

edp

CHANGING TOMORROW NOW

INTERIM
REPORT
3RD QUARTER 2022



History of Operational Indicators

RENEWABLES	UN	9M22	9M21	9M20	9M19
WIND AND SOLAR INSTALLED CAPACITY					
Installed Capacity	MW	13,226	12,268	10,988	10,425
Portugal	MW	1,142	1,238	1,164	1,164
Spain	MW	2,058	2,177	1,974	1,969
Rest of Europe	MW	1,772	1,616	1,383	1,263
North America	MW	6,474	6,569	6,135	5,562
LatAm	MW	1,114	639	331	467
Asia	MW	666	28	0	0
Capacity under Construction	MW	3,692	2,385	1,893	834
Portugal	MW	218	125	6	0
Spain	MW	189	61	28	24
Rest of Europe	MW	342	553	205	130
North America	MW	2,045	626	1,393	680
LatAm	MW	764	1,021	260	0
Asia	MW	133	0	0	0
Equity Installed Capacity ¹	MW	1,105	781	560	411
Portugal	MW	31	31	10	0
Spain	MW	156	156	152	152
Rest of Europe	MW	311	43	0	0
North America	MW	592	552	398	259
LatAm	MW	0	0	0	0
Ásia	MW	15	0	0	0
Capacity under Construction MEP ¹	MW	578	269	269	330
Portugal	MW	0	0	0	14
Rest of Europe	MW	578	269	269	316
Ásia	MW	0	0	0	0
WIND AND SOLAR NET ELECTRICITY GENERATION					
Portugal	GWh	1,937	2,114	1,808	2,187
Spain	GWh	3,513	3,489	3,088	3,902
Rest of Europe	GWh	3,185	2,270	2,271	2,488
North America	GWh	13,424	12,365	12,403	12,058
LatAm	GWh	1,901	1,204	785	1,258
Asia	GWh	419	14	0	0
WIND AND SOLAR TECHNICAL AVAILABILITY					
		95	97	97	97
Portugal	%	99	98	98	98
Spain	%	96	96	95	97
Rest of Europe	%	97	98	98	96
North America	%	93	96	96	97
LatAm	%	96	99	98	98
Asia	%	n.a.	0	0	0

¹ Share of the MW installed in plants owned by companies equity consolidated

RENEWABLES	UN	9M22	9M21	9M20	9M19
HYDRO INSTALLED CAPACITY	MW	7,127	7,127	8,785	8,785
Portugal	MW	5,076	5,076	6,759	6,759
Spain	MW	451	451	426	426
Brazil	MW	1,599	1,599	1,599	1,599
EQUITY HYDRO INSTALLED CAPACITY ¹					
Installed Capacity	MW	551	551	551	551
Brazil	MW	551	551	551	551
Capacity under Construction	MW	78	78	78	78
Brazil	MW	-	-	-	-
Peru	MW	78	78	78	78
HYDRO NET ELECTRICITY GENERATION	GWh	7,746	11,325	13,590	8,967
Portugal	GWh	3,230	7,112	9,148	5,458
Spain	GWh	337	544	448	476
Brazil	GWh	4,178	3,670	3,994	3,033
HYDRO TECHNICAL AVAILABILITY					
Portugal	%	90	91	93	90
Spain	%	99	100	100	100
Brazil	%	96	98	96	98

¹ Share of the MW installed in plants owned by companies equity consolidated

NETWORKS	UN	9M22	9M21	9M20	9M19
DISTRIBUTION					
Electricity distributed	GWh	64,023	63,304	56,276	59,182
Portugal	GWh	34,013	33,197	32,665	33,802
Spain	GWh	10,129	10,603	5,562	6,266
Brazil	GWh	19,881	19,503	18,048	19,114
Electricity supply points	'000	11,545	11,380	10,550	10,427
Portugal	'000	6,413	6,355	6,306	6,269
Spain	'000	1,382	1,375	670	668
Brazil	'000	3,751	3,651	3,574	3,490
Grid extension	Km	379,973	377,204	342,943	340,437
Portugal	Km	231,553	229,919	228,242	226,729
Overhead lines	Km	181,519	180,381	179,119	177,780
Underground lines	Km	50,034	49,538	49,123	48,948
Spain	Km	52,557	52,532	20,805	20,729
Overhead lines	Km	39,546	39,642	15,740	15,719
Underground lines	Km	13,011	12,891	5,065	5,010
Brazil	Km	95,864	94,753	93,897	92,980
Overhead lines	Km	95,581	94,478	93,630	92,724
Underground lines	Km	283	275	266	255
GRID LOSSES					
Portugal ¹	%	8.9	8.4	9.6	9.8
Spain	%	4.7	4.4	3.7	3.5
Brazil	%	9.5	10.0	10.4	9.8
SERVICE QUALITY					
Portugal					
Installed Capacity Equivalent Interruption Time ²	Min	38.0	37.7	38.5	38.0
Spain					
Installed Capacity Equivalent Interruption Time ²	Min	12.0	15.5	7.4	12.5
Brazil					
Average Interruption Duration per Consumer					
EDP São Paulo	Hours	11.1	11.8	6.8	7.6
EDP Espírito Santo	Hours	12.3	13.0	7.9	8.6
Frequency of Interruptions per Consumer					
EDP São Paulo	#	5.9	7.8	4.3	4.9
EDP Espírito Santo	#	6.1	6.8	4.2	5.0
TRANSMISSION					
Grid extension	Km	2,535	1,846	1,441	1,441
Grid extension in Operation	Km	2,185	486	316	113
Grid extension Under Construction	Km	350	1,361	1,125	1,328

¹In 2021, the loss indicator was changed to consider the energy input in the grid, and not the output (as until 2020), according to the expectation that the regulator will incorporate this change in the next regulatory period, to align with common practice in other countries (namely Spain and Brazil).

² ICEIT in MV grid, excluding extraordinary events

CLIENT SOLUTIONS & ENERGY MANAGEMENT	UN	9M22	9M21	9M20	9M19
THERMAL INSTALLED CAPACITY					
Installed Capacity	MW	5,604	5,034	7,077	7,084
Portugal	MW	2,049	2,049	3,229	3,236
CCGT	MW	2,031	2,031	2,031	2,031
Coal	MW	0	0	1,180	1,180
Cogeneration	MW	17	17	17	24
Spain	MW	2,835	2,265	3,128	3,128
CCGT	MW	854	854	1,698	1,698
Coal	MW	1,820	1,250	1,250	1,250
Nuclear	MW	156	156	156	156
Cogeneration and Waste	MW	5	5	25	25
Brazil	MW	720	720	720	720
Coal	MW	720	720	720	720
Equity Installed Capacity ¹	MW	10	10	10	10
Portugal	MW	0	0	0	0
Spain	MW	10	10	10	10
THERMAL NET ELECTRICITY GENERATION					
Portugal	GWh	4,103	2,781	5,449	8,321
CCGT	GWh	3,995	2,678	4,531	4,520
Coal	GWh	0	0	817	3,670
Cogeneration	GWh	108	103	101	132
Spain	GWh	9,434	5,156	6,010	6,468
CCGT	GWh	2,920	1,689	3,285	2,945
Coal	GWh	5,646	2,618	1,820	2,541
Nuclear	GWh	851	807	857	889
Cogeneration and Waste	GWh	17	42	48	93
Brazil	GWh	4	2,470	519	2,522
Coal	GWh	4	2,470	519	2,522
THERMAL TECHNICAL AVAILABILITY					
Portugal	%	78	83	96	94
CCGT	%	77	83	96	96
Coal	%	0	0	96	90
Cogeneration	%	100	88	93	100
Espanha	%	73	79	96	96
CCGT	%	89	86	99	96
Coal	%	64	73	94	97
Nuclear	%	86	82	88	89
Cogeneration	%	100	98	100	100
Waste	%	n.d.	n.d.	94	87
Brazil	%	97	93	92	97
Coal	%	97	93	92	97

¹ Share of the MW installed in plants owned by companies equity consolidated

CLIENT SOLUTIONS & ENERGY MANAGEMENT		UN	9M22	9M21	9M20	9M19
ELECTRICITY CUSTOMERS		'000	8,479	8,601	9,781	9,814
Portugal		'000	4,898	4,929	5,048	5,167
Last Resort		'000	926	915	983	1,055
Liberalised Market		'000	3,971	4,013	4,065	4,112
Market Share EDP - Liberalised Market		%	n.a.	74	76	n.d.
Spain		'000	21	22	1,160	1,158
Last Resort		'000	0	0	234	228
Liberalised Market		'000	21	22	926	930
Brazil		'000	3,560	3,650	3,573	3,489
Last Resort		'000	3,559	3,649	3,573	3,489
Liberalised Market		'000	0.6	0.7	0.4	0.4
Social Tariff		'000	967	889	915	870
Portugal		'000	529	555	583	624
Spain		'000	0	0	51	73
Brazil		'000	438	334	281	173
Special Needs		'000	0.9	1.0	1.0	0.8
Portugal		'000	0.2	0.2	0.1	0.1
Brazil		'000	0.6	0.8	0.9	0.6
Green Tariff		'000	744	473	1,266	1,131
Portugal		'000	737	466	228	73
Spain		'000	7	7	1,038	1,058
Brazil		'000	n.a.	n.a.	n.a.	n.a.
ELECTRICITY SUPPLIED		GWh	48,999	44,220	53,427	56,649
Portugal		GWh	15,423	14,625	14,406	15,152
Last Resort		GWh	2,033	1,663	1,767	1,965
Liberalised Market		GWh	13,390	12,962	12,640	13,187
Market Share EDP - Liberalised Market		%	n.a.	42	41	n.d.
Spain		GWh	9,230	8,060	8,255	9,358
Last Resort		GWh	0	0	350	332
Liberalised Market		GWh	9,230	8,060	7,906	9,025
Market Share EDP - Liberalised Market		%	6	4	11	7
Brazil		GWh	24,346	21,535	30,765	32,140
Last Resort		GWh	10,333	10,239	9,863	19,112
Liberalized Market		GWh	14,013	11,296	20,902	13,028
Social Tariff		GWh	697	1,380	508	489
Portugal		GWh	99	116	121	199
Spain		GWh	0	0	90	80
Brazil		GWh	599	1,264	296	211
Green Tariff		GWh	4,691	6,115	4,760	4,320
Portugal		GWh	1,994	1,101	799	168
Spain		GWh	2,697	5,014	3,962	4,152
Brazil		GWh	n.a.	n.a.	n.a.	n.a.
GAS CUSTOMERS		'000	663	687	1,591	1,598
Portugal		'000	659	683	688	697
Last Resort		'000	31	32	35	38
Liberalised Market		'000	628	650	653	659
Spain		'000	4	5	903	901
Last Resort		'000	0	0	55	52
Liberalised Market		'000	4	5	848	849
GAS SUPPLIED		GWh	8,923	6,131	12,216	13,068
Portugal		GWh	2,991	3,303	3,134	2,858
Last Resort		GWh	137	126	137	154
Liberalised Market		GWh	2,854	3,176	2,996	2,704
Market Share EDP - Liberalised Market		%	n.a.	10	11	n.d.
Spain		GWh	5,932	2,828	9,082	10,210
Last Resort		GWh	0	0	155	172
Liberalised Market		GWh	5,932	2,828	8,927	10,038
Market Share EDP - Liberalised Market		%	3	6	25	3
INSTALLED CAPACITY SOLAR DG		MW	152	86	0	0
Portugal		MW	88	52	0	0
Spain		MW	9	3	0	0
Brazil		MW	55	31	0	0

History of Sustainability Indicators

ENVIRONMENTAL INDICATORS	UN	9M22	9M21	9M20	9M19
ENVIRONMENTAL CERTIFICATION (ISO 14001)					
ISO 14001 Certification ¹	%	85	92	95	96
PRIMARY ENERGY CONSUMPTION					
Coal	TJ	51,659	47,346	27,214	82,894
Fuel oil	TJ	18	14	109	270
Natural gas	TJ	47,433	31,230	51,149	51,951
Residual gases	TJ	6,945	8,571	4,011	10,208
Diesel oil	TJ	161	77	64	139
Fuel for fleet	TJ	165	123	113	155
ENERGY INTENSITY²	MJ/EUR	7.2	8.7	9.1	13.9
ELECTRICITY CONSUMPTION					
Generation self-consumption	MWh	2,282,509	4,010,144	2,080,059	2,337,687
Administrative service	MWh	22,998	23,914	20,841	24,962
Grid losses	%	8.5	8.3	9.3	9.1
GHG EMISSION					
Direct emissions (scope 1)	ktCO _{2ea}	7,557	6,651	5,545	11,106
Stationary combustion ³	ktCO _{2ea}	7,539	6,639	5,532	11,089
SF ₆ Emissions	ktCO _{2ea}	6.5	3.3	5.9	5.9
Company fleet	ktCO _{2ea}	11	8	8	11
Natural gas consumption	ktCO _{2ea}	0.11	0.19	0.05	0.13
Indirect emissions (scope 2) ⁴	ktCO _{2ea}	677	494	540	581
Electricity consumption in office buildings	ktCO _{2ea}	1.0	0.5	0.2	1.3
Electricity losses	ktCO _{2ea}	657	469	528	562
Renewable plants self-consumption	ktCO _{2ea}	18.4	24.4	11.5	18.0
GHG EMISSIONS INTENSITY⁵	gCO₂/EUR	0.5	0.7	0.6	1.1
CO₂ AVOIDED EMISSIONS⁶	ktCO₂	18,041	17,446	18,937	19,908
SPECIFIC OVERALL EMISSIONS					
CO ₂ ^{3,7}	g/kWh	167	156	122	231
NO _x	g/kWh	0.1	0.1	0.1	0.2
SO ₂	g/kWh	0.04	0.21	0.07	0.25
Particulate matter	g/kWh	0.004	0.021	0.014	0.022
WATER COLLECTED					
Salt and estuary	10 ³ x m ³	517,541	266,254	365,288	853,904
Fresh	10 ³ x m ³	508,637	255,722	358,061	840,005
WASTE MATERIALS					
Total waste	t	294,711	238,750	186,498	441,577
Total hazard waste	t	255,415	200,855	128,160	168,670
By-products	t	3,640	4,909	3,895	3,485
Gypsum	t	39,296	37,895	58,338	272,906
Fly ash	t	39,296	37,895	27,685	88,668
Slag	t	0	3,017	30,638	141,726
	t	0	271	15	42,512
SUSTAINABLE MOBILITY					
Light-duty fleet electrification	%	15	12	10	7
Electric charging points	#	4,272	2,906	1,320	701
Customers with electric mobility solutions	k#	60.7	38.7	15.2	8.8

¹ Aggregated certification indicator due to assets with potential environmental impacts.

² Primary energy consumption by turnover.

³ The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plants in Spain.

⁴ Calculation according with GHG Protocol based location methodology.

⁵ Scope 1 and Scope 2 emissions by turnover.

⁶ CO₂ emissions that would have occurred if the electricity generated by renewable energy sources were produced by thermal power plants. For each country, it is obtained by multiplying the net renewable energy production by the emission factor of the thermoelectric mix of that country.

⁷ Includes only stationary combustion emissions.

SOCIAL INDICATORS	UN	9M22	9M21	9M20	9M19
EMPLOYMENT					
Employees	#	12,992	12,232	11,781	11,599
Executive Board of Directors	#	5	5	9	9
Senior Management	#	365	962	862	809
Supervisors	#	1,329	849	814	772
Specialists	#	6,298	5,209	4,716	4,468
Technicians	#	4,995	5,207	5,380	5,541
Male employees	%	72	74	74	75
Female employees	%	27	26	26	25
Not declared	%	1.08	n.a.	n.a.	n.a.
Employees by types of contract	#	12,992	12,232	11,781	11,599
Executive bodies	#	57	60	58	56
Male	#	41	45	53	52
Female	#	16	15	5	4
Not declared	#	n.d	n.a.	n.a.	n.a.
Permanent workforce	#	12,874	12,122	11,674	11,496
Male	#	9,277	8,925	8,641	8,628
Female	#	3,457	3,197	3,033	2,868
Not declared	#	140	n.a.	n.a.	n.a.
Fixed-term contracts	#	61	50	49	47
Male	#	29	31	33	29
Female	#	32	19	16	18
Not declared	#	n.d	n.a.	n.a.	n.a.
Employees by occupational contract	#	12,992	12,232	11,781	11,599
Full-Time	#	12,987	12,185	11,739	11,556
Male	#	9,349	8,995	8,723	8,704
Female	#	3,498	3,190	3,016	2,852
Not declared	#	140	n.a.	n.a.	n.a.
Part-time	#	5	47	42	43
Male	#	1	6	4	5
Female	#	4	41	38	38
Not declared	#	0	n.a.	n.a.	n.a.
New employees	#	1,541	1,246	954	958
Male	#	918	810	643	699
Female	#	475	436	311	259
Not declared	#	148	n.a.	n.a.	n.a.
F/M new admissions rate	x	0.5	0.5	0.5	0.4
Employees leaving	#	1,282	1,194	832	990
Male	#	946	913	649	750
Female	#	328	281	183	240
Not declared	#	8	n.a.	n.a.	n.a.
Turnover	%	9.9	9.8	7.1	8.5
Average age of workforce	years	41.0	41.7	42.3	42.7
Absenteeism rate	%	3.34	3.18	2.75	2.82
Pay ratio by gender (F/M)	x	0.98	1.05	1.05	1.05
TRAINING					
Total hours of training	hours	191,080	234,471	156,771	257,666
Average training per employee (h/p)	h/p	15	19	13	22
Employees with training	%	97	99	88	87

SOCIAL INDICATORS	UN	9M22	9M21	9M20	9M19
HEALTH AND SAFETY (H&S)					
Employees					
Accidents with lost workdays ¹	#	15	15	11	20
Fatal work-related injuries	#	0	0	0	0
Total lost days due to accidents ²	#	1,338	964	948	1,358
Frequency rate ³	Tf	0.87	0.89	0.67	1.26
Severity rate ⁴	Tg	77	57	58	86
Overall severity rate ⁵	Tgt	83	62	427	113
Contractors					
Accidents with lost workdays ¹	#	73	102	69	58
Fatal work-related injuries	#	5	6	3	0
Hours worked	#	36,669,523	51,180,155	38,746,687	33,096,200
Frequency rate ³	Tf	2.13	2.11	1.86	1.75
Severity rate ⁴	Tg	149	115	106	94
Overall severity rate ⁵	Tgt	971	846	569	95
EDP employees and contractors					
Frequency rate ³	Tf	1.72	1.81	1.51	1.59
Severity rate ⁴	Tg	126	100	87	98
Overall severity rate ⁵	Tgt	687	651	527	101
Near accidents	#	343	409	266	332
People outside the activity					
Fatal electrical accidents involving third parties ⁶	#	9	13	9	5
VOLUNTEER INVESTMENT IN THE COMMUNITY (LBG METHODOLOGY)					
Volunteer investment/EBITDA	%	0.54	0.42	0.41	0.32

¹ Accidents occurred at the place and working time or on a journey, with 1 or more days of absence and fatal accidents.

² Sum of the number of absence calendar days resulting of work accidents occurred in the reference period, plus the number of days lost by accidents in the previous period, which lasted until the reference period without interruption. The lost time is measured from the day following the accident to the day right before the return to work.

³ Number of accidents at work with absence/fatalities, per million hours worked.

⁴ Number of calendar days lost due to work accident per million hours worked, in the reference period.

⁵ Number of calendar days lost due to work accidents per million hours worked, in the reference period, including days for permanent disability and a portion of 6,000 days for each fatal accident.

⁶ Accidents involving persons outside EDP's activity.

ECONOMIC INDICATORS	UN	9M22	9M21	9M20	9M19
ECONOMIC VALUE GENERATED	000€	17,284,710	10,801,269	9,819,752	11,185,514
Economic value distributed	000€	15,784,285	9,763,177	8,391,029	9,830,413
Economic value accumulated	000€	1,500,425	1,038,092	1,428,723	1,355,101
ENERGY EFFICIENCY AND SUPPLEMENTARY ENERGY SERVICES REVENUES¹	000€	1,240,896	944,479	730,037	742,667
Energy efficiency services revenues	000€	642,755	270,417	171,965	119,496
Supplementary energy services revenues ²	000€	598,141	674,062	558,071	623,171
FINES AND PENALTIES	000€	9,772	5,019	3,445	6,756
ENVIRONMENTAL MATTERS	000€	703,115	243,574	210,386	259,111
Investments	000€	70,965	61,670	42,995	56,421
Expenses	000€	632,149	181,904	167,391	202,690
SOCIAL MATTERS					
Personnal costs	000€	506,025	428,307	413,619	426,460
Employee benefits	000€	64,054	63,329	51,014	53,563
Direct training investment	000€	2,175	2,135	1,719	2,002
Direct training investment per employee	€/p	167	175	146	173
HC ROI per employee	€/p	6.24	6.14	6.82	6.59

¹ Energy Efficiency and Supplementary Energy Services: services provided under energy supply, installation of more efficient and/or building retrofit, and sustainable mobility, which generate revenues for the company.

² Supplementary Energy Services Revenues include the following categories: Energy Management, Maintenance and Operation, Property/Facility Management, Energy and/or Equipment Supply, Provision of Service (example: steam) and other.



CHANGING TOMORROW NOW

Condensed Financial Statements
30 September 2022

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EDP - Energias de Portugal

Condensed Consolidated Income Statements
for the nine-month periods ended at 30 September 2022 and 2021

Thousand Euros	Notes	2022	2021*
Revenues from energy sales and services and other	7	15,846,914	10,000,539
Cost of energy sales and other	7	-11,514,746	-6,311,857
		4,332,168	3,688,682
Other income	8	622,157	458,149
Supplies and services	9	-782,023	-615,452
Personnel costs and employee benefits	10	-570,079	-491,636
Other expenses	11	-648,543	-552,086
Impairment losses on trade receivables and debtors		-49,480	-23,723
		-1,427,968	-1,224,748
Joint ventures and associates	18	141,505	43,146
		3,045,705	2,507,080
Provisions	29	-9,994	-53,820
Depreciation, amortisation and impairment		-1,208,613	-1,097,844
		1,827,098	1,355,416
Financial income	12	674,133	299,435
Financial expenses	12	-1,254,426	-655,705
Profit before income tax and CESE		1,246,805	999,146
Income tax expense	13	-228,434	-237,027
Extraordinary contribution to the energy sector (CESE)	33	-51,084	-51,783
		-279,518	-288,810
Net profit for the period		967,287	710,336
Attributable to:			
Equity holders of EDP		517,597	510,499
Non-controlling Interests	26	449,690	199,837
Net profit for the period		967,287	710,336
Earnings per share (Basic and Diluted) - Euros		0.13	0.14

* Includes restatement originated by changing the classification of the Social Tariff Costs as described in note 2a)

LISBON, 27 OCTOBER 2022

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal

Condensed Consolidated Statements of Comprehensive Income
for the nine-month periods ended at 30 September 2022 and 2021

Thousand Euros	2022		2021	
	Equity holders of EDP	Non-controlling Interests	Equity holders of EDP	Non-controlling Interests
Net profit for the period	517,597	449,690	510,499	199,837
Items that will never be reclassified to profit or loss (i)				
Actuarial gains/(losses) (iii)	232,996	6,068	120,044	1,079
Tax effect from the actuarial gains/(losses)	-73,601	-2,063	-37,847	-367
Fair value reserve of assets measured at fair value through other comprehensive income with no recycling (ii)	-17,712	-	5,286	-
Tax effect from the Fair value reserve of assets measured at fair value through other comprehensive income with no recycling (ii)	4,191	-	-1,262	-
	145,874	4,005	86,221	712
Items that may be reclassified to profit or loss (i)				
Currency translation reserve	303,090	363,832	45,416	72,668
Fair value reserve (cash flow hedge) (ii)	-3,515,062	-180,954	-1,076,285	-90,603
Tax effect from the fair value reserve (cash flow hedge) (ii)	741,074	43,333	248,502	23,306
Fair value reserve of assets measured at fair value through comprehensive income with recycling (ii)	-	-401	-1,866	-
Tax effect from Fair value reserve of assets measured at value through comprehensive income with recycling (ii)	-	-	588	-
Share of comprehensive income of joint ventures and associates, net of taxes	90,040	31,194	1,429	1,215
	-2,380,858	257,004	-782,216	6,586
Other comprehensive income for the period (net of income tax)	-2,234,984	261,009	-695,995	7,298
Total comprehensive income for the period	-1,717,387	710,699	-185,496	207,135

(i) See Condensed Consolidated Statement of Changes in Equity

(ii) See Note 25

(iii) See Note 28

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal

Condensed Consolidated Statements of Financial Position
as at 30 September 2022 and 31 December 2021

Thousand Euros	Notes	2022	2021*
Assets			
Property, plant and equipment	14	24,704,099	21,099,241
Right-of-use assets	15	1,330,626	1,007,029
Intangible assets	16	4,835,749	4,757,493
Goodwill	17	3,135,672	2,379,386
Investments in joint ventures and associates	18	1,824,064	1,350,445
Equity instruments at fair value	19	207,027	189,942
Investment property		30,794	20,668
Deferred tax assets	20	2,144,890	1,509,092
Debtors and other assets from commercial activities	21	3,418,611	2,668,506
Other debtors and other assets	22	2,591,520	1,841,147
Non-Current tax assets	23	118,901	173,846
Collateral deposits associated to financial debt	27	20,047	23,397
Total Non-Current Assets		44,362,000	37,020,192
Inventories	7	1,420,581	733,381
Debtors and other assets from commercial activities	21	5,435,818	5,928,004
Other debtors and other assets	22	5,810,796	2,810,855
Current tax assets	23	882,733	551,842
Collateral deposits associated to financial debt	27	33,131	26,678
Cash and cash equivalents	24	3,514,011	3,222,409
Non-Current Assets held for sale	34	502,725	700,791
Total Current Assets		17,599,795	13,973,960
Total Assets		61,961,795	50,994,152
Equity			
Share capital		3,965,681	3,965,681
Treasury stock		-51,288	-52,660
Share premium		1,196,522	1,196,522
Reserves and retained earnings	25	1,239,093	3,556,549
Consolidated net profit attributable to equity holders of EDP		517,597	656,717
Total Equity attributable to equity holders of EDP		6,867,605	9,322,809
Non-controlling Interests	26	5,156,800	4,654,756
Total Equity		12,024,405	13,977,565
Liabilities			
Financial debt	27	17,284,039	15,299,588
Employee benefits	28	664,361	940,266
Provisions	29	1,001,093	976,588
Deferred tax liabilities	20	1,153,866	989,078
Institutional partnerships in North America	30	2,466,639	2,259,741
Trade payables and other liabilities from commercial activities	31	1,932,427	1,806,925
Other liabilities and other payables	32	6,858,096	3,039,975
Non-current tax liabilities	33	182,140	124,362
Total Non-Current Liabilities		31,542,661	25,436,523
Financial debt	27	3,459,320	1,518,348
Employee benefits	28	180,345	179,534
Provisions	29	69,376	110,319
Trade payables and other liabilities from commercial activities	31	6,664,082	6,320,011
Other liabilities and other payables	32	6,988,642	2,781,101
Current tax liabilities	33	843,589	582,686
Non-Current Liabilities held for sale	34	189,375	88,065
Total Current Liabilities		18,394,729	11,580,064
Total Liabilities		49,937,390	37,016,587
Total Equity and Liabilities		61,961,795	50,994,152

