



edp

**CHANGING
TOMORROW
NOW**

INTERIM REPORT

3RD QUARTER 2021

Operational Indicators History

RENEWABLES	UN	9M21	9M20	9M19	9M18
WIND AND SOLAR INSTALLED CAPACITY					
Installed Capacity	MW	12,268	10,988	10,425	10,897
Portugal	MW	1,238	1,164	1,164	1,280
Spain	MW	2,177	1,974	1,969	2,312
Rest of Europe	MW	1,616	1,383	1,263	1,612
North America	MW	6,569	6,135	5,562	5,363
Brazil	MW	639	331	467	331
Asia	MW	28	0	0	0
Capacity under Construction	MW	2,385	1,893	834	900
Portugal	MW	125	6	0	76
Spain	MW	61	28	24	0
Rest of Europe	MW	553	205	130	89
North America	MW	626	1,393	680	598
Brazil	MW	1,021	260	0	137
Equity Installed Capacity ¹	MW	781	560	411	331
Portugal	MW	31	10	0	0
Spain	MW	156	152	152	152
Rest of Europe	MW	43	0	0	0
North America	MW	552	398	259	179
Brazil	MW	0	0	0	0
Capacity under Construction MEP ¹	MW	269	269	330	0
Portugal	MW	0	0	14	0
Rest of Europe	MW	269	269	316	0
WIND AND SOLAR NET ELECTRICITY GENERATION					
	GWh	21,462	20,355	21,893	20,667
Portugal	GWh	2,114	1,808	2,187	2,133
Spain	GWh	3,496	3,088	3,902	3,760
Rest of Europe	GWh	2,270	2,271	2,488	2,363
North America	GWh	12,365	12,403	12,058	11,575
Brazil	GWh	1,204	785	1,258	836
Asia	GWh	14	0	0	0
WIND AND SOLAR TECHNICAL AVAILABILITY					
		97	97	97	97
Portugal	%	98	98	98	98
Spain	%	96	95	97	97
Rest of Europe	%	98	98	96	97
North America	%	96	96	97	97
Brazil	%	99	98	98	98
Asia	%	n.d.	0	0	0

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

RENEWABLES	UN	9M21	9M20	9M19	9M18
HYDRO INSTALLED CAPACITY	MW	7,127	8,785	8,785	9,019
Portugal	MW	5,076	6,759	6,759	6,862
Spain	MW	451	426	426	426
Brazil	MW	1,599	1,599	1,599	1,731
EQUITY HYDRO INSTALLED CAPACITY ¹					
Installed Capacity	MW	551	551	551	539
Brazil	MW	551	551	551	539
Capacity under Construction	MW	78	78	78	78
Brazil	MW	-	-	-	-
Peru	MW	78	78	78	78
HYDRO NET ELECTRICITY GENERATION	GWh	11,296	13,590	8,967	15,206
Portugal	GWh	7,111	9,148	5,458	10,212
Spain	GWh	544	448	476	885
Brazil	GWh	3,641	3,994	3,033	4,109
HYDRO TECHNICAL AVAILABILITY					
Portugal	%	91	93	90	92
Spain	%	100	100	100	100
Brazil	%	98	92	98	93

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

NETWORKS	UN	9M21	9M20	9M19	9M18
DISTRIBUTION					
Electricity distributed	GWh	63,302	56,218	59,182	60,114
Portugal	GWh	33,197	32,665	33,802	34,480
Spain	GWh	10,603	5,562	6,266	6,998
Brazil	GWh	19,501	17,990	19,114	18,636
Electricity supply points	'000	11,380	10,550	10,427	10,301
Portugal	'000	6,355	6,306	6,269	6,217
Spain	'000	1,375	670	668	666
Brazil	'000	3,651	3,574	3,490	3,419
Grid extension	Km	377,037	343,521	340,437	338,822
Portugal	Km	229,751	228,242	226,729	226,240
Overhead lines	Km	180,279	179,119	177,780	177,445
Underground lines	Km	49,472	49,123	48,948	48,795
Spain	Km	52,532	20,805	20,729	20,662
Overhead lines	Km	39,642	15,740	15,719	15,707
Underground lines	Km	12,891	5,065	5,010	4,955
Brazil	Km	94,753	94,474	92,980	91,920
Overhead lines	Km	94,478	94,208	92,724	91,673
Underground lines	Km	275	266	255	247
GRID LOSSES					
Portugal ¹	%	8	10	10	10
Spain	%	4	4	3	3
Brazil	%	10	10	10	10
SERVICE QUALITY					
Portugal					
Installed Capacity Equivalent Interruption Time ²	Min	39	44	38	44
Spain					
Installed Capacity Equivalent Interruption Time ²	Min	26	7	13	14
Brazil					
Average Interruption Duration per Consumer					
EDP São Paulo	Hours	7	7	8	8
EDP Espírito Santo	Hours	8	8	9	8
Frequency of Interruptions per Consumer					
EDP São Paulo	#	5	5	5	5
EDP Espírito Santo	#	4	5	5	5
TRANSMISSION					
Grid extension	Km	1,496	1,441	1,441	1,299
Grid extension in Operation	Km	486	316	113	-
Grid extension Under Construction	Km	1,011	1,125	1,328	1,299

¹ In 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	9M21	9M20	9M19	9M18	
THERMAL INSTALLED CAPACITY						
Installed Capacity	MW	5,034	7,077	7,084	7,058	
Portugal	MW	2,049	3,229	3,236	3,236	
CCGT	MW	2,031	2,031	2,031	2,031	
Coal	MW	0	1,180	1,180	1,180	
Cogeneration	MW	17	17	24	24	
Spain	MW	2,265	3,128	3,128	3,102	
CCGT	MW	854	1,698	1,698	1,698	
Coal	MW	1,250	1,250	1,250	1,224	
Nuclear	MW	156	156	156	156	
Cogeneration and Waste	MW	5	25	25	25	
Brazil	MW	720	720	720	720	
Coal	MW	720	720	720	720	
Equity Installed Capacity ¹	MW	10	10	10	41	
Portugal	MW	0	0	0	32	
Spain	MW	10	10	10	10	
THERMAL NET ELECTRICITY GENERATION		GWh	10,407	11,979	17,312	18,195
Portugal	GWh	2,781	5,449	8,321	9,041	
CCGT	GWh	2,678	4,531	4,520	3,099	
Coal	GWh	0	817	3,670	5,800	
Cogeneration	GWh	103	101	132	142	
Spain	GWh	5,156	6,010	6,468	5,956	
CCGT	GWh	1,689	3,285	2,945	851	
Coal	GWh	2,618	1,820	2,541	4,154	
Nuclear	GWh	807	857	889	856	
Cogeneration and Waste	GWh	42	48	93	96	
Brazil	GWh	2,470	519	2,522	3,197	
Coal	GWh	2,470	519	2,522	3,197	
THERMAL TECHNICAL AVAILABILITY						
Portugal	%	83	96	94	87	
CCGT	%	83	96	96	83	
Coal	%	0	96	90	93	
Cogeneration	%	88	95	100	97	
Espanha	%	79	96	96	96	
CCGT	%	86	99	96	99	
Coal	%	73	94	97	91	
Nuclear	%	82	88	89	86	
Cogeneration	%	98	60	100	100	
Waste	%	0	94	87	90	
Brazil	%	93	92	97	89	
Coal	%	93	92	97	89	

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

CLIENT SOLUTIONS & ENERGY MANAGEMENT	UN	9M21	9M20	9M19	9M18
ELECTRICITY CUSTOMERS	'000	8,601	9,781	9,814	9,837
Portugal	'000	4,929	5,048	5,167	5,267
Last Resort	'000	915	983	1,055	1,147
Liberalised Market	'000	4,013	4,065	4,112	4,121
Market Share EDP - Liberalised Market	%	n.a.	76	n.d.	81
Spain	'000	22	1,160	1,158	1,151
Last Resort	'000	0	234	228	216
Liberalised Market	'000	22	926	930	935
Brazil	'000	3,650	3,573	3,489	3,418
Last Resort	'000	3,649	3,573	3,489	3,418
Liberalised Market	'000	0.7	0.4	0.4	0.4
Social Tariff	'000	732	850	870	892
Portugal	'000	556	609	624	675
Spain	'000	0	51	73	59
Brazil	'000	176	190	173	158
Special Needs	'000	1	1	1	1
Portugal	'000	0	0	0	0
Brazil	'000	1	1	1	1
Green Tariff	'000	473	1,266	1,131	1,023
Portugal	'000	466	228	73	0
Spain	'000	7	1,038	1,058	1,023
Brazil	'000	n.a.	n.a.	n.a.	n.a.
ELECTRICITY SUPPLIED	GWh	44,251	53,427	56,649	48,982
Portugal	GWh	14,658	14,406	15,152	15,718
Last Resort	GWh	1,696	1,767	1,965	2,149
Liberalised Market	GWh	12,962	12,640	13,187	13,569
Market Share EDP - Liberalised Market	%	n.a.	41	n.d.	42
Spain	GWh	8,060	8,255	9,358	9,431
Last Resort	GWh	0	350	332	325
Liberalised Market	GWh	8,060	7,906	9,025	9,106
Market Share EDP - Liberalised Market	%	4	11	7	6
Brazil	GWh	21,533	30,765	32,140	23,833
Last Resort	GWh	10,240	9,863	19,112	10,265
Liberalized Market	GWh	11,294	20,902	13,028	13,568
Social Tariff	GWh	1,380	627	303	313
Portugal	GWh	116	240	12	7
Spain	GWh	0	90	80	91
Brazil	GWh	1,264	296	211	214
Green Tariff	GWh	1,491	5,813	4,130	4,159
Portugal	GWh	1,101	799	168	7
Spain	GWh	390	5,014	3,962	4,152
Brazil	GWh	n.a.	n.a.	n.a.	n.a.
GAS CUSTOMERS	'000	687	1,590	1,598	1,591
Portugal	'000	683	687	697	699
Last Resort	'000	32	35	38	42
Liberalised Market	'000	650	652	659	658
Spain	'000	5	903	901	891
Last Resort	'000	0	55	52	51
Liberalised Market	'000	5	848	849	840
GAS SUPPLIED	GWh	10,039	12,231	13,068	13,443
Portugal	GWh	3,303	3,149	2,858	2,822
Last Resort	GWh	126	137	154	185
Liberalised Market	GWh	3,176	3,012	2,704	2,637
Market Share EDP - Liberalised Market	%	n.a.	11	n.d.	8
Spain	GWh	6,737	9,082	10,210	10,621
Last Resort	GWh	0	155	172	189
Liberalised Market	GWh	6,737	8,927	10,038	10,432
Market Share EDP - Liberalised Market	%	6	25	3	3

Sustainability Indicators

ENVIROMENTAL INDICATORS	UN	9M21	9M20	9M19	9M18
ENVIRONMENTAL CERTIFICATION (ISO 14001)					
ISO 14001 Certification ¹	%	92	95	96	90
PRIMARY ENERGY CONSUMPTION	TJ	87,361	82,661	145,617	165,023
Coal	TJ	47,346	27,214	82,894	124,654
Fuel oil	TJ	14	109	270	218
Natural gas	TJ	31,230	51,149	51,951	29,085
Residual gases	TJ	8,571	4,011	10,208	10,778
Diesel oil	TJ	77	64	139	118
Fuel for fleet	TJ	123	113	155	170
ENERGY INTENSITY²	MJ/EUR	8.7	9.1	13.9	14.6
ELECTRICITY CONSUMPTION					
Generation self-consumption	MWh	4,010,144	2,080,059	2,337,687	2,561,797
Administrative service	MWh	23,914	20,841	24,962	28,177
Grid losses	%	8.3	9.3	9.1	9.0
GHG EMISSION					
Direct emissions (scope 1)	ktCO _{2eq}	6,651	5,545	11,106	13,937
Stationary combustion ³	ktCO _{2eq}	6,639	5,532	11,089	13,920
SF6 Emissions	ktCO _{2eq}	3.33	5.88	5.92	4.71
Company fleet	ktCO _{2eq}	8	8	11	12
Natural gas consumption	ktCO _{2eq}	0.19	0.05	0.13	0.14
Indirect emissions (scope 2) ⁴	ktCO _{2eq}	494	540	581	572
Electricity consumption in office build	ktCO _{2eq}	0.51	0.17	1.30	1.77
Electricity losses	ktCO _{2eq}	469	528	562	552
Renewable plants self-consumption	ktCO _{2eq}	24.4	11.5	18.0	18.9
GHG EMISSIONS INTENSITY⁵	kgCO₂/EUR	0.7	0.6	1.1	1.3
CO₂ AVOIDED EMISSIONS⁶	ktCO₂	17,446	18,937	19,908	24,083
SPECIFIC OVERALL EMISSIONS					
CO ₂ ^{3,7}	g/kWh	156	122	231	258
NO _x	g/kWh	0.1	0.1	0.2	0.2
SO ₂	g/kWh	0.2	0.1	0.2	0.3
Particulate matter	g/kWh	0.02	0.01	0.02	0.03
WATER COLLECTED	10³x m³	266,254	365,288	853,904	1,111,275
Salt and estuary	10 ³ x m ³	255,722	358,061	840,005	1,095,619
Fresh	10 ³ x m ³	10,531	7,227	13,899	15,656
WASTE MATERIALS	t	242,038	186,498	441,577	598,075
Waste	t	200,855	128,160	168,670	253,854
Hazard waste	%	2.4	3.0	2.1	1.5
Non-hazard waste	%	97.6	97.0	97.9	98.5
By-products	t	41,183	58,338	272,906	344,222
Gypsum	t	37,895	27,685	88,668	120,217
Fly ash	t	3,017	30,638	141,726	189,768
Slag	t	271	15	42,512	34,237
SUSTAINABLE MOBILITY					
Light-duty fleet electrification	%	11.8	9.9	7.0	n.d.
Electric charging points	#	2,906	1,320	701	n.d.
Customers with electric mobility solution	#	38.7	15.2	8.8	n.d.

Note: n.a. - not applicable; n/a - not available

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	9M21	9M20	9M19	9M18
EMPLOYMENT					
Employees	#	12,232	11,781	11,599	11,555
Executive Board of Directors	#	5	9	9	9
Senior Management	#	962	862	809	799
Supervisors	#	849	814	772	754
Specialists	#	5,209	4,716	4,468	4,219
Technicians	#	5,207	5,380	5,541	5,774
Male employees	%	74	74	75	75
Female employees	%	26	26	25	25
Employees by types of contract	#	12,232	11,781	11,599	11,555
Executive bodies	#	60	58	56	57
Male	#	45	53	52	52
Female	#	15	5	4	5
Permanent workforce	#	12,122	11,674	11,496	11,429
Male	#	8,925	8,641	8,628	8,623
Female	#	3,197	3,033	2,868	2,806
Fixed-term contracts	#	50	49	47	69
Male	#	31	33	29	37
Female	#	19	16	18	32
Employees by occupational contract	#	12,232	11,781	11,599	11,555
Full-Time	#	12,185	11,739	11,556	11,515
Male	#	8,995	8,723	8,704	8,707
Female	#	3,190	3,016	2,852	2,808
Part-time	#	47	42	43	40
Male	#	6	4	5	5
Female	#	41	38	38	35
New employees	#	1,246	954	958	883
Male	#	810	643	699	626
Female	#	436	311	259	257
F/M new admissions rate	x	0.5	0.5	0.4	0.4
Employees leaving	#	1,194	832	990	985
Male	#	913	649	750	771
Female	#	281	183	240	214
Turnover	%	9.76	7.06	8.54	8.03
Average age of workforce	years	42	42	43	44
Absenteeism rate	%	3.18	2.75	2.82	2.99
Pay ratio by gender (F/M)	x	1.05	1.05	1.05	1.04
TRAINING					
Total hours of training	hours	234,471	156,771	257,666	253,625
Average training per employee (h/p)	h/p	19	13	22	22
Employees with training	%	99	88	87	92

SOCIAL INDICATORS	UN	9M21	9M20	9M19	9M18
HEALTH AND SAFETY (H&S)					
Employees					
Accidents with lost workdays ¹	#	15	8	14	11
Fatal work-related injuries	#	0	0	0	1
Total lost days due to accidents ²	#	964	597	976	1,016
Frequency rate ³	Tf	0.89	0.71	1.27	1.09
Severity rate ⁴	Tg	57	53	88	93
Overall severity rate ⁵	Tgt	62	588	114	657
Contractors					
Accidents with lost workdays ¹	#	102	34	36	54
Fatal work-related injuries	#	6	1	0	3
Hours worked	#	51,180,155	24,068,750	21,616,110	21,325,527
Frequency rate ³	Tf	2.11	1.54	1.72	2.68
Severity rate ⁴	Tg	115	104	103	99
Overall severity rate ⁵	Tgt	846	348	97	953
EDP employees and contractors					
Frequency rate ³	Tf	1.81	1.26	1.56	2.14
Severity rate ⁴	Tg	100	87	98	97
Overall severity rate ⁵	Tgt	651	425	102	853
Near accidents	#	409	166	220	197
People outside the activity					
Fatal electrical accidents involving third parties ⁶	#	13	9	3	6
VOLUNTEER INVESTMENT IN THE COMMUNITY (LBG METHODOLOGY)					
Volunteer investment/EBITDA	%	0.41	0.41	0.32	0.41

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	9M21	9M20	9M19	9M18
ECONOMIC VALUE GENERATED	000€	10,801,269	9,819,752	11,185,514	11,983,287
Economic value distributed	000€	9,763,177	8,391,029	9,830,413	10,873,318
Economic value accumulated	000€	1,038,092	1,428,723	1,355,101	1,109,969
ENERGY EFFICIENCY AND SUPPLEMENTARY ENERGY SERVICES REVENUES ¹	000€	944,479	730,037	742,667	744,261
Energy efficiency services revenues	000€	270,417	171,965	119,496	100,375
Supplementary energy services revenues ²	000€	674,062	558,071	623,171	643,886
FINES AND PENALTIES	000€	5,019	3,445	6,756	4,666
ENVIRONMENTAL MATTERS	000€	243,574	210,386	259,111	179,470
Investments	000€	61,670	42,995	56,421	39,621
Expenses	000€	181,904	167,391	202,690	139,849
SOCIAL MATTERS					
Personnal costs	000€	428,307	413,619	426,460	427,176
Employee benefits	000€	63,329	51,014	53,563	44,805
Direct training investment	000€	2,135	1,719	2,002	2,817
Direct training investment per employee	€/p	175	146	173	244
HC ROI per employee	€/p	6.14	6.82	6.59	6.75

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.

