



INTERIM
REPORT
1H 2020

ave



ENERGY. ENERGIA. ENERGÍA.

We are energy. An energy that is international and speaks many languages.

We are a force driven by innovation toward a greener, more electric, and more sustainable future.

It's no longer a secret that we think of the wind, water, and sun as our greatest allies in our search for ever cleaner energy that reaches everyone in a fairer and more inclusive way.

We set out our ambitious goals, always with a commitment to create a network of energy, talent, technology, with more global and efficient solutions.

Decarbonize, digitalize, and decentralize are the action verbs on this path to change.

We are spearheading the energy transition and assuming the responsibility to challenge the world to join us.

Energy begins with us. And the future is today.



energy

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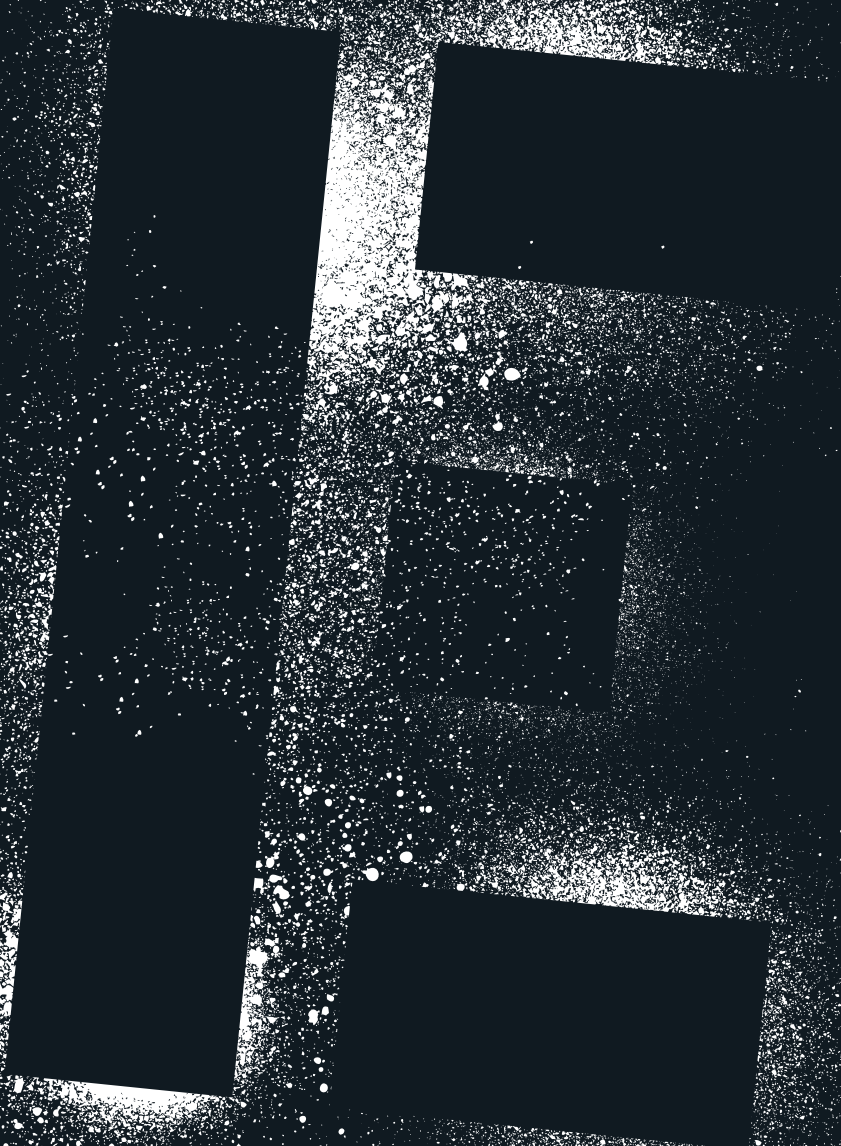
EDP

OUR YEAR

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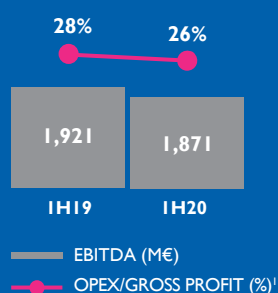


I.I.I.

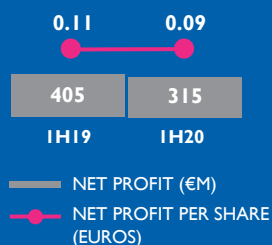
Key Metrics

FINANCIAL DATA

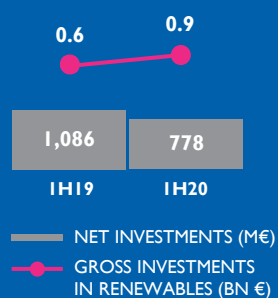
EBITDA



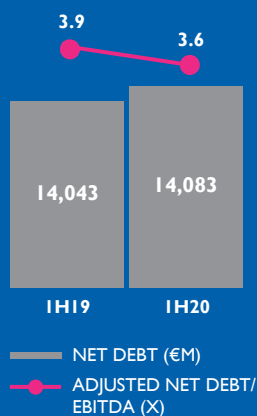
NET PROFIT¹



NET INVESTMENTS²



NET DEBT



OPERATIONAL DATA

GENERATION

26,750 MW	-2% VS 1H19
INSTALLED CAPACITY	
31,992 GWH	-5% VS 1H19
NET GENERATION	
1,111 MW	+21% VS 1H19
INSTALLED CAPACITY - EQUITY	
2,000 MW	+101% VS 1H19
CAPACITY UNDER CONSTRUCTION	

TRANSMISSION

187 KM	+65% VS 1H19
OPERATING NETWORK (KM)	
1,254 KM	+6% VS 1H19
UNDER CONSTRUCTION NETWORK (KM)	

DISTRIBUTION

37,097 GWH	-7% VS 1H19
ELECTRICITY DISTRIBUTED	
10,508 ('000)	+1% VS 1H19
ELECTRICITY SUPPLY POINTS	

SUPPLY

41,243 GWH	+14% VS 1H19
ELECTRICITY SUPPLIED	
9,782 ('000)	0% VS 1H19
ELECTRICITY CUSTOMERS	
9,354 GWH	0% VS 1H19
GAS SUPPLIED	
1,593 ('000)	0% VS 1H19
GAS CUSTOMERS	

¹ NET PROFIT ATTRIBUTABLE TO EDP EQUITY SHAREHOLDERS.

² CONSIDERS CAPEX OF EDP GROUP, ORGANIC FINANCIAL INVESTMENT €335M (30 JUN 2019: €261M) AND ASSET ROTATION -€477M (30 JUN 2019: €0).

Recognition

**EDP
RECOGNISED**
in the 2020 Consumer
Choice Awards

**EDP KNOCK OUT
PITCH @ WEB
SUMMIT NAMED
THE BEST
EXTERNAL EVENT**
by the 2020 Fundacom
Awards

**EDP RENOVÁVEIS
RECOGNISED AS BEST
RENEWABLE ENERGY
COMPANY**
in Spain in the International Finance
Awards

**EDPON MAGAZINE
VOTED BEST
INTERNAL
PUBLICATION**
at the 2020 APCE awards

**EDP SOLAR
ENERGY
RECOGNISED BY
THE 2020 FIVE
STARS AWARD**
in Portugal

EDP BRASIL WINS THE 2019 TRANSPARENCY TROPHY

awarded by ANEFAC

EDP NAMED ONE OF THE WORLD'S MOST ETHICAL COMPANIES,

recognised by the Ethisphere
Institute for the 9th year in a
row

EDP NAMED BEST ENERGY COMPANY

in Portugal at the
Marketeer 2020 awards

EDP AND EDP RENOVÁVEIS RENEW THEIR FAMILY RESPONSIBLE COMPANY CERTIFICATE

in 2020



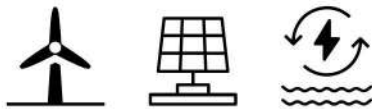
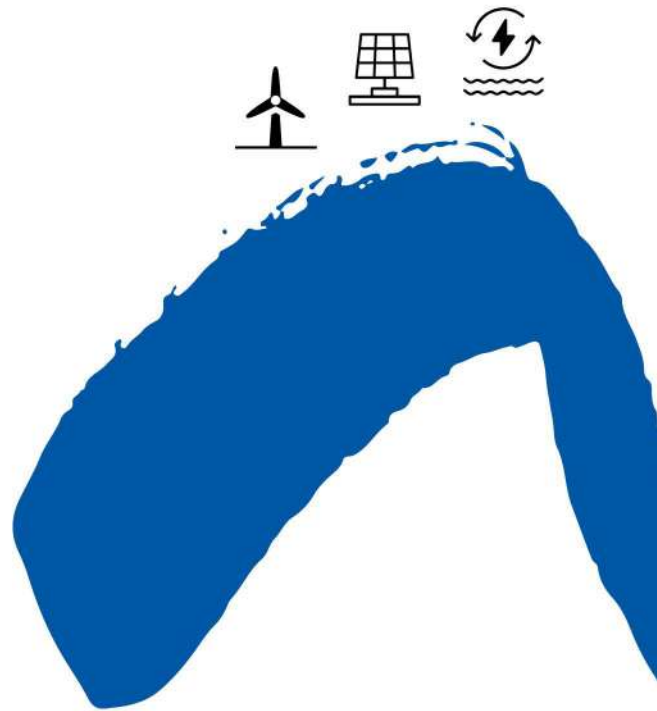
1.2. EDP GROUP PROFILE

1.2.1.

Who We Are

EDP IS A MULTINATIONAL, VERTICALLY INTEGRATED UTILITY COMPANY

Throughout its 40 years of history, EDP has been building a relevant presence in the world energy scene, being present in 19 countries in 4 continents. EDP has around 11,600 employees and is present throughout the electricity value chain and in the gas commercialization activity.

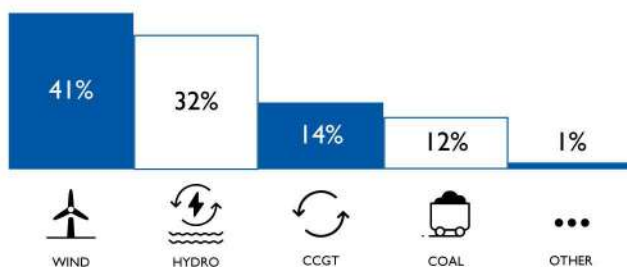


1. GENERATION

Generation is the first activity in the value chain of the electricity sector. Power plants transform the various energy sources into electricity. These energy sources may be of renewable origin (water, wind and sun) or non-renewable (coal, natural gas, nuclear and cogeneration).

27

GW OF INSTALLED CAPACITY



32

TWh OF NET ELECTRICITY GENERATION

80%

FROM RENEWABLE SOURCES

2. TRANSMISSION

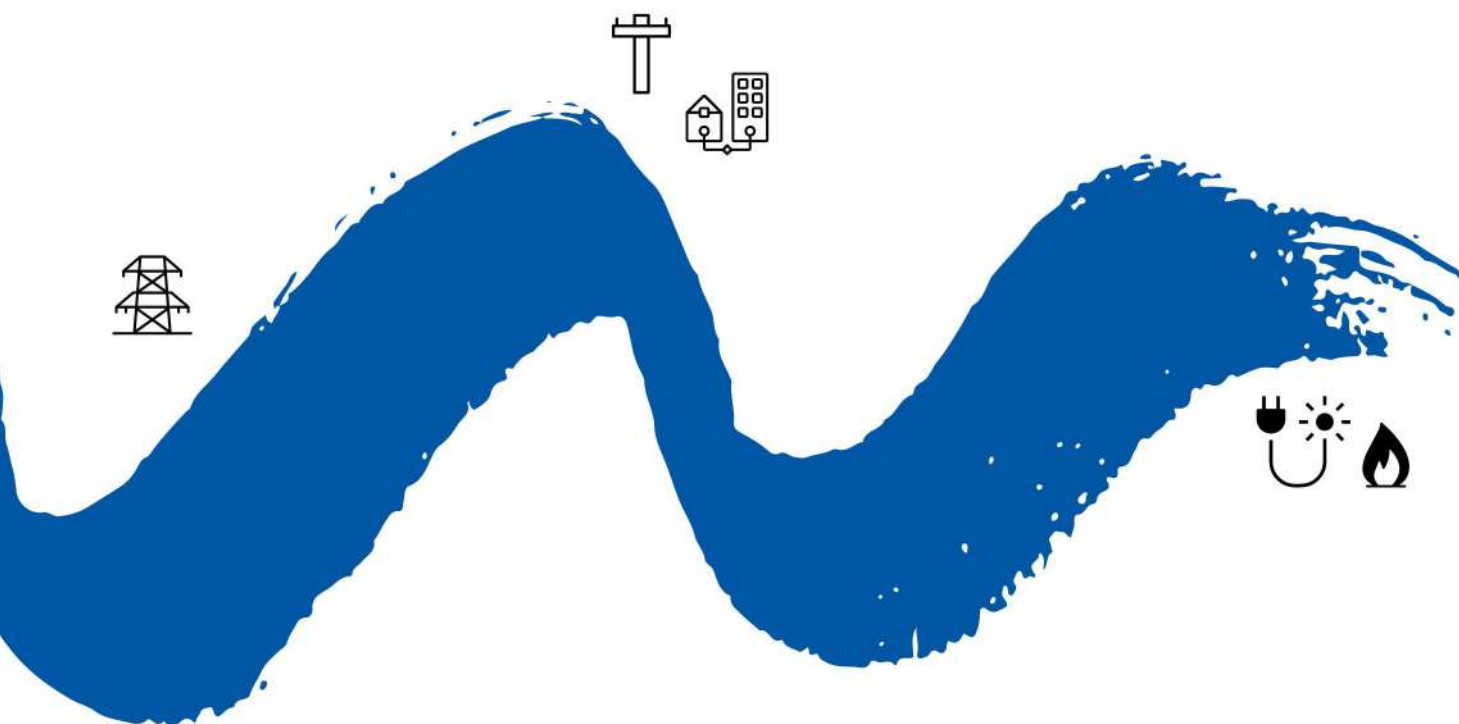
In the transmission the energy generated is delivered to the transport network, which is made of very high voltage lines and which then channels the energy to the distribution network. This is a new business segment being developed in Brazil.

187

OF OPERATING NETWORK

1,254

OF TRANSMISSION NETWORK UNDER CONSTRUCTION



3. DISTRIBUTION

In the distribution activity the transported energy is channeled to the distribution grid. The distribution network allows the flow of energy to the supply points. Electricity distribution networks are composed of high, medium and low voltage lines and cables. Substations, processing stations and public lighting installations as well as the necessary connections to consumer installations and power stations are also an integral part of the distribution networks.

343,242

KM OF NETWORK

288,833

KM OF DISTRIBUTION
OVERHEAD LINES

54,409

KM OF DISTRIBUTION
UNDERGROUND LINES

37

TWh OF ELECTRICITY DISTRIBUTED



4. SUPPLY

In the supply activity the distributed energy arrives at the supply point and is sold by the supplier. Throughout the electricity and gas value chain, supply is the closest activity to the customer and responsible for the relationship with final consumers.

9,781,560

ELECTRICITY CUSTOMERS

5,011,181

CUSTOMERS IN LIBERALIZED
MARKET

4,770,379

CUSTOMERS IN LAST RESORT

1,592,839

GAS CUSTOMERS

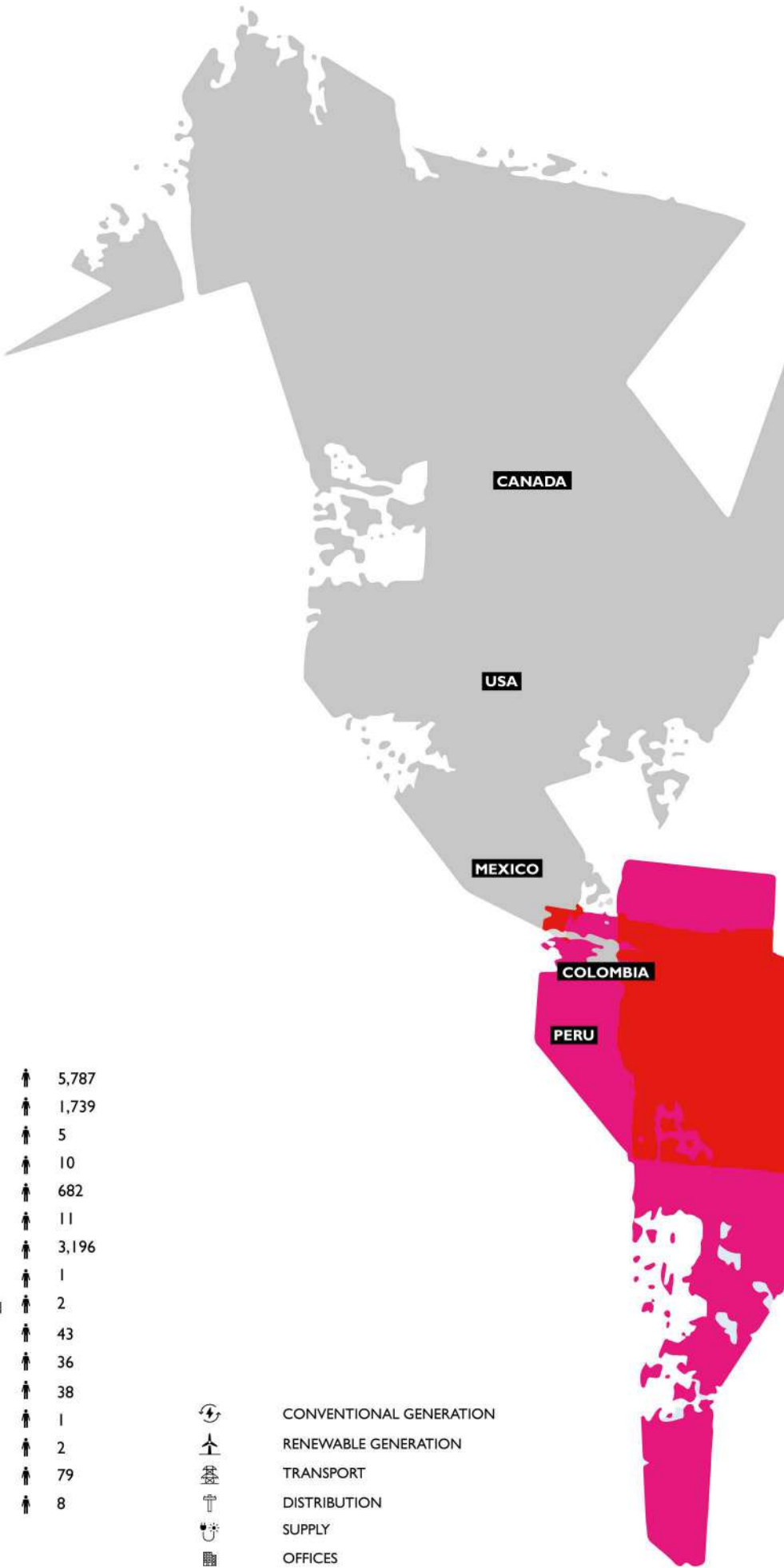
1,503,156

CUSTOMERS IN LIBERALIZED MARKET

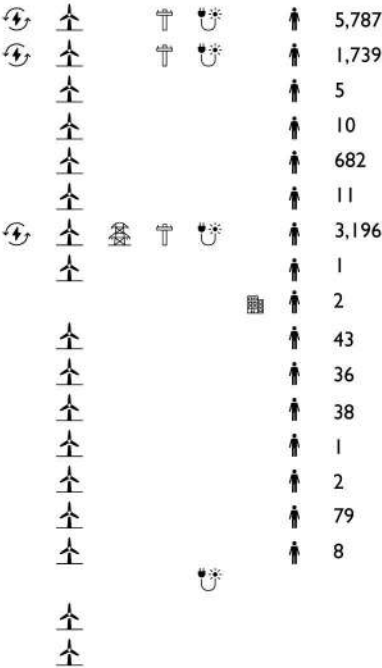
89,683

CUSTOMERS IN LAST RESORT

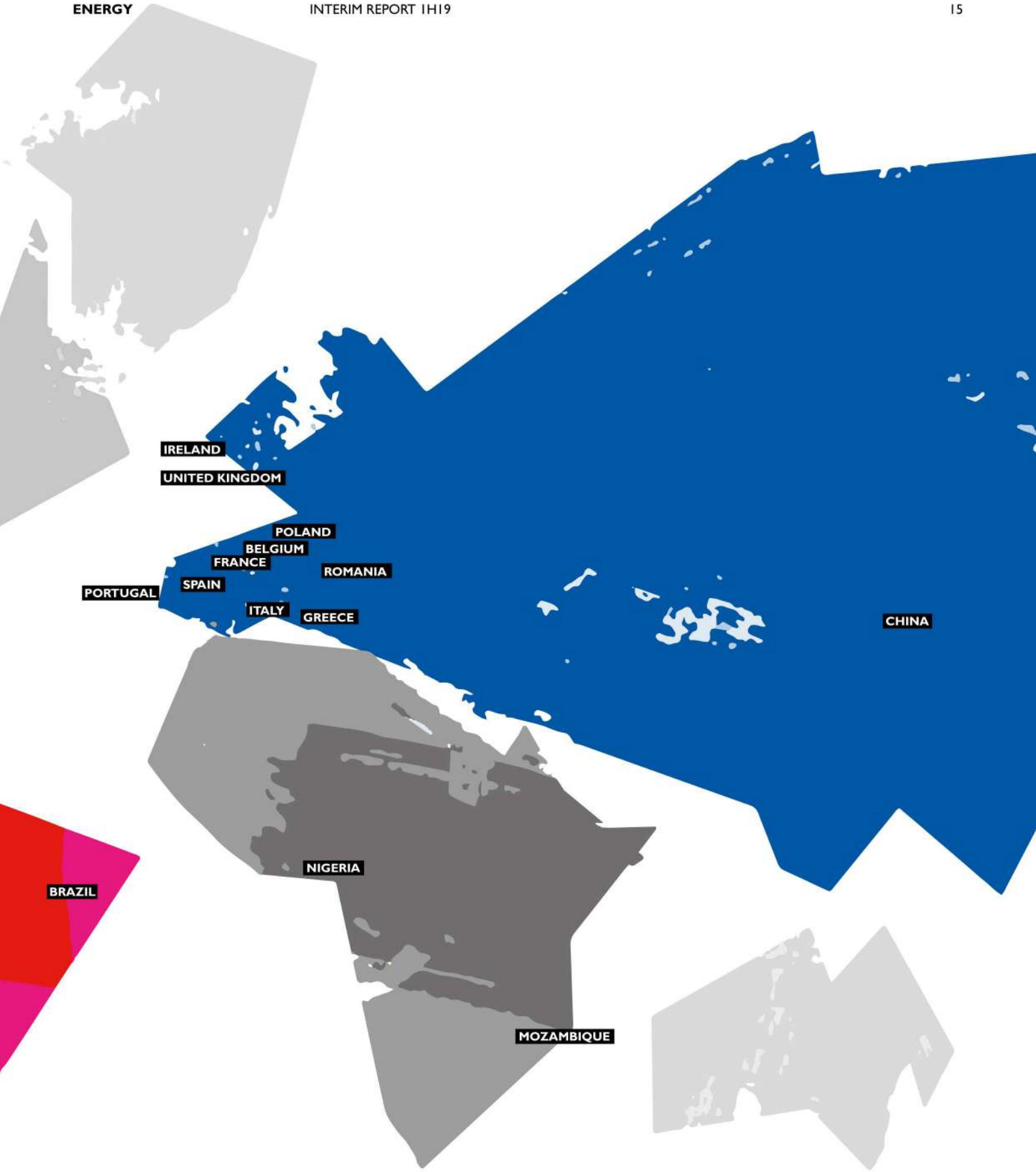
Where We Are



PORTUGAL
SPAIN
CANADA
COLOMBIA
USA
MEXICO
BRAZIL
PERU
CHINA
POLAND
ROMANIA
ITALY
UNITED KINGDOM
BELGIUM
FRANCE
GREECE
IRELAND
MOZAMBIQUE
NIGERIA