* Includes restatement originated by the change in the classification of Green Certificates as described in note 2a)

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal

Condensed Consolidated Income Statements
for the three-month periods from 1 July to 30 September 2022 and 2021

Thousand Euros	2022	2021*
Revenues from energy sales and services and other	5,680,271	3,917,290
Cost of energy sales and other	-4,258,217	-2,681,462
	<u>1,422,054</u>	<u>1,235,828</u>
Other income	280,892	119,334
Supplies and services	-289,729	-207,326
Personnel costs and employee benefits	-190,861	-158,808
Other expenses	-195,260	-172,764
Impairment losses on trade receivables and debtors	-20,704	-11,202
	<u>-415,662</u>	<u>-430,766</u>
Joint ventures and associates	45,285	9,854
	<u>1,051,677</u>	<u>814,916</u>
Provisions	-7,149	-50,156
Depreciation, amortisation and impairment	-409,021	-375,533
	<u>635,507</u>	<u>389,227</u>
Financial income	304,278	126,510
Financial expenses	-500,018	-228,504
Profit before income tax and CESE	439,767	287,233
Income tax expense	-84,568	-74,344
Extraordinary contribution to the energy sector (CESE)	-593	-184
	<u>-85,161</u>	<u>-74,528</u>
Net profit for the period	354,606	212,705
Attributable to:		
Equity holders of EDP	211,112	167,183
Non-controlling Interests	143,494	45,522
Net profit for the period	354,606	212,705
Earnings per share (Basic and Diluted) - Euros	0.09	0.06

* Includes restatement originated by changing the classification of the Social Tariff Costs as described in note 2a)

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EDP - Energias de Portugal

Condensed Consolidated Statements of Comprehensive Income
for the three-month periods from 1 July to 30 September 2022 and 2021

Thousand Euros	2022		2021	
	Equity holders of EDP	Non-controlling Interests	Equity holders of EDP	Non-controlling Interests
Net profit for the period	211,112	143,494	167,183	45,522
Items that will never be reclassified to profit or loss				
Actuarial gains/(losses)	123,517	-917	27,820	19
Tax effect from the actuarial gains/(losses)	-38,878	312	-8,764	-7
Fair value reserve with no recycling (financial assets)	-3,780	-	391	-
Tax effect from the fair value reserve with no recycling (financial assets)	939	-	-94	-
	81,798	-605	19,353	12
Items that may be reclassified to profit or loss				
Currency translation reserve	63,773	100,240	-64,578	-41,537
Fair value reserve (cash flow hedge)	-1,584,486	-44,822	-949,118	-60,268
Tax effect from the fair value reserve (cash flow hedge)	335,472	10,637	234,784	15,641
Fair value reserve of assets measured at fair value through comprehensive income with recycling	-	-	-1,236	-
Tax effect of Fair value reserve of assets measured at fair value through comprehensive income with recycling	-	-	389	-
Share of comprehensive income of joint ventures and associates, net of taxes	51,177	19,943	-5,647	-2,210
	-1,134,064	85,998	-785,406	-88,374
Other comprehensive income for the period (net of income tax)	-1,052,266	85,393	-766,053	-88,362
Total comprehensive income for the period	-841,154	228,887	-598,870	-42,840

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THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal
Condensed Consolidated Statements of Changes in Equity
for the nine-month periods ended at 30 September 2022 and 2021

Thousand Euros	Reserves and retained earnings (i)									Equity attributable to equity holders of EDP	Non-controlling Interests (ii)
	Total Equity	Share capital	Share premium	Legal reserve	Other reserves and retained earnings	Fair value reserve (cash flow hedge)	Fair value reserve (financial assets)	Currency translation reserve	Treasury stock		
Balance as at 31 December 2020	13,070,976	3,965,681	1,196,522	739,024	4,781,428	-4,368	11,888	-1,053,495	-54,025	9,582,655	3,488,321
Comprehensive income:											
Net profit for the period	710,336	-	-	-	510,499	-	-	-	-	510,499	199,837
Changes in the fair value reserve (cash flow hedge) net of taxes	-895,080	-	-	-	-	-827,783	-	-	-	-827,783	-67,297
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	2,746	-	-	-	-	-	2,746	-	-	2,746	-
Share of other comprehensive income of joint ventures and associates net of taxes	2,644	-	-	-	4,854	-674	-	-2,751	-	1,429	1,215
Actuarial gains/(losses) net of taxes	82,909	-	-	-	82,197	-	-	-	-	82,197	712
Exchange differences arising on consolidation	118,084	-	-	-	-	-	-	45,416	-	45,416	72,668
Total comprehensive income for the period	21,639	-	-	-	597,550	-828,457	2,746	42,665	-	-185,496	207,135
Transfer to legal reserve	-	-	-	43,908	-43,908	-	-	-	-	-	-
Dividends paid	-749,763	-	-	-	-749,763	-	-	-	-	-749,763	-
Dividends attributable to non-controlling interests	-74,749	-	-	-	-	-	-	-	-	-	-74,749
Share-based payments	2,684	-	-	-	840	-	-	-	1,844	2,684	-
Dilution of participation by equity increase EDP Renováveis S.A.	1,470,481	-	-	-	564,281	620	-252	-16,320	-	548,329	922,152
Acquisition of partnership in Central Térmica de Ciclo Combinado Grupo 4	-5,000	-	-	-	-69,684	-	-	-	-	-69,684	64,684
Changes resulting from acquisitions/sales, equity increases/decreases and other	-67,087	-	-	-	15,238	-	-	-	-	15,238	-82,325
Balance as at 30 September 2021	13,669,181	3,965,681	1,196,522	782,932	5,095,982	-832,205	14,382	-1,027,150	-52,181	9,143,963	4,525,218
Balance as at 31 December 2021	13,977,565	3,965,681	1,196,522	782,932	5,223,309	-780,860	17,362	-1,029,477	-52,660	9,322,809	4,654,756
Comprehensive income:											
Net profit for the period	967,287	-	-	-	517,597	-	-	-	-	517,597	449,690
Changes in the fair value reserve (cash flow hedge) net of taxes	-2,911,609	-	-	-	-	-2,773,988	-	-	-	-2,773,988	-137,621
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	-13,922	-	-	-	-	-	-13,521	-	-	-13,521	-401
Share of other comprehensive income of joint ventures and associates net of taxes	121,234	-	-	-	6,638	75,064	-	8,338	-	90,040	31,194
Actuarial gains/(losses) net of taxes	163,400	-	-	-	159,395	-	-	-	-	159,395	4,005
Exchange differences arising on consolidation	666,922	-	-	-	-	-	-	303,090	-	303,090	363,832
Total comprehensive income for the period	-1,006,688	-	-	-	683,630	-2,698,924	-13,521	311,428	-	-1,717,387	710,699
Transfer to legal reserve	-	-	-	10,204	-10,204	-	-	-	-	-	-
Dividends paid	-749,802	-	-	-	-749,802	-	-	-	-	-749,802	-
Dividends attributable to non-controlling interests	-113,664	-	-	-	-	-	-	-	-	-	-113,664
Purchase and sale of treasury stock	-982	-	-	-	-	-	-	-	-982	-982	-
Share-based payments	3,273	-	-	-	919	-	-	-	2,354	3,273	-
Acquisition of partnership in Sunseap	29,951	-	-	-	-	-	-	-	-	-	29,951
Changes resulting from acquisitions/sales, equity increases/decreases and other	-115,248	-	-	-	9,694	-	-	-	-	9,694	-124,942
Balance as at 30 September 2022	12,024,405	3,965,681	1,196,522	793,136	5,157,546	-3,479,784	3,841	-718,049	-51,288	6,867,605	5,156,800

(i) See note 25

(ii) See note 26

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

Condensed Consolidated and Company Statements of Cash Flows
for the nine-month periods ended at 30 September 2022 and 2021

Thousand Euros	Notes	Group		Company	
		2022	2021	2022	2021
Operating activities					
Profit before income tax and CESE		1,246,805	999,146	55,101	-350,351
Adjustments for:					
Amortisation and impairment		1,208,613	1,097,844	25,647	22,858
Provisions	29	9,994	53,820	-423	1,227
Joint ventures and associates	18	-141,505	-43,146	-	-
Financial (income)/expenses	12	580,293	356,270	-124,457	18,650
Changes in working capital:					
Trade and other receivables		172,377	-489,317	315,776	-237,930
Trade and other payables		500,726	317,460	389,051	348,062
Personnel		-125,777	-144,402	3,388	-2,673
Regulatory assets		212,802	47,310	-	-
Other changes in assets/liabilities related with operating activities i)		-1,658,800	-934,057	-909,570	84,055
Income tax and CESE		-174,534	-54,907	48,732	43,207
Net cash flows from operations		1,830,994	1,206,021	-196,755	-72,896
Net (gains) / losses with Asset Rotations		-263,440	-151,104	-	-
Net cash flows from operating activities		1,567,554	1,054,917	-196,755	-72,896
Investing activities					
Cash receipts relating to:					
Sale of assets/subsidiaries with loss of control ii)		917,850	291,752	-	-
Other financial assets and investments		34,015	71,060	49	5,860
Other financial assets at amortised cost		-	-	153,973	51,292
Changes in cash resulting from consolidation perimeter variations iii)		173,738	5,750	-	-
Property, plant and equipment and intangible assets		13,090	44,242	673	184
Other receipts relating to tangible fixed assets		10,181	7,692	-	-
Interest and similar income		58,778	14,379	24,684	23,043
Dividends		49,249	42,744	270,843	174,979
Loans to related parties		444,945	521,076	814,000	22,687
		1,701,846	998,695	1,264,222	278,045
Cash payments relating to:					
Acquisition of assets/subsidiaries iv)		-1,164,061	-77,314	-	-
Other financial assets and investments v)		-564,520	-411,616	-32,177	-12,579
Other financial assets at amortised cost		-	-	-	-676,890
Changes in cash resulting from consolidation perimeter variations iii)		-87,287	-10,771	-	-
Property, plant and equipment and intangible assets		-2,232,456	-2,643,819	-26,980	-30,487
Loans to related parties		-726,557	-368,216	-363,595	-9,782
		-4,774,881	-3,511,736	-422,752	-729,738
Net cash flows from investing activities		-3,073,035	-2,513,041	841,470	-451,693
Financing activities					
Receipts relating to financial debt (include Collateral Deposits)		4,542,795	2,859,773	2,124,236	3,107,048
(Payments) relating to financial debt (include Collateral Deposits)		-1,390,365	-2,453,466	-1,594,679	-1,668,048
Interest and similar costs of financial debt including hedge derivatives		-535,122	-404,479	-204,648	-177,431
Receipts/(payments) relating to loans from non-controlling interests		228,366	-10,479	-	-
Interest and similar costs relating to loans from non-controlling interests		-8,214	-10,720	-	-
Receipts/(payments) relating to loans from related parties		-	-	-338,065	214,099
Share capital increases/(decreases) (includes subscribed by non-control. interests)		-76,703	1,435,772	-	-
Receipts/(payments) relating to derivative financial instruments		-2,047	9,135	121,025	9,730
Dividends paid to equity holders of EDP		-749,802	-749,763	-749,802	-749,763
Dividends paid to non-controlling interests		-178,865	-118,530	-	-
Treasury stock sold/(purchased)		-982	1,844	-	-
Lease (payments) vi)		-97,215	-71,636	-9,448	-9,468
Receipts/(payments) from institutional partnerships in North America vii)		-69,379	531,181	-	-
Net cash flows from financing activities		1,662,467	1,018,632	-652,363	726,167
Changes in cash and cash equivalents		156,986	-439,492	-7,648	201,578
Effect of exchange rate fluctuations on cash held		145,460	18,081	1,261	327
Cash and cash equivalents reclassified as held for sale		-10,844	-30,507	-	-
Cash and cash equivalents at the beginning of the period		3,222,409	2,954,302	2,490,453	2,172,632
Cash and cash equivalents at the end of the period viii)		3,514,011	2,502,384	2,484,066	2,374,537

- i) Relates, essentially, to payments/receipts related to commodity derivatives and constitution of collaterals to operate in energy markets;
- ii) Relates essentially to the receivment related to the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A (see note 22) and to the sale of onshore wind portfolios in Europe (Spain, Poland and Italy) (see note 6);
- iii) Relates essentially to changes in perimeter resulting from the acquisition of the company EDP Transmissão Goiás S.A. (formerly Celg Transmissão), a stake in the Sunseap Group Pte. Ltd. and the sale of the Italian onshore (see note 6);
- iv) Relates, mainly, to the impact with the acquisition of the company EDP Transmissão Goiás S.A. (formerly Celg Transmissão), a stake in the Sunseap Group Pte. Ltd. And the acquisition of a 100% stake in two companies of Xuan Thien Group (see note 6);
- v) Relates essentially to the acquisition of treasury stock of EDP Energias do Brasil and payments made within the scope of transactions in North America;
- vi) Includes capital and interest;
- vii) On a consolidated basis, refers to the receipts and payments net of transaction costs (transactions included in note 30);
- viii) See details of Cash and cash equivalents in note 24 and the Consolidated and Company Reconciliation of Changes in the responsibilities of Financing activities in note 41 of the Financial Statements.

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal, S.A.
Condensed Company Income Statements
for the nine-month periods ended at 30 September 2022 and 2021

Thousand Euros	Notes	2022	2021
Revenues from energy sales and services and other	7	6,474,764	2,447,537
Cost of energy sales and other	7	-6,320,412	-2,578,690
		154,352	-131,153
Other income		10,907	10,281
Supplies and services	9	-134,731	-115,268
Personnel costs and employee benefits	10	-64,831	-61,200
Other expenses		-9,809	-10,258
Impairment losses on trade receivables and debtors		-20	-18
		-198,484	-176,463
		-44,132	-307,616
Provisions		423	-1,227
Depreciation, amortisation and impairment		-25,647	-22,858
		-69,356	-331,701
Financial income	12	1,037,962	335,392
Financial expenses	12	-913,505	-354,042
Profit before income tax		55,101	-350,351
Income tax expense	13	46,399	101,275
Net profit for the period		101,500	-249,076

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal, S.A.

Condensed Company Statements of Comprehensive Income
for the nine-month periods ended at 30 September 2022 and 2021

Thousand Euros	2022	2021
Net profit for the period	101,500	-249,076
Items that will never be reclassified to profit or loss (i)		
Actuarial gains/(losses)	-	-
Tax effect from the actuarial gains/(losses)	-30	-
	-30	-
Items that may be reclassified to profit or loss (i)		
Fair value reserve (cash flow hedge) (ii)	-2,596,267	464,369
Tax effect from the fair value reserve (cash flow hedge) (ii)	553,515	-104,484
	-2,042,752	359,885
Other comprehensive income for the period (net of income tax)	-2,042,782	359,885
Total comprehensive income for the period	-1,941,282	110,809

(i) See Company Statement of Changes in Equity

(ii) See note 25

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal, S.A.

Condensed Company Statements of Financial Position
as at 30 September 2022 and 31 December 2021

Thousand Euros	Notes	2022	2021
Assets			
Property, plant and equipment		39,435	37,056
Right-of-use assets		120,118	101,630
Intangible assets		140,041	132,660
Investments in subsidiaries		15,065,364	15,065,364
Investments in joint ventures and associates		2	2
Equity instruments at fair value		1,178	1,227
Investment property		114,189	101,700
Deferred tax assets	20	588,699	37,218
Debtors and other assets from commercial activities		934	867
Other debtors and other assets	22	5,576,966	3,745,567
Total Non-Current Assets		21,646,926	19,223,291
Inventories		114,956	79,960
Debtors and other assets from commercial activities	21	1,781,670	2,047,936
Other debtors and other assets	22	9,120,437	5,816,675
Current tax assets	23	157,984	94,426
Cash and cash equivalents	24	2,484,066	2,490,453
Total Current Assets		13,659,113	10,529,450
Total Assets		35,306,039	29,752,741
Equity			
Share capital		3,965,681	3,965,681
Treasury stock		-51,288	-52,660
Share premium		1,196,522	1,196,522
Reserves and retained earnings	25	1,311,896	3,279,491
Net profit for the period		101,500	824,070
Total Equity		6,524,311	9,213,104
Liabilities			
Financial debt	27	6,936,859	9,081,678
Employee benefits		8,266	8,097
Provisions		3,539	4,000
Trade payables and other liabilities from commercial activities		-	7
Other liabilities and other payables	32	4,862,356	1,823,998
Total Non-Current Liabilities		11,811,020	10,917,780
Financial debt	27	6,293,956	3,952,621
Employee benefits		538	969
Provisions		836	798
Trade payables and other liabilities from commercial activities	31	2,657,390	2,192,662
Other liabilities and other payables	32	7,964,732	3,430,452
Current tax liabilities	33	53,256	44,355
Total Current Liabilities		16,970,708	9,621,857
Total Liabilities		28,781,728	20,539,637
Total Equity and Liabilities		35,306,039	29,752,741

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THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal, S.A.

Condensed Company Income Statements
for the three-month periods from 1 July to 30 September 2022 and 2021

Thousand Euros	2022	2021
Revenues from energy sales and services and other	2,371,559	1,112,467
Cost of energy sales and other	-1,766,773	-1,213,604
	604,786	-101,137
Other income	3,365	3,274
Supplies and services	-47,789	-39,460
Personnel costs and employee benefits	-20,749	-20,151
Other expenses	-1,144	-1,130
Impairment losses on trade receivables and debtors	-35	-16
	-66,352	-57,483
	538,434	-158,620
Provisions	316	-
Depreciation, amortisation and impairment	-8,673	-7,895
	530,077	-166,515
Financial income	351,317	89,380
Financial expenses	-380,277	-135,431
Profit before income tax	501,117	-212,566
Income tax expense	-104,253	44,432
Net profit for the period	396,864	-168,134

LISBON, 27 OCTOBER 2022

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal, S.A.

Condensed Company Statements of Comprehensive Income
for the three-month periods from 1 July to 30 September 2022 and 2021

Thousand Euros	2022	2021
Net profit for the period	396,864	-168,134
Items that are or may be reclassified to profit or loss		
Fair value reserve (cash flow hedge)	-1,742,169	189,463
Tax effect from the fair value reserve (cash flow hedge)	365,856	-42,630
	-1,376,313	146,833
Other comprehensive income for the period (net of income tax)	-1,376,313	146,833
Total comprehensive income for the period	-979,449	-21,301

LISBON, 27 OCTOBER 2022

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

**Condensed Company Statements of Changes in Equity
for the nine-month periods ended at 30 September 2022 and 2021**

Thousand Euros	Reserves and retained earnings (i)						
	Total Equity	Share capital	Share premium	Legal reserve	Other Reserves and retained earnings	Fair value reserve (cash flow hedge)	Treasury stock
Balance as at 31 December 2020	8,773,113	3,965,681	1,196,522	739,024	2,860,158	65,753	-54,025
Comprehensive income:							
Net profit for the period	-249,076	-	-	-	-249,076	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	359,885	-	-	-	-	359,885	-
Total comprehensive income for the period	110,809	-	-	-	-249,076	359,885	-
Transfer to legal reserve	-	-	-	43,908	-43,908	-	-
Dividends paid	-749,763	-	-	-	-749,763	-	-
Share-based payments	2,684	-	-	-	840	-	1,844
Balance as at 30 September 2021	8,136,843	3,965,681	1,196,522	782,932	1,818,251	425,638	-52,181
Balance as at 31 December 2021	9,213,104	3,965,681	1,196,522	782,932	2,891,903	428,726	-52,660
Comprehensive income:							
Net profit for the period	101,500	-	-	-	101,500	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	-2,042,752	-	-	-	-	-2,042,752	-
Actuarial gains / (losses) net of taxes	-30	-	-	-	-30	-	-
Total comprehensive income for the period	-1,941,282	-	-	-	101,470	-2,042,752	-
Transfer to legal reserve	-	-	-	10,204	-10,204	-	-
Dividends paid	-749,802	-	-	-	-749,802	-	-
Purchase and sale of treasury stock	-982	-	-	-	-	-	-982
Share-based payments	3,273	-	-	-	919	-	2,354
Balance as at 30 September 2022	6,524,311	3,965,681	1,196,522	793,136	2,234,286	-1,614,026	-51,288

(i) See note 25

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Conflict situation 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 as resulted in an humanitarian crisis. Direct and indirect victims, and a significant number of refugees and displaced citizens (UN estimate of over 14 million people by end of September 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 actual and potential business, financial, operational, accounting and strategic impacts.

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

The geopolitical tensions have been intensifying in the last few months. Currently, some of the impacts of this crisis continue to be felt, however, the escalation and/or prolongation of this conflict may increase the risk to EDP 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 military conflict has further weakened energy markets and led to a larger sustained increase in energy prices in Europe, since Russia is one the main exporters of natural gas. Taking into account the introduction of regulatory measures to contain the price of gas and electricity in Iberia, the pool price has stabilised.

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/neighbouring 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.

EDP continues to take a cautious approach, seeking to undertake a balanced integrated position in energy (especially in Iberia, where it has a Generation and Supply business), and closely monitoring the evolution of the markets.

In terms of gas supply, EDP does not have any supply contract in place with Russia and is relatively more protected than other European peers from potential disruptions in the supply chains.

The energy 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 was object of analysis and discussion. Several measures with significant impact have already been adopted, 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 implies the payment of compensation amounts to the electricity generators by consumers who will have benefited from the effects of the mechanism.

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Additionally, several packages of measures leading to energy savings were approved in several European countries, namely Portugal and Spain. Other regulatory mechanisms with an impact on EDP's business were also applied, namely clawback to inframarginal generation in specific countries (eg Spain, Romania). In Portugal, in addition to the partial reduction of the VAT rate applicable to electricity, the constitution of a strategic water reserve was also approved, which aims to ensure that the storage levels of 15 hydro power plants reach more comfortable values.

Other mechanisms are being discussed at European level, namely the definition of a maximum cap on revenues from inframarginal power plants, a solidarity contribution tax on the oil & gas and coal sector, intervention in retail prices and liquidity guarantee mechanisms (collateral). Noteworthy is the recent approval of an European Regulation, which contains several of the measures mentioned above and which gives States members some discretion in their adoption or in the adoption of measures with a similar effect.

In regulatory terms, the main risks identified are:

- Possible increase in sectorial charges or taxes on energy companies: creation/increase of additional fees and taxes to bridge the gap between energy production and sale prices; 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).

EDP 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 continues 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. EDP Group's business has a high degree of indexation, directly or indirectly, of its revenues to inflation, mitigating this risk;
- Growing interest rates: pressure on interest rates leads to increases in financing costs related with floating rate debt;
- Counterparty default: the huge increase of prices in the energy market raised the exposure to counterparties in long positions. 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 the default risk of some counterparties; and
- Liquidity: extremely high initial margins in organized markets due to very high prices and volatility, giving rise to significant cash variations and an increase in collateral requests.

EDP 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 favouring 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 EDP operations in border regions with Ukraine, or due to the dependence on products and raw materials coming from the region.

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Several risks with operational impacts were identified, namely:

- Physical assets and operations: the proximity of physical generation assets (EDP Renováveis) 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 EDP 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 continues to be a high number of cyberattacks worldwide, with an increase level of sophistication and a potential impact for EDP, directly or indirectly (for example, through providers of critical IT and OT services), which continues to motivate a reinforcement of safety monitoring and the adoption of complementary measures by EDP;
- Supply chain: there continues to be no relevant direct exposure of EDP to countries in conflict or sanctioned, however, there may be indirect dependence through EDP suppliers of products and raw materials (fuels, but also other resources 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, continues to require internal monitoring in order to reduce the risk of EDP's non-compliance with such sanctions and manage any previously established partnerships.

EDP 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, EDP established local plans and strategies to answer to the possible geographic spread of the conflict, in order to protect people and assets.

EDP'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

EDP Group has not applied any different classifications from those normally used in its condensed 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 30 September 2022, the Group carried out a series of analyses of the relevant estimates and has not determined any materially relevant impacts compared to 31 December 2021.

As mentioned in note 2, the condensed consolidated and company financial statements of EDP SA, for the period ended 30 September 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.

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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, EDP Group 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: EDP 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;
- Customers: EDP reinforced its concern with stabilizing energy prices, particularly in the free market, despite the high volatility of costs associated with fuels and other raw materials;
- Communities: EDP has launched a humanitarian aid campaign with its employees, and has combined efforts with institutions presented locally in order to support the most disadvantaged and vulnerable; and
- Shareholders: the Executive Board of Directors has been working closely with the General and Supervisory Board, in order to act in the most suitable manner, protecting the interests of its shareholders.

1. Economic activity of EDP Group

EDP - Energias de Portugal, S.A. (hereinafter referred to as EDP), currently with head office in Lisbon, Avenida 24 de Julho 12 and with its shares listed on the Euronext Lisbon stock exchange, results from the transformation of Electricidade de Portugal, E.P., incorporated in 1976 following the nationalization and consequent merger of the main companies in the electricity sector in Portugal. During 1994, as established by Decree-laws 7/91 and 131/94, the EDP Group (EDP Group or Group) was set up following the split of EDP, which led to a number of directly or indirectly wholly owned subsidiaries of EDP.

The Group's businesses are currently focused on the generation, transmission, distribution and supply of electricity and supply of gas. Additionally, the Group also operates in related areas such as engineering, laboratory tests, professional training, energy services and property management.

EDP Group operates essentially in the European (Portugal, Spain, France, Poland, Romania, Italy, Belgium, United Kingdom and Greece), American (Brazil and North America) and Southeast Asia energy sectors.

2. Accounting policies

a) Basis of presentation

The accompanying condensed consolidated and company financial statements of EDP - Energias de Portugal, S.A. reflect the results of the company's operations and its subsidiaries (EDP Group or Group) and the Group's interest in its joint ventures and associated companies, for the periods ended on 30 September 2022 and 2021 and EDP S.A.'s Executive Board of Directors approved them on 27 October 2022. The financial statements are presented in thousand Euros, rounded to the nearest thousand.