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Condensed Financial Statements
30 September 2021

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EDP - Energias de Portugal
Condensed Consolidated Income Statements
for the nine-month periods ended at 30 September 2021 and 2020

Thousand Euros	Notes	2021	2020
Revenues from energy sales and services and other	7	10,000,539	9,059,263
Cost of energy sales and other	7	-6,366,577	-5,282,746
		3,633,962	3,776,517
Other income	8	458,149	479,949
Supplies and services	9	-615,452	-608,687
Personnel costs and employee benefits	10	-491,636	-464,634
Other expenses	11	-497,366	-506,564
Impairment losses on trade receivables and debtors		-23,723	-54,269
		-1,170,028	-1,154,205
Joint ventures and associates	18	43,146	2,760
		2,507,080	2,625,072
Provisions	29	-53,820	-129,397
Amortisation and impairment		-1,097,844	-1,107,484
		1,355,416	1,388,191
Financial income	12	299,435	277,780
Financial expenses	12	-655,705	-782,819
Profit before income tax and CESE		999,146	883,152
Income tax expense	13	-237,027	-173,369
Extraordinary contribution to the energy sector (CESE)	33	-51,783	-65,109
		-288,810	-238,478
Net profit for the period		710,336	644,674
Attributable to:			
Equity holders of EDP		510,499	422,301
Non-controlling Interests	26	199,837	222,373
Net profit for the period		710,336	644,674
Earnings per share (Basic and Diluted) - Euros		0.14	0.11

LISBON, 4 NOVEMBER 2021

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 2021 and 2020

Thousand Euros	2021		2020	
	Equity holders of EDP	Non-controlling Interests	Equity holders of EDP	Non-controlling Interests
Net profit for the period	510,499	199,837	422,301	222,373
Items that will never be reclassified to profit or loss (i)				
Actuarial gains/(losses) (iii)	120,044	1,079	-56,489	5,326
Tax effect from the actuarial gains/(losses)	-37,847	-367	17,641	-1,811
Fair value reserve with no recycling (financial assets) (ii)	5,286	-	-7,904	-
Tax effect from the fair value reserve with no recycling (financial assets) (ii)	-1,262	-	2,115	-
	86,221	712	-44,637	3,515
Items that may be reclassified to profit or loss (i)				
Currency translation reserve	45,416	72,668	-515,868	-501,259
Fair value reserve (cash flow hedge) (ii)	-1,076,285	-90,603	22,983	5,485
Tax effect from the fair value reserve (cash flow hedge) (ii)	248,502	23,306	-3,029	-1,497
Fair value reserve of assets measured at fair value through other comprehensive income with recycling (ii)	-1,866	-	-	-
Tax effect of Fair value reserve of assets measured at fair value through other comprehensive income with recycling (ii)	588	-	-	-
Share of other comprehensive income of joint ventures and associates, net of taxes	1,429	1,215	-6,352	-16,107
	-782,216	6,586	-502,266	-513,378
Other comprehensive income for the period (net of income tax)	-695,995	7,298	-546,903	-509,863
Total comprehensive income for the period	-185,496	207,135	-124,602	-287,490

(i) See Consolidated Statement of Changes in Equity

(ii) See Note 25

(iii) See Note 28

LISBON, 4 NOVEMBER 2021

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal

Condensed Consolidated Statements of Financial Position
as at 30 September 2021 and 31 December 2020

Thousand Euros	Notes	2021	2020
Assets			
Property, plant and equipment	14	20,993,336	20,163,221
Right-of-use assets	15	1,050,775	1,030,193
Intangible assets	16	4,743,855	4,998,235
Goodwill	17	2,403,966	2,306,303
Investments in joint ventures and associates	18	1,331,857	940,362
Equity instruments at fair value	19	191,582	184,748
Investment property		21,551	21,378
Deferred tax assets	20	1,348,490	1,139,543
Debtors and other assets from commercial activities	21	2,846,520	2,747,012
Other debtors and other assets	22	1,617,931	1,020,788
Non-Current tax assets	23	201,577	251,770
Collateral deposits associated to financial debt	27	23,266	22,848
Total Non-Current Assets		36,774,706	34,826,401
Inventories		366,537	323,945
Debtors and other assets from commercial activities	21	4,609,748	3,545,611
Other debtors and other assets	22	2,523,501	850,753
Current tax assets	23	446,575	414,302
Collateral deposits associated to financial debt	27	27,786	9,221
Cash and cash equivalents	24	2,502,384	2,954,302
Non-Current Assets held for sale	34	878,043	22,248
Total Current Assets		11,354,574	8,120,382
Total Assets		48,129,280	42,946,783
Equity			
Share capital		3,965,681	3,965,681
Treasury stock		-52,181	-54,025
Share premium		1,196,522	1,196,522
Reserves and retained earnings	25	3,523,442	3,673,785
Consolidated net profit attributable to equity holders of EDP		510,499	800,692
Total Equity attributable to equity holders of EDP		9,143,963	9,582,655
Non-controlling Interests	26	4,532,651	3,495,754
Total Equity		13,676,614	13,078,409
Liabilities			
Financial debt	27	15,165,211	14,023,940
Employee benefits	28	993,581	1,138,237
Provisions	29	969,052	992,865
Deferred tax liabilities	20	801,755	814,474
Institutional partnerships in North America	30	2,203,171	1,933,542
Trade payables and other liabilities from commercial activities	31	1,519,775	1,435,006
Other liabilities and other payables	32	2,878,352	1,739,448
Non-current tax liabilities	33	128,101	122,743
Total Non-Current Liabilities		24,658,998	22,200,255
Financial debt	27	1,525,590	2,262,823
Employee benefits	28	183,728	204,067
Provisions	29	142,533	260,154
Trade payables and other liabilities from commercial activities	31	4,068,622	3,952,213
Other liabilities and other payables	32	2,960,742	590,117
Current tax liabilities	33	573,266	398,634
Non-Current Liabilities held for sale	34	339,187	111
Total Current Liabilities		9,793,668	7,668,119
Total Liabilities		34,452,666	29,868,374
Total Equity and Liabilities		48,129,280	42,946,783

LISBON, 4 NOVEMBER 2021

THE CERTIFIED ACCOUNTANT
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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 2021 and 2020

Thousand Euros	2021	2020
Revenues from energy sales and services and other	3,917,290	2,876,376
Cost of energy sales and other	-2,698,838	-1,756,929
	1,218,452	1,119,447
Other income	119,334	136,287
Supplies and services	-207,326	-207,114
Personnel costs and employee benefits	-158,808	-142,565
Other expenses	-155,388	-135,541
Impairment losses on trade receivables and debtors	-11,202	-14,121
	-413,390	-363,054
Joint ventures and associates	9,854	-2,283
	814,916	754,110
Provisions	-50,156	-78,241
Amortisation and impairment	-375,533	-339,678
	389,227	336,191
Financial income	126,510	168,427
Financial expenses	-228,504	-305,701
Profit before income tax and CESE	287,233	198,917
Income tax expense	-74,344	-39,188
Extraordinary contribution to the energy sector (CESE)	-184	-2,635
	-74,528	-41,823
Net profit for the period	212,705	157,094
Attributable to:		
Equity holders of EDP	167,183	107,688
Non-controlling Interests	45,522	49,406
Net profit for the period	212,705	157,094
Earnings per share (Basic and Diluted) - Euros	0.06	0.04

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THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal

Condensed Consolidated Statements of Comprehensive Income
for the three-month periods from 1 July to 30 September 2021 and 2020

Thousand Euros	2021		2020	
	Equity holders of EDP	Non-controlling Interests	Equity holders of EDP	Non-controlling Interests
Net profit for the period	167,183	45,522	107,688	49,406
Items that will never be reclassified to profit or loss				
Actuarial gains/(losses)	27,820	19	-291	-319
Tax effect from the actuarial gains/(losses)	-8,764	-7	99	108
Fair value reserve with no recycling (financial assets)	391	-	-10,404	-
Tax effect from the fair value reserve with no recycling (financial assets)	-94	-	2,556	-
	19,353	12	-8,040	-211
Items that are or may be reclassified to profit or loss				
Exchange differences arising on consolidation	-64,578	-41,537	-123,282	-131,253
Fair value reserve (cash flow hedge)	-949,118	-60,268	-23,673	2,697
Tax effect from the fair value reserve (cash flow hedge)	234,784	15,641	4,316	-579
Fair value reserve of assets measured at fair value throughout other comprehensive income with recycling	-1,236	-	-	-
Tax effect of Fair value reserve of assets measured at fair value throughout other comprehensive income with recycling	389	-	-	-
Share of other comprehensive income of joint ventures and associates, net of taxes	-5,647	-2,210	2,545	-1,557
	-785,406	-88,374	-140,094	-130,692
Other comprehensive income for the period (net of income tax)	-766,053	-88,362	-148,134	-130,903
Total comprehensive income for the period	-598,870	-42,840	-40,446	-81,497

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THE CERTIFIED ACCOUNTANT
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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 2021 and 2020

Thousand Euros	Total Equity	Share capital	Share premium	Legal reserve (i)	Reserves and retained earnings (i)	Fair value reserve (cash flow hedge) (i)	Fair value reserve (financial assets) (i)	Currency translation reserve (i)	Treasury stock	Equity attributable to equity holders of EDP	Non-controlling interests (ii)
Balance as at 31 December 2019	12,632,013	3,656,538	503,923	739,024	4,518,226	40,541	15,202	-554,047	-61,220	8,858,187	3,773,826
Comprehensive income:											
Net profit for the period	644,674	-	-	-	422,301	-	-	-	-	422,301	222,373
Changes in the fair value reserve (cash flow hedge) net of taxes	23,942	-	-	-	-	19,954	-	-	-	19,954	3,988
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	-5,789	-	-	-	-	-	-5,789	-	-	-5,789	-
Share of other comprehensive income of joint ventures and associates net of taxes	-22,459	-	-	-	-16,418	-2,718	-	12,784	-	-6,352	-16,107
Actuarial gains/(losses) net of taxes	-35,333	-	-	-	-38,848	-	-	-	-	-38,848	3,515
Exchange differences arising on consolidation	-1,017,127	-	-	-	-	-	-	-515,868	-	-515,868	-501,259
Total comprehensive income for the period	-412,092	-	-	-	367,035	17,236	-5,789	-503,084	-	-124,602	-287,490
Dividends paid	-690,739	-	-	-	-690,739	-	-	-	-	-690,739	-
Dividends attributable to non-controlling interests	-50,031	-	-	-	-	-	-	-	-	-	-50,031
Share Capital increase	1,001,742	309,143	692,599	-	-	-	-	-	-	1,001,742	-
Share-based payments	1,259	-	-	-	159	-	-	-	1,100	1,259	-
Changes resulting from acquisitions/sales, equity increases/decreases and other	-40,918	-	-	-	20,269	-	-	-	-	20,269	-61,187
Balance as at 30 September 2020	12,441,234	3,965,681	1,196,522	739,024	4,214,950	57,777	9,413	-1,057,131	-60,120	9,066,116	3,375,118
Balance as at 31 December 2020	13,078,409	3,965,681	1,196,522	739,024	4,781,428	-4,368	11,888	-1,053,495	-54,025	9,582,655	3,495,754
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 in the financial interest by capital 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	13,676,614	3,965,681	1,196,522	782,932	5,095,982	-832,205	14,382	-1,027,150	-52,181	9,143,963	4,532,651

(i) See note 25
(ii) See note 26

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal
Condensed Consolidated and Company Statements of Cash Flows
for the nine-month periods ended at 30 September 2021 and 2020

Thousand Euros	Notes	Group		Company	
		2021	2020	2021	2020
Operating activities					
Profit before income tax and CESE		999,146	883,152	-350,351	-54,712
Adjustments for:					
Amortisation and impairment		1,097,844	1,107,484	22,858	34,695
Provisions	29	53,820	129,397	1,227	103
Joint ventures and associates	18	-43,146	-2,760	-	-
Financial (income)/expenses	12	356,270	505,039	18,650	101,296
Changes in working capital:					
Trade and other receivables		-489,317	157,113	-237,930	190,929
Trade and other payables		317,460	-29,172	348,062	-239,600
Personnel		-144,402	-106,108	-2,673	-415
Regulatory assets		47,310	8,940	-	-
Other changes in assets/liabilities related with operating activities		-934,057	-433,655	84,055	-148,466
Income tax and CESE		-54,907	-50,071	43,207	41,909
Net cash flows from operations		1,206,021	2,169,359	-72,896	-74,261
Net (gains) / losses with Asset Rotations					
		-151,104	-199,819	-	-
Net cash flows from operating activities		1,054,917	1,969,540	-72,896	-74,261
Investing activities					
Cash receipts relating to:					
Sale of assets/subsidiaries with loss of control i)		291,752	548,637	-	-
Other financial assets and investments ii)		71,060	112,752	5,860	45
Other financial assets at amortised cost		-	-	51,292	525,862
Changes in cash resulting from consolidation perimeter variations		5,750	-	-	-
Property, plant and equipment and intangible assets		44,242	6,326	184	6,108
Other receipts relating to tangible fixed assets		7,692	2,760	-	-
Interest and similar income		14,379	21,986	23,043	33,070
Dividends		42,744	40,906	174,979	233,690
Loans to related parties		521,076	211,915	22,687	10,260
		998,695	945,282	278,045	809,035
Cash payments relating to:					
Acquisition of assets/subsidiaries iii)		-77,314	-31,426	-	-
Other financial assets and investments iv)		-411,616	-358,267	-12,579	-3,820
Other financial assets at amortised cost		-	-	-676,890	-
Changes in cash resulting from consolidation perimeter variations		-10,771	1,873	-	-
Property, plant and equipment and intangible assets		-2,643,819	-1,747,123	-30,487	-25,020
Loans to related parties		-368,216	-470,878	-9,782	-42,346
		-3,511,736	-2,605,821	-729,738	-71,186
Net cash flows from investing activities		-2,513,041	-1,660,539	-451,693	737,849
Financing activities					
Receipts relating to financial debt (include Collateral Deposits)					
		2,859,773	6,005,974	3,107,048	1,942,863
(Payments) relating to financial debt (include Collateral Deposits)					
		-2,453,466	-5,747,938	-1,668,048	-2,919,029
Interest and similar costs of financial debt including hedge derivatives					
		-404,479	-448,170	-177,431	-230,787
Receipts/(payments) relating to loans from non-controlling interests					
		-10,479	-27,580	-	-
Interest and similar costs relating to loans from non-controlling interests					
		-10,720	-5,737	-	-
Receipts/(payments) relating to loans from related parties					
		-	-	214,099	329,658
Interest and similar costs of loans from related parties including hedge derivatives					
		-	-	-	-1,572
Share capital increases/(decreases) (includes the subscribed by non-controlling interests) v)					
		1,435,772	934,180	-	996,392
Receipts/(payments) relating to derivative financial instruments					
		9,135	8,808	9,730	-63,384
Dividends paid to equity holders of EDP vi)					
		-749,763	-690,739	-749,763	-691,026
Dividends paid to non-controlling interests					
		-118,530	-96,036	-	-
Treasury stock sold/(purchased)					
		1,844	-	-	-
Receipts/(payments) related with transactions with non-controlling interest without change of control					
		-	-1,374	-	-
Lease (payments) vii)					
		-71,636	-55,148	-9,468	-8,599
Receipts/(payments) from institutional partnerships in North America viii)					
		531,181	266,245	-	-
Net cash flows from financing activities		1,018,632	142,485	726,167	-645,484
Changes in cash and cash equivalents					
		-439,492	451,486	201,578	18,104
Effect of exchange rate fluctuations on cash held					
		18,081	-223,989	327	229
Cash and cash equivalents reclassified as held for sale					
		-30,507	-18,597	-	-
Cash and cash equivalents at the beginning of the period					
		2,954,302	1,542,722	2,172,632	1,037,393
Cash and cash equivalents at the end of the period ix)					
		2,502,384	1,751,622	2,374,537	1,055,726

- i) Relates essentially to the receivment related to the sale group of companies located in North America (see note 6);
- ii) Relates essentially to the receivment of notes (see note 22) and the receivments related to the sales of CIDE HC Energia, S.A. and Portsines (see note 6);
- iii) Relates, mainly, to the impact with the acquisition of Enertriel Group S.r.l., Enercoplan, Sofrano, AES Tietê Inova Soluções de Energia LTDA, Trina Solar Investment First Pte. Ltd and Vento Ludens Ltd. as well a solar portfolio located in North America (see note 6);
- (iv) Relates essentially to payments made for the capital increases in companies located in OW Offshore S.L., Hydro Global Investment, Ltda. and other companies located in Europe and North America, as well the acquisition of treasury stock in EDP Energias do Brasil;
- v) Relates, mainly, to the capital increase of EDP Renováveis, S.A;
- vi) See note 25;
- vii) Includes capital and interest;
- viii) On a consolidated basis, refers to the receipts and payments net of transaction costs (transactions included in note 30);
- ix) 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 43 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 2021 and 2020

Thousand Euros	Notes	2021	2020
Revenues from energy sales and services and other	7	2,447,537	1,680,203
Cost of energy sales and other	7	-2,578,690	-1,436,329
		-131,153	243,874
Other income		10,281	12,955
Supplies and services	9	-115,268	-103,743
Personnel costs and employee benefits	10	-61,200	-60,317
Other expenses		-10,258	-11,391
Impairment losses on trade receivables and debtors		-18	4
		-176,463	-162,492
		-307,616	81,382
Provisions		-1,227	-103
Amortisation and impairment		-22,858	-34,695
		-331,701	46,584
Financial income	12	335,392	405,790
Financial expenses	12	-354,042	-507,086
Profit before income tax		-350,351	-54,712
Income tax expense	13	101,275	42,593
Net profit for the period		-249,076	-12,119

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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 2021 and 2020

Thousand Euros	2021	2020
Net profit for the period	-249,076	-12,119
Items that will never be reclassified to profit or loss (i)		
Actuarial gains/(losses)	-	-129
Tax effect from the actuarial gains/(losses)	-	29
	-	-100
Items that may be reclassified to profit or loss (i)		
Fair value reserve (cash flow hedge) (ii)	464,369	132,372
Tax effect from the fair value reserve (cash flow hedge) (ii)	-104,484	-29,783
	359,885	102,589
Other comprehensive income for the period (net of income tax)	359,885	102,489
Total comprehensive income for the period	110,809	90,370

(i) See Company Statement of Changes in Equity

(ii) See note 25

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N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal, S.A.

Condensed Company Statements of Financial Position
as at 30 September 2021 and 31 December 2020

Thousand Euros	Notes	2021	2020
Assets			
Property, plant and equipment		30,603	27,958
Right-of-use assets		103,025	106,911
Intangible assets		125,501	115,223
Investments in subsidiaries		14,403,765	14,396,105
Investments in joint ventures and associates		2	2
Equity instruments at fair value		1,227	1,252
Investment property		98,576	87,289
Deferred tax assets	20	81,344	123,626
Debtors and other assets from commercial activities		801	730
Other debtors and other assets	22	4,586,199	3,203,422
Total Non-Current Assets		19,431,043	18,062,518
Inventories		22,922	-
Debtors and other assets from commercial activities	21	1,141,509	733,926
Other debtors and other assets	22	4,784,701	853,407
Current tax assets	23	100,260	51,314
Cash and cash equivalents	24	2,374,537	2,172,631
Total Current Assets		8,423,929	3,811,278
Total Assets		27,854,972	21,873,796
Equity			
Share capital		3,965,681	3,965,681
Treasury stock		-52,181	-54,025
Share premium		1,196,522	1,196,522
Reserves and retained earnings	25	3,275,897	2,786,784
Net profit for the period		-249,076	878,151
Total Equity		8,136,843	8,773,113
Liabilities			
Financial debt	27	10,126,507	8,134,429
Employee benefits		8,277	8,366
Provisions		3,339	2,051
Trade payables and other liabilities from commercial activities		21	363
Other liabilities and other payables	32	1,625,660	497,290
Total Non-Current Liabilities		11,763,804	8,642,499
Financial debt	27	3,002,856	3,349,143
Employee benefits		1,579	1,075
Provisions		787	848
Trade payables and other liabilities from commercial activities	31	1,183,177	662,559
Other liabilities and other payables	32	3,750,828	423,337
Current tax liabilities	33	15,098	21,222
Total Current Liabilities		7,954,325	4,458,184
Total Liabilities		19,718,129	13,100,683
Total Equity and Liabilities		27,854,972	21,873,796

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EDP - Energias de Portugal, S.A.
Condensed Company Income Statements
for the three-month periods from 1 July to 30 September 2021 and 2020

Thousand Euros	2021	2020
Revenues from energy sales and services and other	1,112,467	544,939
Cost of energy sales and other	-1,213,604	-485,354
	-101,137	59,585
Other income	3,274	3,605
Supplies and services	-39,460	-35,492
Personnel costs and employee benefits	-20,151	-19,372
Other expenses	-1,130	-702
Impairment losses on trade receivables and debtors	-16	4
	-57,483	-51,957
	-158,620	7,628
Provisions	-	-
Amortisation and impairment	-7,895	-21,217
	-166,515	-13,589
Financial income	89,380	87,196
Financial expenses	-135,431	-141,927
Profit before income tax	-212,566	-68,320
Income tax expense	44,432	14,959
Net profit for the period	-168,134	-53,361

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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 2021 and 2020

Thousand Euros	2021	2020
Net profit for the period	-168,134	-53,361
Items that are or may be reclassified to profit or loss		
Fair value reserve (cash flow hedge)	189,463	52,266
Tax effect from the fair value reserve (cash flow hedge)	-42,630	-11,759
	146,833	40,507
Other comprehensive income for the period (net of income tax)	146,833	40,507
Total comprehensive income for the period	-21,301	-12,854

LISBON, 4 NOVEMBER 2021

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal, S.A.

Condensed Company Statements of Changes in Equity
for the nine-month periods ended at 30 September 2021 and 2020

Thousand Euros	Total Equity	Share capital	Share premium	Legal reserve (i)	Reserves and retained earnings (i)	Fair value reserve (cash flow hedge) (i)	Treasury stock
Balance as at 31 December 2019	7,445,497	3,656,538	503,923	739,024	2,672,405	-71,269	-55,124
Comprehensive income:							
Net profit for the period	-12,119	-	-	-	-12,119	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	102,589	-	-	-	-	102,589	-
Actuarial gains / (losses) net of taxes	-100	-	-	-	-100	-	-
Total comprehensive income for the period	90,370	-	-	-	-12,219	102,589	-
Share Capital increase	1,001,742	309,143	692,599	-	-	-	-
Dividends paid	-691,026	-	-	-	-691,026	-	-
Share-based payments	1,258	-	-	-	159	-	1,099
Balance as at 30 September 2020	7,847,841	3,965,681	1,196,522	739,024	1,969,319	31,320	-54,025
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

(i) See note 25

LISBON, 4 NOVEMBER 2021

THE CERTIFIED ACCOUNTANT
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COVID 19 - Macroeconomic, Regulatory, Operational, Accounting Impact and Stakeholders

In late 2019, in the Chinese city of Wuhan, a virus, SARS-COV-2, that can cause a serious respiratory infection like pneumonia was first identified in humans. During the year 2020, the disease caused by the virus, the COVID-19, was classified by the World Health Organization (WHO) as a pandemic. COVID-19 has forced the world to change its habits and is having several social, economic, regulatory, operational, accounting and public health impacts.