- ⚡ CONVENTIONAL GENERATION
- 🌬️ RENEWABLE GENERATION
- 🚆 TRANSPORT
- 🔌 DISTRIBUTION
- ☀️ SUPPLY
- 🏢 OFFICES
- 👤 EMPLOYEES



How We Are Organized

BUSINESS AREAS

I. RENEWABLES KEY GROWTH PLATFORM



61%

OF GROUP'S
EBITDA



OF GROUP'S
CAPEX

2. NETWORKS

PORTFOLIO STABILIZER



23%

OF GROUP'S
EBITDA



OF GROUP'S
CAPEX

3. CLIENT SOLUTIONS & ENERGY MANAGEMENT

HEDGING PORTFOLIO AND GROWTH IN
NEW DOWNSTREAM



16%

OF GROUP'S
EBITDA



OF GROUP'S
CAPEX

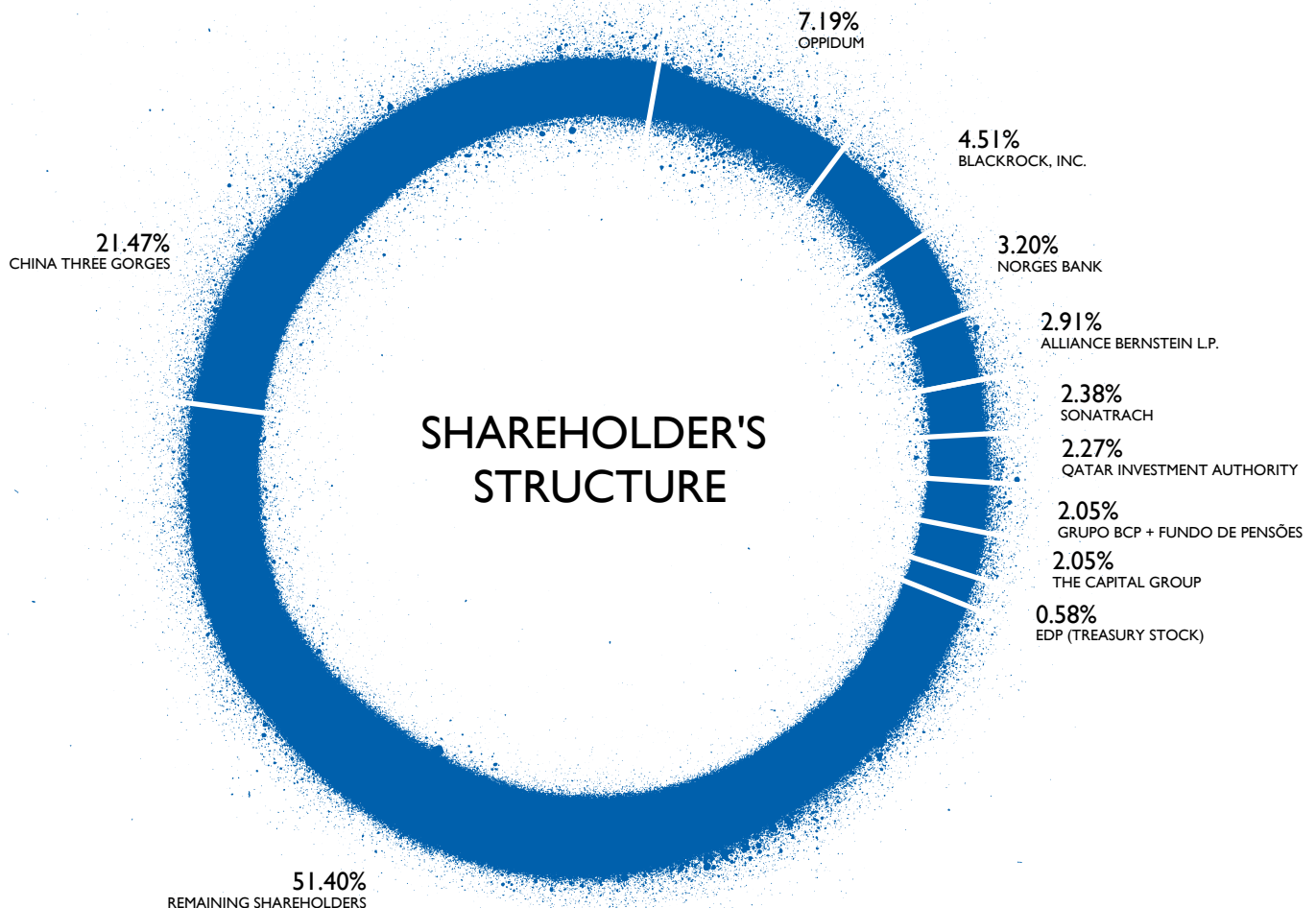
Governance, Shareholder's Structure and Corporate Bodies

GOVERNANCE

EDP's governance structure is based on the dual model and consists of the General Meeting, Executive Board of Directors, General and Supervisory Board and the Statutory Auditor.

The separation of management and supervision roles is embodied in an Executive Board of Directors, which is responsible for the management of the company's business, and a General and Supervisory Board, the highest supervisory body.

The dual model of corporate governance in place in EDP has allowed effective separation of the company's supervision and management in pursuit of EDP's goals, interests and its its shareholders, employees and other stakeholders, thereby contributing to achieving a degree of trust and transparency necessary for its adequate functioning and optimisation. Furthermore, this model has proved appropriate to the company's shareholder structure as it allows supervision by key shareholders on the General and Supervisory Board.



EDP CORPORATE BODIES

BOARD OF THE GENERAL MEETING

- Luís Filipe Marques Amado, **Chairman**
- Dingming Zhang, **Vice-Chairman** - in representation of China Three Gorges Corporation
- Shengliang Wu - in representation of China Three Gorges International Corp.
- Ignacio Herrero Ruiz - in representation of China Three Gorges (Europe), S.A.
- Li Li - in representation of China Three Gorges Brasil Energia Ltda.
- Eduardo de Almeida Catroga - in representation of China Three Gorges (Portugal), Sociedade Unipessoal, Lda.
- Felipe Fernández Fernández - in representation of DRAURSA, S.A.
- Fernando Maria Masaveu Herrero
- Mohammed Issa Khalfan Alhuraimel Alshamsi - in representation of Senfora BV
- Nuno Manuel da Silva Amado - in representation of Banco Comercial Português, S.A.
- Karim Djebbour - in representation of Société National pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (Sonatrach)
- Maria Celeste Ferreira Lopes Cardona
- Ilídio da Costa Leite de Pinho
- Jorge Avelino Braga de Macedo
- Vasco Joaquim Rocha Vieira
- Augusto Carlos Serra Ventura Mateus
- João Carvalho das Neves
- María del Carmen Fernández Rozado
- Laurie Lee Fitch
- Clementina Maria Dâmaso de Jesus Silva Barroso
- Luís Palha da Silva

EXECUTIVE BOARD OF DIRECTORS

- António Luís Guerra Nunes Mexia¹
- João Manuel Manso Neto¹
- António Fernando Melo Martins da Costa
- João Manuel Veríssimo Marques da Cruz
- Miguel Stilwell de Andrade
- Miguel Nuno Simões Nunes Ferreira Setas
- Rui Manuel Rodrigues Lopes Teixeira
- Maria Teresa Isabel Pereira
- Vera de Moraes Pinto Pereira Carneiro

STATUTORY AUDITOR

- Pricewaterhouse Coopers & Associados - Sociedade de Revisores de Contas, Lda., represented by João Rui Fernandes Ramos, Certified Auditor - Permanent Statutory Auditor
- Aurélio Adriano Rangel Amado, Certified Auditor - Deputy Statutory Auditor

¹. By judicial decision issued on July 6th 2020, the identified directors were suspended from their respective functions under judicial procedure NUIPC 184 / 12.5TELSB

WISDOM

A GLOBAL ENERGY COMPANY,
LEADING THE ENERGY TRANSITION
TO CREATE SUPERIOR VALUE

COMMITMENTS

RESULTS

- We fulfil the commitments that we embraced in the presence of our shareholders.
- We are leaders due to our capacity of anticipating and implementing.
- We demand excellence in everything that we do.

CLIENTS

- We place ourselves in our clients' shoes whenever a decision has to be made.
- We listen to our clients and answer in a simple and clear manner.
- We surprise our clients by anticipating their needs.

SUSTAINABILITY

- We assume the social and environmental responsibilities that result from our performance thus contributing towards the development of the regions in which we operate.
- We avoid specific greenhouse gas emissions with the energy we produce.
- We ensure the participatory, competent and honest governance of our business.

PEOPLE

- We join conduct and professional rigour to enthusiasm and initiative, emphasizing team work.
- We promote the development of skills and merit.
- We believe that the balance between private and professional life is fundamental in order to be successful.

VALUES

INNOVATION

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

SUSTAINABILITY

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

HUMANIZATION

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

Stakeholder Management

MARKET



DEMOCRACY



VALUE CHAIN

SOCIAL & TERRITORIAL ENVIRONMENT

Stakeholder management is a priority for upholding a close and transparent dialogue with all those with whom EDP relates, playing an increasingly distinctive role on the Group's business.

Building and strengthening relationships of trust, sharing relevant knowledge and information, anticipating challenges and identifying new opportunities for cooperation with stakeholders are, thus, the main objectives of EDP Group's stakeholder management policy, within the framework of EDP Group Sustainable Development Principles. Stakeholder engagement is a demanding activity, which requires transparent relations between companies and society, particularly with all entities that have an impact on or are impacted by business activities.

EDP identified this challenge several years ago, having designed clear methodologies and tools to systematize the Group's relations with its stakeholders in all its activities and projects, regardless of their location.

The continuous improvement of stakeholder management activities in all EDP Business Units, has been acknowledged internationally with the highest score on the Stakeholder Engagement criteria in the Dow Jones Sustainability Index over the last three years. EDP has been acknowledged internationally for its stakeholder management practices, being considered in 2019 and for the third consecutive year, the top performer of the Dow Jones Sustainability Index on the Stakeholder Engagement criteria.

EDP GROUP STAKEHOLDER ENGAGEMENT POLICY



UNDERSTAND INCLUDE, IDENTIFY, PRIORITISE

- We have dynamically and systematically identified the Stakeholders who influence and are influenced by the Company.
- We analyze and seek to understand stakeholders' expectations and interests in the decisions that impact them directly.



COMMUNICATE INFORM, LISTEN, UNDERSTAND

- We are committed to promoting a two-way dialogue with Stakeholders through information and advisory activities.
- We listen, inform and respond consistently, clearly, accurately and transparently to stakeholders in order to build close, strong and lasting relationships.



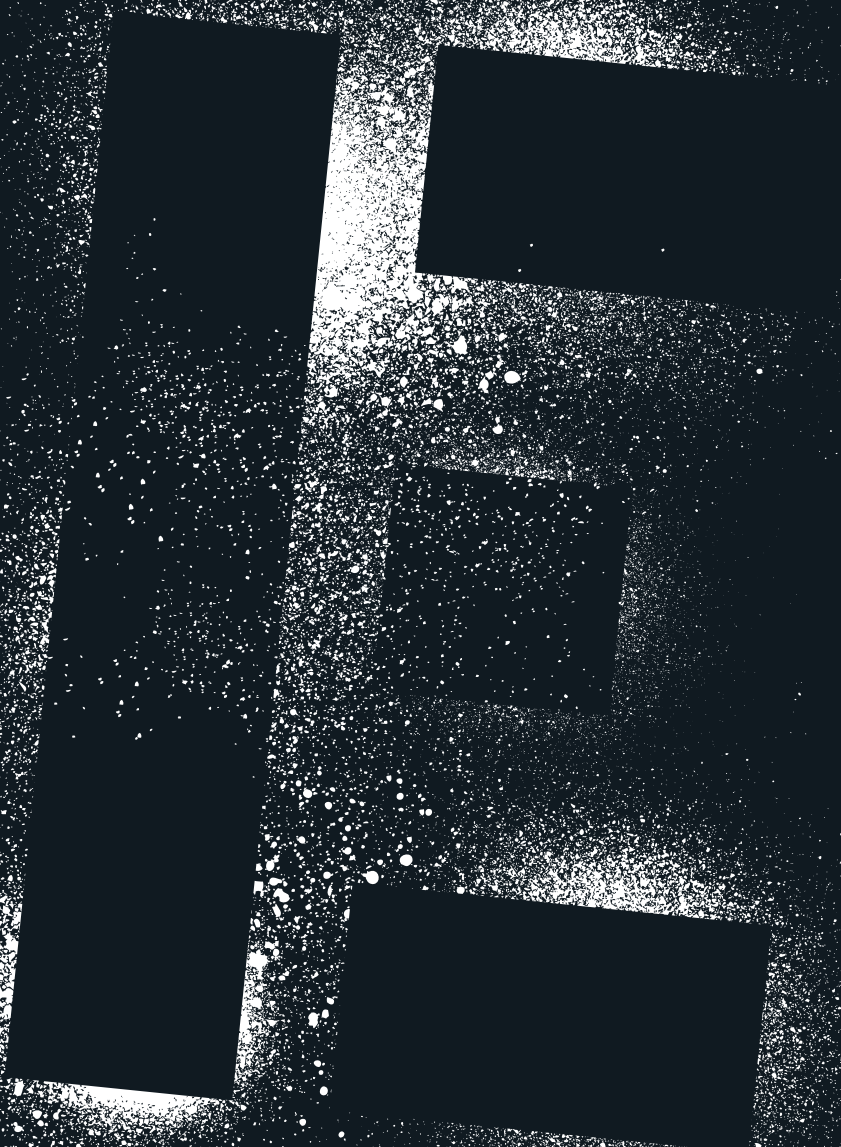
TRUST TRANSPARENCY, INTEGRITY, RESPECT, ETHICS

- We believe promoting a climate of trust with our stakeholders is crucial to establishing stable and long-term relations.
- Our relationship with stakeholders is based on such values as transparency, integrity and mutual respect.



COLLABORATE INTEGRATE, SHARE, COOPERATE, INFORM

- We aim to work with stakeholders to build strategic partnerships that collate and share knowledge, skills and tools, thereby promoting the creation of shared value in a differentiated way.



THE DRAW

02

02 PERFORMANCE

GROUP'S FINANCIAL ANALYSIS	27
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OPERATIONAL INDICATORS	32
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02

PERFORMANCE

2.1. GROUP'S FINANCIAL ANALYSIS

2.1.1. GROUP'S FINANCIAL ANALYSIS

Income Statement

EURO MILLION	1H20	1H19	Δ %	Δ ABS.
Gross Profit	2,657	2,601	2%	+56
Operating Costs	724	745	-3%	-21
Other Income/(Costs)	-68	52	-	-120
Joint Ventures and Associates	5	12	-59%	-7
EBITDA	1,871	1,921	-3%	-50
EBIT	1,052	1,180	-11%	-128
Net Profit for the period	488	606	-20%	-119
Net Profit attributable to EDP shareholders	315	405	-22%	-90
Non-controlling interests	173	201	-14%	-28

EBITDA

€1,871M

-3% VS. 1H19

EBIT

€1,052M

-11% VS. 1H19

NET PROFIT
(ATTRIBUTABLE TO EDP
EQUITY HOLDERS)

€315M

-22% VS. 1H19

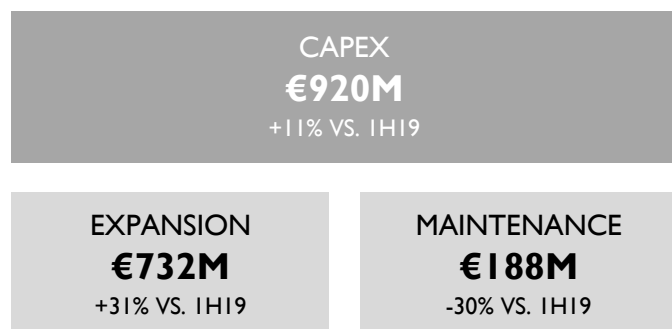
EBITDA amounted to 1,871 million euros in 1H20, a decline of 3% vs. 1H19 (1,921 million euros), largely reflecting the adverse ForEx impact (-57 million euros) due to a 20% depreciation of the Brazilian Real against the Euro and a negative impact of 22 million euros related with the early shutdown of coal plants in Iberia. Nevertheless, if disregarded in 1H20 the latter impact, EBITDA in 1H20 would have only decreased 1% (-27 million euros) to 1,893 million euros.

- In **Renewables**, 8% decrease vs. 1H19 to 1,163 million euros, as (i) the recovery in hydro resources in Iberia (+40 p.p. to 4% short of LT average in Portugal), along with our hedging strategy prompted a 99 million euros YoY increase in EBITDA in hydro Iberia; but this was largely compensated by (ii) the de-consolidation effect of wind assets sold (-87 million euros), lower gains from asset rotations in the period (-74 million euros YoY) and weaker-than-average wind resources in the period and (iii) in Brazil de unfavourable impact of the Brazilian Real depreciation and the combined impact of our allocation strategy in the 1H20 and unfavourable evolution of GSF and PLD.
- In **Networks**, 7% decline vs. 1H19 to 440 million euros, reflecting (i) in Brazil, the ForEx and Covid impacts were partly offset by last year's positive outcome from regulatory reviews of both our distribution concessions and the ramp up of transmission activity; (ii) in Portugal, the 40 bps decline YoY in rate of return on RAB on the back of the evolution of the 10-year government yields in the last 12 months.
- In **Client Solutions and Energy Management**, 36% increase vs. 1H19 to 287 million euros, driven by the strong performance of the Energy management activities in Iberia, as our successful hedging strategy prompted for an increase in hedging results which more than offset the lower output in thermal plants.
- **Opex costs** decreased 21 million euros to 724 million euros, driven mostly by tight cost control and successful implementation of ongoing savings programs, mainly in Iberia.
- **Other net operating income/(costs)** changed by 120 million euros, to a net cost of 68 million euros, mainly reflecting higher gains booked in 1H19 vs. 1H20 and increase in costs with generation taxes in Spain and clawback levy in Portugal after its resuming in April 2019.

EBIT was 11% lower YoY, at 1,052 million euros, negatively impacted by (i) the impairment of 77 million euros on Sines coal plant, (ii) provisions reflecting the recent announcement of early shutdown of our Iberian coal plants and (iii) the abovementioned EBITDA performance; these effects were only slightly compensated by the impacts in amortizations of the de-consolidation of assets sold and held for sale and ForEx.

- **Financial results** were broadly stable amounting to -368 million euros, reflecting the 70 bps decline in average cost of debt to 3.3% (vs. 4.0% in 1H19), which was offset by the 57 million euros cost in 1Q20 related to the purchase of a 750 million euros hybrid bond with a 5.4% coupon.
- **Income tax expense** were broadly stable at 134 million euros in 1H20.
- **Non-controlling interests** reached 173 million euros in 1H20 (-14% YoY), evenly explained by the decline in net profit of EDP Brasil and EDP Renováveis.
- **Net profit attributable to EDP equity holders** amounted to 315 million euros in 1H20 (vs. 405 million euros in 1H19). Nevertheless, if disregarded in 1H19 (i) the extraordinary contribution for the energy sector (-65 million euros); and in 1H20 (i) the liability management costs (-45 million euros); (ii) impairment and provisions on our Iberian coal plants (-89 million euros) and the extraordinary contribution for the energy sector (-61 million euros); net profit would have increased 8% to €509 million euros.

INVESTMENT ACTIVITY



- Expansion capex was 80% of total capex and was mostly dedicated to the construction of new renewables capacity and transmission lines in Brazil;
- Capex in renewable capacity amounted to 591 million euros in 1H20, of which 64% was applied in North America, 29% in Europe and 7% in Brazil;
- Capex in transmission lines in Brazil is ramping up, with 68 million euros invested in 1H20, as the execution of the capex plan for developing 6 transmission lines is proving ahead of schedule;
- Maintenance capex amounted to 188 million euros in 1H20 and was mostly absorbed by regulated networks in Iberia and Brazil (71% of total).
- During 1H20: (i) closing of last year's asset rotation deal of a 137 MW wind farm in Brazil (254 million euros proceeds), (ii) conclusion of the establishment of the JV with Engie (223 million euros proceeds).