In accordance with Regulation (EC) 1606/2002 of the European Council and Parliament, of 19 July 2002, as transposed into Portuguese legislation through Decree-law 158/2009 of 13 July and the changes introduced through Decree-law 98/2015 of 2 June, the condensed company's financial statements and the condensed Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (E.U). IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and their predecessor bodies. The EDP Group's condensed consolidated and company financial statements for the period ended at 30 September 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 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 EDP Group's activity does not present, on a quarter basis, a level of seasonality that can be considered significant.

Selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the EDP Group's financial position and performance since the last annual financial statements.

Change in the presentation of Social Tariff costs

Within the scope of the regulatory changes verified in Spain in 2022, the Group has reassessed the accounting of the costs related to Social Tariff in its income statement. Due to the nature of these costs, it has been concluded that they should be accounted for as "Other expenses". In this sense, the costs related to social tariff incurred in 2021 were reclassified from the "Cost of energy sales and other" to "Other expenses" (amounting to 54,719 thousand Euros at 30 September 2021).

Change in the presentation of green certificates - Inventories

During 2022, the Group has reviewed its accounting policy relating to Green Certificates and RECs, based on decisions issued by the European Securities and Markets Authority (ESMA) regarding transactions of a similar nature. According to the analysis carried out, it has been concluded that these Certificates are considered government support in accordance with IAS 20 that must be accounted for under the caption "Revenues and cost of Energy Sales and Services and Other", with unsold certificates being recognised as inventories in accordance with IAS 2. In this sense, the Group proceeded to reclassify the amounts recognised under "Intangible assets" to "Inventories" (amounting to 157,532 thousand Euros at December 2021), since it has been concluded that this is the most appropriate presentation and the one that better reflects the nature of these assets, maintaining all other recognition and measurement criteria unchanged.

3. 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; and
- 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 EU) 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) - Definition of Accounting Estimates;
- IAS 12 (Amended) - Deferred tax related to assets and liabilities arising from a Single Transaction; and
- IFRS 16 (Amended) - Lease liability in a sale and leaseback.

4. Critical accounting estimates and judgements in preparing the financial statements

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 EDP 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 EDP 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.

Financial asset related with infrastructure concession contracts in Portugal

The caption “Amounts receivable from concessions - IFRIC 12”, refers to the financial assets receivable by EDP Group companies that operate infrastructures under concession contracts, and arises from the unconditional right to receive this amount regardless of the utilisation level of the infrastructures covered by the concession. In these companies is included E-Redes – Distribuição de Eletricidade, S.A. as the National Distribution Network’s (RND) concessionaire, which comprises the medium and high voltage network (MT and HT), and low voltage distribution networks (LT), being these concessions exercised exclusively through public service concession contracts.

The RND’s operation, which is part of the HT and MT, is carried out through a public service concessions’ attribution, by the Portuguese State. On the other hand, the right to distribute low voltage electricity is attributed to the Portuguese mainland municipalities. The legislation that establishes the basis of each concession sets up that the ownership or possession of the goods assigned to these concessions revert to the concessionaires at the end of their respective concessions. They also establish that in return for the assets returned to grantors, whether State or municipalities, compensation corresponding to the assets’ book value assigned to the concession, net of amortisations, financial contributions and non-refundable subsidies will be paid. Therefore, the assets’ estimated residual value at the end of each concession constitutes a financial asset, and the remaining fair value component of the concession assets is an intangible asset to be amortised over its useful life. Hence, the end date of each concession is one of the main assumptions to determine the amount of the financial and intangible assets.

In May 2017 Law 31/2017 was approved, which lays down the principles and general rules concerning the organisation of public tendering procedures for the awarding, by contract, of the municipal LT concessions’ operation in the Portuguese mainland. This Law foresees the simultaneous launch, in 2019, of public tender procedures for all municipalities that do not opt for direct management of the electricity distribution activity.

However, the new Decree-Law 15/22, of January 2022, determined the automatic extension, without the need for further terms, of the current concession contracts for electricity distribution networks in BT, including those that had already reached their term, until the effective entry into operation of a new contractor, following the tenders for the attribution of BT concessions that will be held in the future. On the other hand, there is currently no set date in the legislation for the holding of future tenders for the attribution of BT concessions.

In this context, at this date it is not yet possible to predict the end date of the low voltage concession contracts currently in force, so an annual extension of contracts that have already reached the originally planned end date is assumed. Thus, with reference to 30 September 2022, the financial asset and the intangible asset related to the concessions whose contracts have not yet ended were determined based on the respective expiry dates and, for the remaining concessions, the financial asset and the intangible asset are determined assuming the validity of the contracts until 31 December of the year following the year in question.

"Clawback" - Portuguese regulatory mechanism to ensure the competitive balance in the wholesale electricity market, in particular Iberian

Following some tax changes occurred in Spain, which affected electricity generators operating in this country, Decree-Law 74/2013, of 4 June, was approved in Portugal, which aimed to rebalance the competition between electricity generators operating in Portugal and other players operating in Europe.

Pursuant to relate diploma and its regulations, in order to restore such balance, the power plants operating on a market regime situated in Portugal, which were not covered by the PPA or CMEC regime, should pay to the System an amount per MWh produced.

The amount payable should consider, on one hand, an estimate of the impact that the off-market events in the European Union (such as the above-mentioned tax changes in Spain) would have in pool prices, and on the other hand, the existence of national extra-market events that affect the competitiveness of electricity generators operating in Portuguese territory. Consequently, a net competition advantage would allegedly arise to generators operating in Portugal.

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Under this mechanism regulation – commonly known as clawback – Social tariff and CESE were determined by Dispatch 11566-A/2015, of 3 October, as off-market events that should be considered as competitive disadvantages of generators operating in Portugal.

Dispatch 7557-A/2017, of 25 August, superseded Dispatch 11566-A/2015 (which defined the variables for the computation formula of the amount to be paid by each of the power-generating plants under Decree-Law 74/2013, of 4 June, for each injected MWh) in its entirety. It states that ERSE, after consulting DGEG, should present proposals for a new definition of the variables, as well as reference terms for the new study.

Subsequently, the Dispatch 9371/2017, of 24 October, partially nulled the Dispatch 11566-A/2015, in relation to the decisions presented under its numbers 11 and 12 (the deduction of social tariff and CESE costs in the unit price). ERSE was asked to consider in 2018 UGS tariff, the recovery, in benefit of the consumers, of the amounts allegedly improperly included in previous years' tariffs (2016 and 2017). Dispatch 9955/2017, of 17 November, defines a new amount for the estimate of the off-market events' impact in EU, which is -4.75 €/MWh, with retroactive effects as at August 24. Following these Dispatches, the document of prices and tariffs for 2018 has included a clawback amount of around 90 million Euros to be returned to tariffs, which includes power plants operating under CMEC and estimated generation.

Based on its interpretation of the Law, as well as on legal opinions obtained, EDP Produção considers that the Decree-Law 74/2013, of 4 of June, aims to reestablish a situation of competition balance between generators operating in Portugal and their peers operating in other European countries, which means to consider as off-market events all the taxes and contributions that fall only over generators located outside of Portugal (particularly in Spain), as well as all the taxes and contributions that fall only over generators located in Portugal. Consequently, in the EDP Produção's understanding, supported by legal opinions, Dispatch 9371/2017 and 9955/2017 have completely distorted the clawback mechanism, having filed its legal action in January 2018.

In the Financial statements as at 31 December 2018, EDP Group has included the clawback amount as calculated by EDP Produção, regarding the legislation in place in each period, namely Decree-Law 74/2013, of 4 of June, Order 225/2015, Ordinance 9371/2017 and Dispatch 9955/2017. It is important to notice that this mechanism is not applicable to power plants in 2018 still operating under CMEC regime. However, this situation was subsequently changed and disputed by EDP Produção, as mentioned below.

On 5 October 2018, the Spanish legislature, by the sixth and seventh additional lines on Article 21 of Royal Decree-Law 15/2018, suspended the 7% tax on electricity generation approved in 2012 for a period of six months, from the beginning of October 2018 to the end of March 2019. This tax suspension corresponds to the suspension of the off-market event verified within the European Union, which is considered in the clawback calculation.

Following the temporary suspension of the tax on electricity production in Spain:

- Order 895/2019 of 23 January, establishing the suspension of the "Clawback" was approved for a period of 6 months as from 1 October 2018;
- The Tariff and Price Document for 2019, published on 17 December 2018, estimates a Clawback value of € 4.18/MWh, to be applied after the end of the suspension period (more specifically from 6 April 2019);
- ERSE informed EDP Produção that any clawback invoicing relating to the referred suspension period should be deleted or cancelled;
- The State Budget Law for 2019 provided that "the Government shall, until the end of the first quarter of 2019, review the regulatory mechanism designed to ensure the balance of competition in the wholesale electricity market in Portugal, provided for under DL 74/2013, of 4 June, adapting it to the new rules of the Iberian Electricity Market, with the aim of creating harmonized regulatory mechanisms that reinforce competition and protect consumers".

On 1 April 2019, the suspension of the tax on the production of electric energy in Spain was terminated, and it became effective again. From that moment, the "clawback" invoiced to EDP Produção was resumed, based on a value of 4.75€/MWh.

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On 9 August 2019, Decree-Law 104/2019 was published, which makes the first amendment to Decree-Law 74/2013, of 4 June, by changing the scope of the clawback mechanism. Previously, "electricity producers under the ordinary regime and other producers not covered by the guaranteed remuneration regime" were subject to clawback. With the publication of this diploma, the CMEC centrals are now included in the scope of the clawback. Considering that this scope contradicts the Decree Law 240/2004, of 27 of December, EDP Produção proceeded to its challenge.

The same Decree-Law introduced the possibility to define CIT (corporate income tax) – advanced payment, and on 26 September 2019 was published the Order 8521/2019, which set the amounts of advanced payment related to the clawback mechanism at 2.71€/MWh for coal-fired power plants and 4.18€/MWh for other power plants.

In the Tariff and Price Document for 2020, published on 16 December 2019, ERSE considered the unit values defined in Dispatch 8521/2019, correcting only the value applicable to coal to 1.23 € / MWh, due to the increase in the ISP tax percentage and CO2 addition planned for 2020. EDP Produção presented on 10 March of 2020 an action seeking a declaration of nullity or annulment of that administrative act by ERSE.

On 27 December 2019, Dispatch 12424-A / 2019 was published, which identifies as national extra-market events to be considered in the Study to be prepared by ERSE until April 2020 (with reference to 2019) under the Clawback mechanism, the taxation of petroleum and energy products used in the production of electricity (ISP), CESE and the Social Electricity Tariff.

On 30 June 2020, Dispatch 6740/2020 was published by the Secretary State of Energy (SEAE) which establishes the CIT (corporate income tax) – advanced payment to be applied in 2020 to electric power producers covered by the "Clawback" mechanism. The value of CIT (corporate income tax) – advanced payment for the year 2020 is set at € 2.24/MWh for plants that are not subject to extra market internal events, that is, only to some renewable energy producers in the market with the exception of the power generation centers included in the scope of internal extra-market events identified.

On 22 October 2020, Dispatch 10177/2020, issued by the SEAE Office, was published, which determines the final compensation of the "Clawback" for the year 2019, considering the ISP regime as the only internal off-market event within the National Electrical System (SEN), thus determining a value of € 2.24 / MWh for hydro, gas and PRE on the market and 0.68€/MWh for coal power plants. This determination is not consistent with that contained in Dispatch 12424-A/2019, of 27 December, which identifies ISP, CESE and Social Tariff as internal off-market events for 2019. EDP Produção challenged Order 10177/2020 on 22 January 2021.

On 25 June 2021, the Spanish legislator, within the scope for the adoption of urgent measures regarding energy taxation due to the high prices verified in the MIBEL, published the Royal Decree-Law 12/2021, which, among others, proceeds the suspension of the 7% tax on the production of electricity, approved in 2012, for a period between 1 July and 30 September 2021 (3 months), and with effects on the determination of the "Clawback". Following Royal Decree-Law 17/2021, the Spanish legislator has once again suspended the 7% tax on electricity production for another 3 months, between 1 October and 31 December of 2021.

Following the temporary suspension of the tax on the production of electricity in Spain, Dispatch 6398-A/2021, of 29 June, was published, which established the suspension of the "Clawback" in the period between 1 July 2021 and 30 September 2021, and Order 9975/2021, of 14 October, which determines the suspension of this mechanism between 1 October and 31 December 2021.

On 14 October 2021, Order 9974/2021, of the SEAE Office, was published, which determines the final compensation of the "Clawback" for the year 2020, considering as the only extra-market event within the National Electric System the regime of ISP (noting that it is consistent with the Dispatch that approved the final value for the year 2019), resulting in the following "Clawback" values: 3.64€/MWh for hydro plants and Special Regime Production (PRE) in the market; 3.42€/MWh for CCGTs; and 2.16€/MWh for coal plants. This determination is not coherent with the goals and rationale underlying the "Clawback" mechanism, as it does not admit the Social Tariff and CESE as internal extramarket events. EDP Produção challenged Order 9974/2021 on 14 January 2022.

The Spanish legislator suspended again the 7% tax on electricity production for another 6 months, through Royal Decree-Ley 29/2021, of 21 December (for the period between 1 January and 31 March 2022) and Royal Decree-Ley 6/2022, of 29 March (for the period between 1 April and 30 June 2022). Following this temporary suspension of the tax on electricity production in Spain, Order 1322/2022 of 1 February was published, which established the suspension of the “Clawback” between 1 January and 31 March 2022, , and Order 6287/2022, of 19 May, which extended this suspension until 30 June 2022.

More recently, the Spanish legislator, due to the maintenance of high prices in the MIBEL resulting, above all, from the Russia-Ukraine conflict, resumed the suspension of the 7% tax on electricity production until the end of 2022, through the Royal Decree-Ley 11/2022, of 25 June, and Order 9838/2022, of 9 August, determined the suspension of the “Clawback” for the period between 1 July and 31 December 2022 in Portugal.

Social Tariff Scheme

EDP Group filed a request to the European Commission to assess the compliance of the Social Tariff funding mechanism, fully supported by ordinary regime generators, with the rules and principles of European Union law. On this, since 2011, EDP has already been charged more than 460 million Euros. EDP does not question the existence of the Social Tariff, and agrees with its purpose, but cannot, in light of the current regime, conform with the terms in which the legislator enshrined its method of financing. In fact, in Spain, similar mechanisms for financing the price of electricity were considered not to comply with the legal framework, and were therefore subject to modification.

The verification request aimed to obtain confirmation on the inadequacy of the current national social tariff financing mechanism and to prompt the review of national legislation on this financing mechanism.

Ancillary Services

i) Secondary regulation band service

On 3 September 2018 the Autoridade da Concorrência (AdC) adopted a Note of Illegality, under which it intended to attribute to EDP Produção a behaviour of abuse of a dominant position in the secondary regulation band service. AdC claimed that EDP Produção restricted the offer of a segment of the Electricity System (the secondary regulation band or teleregulation service) between January 2009 and December 2013, limiting the capacity offer of its plants under CMEC regime to benefit market power plants, in order to benefit twice, to the detriment of consumers. On 28 November 2018, EDP Produção exercised its right to be heard and to defend itself in relation to the wrongful act was imputed and the sanctions it could incur, that is, it responded to the Note of Illegality.

On 18 September 2019, AdC informed EDP Produção of its decision to condemn, imposing a fine of 48 million Euros, for alleged abuse of dominant position in the secondary regulation band market in mainland Portugal between January 2009 and December 2013.

According to AdC, EDP Produção would have manipulated its offer of tele-regulation service or secondary regulation band, limiting the capacity offer of its CMEC power plants to offer it through its market power plants, benefiting in two ways:

- Highest compensation paid to CMEC plants (annual revisability), as their lower participation in the provision of secondary regulation band service would be below what would be expected (according to competitive market criteria); and
- The increase of the market price of the secondary bandwidth service, as a result of the limited supply by CMEC plants, favouring market-based power plants.

On 30 October 2019, EDP Produção filed an appeal against this decision before the Competition, Regulation and Supervision Court (TCRS), awaiting the AdC's counter-allegations. On 20 May 2020, EDP Produção was notified of an order from TCRS, which, among other things, admitted its Appeal of Judicial Contestation, establishing a purely return effect and determining the payment of the fine imposed within 20 days. In this context, EDP Produção submitted requests, invoking supervening facts to demonstrate the considerable damage associated with a putative payment of the fine, and arguing defects in the decision that determined the attribution of a merely devolutive effect to the Judicial Challenge Appeal. However, despite EDP Produção's well-founded convictions about the possibility of providing a bank guarantee or bond, instead of paying the fine, the TCRS ended up determining the payment of the fine, which occurred on 20 October 2021. The trial started in September 2021 and on 10 August 2022, the TCRS confirmed the AdC's decision, maintaining the fine of 48 million Euros to EDP Produção for alleged abuse of dominant position. EDP Produção filed an appeal against the aforementioned decision to the Lisbon Court of Appeal on 30 September 2022.

The EDP Group considers that EDP Produção did not abuse any dominant position, having acted strictly in accordance with the legal framework in force.

On 29 September 2021, EDP Produção was cited in a class action filed by Associação IUS Omnibus based on the alleged abuse of dominant position in the secondary regulation band market between the beginning of 2009 and the end of 2013, requesting, in representation of consumers, a compensation in the amount of 94.8 million euros, as estimated by AdC in the scope of process PRC/2016/05. EDP Produção has already presented its defense within the legal deadline established for that purpose.

ii) CMEC's revisibility overcompensation

On 20 October 2020, EDP Produção became aware, by letter sent by DGEG, of the dispatch of the SEAE regarding the approval of the revisibility for the year 2015, which is deducted in the amount of 72.9 million Euros, relating to the alleged overcompensation. In this respect, the EDP Group has registered a provision in the amount of 72.9 million Euros, and carried out a judicial appeal against the order of SEAE at the Administrative Court of the Lisbon Circle at 19 January 2021.

An order was issued, in which the court decided, among other things, to suspend the proceedings until a final decision is rendered in the administrative offense process 309/19.0YUSTR. The appeal filed by EDP Produção with the Lisbon Court of Appeal regarding this decision to suspend the proceedings is pending.

Hydro power plants of Fridão and Alvito

On 17 December 2008, EDP Produção and the Portuguese State signed the Contract for the Implementation of the National Program for High Hydroelectric Potential Power Plants (PNBEPH) regarding the Hydro Power Plants of Fridão (AHF) and Alvito (AHA), with the payment, by EDP Produção of 231,700 thousand Euros. Of this amount, 217,798 thousand Euros relates to the exclusive right to explore the AHF during the concession period.

EDP Produção followed up on the procedures for the implementation of these projects, having, in the case of the AHF, obtained a Favourable Environmental Impact Declaration and an Environmental Compliance Report of the Execution Project (RECAPE).

On 22 October 2013, EDP Produção requested to the Minister of the Environment, Land Management and Energy, based on a change of circumstances, to postpone the signing of the concession contract for the AHF. This request was formally rejected on 2 May 2014, and the terms of the concession contract, were subsequently negotiated between EDP Produção and the Portuguese Environmental Agency (APA) and a specific date for the respective signature for 30 September 2015, which was revoked by the Government without rescheduling a new date.

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In 2016, following the beginning of the XXI Constitutional Government, the Government Program provided the reassessment of the PNBEPH. In this context, it was suspended, for three years, the execution of the Contract for the implementation of the AHF, as well as was agreed the annulment of the implementation Contract regarding AHA, through a Memorandum of Understanding signed on 5 December 2016, concluded by an agreement between the Portuguese State and EDP Produção on 11 April 2017.

On 16 April 2019 EDP Produção received, by email, an official letter from the Ministry of the Environment and Energy Transition, dated 11 April 2019, informing the State's conclusion that there is no need for implementation of AHF to meet national targets for energy production from renewable sources and for reducing the emission of Greenhouse Gases, as well as "that the State does not find any reason to inhibit the construction of the Fridão Hydro Power Plant".

Simultaneously, the Minister of the Environment and Energy Transition (MATE) announced at the National Assembly, in a hearing at the Environment, Land-use Planning, Decentralization, Local Power and Housing Committee, that the State's decision was not to build the AHF and that "the State will always comply with the contract but believes there are no reasons for any repayment of the amount that was given to the State ten years ago". It acknowledged, however, that there was no agreement with EDP on this matter.

EDP Produção notified the Portuguese State to clarify that at no time did EDP express its intention to not proceed with the construction of power plants and to return all the investment already made, including the consideration paid on the provisional award, and, as well, to compensate it for other losses and damages resulting from the non-compliance, to be settled in a timely manner. The Group reclassified these Assets under construction to Other debtors and other assets and valued them in accordance with the principles defined in IFRS 9 (see note 22).

On 24 January 2020, EDP Produção initiated an arbitration process against the State in which it claimed its rights. The arbitration hearing sessions took place during the month of April 2021 and in July 2021 the closing arguments were presented. In July 2022, the competent Arbitration Decision was handed down, obliging the State to refund to EDP Produção the aforementioned amount of 217,798 thousand Euros, which concerns the exclusive right to explore the AHF during the concession period. The other requests by EDP Produção and the State were dismissed. On 7 October 2022, the Portuguese State filed an appeal against the aforementioned Arbitration decision.

Sale of real estate by E-Redes – Distribuição de Eletricidade, S.A.

In the 2009-2018 period, E-Redes – Distribuição de Eletricidade, S.A. (E-REDES) disposed a set of real estate that were unused for the activities of the various electricity distribution concessions, in the amount of approximately 52 million Euros, obtaining a total net value of gains of 33.9 million Euros (35.7 million Euros of gains and 1.7 million Euros of losses).

In the regulated accounts sent to ERSE in April 2018, E-REDES identified the amount to be returned into tariffs related to the depreciation of the properties that were sold in the period 2012-2017. ERSE did not consider this amount in the 2019 rates and submitted the topic for further analysis.

In the Tariffs for 2020, ERSE recognized the principle of profit sharing with the system and assumed the return into the tariffs of approximately 16.6 million Euros referring to half of the net gains obtained from the sale of real estate by E-Redes – Distribuição de Eletricidade, S.A. between 2009 and 2018, having mentioned that the position to be taken by the respective grantors of the Concession Contract for the National Distribution Network (RND) and the electricity distribution network concessions in BT may determine the revision of this amount.

E-Redes did not question the return to the tariff of half of the capital gains generated with the sale of real estate not allocated to any of the activities included in the RND concession and in the concessions of the municipal low voltage electricity distribution networks, having the respective representative on the ERSE Tariff Board voted in favor of this solution.

Subsequent to the publication of the Tariffs for 2020, in 17 December 2019, the Government approved an Order that stipulates that the total value of the gains generated by the sale of real estate by E-Redes – Distribuição de Eletricidade, S.A. between 2009 and 2018, and which were subject to remuneration for the tariffs, “reverts entirely to the grantor”, and should be “fully reflected in the electricity tariffs”.

On 17 March 2020, E-Redes – Distribuição de Eletricidade, S.A. initiated an arbitration process at the Commercial Arbitration Center, in which claims, moreover, (i) the principle of sharing benefits in this case, may not result in the granting ownership of all the gains generated from the sale of real estate; (ii) that the maintenance of the alienated properties would entail costs for the system, so that their alienation proves to be correct; (iii) that, in relation to all E-Redes real estate where no specific technical installations for each voltage level are installed, as is the case, it is not possible to make any distinction between the respective allocation to the RND concession, or to the municipal concessions for low voltage electricity distribution networks.

On 15 December 2020, the Regulator published the tariffs for 2021 and it was considered the return to the system of the remaining amount of 16.6 million Euros referring the net gains obtained from the sale of properties in the period between 2009 and 2018, in accordance with the Dispatch sent by MAAC, despite the ongoing arbitration process.

On 25 March 2022, the Arbitration Court issued its decision, which, in summary, results in an interpretation of the Concession Agreement, according to which the income resulting from the sale of the aforementioned real estate and which exceeds the global amount of accumulated depreciation must be recognized as income allowed to the concessionaire.

In accordance with the interpretation adopted regarding the RND Concession Agreement, the Arbitration Court decided that the amount of 27.9 million Euros, corresponding to the accumulated depreciation of the real estate transferred between 2009 and 2018, by E-REDES, for a total amount of around 52 million Euros. In view of the finality of this arbitration decision, E-REDES recorded in the first half of 2022 an income of 5.3 million Euros, which should be recovered in the 2023 tariffs and which results from the difference between the amount already returned to the tariffs (33.2 million Euros) and the amount that should have been returned in accordance with the arbitration decision (27.9 million Euros).

E-Redes acted in a transparent manner and within the framework of regulatory efficiency standards dictated by ERSE itself, as is evident from the values that have always been evidenced in the published Annual Reports and in the Regulated Accounts presented.

5. Financial risk management policies

The military conflict between Russia and Ukraine, which began on 24 February, is having several impacts, namely in the financial markets, due to the volatility it entails, the uncertainty it carries, in a time when Central Banks have been announcing and implementing measures such as the end of asset purchase programs and the hike of interest rates moving away from an accommodative monetary policy which has been in place in the last few years.

The Group regularly monitors the financial markets evolution and the market variables to which it has exposure, seeking to mitigate that exposure by maintaining a mix of interest rate with a high percentage of fixed rate, maintaining prudent levels of foreign exchange hedging, choosing carefully its main counterparties favoring high ratings and high levels of liquidity (cash and available credit lines). The Group has adjusted its Financial Risk Management Policies incorporating worst case scenarios sufficiently conservative, therefore adequate to the Group profile. However, given that the duration of the conflict and its global impacts are still unknown, the Group continues to monitor the risks, seeking to anticipate and manage possible additional impacts not currently contemplated.

Exchange-rate and interest rate risk management

Sensitivity analysis - exchange rate

Regarding the financial instruments that result in an exchange rate risk exposure, a fluctuation of 10% in the EUR/USD exchange rate, as at 30 September 2022 and 2021, would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

Thousand Euros	Sep 2022			
	Profit or loss		Equity	
	+10%	-10%	+10%	-10%
USD	30,974	-37,857	-64,058	78,293

Thousand Euros	Sep 2021			
	Profit or loss		Equity	
	+10%	-10%	+10%	-10%
USD	-11,674	14,268	-58,162	71,087

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

Sensitivity analysis - Interest rates (excluding the Brazilian operations)

Based on the Group's debt portfolio, except for Brazil, and the related derivative financial instruments used to hedge the related interest rate risk, a 50 basis points change in the reference interest rates at 30 September 2022 and 2021 would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

Thousand Euros	Sep 2022			
	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Cash flow effect:				
Hedged debt	-5,052	5,052	-	-
Unhedged debt	-8,420	8,420	-	-
Fair value effect:				
Cash flow hedging derivatives	-	-	8,148	-8,148
Trading derivatives (accounting perspective)	89	-89	-	-
	-13,383	13,383	8,148	-8,148

Thousand Euros	Sep 2021			
	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Cash flow effect:				
Hedged debt	-9,341	9,341	-	-
Unhedged debt	-792	792	-	-
Fair value effect:				
Cash flow hedging derivatives	-	-	9,329	-9,329
Trading derivatives (accounting perspective)	4,170	-4,170	-	-
	-5,963	5,963	9,329	-9,329

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

Brazil - Sensitivity analysis - exchange rate

Three Brazilian subsidiaries are mainly exposed to the USD/BRL exchange rate, arising from USD debt for which the exposure is completely offset by cross currency interest rate swaps.