Macroeconomic Impact

The current global crisis with the COVID-19 pandemic incorporates significant risks to the economy and society, remaining an uncertainty regarding the duration of the epidemic crisis and its long term economic impacts.

In global macroeconomic terms, COVID-19 has impacted the EDP Group's activity in its various geographies and across the value chain. However, a prudent strategy to hedge energy and financial market risks, the maintenance of robust liquidity levels as well as an active management of suppliers and critical supplies, have allowed to significantly mitigate the impacts of this crisis.

Operational Impact

The rapid and effective implementation of EDP's business continuity plans in its various Business Units allowed the continuity of operations during the period of confinement, without significant interruptions in the supply of energy or services to customers.

EDP's operational and investment activities are dependent on local and global supply chains, with active management of critical supplies being carried out to minimize potential impacts of breakages 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 COVID-19. To assess possible accounting impacts arising from COVID-19, the Group reassessed the estimates it considers relevant and which may have been impacted by this fact. Thus, on 30 September 2021, the Group carried out a series of analyses of the relevant estimates and has not determined any materially relevant impacts compared to 31 December 2020.

As mentioned in note 2, the condensed consolidated and company financial statements of EDP SA, for the period ended 30 September 2021, were prepared in accordance with IFRS as adopted by the EU up to 1 January 2021 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 2020.

EDP - Energias de Portugal, S.A.
Notes to the Condensed Consolidated and Company Financial Statements
for the nine-month periods ended 30 September 2021 and 2020

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 and Romania) and American (Brazil and North America) energy sectors.

2. Accounting Policies

a) Basis of presentation

The accompanying 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 2021 and 2020 and EDP S.A.'s Executive Board of Directors approved them on 4 November 2021, after that they are subject to General Meeting approval. 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, with changes updated by the Decree-law 98/2015 of 2 June, the company's financial statements and the 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 2021 were prepared in accordance with IFRS as adopted by the E.U. until 1 January 2021 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 2020.

The EDP Group's activity does not present, on a quarterly 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.

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 4 (Amended) - Deferral of effective dates to apply two optional solutions (temporary exemption from IFRS 9 and overlay approach);
- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Phase 2); and
- IFRS 16 (Amended) - Covid-19 Related Rents Concessions beyond 30 June 2021.

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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;
- IAS 1 (Amended) - Classification of Liabilities as Current or Non-current;
- IFRS 3 (Amended) - Reference to the Conceptual Framework;
- IAS 16 (Amended) - Proceeds before Intended Use;
- IAS 37 (Amended) - Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvement Project (2018-2020);
- IA1 (Amended) - Disclosure of Accounting Policies;
- IAS 8 (Amended) - Disclosure of Accounting Estimates; and
- IAS 12 (Amended) - Deferred tax related to assets and liabilities arising from a Single Transaction.

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 2020, 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.

"Clawback" - Regulatory mechanism to ensure the competitive balance in the wholesale electricity market in Portugal

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 an amount per MWh produced.

The amount payable should consider an estimate of the impact that the off-market events in the EU (such as the above-mentioned tax changes in Spain) would have in pool prices, as well as off-market events that would affect the competitiveness of electricity generators operating in Portugal. Consequently, a net competition advantage would allegedly arise to generators operating in Portugal.

Under this mechanism regulation – commonly known as clawback – Social tariff and CESE were approved 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, shall 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, from the SSE, 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.

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Based on its interpretation of the Law, as well as on legal opinions obtained in the meantime, 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, 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.

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
- 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.

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 20 March 2020 ERSE Directive 4/2020 was published, which approves the operational rules of the commercial relationship between the Transmission System Operator (ORT) and the producers covered by the application of Decree-Law 74/2013, of 4 June, with the amendment given by Decree-Law 104/2019, of 9 August, revoking Directive 15/2016, of 14 September 2016, regarding the "Clawback" regime. The main change of this Directive is: i) the breakdown of the amount of power plants with CMEC and, ii) the monthly aggregation by balance sheet area, instead of by power generation center.

On 30 June 2020, Dispatch 6740/2020 was published by the SEE 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.

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On 22 October 2020, Dispatch 10177/2020, issued by the SEE 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 in recent months, 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". More recently, and 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 15 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 PRE market in Marketplace; 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.

Ancillary Services

i) Secondary regulation band market

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 market. AdC claimed that EDP Produção restricted the offer of a segment of the Electricity System (the secondary regulation band or teleregulation service) between 2009 and the first quarter of 2014, 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. The same authority stressed that the adoption of a Note of Illegality does not determine the final result of this investigation, which began in September 2016. 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 2009 and the first quarter of 2014.

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, and the witness hearing period has already started during the year 2021, with the first witness hearings scheduled for the month of September.

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

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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 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. Given the date of service, the process is at a very early stage, and the company is currently analyzing its possible implications.

ii) CMEC's revisibility overcompensation

On 20 October 2020, EDP Produção became aware, by letter sent by DGEG, of the dispatch of the SEE 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 (see note 29), and carried out a judicial appeal against the order of SEAE at the Administrative Court of the Lisbon Circle.

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 right to implement and exploit the AHF.

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.

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 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.

This deferral decision was taken based on public interest reasons, considering the evolution of installed power and energy demand since 2008 (conclusion date of the Implementation Contract) until 2016. It is not clear that the AHF would be an energy surplus that would offset the environmental impacts resulting from its implementation.

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 in accordance with the principles defined in IFRS 9 (see note 22).

Currently, the arbitral proceedings, initiated by EDP Produção on 24 January 2020, are in progress, and the Portuguese State presented a Reply on 20 November 2020. A preliminary hearing took place in the first quarter of 2021, and arbitration hearings during the month of April 2021. In July 2021 the closing arguments were presented and the decision being expected during the first quarter of 2022.

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

In the 2009-2018 period, E-Redes – Distribuição de Eletricidade, S.A. 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).

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In the regulated accounts sent to ERSE in April 2018, E-Redes – Distribuição de Eletricidade, S.A. 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. The State, represented by the Ministry for the Environment and Climate Action (MAAC), submitted its response on 3 July 2020. In January 2021, the first preliminary hearing was held, followed by the pleadings phase, in which E-Redes presented its initial petition and the State reiterated in its response the arguments already listed, noting that it does not call into question the management carried out, the value of the transactions and that there was never any intention to prevent E-Redes from proceeding with the sale of the assets in question, maintaining, however, that all real estate sold are included in the concession of the RND and that the respective concession contract determines that the proceeds from the sale of properties must revert to the concession. Between July and September 2021, the written testimonies of the witnesses appointed by the parties were presented and in October 2021 these witnesses provided additional clarifications to the Arbitration Court, which agreed to notify E-Redes to attach to the process additional documentation relating to the properties referred to in process. Thus, after the fulfillment of this notification, foreseen for the first half of November, the process will follow the normal procedures.

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.

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 Reports and Accounts and in the Regulated Accounts presented.

Sale of the portfolio of Hydroelectric Projects

The project for the sale of the portfolio of Hydroelectric Projects located in the Douro basin falls within the scope of EDP's strategic plan for 2019-2022, as presented to the market in March 2019 and reinforced with EDP's Strategic Plan for 2021-2025 presented in February 2021, in particular within the scope of the strategy of portfolio balancing and capital reallocation, as a way to finance new investments, particularly in renewable energy, including in Portugal.

The transaction was concluded on 16 December 2020, through the sale of the entire share capital of the company Camirengia Hidroelétricos S.A. (“Camirengia”), by its sole shareholder, EDP - Energias de Portugal, S.A. (“EDP”), to the company Movhera - Hidroelétricas do Norte, S.A. (previously known as Águas profundas, S.A., company incorporated in Portugal and therefore resident for tax purposes in Portugal, owned by the consortium formed by GDF International SAS, from ENGIE Group, by 40%, Mirova S.A. by 35% and Predica Prevoyance Dialogue du Crédit Agricole, S.A. in 25%). The company Camirengia was incorporated under the simple demerger of EDP - Gestão da Produção de Energia, S.A. (“EDP Produção”), under which a complex set of items was carved-out from this company, comprising not only the titles of use of the hydric resources related to the portfolio mentioned above, but also by a multiplicity of assets, liabilities, resources and contractual positions associated and necessary for the development of the exploration activity.

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From a strictly operational, regulatory, technical and legal point of view, the demerger was the only viable and feasible option to proceed with the detachment of the portfolio, considering its size and complexity. In this sense, EDP followed the only model, the demerger and the subsequent sale of shares, that guaranteed the continuity of operations and the maintenance of all the commitments (including environmental nature and towards the municipalities) necessary for the portfolio normal operation and also to respond to the need of the buyer of acquiring a functional and autonomous company that would ensure the operation of all activity, without disruption, immediately after the sale - which was also required by the regulator. On the other hand, the contractual model used in the implementation of the transaction is fully in line with market standards.

After its conclusion, the transaction was subject to media attention, based on the assumption that it constitutes a transfer of concessions and that, therefore, would be subject to Stamp Duty (under paragraph 27.2 of the Stamp Duty General Table). In EDP's view, that assumption is not at all applicable, and Stamp Duty is not due, as the transaction did not entail a transfer of concessions, but rather a demerger followed by the sale of the entire share capital of a company (Camirengia) holding the patrimonial assets assigned to the portfolio, operations that are not subject to Stamp Duty.

In this context, on 16 March 2021, the President of the EDP Executive Board of Directors was requested to attend the Environment, Energy and Spatial Planning Commission of the Portuguese Parliament, in order to address the abovementioned transaction, where EDP had the opportunity to clarify all questions addressed by the Members present. In addition, on 1 April 2021, that Commission sent EDP a request for information and questions about the transaction. On 15 April, EDP, committed to contribute to the swift, full and definitive clarification of the questions that were presented, sent to the Portuguese Parliament answers to all the questions raised, and made available all the requested documentation, despite its private and confidential nature, as a testament to the collaborative, transparent and good faith attitude with which EDP has been guiding its relationship with the State and its institutions.

In this spirit of collaboration, transparency and good faith in its relationship with the State and its institutions, EDP proactively contacted the Tax Authority, making itself available to clarify the tax aspects of the operation.

On 6 July 2021, EDP became aware that DCIAP is investigating the sale of the Douro portfolio, with searches carried out at the premises of EDP and EDP Produção. During the diligence, and basing its action on a cooperative posture, all cooperation and assistance was provided to the authorities.

EDP scrupulously fulfils all of its obligations, including tax obligations, adopting very strict practices in the technical framework of all issues, having made this transaction under the tax framework applicable, assessing the tax rules in force on the date of the transaction, a framework that was also subject to validation by Opinions requested from reputable tax experts.

5. Financial Risk Management Policies

The Group monitors regularly the financial risks to which it has exposure to. During the first nine months of 2021, considering the COVID-19 pandemic and the impacts on the markets, namely on interest and foreign exchange rates to which the Group has exposure to, there was a revaluation of the risks involved, having concluded that the current Financial Risk Management Policies already incorporate worst case scenarios sufficiently conservative and therefore adequate to the Group profile, not being necessary its revision. However, given that the pandemic duration and global impacts are still unknown, the EDP Group continues to monitor the risks, seeking to anticipate and manage possible 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 2021 and 2020, would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

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

Thousand Euros	Sep 2020			
	Profit or loss		Equity	
	+10%	-10%	+10%	-10%
USD	-996	1,217	-82,644	101,009

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

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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 2021 and 2020 would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

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

Thousand Euros	Sep 2020			
	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Cash flow effect:				
Hedged debt	-10,052	10,052	-	-
Unhedged debt	-6,140	6,140	-	-
Fair value effect:				
Cash flow hedging derivatives	-	-	7,197	-7,197
Trading derivatives (accounting perspective)	7,742	-7,742	-	-
	-8,450	8,450	7,197	-7,197

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.

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 2021 and 2020, in the amount of:

Thousand Euros	Sep 2021	
	+ 25%	- 25%
Financial instruments - assets	6,031	-5,657
Financial instruments - liabilities	-95,710	93,167
Derivative financial instruments	-5,383	6,015
	-95,062	93,525

Thousand Euros	Sep 2020	
	+ 25%	- 25%
Financial instruments - assets	3,389	-3,202
Financial instruments - liabilities	-69,141	65,035
Derivative financial instruments	-3,441	3,478
	-69,193	65,311

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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 COVID-19 pandemic, 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 2021:

Thousand Euros	Sep 2022	Dec 2022	Dec 2023	Dec 2024	Dec 2025	Following years	Total
Bank loans	375,224	45,265	179,543	115,474	85,397	588,068	1,388,971
Bond loans	1,106,591	116,314	1,701,925	2,195,268	1,729,246	4,298,026	11,147,370
Hybrid Bond	24,792	-	-	-	-	3,750,000	3,774,792
Commercial paper	17,763	-	97,159	47,900	313,067	-	475,889
Other loans	2,592	488	1,202	1,011	1,031	22,856	29,180
Interest Payments (i)	430,851	73,206	514,074	445,324	272,701	636,235	2,372,391
	1,957,813	235,273	2,493,903	2,804,977	2,401,442	9,295,185	19,188,593

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 years. 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 2021	Dec 2020
Business	Portfolio		
Electricity	Trading	194	5,000
Electricity	Trading + Hedging	144,891	80,412
Gas	Hedging	71,980	38,725
Diversification effect		-22,402	-26,668
		194,663	97,469

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 2021	Dec 2020
Credit risk rating (S&P)		
AAA to AA-	0.00%	4.44%
A+ to A-	52.95%	26.08%
BBB+ to BBB-	24.69%	60.95%
No rating assigned	22.36%	8.53%
	100.00%	100.00%

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6. Consolidation Perimeter

During the nine-month period ended 30 September 2021, 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, S.A. and EDP Renewables Europe, S.L.U. acquired 100% of the company Aioliki Oitis Energiaki Single-Member LLC;
- EDP Renewables Europe, S.L.U. acquired 100% of the companies Kadmeios Anemos Energiaki, A.E., Voiotikos Anemos Anonimi Energiaki Etaireia and Energopark, S.R.L. and 51% of the companies Enercoplan and Sofrano;
- EDP Energias do Brasil, S.A. acquired 100% of the company Mata Grande Transmissora de Energia LTDA;
- EDP Renewables Italia Holding, S.R.L. acquired 100% of the company C & C Tre Energy S.r.l.;
- EDP Renewables Polska, Sp. z o.o. acquired 100% of the companies Elektrownia Kamienica, Sp. z o.o., Neo Solar Chotków, Sp. z o.o. e Neo Solar Przykona II, Sp. z o.o.;
- EDP Renováveis, S.A. acquired 100% of the companies Los Llanos Solar, SpA, Parque Eólico San Andrés, SpA, Parque Eólico Victoria, SpA and Parque Eólico Punta de Talca, SpA.; and
- EDP Renováveis, S.A. acquired 60% of the company OMA Haedori Co., Ltd.

Additionally, the following companies were acquired:

- EDP Energia Itália S.R.L. acquired 100% of the company Enertel Group S.r.l.;
- EDP Ventures Brasil S.A. acquired 28% of the company Blue Sol Participações S.A.;
- EDP Energias do Brasil, SA acquired 100% of the company AES Tietê Inova Soluções de Energia LTDA., which holds 100% of the companies AES Tietê Inova Soluções de Energia I LTDA. and AES Tietê Inova Soluções de Energia II LTDA.;
- EDP Renewables Italia Holding, S.R.L. acquired 100% of the company Aria del Vento;
- EDP Renováveis, SA acquired 100% of Trina Solar Investment First Pte. Ltd., which holds 100% of LYS Energy Investment Pte. Ltd. which owns 100% of Trung Son Energy Development JSC.;
- In the first quarter of 2021, EDP Renováveis, SA acquired, through a North American subsidiary, an 85% stake in a distributed solar generation portfolio that includes 89 MW of operating capacity and is about to be completed and a portfolio in-state advanced development of about 120 MW, distributed by approximately 200 projects, for an amount of 66 million Euros (79 million US Dollar).
This transaction was framed within the scope of IFRS 3 - Business Combination.
Regarding the acquisition date, the book value of the net assets of this portfolio amounted to 48 million Euros (58 million US Dollar), and an evaluation is still in progress to determine its fair value allocation (see note 17); and
- EDP Renewables Europe, S.L.U. acquired 100% of the company Vento Ludens Ltd., which owns 79% of Muirake Wind Farm Ltd. and 100% of Lurg Hill Wind Farm Ltd.

Sale of companies with loss of control:

- In the second quarter of 2021, EDP Renewables North America LLC sold to Greencoat Fuji LLC for 232,713 thousand Euros, the equivalent of 280,500 thousand US Dollars, 68% of its interest in the company 2019 Vento XX LLC with a subsequent loss of share interest in the following companies:
 - Lexington Chenoa Wind Farm LLC; and
 - Broadlands Wind Farm LLC.

In accordance with the Shareholders Agreement and other relevant contracts, it has been established a shared control of the Company which led to a loss of control over the company and its consolidation by the equity method. This disposal with loss of control generated a gain on a consolidated basis of 100,809 thousand Euros, recorded in the income statement (see note 8). Within this transaction, on the third quarter, EDP Renewables North America LLC sold an additional 12% of its financial interest, for an amount of 41,380 thousand Euros, the equivalent of 49,500 thousand US Dollars, generating a gain of 801 thousand Euros (see note 18).

Additionally to the above sale price, it should be considered a contingent consideration, according to the relevant agreements signed, which fair value as of 30 September 2021 is a negative amount of 20 million Euros.

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Companies sold:

- The companies CIDE HC Energía, S.A. and Comercializador de Referencia Energético, S.L.U. , in which EDP Iberia, S.L. held, directly or indirectly, the 50% financial interest, were sold. This transaction generated a gain which has been registered within the "Other income" caption of the consolidated financial statements in the amount of 20,705 thousand Euros (see note 18);
- On 1 April 2021, EDP Real Estate Global Solutions - Imobiliária e Gestão Participações SA ("EDP RE") agreed to sell the entire stake it held in Portsines - Terminal Multipurpose de Sines, SA ("Portsines") to the other shareholder of the Company, Empresa de Tráfego e Estiva, S.A. for the amount of 7,100 thousand Euros. In this agreement, it was established that EDP RE received all the dividends, referring to the year 2020, paid by Portsines. This agreement resulted in a global gain for EDP RE of 6,237 thousand Euros (see note 18).
- The companies Aliseo, S.r.l. and Elecdey Carcelén, S.A., of which EDP Renewables Europe, S.L.U. held a financial interest of 100% and 23%, respectively, were sold; and
- The company ESC ERŐMŰ, Kft., of which EDP Renováveis, S.A. held a financial interest of 85%, was sold.

Companies liquidated:

- The company SGORME - Sociedade Gestora de Operações da Rede de Mobilidade Eléctrica, S.A., in which E-Redes - Energia S.A. held, directly or indirectly, a 91% financial interest, was liquidated;
- The company Dunkerque Éoliennes en Mer, S.A.S., in which EDP Renewables Europe, S.L.U., directly or indirectly held a 32% stake, was liquidated;
- The company Quatro Limited Partnership, in which the companies EDP Renewables Canada Ltd. and Nation Rise Wind Farm GP II Inc., held, directly or indirectly, a 100% stake was liquidated; and
- 2 companies in North America were liquidated.

Companies merged:

- The merger of Nation Rise Wind Farm GP II Inc. into EDP Renewables Canada Ltd.

Companies incorporated:

- EDP Renewables Chile, SpA;
- EDPR México, S.L.U.; and
- 12 companies incorporated in North America.

Other changes:

- EDP España, S.A.U. acquired 38.24% of the company Ceprastur, A.I.E., which was already 56.76% owned by EDP Renovables España, S.L.U., whereby the Group now holds control over it;
- On April 16, 2021, EDP Renováveis S.A. concluded a capital increase of 1,500,250,000 Euros through the issue of 88,250,000 new shares at a subscription price of 17.00 Euros per share. Following the capital increase, EDP holds the same 720,191,372 shares of EDP Renováveis that it previously held, and its stake was diluted from 82.56% to 74.98% in EDPR and its subsidiaries. This dilution of EDP's holding resulted in a global gain of 548,329 thousand Euros. As it is an operation with an impact on minority interests and, therefore, without loss of control, this gain was recorded in equity. As a current operation with non-controlling interests and therefore with no loss of control, this gain was recorded in equity (see Condensed Consolidated Statements of Changes in Equity, note 25 and 26);
- During the second quarter of 2021, EDPR sold 50.01% of its stake in Nation Rise to Grupo Algonquins of Pikwakanagan First Nation (AOPFN). At the same time, EDPR granted a loan to this Group to acquire this participation. From a consolidated accounting perspective, this sale, as well as the loan granted, is not considered effective. Thus, EDPR continues to consolidate this company at 100% without recognizing any non-controlling interests;
- In May of 2021, EDP - Soluções Comerciais, S.A. was divided and incorporated in EDP Comercial - Comercialização de Energia, S.A., E-Redes - Distribuição de Eletricidade, S.A., SU Eletricidade, S.A. and EDP Global Solutions - Gestão Integrada de Serviços S.A.; and
- In September of 2021, EDP España, S.A.U. acquired the remaining 25% of Central Térmica Ciclo Combinado Grupo 4, S.L.