NET DEBT

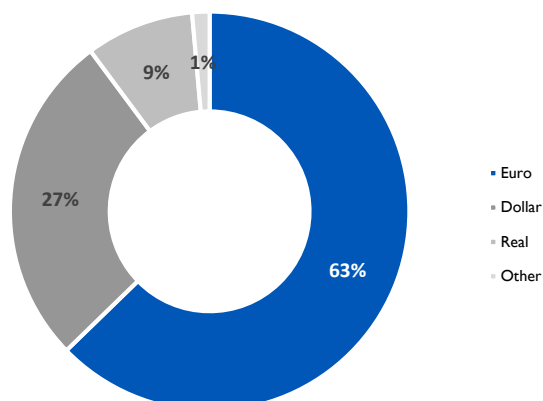


As of June 2020, net debt stood at 14.1 billion euros, 2% higher vs. Dec-19, impacted by the significant scale up of our ongoing investments and the bullet annual dividend payment to EDP shareholders (€0.7 billion). Note that the financial closing of the hydro in Portugal and B2C/CCGTs in Spain deals are expected to occur in 2H20.

Debt Policy

- Centralized policy for financial debt at EDP – Energias de Portugal, S.A. and EDP Finance BV (approximately 87% of gross debt), while the remainder is divided between EDP Brasil (ring fenced vs. the rest of the Group) and project finance at some EDP Renováveis' subsidiaries.
- In 1H20 the average cost of debt stood at 3.3% (-70 basis points vs. 1H19), mainly driven by the proactive debt management over the past quarters and declining interest rates, particularly in Brazil over the past year.
- Fixed interest rate debt represents 63% of overall gross debt.

Gross Debt by Currency in Jun-20 ⁽¹⁾



⁽¹⁾ AFTER FX-DERIVATIVES

Bond Issues

EDP issued one green hybrid bond and one senior green bond during 1H20, as follows:

ISIN CODE	CURRENCY	AMOUNT	COUPON	MATURITY
PTEDPLOM0017	EUR	750,000,000	1.700%	20/07/2080
PTEDPNOM0015	EUR	750,000,000	1.625%	15/04/2027

Additionally, in 1H20, EDP repurchased a 750 million euros hybrid bond with a 5.375% coupon.

Rating

Regarding EDP's rating, during the 1H20, Fitch revised EDP's Outlook to positive.

	LONG-TERM	SHORT-TERM	OUTLOOK
S&P	BBB-	A-3	Stable
Moody's	Baa3	P3	Stable
Fitch	BBB-	F3	Positive

2.1.2. COVID-19 PANDEMIC IMPACT

The COVID-19 pandemic and governmental measures imposed around the world to stymie the spread of the COVID-19 virus have had and are continuing to have a significant impact in the global economy, society and politics. EDP's mission is to lead the energy transition to create superior value, by investing in Renewables generation assets with long term contracted revenues and Distribution assets with regulated revenues. Through these investments EDP is reducing its business risk profile, which combined with the geographic dispersion is reducing its exposure to economic cycles. In 2019, 79% of EDP's EBITDA derived from long term contracted and regulated activities.

In 1H2020, the slowdown in economic activity has caused a decline in demand, power prices and commodity prices (gas, Brent, coal, CO₂), which in the meantime already had some recovery; EDP's prudent approach to hedge volumes in advance, namely in Iberia, has allowed to contain the impacts of the fall in pool prices. Supply business in Iberia was adversely penalized by a 14% decline in B2B energy volume consumption and bad debt recognition (+€13m YoY, at EBITDA level) anticipating an eventual deterioration of bill collections in the remaining 2020 and the maturing of current bills. On the other hand residential consumption increased 1%. In what concerns the distribution business in Iberia impact from lower volumes is negligible. The largest impact from COVID-19 was felt in Brazil, namely via depreciation in exchange rate (-€64m at EBITDA level), energy pool prices (-€58m at EBITDA level) and overcontracting of energy (-€26m at EBITDA level). It is worth noting that impacts stemming from Brazil, at EBITDA level, are mitigated by the below-EBITDA costs and minorities structure. All in all, total impact from COVID-19, in 1H2020, at EBITDA level was -€170m, whereas at Net profit level was much smaller, -€54m.

As a response to fight the economic impact of the COVID-19 pandemic on the economy, both the Federal Reserve, in the US, and the Brazilian Central Bank decided to cut interest rates, such decision is expected to yield a positive effect on EDP's financing costs in USD and BRL denominated debt.

Regarding Capital Expenditures, during 2Q2020 expansion CAPEX was affected most notoriously in Brazil, where construction works in distribution and transmission lines were halted due to concerns over workers' health safety. At EDPR, a few occasional construction restrictions due to COVID, mainly related to the lockdowns and with supply chain disruption, which led to some delays. Notwithstanding, projects' fundamentals were unchanged and expansion CAPEX suspended in the 2Q2020 is expected to catch-up during the following months. Furthermore, regarding projects in the US, on May 27th the Internal Revenue Service gave developers who started construction of wind farms in 2016 or 2017, an extra year to finish the projects and qualify for federal tax credits.

Looking forward, as the lasting effect of the coronavirus outbreak is uncertain, the longer term impact on the global economy, namely lower economic growth or possible recessions, currency depreciation and lower prices for commodities, CO₂ allowances and power markets, and, in turn, EDP's results of operations, cannot be determined.

Given such levels of uncertainty regarding the magnitude, duration of the pandemic and the consequences arising from it, worst case sensitivities were run to explore different breath of outcomes, in tandem with mitigation plans required from operations. Although very extreme scenarios could have a material impact on the company as well as the overall society, as an integrated utility with high exposure to regulated and long-term contracted activities, and considering potential mitigation plans to put in place, current worst-case estimates are not producing significantly different outcomes from base case, in aggregate terms.

EDP's financial results for the six months ended June 30th, 2020 already capture some of the impact of the COVID-19 pandemic on its business and financial results. However, although the severity of the crisis remains uncertain, EDP believes that it is well placed to weather the storm as a result of the Group's business and jurisdictional diversification, the fact that a significant portion of its revenue is either regulated or under long-term contracts and that it has entered into various energy hedges before the start of the crisis, which cover the 2020 period. In particular, for the rest of the year of 2020, in Iberia, hedging considered forward contracts for nearly all of the Group's expected production, with hydro and nuclear production contracted at close to EUR 55/MWh (considered at baseload hourly price and excluding ancillary services and any supply margin) and thermal volumes hedged at middle single digit spread.

Last but not least, EDP believes that the pandemic has reaffirmed the need for a more sustainable economic and social model. On July 21st 2020, the EU approved a €7tn 'EU Green Deal', to be executed over the next 7 years, envisaging areas such as decarbonization of the energy system, energy efficiency, implementation of more eco-friendly means of transportation. In the energy sector, EDP therefore continues to believe that increasing electrification and the acceleration of decarbonization driven by faster renewables growth will likely present new opportunities for the utilities sector, and EDP in particular.

2.2. OPERATIONAL INDICATORS

RENEWABLES	UN	IH20	IH19	IH18	IH17
HYDRO INSTALLED CAPACITY					
Installed Capacity	MW	8,785	8,785	9,035	9,081
Portugal	MW	6,759	6,759	6,862	6,908
Spain	MW	426	426	426	426
Brazil	MW	1,599	1,599	1,747	1,746
Capacity under Construction	MW	-	-	-	-
Portugal	MW	-	-	-	-
EQUITY HYDRO INSTALLED CAPACITY ¹					
Installed Capacity	MW	551	539	539	296
Brazil	MW	551	539	539	296
Capacity under Construction	MW	78	78	78	231
Brazil	MW	-	-	-	231
Peru	MW	78	78	78	-
HYDRO NET ELECTRICITY GENERATION					
Electricity Generation	GWh	11,079	6,803	12,017	6,970
Portugal	GWh	7,558	3,919	7,962	4,458
Spain	GWh	392	417	777	264
Brazil	GWh	3,129	2,467	3,278	2,249
HYDRO TECHNICAL AVAILABILITY					
Portugal	%	95	93	96	95
Spain	%	100	100	100	100
Brazil	%	92	100	92	95

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

RENEWABLES		UN	1H20	1H19	1H18	1H17
WIND AND SOLAR INSTALLED CAPACITY						
Installed Capacity		MW	10,889	11,393	10,713	10,072
Portugal	MW	1,164	1,355	1,253	1,253	
Spain	MW	1,974	2,288	2,244	2,194	
Rest of Europe	MW	1,276	1,721	1,601	1,560	
North America	MW	6,143	5,562	5,284	4,861	
Brazil	MW	331	467	331	204	
Capacity under Construction		MW	2,000	993	1,086	633
Portugal	MW	6	-	102	-	
Spain	MW	28	53	68	-	
Rest of Europe	MW	312	61	100	4	
North America	MW	1,393	879	679	502	
Brazil	MW	260	-	137	127	
Equity Installed Capacity ¹		MW	550	371	331	356
Portugal	MW	-	-	-	-	
Spain	MW	152	152	152	177	
Rest of Europe	MW	-	-	-	-	
North America	MW	398	219	179	179	
Brazil	MW	-	-	-	-	
WIND AND SOLAR NET ELECTRICITY GENERATION		GWh	14,664	16,157	15,451	14,546
Portugal	GWh	1,262	1,635	1,676	1,536	
Spain	GWh	2,102	3,009	2,866	2,665	
Rest of Europe	GWh	1,699	1,967	1,799	1,840	
North America	GWh	9,213	8,849	8,690	8,191	
Brazil	GWh	388	697	420	314	
WIND AND SOLAR TECHNICAL AVAILABILITY			97	97	97	98

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

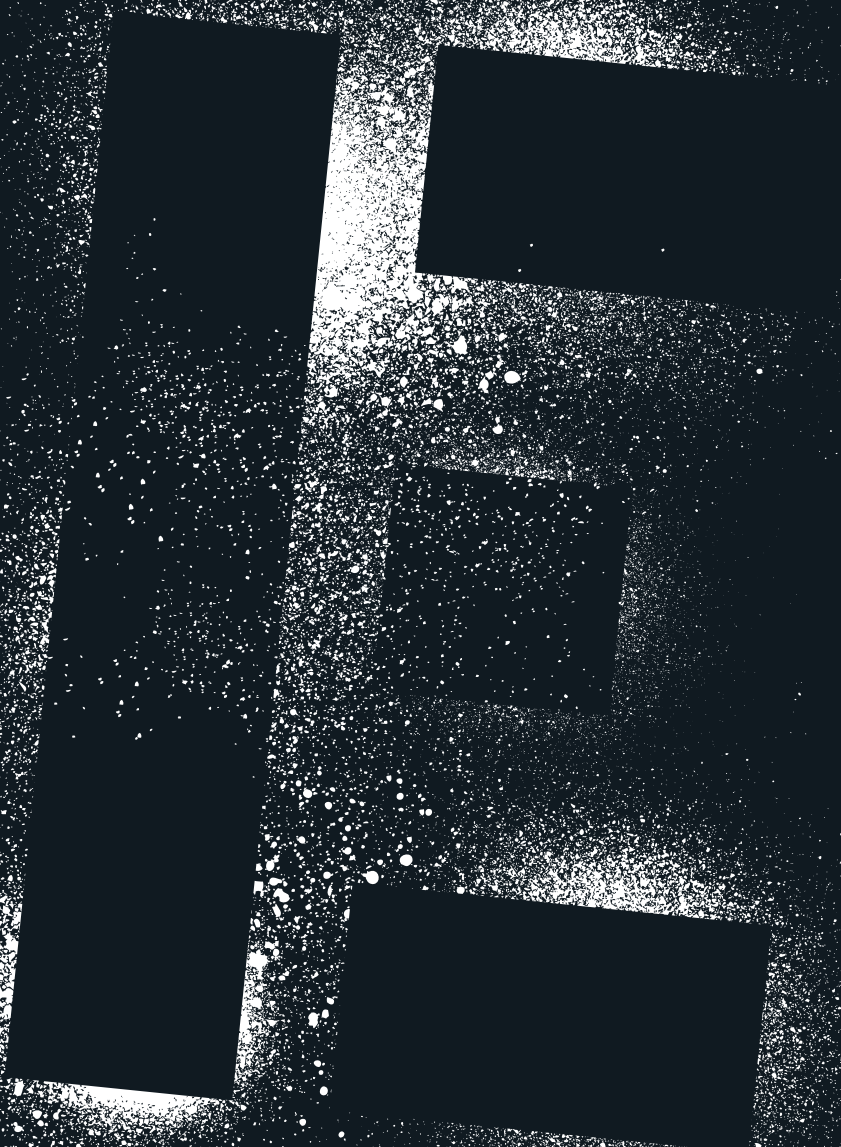
NETWORKS	UN	IH20	IH19	IH18	IH17
DISTRIBUTION					
ELECTRICITY DISTRIBUTED	GWh	37,097	39,837	40,262	39,066
Portugal	GWh	21,477	22,645	23,092	22,094
Spain	GWh	3,752	4,247	4,698	4,633
Brazil	GWh	11,868	12,946	12,472	12,338
ELECTRICITY SUPPLY POINTS	'000	10,508	10,390	10,277	10,177
Portugal	'000	6,300	6,253	6,206	6,168
Spain	'000	669	668	665	662
Brazil	'000	3,538	3,470	3,406	3,347
ELECTRICITY SUPPLIED	GWh	13,332	14,552	8,741	8,864
Portugal	GWh	1,223	1,375	1,523	1,634
Spain	GWh	243	234	229	230
Brazil	GWh	11,866	12,944	6,989	7,001
ELECTRICITY CUSTOMERS	'000	4,770	4,777	4,787	4,863
Portugal	'000	1,001	1,080	1,166	1,295
Spain	'000	232	228	216	222
Brazil	'000	3,537	3,468	3,405	3,346
GRID EXTENSION	Km	343,242	340,165	338,519	337,607
Portugal	Km	228,177	226,633	226,168	225,853
Overhead lines	Km	179,081	177,714	177,399	177,190
Underground lines	Km	49,097	48,919	48,769	48,663
Spain	Km	20,785	20,729	20,649	20,553
Overhead lines	Km	15,739	15,719	15,703	15,679
Underground lines	Km	5,046	5,010	4,947	4,874
Brazil	Km	94,280	92,804	91,702	91,201
Overhead lines	Km	94,014	92,549	91,456	90,958
Underground lines	Km	266	255	246	242
GRID LOSSES					
Portugal	%	9.9	9.9	10.1	11.2
Spain	%	4.0	3.9	3.7	3.8
Brazil	%	8.3	10.0	10.1	10.7
SERVICE QUALITY					
Portugal					
Installed Capacity Equivalent Interruption Time ¹	Min	27	20	29	25
Spain					
Installed Capacity Equivalent Interruption Time ¹	Min	5	8	10	14
Brazil					
Average Interruption Duration per Consumer					
EDP São Paulo	Hours	6.7	8.0	7.6	8.1
EDP Espírito Santo	Hours	8.3	8.4	8.4	8.8
Frequency of Interruptions per Consumer					
EDP São Paulo	#	4.4	4.9	4.9	5.1
EDP Espírito Santo	#	4.4	4.9	5.0	5.2
TRANSMISSION					
GRID EXTENSION	Km	1,441	1,299	1,299	-
Grid extension in Operation	Km	187	113	-	-
Grid extension Under Construction	Km	1,254	1,186	1,299	-

¹ ICEIT in MV grid, excluding extraordinary events

CLIENT SOLUTIONS AND ENERGY MANAGEMENT		UN	1H20	1H19	1H18	1H17
THERMAL INSTALLED CAPACITY						
Installed Capacity		MW	7,077	7,084	7,058	7,065
Portugal	MW	3,229	3,236	3,236	3,236	3,243
CCGT	MW	2,031	2,031	2,031	2,031	2,039
Coal	MW	1,180	1,180	1,180	1,180	1,180
Cogeneration	MW	17	24	24	24	24
Spain	MW	3,128	3,128	3,102	3,102	3,102
CCGT	MW	1,698	1,698	1,698	1,698	1,698
Coal	MW	1,250	1,250	1,224	1,224	1,224
Nuclear	MW	156	156	156	156	156
Cogeneration and Waste	MW	25	25	25	25	25
Brazil	MW	720	720	720	720	720
Coal	MW	720	720	720	720	720
Equity Installed Capacity ¹		MW	10	10	41	41
Portugal	MW	-	-	32	32	32
Spain	MW	10	10	10	10	10
THERMAL NET ELECTRICITY GENERATION						
Net Electricity Generation		GWh	6,250	10,854	10,722	14,105
Portugal	GWh	2,368	5,636	5,037	7,028	7,028
CCGT	GWh	2,272	2,386	1,567	2,308	2,308
Coal	GWh	29	3,155	3,369	4,678	4,678
Cogeneration	GWh	67	95	101	41	41
Spain	GWh	3,406	3,824	3,456	5,029	5,029
CCGT	GWh	1,680	1,333	580	793	793
Coal	GWh	1,175	1,873	2,293	3,619	3,619
Nuclear	GWh	521	552	518	557	557
Cogeneration and Waste	GWh	29	65	64	61	61
Brazil	GWh	476	1,395	2,229	2,048	2,048
Coal	GWh	476	1,395	2,229	2,048	2,048
THERMAL TECHNICAL AVAILABILITY						
Portugal	%	96	92	85	95	95
CCGT	%	98	95	80	95	95
Coal	%	94	87	93	95	95
Cogeneration	%	94	100	100	43	43
Espanha	%	99	96	94	93	93
CCGT	%	100	97	100	99	99
Coal	%	99	96	89	86	86
Nuclear	%	82	84	79	84	84
Cogeneration	%	100	100	100	88	88
Waste	%	84	87	91	96	96
Brazil	%	88	97	98	91	91
Coal	%	88	97	98	91	91

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

CLIENT SOLUTIONS AND ENERGY MANAGEMENT	UN	IH20	IH19	IH18	IH17
ELECTRICITY CUSTOMERS	'000	5,011	5,031	5,056	4,982
Portugal	'000	4,084	4,107	4,130	4,106
Spain	'000	927	923	927	876
Brazil	'000	0.3	0.4	0.3	0.3
Social Tariff	'000	907	825	865	885
Portugal	'000	599	611	637	676
Spain	'000	53	51	71	60
Brazil	'000	255	162	158	150
Special Needs	'000	0.9	0.8	0.6	1.2
Portugal	'000	0.1	0.1	0.0	0.6
Brazil	'000	0.79	0.69	0.61	0.61
Green Tariff	'000	1,038	1,064	1,026	932
Portugal	'000	n.a.	6	3	3
Spain	'000	1,038	1,058	1,023	929
Brazil	'000	n.a.	n.a.	n.a.	n.a.
ELECTRICITY SUPPLIED	GWh	27,912	21,689	23,790	22,989
Portugal	GWh	8,437	8,845	9,265	9,194
Market Share EDP - Liberalised Market	%	n.a.	41	42	44
Spain	GWh	5,180	5,870	6,043	6,846
Market Share EDP - Liberalised Market	%	6	6	7	7
Brazil	GWh	14,295	6,974	8,482	6,949
Liberalised Market	GWh	14,295	6,974	8,482	6,949
Social Tariff	GWh	284	284	326	312
Portugal	GWh	38	92	107	113
Spain	GWh	61	53	65	63
Brazil	GWh	186	139	153	137
Green Tariff	GWh	2,655	5,288	2,773	2,777
Portugal	GWh	n.a.	6	5	5
Spain	GWh	2,507	5,282	2,768	2,772
Brazil	GWh	n.a.	n.a.	n.a.	n.a.
GAS CUSTOMERS	'000	1,593	1,593	1,583	1,541
Portugal	'000	690	697	697	679
Last Resort	'000	36	39	42	47
Liberalised Market	'000	654	657	654	632
Spain	'000	903	897	887	862
Last Resort	'000	54	52	51	53
Liberalised Market	'000	849	845	836	809
GAS SUPPLIED	GWh	9,354	9,386	9,422	9,440
Portugal	GWh	2,125	2,057	2,152	2,185
Last Resort	GWh	109	122	154	159
Liberalised Market	GWh	2,016	1,935	1,999	2,026
Market Share EDP - Liberalised Market	%	n.a.	n.a.	9	9
Spain	GWh	7,229	7,329	7,269	7,256
Last Resort	GWh	136	151	165	153
Liberalised Market	GWh	7,093	7,178	7,104	7,102
Market Share EDP - Liberalised Market	%	3	3	3	4



03

03 CORPORATE GOVERNANCE

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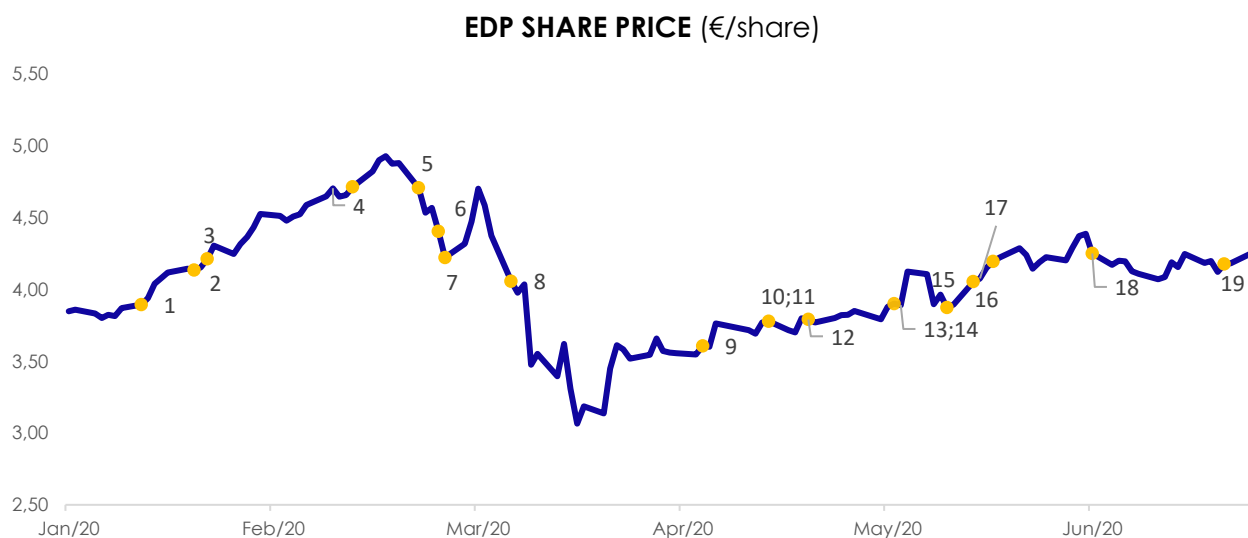


03

CORPORATE GOVERNANCE

A. PERFORMANCE OF EDP ON THE STOCK MARKET

MAIN EVENTS AFFECTING THE EDP SHARE PRICE IN THE FIRST HALF OF 2020



#	Date	Description	Share price
1	13/01/2020	EDP prices €750 million subordinated green notes at 1.70% coupon	3.89
2	21/01/2020	Results of the cash tender offer for outstanding hybrid at 5.375% coupon	4.13
3	23/01/2020	EDP reached an agreement with ENGIE to create a 50:50 JV for Offshore wind	4.21
4	12/02/2020	EDP concludes €0.3 Bn asset rotation deal for Brazilian wind farm	4.65
5	21/02/2020	EDP publishes 2019 financial results	4.88
6	26/02/2020	Announcement and conclusion of Accelerated Bookbuild of CTG	4.57
7	28/02/2020	Fitch affirms EDP at "BBB-" and revises outlook to positive	4.22
8	09/03/2020	EDP sells Portuguese tariff deficit for €0.8 billion	4.06
9	07/04/2020	EDP issues a €750 million 7-year Green Bond at 1.625%	3.61

#	Date	Description	Share price
10	16/04/2020	EDP's Annual General Shareholders' Meeting	3.77
11	16/04/2020	EDP secures a PPA for a solar plant of 200 MW in Mexico	3.77
12	23/04/2020	The Capital Group notifies qualified shareholding in EDP of 2.05%	3.79
13	07/05/2020	EDP publishes 1Q20 financial results	3.89
14	07/05/2020	EDP secures a 100 MW Solar PPA in United States	3.89
15	14/05/2020	Payment of dividends - 2019	3.87
16	18/05/2020	EDP to sell 2 CCGT plants and B2C supply business in Spain for €515 million	4.05
17	19/05/2020	Paul Elliot Singer reduces shareholding in EDP to 1.91%	4.08
18	06/06/2020	Clarification on measures proposed by the Public Prosecutor's Office	4.25
19	25/06/2020	State Street Corporation reduces shareholding in EDP to 1.74%	4.18

B. CORPORATE BODIES

I. CORPORATE GOVERNANCE STRUCTURE

I.1 CORPORATE GOVERNANCE MODEL

EDP's governance structure is a dual model one and consists of the General Meeting, Executive Board of Directors, General and Supervisory Board and the Statutory Auditor.

