

**EDP FINANCE B.V.**  
**Amsterdam**

**INTERIM REPORT**  
**June 30, 2021**

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**EDP FINANCE Amsterdam**

**RESPONSIBILITY STATEMENT**

The Managing Directors of the Company wish to state:

1. That the financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of EDP Finance B.V.;
2. That the 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 Finance B.V. in the semi-annual financial statements, together with a description of principal risks it faces.

Amsterdam, 29 July 2021

The Managing Directors:

EDP – Energias de Portugal S.A.

Arendsen, R.

van der Werff, M. F. C.

TMF Netherlands B.V.

**REPORT OF THE MANAGEMENT BOARD**

The Managing Directors of EDP Finance B.V. (hereinafter “the Company”) submit the interim report and the condensed financial statements of the Company for the period ended 30 June 2021.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

**General**

The Company was incorporated under the laws of The Netherlands on 1<sup>st</sup> October 1999.

**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 – Energias de Portugal S.A. (hereinafter “EDP S.A.”) and the Company.

**Results**

During the six-month period under review, ending on 30 June 2021, the Company recorded a loss of 2,910 thousand Euros (six-month period ending 30 June 2020 – loss 26,843 thousand Euros). The increase in results YoY is essentially due to the YoY decrease on the interest expense (resulting mostly from long-term bonds that matured from September 2020 to January 2021, and were partially replaced by short-term liabilities with lower interest rates) that was greater than the YoY decrease on the interest income.

Debt maturing in 2022 bears higher coupon rate than assets maturing and current market funding conditions, which should continue to improve the net interest margin.

**Relevant events in the first half year of 2021**

In January 2021, EDP Finance B.V. repaid a USD 750 million bond issued in January 2014 that carried a coupon of 5.25%.

In January 2021, EDP Finance B.V repaid a EUR 600 million bond issued in November 2013 that carried a coupon of 4.125%.

**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 normal course of business during the second half of the year, as in the previous years.

## **EDP FINANCE Amsterdam**

### **REPORT OF THE MANAGEMENT BOARD**

#### 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 March 2001.

#### AUDIT COMMITTEE

The Company makes use of the exemption to establish its own Audit Committee, based on Article 3a of the Royal Decree of 26 July 2008 implementing article 41 of the EU Directive 2006/43/EG. The Audit Committee of the parent company, EDP S.A., will act as Audit Committee for the Company. This Committee is composed as follows:

- João Carvalho das Neves: President
- María del Carmen Rozado: Member
- Sofia Salgado Pinto: Member

Amsterdam, 29 July 2021

The Managing Directors:

EDP – Energias de Portugal S.A.

Arendsen, R.

van der Werff, M. F. C.

TMF Netherlands B.V.

## INTERIM FINANCIAL STATEMENTS

**CONDENSED COMPANY INCOME STATEMENT FOR THE SIX-MONTH PERIOD  
ENDED 30 JUNE 2021 AND 2020**

Thousand Euros	<b>2021</b>	<b>2020</b>
Interest income	129,488	159,444
Interest expenses	-128,566	-186,431
Net interest income / (expenses)	922	-26,987
Net other financial income and expenses	-4,157	-5,731
Net financial income / (expenses)	-3,235	-32,718
Other income / (expenses)		
Services rendered	234	244
Supplies and services	-798	-828
Personnel costs	-65	-18
Profit / (Loss) before income tax	-3,864	-33,320
Tax (expense) / benefit	954	6,477
<b>Net profit for the period</b>	<b>-2,910</b>	<b>-26,843</b>

## INTERIM FINANCIAL STATEMENTS

**CONDENSED COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 AND 2020**

Thousand Euros	2021	2020
<b>Net profit for the period</b>	-2,910	-26,843
<b>Items that are or may be reclassified to profit or loss</b>		
Cost of hedging reserve	1,247	-88
Tax effect of cost of hedging reserves	-312	45
<b>Other comprehensive income for the period (net of income tax)</b>	935	-43
<b>Total comprehensive income for the period</b>	-1,975	-26,886

## INTERIM FINANCIAL STATEMENTS

**CONDENSED COMPANY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021 AND 31 DECEMBER 2020**

(Before proposed appropriation of profit)

Thousand Euros	2021	2020
<b>Assets</b>		
Loans to and receivables from group entities	7,629,960	7,869,205
Derivative financial instruments	30,637	45,762
Deferred tax assets	3,815	3,536
Total Non-Current Assets	7,664,412	7,918,503
Loans to and receivables from group entities	2,294,061	2,547,644
Derivative financial instruments	35,506	58,175
Debtors and other assets	238	1,245
Tax receivable	771	129
Cash and cash equivalents	1,022,523	827,730
Total Current Assets	3,353,099	3,434,923
<b>Total Assets</b>	<b>11,017,511</b>	<b>11,353,426</b>
<b>Equity</b>		
Share capital	2,000	2,000
Share premium	11,980	11,980
Reserves and retained earnings	105,419	98,531
Profit / (loss) for the period	-2,910	5,953
<b>Total Equity</b>	<b>116,489</b>	<b>118,464</b>
<b>Liabilities</b>		
Debt securities	7,689,229	8,638,300
Loans and credit facilities from third parties	181,457	174,425
Derivative financial instruments	-	3,974
Total Non-Current Liabilities	7,870,686	8,816,699
Debt securities	1,094,016	1,371,961
Loans and credit facilities from third parties	201,258	156,249
Loans from group entities	1,140,297	771,529
Amounts owed on commercial paper	570,000	118,000
Derivative financial instruments	23,832	185
Trade and other payables	357	42
Tax payable	576	297
Total Current Liabilities	3,030,336	2,418,263
<b>Total Liabilities</b>	<b>10,901,022</b>	<b>11,234,962</b>
<b>Total Equity and Liabilities</b>	<b>11,017,511</b>	<b>11,353,426</b>



