

EDP Servicios Financieros España, S.A.U.
(Sociedad Unipersonal)

Interim Report at 30 June 2024

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EDP Servicios Financieros España, S.A.U.

RESPONSIBILITY STATEMENT

The Managing Directors of the Company wish to state:

1. That the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of EDP Servicios Financieros España, S.A.U.
2. That the interim report gives a true and fair view of the position as per the balance sheet date and the development during the financial period of EDP Servicios Financieros España, S.A.U. in the semi-annual financial statements, together with a description of principal risks it faces.

Oviedo, 30 July 2024

The Managing Directors:

Luis Álvarez Arias de Velasco
Chair

Valentín Valcuende Rodríguez
Board director

Celma Joao Batista Pires
Board Director

Pelayo Echevarría Ybarra
Secretary Non-Director

EDP Servicios Financieros España, S.A.U.

REPORT OF THE MANAGEMENT BOARD

The Managing Directors of EDP Servicios Financieros España, S.A.U. (hereinafter “the Company”) submit the interim report and the condensed financial statements of the Company for the period ended 30 June 2024.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

General

The Company was incorporated under the laws of Spain on 5th March 1992.

Activities

The principal activity of the Company is to act as a finance company to EDP Group. The policy of the group is to centralize financing in EDP S.A., EDP Finance B.V. and the Company.

Results

During the six-month period under review, ending on 30 June 2024, the Company recorded a gain of 4,480 thousand Euros (six-month period ending 30 June 2023 – profit 16,743 thousand Euros). The decrease in results YoY is essentially due to the increase of the interest rates during the last 12 months.

Relevant events in the first half year of 2024

In January 2024, the Company has bought part of an USD bond issued by EDP Finance B.V. in the amount of 367 million USD with a coupon of 6.3%.

Also in January 2024, the Company issued a bond in the amount of 750 million EUR, 6Y bullet maturity and a coupon of 3.5%.

In May 2024, the Company received a 740 million EUR intercompany loan from EDP Finance B.V., and has granted a symmetric loan to EDP Sucursal.

In June 2024, the Company has closed and fully disbursed a bilateral loan with Mediobanca in the amount of 150 million EUR, at variable interest rate, bullet 5Y tenor, for which an interest rate swap was signed for 120 million EUR notional swapping to fixed interest rate.

During the first half of 2024 the Company granted around 1.000 million EUR in intercompany loans.

EDP Servicios Financieros España, S.A.U.

REPORT OF THE MANAGEMENT BOARD

FUTURE DEVELOPMENTS

Given the strong equity position of the Company, as well as the cash flow expected to be generated by the Group and the available liquidity, the Company expects to continue its finance activity during the second half of the year, as in last months.

KEEP WELL AGREEMENT

During the period under review, there were no changes to the keep-well agreement between EDP S.A. and the Company, signed on 14 September 2023.

AUDIT COMMITTEE

The Company makes use of the exemption to establish its own Audit Committee, based on the Third Additional Provision of the Spanish Audit Act (Law 22/2015) in accordance with article 41 of the EU Directive 2006/43/EG. The Audit Committee of the parent company, EDP S.A., will act as Audit Committee for the Company. This Committee is composed as follows:

- Gonçalo Moura Martins: President
- María José García: Member
- Sofia Salgado Pinto: Member
- Victor Roza Fresno: Member

Oviedo, 30 July 2024

The Managing Directors:

Luis Álvarez Arias de Velasco
Chair

Valentín Valcuende Rodríguez
Board director

Celma Joao Batista Pires
Board Director

Pelayo Echevarría Ybarra
Secretary Non-Director

EDP Servicios Financieros España, S.A.U.**INTERIM FINANCIAL STATEMENTS****CONDENSED COMPANY INCOME STATEMENT FOR THE SIX-MONTH PERIOD
ENDED 30 JUNE 2024 AND 2023**

Thousand Euros	2024	2023
Interest income	114,574	60,377
Interest expenses	-107,966	-38,954
Net interest income / (expenses)	6,608	21,423
Net other financial income and expenses	-297	912
Net financial income / (expenses)	6,311	22,335
Other income / (expenses)		
Services rendered	12	-
Supplies and services	-42	-6
Personnel costs	-241	-
Other operating income and expenses	-67	-5
Profit / (Loss) before income tax	5,973	22,324
Tax (expense) / benefit	-1,493	-5,581
Net profit for the period	4,480	16,743

EDP Servicios Financieros España, S.A.U.

INTERIM FINANCIAL STATEMENTS

**CONDENSED COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024 AND 2023**

Thousand Euros	2024	2023
Net profit for the period	4.480	16.743
Items that are or may be reclassified to profit or loss		
Cash Flow Hedge Reserve	399	-
Tax effect of Cash Flow Hedge Reserve	-100	-
Other comprehensive income for the period (net of income tax)	299	-
Total comprehensive income for the period	4.779	16.743

INTERIM FINANCIAL STATEMENTS

CONDENSED COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30
JUNE 2024 AND 31 DECEMBER 2023

(Before proposed appropriation of profit)