The separation of management and supervision roles is embodied in an Executive Board of Directors, which is responsible for the management of the Company's business, and a General and Supervisory Board, the highest supervisory body.

The division of competences, inherent to such model, between the Executive Board of Directors and the General and Supervisory Board, has been assuring an effective management of the Company, benefitted by a constant and attentive supervision. Considering this structure, we can say that the dual model of corporate governance in place at EDP since July 2006 has allowed for an effective separation of the Company's supervision and management in pursuit of the goals and interests of EDP and its shareholders, employees and other stakeholders, thereby contributing to achieving the degree of trust and transparency necessary for its adequate functioning and optimization.

Furthermore, this model has proved appropriate to the Company's shareholder structure as it allows supervision by key shareholders on the General and Supervisory Board.

According to Article 11 (2) (b) of the Articles of Association, it is the responsibility of the General Meeting of EDP to elect and dismiss the members of the Executive Board of Directors and the General and Supervisory Board, as well as their Chairmen and Vice-Chairmen, if any, and the Statutory Auditors, based on a proposal by the General and Supervisory Board (or by delegation to the Financial Matters Committee / Audit Committee). The General Meeting also appoints the members of the Environment and Sustainability Board, on proposal of the Executive Board of Directors, and Remuneration Committee of the General Meeting, which is responsible for setting the remuneration of the members of the corporate bodies (except the Executive Board of Directors, whose remuneration is set by the Remuneration Committee appointed by the General and Supervisory Board).

For a better understanding of EDP's corporate governance, EDP's website (www.edp.com) allows shareholders and the general public to view the up-to-date Articles of Association in Portuguese and English, the Internal Regulation of the Executive Board of Directors, General and Supervisory Board and its committees, documents that were modified during 2018 in order to accommodate the principles and recommendations set forth by the Corporate Governance Code issued by the Portuguese Institute for Corporate Governance.

Worth noting also that EDP has since 2010 a Corporate Governance Manual, whose primary objective consists of registering and sharing the provisions of the Executive Board of Directors and of General and Supervisory Board regarding best practices recommendations applicable to EDP on corporate governance. The Manual has a dynamic nature. It should therefore continue to be revised periodically, considering the contributions of all interested parties in the continuous development of EDP's governance model. The Manual for the Corporate Governance of EDP is available to shareholders and general public at its website (www.edp.com).

Considering that good practices of corporate governance are embedded in the Company's organizational culture, EDP sought to go beyond the legal requirements and regulations for this area, particularly concerning information reporting, given EDP's meticulousness and goals regarding the quality of its corporate governance practices. The Corporate Governance Manual therefore sought to serve the following purposes, in order to achieve this basic goal:

- To reflect critically on recommendations on best practices in order to contribute actively in optimizing EDP's practices;
- To select the recommendations deemed most appropriate to EDP's governance model, focusing on measures taken and indicating potential measures for full adoption of good practices;
- To identify recommendations that are not appropriate to EDP's interests and give reasons for this position and indicate other ways of achieving such goals;
- To help targets of the recommendations to reflect on the best governance practices to be followed at EDP;
- To draft a formal document that will help compliance with reporting obligations on corporate governance practices, such as the annual report required by law;
- Describe EDP's governance practices that are not set out in the Corporate Governance Code but achieve the goal shared by the General and Supervisory Board and the Executive Board of Directors to develop and increase the quality of EDP's governance processes.

In what concerns prevention and fighting against harassment at work, and complementing the commitments already taken on by EDP in its Code of Ethics, available at EDP's website (www.edp.com), the Good Conduct Code for the Prevention and Fight Against Harassment at Work entered into force as of 21 November 2017 and it is applicable to all EDP Group's employees. According to this Code, other service providers and suppliers are explicitly required to uphold or adhere to the principles established, in accordance with their obligations under qualification procedures or current contracts.

Additionally, the Integrity Policy approved by the Executive Board of Directors has implemented the mandatory execution to all subsidiary, controlled or affiliated as well as to all employees and business partners of duties which aim to avoid unlawful conducts,

in particular those associated with the practice of corruption acts, money laundering and terrorism financing. EDP Group is committed to promote an exempt, honest, integrated, professional and fair action and requires that its employees and contracted third-parties behave in accordance with such commitment, complying with the legislation and regulation in force. The EDP Group Companies has implemented and has disseminated prevention, detection and control measures towards any form of corruption, prevarication, conduct on conflict of interest, influence peddling, money laundering, terrorism financing and other illegal acts. In this regard, the EDP Group Companies may adopt more demanding additional measures, according to local needs, ensuring at all times the compliance with the local applicable legislation. Additionally, the Compliance Department which independence is guaranteed through the reporting to the Executive Board of Directors and to the Financial Matters Committee / Audit Committee of the General and Supervisory Board of EDP is responsible to annually review this Policy or whenever any relevant legislative change occurs, submitting those amendments to the Executive Board of Directors for approval.

EDP has also structured Compliance mechanisms, allowing it to be aligned with the best market practices and with the legal requirements in terms of Preventing Money Laundering and Fighting the Financing of Terrorism, having a Specific Compliance Program on this matter, as well as regulations and procedures that develop this subject.

EDP intends to keep materializing a pioneer role of excellence in terms of corporate governance best practice promotion, hoping that this initiative may also contribute to an enrichment of the debate on these matters, in a context of the overall organization and functioning of companies, particularly in Portugal.

1.2 INCOMPATIBILITY RULES AND INDEPENDENCE CRITERIA

EDP's Articles of Association (Article 9 (1), Article 10 (1), Article 11 (2) (d), Article 21 (4), Article 22 (1) (a), Article 23 and Article 27) and the Internal Regulation of the General and Supervisory Board (Article 8), both available on its website (www.edp.com), lay down the rules on independence and incompatibilities for members of any of the Company's corporate bodies.

The criteria of independence set out in EDP's Articles of Association are in line with those laid down in Article 414 (5) of the Companies Code and determine that independence means an absence of direct or indirect relations with the Company or one of its bodies and an absence of any circumstances that might affect impartiality of analyses or decisions, e.g. because the people in question own or are acting on behalf of owners of a qualifying shareholding of 2% (two percent) or more of the share capital of EDP or have been re-elected for more than two terms of office continuously or intermittently.

Pursuant to Article 9 (1) of EDP's Articles of Association, independence is "absence of direct or indirect relations with the Company or one of its bodies and an absence of any circumstances that might affect impartiality of analyses or decisions, e.g. because the people in question own or are acting on behalf of owners of a qualifying shareholding of 2% (two percent) or more of the share capital of EDP or have been re-elected for more than two continuous or intermittent mandates".

In view of the need to clarify the aforementioned Article 414 (5) of the Company Code, as there are diverging legal opinions, *Associação de Emitentes de Valores Cotados em Mercado* ("AEM") requested an opinion from the CMVM, whose opinion was that the

capacity as independent is only lost if, “on the basis of the criterion of number of terms of office, in a situation likely to affect his/her impartiality in analyses or decisions if the members of the supervisory bodies of public limited companies, having been elected for a first term of office and re-elected continuously or intermittently for a second and third term, are re-elected (for the third time, therefore) for a fourth term of office.”

Pursuant to its Internal Regulation, the General and Supervisory Board has in place a specific procedure regarding compliance with a large number of rules on incompatibilities and independence applicable to positions on this board (Articles 7 and 8 of the General and Supervisory Board Internal Regulation). This procedure includes the following aspects:

- Acceptance of a position as member of the General and Supervisory Board is subject to a written statement setting out specifically (i) the inexistence of any incompatibility under the law or Articles of Association in the performance of their respective duties; (ii) compliance with the independence requirements set out in its Internal Regulation, if the person has been elected as an independent member; (iii) the members' obligation to report to the Chairman of the General and Supervisory Board or, for the Chairman, directly to the board any subsequent event that might generate incompatibility or loss of independence;
- Every year, the members of the General and Supervisory Board must renew their statements as to the inexistence of incompatibility and, if applicable, the compliance with the independence requirements.

At the same time, the Internal Regulation of the General and Supervisory Board has broadened the independence criteria applicable to its members, going beyond the provisions of Article 414 (5) of the Companies Code and Article 9 of EDP's Articles of Association, and so people who directly or through their spouse or relative or similar in a straight line and to the collateral third degree, inclusive, are in one of the following situations cannot have independent status:

- Being holder, director, having contractual ties or acting on behalf or on the account of owners of a qualifying shareholding of 2% (two percent) or more of the share capital or voting rights in EDP or the same percentage in a company of which it is a subsidiary;
- Being a holder, director, having contractual ties or acting on behalf or on the account of owners of a qualifying shareholding of 2% (two percent) or more of the share capital or voting rights in a company that is a competitor of EDP;
- Having been re-elected for more than two consecutive or non-consecutive terms of office;
- Having exercised for twelve years, on a consecutive or non-consecutive basis, functions in any corporate body of the Company exception made to, from the end of its functions in any body and its new appointment, at least a three-year period has elapsed;
- Having, in the last three years, provided services or had a significant commercial relation with the Company or one of its Subsidiaries;
- Being a remuneration beneficiary paid by the Company or one of its Subsidiaries other than the remuneration deriving from the execution of its functions as a member of the General and Supervisory Board.

The rules of independence covering members of the General and Supervisory Board are particularly important regarding the following requirements:

- The board must consist of a majority of independent members (Article 434 (4) and Article 414 (5) and (6) of the Companies Code and Article 21 (4) of EDP's Articles of Association);
- The Financial Matters Committee/Audit Committee is entirely composed of independent members of the General and Supervisory Board (Article 23 (2) of EDP Articles of Association and Article 3 (1) of the Financial Matters Committee/Audit Committee's Internal Regulation);
- The Remuneration Committee of the General and Supervisory Board must comprise a majority of independent members (Article 27 (1) of the Articles of Association and Article 28 (1) (b) of the General and Supervisory Board's Internal Regulation).

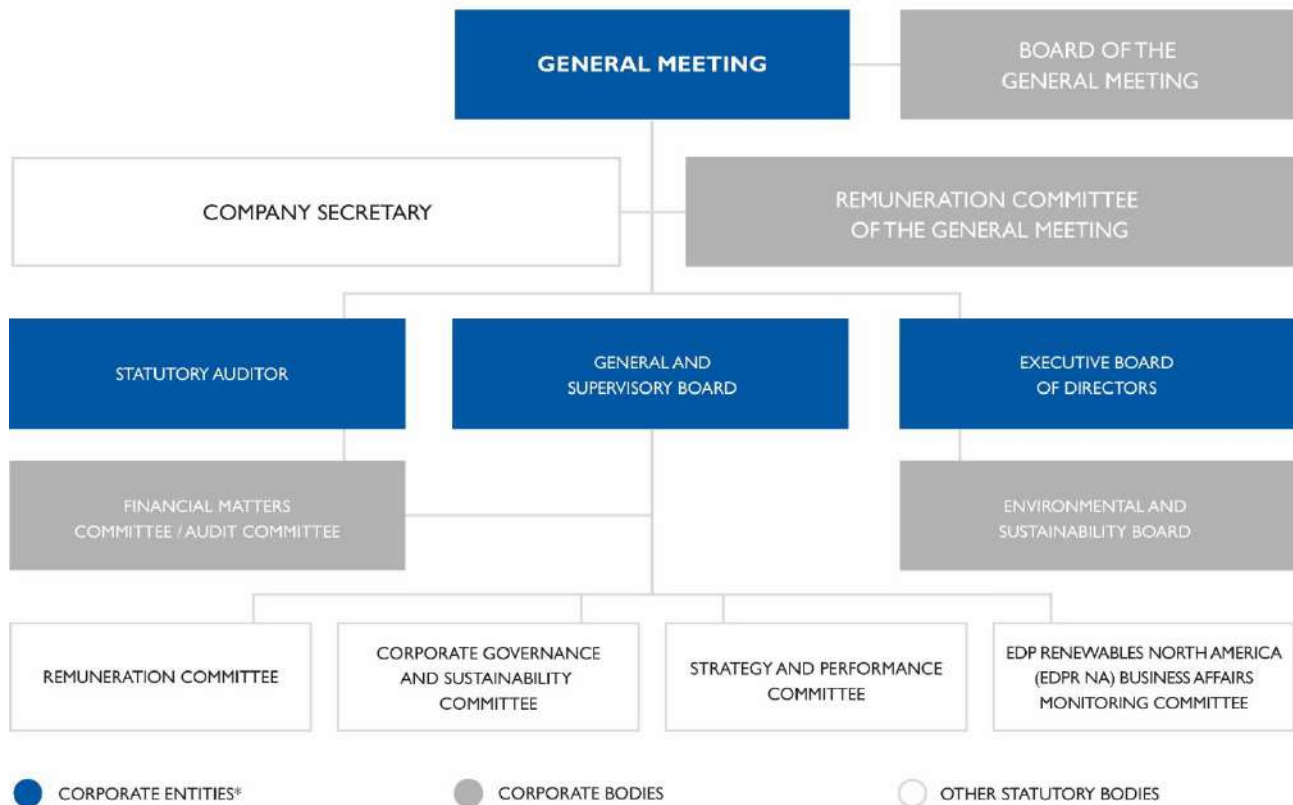
In compliance with the above procedure, at the start of their terms of office, the members of the General and Supervisory Board stated that they were not in any of the situations of incompatibility set out in the Companies Code (Article 414-A (1) (a) to (e), (g) and (h) (ex vi Article 434 (4)) and Article 437 (1)) or under Article 9 (1), Article 10 (1), Article 11 (2) (d) and Article 21 (4) of the Articles of Association and, where applicable, that they complied with the independence requirements of the Internal Regulation of the General and Supervisory Board. Of the incompatibility situations for the exercise of the role of member of the General and Supervisory Board, pursuant to the Article 414-A of the Companies' Code, it is considered the exercise of functions of administration or supervisory in five companies. Therefore, one may not be elected or designated a member of the General and Supervisory Board if holds office of administrator or supervisor in five companies.

At the end of 2019, the members of the General and Supervisory Board renewed their statements on incompatibilities and independence.

The above statements are available to the public on EDP's website, at www.edp.com.

The independent members of the General and Supervisory Board are shown in the chart in item 2.1.2 above.

II. ORGANIC CORPORATE STRUCTURE



*CORPORATE ENTITIES ARE ALSO CORPORATE BODIES, PURSUING THE ARTICLE 8 OF EDP'S ARTICLES ASSOCIATION.

2.1. CORPORATE BODIES

Pursuant to Article 8 of EDP's Articles of Association, the corporate bodies of the company are:

- a) the General Shareholders' Meeting;
- b) the Executive Board of Directors;
- c) the General and Supervisory Board;
- d) the Statutory Auditor.

The company has also the following statutory bodies: Board of the General Meeting, the Environment and Sustainability Board, the Remuneration Committee, the Remuneration Committee of the General Meeting and the Financial Matters Committee/Audit Committee.

The shareholders elected, at the General Meeting of 5 April 2018, the members of Corporate Bodies for the three-year 2018 - 2020 term of office. The term of office of the members of the corporate bodies therefore ends on 31 December 2020, though they may remain in office until a new appointment.

2.1.1 GENERAL MEETING

Pursuant to Article 12 of EDP's Articles of Association, the members of the Board of the General Meeting are composed by a Chairman, a Vice-Chairman and the Company Secretary, who is appointed by the Executive Board of Directors.

During the first half of 2020, the Board of the General Meeting was composed as follows:

BOARD OF THE GENERAL MEETING	
CHAIRMAN	LUÍS MARIA VIANA PALHA DA SILVA
Vice Chairman	Rui Pedro Costa Melo Medeiros
Company Secretary	Ana Rita Pontífice Ferreira de Almeida Côrte-Real ⁽¹⁾

⁽¹⁾ Appointed by the Executive Board of Directors on 5 April 2018 for the position of Company Secretary, having also been appointed, on such date, Joana Gomes da Costa Monteiro Dinis, for the position of alternate company secretary

The Chairman of the General Meeting is automatically a member of the General and Supervisory Board, pursuant to Article 21 (2) of EDP's Articles of Association.

The Chairman of the General Meeting has the in-house human and logistic resources appropriate to his/her needs, including the support of the General Secretariat, the Legal Department, the Investor Relations Department and the Brand, Marketing and Communication Global Coordination Department, plus external support from a specialised entity hired by EDP to collect, process and count the votes. The logistic and administrative resources for the General Meeting are provided by the Company and the organisation is supervised by the Chairman of the Board of the General Meeting.

2.1.2 GENERAL AND SUPERVISORY BOARD

In the exercise of its duties – see Article 441 of the Companies Code and Article 22 of EDP's Articles of Association – the main mission of the General and Supervisory Board is to constantly advise, monitor and supervise the management activities of EDP, cooperating with the Executive Board of Directors and the various other corporate bodies in the pursuit of the Company's interests, pursuant to the Companies Code and the Company's Articles of Association, being its members elected by the shareholders at the General Shareholders' Meeting.

According to Article 21 (1) of the Articles of Association, the General and Supervisory Board consists of no fewer than nine effective members, but always more than the number of members of the Executive Board of Directors. The majority of the elected members of the General and Supervisory Board must be independent, pursuant to Article 21 (4) of the Articles of Association.

Pursuant to Article 22 of the Articles of Association, the General and Supervisory Board is especially responsible for:

- Permanently monitor the management of EDP and its subsidiaries and provide management advice and assistance to the Executive Board of Directors, particularly with regard to strategy, goals and compliance with the law;
- Issue opinions on the annual report and accounts;
- Permanently oversee the work of the Statutory Auditor and External Auditor and, with regard to the former, issue an opinion on their election or appointment, dismissal, independent status and other relations with the Company;
- Oversee, on a permanent basis, and evaluate internal accounting and auditing procedures, the efficacy of the risk management system, internal control system and internal auditing system, including the way in which complaints and queries are received and processed, whether originating from employees or not;
- Propose to the General Meeting the removal from office of any member of the Executive Board of Directors;
- Monitor the definition of criteria and responsibilities required or appropriate for the structures and internal bodies of the Company or Group and their impact and draft follow-up plans;
- Provide for the replacement of members of the Executive Board of Directors in the event of permanent or temporary absence, as required by law;
- Issue an opinion on their annual vote of confidence in the directors set out in Article 455 of the Company Code, on its own initiative or when requested to do so by the CEO;
- Monitor and assess matters of corporate governance, sustainability, internal codes of ethics and conduct and compliance with these codes and systems for appraising and resolving conflicts of interest, including those associated with the Company's relations with its shareholders, and issue opinions on these matters;
- Obtain the financial or other resources that it reasonably deems necessary for its work and ask the Executive Board of Directors to take any measures or make any corrections that it considers pertinent, with the power to hire independent consultants, if necessary;
- Receive regular information from the Executive Board of Directors on significant business relations between the Company or its subsidiaries and shareholders with a qualifying holding and persons related to them;
- Appoint the Remuneration Committee and the Financial Matters Committee/Audit Committee;
- Represent the Company in its relations with the directors;
- Supervise the work of the Executive Board of Directors;
- Oversee compliance with the law and Articles of Association;
- Select and replace the Company's External Auditor, giving the Executive Board of Directors instructions for engagement or dismissal;
- Monitoring the bookkeeping, accounts and supporting documents and the status of any assets or securities held by the Company, as and when it deems appropriate;
- Supervise the preparation and disclosure of financial information;

- Call the General Meeting when it deems appropriate;
- Approve its Internal Regulation, which includes rules on relations with the other corporate bodies;
- Exercise any other powers that may be granted by law, the Articles of Association or by the General Meeting.