## INTERIM FINANCIAL STATEMENTS

**CONDENSED COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2021 AND 31 DECEMBER 2020**

Thousand Euros	Total Equity	Share capital	Share premium	Cost of hedging reserve	Retained earnings	Profit for the period
<b>Balance as at 31 December 2019</b>	<b>111,684</b>	<b>2,000</b>	<b>11,980</b>	<b>587</b>	<b>111,866</b>	<b>-14,749</b>
Prior year profit	-	-	-	-	-14,749	14,749
Comprehensive income:						
Net profit for the period	-26,843	-	-	-	-	-26,843
Changes in the cost of hedging reserve net of taxes	-43	-	-	-43	-	-
Total comprehensive income for the period	-26,886	-	-	-43	-	-26,843
<b>Balance as at 30 June 2020</b>	<b>84,798</b>	<b>2,000</b>	<b>11,980</b>	<b>544</b>	<b>97,117</b>	<b>-26,843</b>
<b>Balance as at 31 December 2020</b>	<b>118,464</b>	<b>2,000</b>	<b>11,980</b>	<b>1,414</b>	<b>97,117</b>	<b>5,953</b>
Prior year profit	-	-	-	-	5,953	-5,953
Comprehensive income:						
Net profit for the period	-2,910	-	-	-	-	-2,910
Changes in the cost of hedging reserve net of taxes	935	-	-	935	-	-
Total comprehensive income for the period	-1,975	-	-	935	-	-2,910
<b>Balance as at 30 June 2021</b>	<b>116,489</b>	<b>2,000</b>	<b>11,980</b>	<b>2,349</b>	<b>103,070</b>	<b>-2,910</b>

## INTERIM FINANCIAL STATEMENTS

**CONDENSED COMPANY STATEMENT OF CASH FLOWS AS AT 30 JUNE 2021  
AND 2020**

Thousand Euros	Jun 2021	Jun 2020
<b>Cash flows from operating activities</b>		
<b>Profit / (loss) for the period</b>	-2,910	-26,843
<b>Adjustments for:</b>		
Net interest income / (expense)	-922	26,987
Net other financial income and expenses	18,088	58,975
Tax income	-954	-6,477
	13,302	52,642
<b>Changes in:</b>		
Loans to and receivables from group entities	1,003,846	-493,302
Debtors and other assets	996	-405
Amounts owed on commercial paper	452,000	49,000
Loans from group entities	-	802,820
Trade and other payables	326	313
	1,470,470	411,068
Interest received	31,258	82,640
Interest paid	-157,637	-238,798
Tax received / (paid)	-	3,643
<b>Net cash used in operating activities</b>	1,344,091	258,553
<b>Cash flows from financing activities</b>		
Redemption of debt securities	-1,218,608	-973,129
Proceeds of loans and credit facilities from third parties	44,601	610,382
<b>Net cash flow from financing activities</b>	-1,174,006	-362,747
<b>Net increase / (decrease) in cash and cash equivalents</b>	170,084	-104,194
Cash and cash equivalents at the beginning of the year	827,730	468,594
Effect of exchange rate fluctuations on cash and cash equivalents held	24,708	-2,119
<b>Cash and cash equivalents at the end of the period (*)</b>	1,022,523	362,281

**INTERIM FINANCIAL STATEMENTS**

**1. GENERAL**

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

**2. ACCOUNTING POLICIES**

The financial information presented in this Interim Report was prepared under the same accounting principles as in the 2020 Annual Report.

**3. ISSUED SHARE CAPITAL**

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

**4. UNDISTRIBUTED RESULTS**

The Company allocated the profit for the year 2020, being 5,953 thousand Euros, to accumulated results.

**5. ISSUED MEDIUM TERM NOTES**

No Bonds were issued by the Company in the first half of 2021, under the EDP S.A. and EDP Finance B.V.'s "Programme for the Issuance of Debt Instruments" (EMTN).

**6. NET FINANCIAL INCOME**

During the first semester of 2021, the Company's net financial income improved though still negative. The net interest margin has improved essentially due to the decrease on the interest expense resulting mostly from long-term bonds which bore high coupons that matured from September 2020 to January 2021 and were replaced by other liabilities with lower interest rates as per improved market conditions.

**EDP FINANCE Amsterdam**

**OTHER INFORMATION**

SUBSEQUENT EVENTS

No subsequent events to be reported have occurred.

AUDIT

The interim report is not audited.