizing the recovery of resources and its reintroduction into the economy as by-products. EDPR is working on gathering waste generation data for its sites in construction.
100% Facilities with high biodiversity risk with action plans defined	Biodiversity	The potential environmental impacts of each project are assessed in detail in the Environmental Impact Studies and other specific studies, and are always performed by professional external experts. These studies evaluate the potential impacts that a project may have on biodiversity aspects such as fauna, flora, soil, air and water bodies, among others. During 1H22, EDPR invested more than 1.3 million euros in Environmental Impact Studies of its projects in the development phase.	The construction process is closely followed by EDPR, who works to minimise potential impacts or disturbances and ensure proper restoration of the land once the works finish. EDPR is able to restore on average over 90% of the hectares that are vegetally affected by the projects' construction works.

Beyond the emissions related to the operation phase, from a life cycle point of view, others shall be considered (manufacture of components, transport, construction...).

EDPR's Environmental Policy assumes specific commitments to the mitigation of climate change, promotion of circular economy and biodiversity protection. The policy reflects EDPR's approach of complementing its business strategy with a proactive and responsible environmental management along the entire value chain. As stated in its Environmental Policy, EDPR seeks to prevent, correct or compensate the potential impact of its activities on the environment through commitments that ensure the implementation and maintenance of an effective Environmental Management System. The integrated Health & Safety and Environmental Management System, which 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, was implemented and certified by an independent certifying organisation. By the end of 1H22, the ISO 14001 certification covers 100%[1] of EDPR's installed capacity.

Operation

EDPR produces renewable energy, which inherently implies the reduction of GHG emissions. Wind and solar energy have zero carbon emissions and do not produce harmful SOx, NOx or mercury emissions, protecting valuable air and water resources and contributing to the world's fight against climate change. During 1H22, EDPR's operations avoided the emission of 11 million tons of CO_2. The CO_2 emissions related to EDPR's activities represent 0.2% of the total amount of emissions avoided.

EDPR promotes a culture of rational use of resources. Thus, the Company encourages the recovery of waste rather than disposal through recycling and other means. Accordingly, EDPR recovered 77% of the waste generated during operations. However, the waste is not directly linked to the generation process. Most of it is related to the turbines' operation & maintenance and the rest is originated in the offices.

In addition, generation from wind and solar energy does not consume water in its operational processes.

In order to guarantee that the suppliers comply with environmental requirements during construction and O&M, EDPR has an environmental monitoring plan implemented by an external party. Within this framework, EDPR performs internal inspections to monitor the suppliers environmental performance, which includes biodiversity related indicators.

In 1H22, EDPR performed over 300 inspections to more than 100 suppliers on their environmental procedures during the construction and operation of the Company's projects.

Dismantling / Repowering

Both due to efficiency or end of life, wind turbines and solar panels are assessed and replaced. One of the solutions implemented by EDPR is repowering the wind farm, which implies reducing the overall number of wind turbines and replacing them with more efficient ones. This results in a net increase of power generated, reduced land area per MW and, due to the use of more modern wind turbines, a better integration with the grid and reduced noise pollution, while also maximizing the production of clean energy.

The main waste generated during this phase are dismantled turbines. EDPR prioritises their reuse by keeping some pieces for future repairments, selling some of the material to third parties and recycling it.

The wind turbine is around 80%-90%[2] recyclable, as the missing percentage is related to the turbine's blades that are composed and manufactured by complex materials that make it hard to recycle. EDPR recurrently works to support processes and initiatives to recover the blades and encourage circular economy.

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

Thus, EDPR has in place a guide for environmental management during the dismantlement phase to serve as a framework of best practices to follow and environmental matters to keep in mind when dismantling a project, including biodiversity aspects.

EDPR wind farms with a projected life span of 30 years will pay back its life cycle energy consumption in less than a year[2], meaning, more than 29 years of a wind farm's life will be producing clean energy.

[1] Calculation based on 2020YE installed capacity EBITDA. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2021 will be certified in 2022; [2] According to the life cycle assessments of our main turbine suppliers.

3.6. Digital Capital

Digital transformation is one of EDPR's strategic pillars for the coming years, and the Business Plan 2021-25 includes ambitious metrics to be achieved in Digital Transformation. In order to overcome such challenge, the Digital Transformation Committee continues the mission on generating value and boost the digital transformation at EDPR based on a framework with 3 building blocks: Strategy, Projects and Culture. The Committee counts with the presence of EDP, assuring a close alignment with the Group strategy.