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Brazil - Sensitivity analysis - Interest rates

Based on the portfolio of operations, a 25% change in the interest rates, to which the Brazilian subsidiaries are exposed to, would have an impact to EDP Energias do Brasil Group, at 30 September 2022 and 2021, in the amount of:

Thousand Euros	Sep 2022		Sep 2021	
	+ 25%	- 25%	+ 25%	- 25%
Financial instruments - assets	12,476	-12,440	6,031	-5,657
Financial instruments - liabilities	-150,178	134,727	-95,710	93,167
Derivative financial instruments	-17,035	18,626	-5,383	6,015
	-154,737	140,913	-95,062	93,525

Liquidity risk management

The EDP Group undertakes management of 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 programmes, allowing the EDP Group's short-term financing sources to be diversified (see note 27). Considering the military conflict between Russia and Ukraine, the Group assessed the potential impacts on additional liquidity needs, having concluded that the current Liquidity Risk Management Policy remains adequate.

The table below shows the contractual undiscounted cash flows and the estimated interests due, computed using the rates available at 30 September 2022:

Thousand Euros	Sep 2023	Dec 2023	Dec 2024	Dec 2025	Dec 2026	Following years	Total
Bank loans	806,565	94,596	403,337	416,993	71,936	764,461	2,557,888
Bond loans	1,303,100	813,478	2,514,645	1,939,285	2,123,582	3,819,863	12,513,953
Hybrid bond	30,463	-	-	-	-	3,750,000	3,780,463
Commercial paper	1,286,323	66,560	116,070	430,890	59,019	49,182	2,008,044
Other loans	5,762	698	2,719	1,827	1,848	30,785	43,639
Interest payments (i)	659,998	115,783	605,043	385,070	257,087	606,156	2,629,137
	4,092,211	1,091,115	3,641,814	3,174,065	2,513,472	9,020,447	23,533,124

(i) The coupons of the hybrid bonds were included taking into consideration the earliest possible call date.

Energy market risk management

The main price and volume risk indicator used is the margin at risk (P@R), which estimates the impact of the variation of the different risk factors (price of electricity and hydrological) on the next 24 month's margin, P@R corresponding to the difference between an expected margin and a margin of a pessimistic scenario with a probability to occur of 5% (confidence interval of 95%) considering a time frame of 2 months. Both the volumes which are certain and those, which although uncertain, are expected, namely production of the plants and the corresponding consumption of fuel, are considered. The P@R distribution by business segment is as follows:

Thousand Euros		P@R Distribution by business segment	
		Sep 2022	Dec 2021
Business	Portfolio		
Electricity	Trading	16,828	2,391
Electricity	Trading + Hedging	1,276,110	369,883
Gas	Hedging	153,015	77,363
Diversification effect		-45,030	-17,505
		1,400,923	432,132

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Regarding credit risk, the quantification of exposure considers the amount and type of transaction (e.g. swap or forward), the rating of the counterparty risk that depends on the probability of default and the expected value of credit to recover, which varies depending on the guarantees received or the existence of netting agreements. The EDP Group's exposure to credit risk rating is as follows:

	Sep 2022	Dec 2021
Credit risk rating (S&P)		
A+ to A-	31.25%	47.53%
BBB+ to BBB-	31.25%	34.70%
BB+ to B-	3.13%	0.00%
No rating assigned	34.37%	17.77%
	100.00%	100.00%

Brazil - Energy market risk management

For sensitivity analysis, the exposure of portfolio of operations is evaluated through 25% and 50% changes in the forward curve of market energy prices. Below shows the scenario with the highest probability of occurrence (25%).

Thousand Euros	Sep 2022		Dec 2021	
	+ 25%	- 25%	+ 25%	- 25%
Differences Settlement Price - PLD	763	-9	-1,795	1,795

6. Consolidation perimeter

During the nine-month period ended 30 September of 2022, the following changes occurred in the EDP Group consolidation perimeter:

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 Brasil, S.A. acquired 100% of the company Central Geradora Fotovoltaica Zebu Ltda.;
- EDP Renewables Europe, S.L.U. acquired 100% of the companies Szabadsolar, Kft., Sunflare Capture, Kft., Sunflare Expert, Kft., Napenergia, Kft., Aeolos Evias Energiaki, M.A.E., Fravezac, S.R.L. and EDP Renewables Germany GmbH;
- EDP Renewables Polska, Sp. z o.o. acquired 100% of the companies Farma Fotowoltaiczna Radziejów, Sp. z o.o., Farma Fotowoltaiczna Ujazd, Sp. z o.o., Farma Fotowoltaiczna Warta, Sp. z o.o., Farma Fotowoltaiczna Wielkopolska, Sp. z o.o., Farma Fotowoltaiczna Budzyn, Sp. z o.o., Farma Fotowoltaiczna Dobrzyca, Sp. z o.o. and Farma Fotowoltaiczna Tomaszów, Sp. z o.o.;
- EDP Comercial - Comercialização de Energia, S.A. acquired 100% of the company Youco F22-H416 Vorrats-GmbH;
- EDP Renováveis, S.A. acquired 100% of the company Parque Solar Fotovoltaico El Copey, S.A.S. E.S.P.;
- EDP Renewables Italia Holding, S.R.L. acquired 100% of the companies Solar Italy I, S.r.l., Solar Italy II, S.r.l. and Solar Italy IV, S.r.l.;
- EDP Renewables España, S.L.U. acquired 100% of the companies Rocio Hive, S.L., Palma Hive, S.L. and Pedregal Hive, S.L.;
- Sunseap Group Pte. Ltd. acquired 100% of the companies DKT Energy Investment Company Limited (including 12 subsidiaries), Long Dai Phat Investment Company Limited (including 7 subsidiaries), Dongguan Jiehuang New Energy Technology Co., Ltd., Heze Dechen new energy Co., Ltd., Hubei Jianghui New Energy Co., Ltd., Qingdao Xingqi Energy Co., Ltd., Tianjin Xingsheng Energy Development Co., Ltd., Weihai Deo New Energy Co., Ltd., Zhenjiang Ruichengda New Energy Co., Ltd. and Yancheng Qingneng Power Technology Co., Ltd.. Additionally, Sunseap Group Pte. Ltd. acquired a 18% stake in the company Thai Sunseap, in which it already held a 49% stake, increasing the participation in this company to a 67% stake and obtaining control over the company; and
- A 100% stake of four companies in North America was acquired.

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Additionally, the following companies were acquired in the scope of IFRS 3 – Business Combinations:

- EDP Energias do Brasil, S.A. acquired 99.99% of Celg Transmissão, later renamed EDP Transmissão Goiás S.A., for a value of 2,115 million Brazilian Reais (347 million Euros). With reference to the acquisition date, the book value of net assets in this portfolio amounted to 1,075 million Brazilian Reais (176 million Euros), and the evaluation is still in progress to determine the allocation of its fair value (see note 16);
- 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 EDP to set up up to 10 GW of solar projects, for a value of about 614 million Euros.

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

In addition, during the second quarter of 2022, EDP Renováveis, S.A. acquired a 2,04% stake in Sunseap Group Pte and, as of 30 June 2022, holds a 93.44% stake in the company.

In the third quarter of 2022, the remaining stake in Sunseap Group Pte. Ltd. has been acquired and therefore the stake held by EDP Renováveis, S.A. in this company increased to 100%;

- In the third quarter of 2022, Sunseap Group Pte. Ltd. acquired from Xuan Thien Group a 100% stake in the companies Xuan Thien Ninh Thuan JSC and Xuan Thien Thuan Bac JSC, which own operating solar PV projects located in Southeast Asia, for a value of about 198 million Euros.

With reference to the date of acquisition, the book value of the net assets of this portfolio amounted to 74 million Euros, and the evaluation to determine the allocation of its fair value is still in progress (see note 17);

- EDP Energia Polska acquired 100% of the company SOON Energy Polska sp z.o.o.; and
- A 100% stake of eighteen companies in North America was acquired (see note 17).

Sale of companies without loss of control:

- EDP España Renovables, S.L.U. sold 49% of its stake in Desarrollos Renovables de Teruel, S.L.

Sale of companies with loss of control:

- In the second quarter of 2022, EDP Inovação, S.A. sold 47% of the stake held in CEO - Companhia de Energia Oceânica, S.A., with the consequent loss of control, maintaining a 5% financial interest in that company that is recognised as an Equity Instrument at Fair Value through Other Comprehensive Income (see note 19).

Companies sold:

- The 100% stakes in 6 companies in North America were sold;
- In the second quarter of 2022, EDP Renewables Polska, Sp. Z o.o. sold its 100% stake in 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., Total shares proceeds for the transaction amount to 84,983 thousand Euros and the transaction has generated a gain of 51,982 thousand Euros (see note 8);
- In the second quarter of 2022, EDP Renovables España, S.L.U. sold its 100% stake in the companies Parc Eòlic Serra Voltorera, S.L.U. and Eólica La Janda, S.L.U., for an amount of 206,180 thousand Euros. The transaction generated a gain amounting to 42,596 thousand Euros (see notes 8 and 17); and
- In the third quarter of 2022, EDP Renewables Italia Holding, S.R.L. sold its 100% stake in the companies WinCap, S.r.l., TACA Wind, S.r.l., Conza Energia, S.r.l., Lucus Power, S.r.l., Brevia Wind, S.r.l. and Aria del Vento, as well as its 75% stake in the company San Mauro, S.r.l., for a total amount of 432,239 thousand Euros. The transaction generated a gain of 168,568 thousand Euros (see note 8).

Companies liquidated:

- The company Northeolic Monte Buño, S.L., in which Viesgo Renovables, S.L.U. held a 75% stake, was liquidated; and
- The companies Xuzhou Yiyundian New Energy Technology Co., Ltd. and Yuzhou Sunseap Energy Technology Co., Ltd., in which Sunseap Group Pte. Ltd. held a stake of 90,47% and 100%, respectively, were liquidated.

Companies merged:

- Merger of Eoliser - Serviços de Gestão para Parques Eólicos, Lda. into EDPR PT - Promoção e Operação, S.A.; and
- Merger of Fresco Redes International, S.L. and Fresco Redes Investments, S.L.U. into EDP Redes España, S.L.U.

Companies incorporated:

- EDPR Cross Solutions, S.A.;
- EDPR Korea, Ltd.;
- EDPR Sicilia Uno, S.r.l.;
- EDPR Sicilia Due, S.r.l.;
- 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.;
- Fotovoltaica Flutuante do Grande Lago, S.A.;
- Eoles Montjean, S.A.S.;
- H2 Soto, S.A.U.;
- H2 Aboño, S.A.U.;
- H2 Los Barrios, S.A.U.;
- ENERGIA I SPE S.A.;
- ENERGIA SPE II S.A.;
- Energia Solar II SPE LTDA.;
- Eólica da Coutada II, S.A.;
- Central Eólica Asas de Zabelê I, S.A.;
- Central Eólica Asas de Zabelê II, S.A.;
- Central Geradora Fotovoltaica Monte Verde Solar I, S.A.;
- Central Geradora Fotovoltaica Monte Verde Solar VI, S.A.
- Central Solar Zebu II, S.A.;
- Central Solar Zebu III, S.A.;
- Central Solar Zebu IV, S.A.;
- Central Solar Zebu V, S.A.;
- Central Solar Zebu VI, S.A.;
- Central Eólica Asas de Zabelê V, S.A.;
- Hytlantic, S.A., 28.5% of which is held through EDP Renewables SGPS; and
- 33 companies incorporated in North America.
- Central Eólica Asas de Zabelê VI, S.A.;
- Central Eólica Asas de Zabelê VII, S.A.;
- Central Solar Zebu VII, S.A.;
- Central Solar Zebu VIII, S.A.;
- Central Solar Zebu IX, S.A.;
- Central Solar Presidente JK II, S.A.;
- Central Solar Presidente JK III, S.A.;
- Central Solar Presidente JK IV, S.A.;
- Central Solar Presidente JK V, S.A.;
- Central Solar Presidente JK VI, S.A.;
- Central Solar Presidente JK VII, S.A.;
- Central Solar Presidente JK VIII, S.A.;
- Central Solar Presidente JK IX, S.A.;
- Central Solar Presidente JK X, S.A.;
- Central Solar Presidente JK XI, S.A.;
- Central Solar Presidente JK XII, S.A.;
- Central Eólica Asas de Zabelê III, S.A.;
- Central Eólica Asas de Zabelê IV, S.A.;
- Central Eólica Borborema I, S.A.;
- Central Eólica Borborema II, S.A.;
- Central Eólica Borborema III, S.A.;
- Central Eólica Borborema IV, S.A.;
- Central Eólica Itaúna I, S.A.;
- Central Eólica Itaúna II, S.A.;
- Central Eólica São Domingos I, S.A.;
- Central Eólica São Domingos II, S.A.;
- Central Eólica São Domingos III, S.A.;

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Other changes:

- EDP Renováveis, S.A. acquired 50% of the companies Lomartico Investments, Sp. z o.o., Medsteville Investments, Sp. z o.o. and Ondentille Investments, Sp. z o.o. These acquisitions have been considered as joint ventures in accordance with the terms of the Shareholders' Agreement signed between the parties, which evidence the existence of joint control of the company; and
- EDPR France Holding, S.A.S. acquired 51% of the company Centrale Eolienne D'Occey, S.A.S., which has been considered as a joint venture in accordance with the terms of the Shareholders' Agreement signed between the parties, which evidence the existence of joint control of the company.

7. Revenues and cost of Energy Sales and Services and Other

Revenues from energy sales and services and other, by sector, are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Sep 2021	Sep 2022	Sep 2021
Energy and access	14,942,782	9,199,937	6,018,722	2,220,192
Revenue from assets assigned to concessions	564,338	504,468	-	-
Other	339,794	296,134	456,042	227,345
	15,846,914	10,000,539	6,474,764	2,447,537

Revenues from energy sales and services and other, by geographical market, for the Group, are as follows:

Thousand Euros	Sep 2022					
	Portugal	Spain	Brazil	USA	Other	Group
Energy and access	6,220,033	5,507,326	1,795,389	481,673	938,361	14,942,782
Revenue from assets assigned to concessions	172,702	-	391,636	-	-	564,338
Other	108,567	43,928	157,078	23,251	6,970	339,794
	6,501,302	5,551,254	2,344,103	504,924	945,331	15,846,914

Thousand Euros	Sep 2021					
	Portugal	Spain	Brazil	USA	Other	Group
Energy and access	4,490,700	2,258,780	1,752,799	421,729	275,929	9,199,937
Revenue from assets assigned to concessions	170,839	-	333,629	-	-	504,468
Other	119,199	89,388	73,174	11,326	3,047	296,134
	4,780,738	2,348,168	2,159,602	433,055	278,976	10,000,539

The caption Energy and access in Portugal, on a consolidated basis, includes a net cost of 330,380 thousand Euros (revenue in 30 September 2021: 816,530 thousand Euros) regarding tariff adjustments of the period (see notes 21 and 31). This caption also includes, in Brazil, a net cost of 90,301 thousand Euros (30 September 2021: net revenue of 71,706 thousand Euros) related to recognition of tariff adjustments for the period in Brazil (see note 31).

Additionally, the caption Energy and network access includes, on a consolidated basis, a positive amount of 49,855 thousand Euros (30 September 2021: positive amount of 55,191 thousand Euros) related to the contractual stability compensation (CMEC) as a result of the power purchase agreements (PPA) termination, including an income of 12,669 thousand Euros related to the CMEC final adjustment (30 September 2021: positive amount of 13,451 thousand Euros), net from the recognised provision due to the final adjustment official approval.

The caption Others includes, on a consolidated and individual basis, 119,395 thousand Euros and 298,810 thousand Euros, respectively, related to the sale of CO2 licenses.

The caption Energy and network access, on a company basis, includes 1,551,539 thousand Euros (30 September 2021: 731,256 thousand Euros) related with energy sales under the purchase and sale agreement of evolutive energy between EDP, S.A. and EDP Comercial S.A.

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The breakdown of Revenues from energy sales and services and other by segment, are as follows (see note 40 - Operating Segments):

Thousand Euros	Sep 2022					
	Reported Operating Segments				Other Segments	Group
	Renewables	Networks	Client Solutions & Energy Managt.	Total		
Energy and access	1,345,313	503,649	13,093,853	14,942,815	-33	14,942,782
Revenue from assets assigned to concessions	-	564,213	125	564,338	-	564,338
Other	66,809	80,625	180,595	328,029	11,765	339,794
	<u>1,412,122</u>	<u>1,148,487</u>	<u>13,274,573</u>	<u>15,835,182</u>	<u>11,732</u>	<u>15,846,914</u>

Thousand Euros	Sep 2021					
	Reported Operating Segments				Other Segments	Group
	Renewables	Networks	Client Solutions & Energy Managt.	Total		
Energy and access	908,729	1,012,462	7,278,750	9,199,941	-4	9,199,937
Revenue from assets assigned to concessions	-	504,458	10	504,468	-	504,468
Other	46,120	98,019	139,498	283,637	12,497	296,134
	<u>954,849</u>	<u>1,614,939</u>	<u>7,418,258</u>	<u>9,988,046</u>	<u>12,493</u>	<u>10,000,539</u>

The segment "Client Solutions & Energy Management" includes sales of renewable energy, hydro and wind, carried out by EDP SA's energy management business unit, as part of its intermediation activity.

Revenues from energy sales and services and other by segment are considered globally as "overtime" and not as "at a point in time".

Cost of energy sales and other are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Sep 2021*	Sep 2022	Sep 2021
Cost of energy	8,348,488	5,066,244	4,816,713	1,812,419
Expenditure with assets assigned to concessions	433,690	418,436	-	-
Changes in inventories and cost of raw materials and Consumables used				
Fuel, steam and ashes	496,809	186,032	-	-
CO2 Licenses	728,589	210,084	318,503	100,531
Gas and other	1,507,170	431,061	1,185,196	665,740
	<u>2,732,568</u>	<u>827,177</u>	<u>1,503,699</u>	<u>766,271</u>
	<u>11,514,746</u>	<u>6,311,857</u>	<u>6,320,412</u>	<u>2,578,690</u>

* Includes restatement originated by changing the classification of the Social Tariff Costs as described in note 2a)

During 2022, EDP Group has been developing a global vision of energy management, creating a new structure for this purpose, called GEM ("Global Energy Management"). As a result, in September 2022, EDP S.A. and EDP Produção signed an agreement for the placing and management on the market, by EDP SA, of the energy produced by hydroelectric plants and combined cycle natural gas in Portugal of EDP Produção, thus assuming EDP S.A. the economic risk resulting from these activities. As a result of this agreement, with reference to 30 September 2022, and on an individual basis, part of the electricity purchase price hedge in the amount of 763,898 thousand Euros was discontinued, as the hedged future transactions will no longer occur.

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Cost of electricity includes, on a company basis, includes the cost of 1,682,562 thousand Euros (30 September 2021: 707,160 thousand Euros) with the purchase of energy under the agreement for management, purchase and resale of energy signed between EDP, S.A. and EDP Gestão da Produção de Energia, S.A.

The variation in the caption Gas and other costs essentially refers to the rise in the price of gas compared to the same period last year, also justifying the increase in the Inventories caption.

Under the terms of concession contracts of EDP Group to which IFRIC 12 is applicable, the construction activities are outsourced to external specialised entities. The revenue and the expenditure with the acquisition of these assets are as follows:

Thousand Euros	Group	
	Sep 2022	Sep 2021
Revenue from assets assigned to concessions	564,338	504,468
Expenditure with assets assigned to concessions		
Subcontracts and other materials	-376,826	-316,412
Personnel costs capitalised (see note 10)	-54,058	-56,505
Capitalised borrowing costs (see note 12)	-2,806	-45,519
	-433,690	-418,436

Revenue from assets assigned to concessions include 379,802 thousand Euros (30 September 2021: 293,165) relative to electricity distribution concessions in Portugal and in Brazil resulting from the application of the mixed model. Additionally, it also includes the revenue related to the asset to be received by EDP Group under the transmission concessions in Brazil (see note 21).

On an individual basis, the change in Revenues and cost of Energy Sales and Services and Other is explained by the high prices observed in the electricity and gas markets.

On a consolidated basis, the variation of the caption Revenues and cost of Energy Sales and Services and Other is explained not only for the fact identified above but also by the changes in consolidation perimeter that occurred when compared to the homologous period.

8. Other income

Other income, for the Group, are as follows:

Thousand Euros	Group	
	Sep 2022	Sep 2021
Income arising from institutional partnerships (see note 30)	173,893	123,128
Gains on disposals - electricity business assets - Asset Rotation	263,440	150,074
Gains from contractual indemnities and insurance companies	54,119	25,391
Other	130,705	159,556
	622,157	458,149

The caption Gains on disposals - electricity business assets - Asset Rotation corresponds to gains from asset rotation strategy. This strategy aimed at crystallizing the value of a project by selling with loss of control, and reinvesting the proceeds in another projects, targeting greater growth. Typically, the developer may retain the role of O&M supplier. As at 30 September 2022, the caption includes the gain in the amount of 42,596 thousand Euros resulting from the sale of two companies 100% owned by EDP Renovables España, S.L.U (see note 6), a gain of 51,982 thousand Euros, resulting from the sale of six companies fully owned by EDP Renewables Polska, Sp. z o.o. (see note 6), and a gain in the amount of 168,568 thousand Euros resulting from the sale of seven companies owned by EDP Renewables Italia Holding S.R.L. (see note 6).

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The caption Other includes gains on: i) reinsurance activity; ii) gains on the sale of property, plant and equipment; iii) changes in fair value of contingent prices of sales transactions; and iv) gain of 23 million Euros resulting from a favorable decision by the Regional Economic-Administrative Court of the Principality of Asturias in favor of EDP España relating to the fee for the use of the public hydric domain called "Canon hidráulico".

9. Supplies and services

Supplies and services are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Sep 2021	Sep 2022	Sep 2021
Consumables and communications	23,443	20,696	4,071	4,459
Rents and leases	41,441	27,102	3,053	3,606
Maintenance and repairs	301,277	239,234	20,625	13,555
Specialised works:				
- Commercial activity	126,322	100,786	-37	189
- IT services, legal and advisory fees	122,805	107,911	59,198	54,909
- Other services	59,120	45,229	24,499	20,907
Provided personnel	-	-	5,969	6,047
Other supplies and services	107,615	74,494	17,353	11,596
	782,023	615,452	134,731	115,268

10. Personnel costs and employee benefits

Personnel costs and employee benefits are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Sep 2021	Sep 2022	Sep 2021
Personnel costs				
Board of Directors remuneration	12,970	12,069	4,207	4,305
Employees' remuneration	422,673	362,612	37,947	34,649
Social charges on remuneration	99,691	88,991	9,514	8,550
Performance, assiduity and seniority bonus	81,812	68,191	12,450	12,486
Other costs	26,296	15,817	3,175	1,388
Own work capitalised:				
- Assigned to concessions (see note 7)	-54,058	-56,505	-	-
- Other (see note 14)	-83,359	-62,867	-6,848	-4,865
	506,025	428,308	60,445	56,513
Employee benefits				
Pension plans costs	15,980	14,049	1,229	1,235
Medical plans costs and other benefits (see note 28)	5,111	7,071	157	156
Pension plans past service cost (Curtailment/Plan amendments) (see note 28)		7,504		-
Other	42,963	34,704	3,000	3,296
	64,054	63,328	4,386	4,687
	570,079	491,636	64,831	61,200

Pension plans costs include 2,956 thousand Euros (30 September 2021: 2,568 thousand Euros) related to defined benefit plans (see note 28) and 13,024 thousand Euros (30 September 2021: 11,481 thousand Euros) related with defined contribution plans.

During the first semester of 2022, EDP Group distributed treasury stocks to employees (736,991 shares) totaling 3,272 thousand Euros.

11. Other expenses

Other Expenses are as follows:

Thousand Euros	Group	
	Sep 2022	Sep 2021*
Concession rents paid to local authorities and others	215,808	211,113
Direct and indirect taxes	319,222	231,516
Donations	15,368	15,746
Other	98,145	93,711
	648,543	552,086

* Includes restatement originated by changing the classification of the Social Tariff Costs as described in note 2a)

The caption Concession rents paid to local authorities and others includes essentially the rents paid to the local authorities under the terms of the low tension electricity distribution concession contracts and rents paid to city councils where the power plants are located.

The increase in the caption Direct and indirect taxes essentially results from the new taxes on generation in Spain, as a result of the legislation issued in September 2021 to reduce the impact of the high price of gas on the sale price of generation and the regulatory changes in Spain regard to the Social Tariff in 2022 and in Romania regarding to clawback to the inframarginal generation in 2022.

The caption Other includes, essentially: i) losses on the reinsurance activity; and ii) losses on the sale of property, plant and equipment.

12. Financial income and expenses

Financial income and expenses, for the Group, are as follows:

Thousand Euros	Group	
	Sep 2022	Sep 2021
Financial income		
Interest income from bank deposits and other investments	50,671	9,593
Interest from derivative financial instruments	21,148	12,460
Interest income on tariff deficit:		
- Portugal - Electricity (see note 21)	43	2,227
- Brazil - Electricity (see note 31)	13,889	4,844
Other interest income	48,297	37,103
Derivative financial instruments	169,221	44,817
Foreign exchange gains	315,903	85,288
CMEC:		
- Interest on the initial CMEC	17,963	20,502
- Financial effect considered in the calculation	5,117	5,392
Other financial income	31,881	77,209
	674,133	299,435
Financial expenses		
Interest expense on financial debt	505,156	375,285
Bonds buyback	-	24,248
Capitalised borrowing costs:		
- Assigned to concessions (see note 7)	-2,806	-45,519
- Other (see note 14)	-25,624	-23,710
Interest from derivative financial instruments	94,167	19,511
Interest expense on tariff deficit:		
- Portugal - Electricity (see note 31)	1,358	6
- Brazil - Electricity (see note 31)	15,807	1,884
Other interest expense	22,836	16,152
Derivative financial instruments	149,621	19,649
Foreign exchange losses	288,620	99,194
CMEC	3,924	5,762
Unwinding of discounted liabilities	112,197	93,481
Unwinding of lease liabilities (see note 32)	31,848	28,020
Net interest on the net pensions plan liability (see note 28)	4,304	2,474
Net interest on the medical liabilities and other benefits (see note 28)	11,580	10,009
Other financial expenses	41,438	29,259
	1,254,426	655,705
Financial income/(expenses)	-580,293	-356,270

Capitalised borrowing costs includes the interest capitalised in assets under construction according to Group accounting policy. Regarding the rate applicable to borrowing costs related with tangible/intangible assets under construction that is used in the determination of the amount of borrowing costs eligible for capitalisation (see notes 14 and 16), it varies depending on business unit, the country and currency, since EDP Group incorporates in its scope of consolidation a significant number of subsidiaries in several geographies with different currencies.