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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 2021	Sep 2020	Sep 2021	Sep 2020
Electricity and network access	8,783,918	7,935,592	1,785,211	1,458,144
Gas and network access	416,019	602,225	434,981	90,887
Sales of CO2 Licenses	99,840	-	99,840	8,164
Revenue from assets assigned to concessions	504,468	425,345	-	-
Other	196,294	96,101	127,505	123,008
	10,000,539	9,059,263	2,447,537	1,680,203

The caption Electricity and network access in Portugal, on a consolidated basis, includes a revenue of 816,530 thousand Euros (revenue in 30 September 2020: 1,158,143 thousand Euros) regarding tariff adjustments of the period (see notes 21 and 31). This caption also includes a net revenue of 71,706 thousand Euros (30 September 2020: net revenue of 47,338 thousand Euros) related to recognition of tariff adjustments for the period in Brazil (see note 31).

Additionally, the caption Electricity and network access includes, on a consolidated basis, a positive amount of 55,191 thousand Euros (30 September 2020: positive amount of 66,608 thousand Euros) related to the contractual stability compensation (CMEC) as a result of the power purchase agreements (PPA) termination, including an income of 13,451 thousand Euros related to the CMEC final adjustment (30 September 2020: positive amount of 18,245 thousand Euros), net from the recognised provision due to the final adjustment official approval.

The caption Electricity and network access, on a company basis, includes 731,256 thousand Euros (30 September 2020: 814,137 thousand Euros) related with energy sales under the purchase and sale agreement of evolutive energy between EDP, S.A. and EDP Comercial S.A.

The breakdown of Revenues from energy sales and services and other by segment, are as follows (see note 42 - Operating Segments):

Thousand Euros	Sep 2021					
	Reported Operating Segments				Other Segments	Group
	Renewables	Networks	Client Solutions & Energy Management	Total		
Electricity and network access	908,729	1,012,451	6,862,741	8,783,921	-4	8,783,917
Gas and network access	-	11	416,009	416,020	-	416,020
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
	954,849	1,614,939	7,418,258	9,988,046	12,493	10,000,539

Thousand Euros	Sep 2020					
	Reported Operating Segments				Other Segments	Group
	Renewables	Networks	Client Solutions & Energy Management	Total		
Electricity and network access	979,047	366,548	6,589,999	7,935,594	-4	7,935,590
Gas and network access	-	8,171	594,054	602,225	-	602,225
Revenue from assets assigned to concessions	-	425,343	3	425,346	-	425,346
Other	30,231	23,855	39,186	93,272	2,830	96,102
	1,009,278	823,917	7,223,242	9,056,437	2,826	9,059,263

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".

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Cost of energy sales and other are as follows:

Thousand Euros	Group		Company	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Cost of electricity	4,805,430	3,834,586	1,812,419	1,394,769
Cost of gas	260,814	631,294	-	-
Expenditure with assets assigned to concessions	418,436	357,503	-	-
Changes in inventories and cost of raw materials and consumables used				
Fuel, steam and ashes	186,032	102,718	-	-
Gas	297,584	158,216	455,914	88,667
CO2 Licenses	210,084	126,244	100,531	8,227
Other	188,197	72,185	209,826	-55,334
	881,897	459,363	766,271	41,560
	6,366,577	5,282,746	2,578,690	1,436,329

Cost of electricity includes, on a company basis, costs of 707,160 thousand Euros (30 September 2020: 750,507 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.

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 2021	Sep 2020
Revenue from assets assigned to concessions	504,468	425,345
Expenditure with assets assigned to concessions		
Subcontracts and other materials	-316,412	-277,319
Personnel costs capitalised (see note 10)	-56,505	-55,350
Capitalised borrowing costs (see note 12)	-45,519	-24,834
	-418,436	-357,503

Revenue from assets assigned to concessions include 293,165 thousand Euros 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 2021	Sep 2020
Income arising from institutional partnerships (see note 30)	123,128	143,993
Gains on disposals - electricity business assets - Asset Rotation	150,074	212,281
Gains from contractual indemnities and insurance companies	25,391	17,440
Other	159,556	106,235
	458,149	479,949

Income arising from institutional partnerships relates to income arising from production and investment tax credits (PTC/ITC), mostly from accelerated tax depreciation, regarding wind farms and solar plants in North America (see note 30).

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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. The caption includes: i) the gain in the amount of 100,809 thousand Euros resulting from the loss of control over the sale of a portfolio of companies in North America (see note 6); ii) the gain in the amount of 16,390 thousand Euros which refers to changes in the fair value of contingent considerations, mainly related to the sale in 2018 to Sumitomo Corporation and in 2020 to OW Offshore SL of shares in the companies Éoliennes en Mer Dieppe - Le Tréport, SAS and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS (see note 22); and iii) the gain in the amount of 29,613 thousand Euros which refers to changes in the fair value of contingent considerations, related to the sale in 2020 to OW Offshore S.L. of Mayflower Wind Energy LLC (see note 22).

The caption Other includes gains on: i) reinsurance activity; ii) gains on the sale of property, plant and equipment; and iii) a gain of 44 million euros resulting from a favorable decision of the Regional Economic-Administrative Court of the Principality of Asturias in favor of EDP España regarding the fee for using the public hydraulic domain known as "Canon Hidráulico".

9. Supplies and Services

Supplies and services are as follows:

Thousand Euros	Group		Company	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Consumables and communications	20,696	20,980	4,459	6,070
Rents and leases	27,102	25,375	3,606	4,963
Maintenance and repairs	239,234	280,295	13,555	22,911
Specialised works:				
- Commercial activity	100,786	105,055	189	513
- IT services, legal and advisory fees	107,911	61,530	54,909	34,904
- Other services	45,229	37,835	20,907	16,884
Provided personnel	-	-	6,047	6,783
Other supplies and services	74,494	77,617	11,596	10,715
	615,452	608,687	115,268	103,743

10. Personnel Costs and Employee Benefits

Personnel costs and employee benefits are as follows:

Thousand Euros	Group		Company	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Personnel costs				
Board of Directors remuneration	12,069	12,884	4,305	5,273
Employees' remuneration	362,612	349,934	34,649	31,873
Social charges on remuneration	88,991	84,436	8,550	8,166
Performance, assiduity and seniority bonus	68,191	56,805	12,486	11,022
Other costs	15,817	12,642	1,388	218
Own work capitalised:				
- Assigned to concessions (see note 7)	-56,505	-55,350	-	-
- Other (see note 14)	-62,867	-47,732	-4,865	-195
	428,308	413,619	56,513	56,357
Employee benefits				
Pension plans costs	14,049	15,577	1,235	1,491
Medical plans costs and other benefits (see note 28)	7,071	5,371	156	214
Pension plans past service cost (Curtailment/Plan amendments) (see note 28)	7,504	-	-	-
Other	34,704	30,067	3,296	2,255
	63,328	51,015	4,687	3,960
	491,636	464,634	61,200	60,317

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Pension plans costs include 2,568 thousand Euros (30 September 2020: 4,564 thousand Euros) related to defined benefit plans (see note 28) and 11,481 thousand Euros (30 September 2020: 11,013 thousand Euros) related with defined contribution plans.

During the first nine months of 2021, EDP Group distributed treasury stocks to employees (554,583 shares) totaling 2,684 thousand Euros.

11. Other Expenses

Other Expenses are as follows:

Thousand Euros	Group	
	Sep 2021	Sep 2020
Concession rents paid to local authorities and others	211,113	213,350
Direct and indirect taxes	176,797	198,595
Donations	15,746	17,370
Other	93,710	77,249
	<u>497,366</u>	<u>506,564</u>

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 caption Direct and indirect taxes results from the suspension since July 1st 2021 of the 7% tax on electricity generation in Spain, by the Spanish legislator, as part of the adoption of urgent measures in the field of applicable energy taxation (see note 4).

The caption Others includes losses in the reinsurance activity, losses in fixed tangible assets and an indemnity of 21.5 million Euros related to the cancellation of the gas acquisition contracts that existed with Sonatrach, as part of an agreement to terminate commercial relations between the companies.

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12. Financial Income and Expenses

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

Thousand Euros	Group	
	Sep 2021	Sep 2020
Financial income		
Interest income from bank deposits and other investments	9,593	17,525
Interest from derivative financial instruments	12,460	19,947
Interest income on tariff deficit:		
- Portugal - Electricity (see note 21)	2,227	975
- Brazil - Electricity (see note 31)	4,844	1,058
Other interest income	37,103	32,088
Derivative financial instruments	44,817	-8,038
Foreign exchange gains	85,288	148,460
CMEC:		
- Interest on the initial CMEC	20,502	22,927
- Financial effect considered in the calculation	5,392	5,844
Gains on the sale of the electricity tariff deficit - Portugal (see note 21)	230	103
Other financial income	76,979	36,891
	299,435	277,780
Financial expenses		
Interest expense on financial debt	375,285	381,122
Bonds buyback	24,248	56,897
Capitalised borrowing costs:		
- Assigned to concessions (see note 7)	-45,519	-24,834
- Other (see note 14)	-23,710	-16,550
Interest from derivative financial instruments	19,511	20,094
Interest expense on tariff deficit:		
- Portugal - Electricity (see note 31)	6	30
- Brazil - Electricity (see note 31)	1,884	6,211
Other interest expense	16,152	15,244
Derivative financial instruments	19,649	14,136
Foreign exchange losses	99,194	143,273
CMEC	5,762	7,811
Unwinding of discounted liabilities	93,481	103,745
Unwinding of lease liabilities (see note 32)	28,020	29,488
Net interest on the net pensions plan liability (see note 28)	2,474	4,954
Net interest on the medical liabilities and other benefits (see note 28)	10,009	11,064
Losses on the sale of the electricity tariff deficit - Portugal	-	1,037
Other financial expenses	29,259	29,097
	655,705	782,819
Financial income/(expenses)	-356,270	-505,039

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 3,481 thousand Euros (30 September 2020: 5,650 thousand Euros) (see note 29); (ii) the implied financial return in institutional partnerships of 57,628 thousand Euros (30 September 2020: 71,463 thousand Euros) (see note 30); and (iii) the financial expenses related to the discount of the liability associated to the concessions of Alqueva/Pedrogão, Investco and Enerpeixe of 21,437 thousand Euros (30 September 2020: 18,555 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, EDP S.A. has bought an amount of 647,040 thousand Euros issued by Finance B.V., booking a cost related to the transactions of 24,248 thousand Euros (see notes 22 and 27).

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 (see note 32). 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 2021	Sep 2020
Financial income		
Interest income from loans to subsidiaries and related parties (see note 37)	28,472	40,472
Interest from derivative financial instruments	60,714	103,509
Derivative financial instruments	144,578	94,262
Income from equity investments (see note 37)	64,979	148,690
Other financial income	36,649	18,857
	335,392	405,790
Financial expenses		
Interest expense on financial debt	142,190	157,160
Bonds Buyback	-	56,897
Interest from derivative financial instruments	76,251	111,434
Derivative financial instruments	122,558	167,203
Unwinding of lease liabilities (rents due from lease contracts)	3,452	5,503
Other financial expenses	9,591	8,889
	354,042	507,086
Financial income/(expenses)	-18,650	-101,296

The caption Other financial income includes 7,657 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 1,036 thousand Euros (includes the recognition of premium and transaction costs associated with the buyback transaction by the effective interest rate method).

The fluctuation of Financial Costs and Profit on an individual basis is mainly explained by the reduction of the cost of debt, both by a reduction of the average cost of debt and by the debt buyback occurred in 2020, with an impact of 56,897 thousand Euros.

The fluctuation of Financial Costs and Profit in EDP Group is mainly explained by the above mentioned fact on an individual basis and by the income accounted under the agreement entered into with Sonatrach.

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 2021

EDP is monitoring, in the countries where it is present, tax measures designed to help mitigate the economic effects of the COVID-19 outbreak. To date, these measures have not constitute material impacts in the geographies where the EDP Group is present.

The Spanish state budget for 2021 introduced amendments to the participation exemption regime, under which the exemption for dividends and capital gains from domestic and foreign subsidiaries would be limited to 95% of the income. Given the standard Corporate Income Tax (CIT) rate in Spain, the effective tax rate on dividends and capital gains derived by Spanish companies would be 1.25%, not susceptible of elimination under Spanish CIT group taxation.

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

	Sep 2021	Sep 2020
Europe:		
France	26,5% - 27,5%	28% - 32.02%
Spain	24% - 25%	25% - 26%

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Corporate income tax provision

Income tax expense is as follows:

Thousand Euros	Group		Company	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Current tax	-244,425	-386	79,853	40,010
Deferred tax	7,398	-172,983	21,422	2,583
	-237,027	-173,369	101,275	42,593

Reconciliation between the theoretical and the effective income tax expense

The effective income tax rate is as follows:

Thousand Euros	Group		Company	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Profit before tax and CESE	999,146	883,152	-350,351	-54,712
Income tax expense	-237,027	-173,369	101,275	42,593
Effective income tax rate	23.7%	19.6%	28.9%	77.8%

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 2021 and 2020, is as follows:

Thousand Euros	Sep 2021	Sep 2020
Profit before income tax and CESE	999,146	883,152
Theoretical income tax rate *	29.5%	29.5%
Theoretical income tax expense	294,748	260,530
Different tax rates (includes state surcharge) and CIT rate changes	-16,226	21,167
Tax losses and tax credits	-211	-33,561
Tax benefits	-18,600	-14,534
Differences between accounting and fiscal provisions/depreciations	15,169	971
Accounting/fiscal differences on the recognition/derecognition of assets	-7,554	-38,567
Taxable differences attributable to non-controlling interests	-10,696	-10,741
Other adjustments and changes in estimates	-19,603	-11,896
Effective income tax expense as per the Consolidated Income Statement	237,027	173,369

* 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 constructions	Plant and machinery	Other tangible assets	Assets under construction	Total
Gross Amount	75,929	381,018	36,636,146	579,062	3,119,345	40,791,500
Accumulated depreciation and impairment losses	-	171,995	19,103,412	441,630	81,127	19,798,164
Carrying Amount at 30 September 2021	75,929	209,023	17,532,734	137,432	3,038,218	20,993,336
Balance as at 31 December 2020	74,057	200,711	17,032,113	137,422	2,718,918	20,163,221
Additions	2,373	691	123,935	13,685	1,835,713	1,976,397
Depreciation and impairment	-	-6,405	-680,738	-32,301	7	-719,437
Disposals/Write-offs	-57	-23	-14,807	-756	-1,503	-17,146
Transfers	-1,660	8,992	1,126,792	17,950	-1,717,831	-565,757
Exchange Difference	1,212	2,142	422,193	536	87,712	513,795
Perimeter Variations and Other	4	2,915	-476,754	896	115,202	-357,737
Balance as at 30 September 2021	75,929	209,023	17,532,734	137,432	3,038,218	20,993,336

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Gross amount of Assets under construction are as follows:

Thousand Euros	Sep 2021	Dec 2020
Wind and solar farms in North America	1,429,735	1,485,274
Wind and solar farms in Europe	812,040	711,455
Wind and solar farms in South America	562,838	373,541
Hydric Portugal	36,430	32,680
Other assets under construction	278,302	197,468
	3,119,345	2,800,419

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

Thousand Euros	Sep 2021
Subcontracts and other materials	1,816,114
Purchase price allocation	40,028
Dismantling and decommissioning costs (see note 29)	31,305
Personnel costs (see note 10)	62,867
Borrowing costs (see note 12)	23,710
	1,974,024

Additions include the investment in wind and solar farms by North America, Europe and Brazil. In Portugal, the Group is carrying out hydroelectric investments in several power plants (Ribeiradio-Ermida and Alqueva I) and improvements and repairs in thermoelectric power plants (Lares and Ribatejo).

Transfers refers to the transfer of Europe onshore wind and Brazil transmission to non-current assets held for sale, by the net amount of 565,757 thousand Euros (cost in the amount of 711,570 thousand Euros and accumulated depreciation and impairment losses in the amount of 145,813 thousand Euros) (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 acquisition of a solar distributed generation portfolio and the sale of a North America onshore wind portfolio (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 constructions	Plant and machinery	Other tangible assets	Total
Gross amount	773,520	262,924	156,338	12,073	1,204,855
Accumulated depreciation and impairment losses	67,898	62,651	15,239	8,292	154,080
Carrying Amount at 30 September 2021	705,622	200,273	141,099	3,781	1,050,775
Balance as at 31 December 2020	674,340	204,998	146,034	4,821	1,030,193
Additions	98,239	12,883	690	1,510	113,322
Depreciation and impairment	-20,257	-17,861	-16,246	-2,101	-56,465
Disposals/Write-offs	-3	-627	-	-436	-1,066
Transfers	-21,955	-25	-	-13	-21,993
Exchange Difference	27,954	905	10,621	8	39,488
Perimeter Variations	-52,696	-	-	-8	-52,704
Balance as at 30 September 2021	705,622	200,273	141,099	3,781	1,050,775

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

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

Perimeter Variations mainly include the sale of a North America onshore wind portfolio (see note 6).

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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	12,506,435	27,712	2,259,600	205,636	14,999,383
Accumulated depreciation and impairment losses	9,525,874	-	729,654	-	10,255,528
Carrying Amount at 30 September 2021	2,980,561	27,712	1,529,946	205,636	4,743,855
Balance as at 31 December 2020	3,064,184	198,555	1,565,654	169,842	4,998,235
Additions	554	86,818	10,156	65,508	163,036
Depreciation and impairment	-268,218	-	-64,186	-	-332,404
Disposals/Write-offs	-3,462	-257,661	-15	-60	-261,198
Transfers	152,630	-	18,837	-28,079	143,388
Exchange Difference	7,449	-	1,450	255	9,154
Perimeter Variations and Other	27,424	-	-1,950	-1,830	23,644
Balance as at 30 September 2021	2,980,561	27,712	1,529,946	205,636	4,743,855

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

Disposals/Write-offs in CO2 Licenses essentially includes the delivery in April 2021 of the 2020 consumption licenses.

Transfers essentially refer to the intangible assets assigned to concessions that became operational, in the amount of 149,946 thousand Euros (see note 21).

The capitalised costs of the period related to construction of intangible assets are included in own work capitalised in notes 7, 10 and 12.

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	Balance at 1 January	Increases	Decreases	Impairment	Exchange differences	Balance at 30 September
Renewables	1,651,582	49,376	-	-	39,579	1,740,537
Networks	644,173	-	-	-	-	644,173
Client Solutions & Energy Management	10,548	8,570	-	-	138	19,256
	2,306,303	57,946	-	-	39,717	2,403,966

Renewables

Increases refer to preliminary impacts related to certain acquisitions during the period which evaluation, to determine the fair value allocation, is still in progress (see note 6).

Client Solutions & Energy Management

In the first quarter of 2021, EDP Energia Italia S.r.l. acquired 100% of Enertel Group S.r.l. for the amount of 5,980 thousand Euros and generated goodwill in the amount of 5,724 thousand Euros (see note 6).

In the second quarter of 2021, EDP Grid Gestão de Redes Inteligentes de Distribuição, S.A acquired 100% of AES Tietê Inova Soluções de Energia Ltda. for the amount of 15,581 thousand Euros and generated goodwill in the amount of 2,846 thousand Euros (see note 6).

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18. Investments in Joint Ventures and Associates

This caption is as follows:

Thousand Euros	Group	
	Sep 2021	Dec 2020
Investments in joint ventures	1,123,914	753,056
Investments in associates	207,943	187,306
	1,331,857	940,362

As at 30 September 2021, for the Group, this caption includes goodwill in investments in joint ventures of 8,047 thousand Euros (31 December 2020: 8,047 thousand Euros) and goodwill in investments in associates of 26,609 thousand Euros (31 December 2020: 24,599 thousand Euros).

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

Thousand Euros	Group	
	Sep 2021	Dec 2020
Balance at the beginning of the period	940,362	1,098,512
Acquisitions/Entries	37,253	71,495
Increases/Decreases of share capital	347,417	126,647
Disposals	-10,072	-79,833
Share of profit in joint ventures and associates	15,132	6,938
Dividends	-33,934	-52,739
Exchange differences	31,728	-187,621
Cash flow hedging reserve	-899	-1,642
Transfer to Assets held for sale (see note 34)	-	-10,103
Other	4,870	-31,292
Balance at the end of the period	1,331,857	940,362

The caption Share of profit in joint ventures and associates includes a positive amount of 15,132 thousand Euros from result of these investments, a gain of 20,705 thousand Euros from the sale of CIDE HC Energía, S.A., a gain of 6,237 thousand Euros from the sale of the entire stake on Portsines - Terminal Multipurpose de Sines, S.A. ("Portsines") and a gain of 801 thousand Euros from the sale of 12% stake of 2019 Vento XX LLC (see note 6).

The caption Increases/Decreases of share capital essentially refers to a capital increase of 268,936 thousand Euros of EDP Renováveis S.A. in OW Offshores, S.L. and the revaluation of a 20% stake in a portfolio of North American companies, in the amount of 65,044 thousand Euros, as a result of the sale of 80% of the same and consequent loss of control (see note 6).