Technology

The focus of digitalisation is seen as the way to achieve the necessary capacity to adapt in new contexts and to maximise efficiency in the operation (characterised by high-level performance, in a global geography). EDPR participates in different typologies of IT/OT projects adapting it to the different business challenges, specific needs and level of maturity, to ensure that initiatives are accordingly followed with the best practices of architecture and security:

- 5 “Quick-wins” (small proof of concept; until 2 months);
- 7 “mVP” (“minimum Viable Products; from 3 months and until 6 months); and
- More than 90,000 hours spent in development and maintenance of “Core IT projects” (projects or products to support the business units operation and is included all operation, maintenance and technological evolution of applications and infrastructure such as Big Data).

During the first half of 2022, the several IT teams were envolved on implementing the new platform APAC on EDP/EDPR based systems from day one.

Processes

In the first half of 2022, the team started implementing the digital priorities identified in the “Digital Start” exercise performed last year. In addition, the team continued with the existing programs to fast-track digital transformation at EDPR.

Digital Start

We introduced 3 new digital processes in Accounting: a fully digitalized urgent payment process, payment inquiries, and simple way to view invoice status. In addition, our new onboarding assistant allows teams to create customized communications and tasks for new hires; this tool highlights the power of combining BPM and RPA technology. During the first half of the year, the onboarding assistant has sent more than 3,800 onboarding events to new employees.

BPM

The use of digital process technology was a priority and a major step to provide digitalization in support of knowledge work. Moreover, this technology is key to accelerate the digitalization of processes. In the first half of 2022, EDPR teams created approximately 118 thousand digital records across our 100+ BPM tools.

RPA

In the first half of 2022, Robotics Process Automation (RPA) was adopted across 51 departments to increase efficiency, free up capacity, and support profitable growth. This technology is performing many of the routine tasks that would have previously fallen on multiple employees across a variety of departments. Currently, 328 different automations are in place throughout EDPR, and in 1H22 these automations performed tasks that would have taken our employees an estimated 50 thousand hours to do on their own, enabling employees to focus on activities that are more valuable.

POPA program

With more than 400 initiatives, the plan for optimization of administrative processes (POPA) continues into its third year of automating and streamlining administrative processes. In the first half of 2022, the team successfully completed 126 initiatives further optimizing administrative processes at EDPR.

Construction digital controlling

Vyntelligence, winner of 2020 Free Electrons program, delivers augmented intelligence – with the purpose of simplifying workflow processes –, increases operational efficiency, reduces costs, and creates 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 allows to improve quality and operational efficiency in EDPR's projects thanks to remote supervision. Vyntelligence and EDPR are working closely to define suitable pilot projects focusing on remote monitoring control of relevante construction stages, such as the electromechanical quality control process or meterological mast assembly and start-up.

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 1H 2022, digitalisation training continued to be a key aspect of the learning strategy, with 54% of the employees completing at least one course in a digital topic.

In addition, digital contents were another important pillar of the digital skills transformation: new resources coming from eLearning solutions, recorded webinars conducted internally by employees 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 and fell 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. The Virtual Platform is already designed and currently adapting to the new onboarding and integration processes to give support to new hires needs, as a 'metaverse' environment where find and complete documents, information, resources and links to other learning tools.

The EDPR People & Organizational Development Department plays an active role in the Digital Transformation Committee (DTC), leading initiatives that directly impact on the digitalization roadmap of the employees. 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.

Moreover, there are other initiatives carried out during 1H22 that deserve mentioning, such as: (1) the initiative Digital First Mindset, a global project about change management that aims to spread the digital awareness among employees in all EDPR geographies, currently defining external partners involved worldwide; (2) the OT Cybersecurity program, targeted from September on, to train employees on the importance of security and prevent cyberattacks in Operation Technologies; and (3) a project to develop eLearning pills with Building Information Modelling (BIM) contents and internal tools used in Engineering & Construction areas.