The costs related to the Unwinding liabilities at discounted value refer essentially to: (i) the financial update of the provision for dismantling and decommissioning of production assets in the amount of 4,890 thousand Euros (30 September 2021: 3,481 thousand Euros) (see note 29); (ii) the implied financial return in institutional partnerships of 73,211 thousand Euros (30 September 2021: 57,628 thousand Euros) (see note 30); and (iii) the financial expenses related to the discount of the liability associated to the concessions of Alqueva/Pedrógão, Investco and Enerpeixe of 17,833 thousand Euros (30 September 2021: 21,437 thousand Euros).

The Derivative financial instruments caption includes income and expenses related with financial assets and liabilities measured and fair value through profit and loss, while the remaining captions of financial income and expenses are registered at amortised cost, based on the effective interest rate method.

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In the third quarter of 2021, under the agreement entered into with Sonatrach with a view to ending commercial relations between the companies, it was agreed a debt cancellation that EDP had with Sonatrach companies in the amount of 79 million of Euros for a payment of 15 million Euros. The impact of this operation is included in the Caption Other Financial Income.

Financial income and expenses, for the Company, are as follows:

Thousand Euros	Company	
	Sep 2022	Sep 2021
Financial income		
Interest income from loans to subsidiaries and related parties (see note 37)	25,364	28,472
Interest from derivative financial instruments	69,819	60,714
Derivative financial instruments	633,456	144,578
Income from equity investments (see note 37)	270,843	64,979
Other financial income	38,480	36,649
	1,037,962	335,392
Financial expenses		
Interest expense on financial debt	162,299	142,190
Interest from derivative financial instruments	80,486	76,251
Derivative financial instruments	618,523	122,558
Unwinding of lease liabilities	3,465	3,452
Other financial expenses	48,732	9,591
	913,505	354,042
Financial income/(expenses)	124,457	-18,650

The caption Other financial income includes 11,283 thousand Euros related to nominal interests from bonds issued by EDP Finance B.V., repurchased by EDP S.A. (see notes 22 and 37). The effective interest of these instruments amounts to 900 thousand Euros (includes the recognition of premium and transaction costs associated with the buyback transaction by the effective interest rate method).

The fluctuation on Other financial income and expenses, on an individual basis, is mainly explained by the impact of the foreign exchange of the American Dollars.

13. Income tax

The following note includes an analysis on the reconciliation between the theoretical and the effective income tax rate applicable at an individual level and at the level of the EDP Group, on a consolidated basis. In general terms, this analysis aims to quantify the impact of the income tax, recognised in the income statement, which includes both current and deferred tax.

Relevant events for EDP Group with impact in 2022

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

	Sep 2022	Sep 2021
Netherlands	25.8%	25%
France	25%	26.5%-27.5%

Corporate income tax provision

Income tax expense is as follows:

Thousand Euros	Group		Company	
	Sep 2022	Sep 2021	Sep 2022	Sep 2021
Current tax	-36,320	-244,425	48,708	79,853
Deferred tax	-192,114	7,398	-2,309	21,422
	-228,434	-237,027	46,399	101,275

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Reconciliation between the theoretical and the effective income tax expense

The effective income tax rate is as follows:

Thousand Euros	Group		Company	
	Sep 2022	Sep 2021	Sep 2022	Sep 2021
Profit before tax and CESE	1,246,805	999,146	55,101	-350,351
Income tax expense	-228,434	-237,027	46,399	101,275
Effective income tax rate	18.3%	23.7%	-84.2%	28.9%

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

The reconciliation between the theoretical and the effective income tax expense for the Group, in September 2022 and 2021, is as follows:

Thousand Euros	Sep 2022	Sep 2021
Profit before income tax and CESE	1,246,805	999,146
Theoretical income tax rate *	29.5%	29.5%
Theoretical income tax expense	367,807	294,748
Different tax rates (includes state surcharge) and CIT rate changes	-54,164	-16,226
Tax losses and tax credits	-35,358	-211
Tax benefits	-12,217	-18,600
Differences between accounting and fiscal provisions/depreciations	9,689	15,169
Accounting/fiscal differences on the recognition/derecognition of assets	1,601	-7,554
Taxable differences attributable to non-controlling interests	-13,086	-10,696
Other adjustments and changes in estimates	-35,838	-19,603
Effective income tax expense as per the Consolidated Income Statement	228,434	237,027

* Average tax rate considering the different tax rates applicable to EDP Group companies in Portugal.

14. Property, plant and equipment

This caption is as follows, for the Group:

Thousand Euros	Land and natural resources	Buildings and other construct.	Plant and machinery	Other tangible assets	Assets under construct.	Total
Gross Amount	99,705	422,662	39,690,644	622,148	4,748,685	45,583,844
Accumulated depreciation and impairment losses	-	191,097	20,132,739	484,500	71,409	20,879,745
Carrying Amount at 30 September 2022	99,705	231,565	19,557,905	137,648	4,677,276	24,704,099
Balance as at 31 December 2021	76,453	206,776	18,065,311	145,917	2,604,784	21,099,241
Additions	14,993	296	61,758	13,652	2,393,711	2,484,410
Depreciation and impairment	-	-6,737	-735,915	-34,981	-	-777,633
Disposals/Write-offs	-113	-206	-2,265	-1,537	-16,664	-20,785
Transfers	-	9,054	402,595	9,227	-651,318	-230,442
Exchange Difference	8,513	22,176	1,431,225	2,385	321,057	1,785,356
Perimeter Variations and Other	-141	206	335,196	2,985	25,706	363,952
Balance as at 30 September 2022	99,705	231,565	19,557,905	137,648	4,677,276	24,704,099

Gross amount of Assets under construction are as follows:

Thousand Euros	Sep 2022	Dec 2021
Wind and solar farms in North America	2,359,281	1,079,633
Wind and solar farms in Europe	894,948	824,808
Wind and solar farms in South America	1,073,820	509,951
Hydric Portugal	46,822	43,123
Other assets under construction	373,814	221,176
	4,748,685	2,678,691

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The capitalised costs for Property, plant and equipment for the period, except Land and natural resources, are as follows:

Thousand Euros	Sep 2022	Dec 2021
Subcontracts and other materials	2,278,791	2,625,744
Purchase price allocation	73,816	70,622
Dismantling and decommissioning costs (see note 29)	7,827	29,525
Personnel costs (see note 10)	83,359	93,494
Borrowing costs (see note 12)	25,624	33,086
	2,469,417	2,852,471

Additions mainly include the investment in wind and solar farms in North America, South America and Europe.

Transfers include the transfer of some Europe and Brazil onshore wind assets to non-current assets held for sale (see note 34).

The movement in Exchange differences in the period results mainly from the appreciation of US Dollar and Brazilian Real, against the Euro.

Perimeter Variations and Other mainly include the increase resulting from the acquisitions of solar distributed generation portfolios in Southeast Asia and North America and the impact of the sale of onshore wind portfolios in Poland and Italy (see note 6).

15. Right-of-use assets

This caption is as follows, for the Group:

Thousand Euros	Land and natural resources	Buildings and other construct.	Plant and machinery	Other tangible assets	Total
Gross amount	1,046,980	310,276	234,819	13,296	1,605,371
Accumulated depreciation and impairment losses	111,248	85,522	70,503	7,472	274,745
Carrying Amount at 30 September 2022	935,732	224,754	164,316	5,824	1,330,626
Balance as at 31 December 2021	668,692	197,310	136,764	4,263	1,007,029
Additions	179,563	42,935	37,432	3,703	263,633
Depreciation and impairment	-24,880	-19,400	-32,970	-2,152	-79,402
Disposals/Write-offs	-892	-108	-	-21	-1,021
Transfers	-	-28	-	-111	-139
Exchange Difference	83,964	4,061	23,090	142	111,257
Perimeter Variations	29,285	-16	-	-	29,269
Balance as at 30 September 2022	935,732	224,754	164,316	5,824	1,330,626

Additions include, essentially, new lease contracts registered, under IFRS16, in North America and Europe.

Perimeter Variations include an increase of 38.941 thousand Euros related with the acquisition of a solar distributed generation portfolio in Southeast Asia and a decrease of 9.705 thousand Euros due to the sale of an operating wind portfolio located in Italy (see note 6).

16. Intangible assets

This caption is as follows, for the Group:

Thousand Euros	Concession rights	CO2 Licenses	Other intangibles	Intangible assets in progress	Total
Gross amount	12,981,503	89,779	2,201,830	254,395	15,527,507
Accumulated depreciation and impairment losses	9,867,935	-	823,823	-	10,691,758
Carrying Amount at 30 September 2022	3,113,568	89,779	1,378,007	254,395	4,835,749
Balance as at 31 December 2021*	2,930,179	213,938	1,409,380	203,996	4,757,493
Additions	1,599	457,117	1,497	85,052	545,265
Depreciation and impairment	-295,231	-	-69,846	-	-365,077
Disposals/Write-offs	-4,699	-581,276	-47	-1,316	-587,338
Transfers	192,152	-	32,470	-36,741	187,881
Exchange Difference	86,441	-	10,269	3,921	100,631
Perimeter Variations and Other	203,127	-	-5,716	-517	196,894
Balance as at 30 September 2022	3,113,568	89,779	1,378,007	254,395	4,835,749

* Includes restatement originated by the change in the classification of Green Certificates as described in note 2a).

Additions of CO2 Licenses includes 242,910 thousand Euros referring to CO2 Licenses granted free of charge to EDP Group power plants operating in Portugal and Spain and 214,207 thousand Euros of licenses purchased in the market for own consumption. Disposals/Write-offs essentially includes the delivery in April 2022 of the 2021 consumption licenses.

Additions of Intangible assets in progress essentially include the implementation and development of information systems projects.

Transfers essentially refer to the intangible assets assigned to concessions that became operational, in the amount of 187,901 thousand Euros (see note 21).

Regarding Concession rights, the Perimeter Variations and Other mainly include the preliminary impacts of the acquisition of a portfolio of transmission assets in Brazil (see note 6). The amount recognized is based on a preliminary assessment and an external assessment to determine the allocation of the respective fair value is in progress.

17. Goodwill

Goodwill for the Group, resulting from the difference between the acquisition price and the fair value of the net assets acquired, at the acquisition date, is organized by segment, and is as follows:

Thousand Euros	Renewab.	Networks	Client Solutions & Energy Manag.	Total
Balance as at 31 December 2021	1,693,296	673,834	12,256	2,379,386
Increases	630,586	-	9,985	640,571
Decreases	-52,480	-	-	-52,480
Exchange differences	168,402	-	-207	168,195
Balance as at 30 September 2022	2,439,804	673,834	22,034	3,135,672

Renewables

Increases in goodwill refer to the acquisition of solar generation portfolios in Southeast Asia and North America (see note 6).

The decreases include the impact of 51,761 thousand Euros resulting from the sale of an onshore wind portfolio in Spain (see note 6).

Client Solutions & Energy Management

The increase in goodwill is related with the acquisition of the company SOON Energy Polska sp z.o.o. (see note 6).

18. Investments in joint ventures and associates

This caption is as follows:

Thousand Euros	Group	
	Sep 2022	Dec 2021
Investments in joint ventures	1,547,893	1,140,454
Investments in associates	276,171	209,991
	1,824,064	1,350,445

As at 30 September 2022, for the Group, this caption includes goodwill in investments in joint ventures of 8,047 thousand Euros (31 December 2021: 8,047 thousand Euros) and goodwill in investments in associates of 28,517 thousand Euros (31 December 2021: 27,647 thousand Euros).

The movement in Investments in joint ventures and associates, for the Group, is as follows:

Thousand Euros	Group
	Sep 2022
Balance at the beginning of the period	1,350,445
Acquisitions/Entries	10,041
Increases/Decreases of share capital	-2,727
Share of profit for the period and capital gains from disposals	141,505
Dividends	-58,258
Exchange differences	172,900
Cash flow hedging reserve	105,090
Transfer to Assets held for sale (see note 34)	95,281
Other	9,787
Balance at the end of the period	1,824,064

The movement in Exchange differences in the period results mainly from the appreciation of US Dollar and Brazilian Real, against the Euro.

19. Equity instruments at fair value

As at 30 September 2022, the movements in Equity Instruments measured at Fair Value are as follows:

Thousand Euros	Group	
	Sep 2022	Dec 2021
Equity Instruments at Fair Value through Other Comprehensive Income (OCI)	133,553	126,827
Equity Instruments at Fair Value through Results (PL)	73,474	63,115
	207,027	189,942

Under IFRS 13 (see note 38), equity instruments at fair value are classified into three levels of fair value: level 1 includes essentially financial investments that are indexed to quoted market prices; level 2 includes the fund of stocks and bonds held by Energia RE; and level 3 covers all other equity instruments at fair value. As at 30 September 2022, there are no equity instruments at fair value within level 1.

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As at 30 September 2022, this caption is analysed as follows:

	Other Comprehensive Income		Results			Total
	Mercer and Dunas (Energ. RE portfolio)	Other	EDA Electricid. dos Açores, S.A.	Feedzai - Consult. e Inov. Tecn., S.A.	Other	
Thousand Euros						
Balance as at 31 December 2021	95,811	31,016	16,055	38,607	8,453	189,942
Acquisitions	-	25,177	-	-	4,103	29,280
Disposals	-	-776	-	-	-	-776
Change in fair value (see note 25)	-15,215	-2,898	-	-	6,177	-11,936
Other variations	-	438	-	-	79	517
Balance as at 30 September 2022	80,596	52,957	16,055	38,607	18,812	207,027

20. Deferred tax assets and liabilities

EDP 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 September 2022, on a consolidated basis, the movements by nature of Deferred Tax Assets and Liabilities are as follows:

Deferred Tax Assets					
	Balance at 31 December	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 30 September
Thousand Euros					
Tax losses and tax credits	1,205,963	116,917	-	146,063	1,468,943
Provisions for social benefits, bad debts and other risks	634,198	-44,488	-74,300	22,588	537,998
Financial instruments	841,687	-446,577	1,422,017	4,054	1,821,181
Property plant and equipment and intangible assets	353,664	-18,817	-	2,624	337,471
Financial and equity instruments at fair value	1,953	-	-2,810	173	-684
Tariff adjustments and tariff deficit	14,370	-11,580	-	1,655	4,445
Allocation of fair value to assets and liabilities acquired	32,445	-34,017	-	6	-1,566
Fiscal revaluations	265,678	-32,324	-	163	233,517
Use of public property (Brazil)	27,308	1,372	-	5,516	34,196
Other temporary differences	74,041	13,856	425	21,312	109,634
Assets/liabilities compensation of deferred taxes	-1,942,215	-57,794	3,262	-403,498	-2,400,245
	1,509,092	-513,452	1,348,594	-199,344	2,144,890

Deferred Tax Liabilities					
	Balance at 31 December	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 30 September
Thousand Euros					
Provisions for social benefits, bad debts and other risks	19,598	280	-3,795	468	16,551
Financial instruments	609,846	-327,582	622,163	3,410	907,837
Property plant and equipment and intangible assets	374,109	7,966	-	43,989	426,064
Reinvested gains	3,705	-23	-	-1	3,681
Financial and equity instruments at fair value	7,248	-	-	1,585	8,833
Tariff adjustments and tariff deficit	16,078	-9,462	-	-	6,616
Allocation of fair value to assets and liabilities acquired	1,112,469	31,893	-	119,301	1,263,663
Fiscal revaluations	52,589	-2,096	-	3,032	53,525
Deferred income relating to CMEC	184,665	4,504	-	-	189,169
Gains from institutional partnerships in wind farms	383,910	13,471	-113	63,308	460,576
Use of public property (Brazil)	6,919	-532	-	1,363	7,750
Fair value of financial assets (Brazil)	69,235	19,141	-	14,592	102,968
Other temporary differences	90,922	-1,104	14,700	2,360	106,878
Assets/liabilities compensation of deferred taxes	-1,942,215	-57,794	3,262	-403,498	-2,400,245
	989,078	-321,338	636,217	-150,091	1,153,866

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On a Company basis, EDP, S.A. records the tax effect arising from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As at 30 September 2022, on a Company basis, the movements by nature of Deferred Tax Assets and Liabilities are as follows:

Deferred Tax Assets					
Thousand Euros	Balance at 31 December	Mov. Results	Mov. Reserves	Others	Balance at 30 September
Tax losses and tax credits	163,078	1,035	-	-	164,113
Provisions for social benefits, bad debts and other risks	8,125	-1,072	-30	-	7,023
Financial instruments	225,545	-	623,682	-	849,227
Property plant and equipment	2,025	-171	-	-	1,854
Other temporary differences	246	-	-	2,701	2,947
Assets/liabilities compensation of deferred taxes	-361,801	-74,664	-	-	-436,465
	37,218	-74,872	623,652	2,701	588,699

Deferred Tax Liabilities					
Thousand Euros	Balance at 31 December	Mov. Results	Mov. Reserves	Others	Balance at 30 September
Financial instruments	350,009	-	70,168	-	420,177
Allocation of fair value to assets and liabilities acquired	3,546	-	-	2,395	5,941
Fiscal revaluations	179	-15	-	-	164
Other temporary differences	8,067	2,116	-	-	10,183
Assets/liabilities compensation of deferred taxes	-361,801	-74,664	-	-	-436,465
	-	-72,563	70,168	2,395	-

21. Debtors and other assets from commercial activities

At Group level, Debtors and other assets from commercial activities are as follows:

Thousand Euros	Non-Current		Current	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Assets measured at amortised cost:				
Amounts receivable from tariff adjustments - Electricity - Portugal	1,832	7,328	21,213	62,755
Amounts receivable from tariff adjustments - Electricity - Brazil (see note 31)	13,029	124,604	24,910	101,928
Debtors for other goods and services	-	-	66,642	39,134
Amounts receivable relating to CMEC	373,288	432,293	243,019	225,441
Amounts receivable from concessions - IFRIC 12	906,587	275,782	1,089,043	933,106
Other assets measured at amortised cost	199,341	118,955	335,945	404,138
Impairment losses on other assets measured at amortised cost	-92	-71	-2,440	-2,370
	1,493,985	958,891	1,778,332	1,764,132
Trade receivables at amortised cost:				
Trade receivables	94,366	32,856	2,207,557	1,939,214
Impairment losses on trade receivables	-8,233	-3,225	-269,728	-232,100
	86,133	29,631	1,937,829	1,707,114
Assets measured at fair value through other comprehensive income:				
Amounts receivable from tariff adjustments - Electricity - Portugal	138	483	1,795	563,563
Assets measured at fair value through profit or loss:				
Amounts receivable from concessions - IFRIC 12	1,020,359	693,785	-	-
Contract assets:				
Contract assets receivable from energy sales contracts	962	617	1,517,015	1,729,885
Contract assets receivable from concessions - IFRIC 12	762,914	921,412	-	-
	763,876	922,029	1,517,015	1,729,885
Other assets:				
Incremental costs of obtaining contracts with customers	32,128	34,130	7,703	-
Other assets from commercial activities	21,992	29,557	193,144	163,310
	54,120	63,687	200,847	163,310
	3,418,611	2,668,506	5,435,818	5,928,004

At Company level, Debtors and other assets from commercial activities are as follows:

Thousand Euros	Current	
	Sep 2022	Dec 2021
Assets measured at amortised cost:		
Debtors for other goods and services	48,042	38,753
Other assets measured at amortised cost	59,534	252,319
Impairment losses on other assets measured at amortised cost	-3	-2
	107,573	291,070
Trade receivables at amortised cost:		
Trade receivables	860,900	897,757
Impairment losses on trade receivables	-245	-226
	860,655	897,531
Contract assets:		
Contract assets receivable from energy sales contracts	794,295	850,819
Other assets:		
Other assets from commercial activities	19,147	8,516
	1,781,670	2,047,936

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The movement for the period in Amounts receivable from tariff adjustments - Electricity - Portugal (Non-current and Current) is as follows:

Thousand Euros	Non-Current	Current
Balance as at 31 December 2021	7,811	626,318
Receipts through the electricity tariff	-	-49,388
Securitization of tariff deficit	-	-558,000
Tariff adjustment of the period (see note 7)	145,711	-
Tariff adjustment of 2021	-	-1,803
Financial expenses (see note 12)	-	43
Transfer to/from tariff adjustment payable (see note 31)	-145,711	-3
Transfer from Non-Current to Current	-5,841	5,841
Balance as at 30 September 2022	1,970	23,008

The tariff deficit securitization results from 4 individual transactions carried out during the first quarter of 2022, by SU Eletricidade, S.A., in the total amount of Euro 558 million of the 2021 tariff deficit. This tariff deficit results from the 5-year deferral of the recovery of the 2021 overcost related with the acquisition of energy from special regime generators (including adjustments for 2019 and 2020). In this sale transaction of assets, SU Eletricidade, S.A., gave in fully and without recourse, the right to receive such amounts and interest. The sale price amounted to 562 million Euros.

The tariff adjustment of the period, in the amount of 145,711 thousand Euros, refers to the amount to be recovered related to the Purchase and Sale of Electricity for Customers Supply and has been reclassified to Trade payables and other liabilities from commercial activities, since the tariff adjustment corresponds in its entirety to an amount to be returned (see note 31).

As at 30 September 2022, the caption Assets measured at fair value through other comprehensive income includes the amount of the tariff deficit classified and measured at fair value through other comprehensive income. According to IFRS 13, the tariff deficit fair value is classified as level 2 (see note 38).

The following table provides details for the caption Amounts receivable from tariff adjustments - Electricity - Portugal, by nature and year of establishment, as well as presents the amounts of tariff deficit that have been sold during the period ended 30 September 2022:

Thousand Euros	Deficit	Tariff adj.	Sales	Total
Year:				
2018	629	-	-	629
2019	546	-	-	546
2020	51	14,261	-	14,312
2021	558,708	8,783	-558,000	9,491
	559,934	23,044	-558,000	24,978

The caption Amounts receivable relating to CMEC is detailed as follows:

Thousand Euros	Non-Current	Current
Initial CMEC	254,435	50,078
Final adjustment	118,853	90,422
Revisibility 2014 - 2017 *	-	102,519
	373,288	243,019

* The revisibility calculation for 2016 to 2017 is still waiting the official approval.

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The movement of the period in the captions Amounts receivable from concessions - IFRIC 12 and Contract assets receivable from concessions - IFRIC 12 is as follows:

Thousand Euros	Amounts receivable	Contract assets
Balance as at 31 December 2021	1,902,673	921,412
Investments of the period	-	429,229
Transfer to intangible assets (see note 16)	-	-187,901
Transfer between Amounts receivable and Contract assets	645,426	-645,426
Exchange differences	223,006	151,889
Perimeter variations and others	244,884	93,711
Balance as at 30 September 2022	3,015,989	762,914

The Perimeter variations and others in the caption Amounts receivable from concessions - IFRIC 12 includes the impact of the acquisition of a portfolio of transmission assets in Brazil in the amount of 205,376 thousand Euros.

Contract assets receivable from energy sales contracts - Current include contract assets relating to energy delivered and not yet invoiced, amounts receivable from REN regarding the CMEC Revisibility of 2016 and 2017 which are awaiting approval, and accruals from UNGE's energy management business. The impairment losses on Trade receivables includes impairment losses related to Contract assets receivable from energy sales contracts.

22. Other debtors and other assets

Other debtors and other assets are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Debtors and other assets - Non-Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	1,398,554	1,703,778
Loans to related parties	201,006	173,267	90	90
Guarantees rendered to third parties	126,811	102,766	-	-
Other financial assets at amortised cost (i)	2,401	8,002	257,575	512,042
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	1,671,842	712,710	3,831,050	1,439,961
Contingent price	163,939	155,216	-	-
Other assets:				
Excess of the pension fund financing (see note 28)	63,065	13,268	42	42
Other debtors and sundry operations	362,456	675,918	89,655	89,654
	2,591,520	1,841,147	5,576,966	3,745,567
Debtors and other assets - Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	823,899	968,218
Loans to related parties	573,597	100,261	-	-
Guarantees rendered to third parties	1,171,996	640,380	797,995	466,453
Subsidiary companies	-	-	214,100	249,800
Other financial assets at amortised cost (i)	9,567	16,171	379,653	280,060
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	3,494,422	1,640,616	6,904,790	3,852,144
Other financial investments measured at fair value	59,138	1,858	-	-
Contingent price	1,604	4,004	-	-
Other assets:				
Other debtors and sundry operations	500,472	407,565	-	-
	5,810,796	2,810,855	9,120,437	5,816,675
	8,402,316	4,652,002	14,697,403	9,562,242

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Loans to subsidiaries - Non-Current and Current, for the Company, mainly includes 1,806,015 thousand Euros (31 December 2021: 1,503,659 thousand Euros) of loans granted to E-Redes – Distribuição de Eletricidade, S.A. (see note 37).

For the Loans to subsidiaries, EDP S.A. performs an analysis to evaluate impairment based on the general approach. The company uses several inputs on making its assessment of the credit risk related to these assets, such as the analysis of the historical possible delays and/or impairment losses indications, companies rating (when applicable) and market and macroeconomic data that may change the probability of default and the expectation of delays in the receivable amounts. According to the analysis performed, as per 30 September 2022 there are no expected credit losses accounted for related to loans with subsidiaries.

The variation of the caption Loans to related parties - Current, on a consolidated basis, is mainly due to new loans granted to OW FS Offshore, S.A. in the amount of 535,841 thousand Euros, being the total amount of loans granted 543,409 thousand Euros at 30 September 2022.

The variation in the item Guarantees rendered to third parties is essentially explained by the significant increase in electricity and gas prices, which originated the need to reinforce collateral/guarantees usually requested for transactions in these markets.

(i) Other financial assets at amortised cost

On a consolidated basis, this caption mainly includes securities issued by Tagus - Sociedade de Titularização de Créditos, SA, in the context of the transmission of the right to receive tariff adjustments (deviations and deficits) from the National Electric System for credit securitisation companies, acquired by SU Eletricidade, S.A. The detail of the balances arising from these operations is as follows:

Thousand Euros	Issue date	Class R Notes	Liquidity Notes	Senior Notes	Total
Overcost from special regime production 2017	Dec 2017	112	-	-	112
Overcost from special regime production 2018	Jun 2018	188	129	3,447	3,764
Overcost from special regime production 2019	Jun 2019	353	215	7,473	8,041
		653	344	10,920	11,917

On a company basis, this caption includes the bonds issued by EDP Finance B.V. reacquired on market by EDP S.A.