Under the corporate governance model in place at EDP, the General and Supervisory Board also has a power of particular importance. Although it does not have management powers, pursuant to Article 442 (1) of the Company Code, Article 17 (2) of the Articles of Association lays down that the approval of EDP's strategic plan and performance of the operations indicated below by EDP or its subsidiaries are subject to a prior favourable opinion from this board (see also Article 15 of the Internal Regulation of the General and Supervisory Board):

- Acquisitions and sales of assets, rights or shareholdings of significant economic value;
- Financing operations of significant value;
- Opening and closure of establishments, or important parts thereof, and substantial extensions or limitations of Company activity;
- Other transactions or operations of significant economic or strategic value;
- Formation or termination of strategic partnerships or other forms of lasting cooperation;
- Plans for splits, mergers or conversions;
- Amendments to the Articles of Association, including changes of registered office and share capital increases when on the Executive Board of Directors' initiative;

The Chairman of the General and Supervisory Board is granted particular powers, and, pursuant to Article 5 of the General and Supervisory Board Internal Regulation, is responsible for:

- Convening and presiding over meetings of the General and Supervisory Board;
- Representing the General and Supervisory Board institutionally;
- Coordinating the work of the General and Supervisory Board and ensuring the correct operation of its committees, being entitled to attend any meeting and being kept informed of their activities;
- Proposing to the plenary General and Supervisory Board the members, the Chairman and, when appropriate, the Vice-Chairman of each committee;
- Ensuring that the members of the General and Supervisory Board punctually receive the information they need for their duties;
- Requesting from the Executive Board of Directors relevant information for the General and Supervisory Board and its committees to perform their duties and ensuring that the members of the General and Supervisory Board receive it in good time;
- Taking the necessary measures to ensure that the General and Supervisory Board adequately monitors the activity of EDP and the Executive Board of Directors in particular;
- Monitoring implementation of the General and Supervisory Board's budget and managing the material and human resources assigned to it;
- Ensuring correct implementation of General and Supervisory Board decisions.

The Chairman of the General and Supervisory Board or, in his/her absence or incapacity, a member selected by the board for that purpose, may attend meetings of the Executive Board of Directors whenever s/he sees fit and take part in the discussion of matters to be submitted to the General and Supervisory Board, without having any voting rights pursuant to Article 21 (10) of EDP's Articles of Association.

The members of the Financial Matters Committee/Audit Committee have a duty to attend the meetings of the Executive Board of Directors when the accounts are appraised (see Article 10 of Internal Regulation of the Financial Matters Committee/Audit Committee).

During the first half of 2020, the General and Supervisory Board was composed as follows:

GENERAL AND SUPERVISORY BOARD		INDEPENDENT MEMBERS	FIRST APPOINTMENT DATE
CHAIRMAN	LUÍS FILIPE MARQUES AMADO	INDEPENDENT	21/04/2015
Vice-Chairman	China Three Gorges Corporation represented by Dingming Zhang		20/02/2012
	China Three Gorges International Corp. represented by Shengliang Wu		05/04/2018
	China Three Gorges (Europe), S.A. represented by Ignacio Herrero Ruiz		20/02/2012
	China Three Gorges Brasil Energia Ltda. represented by Li Li		05/04/2018
	China Three Gorges (Portugal), Sociedade Unipessoal, Lda. represented by Eduardo de Almeida Catroga		21/04/2015
	DRAURSA, S.A. represented by Felipe Fernández Fernández		21/04/2015
	Fernando Maria Masaveu Herrero		20/02/2012
	Senfora BV represented by Mohammed Issa Khalfan Alhuraimel Alshamsi		21/04/2015
	Banco Comercial Português, S.A. represented by Nuno Manuel da Silva Amado		21/04/2015
	Société National pour la Recherche, la Production, le Transport, la Transformation et la Commercialisation des Hydrocarbures (Sonatrach) represented by Karim Djebbour		12/04/2007
	Maria Celeste Ferreira Lopes Cardona	Independent	20/02/2012
	Ilídio da Costa Leite de Pinho	Independent	20/02/2012
	Jorge Avelino Braga de Macedo	Independent	20/02/2012
	Vasco Joaquim Rocha Vieira	Independent	20/02/2012
	Augusto Carlos Serra Ventura Mateus	Independent	06/05/2013
	João Carvalho das Neves	Independent	21/04/2015
	María del Carmen Fernández Rozado	Independent	21/04/2015
	Laurie Lee Fitch	Independent	05/04/2018
	Clementina Maria Dâmaso de Jesus Silva Barroso	Independent	05/04/2018
	Luís Maria Viana Palha da Silva	Independent	24/04/2019

The representatives of the companies China Three Gorges Corporation and China Three Gorges International Corp. initiated their term of office on 11 May 2012, following the entry into force of the Strategic Partnership Agreement concluded on 30 December 2011.

The representative of the member China Three Gorges Brasil Energia Ltda. Yinsheng Li has tendered his resignation to the function on 24 December 2019, having the member, on such date, appointed Li Li as its representative in the General and Supervisory Board, to exercise in her own name.

Ordinary meetings of the General and Supervisory Board are held at least once every quarter and extraordinary meetings take place whenever convened by the Chairman, on his/her own initiative or at the request of any of its members, the Executive Board of Directors or its Chairman, pursuant to Article 24 (1) of the Articles of Association and Article 20 (1) of the Internal Regulations of the General and Supervisory Board.

The General and Supervisory Board met eight times in the first half of 2020 and the minutes of such meetings were drawn up.

2.1.3 EXECUTIVE BOARD OF DIRECTORS

The Executive Board of Directors is responsible for managing the Company's activities and representing the Company, pursuant to Article 431 of the Companies Code and Article 17 of the Articles of Association and was elected by the shareholders at a General Meeting.

The Executive Board of Directors is a collegial body. No director is allowed to represent more than one other director at each meeting.

The powers of the Executive Board of Directors, in accordance with the Article 17 (1) of the Articles of Association, include:

- Setting the goals and management policies of EDP and the EDP Group;
- Drawing up the annual business and financial plans;
- Managing corporate business and undertaking all actions and operations associated with the corporate object that do not fall within the responsibilities of other company bodies;
- Representing the Company in and out of court, actively and passively, with the power to waive, transact and admit guilt in any legal proceedings and make arbitration agreements;
- Buying, selling or by any other means disposing or encumbering rights or immovable assets;
- Setting up companies and subscribing, purchasing, encumbering and selling shareholdings;
- Deciding on the issue of bonds and other securities in accordance with the law and the Articles of Association, in compliance with the annual quantitative limits set by the General and Supervisory Board;
- Establishing the technical and administrative organization of EDP and the Internal Regulation, particularly in relation to personnel and their remuneration;
- Appointing proxies with such powers as it sees fit, including the power to delegate;
- Appointing the Company Secretary and alternate;
- Hiring and dismissing the external auditor on recommendation of the General and Supervisory Board;
- Exercising any other powers that may be granted to it by law or by the General Meeting;
- Establish its own regulations that establish the rules of its internal functioning

Proposals to amend EDP's Articles of Association, including the change of registered office and share capital increases submitted by the Executive Board of Directors require a favourable prior opinion from the General and Supervisory Board, pursuant to Article 17 (2) (g) of the Articles of Association.

The Chairman of the Executive Board of Directors sends the Chairman of the General and Supervisory Board the notices of meetings, support documents and minutes of the meetings and, on request, provides appropriate, timely information, which is accessible to all the members of the General and Supervisory Board.

When so requested by other members of the corporate bodies, the Executive Board of Directors also provides all the required information in a timely and appropriate fashion. There is an information sharing portal for the Executive Board of Directors and General and Supervisory Board, which is accessible to all their members.

The Chairman of the Executive Board of Directors is granted particular powers by Article 18 of the Articles of Association. These powers are:

- Representing the Executive Board of Directors;
- Coordinating the work of the Executive Board of Directors and convening and presiding over its meetings;
- Ensuring proper execution of the decisions of the Executive Board of Directors.

The Chairman of the Executive Board of Directors is entitled to attend the meetings of the General and Supervisory Board, whenever considered appropriate, except when these concern decisions on the supervision of the work of the Executive Board of Directors and, in general, any situations that may involve a conflict of interest, pursuant to Article 18 (2) of the Articles of Association.

In the Executive Board of Directors there is a functional division of management areas to each of its members. The college of directors is responsible for making decisions on all matters within its remit. Delegated powers are not granted to directors individually, because of the board's particular nature.

The activity and performance of the Executive Board of Directors are assessed continuously and independently by the General and Supervisory Board on an annual basis.

According to Article 16 (2) of the Articles of Association, there must be a minimum of five and a maximum of nine members of the Executive Board of Directors, as the amendment to the Articles of Association approved at the General Meeting held on 5 April 2018 that increases the maximum number of this board members from eight to nine.

The members of the Executive Board of Directors may not carry out executive functions in more than two companies outside of the EDP Group, and such exercise of that duties shall be subject to a prior appraisal by the Executive Board of Directors, pursuant to Article 6 of its Internal Regulation.

At that General Meeting of Shareholders held on 5 April 2018 the members of the Executive Board of Directors were elected for a three-year period regarding the 2018 - 2020 term of office. The term of office of the members of this corporate body therefore ends on 31 December 2020, though they may remain in office until a new appointment.

The Executive Board of Directors has the following composition:

EXECUTIVE BOARD OF DIRECTORS		FIRST APPOINTMENT DATE
CHAIRMAN	ANTÓNIO LUÍS GUERRA NUNES MEXIA ⁽¹⁾	30/03/2006
	João Manuel Manso Neto ⁽²⁾	30/03/2006
	António Fernando Melo Martins da Costa	30/03/2006
	João Manuel Veríssimo Marques da Cruz	20/02/2012
	Miguel Stilwell de Andrade ⁽³⁾	20/02/2012
	Miguel Nuno Simões Nunes Ferreira Setas	21/04/2015
	Rui Manuel Rodrigues Lopes Teixeira	21/04/2015
	Maria Teresa Isabel Pereira	05/04/2018
	Vera de Moraes Pinto Pereira Carneiro	05/04/2018

Members elected at the General Meeting of March 30, 2006 to hold office from June 30, 2006, date of entry into force of new Articles of Association of the Company and the two-tier corporate governance model

⁽¹⁾ On 6 July 2020, in the context of the judicial procedure investigating the early termination of Power Purchase Agreements regime and transition to the Costs of Maintenance for Contractual Balance regime, and also of the extension of the hydro public domain right of use Mr. António Luís Guerra Nunes Mexia was suspended from his executive functions. The procedure continues in the inquiry phase.

⁽²⁾ On 6 July 2020, in the context of the judicial procedure investigating the early termination of Power Purchase Agreements regime and transition to the Costs of Maintenance for Contractual Balance regime, and also of the extension of the hydro public domain right of use Mr. João Manuel Manso Neto was suspended from his executive functions. The procedure continues in the inquiry phase.

⁽³⁾ Appointed Interim Chairman of the Executive Board of Directors, on 6 July 2020, following the suspension of Mr. António Mexia.

During the first semester of 2020, the Executive Board of Directors held thirty-seven meeting and the minutes of such meetings were drawn up.

On 30 June 2020, the Corporate Departments and Business Units assigned to the members of the Executive Board of Directors were the following:

EXECUTIVE BOARD OF DIRECTORS

ANTÓNIO MEXIA

CORPORATE DEPARTMENTS

CORPORATE GOVERNANCE SUPPORT AREA

- Office of the Chairman of the Executive Board of Directors
- Internal Audit Department

STRATEGIC AREA

- Business Analysis Department

RESOURCES AREA

- PEX - People Experience Unit
- T&T - Transformation and Talent Unit
- EDP University

BRAND AND COMMUNICATION AREA

- Brand, Marketing and Communication Coordination Department
- Institutional Relations and Stakeholders Department

BUSINESS UNITS

CORPORATE SUPPORT

- EDP – Sucursal en España

BUSINESS

- EDP Inovação

JOÃO MANSO
NETOANTÓNIO MARTINS
DA COSTAJOÃO MARQUES
DA CRUZMIGUEL STILWELL
DE ANDRADE

STRATEGIC AREA

- Energy Planning Department
- Markets and Regulation Department
- Studies and Competition Department

CORPORATE GOVERNANCE SUPPORT AREA

- Office of the Ethics Ombudsman

STRATEGIC AREA

- Risk Management Department
- Sustainability Department

RESOURCES AREA

- Digital Global Unit

STRATEGIC AREA

- Business Analysis Department

FINANCIAL AREA

- Financial Management Area
- Consolidation, IFRS Reporting Global Coordination Department
- Management Planning and Control Department
- Investor Relations Department

BUSINESS

- UNGE – Energy Management Business Unit
- EDP Renováveis (and respective subsidiaries)

BUSINESS

- EDP Distribuição
- EDP Internacional (and respective subsidiaries)
- Labeltec
- EDP International Investment and Services SL

SHARED SERVICES

- Energia Re
- EDP Finance BV

MIGUEL
SETASRUI
TEIXEIRAMARIA TERESA
PEREIRAVERA PINTO
PEREIRA

RESOURCES AREA

- PEX - People Experience Unit
- T&T - Transformation and Talent Unit
- EDP University

CORPORATE GOVERNANCE
SUPPORT AREA

- General Secretariat
- Legal Office Department
- Internal Audit Department
- Compliance Department

BUSINESS

- EDP Brasil (and respective subsidiaries)

SHARED SERVICES

- Sâvida

BUSINESS

- EDP Produção (and respective subsidiaries)
- EDP España (and electricity sector subsidiaries)

SHARED SERVICES

- EDP Global Solutions
- EDP Real Estate GS
- EDP - Estudos e Consultoria

BUSINESS

- EDP Comercial
- EDP Serviço Universal
- EDP Gás Serviço Universal

SHARED SERVICES

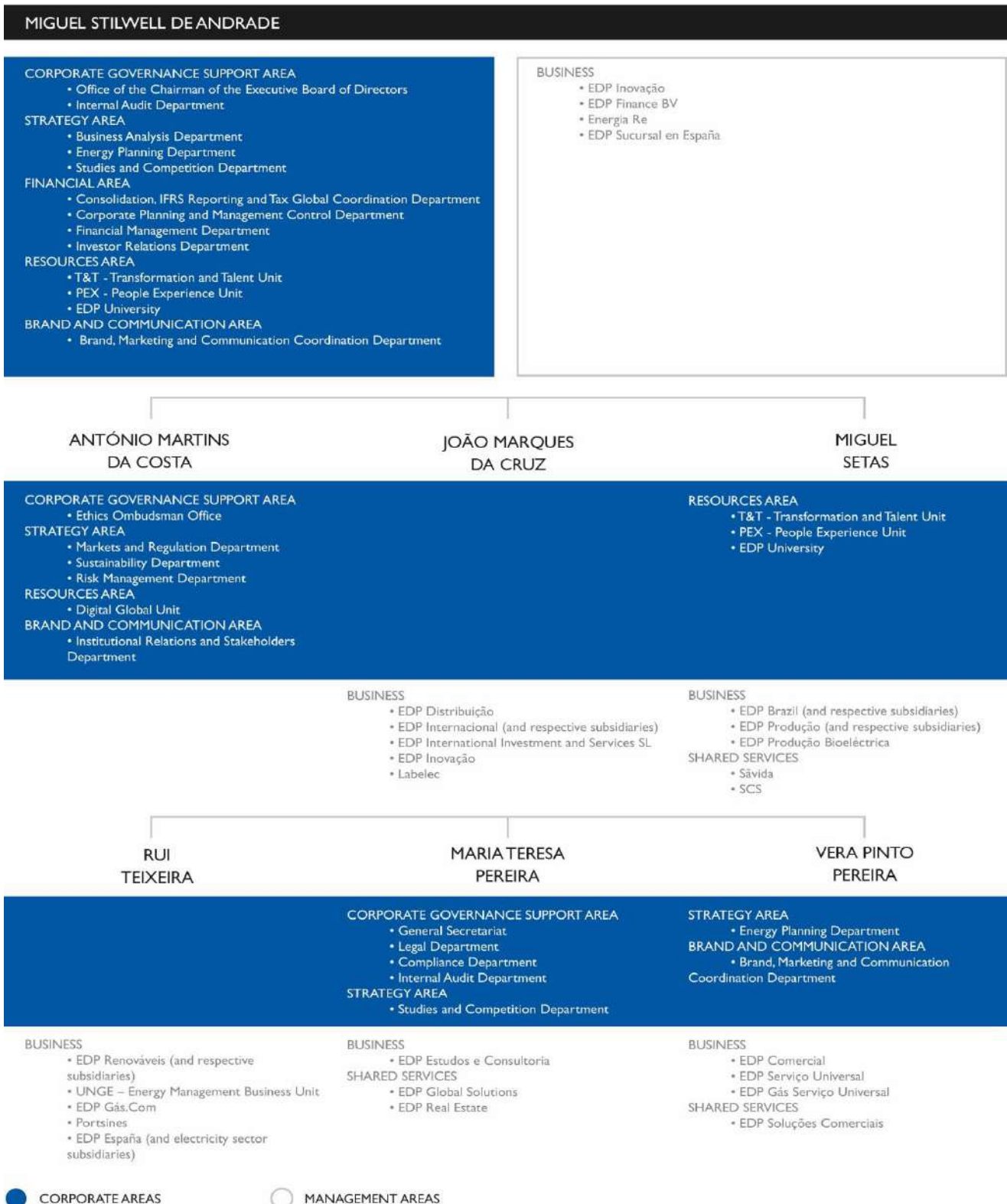
- EDP Soluções Comerciais

CORPORATE AREAS

MANAGEMENT AREAS

Since 7 July 2020, the Corporate Departments and Business Units assigned to the members of the Executive Board of Directors is the following:

EXECUTIVE BOARD OF DIRECTORS



2.1.4 STATUTORY AUDITOR

The Statutory Auditor is the company body responsible for the examination of the accounting documents. It is elected by the General Meeting for three-year terms, pursuant to Article 25 of EDP's Articles of Association and Article 446 of the Companies Code.

According to the Companies Code and the Company's Articles of Association, the Statutory Auditor is responsible for checking (see Article 446 (3) of the Companies Code):

- The regularity of the Company's books, accounting records and their supporting documents;
- The cash and all assets or securities belonging to the Company or received by it as guarantees, deposits or for any other purpose, whenever and however it sees fit;
- The accuracy of the accounting documents;
- Whether the Company's accounting policies and valuation criteria result in an accurate assessment of its assets and results.

At the Annual General Meeting on 5 April 2018, PriceWaterhouseCoopers & Associados - Sociedade de Revisores de Contas, Lda., statutory auditor company number 183, represented by João Rui Fernandes Ramos (auditor number 1333) was elected for the 2018-2020 triennium, having on such date Aurélio Adriano Rangel Amado (auditor number 1074) been elected as Alternate of Statutory Auditor, for the same period.

STATUTORY AUDITOR	
EFFECTIVE	PRICEWATERHOUSECOOPERS & ASSOCIADOS, SOCIEDADE DE REVISORES DE CONTAS, LDA., REPRESENTED BY JOÃO FERNANDES RAMOS, ROC
ALTERNATE	Aurélio Adriano Rangel Amado, ROC

2.2. OTHER CORPORATE BODIES

2.2.1 ENVIRONMENT AND SUSTAINABILITY BOARD

The Environment Board was set up as a company body in 1991. Its name was changed to Environment and Sustainability Board by decision of the Annual General Meeting of 30 March 2006.

As a corporate body, the Environment and Sustainability Board has powers to advise the Executive Board of Directors on environment and sustainability matters. In particular, it provides advice and support in defining the Company's environmental and sustainability strategy and drafting opinions and recommendations on the environmental impact of projects planned by the EDP Group (Article 28 (1) of EDP's Articles of Association).

The members Environment and Sustainability Board, pursuant to Article 28 (2) of EDP's Articles of Association, have acknowledged competence in the field of environmental protection and sustainability.

The members of the Environment and Sustainability Board elected at the Annual General Meeting, on 5 April 2018, for a three-year period regarding the 2018 - 2020 triennium.

The Environment and Sustainability Board has the following composition:

ENVIRONMENTAL AND SUSTAINABILITY BOARD	
CHAIRMAN	JOSÉ MANUEL VIEGAS
	António José Tomás Gomes de Pinho
	Joana Pinto Balsemão
	Joaquim Poças Martins
	Pedro Oliveira

During the first half of 2020, the Environment and Sustainability Board held one meeting and the minutes of such meeting was drawn up.

2.2.2 REMUNERATION COMMITTEE OF THE GENERAL MEETING

The remuneration of the corporate bodies, with the exception of the members of the Executive Board of Directors, is defined by the Remuneration Committee elected by the General Meeting (Article 11 (2) (d) of EDP's Articles of Association).

Pursuant to this Article, the majority of the members of the Remuneration Committee of the General Meeting must be independent.

The Remunerations Committee of the General Meeting members were reappointed on the Annual General Shareholders' Meeting of 5 April 2018 for the 2018-2020 triennium.

The Remunerations Committee of the General Meeting has the following composition:

REMUNERATION COMMITTEE OF THE GENERAL MEETING	
CHAIRMAN	LUÍS MIGUEL NOGUEIRA FREIRE CORTES MARTINS
	José Gonçalo Maury
	Jaime Amaral Anahory

2.2.3 SPECIALISED COMMITTEES OF THE GENERAL AND SUPERVISORY BOARD

The Internal Regulation of the General and Supervisory Board as well as the provisions of the law and of the Articles of Association regarding the Financial Matters Committee/Audit Committee provide for the establishment of standing committees and ad hoc committees, composed of some of its members, without prejudice to its responsibility for the exercise of its duties as a corporate body. These committees may be set up whenever it sees fit and appropriate and have specific duties delegated to them. It should be noted that, in the case of the Financial Matters Committee / Audit Committee, the respective existence derives from the law, taking into account the governance model in force at EDP.

The main remit of the standing and ad hoc committees is specific, continuous monitoring of the matters entrusted to them, in order to ensure informed decisions by the General and Supervisory Board or provide it with information on certain matters.

The committees' activity is coordinated by the Chairman of the General and Supervisory Board, who ensures proper articulation of the committees with the plenary board through their Chairman, who keep him informed by sending notices and minutes of the meetings.

The General and Supervisory Board believes that the committees are important to the regular functioning of the Company as they can perform certain delegated duties, especially monitoring the Company's financial information, reflecting on its governance system, assessing the performance of directors and evaluating its own overall performance.

The General and Supervisory Board holds five specialized committees: Financial Matters Committee/Audit Committee, Remuneration Committee, Corporate Governance and Sustainability Committee, Strategy and Performance Committee and EDP Renewables North America Business Affairs Monitoring Committee.

FINANCIAL MATTERS COMMITTEE / AUDIT COMMITTEE

In accordance with Articles of Association and the Internal Regulation of the Financial Matters Committee/Audit Committee and under the applicable law, are assigned to this Committee, by delegation from the General and Supervisory Board, the following powers:

- Financial matters and financial practices relating to the Company;
- The internal procedures for auditing and the Internal Financial Reporting Control System (SCIRF);
- Matters relating to the internal risk management;
- The activity and the independence of the Statutory Auditor of the Company;
- Function of compliance.