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. BIM is currently at low level of implementation in the renewable sector, so its implementation is an innovation itself and could be considered as a disruptive and cultural change that involves multiple processes (design, quality, communication and whole management). The degree of innovation is directly related to the layers of information or BIM uses that can be implemented in the virtual construction models. EDPR's case is also a multiple uses application, including elements of calculations, simulations (road traffic, hydrological, etc.) and automations. The connection of BIM with Geographic Information System (GIS) also represents a high degree of development, and the increase of interoperability between systems.

All in all, EDPR considers its digital capital as a powerful innovation enabler and, in this sense, the Company is developing core key-tech enablers initiatives to unblock innovation capabilities and foster digital transformation.

3.7. Innovation Capital

Technical 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.

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 englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

Cleaner Energy

Wind

Both due to efficiency or to end of life, wind turbines are assessed and replaced. With the aim of improving the service life of its wind farms, EDPR is continuously seeking to improve the technologies that will help it to do so. One of the solutions implemented by EDPR is repowering the wind farm, which implies reducing the overall number of wind turbines and replacing them with more efficient ones. This results in a net increase of power generated, reduced land area per MW and, due to the use of more modern wind turbines, a better integration with the grid and reduced noise pollution, while also maximizing the production of clean energy. In addition, EDPR is implementing a Digital Twin software in collaboration with Nablawindhub to monitor the asset reliability of the wind turbines in real-time (200 MW under testing), obtaining a precise estimation of the remaining operational life of the different wind turbines components.

Solar

EDPR participates in innovative projects to collect data and know-how on new technologies of solar energy to anticipate trends and to improve their return of investment. In this context, the Company is analysing three solar technologies (Thin Film Cd-Te, HJT and Tandem Si-Perovskite) and comparing their performance with the leading mono-PERC technology.

Hydrogen

EDPR has a dedicated hydrogen business unit (H2BU) to support investments targeting 250 MW of electrolysis capacity by 2025 and 1,500 MW by 2030. To achieve this, the H2BU is promoting the development of renewable hydrogen projects at different scales, ranging from large centralized production hubs (~100 MW electrolysis capacity) to small-scale self-consumption units (1-10 MW electrolysis capacity). The establishment of partnerships is also a key priority, with EDPR valuing the collaboration with different types of stakeholders to combine expertise and share risks. One example of such collaborations is with Repsol, which foresees the joint development or co-investment in renewable hydrogen projects in Iberia.

Energy Storage & Flexibility

Battery storage

EDPR has been working on different projects to improve and maximise battery life to obtain the highest possible efficiency. Increased energy storage capacity can lead to cost savings on both sides of the meter and can improve the overall efficiency of the grid through reduced cycling and changes in output, resulting also in lower emissions.

EDPR is working with academic research institutions and companies on the development of software and hardware tools to enable better analysis of the State of Health (SOH) of lithium-ion batteries. 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. As a complementary activity, 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).

CHANGING TOMORROW NOW

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 2022, on its meeting held in Madrid, on July 26, 2022.

Antonio Sarmento Gomes Mota
Chairman

Miguel Stilwell de Andrade
Vice-Chairman

(by videoconference)

Rui Manuel Rodrigues Lopes Teixeira
Director

Vera de Morais Pinto Pereira Carneiro
Director

Ana Paula Garrido de Pina Marques
Director

Miguel Nuno Simões Nunes Ferreira Setas
Director

(by videoconference)

Manuel Menéndez Menéndez
Director

Acácio Jaime Liberado Mota Piloto
Director

Allan J. Katz
Director

Rosa María García García
Director

(by videoconference)

José Manuel Félix Morgado
Director

Kay McCall
Director

Mrs. María González Rodríguez, Secretary of the Board of Directors of EDP Renováveis, S.A. (hereinafter, the "Company")

CERTIFIES:

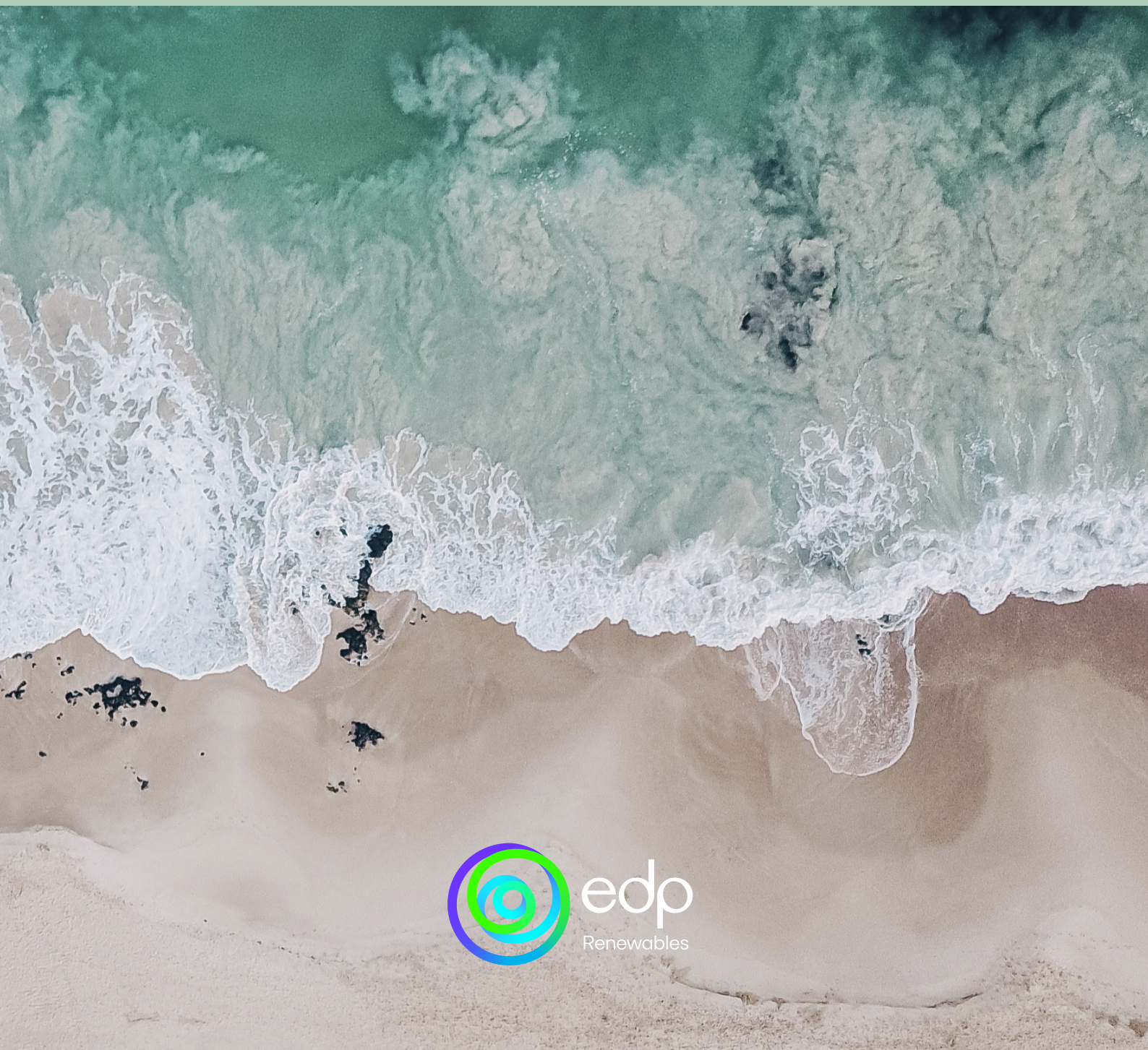
That, the documentation submitted is a hard copy of the Condensed Interim Consolidated Financial Statements and the Condensed interim Consolidated Management Report for the six-month period, ended 30 June 2022, drawn up by the Board of Directors on July 26th, 2022, and the relevant Auditor's Report (the "Interim Report 1H2022").

Except for the Board Members pointed out herein below, all Board Members have signed the Interim Report 1H2022.

Mr. José Manuel Félix Morgado, Mr. Manuel Menéndez Menéndez and Ms. Vera de Morais Pinto Pereira Carneiro attended the Board Meeting by videoconference, as set forth by the By Laws of the Company. All of them expressly approved the Interim Report 1H2022, although they were not able to sign the Interim Report 1H2022 due to the lack of e-signature.

This certification is issued in Madrid, on July 26th, 2022.

VºB CHAIRMAN	**SECRETARY**
Antonio Sarmento Gomes Mota	María González Rodríguez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Renewables