During the first quarter of 2022, EDP Finance B.V. repaid, at maturity, an emission of 858 million Euros, of which EDP S.A. had already reacquired 142,141 thousand Euros.

The detail of these bonds is as follows:

Issuer	Maturity date	Currency	Interest rate	Nominal value in Currency '000	Acquired in Currency '000	Fair Value '000
EDP Finance B.V.	23 Dec 2022	EUR	Fixed rate (i)	93,357	53,357	54,495
EDP Finance B.V.	23 Mar 2023	EUR	2.38%	488,832	111,168	110,840
EDP Finance B.V.	29 Sep 2023	EUR	1.88%	462,465	137,535	135,830
EDP Finance B.V.	12 Feb 2024	EUR	1.13%	743,804	256,196	249,699

(i) This issue corresponds to private placements.

The variation of the caption Other debtors and sundry operations - Current is mainly due to the receiving of the amount from the sale of the companies Eólica do Sincelo, S.A. and Eólica da Linha, S.A. in 2021, corresponding to 355,996 thousand Euros and the reclassification of the amount of 397,652 thousand Euros, previously recorded under Other debtors and sundry operations- Non-Current, which corresponds to amounts receivable due to sale transactions of companies Rosewater Wind Farm LLC in 2020 and Indiana Crossroads Wind Farm LLC in 2021.

23. Tax assets

Current tax assets are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Non-Current:				
Special taxes Brazil	118,901	173,846	-	-
Current:				
Income tax	265,837	132,109	40,824	48,893
Value added tax (VAT)	501,755	295,789	116,283	44,659
Special taxes Brazil	97,266	93,624	-	-
Other taxes	17,875	30,320	877	874
	882,733	551,842	157,984	94,426
	1,001,634	725,688	157,984	94,426

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.

24. Cash and cash equivalents

Cash and cash equivalents are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Cash	224	288	32	29
Bank deposits				
Current deposits	2,576,297	2,572,979	529,296	1,177,071
Term deposits	835,174	458,386	-	-
Specific demand deposits in relation to institutional partnerships	1,191	314	-	-
	3,412,662	3,031,679	529,296	1,177,071
Operations pending cash settlement				
Current deposits	100,000	-	300,000	140,000
Other operations				
Other short term investments	11,969	205,623	-	200,178
Group Financial System (see note 37)	-	-	1,654,738	973,175
	3,524,855	3,237,590	2,484,066	2,490,453
Held for sale operations:				
Cash and cash equivalents reclassified as held for sale (see note 34)	-10,844	-15,181	-	-
	3,514,011	3,222,409	2,484,066	2,490,453

Specific demand deposits in relation to institutional partnerships corresponds to funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships (see note 30), which are described in EDP Group accounting policies.

As at 30 September 2022, on a company basis, the caption Operations pending cash settlement represents commercial paper issued by EDP S.A. in the amount of 300,000 thousand Euros (31 December: 140.000 thousand Euros), acquired by EDP Finance B.V., which settlement date occurred on 4 October 2022.

As at 30 September 2022, on a consolidated basis, the caption Operations pending cash settlement represents commercial paper in the amount of 100,000 thousand Euros which settlement date occurred on 3 October 2022.

25. Reserves and retained earnings

This caption is as follows:

Thousand Euros	Group		Company	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Legal reserve	793,136	782,932	793,136	782,932
Fair value reserve (cash flow hedge)	-4,483,393	-1,063,338	-2,043,022	553,245
Tax effect of fair value reserve (cash flow hedge)	1,003,609	282,478	428,996	-124,519
Fair value reserve of assets measured at fair value through other comprehensive income	3,693	21,405	-	-
Tax effect of the fair value reserve of assets measured at fair value through other comprehensive income	148	-4,043	-	-
Currency translation reserve - Exchange differences arising on consolidation	661,424	-391,219	-	-
Currency translation reserve - Net investment hedge	-1,351,109	-595,305	-	-
Currency translation reserve - Net investment hedge - Cost of hedging	-28,364	-42,953	-	-
Treasury stock reserve (EDP, S.A.)	51,288	52,660	51,288	52,660
Other reserves and retained earnings	4,588,661	4,513,932	2,081,498	2,015,173
	1,239,093	3,556,549	1,311,896	3,279,491

Fair value reserve (cash flow hedge)

The variation in the caption Fair value reserve (cash flow hedge) reflects, essentially, the impact of the price increase of the indexes associated with electricity and gas, which reflect the current evolution on the market.

Fair value reserve (financial assets at fair value through other comprehensive income)

The changes in this consolidated caption for the period are as follows:

Milhares de Euros	Fair Value Reserve				
	Balance Dec 2021	Increases	Decreases	Perimeter variations	Balance Sep 2022
Defined Crowd Corporation (see note 19)	6,339	-	-	-	6,339
Mercer and Dunas Funds (Energia RE portfolio) (see note 19)	8,897	-	-15,215	-	-6,318
SU Eletricidade, S.A. tariff deficit (see note 21)	352	-	-	-	352
Other (see note 19)	5,817	-	-2,501	4	3,320
	21,405	-	-17,716	4	3,693

Currency translation reserve - Exchange differences arising on consolidation

Exchange differences arising on consolidation corresponds to the amounts resulting from changes in the value of net assets of subsidiaries, joint ventures and associated companies resulting from changes in exchange rates. The exchange rates used in the preparation of the financial statements are as follows:

Currency		Exchange rates					
		Sep 2022		Dec 2021		Sep 2021	
		Close	Average	Close	Average	Close	Average
US Dollar	USD	0.975	1.064	1.133	1.183	1.158	1.196
Brazilian Real	BRL	5.258	5.463	6.310	6.378	6.263	6.376
Macao Pataca	MOP	7.882	8.583	9.098	9.469	9.289	9.570
Canadian Dollar	CAD	1.340	1.364	1.439	1.483	1.475	1.497
Singapore Dollar	SGD	1.400	1.463	1.528	1.589	1.576	1.602
Polish Zloty	PLN	4.870	4.674	4.599	4.567	4.633	4.549
Romanian Leu	RON	4.949	4.935	4.948	4.921	4.947	4.911
Pound Sterling	GBP	0.883	0.847	0.840	0.860	0.861	0.864
Mexican Peso	MXN	19.615	21.562	23.275	23.985	23.792	24.074
Colombian peso	COP	4,439.842	4,326.162	4,527.375	4,425.924	4,444.199	4,423.004
Chinese Yuan	CNY	6.937	7.195	7.195	7.628	7.485	7.738
Korean Won	KRW	1,400.690	1,348.790	1,346.380	1,354.057	1,371.580	1,354.310
Japanese Yen	JPY	141.010	135.968	130.380	129.877	129.670	129.832

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Currency translation reserve - Net investment hedge and Cost of hedging

The changes in these captions, net of income tax, for the period are as follows:

Thousand Euros	Net investment hedge	Cost of Hedging
Balance as at 31 December 2021	-595,305	-42,953
Changes in fair value	-755,804	14,589
Balance as at 30 September 2022	-1,351,109	-28,364

Dividends

On 06 April 2022, the Shareholders General Meeting of EDP, S.A. approved the dividends distribution to shareholders of the net profit for the year 2021 in the amount of 753,479 thousand Euros, corresponding to a dividend of 0.19 Euros per share (including the treasury stock dividend). This distribution occurred on 28 April 2022.

26. Non-controlling interests

This caption is as follows:

Thousand Euros	Group	
	Sep 2022	Dec 2021
Non-controlling interests in income statement	449,690	447,929
Non-controlling interests in equity and reserves	4,707,110	4,206,827
	5,156,800	4,654,756

The movement by subgroup of the non-controlling interests item is analysed as follows:

Thousand Euros	EDP Renováveis Group	EDP Brasil Group	Other	Total
Balance as at 31 December 2021	3,553,310	979,334	122,112	4,654,756
Results	277,087	130,064	42,539	449,690
Dividends	-62,995	-50,669	-	-113,664
Currency Exchange differences	183,045	180,959	-172	363,832
Capital Increases/Decreases	-76,243	-42,749	-14	-119,006
Changes in the fair value reserve (cash flow hedge)	-137,617	-4	-	-137,621
Perimeter variations and Others	50,690	9,087	-964	58,813
Balance as at 30 September 2022	3,787,277	1,206,022	163,501	5,156,800

27. Financial debt

This caption is as follows:

Thousand Euros	Group		Company	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Debt and borrowings - Non-current				
Bank loans:				
- EDP, S.A.	5,000	-	5,000	-
- EDP Finance B.V.	295,462	-6,796	-	-
- EDP Brasil Group	363,464	210,050	-	-
- EDP Renováveis Group	1,034,235	813,616	-	-
- Others	835	1,305	-	-
	<u>1,698,996</u>	<u>1,018,175</u>	<u>5,000</u>	<u>-</u>
Non-convertible bond loans:				
- EDP S.A.	1,794,706	743,874	3,194,706	5,143,874
- EDP Finance B.V.	7,595,373	7,047,836	-	-
- EDP Brasil Group	1,646,890	1,115,680	-	-
- EDP España Group	-	1,051,954	-	-
- EDP Renováveis Group	99,127	-	-	-
	<u>11,136,096</u>	<u>9,959,344</u>	<u>3,194,706</u>	<u>5,143,874</u>
Hybrid bonds:				
- EDP S.A.	3,717,283	3,717,072	3,717,283	3,717,072
	<u>3,717,283</u>	<u>3,717,072</u>	<u>3,717,283</u>	<u>3,717,072</u>
Commercial paper:				
- EDP S.A.	-	220,732	-	220,732
- EDP Finance B.V.	371,871	198,658	-	-
- EDP Brasil Group	349,851	103,009	-	-
	<u>721,722</u>	<u>522,399</u>	<u>-</u>	<u>220,732</u>
Other loans	37,875	26,132	-	-
	<u>17,311,972</u>	<u>15,243,122</u>	<u>6,916,989</u>	<u>9,081,678</u>
Accrued interest	31,767	5,511	-	-
Other liabilities:				
- Fair value of the issued debt hedged risk	-59,700	50,955	19,870	-
Total Debt and Borrowings	<u>17,284,039</u>	<u>15,299,588</u>	<u>6,936,859</u>	<u>9,081,678</u>
Collateral Deposits - Non-current *	-20,047	-23,397	-	-
	<u>17,263,992</u>	<u>15,276,191</u>	<u>6,936,859</u>	<u>9,081,678</u>

* Deposits constituted as collateral for financial guarantee.

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Thousand Euros	Group		Company	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Debt and borrowings - Current				
Bank loans:				
- EDP Brasil Group	223,075	120,154	-	-
- EDP España Group	-	-	-	-
- EDP Renováveis Group	557,903	103,093	-	-
- Other	198	-	-	-
	781,176	223,247	-	-
Non-convertible bond loans:				
- EDP S.A.	-	-	3,000,000	900,000
- EDP Finance B.V.	1,037,848	942,554	-	-
- EDP Brasil Group	101,256	82,792	-	-
- EDP Renováveis Group	13,622	-	-	-
	1,152,726	1,025,346	3,000,000	900,000
Commercial paper:				
- EDP S.A.	200,000	-	1,180,000	620,000
- EDP Finance B.V.	1,026,408	-	-	-
- EDP Brasil Group	59,019	-	-	-
- EDP Renováveis Group	-	-	-	-
	1,285,427	-	1,180,000	620,000
Other loans				
Group Financial System (see note 37)	-	-	2,010,540	2,348,605
- Other	2,923	1,395	-	-
	2,923	1,395	2,010,540	2,348,605
Accrued interest	205,456	242,653	75,348	84,016
Other liabilities:				
- Fair value of the issued debt hedged risk	31,612	25,707	28,068	-
Total Debt and Borrowings	3,459,320	1,518,348	6,293,956	3,952,621
Collateral Deposits - Current *	-33,131	-26,678	-	-
	3,426,189	1,491,670	6,293,956	3,952,621

* Deposits constituted as collateral for financial guarantee.

Non-current Commercial Paper refers to three Commercial Paper programs with firm underwriting commitment for a period of over one year, in the total amount of 363,000 thousand American Dollars and 2,150,000 thousand Brazilian Real.

Main events of the period:

On 25 February 2022, the extraordinary resolutions regarding IE2 Holdco, S.A.U.'s consent solicitation relating to the "€500,000,000 2.375 per cent. Notes due 27 November 2023" and "€550,000,000 2.875 per cent. Notes due 1 June 2026" were passed, which resulted in (i) EDP S.A. replacing IE2 Holdco S.A.U as issuer of the Notes, (ii) the cancellation of Viesgo Holdco, S.A.U guarantee, and (iii) certain other terms and conditions of the Notes being amended to bring them in line with the current issuances of EDP SA under its EMTN Programme.

On 14 March 2022, EDP issued a green bond of €1,250 million Euros with final maturity in September 2029, under the EMTN bond program.

On 4 August 2022, EDP signed a five-year revolving credit facility ('RCF'), with options to extend for 2 additional years (subject to Lenders' agreement), in the amount of €3.65 billion, which can be drawn in Euros and USD. It is EDP's first sustainability-linked loan and includes two ESG KPIs: reduction of scope 1 and 2 greenhouse gas emissions and an increase in the percentage of installed capacity from renewable sources within EDP Group.

On 19 September 2022, Porto de Pecém Geração de Energia issued its first commercial paper issuance of 1,500 million Brazilian Real, with maturity in July 2027.

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The nominal value of outstanding Bond loans placed with external counterparties, issued in 2022, is as follows:

Issuer	Issue date	Interest rate	Type of hedge	Conditions/Redemp.	Nominal Value in Million Currency	Thousand Euros	
						Group	Company
Issued under the Euro Medium Term Notes program (EMTN)							
EDP Finance BV	mar-22	Fixed rate EUR 1.875%	n.a.	sep-29	1,250 EUR	1,250,000	-
						1,250,000	-
Issued by the EDP Energias do Brasil Group in the Brazilian domestic market							
PCH Leopoldina	jan-22	CDI + 1.52%	n.a.	jan-24	700 BRL	133,120	-
Lajeado Energia	may-22	CDI + 1.45%	n.a.	may-25	200 BRL	38,034	-
EDP São Paulo	jun-22	CDI + 1.20%	n.a.	may-27	450 BRL	51,346	-
EDP Espírito Santo	jun-22	CDI + 1.20%	n.a.	may-27	270 BRL	85,577	-
						308,077	-
						1,558,077	-

Some of the loans contracted by the EDP Group, mainly debt issued under the EMTN, include some usual clauses in this type of operations, namely, "change-of-control", "negative pledge", "pari-passu" and "cross-default" clauses, each one only applicable under a restricted set of circumstances.

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 September 2022, these loans amounted to 1,194,329 thousand Euros (31 December 2021: 843,778 thousand Euros). At 30 September 2022, the Group confirms the fulfillment of all the covenants of the Project Finance Portfolio under the Facilities Agreements. Additionally, there are 16,600 thousand Euros of other loans that are guaranteed by EDPR (31 December 2021: 17,329 thousand Euros).

EDP Group has several credit facilities it uses for liquidity management. EDP Group has short-term credit facilities of 255 million Euros, indexed to Euribor for the agreed period of use with spread conditions agreed in advance, all with a firm underwriting commitment, which as at 30 September 2022 were totally available. Regarding medium-term credit facilities with a firm underwriting commitment, EDP Group has two Revolving Credit Facilities, namely (i) 3,650 million Euros that mature in 2027, totally available as at 30 September 2022 ; and (ii) 2,240 million Euros, of which 2,095 million Euros mature in 2025 while the remaining amount matures in 2023, available in 1,928 million Euros as at 30 September 2022.

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As at 30 September 2022, future debt and interest payments and origination fees, by type of loan and currency, are as follows:

Thousand Euros	Sep 2023	Dec 2023	Dec 2024	Dec 2025	Dec 2026	Following years	Total
Bank loans:							
Euro	419,651	12,648	25,224	16,755	-	835	475,113
Brazilian Real	209,738	60,620	87,055	28,011	18,705	231,639	635,768
US Dollar	67,036	5,260	244,528	335,494	24,943	267,204	944,465
Other	110,140	16,068	46,530	36,733	28,288	264,783	502,542
	806,565	94,596	403,337	416,993	71,936	764,461	2,557,888
Bond loans:							
Euro	1,128,710	660,000	1,127,156	1,350,000	1,900,000	2,500,000	8,665,866
Brazilian Real	148,978	153,478	361,638	589,285	223,582	346,491	1,823,452
US Dollar	10,626	-	1,025,851	-	-	871,974	1,908,451
Other	14,786	-	-	-	-	101,398	116,184
	1,303,100	813,478	2,514,645	1,939,285	2,123,582	3,819,863	12,513,953
Hybrid Bonds:							
Euro	30,463	-	-	-	-	3,750,000	3,780,463
	30,463	-	-	-	-	3,750,000	3,780,463
Commercial paper:							
Euro	1,111,148	-	-	-	-	-	1,111,148
Brazilian Real	59,019	66,560	116,070	59,019	59,019	49,182	408,869
US Dollar	116,156	-	-	371,871	-	-	488,027
	1,286,323	66,560	116,070	430,890	59,019	49,182	2,008,044
Other loans:							
Euro	1,324	498	1,011	1,031	1,052	12,027	16,943
Brazilian Real	434	-	-	-	-	12,075	12,509
Other	4,004	200	1,708	796	796	6,683	14,187
	5,762	698	2,719	1,827	1,848	30,785	43,639
Fair Value:	31,612	-	-21,915	-32,619	-	-5,166	-28,088
Origination Fees:	-4,505	-13,220	-18,357	-6,584	-4,981	-84,893	-132,540
	3,459,320	962,112	2,996,499	2,749,792	2,251,404	8,324,232	20,743,359

28. Employee benefits

Employee benefits are as follows:

Thousand Euros	Non-Current		Current	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Provisions for pension liabilities	265,971	379,689	107,908	107,212
Provisions for medical liabilities and other benefits	398,390	560,577	72,437	72,322
	664,361	940,266	180,345	179,534

The movement in Provisions for employee benefits liabilities for EDP Group is as follows:

Thousand Euros	Sep 2022	
	Pensions	Medical and Other
Balance at the beginning of the period	486,901	632,899
Charge for the period	7,260	16,691
Actuarial (gains)/losses	-93,133	-145,931
Charge-off	-86,772	-28,228
Fund contributions	-	-23,040
Surplus/(Deficit) pension funding (see note 22)	49,797	-
Transfers, reclassifications and exchange differences	9,826	18,436
Balance at the end of the period	373,879	470,827

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The components of the consolidated net cost of the plans for employee benefits recognised during the period are as follows:

Thousand Euros	Sep 2022	
	Pensions	Medical and Other
Current service cost	2,956	5,111
Operational component (see note 10)	2,956	5,111
Net interest on the net pensions plan liability	4,304	11,580
Financial component (see note 12)	4,304	11,580
	7,260	16,691

With reference to 30 September 2022, the net movement of the Provision for pension liabilities period corresponds to a decrease of 113,022 thousands of Euros, of which 111,458 thousands of Euros correspond to the negative net movement seen in Portugal, 1,632 thousands of Euros correspond to the negative net movement seen in Brazil and 68 thousands of Euros correspond to the positive net movement seen in Brazil. The negative net movement in the period in Portugal is mainly related to: i) the recognition of actuarial gains (84,831 thousand Euros negative), as a result of the increase in the interest rates underlying the determination of the discount rate, the increase in the inflation rate and the appreciation of the Fund's assets; ii) the payment of benefits made in the period (79,925 thousand Euros negative); and the increase in the surplus resulting from the appreciation of the Fund's assets (49,798 thousand Euros positive).

In turn, the net movement in the Provision period for liabilities for medical care and other benefits corresponds to a decrease of 162,072 thousands of Euros, of which 166,606 thousands of Euros correspond to the negative net movement in Portugal, 8,766 thousands of Euros correspond to the negative net movement seen in Spain and 13,300 thousands of Euros correspond to the positive net movement seen in Brazil. The negative net movement in Portugal is mainly related to: i) the recognition of actuarial gains (139,948 thousand Euros negative), as a result of the increase in the interest rates underlying the determination of the discount rate, the increase in the inflation rate and the appreciation of the Fund's assets; ii) the contributions made in the period to the Medical Plan and Death Subsidy Plan (23,040 thousand Euros negative) and iii) the payments made in the period (8,826 thousand Euros negative).

On 30 September 2022, the determination of the cost of current services and net interest was based on the cost estimate for the period actuarially determined on 31 December 2021.

29. Provisions

Provisions are as follows:

Thousand Euros	Non-Current		Current	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Provision for legal and labour matters and other contingencies	131,183	98,351	2,580	3,067
Provision for customer guarantees under current operation	-	-	15,852	57,233
Provision for dismantling and decommissioning	587,833	560,007	15,256	8,615
Provision for other liabilities and charges	282,077	318,230	35,688	41,404
	1,001,093	976,588	69,376	110,319

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With reference to 30 September 2022, the movement by nature of the Provisions item at the EDP Group level is presented as follows:

Thousand Euros	Legal, labour and other matters	Guarantees customers in the context of current activity	Dismantling and Decommissioning	Other risks and charges	Total
Balance as at 31 December 2021	101,418	57,233	568,622	359,634	1,086,907
Perimeter variations (see note 6)	-99	-	-2,828	1,335	-1,592
Charge for the period	13,105	902	-	7,395	21,402
Reversals	-8,380	-3	-	-3,025	-11,408
Charge-off for the period	-9,964	-204	-8,174	-4,383	-22,725
Unwinding (see note 12)	15,753	-	4,890	1,373	22,016
Increase of the responsibility (see note 14)	-	-	7,827	-	7,827
Onerous contracts	-	-42,110	-	-	-42,110
Innovative Features Charge-off	-	-	-	-10,239	-10,239
"Lesividad" Charge-off	-	-	-	-45,695	-45,695
CMEC	-	-	-	10,461	10,461
Exchange differences and other	21,868	34	33,876	888	56,666
Reclassification to Liabilities Held for Sale (see note 34)	62	-	-1,124	21	-1,041
Balance as at 30 September 2022	133,763	15,852	603,089	317,765	1,070,469

EDP and its subsidiaries' Board of Directors, based on the information provided by its legal advisors and on the analysis of pending law suits, have recognised provisions to cover the losses estimated as probable, related with litigations in progress.

In their ordinary course of business, EDP Group subsidiaries are involved in several litigations and contingencies (of possible risk) of administrative, civil, tax, labour and other natures. These legal, arbitration or other actions, involve customers, suppliers, employees and administrative authorities. In EDP Group and its legal advisors' opinion, the risk of a loss in these actions is not probable, and the outcome will not affect on a material way its consolidated financial position.

The processes whose losses were considered as possible, do not require the recognition of provisions and are periodically reassessed. As at 30 September 2022, there were no significant changes in the losses considered as possible as of 31 December 2021, with the following exception:

- i) On 29 July 2016, the Portuguese Competition Authority (AdC) has notified EDP S.A. and EDP Comercial, S.A. with a notice for alleged violation of competition laws, regarding the process of the commercial campaign done in partnership with Modelo Continente, designated as "Plano EDP Continente". This was an occasional campaign, limited to two years, which was one of several campaigns usually performed by several other market agents. On 5 May 2017, EDP S.A. and EDP Comercial, S.A. received AdC final decision which applied a fee of 2,900 thousand Euros to EDP S.A. and 25,800 thousand Euros to EDP Comercial. EDP Group is convinced that this campaign has brought real benefits to consumers and competition in markets and that no transgression has been committed. The companies filed their appeal on 19 June 2017 to TCRS. By this court was determined a court hearing that EDP and EDP Comercial would provide security in the amount of 50% of the fine imposed on them by the AdC, and on 19 June 2020, EDP and EDP Comercial provided surety bond and surety in the amounts of 1,450 thousand Euros and 12,900 thousand Euros, respectively. On 30 September 2020, a judgment was issued by the TCRS, which maintained the conviction of the two companies of the EDP Group, as well as Sonae Group's Companies, having also reduced fines by 10%. Fines were determined at 2,610 thousand Euros and 23,220 thousand Euros for EDP and EDP Comercial, respectively. On 30 October 2020, EDP and EDP Comercial appealed the condemnatory sentence handed down by the TCRS, to the Lisbon Court of Appeal.

On 6 April 2021, the parties were notified of the judgment handed down by the Court of Appeal of Lisbon, through which it decreed the suspension of the proceedings and the preliminary referral of the case to the Court of Justice of the European Union, under the foreseen mechanism Article 267(b) of the Treaty on the Functioning of the European Union. The case was filed at the Registry of the Court of Justice on 26 May 2021, with written observations having been submitted by the parties on the questions referred by the Lisbon Court of Appeal. The oral hearing at the Court of Justice of the European Union will follow, and it is not expected that a judgment will be delivered with the answer to the aforementioned questions before the end of this year;

ii) On 3 September 2018, the Portuguese Competition Authority (AdC) notified EDP Produção with a Statement of Objections, under which EDP Produção is accused of abuse of a dominant position in the secondary regulation band market (a part of the ancillary services market). AdC claims that EDP Produção has deliberately limited the participation of CMEC plants in the secondary regulation market between 2009 and 2014, benefitting its non-CMEC power plants. The alleged benefit, to the detriment of consumers, would be twofold: receiving higher compensation under CMEC annual adjustment regime; profiting from higher market prices in said market. AdC has estimated that the alleged practice of EDP Produção has generated damages to the national electricity system and to consumers of around 140 million Euros. AdC pointed out that the adoption of a Statement of Objections did not determine the result of the investigation, which began in September 2016 and is still in course. On 28 November 2018, EDP Produção presented to AdC its facts about the accusation. On 18 September 2019, AdC has notified EDP Produção of an alleged infraction to competition rules. This contingency was estimated with a value of 48 million Euros and its graduation was assessed as possible. On 30 October 2019, EDP Produção presented an appeal against this decision to the TCRS. On 20 May 2020, EDP Produção was notified of a decision by the TCRS, which, among other things, admitted its Judicial Challenge Appeal, establishing a purely return effect and determining the payment of the fine imposed within 20 days. In this regard, EDP Produção submitted requests, invoking supervening facts for the demonstration of considerable damage, and arguing defects in the decision that determined the attribution of a mere devolution effect to the Judicial Challenge Appeal. On 16 July 2020, EDP was notified of an order which implied the existence of substantial losses if the fine was paid in advance. Thus, the payment order was therefore suspended.