The membership, role and functioning of the Financial Matters Committee/Audit Committee are in line with the European Commission Recommendation of 15 February 2005 (2005/162/EC), supplemented by the European Commission Recommendation of 30 April 2009 (2009/385/EC) as well as the recommendations provided for by the Corporate Governance Code of the Portuguese Institute for Corporate Governance.

The Financial Matters Committee/Audit Committee is made up of five independent members with the appropriate qualifications and experience, including at least one member with a degree in the area of the committee's duties and specific knowledge of auditing and accounting, as confirmed by the Curriculum Vitae of Vice-Chairman, which is available on EDP's website (www.edp.com).

The Financial Matters Committee / Audit Committee has the following composition:

FINANCIAL MATTERS COMMITTEE / AUDIT COMMITTEE		FIRST APPOINTMENT DATE
CHAIRMAN	LUÍS FILIPE MARQUES AMADO	06/04/2018
Vice-Chairman	João Carlos Carvalho das Neves	22/04/2015
	Clementina Maria Dâmaso de Jesus da Silva Barroso	06/04/2018
	Maria Celeste Ferreira Lopes Cardona	18/04/2012
	María del Carmen Ana Fernández Rozado	22/04/2015

During the first half of 2020, the Financial Matters Committee / Audit Committee held seven meetings and the minutes of such meetings were drawn up.

REMUNERATION COMMITTEE OF THE GENERAL AND SUPERVISORY BOARD

The Remuneration Committee appointed by the General and Supervisory Board, pursuant to Article 27 of EDP's Articles of Association, defines the remuneration of the Executive Board of Directors as well as any supplements.

This Committee has a main mission:

- To define the policy and corporate objectives regarding the Chairman and Members of the Executive Board of Directors remuneration determination;
- Set the Chairman of the Executive Board of Directors and Directors' remuneration;
- Monitor and assess the performance of the Chairman of the Board of Directors and directors for purposes of determining variable remuneration;
- Monitor the dissemination of external information on remuneration and the Executive Board of Directors remuneration policy.

According to the Articles of Association, the Remuneration Committee of the General and Supervisory Board must submit to the General Meeting a declaration on the remuneration policy followed for the members of the Executive Board of Directors and which it has approved by it.

The Remuneration Committee of the General and Supervisory Board has the following composition:

REMUNERATION COMMITTEE OF THE GENERAL AND SUPERVISORY BOARD		FIRST APPOINTMENT DATE
CHAIRMAN	SHENGLIANG WU	13/12/2018
	Fernando Maria Masaveo Herrero	22/04/2015
	Ilídio da Costa Leite de Pinho	22/05/2012
	João Carlos Carvalho das Neves	22/04/2015
	Vasco Joaquim Rocha Vieira	22/04/2015

During the first half of 2020, the Remuneration Committee of the General and Supervisory Board held two meetings and the minutes of such meetings were drawn up.

CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE

The Corporate Governance and Sustainability Committee is a specialized committee of the General and Supervisory Board. Its purpose is to permanently monitor and supervise all matters related with the following:

- Corporate governance;
- Strategic sustainability;
- Internal codes of ethics and conduct;
- Systems for assessing and resolving conflicts of interests, in particular pertaining to relations between EDP and its shareholders;
- Internal proceedings and relationship between the Company and subsidiary or Group companies and their employees, clients, providers and remaining stakeholders.

The Corporate Governance and Sustainability Committee is made up of members of the General and Supervisory Board, the majority of whom are independent, with the appropriate qualifications and experience for their duties.

The Corporate Governance and Sustainability Committee has the following composition:

CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE		FIRST APPOINTMENT DATE
CHAIRMAN	LUÍS FILIPE MARQUES AMADO	22/04/2015
	Augusto Carlos Serra Ventura Mateus	06/04/2018
	Felipe Fernández Fernández	22/04/2015
	Ignacio Herrero Ruiz	13/12/2018
	Jorge Avelino Braga de Macedo	22/04/2015
	Maria Celeste Ferreira Lopes Cardona	18/04/2012
	Li Li (*)	23/01/2020

(*) Yinsheng Li has incorporated the Corporate Governance and Sustainability Committee until 24 December 2019, date in which he has tendered his resignation as member representative of the General and Supervisory Board. On the General and Supervisory Board meeting held on 23 January 2020, this Board has approved the recomposition of the Corporate Governance and Sustainability Committee, having appointed Li Li for this Committee.

During the first half of 2020, the Corporate Governance and Sustainability Committee held two meetings, having the respective minutes been drawn up.

STRATEGY AND PERFORMANCE COMMITTEE

The Strategy and Performance Committee has the purpose to follow and supervise the questions regarding the following matters at all times:

- The short-, medium- and long-term scenarios and strategies;
- The strategic implementation, business planning and the respective budgets;
- The investments and divestments;
- Debt and funding;
- Strategic alliances;
- Market and competitiveness evolution;
- Regulation;
- Analysis of the performance of the Group and the Business Units;
- The benchmarking of the Group performance compared with the companies at the top of the sector;
- The assessment of the competitiveness of the EDP business portfolio.

The Strategy and Performance Committee is composed of members of the General and Supervisory Board with the proper qualifications and experience to hold the respective functions.

The Strategy and Performance Committee has the following composition:

STRATEGY AND PERFORMANCE COMMITTEE		FIRST APPOINTMENT DATE
CHAIRMAN	EDUARDO DE ALMEIDA CATROGA	18/06/2015
	Augusto Carlos Serra Ventura Mateus	18/06/2015
	Fernando Masaveu Herrero	18/06/2015
	Ignacio Herrero Ruiz	13/12/2018
	Jorge Avelino Braga de Macedo	18/06/2015
	Karim Djebbour	18/06/2015
	Laurie Lee Fitch	06/04/2018
	Mohammed Issa Khalfan Alhuraimel Alshamsi	02/11/2017
	Nuno Manuel da Silva Amado	18/06/2015
	Shengliang Wu	06/04/2018
	Vasco Rocha Vieira	06/04/2018

During the first half of 2020, the Strategy and Performance Committee held three meetings, having the respective minutes been drawn up.

EDP RENEWABLES NORTH AMERICA BUSINESS AFFAIRS MONITORING COMMITTEE

The EDP Renewables North America Business Affairs Monitoring Committee was incorporated on 16 March 2020 and its main mission is to monitor the matters related with the activity of EDP Renewables North America LLC, notably regarding:

- The strategic/business plans, assessing the different developing scenarios in which they rest and their implementation;
- The annual budget;

- The investment, divestment, merger, acquisition and restructuring projects of significant value businesses;
- Financing transactions;
- Alliances /strategic partnerships entered into by the Company and the specific actions deriving therefrom;
- Requests for prior opinion or waiver of prior opinion presented by the Executive Board of Directors;
- The compliance of the assumed commitments regarding public safety.

The Committee is also responsible for defining compliance procedures on the obligations assumed by EDP regarding the development of EDP Renewables North America, LLC business with respect to the General and Supervisory Board activity.

The EDP Renewables North America Business Affairs Monitoring Committee has the following composition:

EDP RENEWABLES NORTH AMERICA BUSINESS AFFAIRS MONITORING COMMITTEE		FIRST APPOINTMENT DATE
CHAIRMAN	LUÍS FILIPE MARQUES AMADO	16/03/2020
	Augusto Carlos Serra Ventura Mateus	16/03/2020
	Clementina Maria Dâmaso de Jesus da Silva Barroso	16/03/2020
	Felipe Fernández Fernández	16/03/2020
	João Carvalho das Neves	16/03/2020
	Jorge Avelino Braga de Macedo	16/03/2020
	Vasco Joaquim Rocha Vieira	16/03/2020

During the first half of 2020, the Strategy and Performance Committee held one meeting, having the respective minutes been drawn up.

III. SHAREHOLDER STRUCTURE

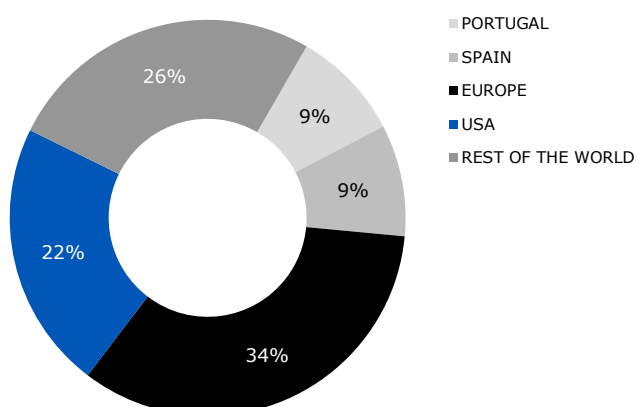
3.1 CAPITAL STRUCTURE

As of 30 June 2020, EDP's share capital amounted to 3,656,537,715.00 euros and was fully paid, pursuant to article 4 the Articles of Association, and was represented by 3,656,537,715 shares with a nominal value of 1 euro each.

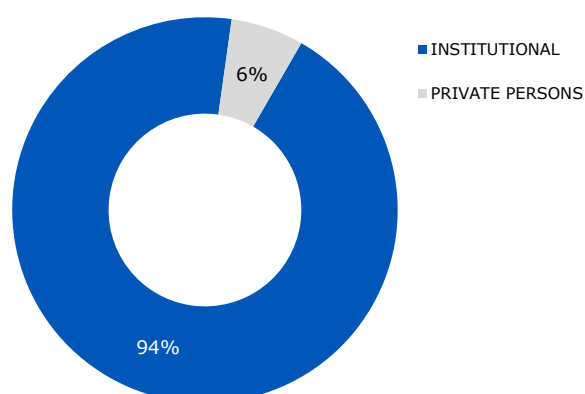
On 11 August 2020, the share capital increase of EDP was duly registered with the issuance of 309,143,297 new shares. Therefore, the current share capital of EDP is now 3,965,681,012.00 euros, represented by 3,965,681,012 ordinary, registered book-entry shares with nominal value of 1 euro each.

The geographical and investor type breakdown of the EDP shareholder structure on 30 June 2020 was as follows:

BREAKDOWN OF SHAREHOLDER STRUCTURE BY GEOGRAPHY



BREAKDOWN OF SHAREHOLDER STRUCTURE BY INVESTORS TYPE



Source: Interbolsa

3.2 QUALIFYING HOLDINGS

In relation to qualifying holdings owned by EDP shareholders' on 30 June 2020, please see below their identification and their voting rights in accordance with Article 20 (1) of the Securities Code:

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
CHINA THREE GORGES CORPORATION		
China Three Gorges (Europe), S.A.	784,957,024	21.47%
Total	784,957,024	21.47%

China Three Gorges (Europe), S.A. is fully owned by China Three Gorges International Ltd, which is fully owned by China Three Gorges International Corporation. China Three Gorges Corporation holds 100% equity of China Three Gorges International Corporation and is in turn fully owned by People Republic of China.

OPPIDUM CAPITAL, S.L.		
Oppidum Capital, S.L.	263,046,616	7.19%
Total	263,046,616	7.19%

According to paragraph 1(b) of Article 20 of the Portuguese Securities Code, the voting rights inherent to the share capital held by Oppidum Capital, SL is imputable to Fernando Masaveu Herrero. Oppidum Capital, SL is 55.9% owned by Masaveu Internacional, S.L. and 44.1% owned by Liberbank, S.A. In turn, Masaveu Internacional, SL is 100% held by Corporación Masaveu, SA. Corporación Masaveu, SA is 41.38% held by Fundación María Cristina Masaveu Peterson, 10.73% by Flicka Forestal, SL and 0.03% by Fernando Masaveu Herrero. Fernando Masaveu Herrero controls Fundación María Cristina Masaveu Peterson, Flicka Forestal, SL and Peña Maria, S.L.. Additionally, Fernando Masaveu Herrero's spouse holds 17,020 shares of EDP's share capital, which corresponds to 0.000465% of the voting rights. Also, three dependents of Fernando Masaveu Herrero - Pedro Masaveu Compostizo, Jaime Masaveu Compostizo and Elias Masaveu Compostizo - hold each 500 shares of EDP's share capital. In this sense, in total, 7.19% of the voting rights of EDP, corresponding to 263,065,136 shares of EDP's share capital, should be imputable to Fernando Masaveu Herrero.

BLACKROCK, INC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		
BlackRock HK Holdco Limited		
BlackRock Lux Finco S.a.r.l.		
BlackRock Japan Holdings GK		
BlackRock Japan Co., Ltd.		
BlackRock, Inc.		
Trident Merger, LLC		
BlackRock Investment Management, LLC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock Investment Management (UK) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Australia Holdco Pty. Ltd.		
BlackRock Investment Management (Australia) Limited		

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BLACKROCK, INC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock International Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Holdco 4, LLC		
BlackRock Holdco 6, LLC		
BlackRock Delaware Holdings Inc.		
BlackRock Institutional Trust Company, National Association		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Holdco 4, LLC		
BlackRock Holdco 6, LLC		
BlackRock Delaware Holdings Inc.		
BlackRock Fund Advisors		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		
BlackRock HK Holdco Limited		
BlackRock Asset Management North Asia Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock Investment Management (UK) Limited		
BlackRock Asset Management Deutschland AG		

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BLACKROCK, INC.		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Canada Holdings LP		
BlackRock Canada Holdings ULC		
BlackRock Asset Management Canada Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Capital Holdings, Inc.		
BlackRock Advisors, LLC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock Advisors (UK) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		
BlackRock (Singapore) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock (Netherlands) B.V.		
Total	165,054,327	4.51%

The qualified shareholding above mentioned refers to the communication from BlackRock, Inc. that occurred in 20 March 2020.

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
NORGES BANK		
Norges Bank	116,953,432	3.20%
Total	116,953,432	3.20%
ALLIANCEBERNSTEIN		
AllianceBernstein L.P.	106,363,985	2.91%
Total	106,363,985	2.91%
SONATRACH		
Sonatrach	87,007,433	2.38%
Total	87,007,433	2.38%
QATAR INVESTMENT AUTHORITY		
Qatar Holding LLC	82,868,933	2.27%
Total	82,868,933	2.27%
The company Qatar Holding LLC is wholly owned by Qatar Investment Authority.		
MILLENNIUM BCP		
Fundação Millennium BCP	350,000	0.01%
Fundo de Pensões do Grupo Millennium BCP	74,458,394	2.04%
Banco Comercial Português SA	625	0.00%
Total	74,809,019	2.05%
The management company of the pension fund of Group Millennium BCP exercises independently their voting rights.		
THE CAPITAL GROUP COMPANIES		
Capital Research and Management Company	74,806,605	2.05%
Capital Income Builder	73,922,433	2.02%
Total	74,806,605	2.05%
The Capital Group Companies latest shareholding update refers to 21 April 2020. Capital Income Builder is a mutual fund managed by Capital Research and Management Company ("CRMC"). CRMC is wholly-owned subsidiary of The Capital Group Companies, Inc. ("CGC"). CRMC is a U.S. based investment management company that manages the American Funds family of mutual funds. Neither CGC nor any of its affiliates own shares of the issuer for its own accounts. Rather, the shares reported are owned by funds and accounts under the discretionary investment management of one or more of the investment management companies described.		
EDP (TREASURY STOCK)	21,070,741	0.58%
REMAINING SHAREHOLDERS	1,879,599,600	51.40%
TOTAL	3,656,537,715	100.00%

Note: Pursuant to Article 14 (3) of the Articles of Association of EDP, votes cast by a shareholder, on its own account or on behalf of another shareholder, that exceed 25% of the votes corresponding to the share capital, shall not be taken into account.
For the purpose of determining the percentage of 25% of the votes that can be cast by a shareholder, the voting rights of other entities that are imputable to it under the terms of paragraph 1 of Article 20 of the Securities Code are considered.

Following the registration of the share capital increase of EDP – Energias de Portugal, S.A., on 11 August 2020, please see below their identification and their voting rights in accordance with Article 20 (1) of the Securities Code:

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
CHINA THREE GORGES CORPORATION		
China Three Gorges (Europe), S.A.	854,736,441	21.55%
Total	854,736,441	21.55%

China Three Gorges (Europe), S.A. is fully owned by China Three Gorges International Ltd, which is fully owned by China Three Gorges International Corporation. China Three Gorges Corporation holds 100% equity of China Three Gorges International Corporation and is in turn fully owned by People Republic of China.

OPPIDUM CAPITAL, S.L.		
Oppidum Capital, S.L.	285,414,883	7.20%
Total	285,414,883	7.20%

According to paragraph 1(b) of article 20 of the Portuguese Securities Code, the voting rights inherent to the share capital held by Oppidum Capital, SL is imputable to Fernando Masaveu Herrero. Oppidum Capital, SL is 55.9% owned by Masaveu Internacional, S.L. and 44.1% owned by Liberbank, S.A. In turn, Masaveu Internacional, SL is 100% held by Corporación Masaveu, SA. Corporación Masaveu, SA is 41.38% held by Fundación María Cristina Masaveu Peterson, 10.73% by Flicka Forestal, SL and 0.03% by Fernando Masaveu Herrero. Fernando Masaveu Herrero controls Fundación María Cristina Masaveu Peterson, Flicka Forestal, SL and Peña Maria, S.L.. Additionally, Fernando Masaveu Herrero's spouse holds 18,467 shares of EDP's share capital and three dependents of Fernando Masaveu Herrero, namely Pedro Masaveu Compostizo, Jaime Masaveu Compostizo and Elias Masaveu Compostizo hold each 542 shares of EDP's share capital. In this sense, in total, 7.20% of the voting rights of EDP, corresponding to 285,434,976 shares of EDP's share capital, should be imputable to Fernando Masaveu Herrero.

BLACKROCK, INC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		
BlackRock HK Holdco Limited		
BlackRock Lux Finco S.a.r.l.		
BlackRock Japan Holdings GK		
BlackRock Japan Co., Ltd.		
BlackRock, Inc.		
Trident Merger, LLC		
BlackRock Investment Management, LLC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock Investment Management (UK) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Australia Holdco Pty. Ltd.		
BlackRock Investment Management (Australia) Limited		

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BLACKROCK, INC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock International Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Holdco 4, LLC		
BlackRock Holdco 6, LLC		
BlackRock Delaware Holdings Inc.		
BlackRock Institutional Trust Company, National Association		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Holdco 4, LLC		
BlackRock Holdco 6, LLC		
BlackRock Delaware Holdings Inc.		
BlackRock Fund Advisors		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		
BlackRock HK Holdco Limited		
BlackRock Asset Management North Asia Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock Investment Management (UK) Limited		
BlackRock Asset Management Deutschland AG		

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
BLACKROCK, INC.		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Canada Holdings LP		
BlackRock Canada Holdings ULC		
BlackRock Asset Management Canada Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock Capital Holdings, Inc.		
BlackRock Advisors, LLC		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock Advisors (UK) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock (Singapore) Holdco Pte. Ltd.		
BlackRock (Singapore) Limited		
BlackRock, Inc.		
BlackRock Holdco 2, Inc.		
BlackRock Financial Management, Inc.		
BlackRock International Holdings, Inc.		
BR Jersey International Holdings L.P.		
BlackRock Holdco 3, LLC		
BlackRock Cayman I LP		
BlackRock Cayman West Bay Finco Limited		
BlackRock Cayman West Bay IV Limited		
BlackRock Group Limited		
BlackRock Finance Europe Limited		
BlackRock (Netherlands) B.V.		
Total	165,054,327	4.16%

The qualified shareholding above mentioned refers to the communication from BlackRock, Inc. occurred in 20 March 2020.

SHAREHOLDER	NR. OF SHARES	% CAPITAL WITH VOTING RIGHTS
THE CAPITAL GROUP COMPANIES		
The Income Fund of America	14,491,732	0.37%
Capital Income Builder	121,640,107	3.07%
American Funds Global Balanced Fund	3,661,994	0.09%
American Funds Insurance Series Capital Income Builder	1,236,111	0.03%
Capital International - Capital Income Builder	260,467	0.01%
Capital Group European Growth and Income Fund (LUX)	1,351,057	0.03%
Capital Group Capital Income Builder (LUX)	266,821	0.01%
Total	142,908,289	3.60%
NORGES BANK		
Norges Bank	116,953,432	2.95%
Total	116,953,432	2.95%
Norges Bank latest shareholding refers to 30 June 2020.		
ALLIANCEBERNSTEIN		
AllianceBernstein L.P.	106,363,985	2.68%
Total	106,363,985	2.68%
AllianceBernstein latest shareholding refers to 30 June 2020.		
SONATRACH		
Sonatrach	87,007,433	2.19%
Total	87,007,433	2.19%
Sonatrach latest shareholding refers to 30 June 2020.		
QATAR INVESTMENT AUTHORITY		
Qatar Holding LLC	82,868,933	2.09%
Total	82,868,933	2.09%
Qatar Investment Authority latest shareholding update refers to 30 June 2020. The company Qatar Holding LLC is wholly owned by Qatar Investment Authority.		
EDP (TREASURY STOCK)	21,070,741	0.53%
REMAINING SHAREHOLDERS	2,103,302,548	53.04%
TOTAL	3,965,681,012	100.00%

Note: Pursuant to Article 14 (3) of the Articles of Association of EDP, votes cast by a shareholder, on its own account or on behalf of another shareholder, that exceed 25% of the votes corresponding to the share capital, shall not be taken into account. For the purpose of determining the percentage of 25% of the votes that can be cast by a shareholder, the voting rights of other entities that are imputable to it under the terms of paragraph 1 of Article 20 of the Securities Code are considered.

3.3 FINANCIAL INSTRUMENTS OWNED BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

FINANCIAL INSTRUMENTS OWNED BY MEMBERS OF THE EXECUTIVE BOARD OF DIRECTORS

The table below shows the financial instruments held by members of Executive Board of Directors and the changes occurred during the first semester of 2020, as required by Article 447 (5) of the Companies Code.