19. Equity Instruments at Fair Value

As at 30 September 2021, the movements in Equity Instruments measured at Fair Value are as follows:

Thousand Euros	Group	
	Sep 2021	Dec 2020
Equity Instruments at Fair Value through Other Comprehensive Income (OCI)	123,497	117,111
Equity Instruments at Fair Value through Results (PL)	68,085	67,637
	191,582	184,748

As at 30 September 2021, this caption is analysed as follows:

Thousand Euros	Other Comprehensive		Results			Total
	Mercer and Dunas Funds (Energia RE portfolio)	Other	EDA - Electricidade dos Açores, S.A.	Feedzai - Consultadoria e Inov. Tecn., S.A.	Other	
Balance as at 31 December 2020	89,821	27,290	15,286	46,814	5,537	184,748
Acquisitions	-	1,151	-	-	2,265	3,416
Disposals	-	-166	-	-1,950	-	-2,116
Change in fair value (see note 25)	4,047	1,235	-	-	125	5,407
Other variations	-	119	-	-	8	127
Balance as at 30 September 2021	93,868	29,629	15,286	44,864	7,935	191,582

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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 2021, there are no equity instruments at fair value within level 1.

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 2021, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 30 September
Tax losses and tax credits	1,023,712	171,097	-	41,587	1,236,396
Provisions for social benefits, bad debts and other risks	722,690	-72,305	-38,672	-28,054	583,659
Financial instruments	95,417	82,632	634,172	-8	812,213
Property plant and equipment	412,651	-67,973	-	1,514	346,192
Financial and equity instruments at fair value	2,868	-	-1,582	138	1,424
Tariff adjustments and tariff deficit	37,988	46,912	-	957	85,857
Allocation of fair value to assets and liabilities acquired	92,469	-13,507	-	130	79,092
Fiscal revaluations	304,712	-28,250	-	-	276,462
Use of public property	23,658	3,151	-	474	27,283
Other temporary differences	87,541	-6,246	-830	397	80,862
Assets/liabilities compensation of deferred taxes	-1,664,163	-34,186	957	-483,558	-2,180,950
	1,139,543	81,325	594,045	-466,423	1,348,490

Net Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 30 September
Provisions for social benefits, bad debts and other risks	14,413	3,529	1,012	-8	18,946
Financial instruments	100,911	44,910	357,490	1,725	505,036
Property plant and equipment	366,868	614	-2,499	17,095	382,078
Reinvested gains	3,735	-23	-	-	3,712
Financial and equity instruments at fair value	8,959	-406	-	-	8,553
Tariff adjustments and tariff deficit	149,690	-3,775	-588	902	146,229
Allocation of fair value to assets and liabilities acquired	1,127,652	27,527	-	-7,974	1,147,205
Fiscal revaluations	54,737	-1,509	-	-	53,228
Deferred income relating to CMEC	187,558	1,765	-	-	189,323
Gains from institutional partnerships in wind farms	344,092	5,588	41	20,750	370,471
Use of public property (Brazil)	7,737	-343	-	130	7,524
Fair value of financial assets (Brazil)	47,643	13,330	-	1,081	62,054
Other temporary differences	64,642	16,906	-	6,798	88,346
Assets/liabilities compensation of deferred taxes	-1,664,163	-34,186	957	-483,558	-2,180,950
	814,474	73,927	356,413	-443,059	801,755

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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 a 30 September 2021, on a Company basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 30 September
Tax losses and tax credits	139,397	760	-	40,779	180,936
Provisions for social benefits, bad debts and other risks	7,817	59	-	-	7,876
Financial instruments	28,596	14,177	180,402	-	223,175
Property plant and equipment	3,965	-24	-	-	3,941
Other temporary differences	3,273	45	-	-	3,318
Assets/liabilities compensation of deferred taxes	-59,422	-278,480	-	-	-337,902
	123,626	-263,463	180,402	40,779	81,344

Net Deferred Tax Liabilities					
Thousand Euros	Balance at 1 January	Mov. Results	Mov. Reserves	Others	Balance at 30 September
Financial instruments	47,681	-	284,885	-	332,566
Allocation of fair value to assets and liabilities acquired	3,546	-	-	-	3,546
Fiscal revaluations	185	-4	-	-	181
Other temporary differences	8,010	-6,401	-	-	1,609
Assets/liabilities compensation of deferred taxes	-59,422	-278,480	-	-	-337,902
	-	-284,885	284,885	-	-

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 2021	Dec 2020	Sep 2021	Dec 2020
Assets measured at amortised cost:				
Amounts receivable from tariff adjustments - Electricity - Portugal	42,677	53,634	40,517	1,036
Amounts receivable from tariff adjustments - Electricity - Brazil (see note 31)	75,957	49,986	108,307	35,600
Debtors for other goods and services	-	-	64,140	29,480
Amounts receivable relating to CMEC	451,074	507,419	200,712	189,752
Amounts receivable from concessions - IFRIC 12	288,001	359,650	900,155	755,565
Other assets measured at amortised cost	112,145	65,125	306,246	175,170
Impairment losses on other assets measured at amortised cost	-	-2,894	-2,914	-1,406
	969,854	1,032,920	1,617,163	1,185,197
Trade receivables at amortised cost:				
Trade receivables	25,937	24,896	1,490,925	1,363,760
Impairment losses on trade receivables	-3,210	-8,771	-239,691	-253,067
	22,727	16,125	1,251,234	1,110,693
Assets measured at fair value through other comprehensive income:				
Amounts receivable from tariff adjustments - Electricity - Portugal	263,910	267,054	117,136	156,270
Assets measured at fair value through profit or loss:				
Amounts receivable from concessions - IFRIC 12	654,168	547,103	-	-
Contract assets:				
Contract assets receivable from energy sales contracts	1,622	600	1,340,703	1,034,442
Contract assets receivable from concessions - IFRIC 12	856,167	805,382	-	-
	857,789	805,982	1,340,703	1,034,442
Other assets:				
Incremental costs of obtaining contracts with customers	30,627	33,600	-	-
Other assets from commercial activities	47,445	44,228	283,512	59,009
	78,072	77,828	283,512	59,009
	2,846,520	2,747,012	4,609,748	3,545,611

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

Thousand Euros	Current	
	Sep 2021	Dec 2020
Assets measured at amortised cost:		
Debtors for other goods and services	31,630	40,223
Other assets measured at amortised cost	189,075	246,349
Impairment losses on other assets measured at amortised cost	-1	-1
	220,704	286,571
Trade receivables at amortised cost:		
Trade receivables	417,675	214,153
Impairment losses on trade receivables	-226	-209
	417,449	213,944
Contract assets:		
Contract assets receivable from energy sales contracts	490,569	226,040
Other assets:		
Other assets from commercial activities	12,787	7,371
	1,141,509	733,926

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 2020	320,688	157,306
Receipts through the electricity tariff	-	-8,047
Securitization of tariff deficit	-	-500,000
Tariff adjustment of 2021	1,037,159	-
Tariff adjustment of the period (see note 7)	-	-1,912
Fair value of the tariff deficit measured at fair value through other comprehensive income (see note 25)	-1,275	-590
Adjustment due to tariff deficit (2019 and 2020)	-	-514,155
Financial expenses (see note 12)	1,695	532
Transfer to/from tariff adjustment payable (see note 31)	-26,711	-450
Transfer from Non-Current to Current	-1,024,969	1,024,969
Balance as at 30 September 2021	306,587	157,653

During the third quarter of 2021, SU Eletricidade, S.A., sold the 2021 tariff deficit in the amount of 500,000 thousand Euros. 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 502,560 thousand Euros and generated a gain net of transaction costs of 230 thousand Euros (see note 13).

As at 30 September 2021, 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 2021:

Thousand Euros	Deficit	Tariff adj.	Sales	Total
Year:				
2018	3,135	-	-	3,135
2019	977	2,919	-	3,896
2020	73	51,007	-	51,080
2021	876,861	29,268	-500,000	406,129
	881,046	83,194	-500,000	464,240

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

Thousand Euros	Non-current	Current
Initial CMEC	307,455	31,086
Final adjustment	143,619	68,434
Revisibility 2014 - 2017 *	-	101,192
	451,074	200,712

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

The caption Amounts receivable from concessions - IFRIC 12 in the amount of 1,842,324 thousand Euros (31 December 2020: 1,662,318 thousand Euros) relates to the financial asset to be received by the EDP Group regarding the electricity distribution concessions in Portugal and Brazil, resulting from the application of the mixed model, and the asset related to electricity transmission concessions in Brazil. The variation of the period includes: (i) the effect of the depreciation of Brazilian Real against Euro in the amount of 12,907 thousand Euros and (ii) transfers from Contract assets receivable from concessions in the amount of 235,172 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.

The caption Contract assets receivable from concessions - IFRIC 12 refers to the investment in assets under construction assigned to concessions. The variation of the period includes (i) the effect of the depreciation of Brazilian Real against Euro in the amount of 12,915 thousand Euros; (ii) the investment of the period in the amount of 417,394 thousand Euros and (iii) the transfer of assets assigned to concessions which began operation to intangible assets, in the amount of 149,946 thousand Euros (see note 16), and to Amounts receivable from concessions - IFRIC 12, in the amount of 235,172 thousand Euros.

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22. Other Debtors and Other Assets

Other debtors and other assets are as follows:

Thousand Euros	Group		Company	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Debtors and other assets - Non-Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	2,731,511	2,739,230
Loans to related parties	137,406	7,630	90	90
Guarantees rendered to third parties	101,864	96,311	-	-
Other financial assets at amortised cost (i)	11,622	23,864	623,476	113,609
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	703,113	333,600	1,231,029	350,400
Contingent price	161,115	113,880	-	-
Other assets:				
Excess of the pension fund financing (see note 28)	100,987	29,610	93	93
Other debtors and sundry operations	401,824	415,893	-	-
	1,617,931	1,020,788	4,586,199	3,203,422
Debtors and other assets - Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	18,452	18,186
Dividends attributed by subsidiaries	-	-	-	110,000
Loans to related parties	112,714	415,120	-	-
Receivables from the State and concessors	-	5,402	-	-
Guarantees rendered to third parties	343,395	72,150	135,341	47,102
Subsidiary companies	-	-	157,299	103,602
Other financial assets at amortised cost (i)	18,106	22,818	170,736	56,038
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	1,949,403	271,828	4,213,219	421,666
Other financial investments measured at fair value	36,740	24,157	-	-
Contingent price	4,604	12,159	-	7,159
Other assets:				
Other debtors and sundry operations	58,539	27,119	89,654	89,654
	2,523,501	850,753	4,784,701	853,407
	4,141,432	1,871,541	9,370,900	4,056,829

Loans to subsidiaries - Non-Current and Current, for the Company, mainly includes 809,839 thousand Euros (31 December 2020: 807,346 thousand Euros) of loans granted to EDP - Gestão da Produção de Energia, S.A. and 1,505,697 thousand Euros (31 December 2020: 1,503,685 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, rating companies (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 2021 there are no expected credit losses accounted for related to loans with subsidiaries.

The variation of the caption Loans to related parties - Non Current, on a consolidated basis, is mainly due to new loans granted to OW FS Offshore, S.A. in the amount of 136,248 thousand Euros. The variation of the caption Loans to related parties - Current, on a consolidated basis, is mainly due to the receipt of loans granted to OW FS Offshore, S.A. in the amount of 315,595 thousand Euros.

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(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 Jun 2021
Overcost from special regime production 2017	Dec 2017	396	116	3,141	3,653
Overcost from special regime production 2018	Jun 2018	324	523	11,656	12,503
Overcost from special regime production 2019	Jun 2019	468	382	12,648	13,498
		1,188	1,021	27,445	29,654

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

On 1 July 2021, EDP S.A. has bought an amount of 647,040 thousand Euros of nominal debt, related with four bonds issued by EDP Finance B.V. in a market operation, in the total amount of 675,544 thousand Euros. This amount includes a premium and transaction costs amounting to 24,248 thousand Euros and accrued interest as at the acquisition date (see notes 12 and 27).

In the first quarter of 2021 EDP Finance B.V. repaid, at maturity, 600 million Euros of securities issued, of which EDP S.A. had already reacquired 46,783 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.	18 Jan 2022	EUR	2.63%	857,859	142,141	143,392
EDP Finance B.V.	23 Dec 2022	EUR	Fixed rate (i)	93,357	53,357	56,362
EDP Finance B.V.	23 Mar 2023	EUR	2.38%	488,832	111,168	115,580
EDP Finance B.V.	29 Sep 2023	EUR	1.88%	462,465	137,535	143,401
EDP Finance B.V.	12 Feb 2024	EUR	1.13%	743,804	256,196	264,151

(i) This issue corresponds to private placements.

The variation of the caption Contingent prices - Non Current mainly results from the update of the fair value of the contingent consideration in connection with the sale in 2018 and 2020 of a stake in the companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS to Sumitomo Corporation and to OW Offshore S.L., respectively, and the sale in 2020 of a stake in the company Mayflower Wind Energy LLC to OW Offshore S.L., in accordance with the relevant agreements signed.

The caption Other debtors and sundry operations - Non Current includes the financial consideration paid in advance in 2009 for the exploitation of the hydro power plants of Fridão and other amounts invested in such hydro power plant (see note 4).

The variation of the caption Other debtors and sundry operations - Current is mainly due to the amount receivable regarding the fee for using the public hydraulic domain known as "Canon Hidráulico" (see note 8).

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23. Tax Assets

Current tax assets are as follows:

Thousand Euros	Group		Company	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Non-Current:				
Special taxes Brazil	201,577	251,770	-	-
Current:				
Income tax	107,126	125,503	59,892	44,241
Value added tax (VAT)	221,303	191,587	39,491	6,196
Special taxes Brazil	114,242	90,783	-	-
Other taxes	3,904	6,429	877	877
	446,575	414,302	100,260	51,314
	648,152	666,072	100,260	51,314

24. Cash and Cash Equivalents

Cash and cash equivalents are as follows:

Thousand Euros	Group		Company	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Cash	259	254	40	39
Bank deposits				
Current deposits	1,879,000	1,461,444	960,689	1,030,863
Term deposits	486,446	1,451,681	100,000	150,000
Specific demand deposits in relation to institutional partnerships	13,346	34,313	-	-
	2,378,792	2,947,438	1,060,689	1,180,863
Operations pending cash settlement				
Current deposits	-	-	110,000	118,000
Other operations				
Other short term investments	153,840	770	149,960	-
Group Financial System (see note 37)	-	-	1,053,848	873,729
	2,532,891	2,948,462	2,374,537	2,172,631
Held for sale operations:				
Cash and cash equivalents reclassified as held for sale	-30,507	5,840	-	-
	2,502,384	2,954,302	2,374,537	2,172,631

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), under the Group accounting policy.

As at 30 September 2021, on a company basis, the caption Operations pending cash settlement represents commercial paper issued by EDP S.A., which is booked as financial debt at the issuance trade date, under the Group accounting policy. This caption of 110,000 thousand Euros (31 December 2020: 118,000 thousand Euros) refers to commercial paper issued on 30 September 2021, acquired by EDP Finance B.V., which settlement date occurred on 4 October 2021.

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25. Reserves and retained earnings

This caption is as follows:

Thousand Euros	Group		Company	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Legal reserve	782,932	739,024	782,932	739,024
Fair value reserve (cash flow hedge)	-1,082,055	-6,066	549,262	84,893
Tax effect of fair value reserve (cash flow hedge)	249,850	1,698	-123,624	-19,140
Fair value reserve of assets measured at fair value through other comprehensive income	17,827	14,659	-	-
Tax effect of the fair value reserve of assets measured at fair value through other comprehensive income	-3,445	-2,771	-	-
Currency translation reserve - Exchange differences arising on consolidation	-471,459	-699,299	-	-
Currency translation reserve - Net investment hedge	-504,425	-291,829	-	-
Currency translation reserve - Net investment hedge - Cost of hedging	-51,266	-62,367	-	-
Treasury stock reserve (EDP, S.A.)	52,181	54,025	52,181	54,025
Other reserves and retained earnings	4,533,302	3,926,711	2,015,146	1,927,982
	3,523,442	3,673,785	3,275,897	2,786,784

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.

The movement in Other reserves and retained earnings reflects, essentially, the dilution effect resulting from EDPR's capital increase, in April 2021 by issuing new shares, not accompanied by EDP (see Condensed Consolidated Statements of Changes in Equity and note 6).

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

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

Thousand Euros	Group
	FV reserve
Balance as at 31 December 2020	14,659
Positive changes in fair value	5,282
Negative changes in fair value	-1,865
Changes in perimeter	-249
Balance as at 30 September 2021	17,827

Changes in fair value reserve attributable to the EDP Group during the period ended 30 September 2021 are as follows:

Thousand Euros	Increases	Decreases
Mercer and Dunas Funds (Energia RE portfolio) (see note 19)	4,047	-
SU Eletricidade, S.A. tariff deficit (see note 21)	-	-1,865
Other (see note 19)	1,235	-
	5,282	-1,865

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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 2021		Dez 2020		Sep 2020	
		Close	Average	Close	Average	Close	Average
US Dollar	USD	1.158	1.196	1.227	1.142	1.171	1.125
Brazilian Real	BRL	6.263	6.376	6.374	5.889	6.631	5.704
Macao Pataca	MOP	9.289	9.570	9.800	9.124	9.346	8.989
Canadian Dollar	CAD	1.475	1.497	1.563	1.530	1.568	1.521
Polish Zloty	PLN	4.633	4.549	4.615	4.444	4.527	4.423
Romanian Leu	RON	4.947	4.911	4.869	4.837	4.870	4.826
Pound Sterling	GBP	0.861	0.864	0.899	0.890	0.912	0.885
Mexican Peso	MXN	23.792	24.074	24.359	24.514	25.932	24.517
Colombian peso	COP	4,444.199	4,423.004	4,191.065	4,214.657	4,541.463	4,164.787
Chinese Yuan	CNY	7.485	7.738	8.023	7.874	7.972	7.866
Corean Won	WON	1,371.580	1,354.310	1,336.000	1,345.385	1,368.510	1,349.462
Japanese Yen	JPY	129.670	129.832	126.490	121.846	123.760	120.916

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 2020	-291,829	-62,367
Changes in fair value	-212,596	11,101
Balance as at 30 September 2021	-504,425	-51,266

Dividends

On 14 April 2021, the Shareholders General Meeting of EDP, S.A. approved the dividends distribution to shareholders of the net profit for the year 2020 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 27 April 2021.

26. Non-Controlling Interests

This caption is as follows:

Thousand Euros	Group	
	Sep 2021	Dec 2020
Non-controlling interests in income statement	199,837	360,501
Non-controlling interests in equity and reserves	4,332,814	3,135,253
	4,532,651	3,495,754

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 2020	2,518,461	943,167	34,126	3,495,754
Results	57,298	115,027	27,512	199,837
Dividends	-50,730	-24,019	-	-74,749
Currency Exchange differences	53,432	19,287	-51	72,668
Capital Increases/Decreases	-36,191	-50,468	-	-86,659
Perimeter variations and Others	855,842	5,039	64,919	925,800
Balance as at 30 September 2021	3,398,112	1,008,033	126,506	4,532,651

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The movement in Perimeter variations and Others reflects, essentially, the dilution effect resulting from EDPR's capital increase, in April 2021 by issuing new shares, not accompanied by EDP, in the amount of 922,152 thousand Euros (see Condensed Consolidated Statements of Changes in Equity and note 6).

27. Financial Debt

This caption is as follows:

Thousand Euros	Group		Company	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Debt and borrowings - Non-current				
Bank loans:				
- EDP Finance B.V. **	-7,129	-8,935	-	-
- EDP Brasil Group	170,519	200,782	-	-
- EDP España Group	-	15,067	-	-
- EDP Renováveis Group	826,928	572,457	-	-
- Outros	938	-	-	-
	991,256	779,371	-	-
Non-convertible bond loans:				
- EDP S.A.	743,597	742,779	6,193,597	6,192,779
- EDP Finance B.V.	7,083,861	8,475,687	-	-
- EDP Brasil Group	980,020	613,880	-	-
- EDP España Group	1,052,018	1,052,210	-	-
	9,859,496	10,884,556	6,193,597	6,192,779
Hybrid bonds:				
- EDP S.A.	3,717,002	1,737,918	3,717,002	1,737,918
	3,717,002	1,737,918	3,717,002	1,737,918
Commercial paper:				
- EDP S.A.	215,908	203,732	215,908	203,732
- EDP Finance B.V.	194,317	183,359	-	-
- EDP Brasil Group	47,900	62,760	-	-
	458,125	449,851	215,908	203,732
Other loans	26,589	26,741	-	-
	15,052,468	13,878,437	10,126,507	8,134,429
Accrued interest	17,463	13,026	-	-
Other liabilities:				
- Fair value of the issued debt hedged risk	95,280	132,477	-	-
Total Debt and Borrowings	15,165,211	14,023,940	10,126,507	8,134,429
Collateral Deposits - Non-current *	-23,266	-22,848	-	-
	15,141,945	14,001,092	10,126,507	8,134,429

* Deposits constituted as collateral for financial guarantee.