However, on 12 October 2020, EDP Produção was notified of the appeal filed by the Public Prosecutor's Office, at the Lisbon Court of Appeal, against the TCRS order of 16 July 2020, and considered the existence of considerable damage in the early payment of the fine and suspended the payment order. On 18 November 2020, EDP Produção was notified of a decision by the Lisbon Court of Appeal, granting the appeal presented by the Public Prosecutor and, consequently, revoking the order of TCRS of 16 July 2020. EDP Produção appealed this judgment to the Constitutional Court on 30 November 2020. On 22 February 2021, EDP Produção was notified of the decision of the Constitutional Court in the sense of not knowing the object of the appeal. The case was returned to the TCRS to establish the effect of the appeal filed, to determine whether EDP Produção must pay a fine or provide a guarantee. By order of the same day, the TCRS has scheduled the trial hearing for 27 September, 7, 11 and 25 October, 4, 8, 18, 22 November and 2 and 6 December 2021. On 16 September 2021, the TCRS issued an order that demanded the payment of the fine. Despite having lodged an appeal against this order, on 20 October 2021 EDP Produção paid the amount under appeal, and is waiting for a decision on the appeals submitted. The trial hearing, which began in October 2021, continued with several inquiries until the end of March 2022, with closing arguments taking place on 6 July 2022. On 10 August 2022, the TCRS delivered a judgement, through which it confirmed the conviction of EDP Produção and the imposition of a fine of 48 million Euros, which had already been paid. On 30 September 2022, EDP Produção filed an appeal against the aforementioned decision to the Lisbon Court of Appeal, pending further developments.

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iii) On 19 July 2021, Celulose Beira Industrial, SA (CELBI), submitted to SU Eletricidade, SA a constitutional request of an Arbitral Tribunal, regarding a conviction of a payment of the energy produced by it under special production in cogeneration, and its interest, since April 2020 (date on which, in accordance with the law and the understanding of DGEG and followed by SU Eletricidade, CELBI has moved to the transitional remuneration scheme provided for in DL No. 23/2010 and Ordinance No. 140/2012), and throughout the term of operation of its Cogeneration Center (which it estimates to be at least 25 years), i.e. at least until 24 March 2035 (supporting this understanding in the fact that the 2002 Remuneration Scheme does not establish any period); or, in the alternative, until 24 March 2030 (claiming that you are entitled to be remunerated under the 2002 Remuneration Scheme for a further 120 months (10 years) from March 2020); or, in the alternative, until November 2020 (claiming that the transition to the 2012 Remuneration Scheme should only take place six months after the effective knowledge of the communication sent by the SRB); or, in the alternative, until August 2020 (in the alternative claiming that the transition from CELBI's remuneration scheme would operate from the beginning of the month following the date of the audit report certifying primary energy savings, which means the transition would operate from August 2020 because the audit report is from July 2020). The overall value of the application amounts to 6,839 thousand Euros and has been classified as possible risk. In October 2021, SU Eletricidade filed a challenge. In April 2022, the preparatory hearing was held, which was intended in particular to discuss previous questions raised as well as to the fixing of the list of the facts not at issue and the themes of the evidence. In June 2022, the parties filed a joint application alleging supervening facts. The trial hearing took place on 13, 14 and 15 September 2022, pending further developments.

Finally, even if EDP Group classifies its risk as remote, it is important to identify the following litigation:

i) On 27 October 2009 and 5 January 2010, the EDP Group received two tax settlements regarding 2005 and 2006 taxable income for the EDP tax Group, which included an adjustment of 591 million Euros regarding its subsidiary, EDP Internacional SGPS, related to the tax treatment considered by the EDP Group in relation to a capital loss generated with the liquidation of a subsidiary, whose main assets consisted of investments in operating subsidiaries in Brazil, namely EDP Espírito Santo and Enersul. As at 30 September 2022, the amount of this tax contingency amounts to 313 million Euros (31 December 2021: 307 million Euros).

Considering the analysis made, the technical advice received and a favourable binding opinion obtained from the tax authorities in relation to the nature of the transaction occurred in the year of the assessment, the EDP Group considers as remote the risk associated with this matter. Under this analysis, the capital loss is tax deductible for income tax purposes as established in article 75 no. 2 of the Corporate Income Tax Code ("Código do IRC") based on the wording of the law in force at that date (existing article 81).

Given the above, and considering that the EDP Group's tax procedures comply with applicable Portuguese tax legislation at the date of the events, the Group is currently using all available legal means to contest these additional settlements. Thus, following the implied rejection of the hierarchical appeal, EDP presented a judicial claim, on 6 June 2012. In November 2018, EDP Group was notified with a decision in favour. The Treasury filed an appeal on that decision.

30. Institutional partnerships in North America

The caption Institutional partnerships in North America is as follows:

Thousand Euros	Group	
	Sep 2022	Dec 2021
Deferred income related to benefits provided	866,364	731,573
Liabilities arising from institutional partnerships	1,600,275	1,528,168
	2,466,639	2,259,741

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

Thousand Euros	Group	
	Sep 2022	Dec 2021
Balance at the beginning of the period	2,259,741	1,933,542
Proceeds received from institutional investors	34,399	779,825
Cash paid for deferred transaction costs	-1,618	-4,131
Cash paid to institutional investors	-102,160	-83,530
Other Income (see note 8)	-173,893	-177,205
Unwinding (see note 12)	73,211	79,023
Perimeter variations (see note 6)	24,892	-
Loss of control of companies with Institutional Partnerships	-	-420,522
Exchange differences	354,118	168,318
Other	-2,051	-15,579
Balance at the end of the period	2,466,639	2,259,741

Under these partnerships, EDP Group provides operating guarantees to institutional investors in wind and solar projects, which are typical of this type of structure. As at 30 September 2022, the liabilities associated with these guarantees are not expected to exceed the amounts already recognized under the caption Liabilities arising from institutional partnerships.

31. Trade payables and other liabilities from commercial activities

At Group level, Trade payables and other liabilities from commercial activities are as follows:

Thousand Euros	Non-Current		Current	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Contract liabilities:				
Energy sales contracts - North America	4,918	4,959	-	-
Deferred income - CMEC	25,502	80,566	55,298	61,915
Amounts received from the Fund for systemic sustainability of the energy sector	-	-	59,607	125,777
	30,420	85,525	114,905	187,692
Other liabilities:				
Investment government grants	359,459	321,870	-	-
Customer contract obligations	446,921	457,414	-	-
Amounts payable for tariff adjustments - Electricity - Portugal	357,010	115,941	358,546	1,071,548
Amounts payable for tariff adjustments - Electricity - Brazil	61,852	237,135	190,184	99,365
Amounts payable - securitisations	-	-	89,027	121,050
Amounts payable - CMEC	-	-	227,625	215,973
Amounts payable for concessions	227,048	201,820	-	-
Property, plant and equipment suppliers	2,235	1,992	1,860,120	1,384,231
Suppliers	-	-	1,299,423	1,006,643
Accrued costs related with commercial activities	-	-	1,219,312	1,386,103
Holiday pay, bonus and other charges with employees	-	-	200,202	173,039
CO2 emission Licenses	-	-	589,543	300,541
Other creditors and sundry operations	447,482	385,228	515,195	373,826
	1,902,007	1,721,400	6,549,177	6,132,319
	1,932,427	1,806,925	6,664,082	6,320,011

At Company level, Trade payables and other liabilities from commercial activities are as follows:

Thousand Euros	Current	
	Sep 2022	Dec 2021
Other liabilities:		
Suppliers	1,333,042	1,161,903
Accrued costs related with commercial activities	1,112,367	990,091
Property, plant and equipment suppliers	1,777	506
Holiday pay, bonus and other charges with employees	34,860	34,145
Other creditors and sundry operations	175,344	6,017
	2,657,390	2,192,662

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The caption Deferred income - CMEC is detailed as follows:

Thousand Euros	Non-current	Current
Initial CMEC	-33,466	28,347
Final adjustment	58,968	26,951
	<u>25,502</u>	<u>55,298</u>

Investment government grants are amortised through the recognition of a revenue in the income statement over the useful life of the related assets, which amounts to 19,550 thousand Euros as at 30 September 2022.

The movement for the period in Amounts payable for tariff adjustments - Electricity - Portugal (Non-current and Current) is as follows:

Thousand Euros	Non-current	Current
Balance at the beginning of the period	115,941	1,071,548
Payment through the electricity tariff	-	-803,668
Tariff adjustment of the period (see note 7)	476,091	-
Interest expense (see note 12)	114	1,244
Transfer to/from tariff adjustment payable (see note 21)	-145,711	-3
Transfer from Non-Current to Current	-89,425	89,425
Balance at the end of the period	<u>357,010</u>	<u>358,546</u>

The captions Amounts payable and Amounts Receivable for tariff adjustments - Electricity - Brazil, refer to tariff adjustments recognised in EDP São Paulo - Distribuição de Energia S.A. and EDP Espírito Santo - Distribuição de Energia S.A.

Thousand Euros	Non-current		Current	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Amounts payable for tariff adjustments - Electricity - Brazil	61,852	237,135	190,184	99,365
Amounts receivable from tariff adjustments - Electricity - Brazil (see note 21)	-13,029	-124,604	-24,910	-101,928
	<u>48,823</u>	<u>112,531</u>	<u>165,274</u>	<u>-2,563</u>

The movement for the period in Amounts payable and Amounts Receivable for tariff adjustments - Electricity - Brazil (Non-current and Current) is as follows:

Thousand Euros	Sep 2022
Balance at the beginning of the period	109,968
Tariff adjustment of the period (see note 7)	90,301
Payment/Receipt through the electricity tariff	-13,162
Interest expense/income (see note 12)	1,918
Effect of exchange differences of the Brazilian Real against the Euro	25,072
Balance at the end of the period	<u>214,097</u>

The movement includes the recognition of 50,793 thousand Euros (267,090 thousand Brazilian Real) of the refund and a negative amount of 14,729 thousand Euros (77,450 thousand Brazilian Real) of unwinding over the amount resulting from the non-inclusion, in 2019, of the amounts of VAT borne in the basis of calculation of PIS and COFINS (1,756,597 thousand Brazilian Real as at 31 December 2019, of which 652,670 thousand Brazilian Real were returned, between 2020 and September 2022, through the electricity tariff, with an unwinding of 132,073 thousand Brazilian Real).

The caption Amounts payable for concessions includes the concession rights for the operation of the hydric domain of Alqueva and Pedrógão transferred by EDIA in the amount of 135,294 thousand Euros (31 December 2021: 128,467 thousand Euros) and the financial compensation for the use of the public domain related to concession agreements of Investco, S.A. and Enerpeixe, S.A. in Brazil in the amount of 91,754 thousand Euros (31 December 2021: 73,353 thousand Euros).

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The caption Property, plant and equipment suppliers - Current refers mainly to the amounts due related with the construction of windfarms and solar parks in North America in the amount of 1,079,554 thousand Euros (31 December 2021: 967,740 thousand Euros), in Europe in the amount of 316,506 thousand Euros (31 December 2021: 219,780 thousand Euros) and in South America in the amount of 345,257 thousand Euros (31 December 2021: 48,838 thousand Euros).

The caption CO2 emission licenses includes the CO2 consumptions during 2022 in Portugal and Spain, in the amount of 100,937 thousand Euros and 488,606 thousand Euros, respectively (31 December 2021: 54,722 thousand Euros and 245,819 thousand Euros). The variation that occurred includes the consumption of 2022 and the return, in 2022, of the licenses related to 2021 consumptions, which are delivered by April of the year following their consumption to the regulatory authorities.

The caption Other creditors and sundry operations - Current and Non-current includes, essentially, amounts payable related to suppliers arising from assets and projects acquisitions, amounts referring to the adjustments of the pool's price estimate in accordance with the regulatory mechanism for the renewable generation sector in Spain and amounts payable related to the reinsurance activity.

32. Other liabilities and other payables

Other liabilities and other payables are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Other liabilities and other payables - Non-Current				
Liabilities measured at amortised cost:				
Loans from non-controlling interests	683,472	430,001	-	-
Lease Liabilities	1,260,190	951,751	170,700	143,737
Liabilities measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	4,753,809	1,523,949	4,629,641	1,618,247
Amounts payable and contingent prices for acquisitions/sales	110,057	126,484	62,015	62,014
Other Liabilities:				
Other creditors and sundry operations	50,568	7,790	-	-
	6,858,096	3,039,975	4,862,356	1,823,998
Other liabilities and other payables - Current				
Liabilities measured at amortised cost:				
Loans from non-controlling interests	18,584	42,754	-	-
Dividends attributed to related companies	15,094	68,124	-	-
Group companies	-	-	6,393	3,630
Lease Liabilities	137,405	97,697	12,335	12,617
Liabilities measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	6,600,858	2,417,295	7,779,728	3,168,309
Amounts payable and contingent prices for acquisitions/sales	171,245	139,396	25,142	51,335
Other Liabilities:				
Other creditors and sundry operations	45,456	15,835	141,134	194,561
	6,988,642	2,781,101	7,964,732	3,430,452
	13,846,738	5,821,076	12,827,088	5,254,450

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

Thousand Euros		Sep 2022
ACE Portugal (CTG Group)	Fixed rate of 3.75%	20,518
ACE Poland (CTG Group)	Fixed rate of a range between 2.95% / 7.23%	48,694
ACE Italy (CTG Group)	Fixed rate of 4.5%	41,813
CITIC CWEI Renewables (CTG Group)	Fixed rate of 5.5%	7,019
Macquarie Super Core Infrastructure Fund SD Holdings S.À.R.L.	Fixed rate of a range between 0.40% / 2.73%	575,570
		693,614

The variation of the caption Amounts payable and contingent prices for acquisitions/sales results essentially from the recognition of the costs actually incurred in the construction of the respective wind farms, as provided for in the context of the operation to sell projects in North America in 2021 and the recognition of contingent prices due to the acquisition of Xuan Thien Group by Sunseap Group Pte. Ltd. (see note 6).

The movements in Lease Liabilities - Non Current and Current are as follows:

Thousand Euros	Sep 2022
Balance at the beginning of the period	1,049,448
Charge for the period	263,633
Unwinding of lease liabilities (see note 12)	31,848
Lease payments (principal and interests)	-97,215
Exchange differences	119,382
Perimeter variations and other regularisations	30,499
Balance at the end of the period	1,397,595

Perimeter variations and other regularisations mainly include the increase resulting from the acquisition of a solar distributed generation portfolio in Southeast Asia (see note 6).

The nominal value of Lease Liabilities, by maturity, is as follows:

Thousand Euros	Sep 2022				
	Capital outstanding by maturity				
	Total	Less than 5 year	From 5 to 10 years	From 10 to 15 years	More than 15 years
Lease Liabilities	1,819,382	585,255	371,167	358,428	504,532

33. Tax liabilities

Tax liabilities are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Non Current				
Special tax Brazil	182,140	124,362	-	-
Current				
Income tax	123,819	100,533	48,798	38,971
Withholding tax	47,271	48,203	1,263	1,486
Value Added Tax (VAT)	401,920	244,938	1,842	2,666
Special taxes Brazil	48,856	83,148	-	-
CESE	51,084	-	-	-
Other taxes	170,639	105,864	1,353	1,232
	843,589	582,686	53,256	44,355
	1,025,729	707,048	53,256	44,355

The Special taxes Brazil caption relates to the following taxes: CSLL (Social Contribution on net profits), PIS (Social integration programme) and COFINS (Social Security Financing Contribution).

34. Non-Current assets and liabilities held for sale

The criteria for classifying assets and liabilities as held for sale, as well as their presentation in EDP Group's consolidated financial statements, are described in the Group's accounting policies.

This caption is as follows:

Thousand Euros	Group	
	Sep 2022	Dec 2021
Assets held for sale		
Electricity generation assets - Offshore wind	114,587	25,111
Electricity generation assets - Onshore wind (Spain and Poland)	-	455,813
Electricity generation assets - Onshore wind (Brazil)	249,022	-
Electricity generation assets - Joint Ventures	53,917	-
Electricity generation assets - Hydro Brazil	85,199	219,867
	502,725	700,791
Liabilities held for sale		
Electricity generation assets - Onshore wind (Spain and Poland)	-	62,345
Electricity generation assets - Onshore wind (Brazil)	179,688	-
Electricity generation assets - Hydro Brazil	9,687	25,720
	189,375	88,065
	313,350	612,726

The assets and liabilities 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.

During the Year of 2021, EDPR Group, as part of its asset rotation program, started the process of selling onshore wind portfolios in Europe (Spain and Poland). Assets and liabilities associated with these portfolios were presented in non-current assets and liabilities held for sale. During the second quarter of 2022, EDPR Group announced the closing of these transactions (see note 6).

During the last quarter of 2021, the EDP Brasil Group started a structured process for the sale of three hydro assets: Companhia Energética do Jari – CEJA, Empresa de Energia Cachoeira Caldeirão S.A. and Energest S.A. Assets and liabilities associated with this portfolio was presented in non-current assets and liabilities held for sale.

In August 2022 EDPB has entered into a sale agreement with VH GSEO UK Holdings Limited, a subsidiary of Victory Hill Global Sustainable Energy Opportunities, for the total disposal of Energest S.A., the owner of Mascarenhas Hydro Power Plant.

The negotiations with potential investors in the selling of Companhia Energética do Jari – CEJA and Empresa de Energia Cachoeira Caldeirão S.A. were not successful, so these assets are no longer presented as held for sale in the third quarter of 2022.

During the second quarter of 2022, EDPR Group, as part of its asset rotation program, started the process of selling an onshore wind portfolio in Italy. Assets and liabilities associated with these portfolios were presented in non-current assets and liabilities held for sale. During the third quarter of 2022, EDPR Group announced the closing of this transaction (see note 6).

During the second quarter of 2022, EDP Group started the process of selling an electricity production joint ventures. The asset associated with this investment was presented in non-current assets held for sale.

During the third quarter of 2022, EDPR Group, as part of its asset rotation program, started the process of selling an onshore wind portfolio in Brazil. Assets and liabilities associated with this portfolio were presented in non-current assets and liabilities held for sale.

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

Thousand Euros	Other Segments		Renewables		Total
	Joint Ventures	Hydro Brazil	Onshore wind	Offshore wind	
Assets					
Property, plant and equipment (see note 14)	-	-153	-230,289	-	-230,442
Investments in joint ventures and associates (see note 18)	-53,917	149,198	-	-	95,281
Other assets	-	-11,152	-11,114	-89,476	-111,742
Cash and cash equivalents (see note 24)	-	-3,225	-7,619	-	-10,844
Assets Held for Sale	53,917	-134,668	249,022	89,476	257,747
Liabilities					
Financial debt	-	20,955	-168,245	-	-147,290
Other liabilities	-	-4,922	-11,443	-	-16,365
Liabilities Held for Sale	-	-16,033	179,688	-	163,655
	-	-	-	-	-

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.

35. Derivative financial instruments

In accordance with IFRS 9, the Group classifies derivative financial instruments as fair value hedge of a recognised asset or liability (Fair value hedge), as cash flow hedge of recognised liabilities and highly probable future transactions (Cash flow hedge), as net investment hedge in foreign operations (Net investment hedge), or as held for trading, if or when they are not eligible for hedge accounting.

The fair value of the derivative financial instruments in EDP Group is as follows:

Thousand Euros	Sep 2022		Dec 2021	
	Assets	Liabilities	Assets	Liabilities
Net Investment hedge				
Cross-currency interest rate swaps	4,143	-410,142	13,917	-64,452
Currency forwards	8,340	-188,699	2,898	-30,313
Fair value hedge				
Interest rate swaps	2,763	-31,283	39,022	-
Cross-currency interest rate swaps	19,532	-51,802	48,263	-7,829
Cash flow hedge				
Interest rate swaps	120,697	-4,307	748	-9,142
Swaps related to gas commodity	1,243,548	-5,653,464	858,421	-1,904,607
Electricity swaps	185,068	-1,453,120	171,230	-645,611
Currency forwards (includes commodities forwards)	152,972	-8,001	84,135	-1,578
Trading				
Interest rate swaps	12,799	-46,794	515	-6,875
Cross-currency interest rate swaps	16,356	-	8,959	-2,094
Commodity swaps and forwards	3,211,678	-3,445,600	1,061,750	-1,189,754
Currency forwards	91,360	-11,941	12,596	-8,616
CO2 forwards	7,065	-25,230	9,605	-32,981
Currency forwards associated to commodities	89,616	-24,284	41,267	-8,474
Commodity options	327	-	-	-28,918
	5,166,264	-11,354,667	2,353,326	-3,941,244

The management of financial risk of EDP, S.A. and other EDP Group companies, is carried out centrally by EDP, S.A. (note 5). On this basis, EDP, S.A. negotiates derivative financial instruments with external entities to hedge its own individual business risks, as well as for other companies of the Group, performing for these entities' as an intermediate in their contracting.

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The fair value of the derivative financial instruments at Company level is as follows:

Thousand Euros	Sep 2022		Dec 2021	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Interest rate swaps	90,843	-58,778	-	-
Swaps related to gas commodity	247,081	-3,076,584	107,577	-934,872
Electricity swaps	447,322	-117,079	593,502	-82,172
Currency forwards (includes commodities forwards)	96,789	-	61,439	-219
Trading				
Interest rate swaps	35,583	-34,314	38,271	-43,221
Cross-currency interest rate swaps	321,973	-368,684	107,185	-87,542
Commodity swaps	8,916,629	-8,310,588	4,215,967	-3,465,075
Currency forwards	228,489	-228,489	36,494	-31,827
Commodity forwards	240,812	-167,388	59,877	-73,180
Currency forwards associated to commodities	109,667	-47,134	42,875	-10,591
Commodity options	652	-331	28,918	-57,857
	10,735,840	-12,409,369	5,292,105	-4,786,556

The fair value of derivative financial instruments is booked in Other debtors and other assets (see note 22) and Other liabilities and other payables (see note 32), according to its nature.

As at 30 September 2022, the following market inputs were considered for the fair value calculation:

Instrument	Fair value indexed to the following market inputs
Cross-curr. int. rate swaps	Interest rates: Euribor 3M, Euribor 6M, Libor 3M, Libor 6M, Daily CDI, Wibor 3M, Wibor 6M, CAD CDOR 3M, Robor 3M and Colombia Overnight Interbank; and exchange rates: EUR/GBP, EUR/BRL, EUR/PLN, EUR/CAD, EUR/RON, EUR/COP, USD/BRL and EUR/USD.
Interest rate swaps	Interest rates: Euribor 3M, Euribor 6M, Wibor 6M, US Libor 3M and CAD CDOR 3M.
Currency forwards	Exchange rates: EUR/USD, EUR/PLN, EUR/BRL, EUR/GBP, EUR/HUF, USD/HUF, EUR/RON, BRL/USD, BRL/CNY, COP/USD, CAD/USD, EUR/CAD, EUR/COP, EUR/SGD, USD/PLN and MXN/USD.
Commodity swaps	Market quotes of commodities: Brent, NBP Natural Gas, Electricity, Henry Hub, TTF, Coal, CO2 and JKM.

36. Commitments

Operating guarantees granted by EDP Group, not included in the consolidated statement of financial position nor in the Notes, are as follows:

Thousand Euros	Group		Company	
	Sep 2022	Dec 2021	Sep 2022	Dec 2021
Operating guarantees				
EDP S.A.	975,165	637,968	975,165	637,968
EDP España Group	55,148	64,360	-	-
EDP Brasil Group	205,115	144,133	-	-
EDP Renováveis Group	3,883,933	2,287,997	-	-
	5,119,361	3,134,458	975,165	637,968

Additionally there are guarantees of an operational nature in the amount of 7,280 thousand euros and 10,596 thousand euros, associated with the portfolio of EDP Renewables and Hydroglobal of companies that were classified as held for sale on 30 September 2022.

In addition to the guarantees identified above, EDP Group provides financial and operating guarantees related to liabilities assumed by joint ventures and associates in the amount of 205,909 thousand Euros and 897,538 thousand Euros, respectively (31 December 2021: 481,082 thousand Euros and 293,253 thousand Euros).

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In the Group, the commitments relating to future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations are disclosed, by maturity, as follows:

Thousand Euros	Sep 2022				
	Total	Capital outstanding by maturity			
		Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	60,711	14,285	17,735	4,798	23,893
Purchase obligations	34,625,094	8,265,718	5,865,099	3,720,359	16,773,918
	34,685,805	8,280,003	5,882,834	3,725,157	16,797,811

At Company level, the commitments relating to future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations are disclosed, by maturity, as follows:

Thousand Euros	Sep 2022				
	Total	Capital outstanding by maturity			
		Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Future cash outflows not reflected in the measurement of the lease liabilities	82	78	4	-	-
Purchase obligations	9,246,462	569,179	1,047,365	1,009,903	6,620,015
	9,246,544	569,257	1,047,369	1,009,903	6,620,015

37. Related parties

Balances and transactions with subsidiaries, joint ventures and associates

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

The credits and debits over subsidiaries, joint ventures and associates, at Company level, are as follows:

Credits held

Thousand Euros	30 September 2022			
	Intra-Group Financial Mov.	Loans and Interests receivable	Other Credits	Total
EDP Comercial, S.A.	497,347	66,270	93,138	656,755
E-Redes – Distribuição de Eletricidade, S.A	-	1,806,015	34,935	1,840,950
EDP Finance B.V.	-	626,245	31,868	658,113
EDP Produção, S.A.	-	-	2,273,461	2,273,461
EDP Renováveis, S.A.	-	-	374,006	374,006
EDP Servicios Financieros España, S.A.U.	690,797	-	9,705	700,502
SU Electricidade, S.A.	-	301,500	4,139	305,639
EDP Renewables Europe, S.L.U.	-	-	446,572	446,572
EDP Clientes, S.A.	-	2,582	2,924,587	2,927,169
EDP España, S.A.U.	-	-	290,086	290,086
EDP GAS.COM - Comércio de Gás Natural, S.A.	459,325	10,093	492,494	961,912
EDP Renováveis Servicios Financieros, S.A.	-	-	79,344	79,344
Outras	7,269	36,083	135,293	178,645
	1,654,738	2,848,788	7,189,628	11,693,154

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The amount of 626,245 thousand Euros refers to one private placement by EDP S.A. of a bond issued by EDP Finance B.V.

Debits held

Thousand Euros	30 September 2022			Total
	Intra-Group Financial Mov.	Loans and Interests payable	Other Debits	
E-Redes – Distribuição de Eletricidade, S.A	158,932	-	2,580	161,512
EDP Finance B.V.	-	5,410,177	61,511	5,471,688
EDP Produção, S.A.	523,865	-	2,499,176	3,023,041
SU Electricidade, S.A.	1,260,212	-	31,381	1,291,593
EDP Espanha, S.A.U.	-	-	796,468	796,468
EDP Clientes, S.A.	-	-	354,256	354,256
EDP GAS.COM - Comércio de Gás Natural, S.A.	-	-	219,989	219,989
EDP Renewables Europe, S.L.U.	-	-	53,803	53,803
EDP Comercial, S.A.	-	-	299,214	299,214
EDP Renováveis Servicios Financieros, S.A.	-	-	158,107	158,107
Outras	67,531	-	80,645	148,176
	2,010,540	5,410,177	4,557,130	11,977,847

At 30 September 2022, the amount of 5,410,177 thousand Euros includes three intragroup bonds issued by EDP Finance BV and acquired by EDP S.A., in the total amount of 4,423,806 thousand Euros, with fixed and variable rate and a term to maturity up to 10 years.