In turn, the financial instruments owned and/or imputable by the members of the Executive Board of Directors in office during the first semester of 2020 are the following:

EXECUTIVE BOARD OF DIRECTORS (¹)	EDP - ENERGIAS DE PORTUGAL, S.A.				EDP - ENERGIAS DO BRASIL, S.A.	
	N.º SHARES 30-06-2020	N.º SHARES 31-12-2019	N.º BONDS 30-06-2020	N.º BONDS 31-12-2019	N.º SHARES 30-06-2020	N.º SHARES 31-12-2019
António Luís Guerra Nunes Mexia (²)	93,171	91,000	-	-	1	1
João Manuel Manso Neto	1,268	1,268	-	-	-	-
António Fernando Melo Martins da Costa	54,299	54,299	-	-	-	-
João Manuel Veríssimo Marques da Cruz (³)	-	-	-	2	-	-
Miguel Stilwell de Andrade	140,000	140,000	-	-	-	-
Miguel Nuno Simões Nunes Ferreira Setas	7,382	7,382	-	-	6,000	6,000
Rui Manuel Rodrigues Lopes Teixeira (⁴)	35,973	31,733	-	-	-	-
Maria Teresa Isabel Pereira	71,281	71,281	-	-	-	-
Vera de Moraes Pinto Pereira Carneiro	-	-	-	-	-	-

(¹) The members of the Executive Board of Directors are not holder of any share of EDP Renováveis, S.A.

(²) The shares of EDP - Energias de Portugal, S.A. include 2,171 shares held by the ascendant Maria da Graça de Calça e Pina Teixeira Guerra Nunes Mexia.

(³) According to the information published on CMVM's website on January 28th (<https://web3.cmvm.pt/english/sdi/emitentes/docs/REEM74417.pdf>), EDP proceeded, with effect on March 2nd, 2020, with the early redemption of 692 Notes representing the issuance referred to as "€750,000,000 Fixed to Reset Rate Subordinated Notes due 2075" (ISIN: PTEDPUOM0024 / Common Code: 129176784), by the global nominal amount of Eur 69,200,000.00, together with interest accrued and outstanding (including, if applicable, deferred interest) up to (but excluding) March 2nd, 2020. As a consequence, as of March 2nd, 2020, the two Notes of this Issue held by the Director João Marques da Cruz were early redeemed (<https://web3.cmvm.pt/sdi/emitentes/docs/TRAN74789.pdf>).

(⁴) The shares of EDP - Energias de Portugal, S.A. include 5,830 shares held by his spouse, Lina Lago da Silva Dantas Martins, having been identified following a donation.

During the first semester of 2020, the Executive Board of Directors members did not execute any operations with EDP – Energias de Portugal, S.A., EDP Renováveis, S.A. or EDP – Energias do Brasil, S.A. securities, apart from the reimbursement operation, of March 2nd, 2020, of two Notes held by the Director João Marques da Cruz.

Following the share capital increase of EDP – Energias de Portugal, S.A., registered on 11 August 2020, in which shareholders had subscription rights, the following members of the Executive Board of Directors have reported the exercise of their subscription rights on the following terms:

EDP - ENERGIAS DE PORTUGAL, S.A.

EXECUTIVE BOARD OF DIRECTORS	No. SUBSCRIPTION RIGHTS EXERCISED	No. SHARES (TOTAL)
António Luís Guerra Nunes Mexia ⁽¹⁾	7,922	101,093
João Manuel Manso Neto ⁽²⁾	107	1,375
António Fernando Melo Martins da Costa	4,616	58,915
Miguel Stilwell de Andrade	11,904	151,904
Miguel Nuno Simões Nunes Ferreira Setas ⁽³⁾	627	8,104
Rui Manuel Rodrigues Lopes Teixeira ⁽⁴⁾	3,058	39,033
Maria Teresa Isabel Pereira ⁽⁵⁾	6,061	77,643

(1) The number of subscription rights exercised include 184 shares of the ascendant Maria da Graça de Calça e Pina Teixeira Guerra Nunes Mexia. The total number of EDP shares include 2,355 shares held by the ascendant Maria da Graça de Calça e Pina Teixeira Guerra Nunes Mexia.

(2) Transaction undertaken under article 19 no. 8 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council, of 16 April 2014, in the amount inferior to € 5,000 (five thousand euros).

(3) Transaction undertaken under article 19 no. 8 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council, of 16 April 2014, in the amount inferior to € 5,000 (five thousand euros). In the context of the share capital increase, which attributes subscription rights to shareholders, director Miguel Nuno Simões Nunes Ferreira Setas opted to acquire shares in the oversubscription, having been attributed 95 shares.

(4) The number of subscription rights exercised include 495 shares of the spouse, Lina Lago da Silva Dantas Martins. In the context of the share capital increase, which attributes subscription rights to shareholders, director Rui Manuel Rodrigues Lopes Teixeira opted to acquire shares in the oversubscription, having been attributed 1 share to him and 1 share to his spouse. The total number of EDP shares include 6,326 shares held by the spouse, Lina Lago da Silva Dantas Martins.

(5) In the context of the share capital increase, which attributes subscription rights to shareholders, director Maria Teresa Isabel Pereira opted to acquire shares in the oversubscription, having been attributed 301 shares.

FINANCIAL INSTRUMENTS OWNED BY MEMBERS OF THE GENERAL AND SUPERVISORY BOARD

Financial instruments owned and/or imputable to members of the General and Supervisory Board during the first semester of 2020:

EDP - ENERGIAS DE PORTUGAL S.A.				
GENERAL AND SUPERVISORY BOARD ⁽¹⁾	N.º SHARES 30-06-2020	N.º SHARES 31-12-2019	N.º BONDS 30-06-2020	N.º BONDS 31-12-2019
Luís Filipe Marques Amado	-	-	-	-
China Three Gorges Corporation	784,957,024	850,777,024	-	-
Dingming Zhang (representing China Three Gorges Corporation)	-	-	-	-
China Three Gorges International Corp.	784,957,024	850,777,024	-	-
Shengliang Wu (representing China Three Gorges International Corp.)	-	-	-	-
China Three Gorges (Europe), S.A.	784,957,024	850,777,024	-	-
Ignacio Herrero Ruiz (representing China Three Gorges (Europe), S.A.)	-	-	-	-
China Three Gorges Brasil Energia Ltda.	-	-	-	-
Li Li (representing China Three Gorges Brasil Energia Ltda.)	-	-	-	-
China Three Gorges (Portugal), Sociedade Unipessoal, Lda.	-	-	-	-
Eduardo de Almeida Catroga (representing China Three Gorges (Portugal), Lda.)	-	-	-	-
DRAURSA, S.A.	-	-	-	-
Felipe Fernández Fernández (representing Draursa, S.A.) ⁽²⁾	1,350	1,350	-	-
Fernando Maria Masaveu Herrero ⁽³⁾	263,065,136	265,065,136	-	-
Senfora BV ⁽⁴⁾	54,095,476	76,787,292	-	-
Mohammed Issa Khalfan Alhuraimel Alshamsi (representing Senfora BV)	-	-	-	-
Banco Comercial Português, S.A.	74,809,019	75,615,918	-	-
Nuno Manuel da Silva Amado (representing Banco Comercial Português, S.A.)	-	-	-	-
Sonatrach	87,007,433	87,007,433	-	-
Karim Djebbour (representing Sonatrach)	-	-	-	-
Maria Celeste Ferreira Lopes Cardona	-	-	-	-
Ilídio da Costa Leite de Pinho	-	-	-	-
Jorge Avelino Braga de Macedo	-	-	-	-
Vasco Joaquim Rocha Vieira	3,203	3,203	-	-
Augusto Carlos Serra Ventura Mateus	-	-	-	-
João Carvalho das Neves	7,429	7,429	5	5
María del Carmen Fernández Rozado	-	-	-	-
Laurie Lee Fitch	-	-	-	-
Clementina Maria Dâmaso de Jesus Silva Barroso	-	-	-	-
Luís Maria Viana Palha da Silva	5,050	5,050	-	-

NOTES:

⁽¹⁾ The members of the General and Supervisory Board do not hold any shares of EDP - Energias do Brasil, S.A. nor EDP Renováveis, S.A.

⁽²⁾ The shares of EDP - Energias de Portugal, S.A. are held by his spouse, Maria Teresa Fernández Veja, and were identified following a process of division of an inheritance.

⁽³⁾ According to paragraph 1(b) of Article 20 of the Portuguese Securities Code, the voting rights inherent to the share capital held by Oppidum Capital, SL is imputable to Fernando Masaveu Herrero. Oppidum Capital, SL is 55.9% owned by Masaveu Internacional, S.L. and 44.1% owned by Liberbank, S.A. In turn, Masaveu Internacional, SL is 100% held by Corporación Masaveu, SA. Corporación Masaveu, SA is 41.38% held by Fundación María Cristina Masaveu Peterson, 10.73% by Flicka Forestal, SL and 0.03% by Fernando Masaveu Herrero. Fernando Masaveu Herrero controls Fundación María Cristina Masaveu Peterson, Flicka Forestal, SL and Peña Maria, S.L. Additionally, Fernando Masaveu Herrero's spouse holds 17,020 shares of EDP's share capital, which correspond to 0.000465% of the voting rights. Also, three dependents of Fernando Masaveu Herrero, namely Pedro Masaveu Compostizo, Jaime Masaveu Compostizo and Elias Masaveu Compostizo hold each 500 shares of EDP's share capital. In this sense, in total, 7.19% of the voting rights of EDP, corresponding to 263,065,136 shares of EDP's share capital, should be imputable to Fernando Masaveu Herrero.

⁽⁴⁾ The number of shares reported as of 30 June 2020 corresponds to the amount in the market notification of 27 February 2020 (<https://web3.cmvvm.pt/sdi/emitentes/docs/PQ74632.pdf>)

Following the share capital increase of EDP in which shareholders had subscription rights, the following General and Supervisory Board members have reported the exercise of their subscription rights on the following terms:

EDP - ENERGIAS DE PORTUGAL, S.A.		
GENERAL AND SUPERVISORY BOARD	No. SUBSCRIPTION RIGHTS EXERCISED	No. SHARES (TOTAL)
China Three Gorges (Europe), S.A. ⁽¹⁾	66,749,114	854,736,441
Fernando Maria Masaveu Herrero ⁽²⁾	22,369,840	285,434,976
Banco Comercial Português, S.A. ⁽³⁾	-	76,627,022
Vasco Rocha Vieira ⁽⁴⁾	272	3,515
João Carvalho das Neves ⁽⁵⁾	631	8,060
Luís Maria Viana Palha da Silva ⁽⁶⁾	429	5,479

NOTES:

⁽¹⁾ In the context of the share capital increase, which attributes subscription rights to shareholders, China Three Gorges (Europe), S.A. opted to acquire shares in the oversubscription, having been attributed 3,030,303 shares.

⁽²⁾ According to paragraph 1(b) of article 20 of the Portuguese Securities Code, the voting rights inherent to the share capital held by Oppidum Capital, SL is imputable to Fernando Masaveu Herrero. Oppidum Capital, SL is 55.9% owned by Masaveu Internacional, S.L. and 44.1% owned by Liberbank, S.A. In turn, Masaveu Internacional, SL is 100% held by Corporación Masaveu, SA. Corporación Masaveu, SA is 41.38% held by Fundación María Cristina Masaveu Peterson, 10.73% by Flicka Forestal, SL and 0.03% by Fernando Masaveu Herrero. Fernando Masaveu Herrero controls Fundación María Cristina Masaveu Peterson, Flicka Forestal, SL and Peña Maria, S.L. Additionally, Fernando Masaveu Herrero's spouse holds 18,467 shares of EDP's share capital and three dependents of Fernando Masaveu Herrero, namely Pedro Masaveu Compostizo, Jaime Masaveu Compostizo and Elias Masaveu Compostizo hold each 542 shares of EDP's share capital. In this sense, in total, 7.20% of the voting rights of EDP, corresponding to 285,434,976 shares of EDP's share capital, should be imputable to Fernando Masaveu Herrero.

⁽³⁾ The total number of shares was reported on 19 August 2020 - <https://www.edp.com/en/news/2020/08/19/banco-comercial-portugues-decreases-ownership-interest-share-capital-edp-below-2-0>.

⁽⁴⁾ Transaction undertaken under article 19 no. 8 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council, of 16 April 2014, in the amount inferior to € 5,000 (five thousand euros). In the context of the share capital increase, which attributes subscription rights to shareholders, the member of the General and Supervisory Board Vasco Rocha Vieira opted to acquire shares in the oversubscription, having been attributed 40 shares.

⁽⁵⁾ Transaction undertaken under article 19 no. 8 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council, of 16 April 2014, in the amount inferior to € 5,000 (five thousand euros).

⁽⁶⁾ Transaction undertaken under article 19 no. 8 of Regulation (EU) no. 596/2014 of the European Parliament and of the Council, of 16 April 2014, in the amount inferior to € 5,000 (five thousand euros).



04

04 FINANCIAL STATEMENTS AND NOTES



Condensed Financial Statements
30 June 2020

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Condensed Consolidated Income Statements
for the six-month periods ended at 30 June 2020 and 2019

Thousand Euros	Notes	2020	2019 *
Revenues from energy sales and services and other	7	6,182,887	7,107,017
Cost of energy sales and other	7	-3,525,817	-4,506,064
		2,657,070	2,600,953
Other income	8	343,662	401,145
Supplies and services	9	-401,573	-421,101
Personnel costs and employee benefits	10	-322,069	-323,659
Other expenses	11	-371,023	-328,012
Impairment losses on trade receivables and debtors		-40,148	-20,960
		-791,151	-692,587
Joint ventures and associates	18	5,043	12,237
		1,870,962	1,920,603
Provisions	29	-51,156	-4,976
Amortisation and impairment		-767,806	-735,403
		1,052,000	1,180,224
Financial income	12	109,353	182,744
Financial expenses	12	-477,118	-553,345
Profit before income tax and CESE		684,235	809,623
Income tax expense	13	-134,181	-136,639
Extraordinary contribution to the energy sector (CESE)		-62,474	-66,674
		-196,655	-203,313
Net profit for the period		487,580	606,310
Attributable to:			
Equity holders of EDP		314,613	405,033
Non-controlling Interests	26	172,967	201,277
Net profit for the period		487,580	606,310
Earnings per share (Basic and Diluted) - Euros		0.09	0.03

* Includes restatement due to changes in results in Joint Ventures and Associates as described in note 2a)

LISBON, 03 SEPTEMBER 2020

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

Condensed Consolidated Statements of Comprehensive Income
for the six-month periods ended at 30 June 2020 and 2019

Thousand Euros	2020		2019	
	Equity holders of EDP	Non-controlling Interests	Equity holders of EDP	Non-controlling Interests
Net profit for the period	314,613	172,967	405,033	201,277
Items that will never be reclassified to profit or loss (i)				
Actuarial gains/(losses) (iii)	-56,198	5,645	60,689	2,687
Tax effect from the actuarial gains/(losses)	17,542	-1,919	-19,159	-915
Fair value reserve with no recycling (financial assets) (ii)	2,500	-	4,432	-
Tax effect from the fair value reserve with no recycling (financial assets) (ii)	-441	-	-958	-
	-36,597	3,726	45,004	1,772
Items that may be reclassified to profit or loss (i)				
Currency translation reserve	-392,586	-370,006	8,353	34,501
Fair value reserve (cash flow hedge) (ii)	46,656	2,788	121,136	-2,157
Tax effect from the fair value reserve (cash flow hedge) (ii)	-7,345	-918	-27,373	635
Fair value reserve of assets measured at fair value through other comprehensive income with recycling (ii)	-	-	-	167
Tax effect of Fair value reserve of assets measured at fair value through other comprehensive income with recycling (ii)	-	-	-	-
Share of other comprehensive income of joint ventures and associates, net of taxes	-8,897	-14,550	-14,009	-5,667
	-362,172	-382,686	88,107	27,479
Other comprehensive income for the period (net of income tax)	-398,769	-378,960	133,111	29,251
Total comprehensive income for the period	-84,156	-205,993	538,144	230,528

(i) See Condensed Consolidated Statement of Changes in Equity

(ii) See Note 25

(iii) See Note 28

LISBON, 03 SEPTEMBER 2020

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

Condensed Consolidated Statements of Financial Position
as at 30 June 2020 and 31 December 2019

Thousand Euros	Notes	2020	2019
Assets			
Property, plant and equipment	14	18,943,786	19,676,222
Right-of-use assets	15	831,097	828,503
Intangible assets	16	3,790,378	4,223,823
Goodwill	17	1,877,873	2,119,862
Investments in joint ventures and associates	18	941,855	1,098,512
Equity instruments at fair value	19	174,325	170,806
Investment property		29,107	29,944
Deferred tax assets	20	942,887	1,084,046
Debtors and other assets from commercial activities	21	3,054,686	3,424,220
Other debtors and other assets	22	1,014,999	932,578
Non-Current tax assets	23	282,363	389,037
Collateral deposits associated to financial debt	27	20,176	21,690
Total Non-Current Assets		31,903,532	33,999,243
Inventories		305,253	368,334
Debtors and other assets from commercial activities	21	2,641,334	2,858,160
Other debtors and other assets	22	859,988	881,779
Current tax assets	23	420,260	415,735
Collateral deposits associated to financial debt	27	30,495	39,786
Cash and cash equivalents	24	1,375,821	1,542,722
Non-Current Assets held for sale	34	3,156,456	2,255,887
Total Current Assets		8,789,607	8,362,403
Total Assets		40,693,139	42,361,646
Equity			
Share capital		3,656,538	3,656,538
Treasury stock		-60,120	-61,220
Share premium		503,923	503,923
Reserves and retained earnings	25	3,671,717	4,247,195
Consolidated net profit attributable to equity holders of EDP		314,613	511,751
Total Equity attributable to equity holders of EDP		8,086,671	8,858,187
Non-controlling Interests	26	3,487,244	3,773,826
Total Equity		11,573,915	12,632,013
Liabilities			
Financial debt	27	13,476,394	13,124,615
Employee benefits	28	1,034,297	1,128,155
Provisions	29	876,526	926,426
Deferred tax liabilities	20	447,787	503,746
Institutional partnerships in North America	30	2,354,649	2,289,784
Trade payables and other liabilities from commercial activities	31	1,425,990	1,644,307
Other liabilities and other payables	32	1,229,293	1,177,119
Non-current tax liabilities	33	108,860	138,212
Total Non-Current Liabilities		20,953,796	20,932,364
Financial debt	27	3,108,917	3,446,854
Employee benefits	28	177,163	183,514
Provisions	29	152,528	126,091
Trade payables and other liabilities from commercial activities	31	3,335,205	3,859,623
Other liabilities and other payables	32	591,436	623,771
Current tax liabilities	33	420,080	478,594
Non-Current Liabilities held for sale	34	380,099	78,822
Total Current Liabilities		8,165,428	8,797,269
Total Liabilities		29,119,224	29,729,633
Total Equity and Liabilities		40,693,139	42,361,646

LISBON, 03 SEPTEMBER 2020

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

Condensed Consolidated Income Statements
for the three-month periods from 1 April to 30 June 2020 and 2019

Thousand Euros	2020	2019
Revenues from energy sales and services and other	2,680,925	3,362,840
Cost of energy sales and other	-1,498,680	-2,122,758
	1,182,245	1,240,082
Other income	247,724	299,326
Supplies and services	-200,562	-221,491
Personnel costs and employee benefits	-157,038	-164,372
Other expenses	-161,398	-159,719
Impairment losses on trade receivables and debtors	-25,924	-6,925
	-297,198	-253,181
Share of net profit in joint ventures and associates	6,340	6,903
	891,387	993,804
Provisions	-35,227	-1,354
Amortisation and impairment	-401,149	-361,770
	455,011	630,680
Financial income	-16,044	104,198
Financial expenses	-145,904	-289,140
Profit before income tax and CESE	293,063	445,738
Income tax expense	-41,755	-37,904
Extraordinary contribution to the energy sector (CESE)	285	372
	-41,470	-37,532
Net profit for the period	251,593	408,206
Attributable to:		
Equity holders of EDP	168,762	304,573
Non-controlling Interests	82,831	103,633
Net profit for the period	251,593	408,206
Earnings per share (Basic and Diluted) - Euros	0.05	0.08

LISBON, 03 SEPTEMBER 2020

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

Condensed Consolidated Statements of Comprehensive Income
for the three-month periods from 1 April to 30 June 2020 and 2019

Thousand Euros	2020		2019	
	Equity holders of EDP	Non-controlling Interests	Equity holders of EDP	Non-controlling Interests
Net profit for the period	168,762	82,831	304,573	103,633
Items that will never be reclassified to profit or loss				
Actuarial gains/(losses)	33,131	5,645	60,735	2,702
Tax effect from the actuarial gains/(losses)	-10,597	-1,919	-19,170	-919
Fair value reserve with no recycling (financial assets)	9,611	-	1,393	-
Tax effect from the fair value reserve with no recycling (financial assets)	-2,190	-	-169	-
	29,955	3,726	42,789	1,783
Items that are or may be reclassified to profit or loss				
Exchange differences arising on consolidation	-56,481	-101,024	-1,297	1,107
Fair value reserve (cash flow hedge)	-41,199	747	-45,123	-3,916
Tax effect from the fair value reserve (cash flow hedge)	16,482	1,147	13,709	970
Fair value reserve of assets measured at fair value throughout other comprehensive income with recycling (ii)	-	-	-317	167
Tax effect of Fair value reserve of assets measured at fair value throughout other comprehensive income with recycling (ii)	-	-	99	-
Share of other comprehensive income of joint ventures and associates, net of taxes	1,142	-3,993	6,788	1,648
	-80,056	-103,123	-26,141	-24
Other comprehensive income for the period (net of income tax)	-50,101	-99,397	16,648	1,759
Total comprehensive income for the period	118,661	-16,566	321,221	105,392

LISBON, 03 SEPTEMBER 2020

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal
Condensed Consolidated Statements of Changes in Equity
for the six-month periods ended at 30 June 2020 and 2019