** Deferred discount of origination fees on celebrated RCF, which are currently not used.

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Thousand Euros	Group		Company	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Debt and borrowings - Current				
Bank loans:				
- EDP Brasil Group	203,972	188,032	-	-
- EDP Renováveis Group	108,994	77,173	-	-
- Other	35,877	3,305	-	-
	348,843	268,510	-	-
Non-convertible bond loans:				
- EDP S.A.	-	-	250,000	1,500,000
- EDP Finance B.V.	857,299	1,164,278	-	-
- EDP Brasil Group	118,588	181,219	-	-
	975,887	1,345,497	250,000	1,500,000
Commercial paper:				
- EDP S.A.	-	-	1,275,000	586,000
- EDP Finance B.V.	-	155,000	-	-
- EDP Brasil Group	15,967	123,951	-	-
- EDP España Group	-	100,000	-	-
	15,967	378,951	1,275,000	586,000
Other loans				
Group Financial System (see note 37)	-	-	1,402,803	1,188,704
- Other	1,382	1,797	-	-
	1,382	1,797	1,402,803	1,188,704
Accrued interest	171,800	243,214	75,053	74,439
Other liabilities:				
- Fair value of the issued debt hedged risk	11,711	24,854	-	-
Total Debt and Borrowings	1,525,590	2,262,823	3,002,856	3,349,143
Collateral Deposits - Current *	-27,786	-9,221	-	-
	1,497,804	2,253,602	3,002,856	3,349,143

* 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 475,000 thousand American Dollars and 300,000 thousand Brazilian Real.

Main events of the period:

On 1 July 2021, EDP S.A., acquired 647.040 thousand Euros of nominal value debt referring to four bond issues, issued by EDP Finance B.V., in the total amount of 675.544 thousand Euros (see notes 12 and 22).

On 6 September 2021, EDP issued two subordinated hybrid green bonds of 750 and 500 million Euros, which are non-callable up to 5.25 and 7.75 years respectively, and final maturity in March 2082.

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The nominal value of outstanding Bond loans placed with external counterparties issued during 2021, as at 30 September 2021, is as follows:

Issuer	Issue date	Interest rate	Type of hedge	Conditions / Redemption	Nominal Value in Million Currency	Thousand Euros	
						Group	Company
Hybrids by EDP S.A.							
EDP S.A. (i)	Jan-21	Fixed Rate EUR 1.875% (ii)	n.a.	Aug-81	750 EUR	750,000	750,000
EDP S.A. (iii)	Sep-21	Fixed Rate EUR 1.5% (ii)	n.a.	Mar-82	750 EUR	750,000	750,000
EDP S.A. (iv)	Sep-21	Fixed Rate EUR 1.875% (v)	n.a.	Mar-82	500 EUR	500,000	500,000
						2,000,000	2,000,000
Issued by the EDP Energias do Brasil Group in the Brazilian domestic market							
EDP São Paulo	Feb-21	IPCA + 3.91%	n.a.	Jan-26	738 BRL	117,826	-
EDP Espírito Santo	Mar-21	CDI + 1.75%	n.a.	Mar-26	275 BRL	43,908	-
Enerpeixe	Feb-21	IPCA + 3.26%	n.a.	Jul-25	527 BRL	84,161	-
Lajeado Energia	Jun-21	CDI + 1.05%	n.a.	Dec-22	150 BRL	23,950	-
EDP São Paulo	Aug-21	CDI + 1.25%	n.a.	Jul-26	350 BRL	55,853	-
EDP Espírito Santo	Aug-21	CDI + 1.25%	n.a.	Jul-25	400 BRL	63,866	-
						389,564	-
						2,389,564	2,000,000

- (i) There is a call option exercisable at par by EDP from May 2026 until August 2026 and subsequently, on each interest payment date;
- (ii) Fixed rate in the first 5.25 years, subsequently updated every 5 years;
- (iii) There is a call option exercisable at par by EDP from December 2026 until March 2027 and subsequently, on each interest payment date;
- (iv) There is a call option exercisable at par by EDP from June 2029 until September 2029 and subsequently, on each interest payment date;
- (v) Fixed rate in the first 7.75 years, subsequently updated every 5 years.

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 2021, these loans amounted to 848,507 thousand Euros (31 December 2020: 643,984 thousand Euros). At 30 September 2021, the Group confirms the fulfillment of all the covenants of the Project Finance Portfolio under the Facilities Agreements. Additionally, there are 17,560 thousand Euros of other loans that are guaranteed by EDPR.

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 2021 were totally available. Regarding medium-term credit facilities with a firm underwriting commitment, EDP Group has two Revolving Credit Facilities, namely (i) 3,300 million Euros, of which 3,295 million Euros mature in 2024 while the remaining amount matures in 2023; and (ii) 2,240 million Euros, of which 2,095 million Euros mature in 2025 while the remaining amount matures in 2023, both of them totally available as at 30 September 2021.

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As at 30 September 2021, future debt and interest payments and origination fees, by type of loan and currency, are as follows:

Thousand Euros	Sep 2022	Dec 2022	Dec 2023	Dec 2024	Dec 2025	Following years	Total
Bank loans:							
Euro	81,239	13,666	31,096	25,224	12,292	401	163,918
Brazilian Real	142,502	13,896	107,968	44,073	36,536	216,391	561,366
US Dollar	115,479	7,690	17,643	19,831	20,164	250,402	431,209
Other	36,004	10,013	22,836	26,346	16,405	120,874	232,478
	375,224	45,265	179,543	115,474	85,397	588,068	1,388,971
Bond loans:							
Euro	959,696	83,832	1,618,509	1,163,335	1,350,000	3,227,930	8,403,302
Brazilian Real	137,950	32,482	83,416	168,301	379,246	336,009	1,137,404
US Dollar	8,945	-	-	863,632	-	734,087	1,606,664
	1,106,591	116,314	1,701,925	2,195,268	1,729,246	4,298,026	11,147,370
Hybrid Bonds:							
Euro	24,792	-	-	-	-	3,750,000	3,774,792
	24,792	-	-	-	-	3,750,000	3,774,792
Commercial paper:							
Brazilian Real	15,967	-	-	47,900	-	-	63,867
US Dollar	1,796	-	97,159	-	313,067	-	412,022
	17,763	-	97,159	47,900	313,067	-	475,889
Other loans:							
Euro	2,228	488	1,202	1,011	1,031	13,069	19,029
Brazilian Real	364	-	-	-	-	9,787	10,151
	2,592	488	1,202	1,011	1,031	22,856	29,180
Origination Fees:	-1,372	-3,923	-29,535	-7,256	-5,475	-77,840	-125,401
	1,525,590	158,144	1,950,294	2,352,397	2,123,266	8,581,110	16,690,801

In accordance with the Group's accounting policies, the financial liabilities whose risks are being hedged by derivative financial instruments and that comply with hedge accounting requirements of IFRS 9, are accounted at fair value. The financial liabilities are booked at amortised cost.

28. Employee Benefits

Employee benefits are as follows:

Thousand Euros	Non-Current		Current	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Provisions for pension liabilities	416,449	507,883	121,729	121,725
Provisions for medical liabilities and other benefits	577,132	630,354	61,999	82,342
	993,581	1,138,237	183,728	204,067

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

Thousand Euros	Sep 2021	
	Pensions	Medical and Other
Balance at the beginning of the period	629,608	712,696
Charge for the period	5,042	17,080
Past service cost (Curtailment/Plan amendments)	7,504	-
Actuarial (gains)/losses	-82,315	-38,808
Charge-off	-91,891	-45,013
Fund contributions (see note 37)	-	-11,521
Surplus/(Deficit) pension funding (see note 22)	71,377	-
Transfers, reclassifications and exchange differences	-1,147	4,697
Balance at the end of the period	538,178	639,131

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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 2021	
	Pensions	Medical and Other
Current service cost	2,568	7,071
Past service cost (Curtailment/Plan amendments)	7,504	-
Operational component (see note 10)	10,072	7,071
Net interest on the net pensions plan liability	2,474	10,009
Financial component (see note 12)	2,474	10,009
	12,546	17,080

With reference to 30 September 2021, the net movement of the Provision for pension liabilities period corresponds to a decrease of 91,430 thousands of Euros, of which 90,964 thousands of Euros correspond to the negative net movement seen in Portugal, 1,618 thousands of Euros correspond to the negative net movement seen in Brazil and 1,152 thousands of Euros correspond to the positive net movement seen in Spain. The movement in the period in Portugal is mainly related to the payment of benefits (negative 87,073 thousand Euros), the recognition of actuarial gains (negative 79,865 thousand Euros) resulting from the valuation of the assets of the portfolio of Pension Plan Fund and the increase of surplus (71,377 thousand Euros).

In turn, the net movement in the Provision period for liabilities for medical care and other benefits corresponds to a decrease of 73,565 thousands of Euros, of which 54,747 thousands of Euros correspond to the negative net movement seen in Portugal, 22,066 thousands of Euros correspond to the negative net movement seen in Spain and 3,248 thousands of Euros correspond to the positive net movement in Brazil. The negative net movement in Portugal is mainly related the recognition of actuarial gains (negative 38,861 thousand Euros) resulting from the valuation of the assets of the Funds portfolio, the contributions made in the period to the Medical Plan and Death Subsidy Plan (negative 11,520 thousand Euros) and the payments made in the period (negative 10,193 thousand Euros). The negative net movement in Spain is mainly due to payments made in the period.

On 30 September 2021, 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 2020.

29. Provisions

Provisions are as follows:

Thousand Euros	Non-Current		Current	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Provision for legal and labour matters and other contingencies	99,059	97,320	2,523	2,996
Provision for customer guarantees under current operation	-	2,417	8,019	19,274
Provision for dismantling and decommissioning	560,998	549,378	16,792	16,792
Provision for other liabilities and charges	308,995	343,750	115,199	221,092
	969,052	992,865	142,533	260,154

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With reference to 30 September 2021, 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 to customers in the context of current activity	Dismantling and Decommissioning	Other risks and charges	Total
Balance as at 31 December 2020	100,316	21,691	566,170	564,842	1,253,019
Perimeter variations (see note 6)	-412	-	-10,243	-	-10,655
Charge for the period	12,125	-	-	51,326	63,451
Reversals	-7,757	-	-	-1,874	-9,631
Charge-off for the period	-10,617	-	-15,057	-43,393	-69,067
Unwinding (see note 12)	9,620	-	3,481	2,197	15,298
Increase of the responsibility (see note 14)	-	-	31,305	-	31,305
Onerous contracts	-	-13,681	-	-	-13,681
Innovative Features Charge-off	-	-	-	-67,169	-67,169
Overcompensation revisability CMEC	-	-	-	-55,501	-55,501
CMEC	-	-	-	10,579	10,579
"Lesividad"	-	-	-	-47,233	-47,233
Exchange differences and other	-454	9	11,593	11,467	22,615
Reclassification to Liabilities Held for Sale (see note 34)	-1,239	-	-9,459	-1,047	-11,745
Balance as at 30 September 2021	101,582	8,019	577,790	424,194	1,111,585

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.

The BOE 223/2017 published during the third quarter of 2017 opened the hearing process of the Order of the Minister of Energy, Tourism and Digital Agenda of 13 September, introducing "lesividad" declaration procedure for the public interest Order IET/980/2016, of 10 June, which established the remuneration of electricity distribution companies until 2016. Thus, the remuneration that has been determined has allegedly been higher than that due for the year 2016. Until the "lesividad" procedure is finitely resolved, the remuneration of the distribution activity for the years 2016, 2017, 2018 and 2019 is considered provisional. With reference to 31 December 2020, EDP España recorded an accumulated provision of 93,105 thousand Euros corresponding to the potential effect of "lesividad" for the financial years 2016, 2017, 2018, 2019 and 2020.

Since 2016, EDP España, like other companies in the sector, have been in place with legal proceedings to resolve the "lesividad" procedure. At the same time, companies initiated processes to determine the real value of assets subject to remuneration and proceeded with the reformulation and deposit of their annual accounts from 2014 to 2020, ending this process in this last quarter.

Although no new liquidation or a new regulation has been issued, the companies consider that, in accordance with the order 481/2020 of the Supreme Court, the reformulated and deposited annual accounts must be considered for the calculation of the remuneration.

Thus, with reference to 30 September, 2021, EDP España updated the provision for the "lesividad" procedure for the years 2016 to 2020, reversing it by approximately 47 million Euros.

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. 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 2021, there were no significant changes in the losses considered as possible as of 31 December 2020, with the following exception:

- i) Within E-Redes – Distribuição de Eletricidade, S.A. (E-Redes) there was a contingency emerging from a lawsuit established by Gás Natural Comercializador, S.A. (GNC), for the undue payment of tariffs for access to networks charged by E-Redes and surplus consumption by Repsol Polimeros, S.A. The situation is related to the attribution of a proper consumption producer status to Repsol Polimeros, S.A. in June 2014, being this energy invoiced only from October 2015 onwards. Taking into account the evolution of the process, the probable contingency amount of 2,308 thousand Euros was updated to 5,579 thousand Euros. In May 2021, the parties entered into an agreement that ended this litigation under which E-Redes undertook to pay GNC the amount of 3,455 thousand Euros, which was fully settled in June 2021.

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ii) 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, and the deadline for the parties to submit written observations on the questions raised by the Lisbon Court of Appeal is ongoing. It is expected that the Judgment of the Court of Justice will not be delivered before the end of 2022;

iii) 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 (see note 4). 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. 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. As of 30 September 2021, EDP Produção recorded a provision of 48 million euros; and

iv) On 9 September 2020, Portsines - Terminal Multipurpose de Sines, S.A. (Portsines) filed an arbitration lawsuit against EDP Produção, to obtain its condemnation in the payment of the amounts relating to port fees, allegedly provided for in the Contract for Provision of Services celebrated between both. In summary, Portsines intends to obtain the condemnation of EDP Produção to the payment of the so-called fixed rate provided for in the Contract, even concerning periods in which there is no unloading of coal destined for the Sines Thermoelectric Power Station, claiming in particular that the referred fee remunerates the investment made by you in said infrastructure and makes its actual use by EDP Produção irrelevant. The amount of the contingency currently amounts to 5,896 thousand Euros. In April 2021 the parties entered into an agreement that provides for the termination of the contract between both parties and that ended the pending cases, that is to say, the Appeal filed by EDP Produção at the Lisbon Court of Appeal, as well as the executions brought by Portsines against the company.

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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 2021, the amount of this tax contingency amounts to 305 million Euros (31 December 2020: 299 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 2021	Dec 2020
Deferred income related to benefits provided	756,243	799,094
Liabilities arising from institutional partnerships	1,446,928	1,134,448
	2,203,171	1,933,542

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

Thousand Euros	Group	
	Sep 2021	Dec 2020
Balance at the beginning of the period	1,933,542	2,289,784
Proceeds received from institutional investors	587,184	307,860
Cash paid for deferred transaction costs	-4,649	-3,310
Cash paid to institutional investors	-51,354	-55,822
Other Income (see note 8)	-123,128	-201,783
Unwinding (see note 12)	57,628	94,718
Exchange differences	120,491	-181,398
Loss of control of companies with Institutional Partnerships	-323,550	-320,944
Perimeter variations (see note 6)	-757	-
Other	7,764	4,437
Balance at the end of the period	2,203,171	1,933,542

In the second quarter of 2021, EDPR NA has lost control over the Vento XX portfolio upon the completion of the sale of 68% of equity shareholding (see note 6), implying a decrease in the amount of 323,550 thousand Euros in the Institutional partnerships liabilities related to this portfolio.

During the third quarter of 2021, EDPR NA, has secured and received proceeds amounting to 587,184 thousand Euros (700,590 thousand dollars) related to institutional equity financing from Bank of America and JP Morgan, in exchange for an interest in onshore wind projects.

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 2021, the liabilities associated with these guarantees are not expected to exceed the amounts already recognized under the caption Liabilities arising from institutional partnerships.

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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 2021	Dec 2020	Sep 2021	Dec 2020
Contract liabilities:				
Energy sales contracts - North America	5,296	6 286	-	-
Deferred income - CMEC	80,800	142,482	62,332	66,053
Amounts received from the Fund for systemic sustainability of the energy sector	-	-	35,343	12,405
	86,096	148,768	97,675	78,458
Other liabilities:				
Investment government grants	318,897	313,235	-	-
Customer contract obligations	202,554	202,174	-	-
Amounts payable for tariff adjustments - Electricity - Portugal	211,604	75,093	63,115	41,479
Amounts payable for tariff adjustments - Electricity - Brazil	202,875	277,807	109,651	98,345
Amounts payable - securitisations	-	-	121,050	139,192
Amounts payable - CMEC	-	-	222,361	222,245
Amounts payable for concessions	199,753	195,471	-	-
Property, plant and equipment suppliers	2,131	2,874	1,031,753	1,202,896
Suppliers	-	-	728,264	799,158
Accrued costs related with commercial activities	-	-	1,086,052	731,954
Holiday pay, bonus and other charges with employees	-	-	158,336	168,272
CO2 emission Licenses	-	-	160,141	166,692
Other creditors and sundry operations	295,865	219,584	290,224	303,522
	1,433,679	1,286,238	3,970,947	3,873,755
	1,519,775	1,435,006	4,068,622	3,952,213

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

Thousand Euros	Current	
	Sep 2021	Dec 2020
Other liabilities:		
Suppliers	474,179	390,819
Accrued costs related with commercial activities	670,227	234,644
Property, plant and equipment suppliers	221	1,379
Holiday pay, bonus and other charges with employees	30,889	33,133
Other creditors and sundry operations	7,661	2,584
	1,183,177	662,559

The caption Deferred income - CMEC is detailed as follows:

Thousand Euros	Non-current	Current
Initial CMEC	-5,119	34,588
Final adjustment	85,919	27,744
	80,800	62,332

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 16,496 thousand Euros as at 30 September 2021.

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	75,093	41,479
Payment through the electricity tariff	-	-35,327
Tariff adjustment of the period (see note 7)	220,629	-
Interest expense (see note 12)	6	-
Transfer to/from tariff adjustment payable (see note 21)	-26,711	-450
Transfer from Non-Current to Current	-57,413	57,413
Balance at the end of the period	211,604	63,115

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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 2021	Dec 2020	Sep 2021	Dec 2020
Amounts payable for tariff adjustments - Electricity - Brazil	202,875	277,807	109,651	98,345
Amounts receivable from tariff adjustments - Electricity - Brazil (see note 21)	-75,957	-49,986	-108,307	-35,600
	126,918	227,821	1,344	62,745

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

Thousand Euros	Sep 2021
Balance at the beginning of the period	290,566
Tariff adjustment of the period (see note 7)	-71,706
Payment/Receipt through the electricity tariff	-89,783
Interest expense/income (see note 12)	-2,960
Effect of exchange differences of the Brazilian Real against the Euro	2,145
Balance at the end of the period	128,262

The movement includes the recognition of 38,696 thousand Euros (244,067 thousand Brazilian Real) of the refund and the 1,107 thousand Euros (6,933 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 309,281 thousand Brazilian Reals were returned in 2020 and 2021 through the electricity tariff and unwinding in 2020 and 2021 of 31,731 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 126,175 thousand Euros (31 December 2020: 131,577 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 73,578 thousand Euros (31 December 2020: 63,894 thousand Euros).

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 780,856 thousand Euros (31 December 2020: 789,771 thousand Euros) and in Europe in the amount of 110,586 thousand Euros (31 December 2020: 218,810 thousand Euros).

The caption CO2 emission licenses includes the CO2 consumptions during 2021 in Portugal and Spain, in the amount of 31,181 thousand Euros and 128,960 thousand Euros, respectively (31 December 2020: 103,469 thousand Euros and 63,223 thousand Euros). The variation that occurred includes the consumption for the year and the return of the licenses related to consumptions in 2020, which will be delivered to the regulatory authorities until April of the following year.

The caption Other creditors and sundry operations - Non-current includes the amount of 52,202 thousand Euros related with the reinsurance activity (31 December 2020: 55,155 thousand Euros). The caption Other creditors and sundry operations - Current includes the amount of 14,317 thousand Euros related to tariff adjustment payable (31 December 2020: 14,317 thousand Euros).