Thousand Euros	2024	2023
Assets		
Loans to and receivables from group entities	4.817.329	3.449.020
Derivative financial instruments	9.521	-
Debtors and other assets	11.045	-
Deferred tax assets	1.564	1.564
Total Non-Current Assets	4.839.459	3.450.584
Loans to and receivables from group entities	1.702.426	395.758
Short term financial investments	1	1
Derivative financial instruments	32	-
Debtors and other assets	11.455	3.359
Tax receivable	704	-
Cash and cash equivalents	226.494	450.503
Total Current Assets	1.941.112	849.621
Total Assets	6.780.571	4.300.205
Equity		
Share capital	10.300	10.300
Reserves and retained earnings	509.353	492.962
Cost of Hedging	299	-
Profit / (loss) for the period	4.480	16.391
Total Equity	524.432	519.653
Liabilities		
Debt securities	2.081.052	1.335.395
Loans and credit facilities from third parties	225.000	75.000
Loans from group entities	1.872.542	1.132.542
Derivative financial instruments	9.122	-
Deferred Tax liabilities	100	-
Total Non-Current Liabilities	4.187.816	2.542.937
Debt securities	22.573	11.780
Loans and credit facilities from third parties	668	460
Loans from group entities	2.035.759	1.215.744
Trade and other payables	9.296	9.476
Tax payable	27	155
Total Current Liabilities	2.068.323	1.237.615
Total Liabilities	6.256.139	3.780.552
Total Equity and Liabilities	6.780.571	4.300.205

EDP Servicios Financieros España, S.A.U.

INTERIM FINANCIAL STATEMENTS

CONDENSED COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2024 AND 31 DECEMBER 2023

Thousand Euros	Total Equity	Share capital	Cash flow hedge reserve	Retained earnings	Dividend on account	Profit for the period
Balance as at 31 December 2022 - fully attributable to owners	503.262	10.300	-	490.599	-40.000	42.363
Prior year profit	-	-	-	42.363	-	-42.363
Comprehensive income:						
Net profit for the period	16.743	-	-	-	-	16.743
Changes in the cost of hedging reserve net of taxes	-	-	-	-	-	-
Total comprehensive income for the period	16.743	-	-	-	-	16.743
Balance as at 30 June 2023 - fully attributable to owners	520.005	10.300	-	532.962	-40.000	16.743
Balance as at 31 December 2023 - fully attributable to owners	519.653	10.300	-	492.962	-	16.391
Prior year profit	-	-	-	16.391	-	-16.391
Comprehensive income:						
Net profit for the period	4.480	-	-	-	-	4.480
Changes in the cost of hedging reserve net of taxes	299	-	299	-	-	-
Total comprehensive income for the period	4.779	-	299	-	-	4.480
Balance as at 30 June 2024 - fully attributable to owners	524.432	10.300	299	509.353	-	4.480

INTERIM FINANCIAL STATEMENTS

CONDENSED COMPANY STATEMENT OF CASH FLOWS AS AT 30 JUNE 2024 AND 2023

Thousand Euros	Jun 2024	Jun 2023
Cash flows from operating activities		
Profit / (loss) for the period	4.480	16.743
Adjustments for:		
Net interest income / (expense)	-6.608	-21.423
Net other financial income and expenses	1.017	-
Exchange rate differences	-720	-912
Changes in FV of financial instruments	299	-
Tax income	1.493	5.581
	-39	-11
Changes in:		
Loans to and receivables from group entities	-2.676.815	-732.111
Debtors and other assets	-8.832	-1.187
Loans from group entities	1.579.321	-220.535
Trade and other payables	7.421	-2.706
	-1.098.944	-956.550
Interest received	94.113	55.893
Interest paid	-114.929	-27.854
Swap Liquidations	-1.017	-
Tax received / (paid)	-	-
Net cash used in operating activities	-1.120.777	-928.511
Cash flows from financing activities		
Proceeds from issued debt securities	746.048	-
Redemption of debt securities	-	-
Proceeds of loans and credit facilities from third parties	150.000	-
Net cash flow from financing activities	896.048	-
Net increase / (decrease) in cash and cash equivalents	-224.729	-928.511
Cash and cash equivalents at the beginning of the year	450.503	1.355.496
Effect of exchange rate fluctuations on cash and cash	720	912
Cash and cash equivalents at the end of the period (*)	226.494	427.897

EDP Servicios Financieros España, S.A.U.

INTERIM FINANCIAL STATEMENTS

1. GENERAL

The principle activity of the Company is to act as a finance company of EDP Group.

2. ACCOUNTING POLICIES

The financial information presented in this Interim Report was prepared under the same accounting principles as in the 2023 Annual Report.

3. ISSUED SHARE CAPITAL

The authorised share capital of the Company consists of 171,382 shares of 60,10 Euros each, all shares have been issued and fully paid-up.

4. UNDISTRIBUTED RESULTS

The Company allocated the profit for the year 2023, being 16,391 thousand Euros, to accumulated results.

5. ISSUED MEDIUM TERM NOTES

An 750 million EUR bond was issued by the Company in the first half of 2024, under the EDP S.A., EDP Finance B.V. and EDP Servicios Financieros S.A.U's "Programme for the Issuance of Debt Instruments" (EMTN).

6. NET FINANCIAL INCOME

The decrease of the net profit reflects the impact from the net interest result, which deteriorated versus the previous year, mainly due to the increase of interest rates in the short term.

EDP Servicios Financieros España, S.A.U.

OTHER INFORMATION

SUBSEQUENT EVENTS

No subsequent events to be reported have occurred.

AUDIT

The interim report is not audited.