Expenses

Thousand Euros	30 September 2022			Total
	Interest on Intra-Group Financial Mov.	Interest on Loans Obtained	Other Losses	
EDP Finance B.V.	-	54,921	28,883	83,804
EDP Produção, S.A.	-	-	1,631,163	1,631,163
EDP Espanha, S.A.U.	-	-	571,183	571,183
EDP Clientes, S.A.	-	-	212,097	212,097
EDP Comercial, S.A.	-	-	823,906	823,906
EDP Servicios Financieros España, S.A.U.	1,934	-	-	1,934
EDP GAS.COM - Comércio de Gás Natural, S.A.	-	-	161,720	161,720
EDP Renováveis Servicios Financieros, S.A.	-	-	87,146	87,146
FISIGEN - Empresa de Cogeração, S.A.	-	-	56,295	56,295
Outras	-	-	84,973	84,973
	1,934	54,921	3,657,366	3,714,221

Income

Thousand Euros	30 September 2022			Total
	Interest on Intra-Group Financial Mov.	Interest on Loans Granted	Other Gains	
EDP Comercial, S.A.	944	274	1,643,229	1,644,447
E-Redes – Distribuição de Eletricidade, S.A	65	15,219	172,292	187,576
EDP Produção, S.A.	35	3,695	159,504	163,234
EDP Finance B.V.	-	11,283	49,359	60,642
EDP Renewables Europe, S.L.U.	-	-	161,622	161,622
EDP Renováveis, S.A.	-	-	508,992	508,992
EDP Espanha, S.A.U.	-	-	252,815	252,815
EDP GAS.COM - Comércio de Gás Natural, S.A.	864	164	1,002,620	1,003,648
EDP Clientes, S.A.	-	2	2,824,020	2,824,022
EDP Renováveis Servicios Financieros, S.A.	-	-	92,426	92,426
Outras	70	4,032	64,358	68,460
	1,978	34,669	6,931,237	6,967,884

Other gains include income from equity investments of 270,843 thousand Euros (see note 12).

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Assets, liabilities and transactions with related companies, for the Group, are as follows:

Assets and Liabilities

Thousand Euros	30 September 2022		
	Assets	Liabilities	Net Value
Joint Ventures			
Evolución 2000, S.L.	7,088	-	7,088
Empresa de Energia São Manoel, S.A.	2,818	3,609	-791
OW FS Offshore, S.A.	741,670	-	741,670
Other	6,425	924	5,501
	758,001	4,533	753,468
Associates			
Parque Eólico Sierra del Madero, S.A.	5,622	-	5,622
Eos Pax Ila, S.L.	344	-	344
Centrais Elétricas de Santa Catarina, S.A. - Celesc	9,266	407	8,859
Solar Works! B.V.	3,194	-	3,194
Eólica de São Julião, Lda.	22,776	586	22,190
HC Tudela Cogeneración, S.L.	2,616	-	2,616
SCNET - Sino-Portuguese Centre	-	1,080	-1,080
Other	1,336	-	1,336
	45,154	2,073	43,081
	803,155	6,606	796,549

Transactions

Thousand Euros	30 September 2022			
	Operating Income	Financial Income	Operating Expenses	Financial Expenses
Joint Ventures				
Companhia Energética do JARI - CEJA	329	-	2,253	-
Empresa de Energia São Manoel, S.A.	5,091	-	15,735	-
OW FS Offshore, S.A.	2,494	10,120	-	-
Other	1,964	33	718	-
	9,878	10,153	18,706	-
Associates				
Eos Pax Ila, S.L.	46	-	4,702	-
Eólica de São Julião, Lda	10,607	-	5,080	-
HC Tudela Cogeneración, S.L.	14,745	3	11,244	-
Other	904	400	68	-
	26,302	403	21,094	-
	36,180	10,556	39,800	-

During 2022, EDP Group contributed with 11,075 thousand Euros of donations to Fundação EDP (see note 11).

38. Fair value of financial assets and liabilities

The fair value of financial assets and liabilities is as follows:

Thousand Euros	Sep 2022			Dec 2021		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Assets						
Equity instruments at fair value	207,027	207,027	-	189,942	189,942	-
Investment property	30,794	30,794	-	20,668	20,668	-
Debtors/other assets from commercial activities	8,854,429	8,854,429	-	8,596,510	8,596,510	-
Other debtors and other assets	3,236,052	3,236,052	-	2,298,676	2,298,676	-
Derivative financial instruments	5,166,264	5,166,264	-	2,353,326	2,353,326	-
Collateral deposits/financial debt	53,178	53,178	-	50,075	50,075	-
Cash and cash equivalents	3,514,011	3,514,011	-	3,222,409	3,222,409	-
	21,061,755	21,061,755	-	16,731,606	16,731,606	-
Liabilities						
Financial debt	20,743,359	19,492,401	-1,250,958	16,817,936	17,293,095	475,159
Suppliers and accruals	3,159,543	3,159,543	-	2,390,874	2,390,874	-
Institutional partnerships	2,466,639	2,466,639	-	2,259,741	2,259,741	-
Trade payables and other liabilities from commercial activities	4,630,586	4,630,586	-	4,956,778	4,956,778	-
Other liabilities and other payables	2,492,071	2,492,071	-	1,879,832	1,879,832	-
Derivative financial instruments	11,354,667	11,354,667	-	3,941,244	3,941,244	-
	44,846,865	43,595,907	-1,250,958	32,246,405	32,721,564	475,159

According to IFRS 13 requirements, EDP Group established the way it obtains the fair value of its financial assets and liabilities. The levels used are defined as follows:

Thousand Euros	Sep 2022			Dec 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Equity instruments at fair value through Other comprehensive income (see note 19)	-	80,596	52,957	-	95,811	31,016
Profit or loss (see note 19)	-	-	73,474	-	-	63,115
Tariff deficit at fair value through other comprehensive income (see note 21)	-	1,933	-	-	564,046	-
Amounts receivable from concessions-IFRIC 12 at fair value through profit or loss (see note 21)	-	1,020,359	-	-	693,785	-
Investment property	-	30,794	-	-	20,668	-
Derivative financial instruments (see note 35)	-	5,166,264	-	-	2,353,326	-
	-	6,299,946	126,431	-	3,727,636	94,131
Financial liabilities						
Derivative financial instruments (see note 35)	-	11,354,667	-	-	3,941,244	-
	-	11,354,667	-	-	3,941,244	-

39. Relevant or subsequent events

EDP issues two Green Bonds, a 500 million American Dollars and a 500 million Euros

On 3 October 2022, EDP Finance BV priced an issuance of debt instruments in the total amount of 500 million American Dollars maturing in October 2027 and with a coupon of 6.3%. Subsequently, on 4 October 2022, a similar issuance of debt instruments occurred in the total amount of 500 million Euros but maturing in March 2030 and with a coupon of 3.875%.

EDP acquires a solar development platform in Germany

On 6 October 2022, EDP informed through its subsidiary EDPR, that it has acquired a 70% stake in Kronos Solar Projects GmbH, a solar developer company based in Germany, holder of a 9.4 GW portfolio of solar projects. The deal was closed for an acquisition price of 250 million Euros.

EDP signed a asset rotation deal of a 260 MW wind portfolio in Brazil

On 6 October 2022, EDP announced through its subsidiary EDPR, the signing of a Sale and Purchase Agreement with Companhia Paranaense de Energia ("COPEL") to sell a 100% equity stake in 2 operating wind projects that total 260 MW of capacity, situated in the state of Rio Grande do Norte, Brazil, for an estimated enterprise value of 1.80 billion Brazilian Reais as of 31 December 2021 (350 million Euros).

ERSE proposal for electricity tariffs in 2023

On 17 October 2022, the Portuguese Electricity Regulator (ERSE) announced its proposal for electricity tariffs for 2023, on which it is worth noting the following:

- End users' regulated electricity tariffs for 2022 in the normal low voltage (NLV) segment, which includes residential and SMEs electricity consumers, to increase by 2.8% on average.
 - Regulated gross profit for the activity of electricity distribution, operated by subsidiary E-Redes, is 1,050 million Euros for 2023, and
 - Regulated gross profit for the last resort electricity supply operated by subsidiary SU Eletricidade is 36 million Euros for 2023.
- In both cases, the expressed regulated gross profit excludes previous year adjustments.

According to ERSE's proposal, Portuguese electricity system's regulatory receivables, which amounted to 1.7 billion Euros by the end of 2021, should decline by 0.9 billion Euros over 2023.

According to electricity regulation rules in Portugal, the Tariffs Advisory Board shall issue its nonbinding opinion until next 15 November 2022. Following that, ERSE will approve the final tariffs and parameters until 15 December 2022.

40. Operating segments

In accordance with IFRS 8, an operating segment is a Group component:

- (i) that engages in business activities from which it may earn revenues and incur expenses;
- (ii) whose operating results are reviewed regularly by the Group's chief operating decision maker to make decisions about
- (iii) for which discrete financial information is available.

The Group develops a set of regulated and liberalised activities in the energy sector, with special emphasis in generation, distribution and supply of electricity.

The Executive Board of Directors regularly reviews segmental reports, using Operating Profit to assess and release each business operating performance, as well as to allocate resources.

The management of financial activities of all EDP Group entities (except Brazil) is undertaken centrally by the Financial Department at holding level, in accordance with policies approved by the Executive Board of Directors. As a result of this management, all financial operations and financial results are disclosed only at Group level.

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The Renewables segment corresponds to the activity of generation of electricity from renewable sources, mainly hydro, wind and solar. This segment includes, but not limited to, the following companies:

- EDP - Gestão da Produção de Energia, S.A. (hydro activity);
- EDP España, S.A.U. (hydro activity);
- EDP Renováveis, S.A. and all subsidiaries of the EDPR Group;
- Enerpeixe, S.A.;
- Investco, S.A.;
- Lajeado Energia, S.A.

The Networks segment corresponds to the activities of electricity distribution and transmission. This segment includes, but not limited to, the following companies:

- E-Redes – Distribuição de Eletricidade, S.A.;
- Electra de Llobregat Energía, S.L.;
- Hidrocantábrico Distribucion Eléctrica, S.A.U.;
- Viesgo Distribución Eléctrica, S.L.;
- Barras Eléctricas Galaico-Asturias, S.A.;
- EDP Espírito Santo Distribuição de Energia S.A.;
- EDP São Paulo Distribuição de Energia S.A.;
- EDP Transmissão, S.A.;
- EDP Transmissão Aliança SC, S.A.;
- EDP Transmissão SP-MG, S.A.

The Client Solutions & Energy Management segment includes the following activities: generation of electricity from non-renewable sources, mainly coal and gas; electricity and gas supply, including last resort suppliers and related energy solutions services to clients; and energy management businesses responsible for management of purchases and sales of energy in Iberian and Brazilian markets, and also for the related hedging transactions. This segment includes, but not limited to, the following companies:

- EDP - Gestão da Produção de Energia, S.A. (thermal activity);
- EDP España, S.A.U. (thermal and intermediation activities);
- UNGE - Unidade de Negócio de Gestão de Energia Ibérica (EDP, S.A.);
- Porto do Pecém Geração de Energia, S.A.;
- EDP Comercial - Comercialização de Energia, S.A.;
- EDP Trading Comercialização e Serviços de Energia, S.A.;
- SU Eletricidade, S.A.;
- EDP Gás Serviço Universal, S.A.

Segment Definition

The amounts reported in each operating segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter and the elimination of transactions between companies of the same segment.

The statement of financial position captions of each subsidiary and business unit, as well as income statement captions for each operating segment, are determined based on the amounts booked directly in the companies that compose the segment, including the elimination of balances between companies of the same segment, and excluding the allocation in the segments of the adjustments between segments.

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In each business segment, Assets include the Property, Plant and Equipment, Right-of-use assets, Intangible Assets and Goodwill. The remaining assets are presented in the "Reconciliation of information between Operating Segments and Financial Statements".

Under IFRS 8, the EDP Group discloses as Operating investment, additions in non-current assets, except for financial instruments, deferred tax assets and post-employment benefit assets. Therefore, in each business segment, the Operating Investment caption includes increases in Property, Plant and Equipment; Intangible Assets; and Amounts receivable from concessions - IFRIC 12 under the financial asset model, excluding CO2 licenses, net of increases in Government grants, customers contributions for investment and sales of properties in the period. Goodwill is disclosed in note 17.

In consolidated financial statements, Joint Ventures and associated companies are accounted under the equity method, in accordance with the Group accounting policy disclose in note 2. These equity accounted investees are disclosed by business segment under IFRS 8 and presented in the business segment correspondent to its operating activity.

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EDP Group Operating Segments Information as at 30 September 2022

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
Revenues from energy sales and services and other	2,631,596	2,979,859	13,225,624	18,837,079
Revenues inter-segments	1,219,474	1,831,372	-48,949	3,001,897
Revenues from third parties	1,412,122	1,148,487	13,274,573	15,835,182
Gross Profit	1,795,475	1,754,880	791,044	4,341,399
Other income	530,469	61,167	20,845	612,481
Supplies and services	-347,754	-262,301	-238,009	-848,064
Personnel costs and employee benefits	-212,053	-153,138	-109,372	-474,563
Other costs	-258,873	-241,331	-126,868	-627,072
Impairment losses on trade receivables and debtors	-2,066	-23,383	-24,031	-49,480
Joint ventures and associates	109,504	175	-3,012	106,667
Gross Operating Profit	1,614,702	1,136,069	310,597	3,061,368
Provisions	-1,075	-7,879	-958	-9,912
Amortisation and impairment	-654,112	-386,172	-138,638	-1,178,922
Operating Profit	959,515	742,018	171,001	1,872,534
Assets	26,655,442	6,318,587	2,140,294	35,114,323
Financial assets - Investments in joint ventures and associates	1,537,436	105	12,015	1,549,556
Operating Investment	2,323,398	534,227	101,438	2,959,063

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Reconciliation of information between Operating Segments and Financial Statements for 30 September 2022

Thousand Euros	
Total Revenues from energy sales and services and other of Reported Segments	18,837,079
Revenues from energy sales and services and others from Other Segments	195,424
Adjustments and Inter-segments eliminations*	-3,185,589
Total Revenues from energy sales and services and other of EDP Group	15,846,914
Total Gross Profit of Reported Segments	4,341,399
Gross Profit from Other Segments	186,877
Adjustments and Inter-segments eliminations*	-196,108
Total Gross Profit of EDP Group	4,332,168
Total Gross Operating Profit of Reported Segments	3,061,368
Gross Operating Profit from Other Segments	4,734
Adjustments and Inter-segments eliminations*	-20,397
Total Gross Operating Profit of EDP Group	3,045,705
Total Operating Profit of Reported Segments	1,872,534
Operating Profit from Other Segments	-32,748
Adjustments and Inter-segments eliminations*	-12,688
Total Operating Profit of EDP Group	1,827,098
Total Assets of Reported Segments	35,114,323
Assets Not Allocated	26,131,585
Financial Assets	4,276,941
Trade Receivables and Other Debtors	8,854,429
Inventories	1,420,581
Tax Assets	3,146,524
Other Assets	8,433,110
Assets from Other Segments	764,136
Inter-segments assets eliminations*	-48,249
Total Assets of EDP Group	61,961,795
Total Equity accounted Investments in joint ventures and associates of Reported Segments	1,549,556
Equity accounted Investments in joint ventures and associates from Other Segments	274,508
Total Equity accounted Investments in joint ventures and associates of EDP Group	1,824,064
Total Operating Investment of Reported Segments	2,959,063
Operating Investment from Other Segments	48,913
Total Operating Investment of EDP Group	3,007,976
Dismantling/discommission of PP&E	7,827
Emission of CO2 Licenses	457,117
Concession Rights - IFRIC 12 **	-429,229
Investment Grants	-4,107
Other Investments	-9,909
Total Fixed Assets additions of EDP Group (Notes 14 and 16)	3,029,675

	Total of Reported Segments	Other Segments	Adjustments and Inter- segments eliminations*	Total of EDP Group
Other income	612,481	27,065	-17,389	622,157
Supplies and services	-848,064	-122,120	188,161	-782,023
Personnel costs and employee benefits	-474,563	-97,884	2,368	-570,079
Other costs	-627,072	-24,042	2,571	-648,543
Impairment losses on trade receivables and debtors	-49,480	-	-	-49,480
Equity method in joint ventures and associates	106,667	34,839	-1	141,505
Provisions	-9,912	-82	-	-9,994
Amortisation and impairment	-1,178,922	-37,400	7,709	-1,208,613

* Mainly related with intragroup balances and transactions eliminations.

** See Note 21 - Debtors and Other Assets from Commercial Activities

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EDP Group Operating Segments Information as at 30 September 2021 *

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
Revenues from energy sales and services and other	1,869,406	2,893,524	7,363,532	12,126,462
Revenues inter-segments	914,557	1,278,585	-54,726	2,138,416
Revenues from third parties	954,849	1,614,939	7,418,258	9,988,046
Gross Profit	1,669,272	1,528,191	488,258	3,685,721
Other income	369,050	40,331	27,625	437,006
Supplies and services	-265,304	-235,870	-171,444	-672,618
Personnel costs and employee benefits	-157,321	-149,237	-94,718	-401,276
Other costs	-174,139	-232,119	-120,088	-526,346
Impairment losses on trade receivables and debtors	387	-11,613	-12,458	-23,684
Joint ventures and associates	-9,679	90	21,524	11,935
Gross Operating Profit	1,432,266	939,773	138,698	2,510,737
Provisions	-48,462	-3,235	-840	-52,537
Amortisation and impairment	-577,635	-349,582	-145,031	-1,072,248
Operating Profit	806,170	586,956	-7,174	1,385,952
Assets (31 December 2021)	21,653,930	6,162,596	2,131,237	29,947,763
Financial assets - Investments in joint ventures and associates Assets (31 December 2021)	1,084,193	190	15,677	1,100,060
Operating Investment	1,781,940	505,449	80,012	2,367,401

* Includes restatement originated by changing the classification of the Social Tariff Costs as described in note 2a)

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Reconciliation of information between Operating Segments and Financial Statements for 30 September 2021 **

Thousand Euros	
Total Revenues from energy sales and services and others of Reported Segments	12,126,462
Revenues from energy sales and services and others from Other Segments	171,865
Adjustments and Inter-segments eliminations*	-2,297,788
Total Revenues from energy sales and services and others of EDP Group	10,000,539
Total Gross Profit of Reported Segments	3,685,721
Gross Profit from Other Segments	171,902
Adjustments and Inter-segments eliminations*	-168,941
Total Gross Profit of EDP Group	3,688,682
Total Gross Operating Profit of Reported Segments	2,510,737
Gross Operating Profit from Other Segments *	-909
Adjustments and Inter-segments eliminations*	-2,748
Total Gross Operating Profit of EDP Group	2,507,080
Total Operating Profit of Reported Segments	1,385,952
Operating Profit from Other Segments	-35,522
Adjustments and Inter-segments eliminations*	4,986
Total Operating Profit of EDP Group	1,355,416
Total Assets of Reported Segments (31 December 2021)	29,947,763
Assets Not Allocated	20,400,557
Financial Assets	4,163,217
Trade Receivables and Other Debtors	8,596,510
Inventories	733,381
Tax Assets	2,234,780
Other Assets	4,672,669
Assets from Other Segments	703,191
Inter-segments assets eliminations*	-57,359
Total Assets of EDP Group (31 December 2021)	50,994,152
Total Equity accounted Investments in joint ventures and associates of Reported Segments (31 December 2021)	1,100,060
Equity accounted Investments in joint ventures and associates from Other Segments *	250,385
Total Equity accounted Investments in joint ventures and associates of EDP Group (31 December 2021)	1,350,445
Total Operating Investment of Reported Segments (30 September 2021)	2,367,401
Operating Investment from Other Segments	53,608
Total Operating Investment of EDP Group (30 September 2021)	2,421,009
Discommission of Property, plant and equipment	31,305
Emission of CO2 Licenses	86,818
Concession Rights - IFRIC 12 **	-417,394
Investment Grants	-133
Other Investments	9,042
Total Fixed Assets additions of EDP Group (30 September 2021)	2,130,646

	Total of Reported Segments	Other Segments	Adjustments and Inter- segments eliminations*	Total of EDP Group
Other income	437,006	35,719	-14,576	458,149
Supplies and services	-672,618	-120,732	177,898	-615,452
Personnel costs and employee benefits	-401,276	-91,844	1,484	-491,636
Other costs	-526,346	-27,081	1,341	-552,086
Impairment losses on trade receivables and debtors	-23,684	-39	-	-23,723
Joint ventures and associates	11,935	31,166	45	43,146
Provisions	-52,537	-1,283	-	-53,820
Amortisation and impairment	-1,072,248	-33,329	7,733	-1,097,844

* Mainly related with intragroup balances and transactions eliminations

** Includes restatement originated by changing social tariff costs and green certificates as described in note 2a)

41. Reconciliation of Changes in the responsibilities of Financing activities at 30 September 2022

Thousand Euros	Group					
	Financial debt and Derivative financial instruments (including Collateral Deposits)			Institutional partnership in North America (Note 30)	Lease Liabilities (Note 32)	Loans from non-interests (Note 32)
	Loans obtained (Note 27)	Collateral Deposits (Note 27)	Derivative financial instrument (Note 25)*			
Balance as at 31 de December 2021	16,817,936	-50,075	2,403	2,259,741	1,049,448	472,755
Cash flows:						
Receipts relating to financial debt (including Collateral Deposits)	4,541,321	1,474	-	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-1,390,365	-	-	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-508,866	-	-26,256	-	-	-
Receipts/(payments) relating to loans from non-controlling interests	-	-	-	-	-	228,366
Interest and similar costs relating to loans from non-controlling interests	-	-	-	-	-	-8,214
Receipts/(payments) relating to derivative financial instruments	-	-	-2,047	-	-	-
Receipts/(payments) from institutional partnerships	-	-	-	-69,379	-	-
Lease (payments)	-	-	-	-	-97,215	-
Perimeter variations	230,959	-2,162	-49,352	24,892	30,613	409
Exchange differences	810,406	-7,063	113,311	354,118	119,382	-3,871
Fair value changes	-92,723	-	357,900	-	-	-
Interests and accrued and deferred costs	476,463	-	73,019	-2,051	-	12,611
Unwinding	-	-	-	73,211	31,848	-
ITC/PTC recognition	-	-	-	-173,893	-	-
New lease contracts/increments in rent values	-	-	-	-	263,633	-
Reclassification to Liabilities held for sale	-141,772	4,648	-	-	-114	-
Balance as at 30 September 2022	20,743,359	-53,178	468,978	2,466,639	1,397,595	702,056

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

Thousand Euros	Company			
	Financial debt and Derivative financial instruments		Lease Liabilities (Note 32)	Group companies (Note 32)
	Loans obtained (Note 27)	Derivative financial instrument (Note 35)*		
Balance as at 31 December 2021	13,034,299	-19,360	156,354	3,630
Cash flows:				
Receipts relating to financial debt (including Collateral Deposits)	2,124,236	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-1,594,679	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-177,801	-26,847	-	-
Receipts/(payments) relating to loans from related parties	-338,065	-	-	-
Receipts/(payments) relating to derivative financial instruments	-	121,025	-	-
Lease (payments)	-	-	-9,448	-
Exchange differences	23,289	-	-	-
Fair value changes	-	-72,109	-	-
Unwinding	-	-	3,465	-
Interests and accrued and deferred costs	159,536	10,668	-	2,763
New lease contracts/increments in rent values	-	-	32,664	-
Balance as at 30 September 2022	13,230,815	13,377	183,035	6,393

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

42. Explanation Added for Translation

These financial statements are a free translation of the financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancies, the Portuguese language version prevails.



Review Report on the Condensed Consolidated Financial Statements

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Introduction

We have reviewed the accompanying condensed consolidated financial statements of EDP – Energias de Portugal, S.A. (the Entity), which comprise the condensed consolidated statement of financial position as at September 30, 2022 (which shows total assets of Euros 61,961,795 thousand and total equity of Euros 12,024,405 thousand, including a consolidated a net profit for the period attributable to equity holders of EDP of Euros 517,597 thousand), the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the nine month period then ended, and the accompanying explanatory notes to these condensed consolidated financial statements.

Management's responsibility

The Management is responsible for the preparation of the condensed consolidated financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying condensed consolidated financial statements. We conducted our review in accordance with ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Those standards require that we conduct the review in order to conclude whether anything has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

A review of financial statements is a limited assurance engagement. The procedures performed mainly consist of making inquiries and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (ISAs). Accordingly, we do not express an opinion on these consolidated financial statements.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.

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Tel: +351 213 599 000, Fax: +351 213 599 999, www.pwc.pt

Matriculada na CRC sob o NIPC 506 628 752, Capital Social Euros 314.000

Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of EDP – Energias de Portugal, S.A. as at September 30, 2022 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

October 27, 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
represented by:

Signed on the original

João Rui Fernandes Ramos, ROC no. 1333
Registered with the Portuguese Securities Market Commission under no. 20160943



Review Report on the Condensed Financial Statements

(Free translation from the original in Portuguese. In the event of discrepancies, the Portuguese language version prevails)

Introduction

We have reviewed the accompanying condensed financial statements of EDP – Energias de Portugal, S.A. (the Entity), which comprise the condensed company statement of financial position as at September 30, 2022 (which shows total assets of Euros 35,323,248 thousand and total equity of Euros 6,524,311 thousand, including a net profit for the period of Euros 166,238 thousand), the condensed company income statement, the condensed statement of comprehensive income, the condensed company statement of changes in equity and the condensed company statement of cash flows for the nine month period then ended, and the accompanying explanatory notes to these condensed financial statements.

Management's responsibility

The Management is responsible for the preparation of the condensed financial statements in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union, as well as to create and maintain appropriate systems of internal control to enable the preparation of condensed financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.

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October 27, 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
represented by:

Signed on the original

João Rui Fernandes Ramos, ROC no. 1333
Registered with the Portuguese Securities Market Commission under no. 20160943

The Executive Board of Directors

Miguel Stilwell de Andrade (Chairman)

Miguel Nuno Simões Nunes Ferreira Setas

Rui Manuel Rodrigues Lopes Teixeira

Vera de Moraes Pinto Pereira Carneiro

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edp