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32. Other Liabilities and Other Payables

Other liabilities and other payables are as follows:

Thousand Euros	Group		Company	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Other liabilities and other payables - Non-Current				
Liabilities measured at amortised cost:				
Loans from non-controlling interests	453,929	409,978	-	-
Lease Liabilities	996,404	955,036	145,400	149,588
Liabilities measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	1,266,142	227,228	1,395,867	263,309
Amounts payable and contingent prices for acquisitions/sales	156,009	143,567	84,393	84,393
Other Liabilities:				
Other creditors and sundry operations	5,868	3,639	-	-
	2,878,352	1,739,448	1,625,660	497,290
Other liabilities and other payables - Current				
Liabilities measured at amortised cost:				
Loans from non-controlling interests	51,262	180,446	-	-
Dividends attributed to related companies	16,929	55,561	-	-
Group companies	-	-	6,762	3,873
Lease Liabilities	93,358	100,642	12,466	12,384
Liabilities measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	2,694,114	169,654	3,621,279	346,612
Amounts payable and contingent prices for acquisitions/sales	91,610	67,039	30,217	25,349
Other Liabilities:				
Other creditors and sundry operations	13,469	16,775	80,104	35,119
	2,960,742	590,117	3,750,828	423,337
	5,839,094	2,329,565	5,376,488	920,627

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

Thousand Euros	Sep 2021
ACE Portugal (CTG Group)	Fixed rate of 3.75% 30,120
ACE Poland (CTG Group)	Fixed rate of a range between 1.33% and 7.23% 88,151
ACE Italy (CTG Group)	Fixed rate of 4.5% 48,232
CITIC CWEI Renewables (CTG Group)	Fixed rate of 5.5% 20,428
Macquarie Super Core Infrastructure Fund SD Holdings S.À.R.L. ("MSCIF")	Fixed rate of a range between 0.50% and 2.73% 280,114
	467,045

The variation of the caption Loans from non-controlling interests is mainly due to the agreement with Sonatrach, with the intent to end the commercial relations between the companies (see note 12).

The variation of the caption Amounts payable and contingent prices for acquisitions/sales is mainly due to the recognition of contingent prices in the amount of 31 million Euros as a result of the acquisition of a portfolio of distributed solar generation in North America in the first trimester of 2021, the recognition of contingent prices in the amount of 20 million Euros due to the sale of windfarms in North America in June 2021, the recognition of the costs actually incurred in the construction of the windfarm projects as foreseen in the context of the sale of North America projects in 2020 (decrease of 15 million Euros) and the review of the fair value of contingent prices recognised as at 31 December 2020 (see note 8).

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

Thousand Euros	Sep 2021
Balance at the beginning of the period	1,055,678
Charge for the period	113,147
Unwinding of lease liabilities (see note 12)	28,020
Lease payments (principal and interests)	-99,136
Exchange differences	41,249
Perimeter variations and other regularisations	-49,196
Balance at the end of the period	1,089,762

The perimeter variations and other regularisations include the decrease of 54,332 thousand Euros regarding lease liabilities of windfarms in North America sold in June 2021 and the reclassification of 22,299 thousand Euros regarding lease liabilities of windfarms in Europe classified as non current assets held for sale.

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

Thousand Euros	Sep 2021				
	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	1,718,872	484,441	334,349	305,610	594,472

33. Tax Liabilities

Tax liabilities are as follows:

Thousand Euros	Group		Company	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Non Current				
Special tax Brazil	128,101	122,743	-	-
Current				
Income tax	184,201	47,859	11,574	15,044
Withholding tax	44,473	35,730	1,139	1,256
Value Added Tax (VAT)	132,037	141,399	1,185	3,777
Special taxes Brazil	78,720	71,911	-	-
CESE	51,783	-	-	-
Other taxes	82,052	101,735	1,200	1,145
	573,266	398,634	15,098	21,222
	701,367	521,377	15,098	21,222

34. Non-Current Assets and Liabilities Held for Sale

This caption is as follows:

Thousand Euros	Group	
	Sep 2021	Dec 2020
Assets held for sale		
Electricity generation assets - Offshore wind	19,633	12,306
Electricity supply (B2C) assets - Spain	-	9,942
Electricity generation assets - Onshore wind	661,877	-
Electricity transmission assets - Brazil	196,533	-
	878,043	22,248
Liabilities held for sale		
Electricity generation liabilities - Offshore wind	-	111
Electricity generation assets - Onshore wind	226,732	-
Electricity transmission assets - Brazil	112,455	-
	339,187	111
	538,856	22,137

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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.

In the second quarter of 2020, the EDP Group agreed to sell a portfolio of two CCGTs power plants (Castejón I & III), with 843 MW of installed capacity located in Navarra, North of Spain and the B2C energy supply business in Spain, which includes 1.2 million clients in free market, and the 50% stake in our joint venture with CIDE for electricity supply in this segment (CHC Energia). This transaction was partially completed in December 2020. Furthermore, following CIDE's exercise of its preferential right for the acquisition of EDP's 50% shareholding in CHC Energia, EDP and CIDE have reached an agreement for the acquisition by CIDE which was completed in the first quarter of 2021 (see note 6).

During 2021, EDPR Group started the process of selling onshore wind portfolios in Europe. Assets and liabilities associated with these portfolios were presented in non-current assets and liabilities held for sale.

During the third quarter of 2021, the EDP Brasil Group started the asset rotation process of three transmission lines with a total length of 439 kilometers: EDP Transmissão SA (Lot 24), EDP Maranhão I SA (Lot 7) and (iii) EDP Maranhão II SA (Lot 11). On 19 October 2021, EDP celebrated a sale agreement with Actis Assessoria Investimentos Ltda. to formalize the total disposal of this portfolio. This transaction is pending applicable regulatory approvals. Assets and liabilities associated with this portfolio was presented in non-current assets and liabilities held for sale.

As at 30 September 2021 the following reclassifications were made to held for sale:

Thousand Euros	Networks	Renewables		Total
	Transmission Brazil	Onshore wind	Offshore wind	
Assets				
Property, plant and equipment (see note 14)	-6	-565,751	-	-565,757
Right-of-use assets (see note 15)	-16	-21,977	-	-21,993
Other assets	-187,482	-52,671	-7,327	-247,480
Cash and cash equivalents (see note 24)	-9,029	-21,478	-	-30,507
Assets Held for Sale	196,533	661,877	7,327	865,737
	-	-	-	-
Liabilities				
Financial debt	-83,647	-164,185	-	-247,832
Provisions (see note 29)	-2,291	-9,454	-	-11,745
Other liabilities	-26,517	-53,093	111	-79,499
Liabilities Held for Sale	112,455	226,732	-111	339,076
	-	-	-	-

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.

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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 2021		Dec 2020	
	Assets	Liabilities	Assets	Liabilities
Net investment hedge				
Cross-currency interest rate swaps	26,729	-43,731	83,532	-23,822
Currency forwards	201	-32,399	5,544	-38
Fair value hedge				
Interest rate swaps	42,665	-	70,515	-
Cross-currency interest rate swaps	20,549	-3,716	27,320	-3,974
Cash flow hedge				
Interest rate swaps	132	-12,913	2,287	-24,852
Swaps related to gas commodity	1,002,983	-1,990,583	153,253	-156,716
Electricity swaps	85,214	-424,425	24,219	-34,235
Currency forwards for commodities	66,785	-3,320	54,046	-22,770
Trading				
Interest rate swaps	-	-7,426	-	-6,054
Cross-currency interest rate swaps	13,227	-3,123	1,089	-432
Commodity swaps and forwards	1,114,292	-1,199,791	146,877	-97,339
Currency forwards	8,807	-1,763	3,006	-4,528
CO2 forwards	12,674	-38,640	-	-3,843
Currency forwards associated to commodities	258,258	-171,128	29,592	-18,279
Commodity options	-	-27,298	4,148	-
	2,652,516	-3,960,256	605,428	-396,882

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.

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

Thousand Euros	Sep 2021		Dec 2020	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Swaps related to gas commodity	146,442	-873,309	27,101	-80,913
Electricity swaps	480,283	-10,979	57,387	-2,434
Currency forwards for commodities	57,810	-1,406	39,768	-7,766
Trading				
Interest rate swaps	41,930	-47,187	69,493	-73,850
Cross-currency interest rate swaps	101,201	-71,908	96,906	-88,240
Commodity swaps	4,466,666	-3,847,425	417,217	-305,455
Currency forwards	17,734	-13,703	6,847	-6,700
Commodity forwards	66,208	-86,479	3,341	-7,535
Currency forwards associated to commodities	38,654	-10,083	46,111	-32,960
Commodity options	27,320	-54,667	7,895	-4,068
	5,444,248	-5,017,146	772,066	-609,921

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.

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As at 30 September 2021, 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 Libor 3M, Robor 3M and Colombia Overnight Interbank; and exchange rates: EUR/GBP, EUR/BRL, EUR/PLN, EUR/CAD, EUR/RON, EUR/COP, and EUR/USD.
Interest rate swaps	Interest rates: Euribor 3M, Euribor 6M, Wibor 6M, US Libor 3M and CAD Libor 3M.
Currency forwards	Exchange rates: EUR/USD, EUR/PLN, EUR/BRL, EUR/GBP, EUR/HUF, EUR/RON, BRL/USD, BRL/CNY, COP/USD 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 2021	Dec 2020	Sep 2021	Dec 2020
Operating guarantees				
EDP S.A.	565,205	440,724	565,205	440,724
EDP España Group	68,496	87,851	-	-
EDP Brasil Group	130,192	159,325	-	-
EDP Renováveis Group	1,665,579	1,444,576	-	-
	2,429,472	2,132,476	565,205	440,724

The operating guarantees which are not included in the consolidated statement of financial position or in the Notes, as at 31 December 2020 and 2019, mainly refer to Power Purchase Agreements (PPA), interconnection, permits and market participation guarantees.

Additionally there are guarantees of an operational nature in the amount of 13,171 thousand euros, associated with EDP Renewable's portfolio of companies that were classified as held for sale on 30 September 2021.

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 464,518 thousand Euros and 232,524 thousand Euros, respectively (31 December 2020: 492,364 thousand Euros and 309,806 thousand Euros).

The remaining financial and operating guarantees granted by EDP Group have underlying liabilities that are already reflected in its consolidated statement of financial position and/or disclosed in the Notes.

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 2021				
	Capital outstanding by maturity				
	Total	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	43,982	7,419	10,578	4,602	21,383
Purchase obligations	26,473,802	4,952,945	4,890,273	2,783,605	13,846,979
	26,517,784	4,960,364	4,900,851	2,788,207	13,868,362

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 2021				
	Capital outstanding by maturity				
	Total	Less than 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years
Purchase obligations	7,485,106	443,926	826,341	781,643	5,433,196
	7,485,106	443,926	826,341	781,643	5,433,196

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37. Related Parties

Balances with EDP Pension and Medical and Death Subsidy Funds

Following the decision and implementation of the autonomisation of the Medical Plan and Death Subsidy Plan in Portugal, EDP Group expects to make additional contributions in the coming years, and until the end of 2027, totaling around 138 million Euros, in line with the financing plan approved by the Supervisory Authority of Insurance and Pension Funds (ASF). In the third quarter of 2021, a contribution of around 11,521 thousand Euros was made (see note 28).

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 2021			
	Intra-Group Financial Mov.	Loans and Interests receivable	Other Credits	Total
EDP Comercial, S.A.	-	50,088	251,374	301,462
E-Redes – Distribuição de Eletricidade, S.A	-	1,505,697	15,262	1,520,959
EDP Finance B.V.	-	765,713	4,592	770,305
EDP Produção, S.A.	-	809,839	1,385,359	2,195,198
Hidrocentrálica Distribucion Eléctrica, S.A.U.	-	-	17,140	17,140
EDP Renováveis, S.A.	-	-	68,010	68,010
EDP Servicios Financieros España, S.A.U.	1,053,513	-	6,303	1,059,816
SU Eletricidade, S.A.	-	301,488	66,280	367,768
EDP Renewables Europe, S.L.U.	-	-	482,079	482,079
EDP Clientes, S.A.	-	-	1,217,249	1,217,249
Other	335	82,941	351,680	434,956
	1,053,848	3,515,766	3,865,328	8,434,942

The amount of 765,713 thousand Euros refers to one private placement by EDP S.A. of one bond issued by EDP Finance B.V.

Debits held

Thousand Euros	30 September 2021			
	Intra-Group Financial Mov.	Loans and Interests payable	Other Debits	Total
E-Redes – Distribuição de Eletricidade, S.A	41,598	-	5,058	46,656
EDP Finance B.V.	-	7,025,192	44,604	7,069,796
EDP Renováveis Servicios Financieros, S.A.	-	-	44,444	44,444
EDP Produção, S.A.	926,650	-	1,250,727	2,177,377
EDP Renováveis, S.A.	-	-	19,071	19,071
SU Eletricidade, S.A.	280,899	-	1,026	281,925
EDP España, S.A.U.	-	-	412,414	412,414
EDP Clientes, S.A.	-	-	345,285	345,285
EDP GÁS.COM - Comércio de Gás Natural, S.A.	4,611	-	127,977	132,588
Other	149,045	-	157,850	306,895
	1,402,803	7,025,192	2,408,456	10,836,451

At 30 September 2021, the amount of 7,025,192 thousand Euros includes five intragroup bonds issued by EDP Finance BV and acquired by EDP S.A., in the total amount of 5,743,429 thousand Euros, with fixed and variable rate and a term to maturity up to 10 years.

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Expenses and income related to Subsidiaries, Joint Ventures and Associates, at Company level, are as follows:

Expenses

Thousand Euros	30 September 2021			
	Interest on Intra-Group Financial Mov.	Interest on Loans Obtained	Other Losses	Total
EDP Finance B.V.	-	71,434	25,178	96,612
EDP Produção, S.A.	-	-	879,655	879,655
EDP España, S.A.U.	-	-	208,741	208,741
EDP Clientes, S.A.	-	-	13,895	13,895
EDP Servicios Financieros España, S.A.U.	2,375	-	-	2,375
Other	7	-	165,604	165,611
	2,382	71,434	1,293,073	1,366,889

Income

Thousand Euros	30 September 2021			
	Interest on Intra-Group Financial Mov.	Interest on Loans Granted	Other Gains	Total
EDP Comercial, S.A.	4	434	750,450	750,888
E-Redes – Distribuição de Eletricidade, S.A.	7	13,230	29,151	42,388
EDP Produção, S.A.	-	9,988	328,114	338,102
EDP Finance B.V.	-	7,657	33,180	40,837
EDP Renewables Europe, S.L.U.	-	-	333,250	333,250
EDP Renováveis, S.A.	-	-	174,044	174,044
EDP GÁS.COM - Comércio de Gás Natural, S.A.	1	164	171,285	171,450
SU Eletricidade, S.A.	63	3,303	7,109	10,475
Other	-	1,278	990,524	991,802
	75	36,054	2,817,107	2,853,236

Other gains include income from equity investments of 64,979 thousand Euros (see note 12).

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

Assets and Liabilities

Thousand Euros	30 September 2021		
	Assets	Liabilities	Net Value
Joint Ventures			
OW Offshore, S.L.	399,480	130	399,350
SCNET - Sino-Portuguese Centre	-	1,080	-1,080
HC Tudela Cogeneración, S.L.	2,855	3,237	-382
Empresa de Energia São Manoel, S.A.	16,312	636	15,676
Other	1,005	844	161
	419,652	5,927	413,725
Associates			
Parque Eólico Sierra del Madero, S.A.	5,621	-	5,621
Parque Eólico Belmonte, S.A.	964	-	964
Centrais Elétricas de Santa Catarina, S.A. - Celesc	2,810	1,597	1,213
Solar Works! B.V.	2,428	-	2,428
Eólica de São Julião, Lda.	12,741	-	12,741
Other	1,381	58	1,323
	25,945	1,655	24,290
	445,597	7,582	438,015

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Transactions

Thousand Euros	30 September 2021			
	Operating Income	Financial Income	Operating Expenses	Financial Expenses
Joint Ventures				
Companhia Energética do JARI - CEJA	158	-	1,711	-
HC Tudela Cogeneración, S.L.	1,049	11	-	-
Empresa de Energia São Manoel, S.A.	11,560	-	4,996	-
Empresa de Energia Cachoeira Caldeirão, S.A.	690	-	-	-
Other	772	1	615	-
	14,229	12	7,322	-
Associates				
Eos Pax Ila, S.L.	500	-	-	-
Eólica de São Julião, Lda	14,275	-	2,058	-
Parque Eólico Belmonte, S.A.	398	23	-	-
Parque Eólico Sierra del Madero, S.A.	6	166	-	-
Other	468	122	31	-
	15,647	311	2,089	-
	29,876	323	9,411	-

During 2021, 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 2021			Dec 2020		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Assets						
Equity instruments at fair value	191,582	191,582	-	184,748	184,748	-
Investment property	21,551	21,551	-	21,378	21,378	-
Debtors/other assets from commercial	7,456,268	7,456,268	-	6,292,623	6,292,623	-
Other debtors and other assets	1,488,916	1,488,916	-	1,266,113	1,266,113	-
Derivative financial instruments	2,652,516	2,652,516	-	605,428	605,428	-
Collateral deposits/financial debt	51,052	51,052	-	32,069	32,069	-
Cash and cash equivalents	2,502,384	2,502,384	-	2,954,302	2,954,302	-
	14,364,269	14,364,269	-	11,356,661	11,356,661	-
Liabilities						
Financial debt	16,690,801	17,353,976	663,175	16,286,763	17,100,948	814,185
Suppliers and accruals	1,760,017	1,760,017	-	2,002,054	2,002,054	-
Institutional partnerships	2,203,171	2,203,171	-	1,933,542	1,933,542	-
Trade payables and other liabilities from commercial activities	3,306,929	3,306,929	-	2,869,756	2,869,756	-
Other liabilities and other payables	1,878,838	1,878,838	-	1,932,683	1,932,683	-
Derivative financial instruments	3,960,256	3,960,256	-	396,882	396,882	-
	29,800,012	30,463,187	663,175	25,421,680	26,235,865	814,185

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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 2021			Dec 2020		
	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)	-	93,868	29,629	-	89,821	27,290
profit or loss (see note 19)	-	-	68,085	-	-	67,637
Tariff deficit at fair value through other comprehensive income (see note 21)	-	381,046	-	-	423,324	-
Amounts receivable from concessions-IFRIC 12 at fair value through profit or loss (see note 21)	-	654,168	-	-	547,103	-
Investment property	-	21,551	-	-	21,378	-
Derivative financial instruments (see note 35)	-	2,652,516	-	-	605,428	-
	-	3,803,149	97,714	-	1,687,054	94,927
Financial liabilities						
Derivative financial instruments (see note 35)	-	3,960,256	-	-	396,882	-
	-	3,960,256	-	-	396,882	-

39. Relevant or Subsequent Events

Acquisition of CELG transmission business

On 14 October 2021, EDP announced, through its owned subsidiary EDP Energias do Brasil, S.A, the winning bidder in the public auction for 100% of the equity shares of Celg Transmissão S.A, for a total amount of 1.977 million brazilian reais (309 million euros).

ERSE proposal for tariffs in 2022 and parameters for the regulatory period 2022-2025

On 16 October 2021, the Portuguese Electricity Regulator (ERSE) announced its proposal for electricity tariffs for 2022 and parameters for the regulatory period 2022-2025, 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 0.2% on average.
- Regulated gross profit for the activity of electricity distribution, operated by subsidiary E-Redes, is 1,014 million Euros for 2022, and
- Regulated gross profit for the last resort electricity supply operated by subsidiary SU Eletricidade is 35 million Euros for 2022.

In both cases, the expressed regulated gross profit excludes previous year adjustments.

The OPEX base and the CAPEX base of electricity distribution, should be adjusted annually for an efficiency factor of GDP deflator – 0.75%, in 2023, 2024 and 2025.

According to ERSE's proposal, Portuguese electricity system's regulatory receivables, which amounted to 3.5 billion Euros by the end of 2020, should decline by 1.7 billion Euros over 2022.

According to electricity regulation rules in Portugal, the Tariffs Advisory Board shall issue its nonbinding opinion until next 15 November 2021. Following that, ERSE will approve the final tariffs and parameters until 15 December 2021.

Asset Rotation deal of transmission lines in Brasil

On 19 October 2021 EDP-Energias do Brasil, S.A celebrated a sale agreement with Actis Assessoria Investimentos Ltda. to formalize the total disposal of a transmission portfolio composed by three transmission lines (EDP Transmissão S.A., EDP Maranhão I S.A. and EDP Maranhão II S.A.). This transaction is pending applicable regulatory approvals (see note 34).

Hydro asset rotation in Brazil

On October 2021, the requirements defined in IFRS 5 - Non-current assets held for sale were met, for the classification of a group of assets and liabilities corresponding to 810 MW of installed capacity of three hydro generation assets in Brazil (Companhia Energética do Jari – CEJA, Empresa de Energia Cachoeira Caldeirão S.A. and Energest S.A.) as non-current assets and liabilities held for sale. As these conditions were not fulfilled at 30 September 2021, assets and liabilities were not classified as such in the financial statements as at 30 September 2021.

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EDPR establishes growth platform for APAC (Asia Pacific) through the acquisition of Sunseap

EDP Renováveis has reached an agreement to acquire an 87.4% stake in Sunseap Group Pte. Ltd. ("Sunseap"), the largest distributed solar player and top 4 solar player in South East Asia. The transaction has been reached through an agreement with the major shareholders of Sunseap for a total consideration of 0.6 billion Euros for an 87.4% stake. Between signing and closing, EDP may upsize its stake up to 91.4%. Completion of the transaction is subject to customary regulatory and other approvals, customary precedent conditions and shareholders agreement provisions.

40. EDP Branch in Spain

The aim of EDP - Energias de Portugal - Sociedade Anónima, Sucursal en España is to manage and coordinate the energy interests of subsidiaries depending from EDP Group in Spain, organised through managing and monitoring structures, in order to ensure the maximum synergy and value creation in the operations and activities in Spain, also assuming itself as an organizational platform to lead the Iberian integration of shared and support services (back and middle offices). On this basis, interests in EDP Servicios Financieros (España), S.A.U. and EDP España, S.A.U. are directly allocated to the assets of EDP Sucursal, as well as the majority interest in EDP Renováveis, S.A.

The Spanish branch of EDP has offices in Madrid and Oviedo. From a formal and legal point of view, the representation of the Spanish branch of EDP before third parties is ensured through the permanent representatives, which are members of the Executive Board of Directors of EDP, mandated for that purpose.

The structure of direction, coordination, management and representation of the Spanish branch of EDP is composed by an Executive Committee, a Management Committee and by direct representation on Iberian scope EDP Management Committees.

The Executive Committee is composed essentially by five permanent representatives, a Corporate General Director (Group Controller for the activities in Spain) and by first line directors of the business units in Spain, which constitute the main direction and coordination body of the Branch, being responsible for the coordination of the activities of the permanent representatives and of the Management Committee. The Management Committee is chaired by the Corporate General Director and is composed by the natural extension of the Departments of the Corporate Centre of EDP in Spain, namely the Department of M&A ("Direcção de Projectos e Novos Negócios"), Department of Legal Affairs ("Direcção de Assessoria Jurídica"), Department of Internal Audit ("Direcção de Auditoria Interna"), Department of Administration and Finance ("Direcção de Administração e Finanças"), Department of Human Resources ("Direcção de Recursos Humanos"), Department of EDP Spain Foundation ("Direcção da Fundação EDP Espanha"), Department of Regulation ("Direcção de Regulação"), IT Department ("Direcção de Tecnologias de Informação") and Department of Environment, Sustainability, Innovation and Climate Change ("Direcção de Ambiente, Sustentabilidade, Inovação e Alteração Climática") ensuring in a homogeneous way the functions of these departments transversally to the Spanish territory, being provided with 210 human resources as at 30 September 2021, including 131 in its own payroll.

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The Statement of Financial Position of the Branch is as follows:

Thousand Euros	EDP Branch	
	Sep 2021	Dec 2020
Investments in subsidiaries:		
- EDP Renováveis, S.A.	4,154,431	4,154,431
- EDP España, S.A.U.	2,105,002	2,105,002
- EDP Servicios Financieros (España), S.A.U.	482,695	482,695
- EDP International Investments and Services, S.L.	988,849	988,849
Deferred tax assets	62,629	53,020
Other debtors and others assets	8,575	9,358
Total Non-Current Assets	7,802,181	7,793,355
Other debtors and others assets	61,161	176,365
Tax receivable	78,224	39,515
Cash and cash equivalents	1,053,748	854,129
Total Current Assets	1,193,133	1,070,009
Total Assets	8,995,314	8,863,364
Equity	8,867,406	8,809,855
Employee benefits	1,628	1,592
Other liabilities and other payables	200	685
Total Non-Current Liabilities	1,828	2,277
Financial debt	2,375	-
Employee benefits	1,309	891
Other liabilities and other payables	120,858	46,251
Tax payable	1,538	4,090
Total Current Liabilities	126,080	51,232
Total Liabilities	127,908	53,509
Total Equity and Liabilities	8,995,314	8,863,364

41. Investigation process about CMEC and DPH

Following the enactment of an EU legislation package regarding the construction of the Internal Energy Market, aimed at, among others, promoting the liberalization of the electricity sector, the existence of long-term Power Purchase Agreements ("Contratos de Produção de Energia" – CAE), and the Portuguese legal framework involving a "single buyer", ceased to be compatible with EU law.

Accordingly, Decree-Law no. 240/2004, of 27 December, was enacted in the context of the liberalization of the Portuguese energy sector, establishing the early termination of the CAEs entered into in 1996 and, at the same time, approving the methodology to be used in accomplishing said termination, as well as the compensation due to energy producers in that respect.

This methodology was subjected to the European Commission's (EC) prior approval, expressed in the Decision concerning State aid N161/2004, which deemed it effective and strictly necessary. Additionally, the enactment of the aforementioned Decree-Law by the Portuguese Government was the object of a legislative authorization, granted by the Portuguese Parliament.

In that context, and according to the approved methodology, EDP and REN - Rede Eléctrica Nacional, S.A. (REN) signed the CAE early termination agreements in 2005, their entry into force having taken place on 1 July 2007, after being amended earlier that same year. Both termination agreements were ratified by the member of the Portuguese Government responsible for the energy sector.

Pursuant to the provisions of the 2005 CAE termination agreements, on 8 March 2008 the Portuguese Government, REN and EDP Produção entered into a number of concession agreements formalizing EDP's right of use over the Public Hydro Domain ("Domínio Público Hídrico" – DPH) until the end of the operational life of the hydroelectric plants subject to the so-called Costs for the Maintenance of the Contractual Balance mechanism ("Custos de Manutenção do Equilíbrio Contratual" – CMEC). Decree-Law 226-A/2007, of 31 May, introduced a new obligation to EDP, unforeseen in the 2004 legislation or in the 2005 termination agreements, which consisted in the payment by EDP of an amount concerning the "economic and financial balance" of each power plant. Pursuant to this legal framework, and following assessments carried out by two independent financial institutions appointed by the Government, EDP Produção was ordered to pay EUR 759 million, as consideration for the extension of its right of use over the DPH. This included approximately EUR 55 million due for the Hydro Resources Tax.

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In 2012, the EC and Portuguese authorities (the Central Department of Criminal Investigation and Prosecution, a part of the Public Prosecutor's Office – "Departamento Central de Investigação e Ação Penal", DCIAP) received complaints regarding (i) the methodology adopted for the early termination of the CAEs and the implementation of the CMEC mechanism; and (ii) EDP's right of use over the DPH.

So far as the complaint received by the EC is concerned, this institution addressed a clarification request to the Portuguese Government over the early termination of the CAEs, and its replacement by the CMEC framework.

The EC decided, in September 2013, that the compensation attributed to EDP Produção in the context of the early termination of the CAEs did not exceed the amount required to reimburse the investment costs meant to be recovered throughout the operational life of the assets in question. Furthermore, it certified that the execution of the CMEC framework respected the terms that were notified to the EC, and approved, in 2004. Accordingly, the EC has at this stage concluded its investigation regarding the early termination of the CAEs. Having found no evidence of non-compliance with the framework in force in Portugal (approved by the EC itself in 2004) or at the EU level, it decided not to pursue an in-depth investigation on the matter.

Simultaneously, in September 2013, the EC decided to undertake an in-depth investigation exclusively in respect of the right of use over the DPH matter.

These in-depth investigation proceedings over EDP's right of use over the DPH were formally concluded in May 2017, with the EC having decided that the consideration paid by EDP was in line with market conditions. It further concluded that the financial methodology followed to determine the price to be paid by EDP for the right of use over the DPH was appropriate and resulted in a fair market price, expressly adding that the accusations that such price (759 million euros) had been underappreciated were baseless, and resulted from an inaccurate financial calculation methodology.

In 2 June 2017, EDP was made aware of the investigation being carried out by the DCIAP since 2012 regarding the amounts due to EDP for the early termination of the CAEs and the right of use over the DPH. On that date, the authorities carried out a search in EDP's offices, as well as REN's (as network operator) and a consultant. At that time, DCIAP informed, by way of a public press release, that investigations were ongoing, and the alleged facts could amount to active and passive corruption, and economic participation in business deals. The DCIAP further informed, in said press release, that some members of EDP's Executive Board of Directors, as well as former directors who executed the relevant agreements, were suspects in that investigation.

On 6 July 2020, a measure of constraint to suspend the exercise of functions in EDP's Executive Board of Directors was proposed by the Public Prosecutor's Office, and applied by the court, to António Mexia and João Manso Neto (then Chairman and member of the board, respectively), while the investigation remained in the inquiry stage. On the same day, the General and Supervisory Board and the Executive Board of Directors resolved to appoint then Chief Financial Officer Miguel Stilwell de Andrade as interim Chairman, for the duration of the impediment of the current Chairman of the Executive Board of Directors, in addition to his functions at the time.

On 13 July 2020, and as in due course disclosed to the market (https://www.edp.com/sites/default/files/2020-07/20200713_Notifica%C3%A7%C3%A3o%20do%20DCIAP_EN_0.pdf), EDP was notified by the Portuguese Authorities to appoint a legal representative to appear at the Central Department of Criminal Investigation and Prosecution for questioning and constitution of EDP as defendant, for the facts related to the hiring by EDP Group of the father of the then Secretary of State Artur Trindade. Such diligence has already occurred and EDP was named as a defendant in the context of such judicial procedure and is now waiting for further developments of the procedure.

On 30 November 2020, and as communicated to the market on that same date, EDP received formal notices of both suspended members of the Executive Board of Directors, informing it of their unavailability to be re-appointed to serve in EDP's corporate bodies for the 2021-2023 term of office.

On 19 January 2021, an Extraordinary General Shareholders' Meeting was held, and a new management team was appointed to the Executive Board of Directors, for the 2021-2023 triennium.

EDP reaffirms that no irregularities exist regarding the matters at hand and believes the amounts due by the early termination of the CAEs and the proceedings regarding the DPH, in particular the amounts paid, were fair and according to market conditions.

EDP remains determined in the pursuit of its corporate purpose and in the fulfilment of its clients, shareholders, employees, and remaining stakeholders' highest expectations. EDP is committed to the accomplishment of its strategic goals, and no impact to its consolidated financial statements is expected to arise as a consequence of the above.

Regarding the judicial procedure, it is still under investigation and till the present date there are no relevant developments regarding the reason that uphold EDP as a defendant.

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42. 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 resources to be allocated to the segment and assess its performance; and
- (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 new Board of Directors, elected in January, considered that the last resort suppliers should be monitored in the Client Solutions & Management segment along with the other suppliers. Therefore the comparative data for this segment and the Networks segment (where it was allocated in 2020) have been amended accordingly.

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.

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 Distribución Eléctrica, S.A.U.;
- Viesgo Distribución Eléctrica, S.L.;
- Barras Eléctricas Galaico-Asturianas, 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 - Comercialização e Serviços de Energia, Ltda;
- SU Eletricidade, S.A.;
- EDP Gás Serviço Universal, S.A.

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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.

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 and Green certificates, 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 2021

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
Revenues from energy sales and services and other				
Revenues inter-segments	1,869,406	2,893,524	7,363,532	12,126,462
Revenues from third parties	914,557	1,278,585	-54,726	2,138,416
	954,849	1,614,939	7,418,258	9,988,046
Gross Profit	1,631,095	1,528,191	471,716	3,631,002
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	-135,962	-232,119	-103,546	-471,627
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	21,793,499	5,899,125	2,210,619	29,903,243
Financial assets - Investments in joint ventures and associates	1,072,681	25	13,329	1,086,035
Operating Investment	1,781,940	505,449	80,012	2,367,401

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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 other 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 other of EDP Group	10,000,539
Total Gross Profit of Reported Segments	3,631,002
Gross Profit from Other Segments	171,902
Adjustments and Inter-segments eliminations*	-168,942
Total Gross Profit of EDP Group	3,633,962
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	29,903,243
Assets Not Allocated	17,605,489
Financial Assets	3,623,061
Trade Receivables and Other Debtors	7,456,268
Inventories	366,537
Tax Assets	1,996,642
Other Assets	4,162,981
Assets from Other Segments	680,592
Inter-segments assets eliminations*	-60,044
Total Assets of EDP Group	48,129,280
Total Equity accounted Investments in joint ventures and associates of Reported Segments	1,086,035
Equity accounted Investments in joint ventures and associates from Other Segments	245,822
Total Equity accounted Investments in joint ventures and associates of EDP Group	1,331,857
Total Operating Investment of Reported Segments	2,367,401
Operating Investment from Other Segments	53,608
Total Operating Investment of EDP Group	2,421,009
Dismantling/discommission of PP&E	31,305
CO2 Emission Licenses and Green Certificates	95,604
Concession Rights - IFRIC 12 **	-417,394
Investment Grants	-133
Other Investments	9,042
Total Fixed Assets additions of EDP Group (Notes 14 and 16)	2,139,433

	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	-672,619	-120,732	177,899	-615,452
Personnel costs and employee benefits	-401,276	-91,844	1,484	-491,636
Other costs	-471,627	-27,081	1,342	-497,366
Impairment losses on trade receivables and debtors	-23,683	-39	-1	-23,723
Equity method in joint ventures and associates	11,936	31,166	44	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.

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

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EDP Group Operating Segments Information as at 30 September 2020 *

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
Revenues from energy sales and services and other				
Revenues inter-segments	1,902,758	2,404,568	7,233,466	11,540,792
Revenues from third parties	893,480	1,580,651	10,224	2,484,355
	1,009,278	823,917	7,223,242	9,056,437
Gross Profit	1,726,096	1,237,782	830,558	3,794,436
Other income				
Supplies and services	407,535	23,949	14,274	445,758
Personnel costs and employee benefits	-263,665	-217,658	-212,732	-694,055
Other costs	-140,175	-136,386	-106,733	-383,294
Impairment losses on trade receivables and debtors	-150,642	-227,969	-95,478	-474,089
Joint ventures and associates	-136	-21,110	-33,043	-54,289
	-6,602	5,221	3,485	2,104
Gross Operating Profit	1,572,411	663,829	400,331	2,636,571
Provisions	-72,837	-25,673	-30,759	-129,269
Amortisation and impairment	-562,403	-277,352	-230,215	-1,069,970
Operating Profit	937,171	360,804	139,357	1,437,332
Assets (31 December 2020)	20,501,380	5,977,238	2,384,400	28,863,018
Financial assets - Investments in joint ventures and associates Assets (31 December 2020)	716,417	91	10,871	727,379
Operating Investment (30 September 2020)	1,245,978	407,699	60,826	1,714,503

*Includes reexpression caused by the change in monitoring of last resort suppliers

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Reconciliation of information between Operating Segments and Financial Statements for 30 September 2020

Thousand Euros	
Total Revenues from energy sales and services and others of Reported Segments	11,540,792
Revenues from energy sales and services and others from Other Segments	165,141
Adjustments and Inter-segments eliminations*	-2,646,670
Total Revenues from energy sales and services and others of EDP Group	9,059,263
Total Gross Profit of Reported Segments	3,794,436
Gross Profit from Other Segments	164,517
Adjustments and Inter-segments eliminations*	-182,436
Total Gross Profit of EDP Group	3,776,517
Total Gross Operating Profit of Reported Segments	2,636,571
Gross Operating Profit from Other Segments *	-9,481
Adjustments and Inter-segments eliminations*	-2,018
Total Gross Operating Profit of EDP Group	2,625,072
Total Operating Profit of Reported Segments	1,437,332
Operating Profit from Other Segments	-51,519
Adjustments and Inter-segments eliminations*	2,378
Total Operating Profit of EDP Group	1,388,191
Total Assets of Reported Segments (31 December 2020)	28,863,018
Assets Not Allocated	13,508,470
Financial Assets	3,193,367
Trade Receivables and Other Debtors	6,292,623
Inventories	323,945
Tax Assets	1,805,615
Other Assets	1,892,920
Assets from Other Segments	630,695
Inter-segments assets eliminations*	-55,400
Total Assets of EDP Group (31 December 2020)	42,946,783
Total Equity accounted Investments in joint ventures and associates of Reported Segments (31 December 2020)	727,379
Equity accounted Investments in joint ventures and associates from Other Segments	212,983
Total Equity accounted Investments in joint ventures and associates of EDP Group (31 December 2020)	940,362
Total Operating Investment of Reported Segments (30 September 2020)	1,714,503
Operating Investment from Other Segments	37,191
Total Operating Investment of EDP Group (30 September 2020)	1,751,694
Discomission of Property, plant and equipment	25,890
CO2 Licenses and Green Certificates	75,223
Concession Rights - IFRIC 12	-331,674
Other Investments	9,483
Total Fixed Assets additions of EDP Group (30 September 2020)	1,530,616

	Total of Reported Segments	Other Segments	Adjustments and Inter-segments eliminations*	Total of EDP Group
Other income	445,758	50,624	-16,433	479,949
Supplies and services	-694,055	-108,696	194,064	-608,687
Personnel costs and employee benefits	-383,294	-84,188	2,848	-464,634
Other costs	-474,089	-32,414	-61	-506,564
Impairment losses on trade receivables and debtors	-54,289	20	-	-54,269
Joint ventures and associates	2,104	656	-	2,760
Provisions	-129,269	-127	-	-129,397
Amortisation and impairment	-1,069,970	-41,910	4,397	-1,107,484

* Mainly related with intragroup balances and transactions eliminations

EDP - Energias de Portugal, S.A.
Notes to the Consolidated and Company Financial Statements
for the nine-month periods ended at 30 September 2021 and 2020

43. Reconciliation of Changes in the responsibilities of Financing activities at 30 September 2021

Thousand Euros	Group					
	Financial debt and Derivative financial instruments (including Collateral Deposits)					
	Loans obtained (Note 27)	Collateral Deposits (Note 27)	Derivative financial instruments (Note 35)*	Institutional partnerships in North America (Note 30)	Lease Liabilities (Note 32)	Loans from non-controlling interests (Note 32)
Balance as at 31 de December 2020	16,286,763	-32,069	-129,593	1,933,542	1,055,678	590,424
Cash flows:						
Receipts relating to financial debt (including Collateral Deposits)	2,859,773	-	-	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-2,429,488	-23,978	-	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-410,746	-	6,267	-	-	-
Receipts/(payments) relating to loans from non-controlling interests	-	-	-	-	-	-10,479
Interest and similar costs relating to loans from non-controlling interests	-	-	-	-	-	-10,720
Receipts/(payments) relating to derivative financial instruments	-	-	9,135	-	-	-
Receipts/(payments) from institutional partnerships	-	-	-	531,181	-	-
Lease (payments)	-	-	-	-	-71,636	-
Perimeter variations	89,879	-	1,061	-324,307	-53,523	-78,541
Exchange differences	252,062	-607	574	120,491	40,612	750
Fair value changes	-40,053	-	98,734	-	-	-
Interests and accrued and deferred costs	328,957	-	7,047	7,764	-	13,759
Unwinding	-	-	-	57,628	28,019	-
ITC/PTC recognition	-	-	-	-123,128	-	-
New lease contracts/Increments in rent values	-	-	-	-	112,924	-
Reclassification to Liabilities held for sale	-246,346	5,602	-464	-	-22,312	-2
Balance as at 30 September 2021	16,690,801	-51,052	-7,239	2,203,171	1,089,762	505,191

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

Thousand Euros	Company			
	Financial debt and Derivative financial instruments			
	Loans obtained (Note 27)	Derivative financial instruments (Note 35)*	Lease Liabilities (Note 32)	Group companies (Note 32)
Balance as at 31 December 2020	11,483,572	-4,456	161,972	3,873
Cash flows:				
Receipts relating to financial debt (including Collateral Deposits)	3,107,048	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-1,668,048	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-158,017	-19,414	-	-
Receipts/(payments) relating to loans from related parties	214,099	-	-	-
Receipts/(payments) relating to derivative financial instruments	-	9,730	-	-
Lease (payments)	-	-	-9,468	-
Exchange differences	12,176	-	-	-
Fair value changes	-	-29,463	-	-
Unwinding	-	-	3,451	-
Interests and accrued and deferred costs	138,533	15,536	-	2,889
New lease contracts/Increments in rent values	-	-	1,911	-
Balance as at 30 September 2021	13,129,363	-28,067	157,866	6,762

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

EDP - Energias de Portugal, S.A.
Notes to the Consolidated and Company Financial Statements
for the nine-month periods ended at 30 September 2021 and 2020

44. 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.

edp

Changing tomorrow now.

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

Ana Paula Garrido de Pina Marques

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Changing tomorrow now.



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, 2021 (which shows total assets of Euros 48,129,280 thousand and total equity of Euros 13,676,614 thousand, including a consolidated net profit attributable to equity holders of EDP of Euros 510,499 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.

Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal

Receção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal

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

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda. pertence à rede de entidades que são membros da PricewaterhouseCoopers International Limited, cada uma das quais é uma entidade legal autónoma e independente.

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, 2021 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

November 4, 2021

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

Signed on the original

João Rui Fernandes Ramos, R.O.C.



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, 2021 (which shows total assets of Euros 27,854,972 thousand and total equity of Euros 8,136,843 thousand, including a loss for the period of Euros 249,076 thousand), the condensed company income statement, the condensed company 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.

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

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed financial statements of EDP – Energias de Portugal, S.A. as at September 30, 2021 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

November 4, 2021

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

Signed on the original

João Rui Fernandes Ramos, R.O.C.

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