Thousand Euros	Total Equity	Share capital	Share premium	Legal reserve (i)	Reserves and retained earnings	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 2018	12,900,327	3,656,538	503,923	739,024	4,817,541	-213,315	10,287	-483,410	-62,410	8,968,178	3,932,149
Comprehensive income:											
Net profit for the period	606,310	-	-	-	405,033	-	-	-	-	405,033	201,277
Changes in the fair value reserve (cash flow hedge) net of taxes	92,241	-	-	-	-	93,763	-	-	-	93,763	-1,522
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	3,641	-	-	-	-	-	3,474	-	-	3,474	167
Share of other comprehensive income of joint ventures and associates net of taxes	-19,676	-	-	-	-8,706	-8,529	-	3,226	-	-14,009	-5,667
Actuarial gains/(losses) net of taxes	43,302	-	-	-	41,530	-	-	-	-	41,530	1,772
Exchange differences arising on consolidation	42,854	-	-	-	-	-	-	8,353	-	8,353	34,501
Total comprehensive income for the period	768,672	-	-	-	437,857	85,234	3,474	11,579	-	538,144	230,528
Dividends paid	-690,675	-	-	-	-690,675	-	-	-	-	-690,675	-
Dividends attributable to non-controlling interests	-68,245	-	-	-	-	-	-	-	-	-	-68,245
Share-based payments	1,231	-	-	-	41	-	-	-	1,190	1,231	-
Sale without loss of control of windfarms in Europe	-	-	-	-	-	172	-	-	-	172	-289,358
Changes resulting from acquisitions/sales, equity increases/decreases and other	-56,349	-	-	-	-9,496	-	-	-	-	-9,496	-46,853
Balance as at 30 June 2019	12,854,961	3,656,538	503,923	739,024	4,555,268	-127,909	13,761	-471,831	-61,220	8,807,554	3,758,221
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	487,580	-	-	-	314,613	-	-	-	-	314,613	172,967
Changes in the fair value reserve (cash flow hedge) net of taxes	41,181	-	-	-	-	39,311	-	-	-	39,311	1,870
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	2,059	-	-	-	-	-	2,059	-	-	2,059	-
Share of other comprehensive income of joint ventures and associates net of taxes	-23,447	-	-	-	-14,931	-1,407	-	7,441	-	-8,897	-14,550
Actuarial gains/(losses) net of taxes	-34,930	-	-	-	-38,656	-	-	-	-	-38,656	3,726
Exchange differences arising on consolidation	-762,592	-	-	-	-	-	-	-392,586	-	-392,586	-370,006
Total comprehensive income for the period	-290,149	-	-	-	261,026	37,904	2,059	-385,145	-	-84,156	-205,993
Dividends paid	-690,739	-	-	-	-690,739	-	-	-	-	-690,739	-
Dividends attributable to non-controlling interests	-45,397	-	-	-	-	-	-	-	-	-	-45,397
Share-based payments	1,259	-	-	-	159	-	-	-	1,100	1,259	-
Changes resulting from acquisitions/sales, equity increases/decreases and other	-33,072	-	-	-	2,120	-	-	-	-	2,120	-35,192
Balance as at 30 June 2020	11,573,915	3,656,538	503,923	739,024	4,090,792	78,445	17,261	-939,192	-60,120	8,086,671	3,487,244

(i) See note 25

(ii) See note 26

LISBON, 03 SEPTEMBER 2020

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

Condensed Consolidated and Company Statements of Cash Flows
for the six-month periods ended at 30 June 2020 and 2019

Thousand Euros	Notes	Group		Company	
		2020	2019	2020	2019 *
Operating activities					
Profit before income tax and CESE		684,235	809,623	13,608	8,324
Adjustments for:					
Amortisation and impairment		767,806	735,403	13,478	15,053
Provisions	29	51,156	4,976	103	170
Joint ventures and associates	18	-5,043	-12,237	-	-
Financial (income)/expenses	12	367,765	370,601	46,565	-33,424
Changes in working capital:					
Trade and other receivables		231,002	232,677	209,937	255,184
Trade and other payables		-206,884	-181,481	-291,097	-357,866
Personnel		-105,339	-177,220	-5,381	-8,465
Regulatory assets		51,235	391,922	-	-
Other changes in assets/liabilities related with operating activities		-282,900	-138,867	-138,872	3,697
Income tax and CESE		-35,458	-117,704	3,539	99,558
Net cash flows from operations		1,517,575	1,917,693	-148,120	-17,769
Net (gains) / losses with Asset Rotation		-145,212	-218,931	-	-
Net cash flows from operating activities		1,372,363	1,698,762	-148,120	-17,769
Investing activities					
Cash receipts relating to:					
Sale of assets/subsidiaries with loss of control i)		282,226	2	-	-
Other financial assets and investments		25,537	7,721	45	20
Other financial assets at amortised cost		-	-	224,055	114,283
Property, plant and equipment and intangible assets		5,526	1,887	6,108	8
Other receipts relating to tangible fixed assets		1,613	2,506	-	-
Interest and similar income		17,477	30,866	26,549	31,065
Dividends		17,681	23,250	230,354	127,628
Loans to related parties		164,286	739	10,260	-
		514,346	66,971	497,371	273,004
Cash payments relating to:					
Acquisition of assets/subsidiaries		-31,813	-2	-	-
Other financial assets and investments ii)		-179,382	-257,764	-1,196	-534
Changes in cash resulting from consolidation perimeter variations		1,806	-89,330	-	-
Property, plant and equipment and intangible assets		-1,065,045	-1,289,653	-22,748	-21,162
Loans to related parties		-266,739	-44,407	-31,571	-293
		-1,541,173	-1,681,156	-55,515	-21,989
Net cash flows from investing activities		-1,026,827	-1,614,185	441,856	251,015
Financing activities					
Receipts relating to financial debt (include Collateral Deposits)		5,616,668	2,275,032	1,723,834	1,420,188
(Payments) relating to financial debt (include Collateral Deposits)		-4,884,561	-1,518,283	-1,110,000	-679,286
Interest and similar costs of financial debt including hedge derivatives		-348,382	-315,653	-139,332	-64,463
Receipts/(payments) relating to loans from non-controlling interests		-14,661	-6,959	-	-
Interest and similar costs relating to loans from non-controlling interests		-5,270	-10,861	-	-
Receipts/(payments) relating to loans from related parties		-	-	314,423	-105,662
Interest and similar costs of loans from related parties including hedge derivatives		-	-	-1,572	-
Share capital increases/(decreases) by non-controlling interests		-45,992	-38,180	-	-
Receipts/(payments) relating to derivative financial instruments		6,286	-17,601	-62,825	-
Dividends paid to equity holders of EDP iii)		-690,739	-690,675	-691,026	-690,963
Dividends paid to non-controlling interests		-44,797	-69,817	-	-
Receipts/(payments) related with transactions with non-controlling interest without change of control		-1,364	-15,053	-	-
Lease (payments) iv)		-37,367	-38,023	-6,195	-6,335
Receipts/(payments) from institutional partnerships in North America v)		114,944	-64,258	-	-
Net cash flows from financing activities		-335,235	-510,331	27,307	-126,521
Changes in cash and cash equivalents		10,301	-425,754	321,043	106,725
Effect of exchange rate fluctuations on cash held		-175,424	17,895	-125	-278
Cash and cash equivalents reclassified as held for sale		-1,778	-14,384	-	-
Cash and cash equivalents at the beginning of the period		1,542,722	1,803,205	1,037,393	484,603
Cash and cash equivalents at the end of the period vi)		1,375,821	1,380,962	1,358,311	591,050

i) Relates essentially to the receivment of the sales of Babilônia Holding, S.A. and its subsidiaries (see note 22) and the transfers of offshore companies to OW Offshore S.L. (see note 6);

ii) Relates essentially to payments made for the capital increases in North America companies and the Investment Funds;

iii) See note 25;

iv) Includes capital and interest;

v) On a consolidated basis, refers to the receipts and payments net of transaction costs (transactions included in note 30);

vi) 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 42 of the Financial Statements.

* Includes the reclassification arising from the change in accounting policy as described in note 2a).

LISBON, 03 SEPTEMBER 2020

THE CERTIFIED ACCOUNTANT
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal, S.A.

Condensed Company Income Statements
for the six-month periods ended at 30 June 2020 and 2019

Thousand Euros	Notes	2020	2019
Revenues from energy sales and services and other	7	1,135,264	1,498,555
Cost of energy sales and other	7	-950,975	-1,403,294
		184,289	95,261
Other income		9,350	11,611
Supplies and services	9	-68,251	-70,874
Personnel costs and employee benefits	10	-40,945	-34,608
Other expenses		-10,689	-11,273
Impairment losses on trade receivables and debtors		-	6
		-110,535	-105,138
		73,754	-9,877
Provisions		-103	-170
Amortisation and impairment		-13,478	-15,053
		60,173	-25,100
Financial income	12	318,594	311,106
Financial expenses	12	-365,159	-277,682
Profit before income tax		13,608	8,324
Income tax expense	13	27,634	31,763
Net profit for the period		41,242	40,087

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

**Condensed Company Statements of Comprehensive Income
for the six-month periods ended at 30 June 2020 and 2019**

Thousand Euros	2020	2019
Net profit for the period	41,242	40,087
Items that will never be reclassified to profit or loss (i)		
Actuarial gains/(losses)	-129	117
Tax effect from the actuarial gains/(losses)	29	-26
	-100	91
Items that may be reclassified to profit or loss (i)		
Fair value reserve (cash flow hedge) (ii)	80,106	-82,648
Tax effect from the fair value reserve (cash flow hedge) (ii)	-18,024	18,595
	62,082	-64,053
Other comprehensive income for the period (net of income tax)	61,982	-63,962
Total comprehensive income for the period	103,224	-23,875

(i) See Condensed Company Statement of Changes in Equity

(ii) See Note 25

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

EDP - Energias de Portugal, S.A.

Condensed Company Statements of Financial Position
as at 30 June 2020 and 31 December 2019

Thousand Euros	Notes	2020	2019 *
Assets			
Property, plant and equipment		27,172	28,925
Right-of-use assets		108,753	110,947
Intangible assets		108,621	93,353
Investments in subsidiaries		15,684,346	15,684,346
Investments in joint ventures and associates		2	2
Equity instruments at fair value		1,252	1,252
Investment property		70,251	71,163
Deferred tax assets	20	124,131	142,907
Debtors and other assets from commercial activities		688	692
Other debtors and other assets	22	3,488,197	3,289,149
Total Non-Current Assets		19,613,413	19,422,736
Debtors and other assets from commercial activities	21	402,194	583,828
Other debtors and other assets	22	1,572,299	1,551,140
Current tax assets	23	153,541	109,676
Cash and cash equivalents	24	1,358,311	1,037,393
Total Current Assets		3,486,345	3,282,037
Total Assets		23,099,758	22,704,773
Equity			
Share capital		3,656,538	3,656,538
Treasury stock		-54,025	-55,124
Share premium		503,923	503,923
Reserves and retained earnings	25	2,711,275	2,619,244
Net profit for the period		41,242	720,916
Total Equity		6,858,953	7,445,497
Liabilities			
Financial debt	27	10,103,330	8,494,071
Employee benefits		6,920	6,696
Provisions		1,872	1,794
Trade payables and other liabilities from commercial activities		738	1,144
Other liabilities and other payables	32	462,823	348,890
Total Non-Current Liabilities		10,575,683	8,852,595
Financial debt	27	4,303,860	4,980,058
Employee benefits		160	69
Provisions		952	926
Trade payables and other liabilities from commercial activities	31	432,179	715,314
Other liabilities and other payables	32	881,258	681,279
Current tax liabilities	33	46,713	29,035
Total Current Liabilities		5,665,122	6,406,681
Total Liabilities		16,240,805	15,259,276
Total Equity and Liabilities		23,099,758	22,704,773

* Includes the reclassification arising from the change in accounting policy as described in note 2a).

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THE EXECUTIVE BOARD OF DIRECTORS

Condensed Company Income Statements
for the three-month periods from 1 April to 30 June 2020 and 2019

Thousand Euros	2020	2019
Revenues from energy sales and services and other	451,233	620,655
Cost of energy sales and other	-392,538	-597,167
	58,695	23,488
Other income	4,318	3,838
Supplies and services	-34,766	-38,324
Personnel costs and employee benefits	-21,024	-20,219
Other expenses	-7,304	-10,314
Impairment losses on trade receivables and debtors	-	6
	-58,776	-65,013
	-81	-41,525
Provisions	-103	-170
Amortisation and impairment	-6,772	-7,555
	-6,956	-49,250
Financial income	166,098	122,969
Financial expenses	-49,475	-119,741
Profit before income tax	109,667	-46,022
Income tax expense	7,628	25,105
Net profit for the period	117,295	-20,917

LISBON, 03 SEPTEMBER 2020

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THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

Condensed Company Statements of Comprehensive Income
for the three-month periods from 1 April to 30 June 2020 and 2019

Thousand Euros	2020	2019
Net profit for the period	117,295	-20,917
Items that will never be reclassified to profit or loss		
Actuarial gains/(losses)	-129	117
Tax effect from the actuarial gains/(losses)	29	-26
	-100	91
Items that are or may be reclassified to profit or loss		
Fair value reserve (cash flow hedge)	143,439	36,280
Tax effect from the fair value reserve (cash flow hedge)	-32,274	-8,163
	111,165	28,117
Other comprehensive income for the period (net of income tax)	111,065	28,208
Total comprehensive income for the period	228,360	7,291

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THE EXECUTIVE BOARD OF DIRECTORS

Condensed Company Statements of Changes in Equity
for the six-month periods ended at 30 June 2020 and 2019

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)	Treasury stock (ii)
Balance as at 31 December 2018	7,484,917	3,656,538	503,923	739,024	2,643,075	-1,328	-	-56,315
Comprehensive income:								
Net profit for the period	40,087	-	-	-	40,087	-	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	-64,053	-	-	-	-	-64,053	-	-
Actuarial gains / (losses) net of taxes	91	-	-	-	91	-	-	-
Total comprehensive income for the period	-23,875	-	-	-	40,178	-64,053	-	-
Dividends paid	-690,963	-	-	-	-690,963	-	-	-
Share-based payments	1,232	-	-	-	41	-	-	1,191
Balance as at 30 June 2019	6,771,311	3,656,538	503,923	739,024	1,992,331	-65,381	-	-55,124
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	41,242	-	-	-	41,242	-	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	62,082	-	-	-	-	62,082	-	-
Actuarial gains / (losses) net of taxes	-100	-	-	-	-100	-	-	-
Total comprehensive income for the period	103,224	-	-	-	41,142	62,082	-	-
Dividends paid	-691,026	-	-	-	-691,026	-	-	-
Share-based payments	1,258	-	-	-	159	-	-	1,099
Balance as at 30 June 2020	6,858,953	3,656,538	503,923	739,024	2,022,680	-9,187	-	-54,025

(i) See note 25

(ii) See note 26

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THE EXECUTIVE BOARD OF DIRECTORS

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COVID 19 - Macroeconomic, Regulatory, Operational, Accounting Impact and Stakeholders

In late 2019, in the Chinese city of Wuhan, a virus that can cause a serious respiratory infection like pneumonia was first identified in humans. During the year 2020, this virus, designated by the World Health Organization (WHO) as COVID-19, evolved to other countries and was classified as a pandemic. The Coronavirus (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 areas of 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.

EDP Group's energy business has been impacted by the drop-in demand associated with the lockdown, as well as by a strong decline in pool prices in the various geographies due to the falling prices in fuel (gas, brent, coal, CO₂), partly already felt a few months before the COVID-19 crisis in Europe, which in the meantime have already had some recovery. The price risk hedging strategy, with very high levels of fixed-price coverage has allowed to contain the impacts of the fall in pool prices in the generation business in the several geographies of EDP Group and specially in the Iberian market. The decrease in business consumption has an impact on the commercialization business, however it is partially offset by an increase in residential consumption. The energy distribution businesses in Iberia have very little impact from the drop-in consumption.

Regarding the financial markets, there was a very significant increase in the volatility of exchange and interest rates, in addition to a sharp drop in the appreciation of the capital markets, however partially recovered after March minimums. In this context, the most relevant impact on EDP is the sharp devaluation of the Brazilian real.

In terms of exposure to credit risk, although there has been no material increase in bad debts, an increase in payment delays and a potential increase in bad debts are expected especially in the sectors of activity most affected by the crisis. However, the existence of a very diverse portfolio of customers and standard debt recovery policies and processes allows to mitigate these impacts.

The EDP Group has been strengthening its financial position and is taking the appropriate mitigation measures from the first signs, making it better prepared to absorb the potential impacts that may result from this pandemic. The issue of the 750 million Euro Hybrid Green Bond and the repurchase of a Hybrid Bond in the same amount in January, the securitization of tariff deficit in the amount of 825 million Euro in March, the issue of a 750 million Euro bond loan Euros in April and the titularization of tariff deficit in the amount of 273 million Euro in July, as well as the announced sale of the hydro powerplants portfolio in Portugal in the amount of 2.2 billion Euros, reinforce the Group's liquidity position.

Regulatory Impact

In the context of COVID-19 pandemic, a set of laws has been approved with the purpose to adapt the sector's activity to the situation experienced, establishing, in particular, consumer protection, procedures and business continuity measures.

Dispatch 26/2020 of the Portuguese Authority of Energy and Geology (DGEG), published in 17 March 2020, taking into account the decisions came from the Council of Ministers on 13 March 2020 where a set of extraordinary and urgent measures to respond to the epidemic situation created by the new Covid-19 were approved, and joining DGEG to this effort, come to simplify and facilitate some measures related to the billing of fees regarding to processes of Small Production Units (UPP) and Self-consumption production units (UPAC), namely, payment of fees associated with administrative procedures.

On 18 March 2020, Regulation 255-A / 2020 of the Energy Services Regulatory Agency (ERSE) was published, which sets out the exceptional conditions for the energy supply services to avoid interruptions in electricity supply, piped natural gas and liquefied petroleum gas (LPG), namely:

- Regarding the contingency plans adopted by the providers of essential public services and anticipating possible payment difficulties motivated by isolation, lack of access to alternative means of payment from home or by an abrupt and unexpected loss of income by consumers, ERSE determines that the period of notice of interruption of supply to domestic customers (BTN) is extended by an additional 30 days;
- Establish exceptional rules regarding the instalment payment of debts generated in this exceptional period of 30 days, which may be extended by ERSE itself;
- Fractional payment of invoices, with no interest being charged by companies for a period of 30 days, due to the difficulty of paying consumers to their energy suppliers;
- The distribution system operators must give priority, in their actions to guarantee the supply of energy, to priority facilities, specially in hospitals and other health facilities, including those facilities that are exceptionally mobilized for this regime, as well as facilities public security and civil protection.

DGEG Dispatch 27/2020, published on 20 March 2020, determines the execution of exceptional and temporary measures in the scope of licensing of the electricity sector, in response to the epidemiological situation arising from COVID-19, namely, the suspension, until the end of April, beginning with the date of the present order, of the submission of new requests for the allocation of Capacity Reserve Titles, Agreements for the allocation of reception capacity in the Electric Public Network (RESP), Registrations for UPP or UPAC, Electricity Production Licenses within the scope of Production in Ordinary Regime (PRO), Cogeneration and Production in Special Regime (PRE) and Licenses for the establishment of network infrastructures (lines and extensions, stations transformers, substations), except those of public or private service that fit in situations considered emergency by DGEG, for public health reasons or similar.

On 22 March 2020, Dispatch 3547-A / 2020, of the Ministry of Environment and Climate Action, was published, which regulates the declaration of the state of emergency, ensuring the functioning of supply chains for essential goods and public services, as well as the operating conditions under which they must operate.

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In order to ensure the continuity and interruption of the electricity distribution service, the distribution system operators, municipalities and concessionaires for low voltage distribution must ensure, within the scope of their responsibilities, all necessary measures to ensure regular management, operation and maintenance of networks, maintenance of lines, transformer stations and auxiliary installations, and defining the necessary teams, including operators, team leaders, operation and maintenance technicians and other elements assigned to emergency response, to ensure the following functions:

- Operation of the National Dispatch of the National Electricity Transport Network in Sacavém;
- Operation of the Operation Center of the National Electricity Transport Network in Vermoim;
- Local operation and response to breakdowns and incidents in the infrastructures of the National Electricity Transport Network;
- Operation of the National Dispatch of the National Transport Network and Natural Gas Storage Infrastructures in Bucelas;
- Local operation and response to breakdowns and incidents in the infrastructures of the National Natural Gas Transport Network;
- Local operation and response to breakdowns and incidents in the underground natural gas storage infrastructures in Carriço;
- Local operation and response to breakdowns and incidents at the Terminal of liquefied natural gas in Sines, including the reception, storage and regasification of liquefied natural gas (GGNL);
- Operation and response to malfunctions and incidents of the computer systems that support previous activities;
- Maintenance of protection bands and fuel management in situations of imminent risk.

On 8 April 2020, ERSE Regulation No. 356-A / 2020 was published, which approves the regulation that establishes exceptional measures within the scope of the SEN and SNGN by the Epidemiological Emergency COVID -19 (additional measures to ERSE Regulation no. 255 -A / 2020, published on 18 March 2020). In this context, ERSE approves additional regulations in which it extends, until 30 June 2020, the validity period of Regulation no. 225-A / 2020 and operates provisions for fractioned payment of electricity and natural gas bills until 12 monthly payments and also establishes other rules for application to companies not covered by Regulation No. 225-A / 2020.

On 10 April 2020, Law no. 7/2020 of the Assembly of the Republic was published, which establishes an exceptional and transitional regime for non-interruption of the provision of essential services. It is determined that during the state of emergency and in the following month, the suspension of the provision of essential services, such as electricity and natural gas, is not allowed and that, in the event of outstanding amounts related to the provision of these services, it should be drawn a payment plan, by agreement between the supplier and the customer, starting in the second month following the state of emergency. Because Law No. 7/2020 was published with inaccuracies, on 30 April 2020, Statement of Rectification No. 18/2020 was published, which rectifies, among others, the article that imposes obligations in terms of telephone lines available to customers.

On 29 May 2020, Law No. 18/2020 was published, which makes the first amendment to Law No. 7/2020, of 10 April 2020, extending the deadlines for measures to support families in the context of current public health crisis generated by COVID-19. Thus, this Law determines that the suspension of the supply of essential services such as electricity and natural gas should not be allowed until 30 September 2020, and the suspension ban precluded applies when motivated by a situation of unemployment, drop in household income equal to or greater than 20%, or by infection with COVID-19 (applying from 1 June). In the event that there are outstanding amounts related to the provision of these services, a payment plan should be drawn up, by agreement between the supplier and the customer, starting in the second month thereafter from 30 September 2020.

On 22 June 2020, Ordinance No. 149/2020 was published, which defines and regulates the terms under which the aforementioned drop in income is demonstrated for the purpose of not suspending the provision of essential services.

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

To assess possible accounting impacts arising from COVID-19, the EDP Group reassessed the estimates it considers relevant and which may have been impacted by this fact. Thus, on 30 June 2020, the EDP Group carried out a series of analyses of these relevant estimates, given that, due to the current scenario of uncertainty, the update of the basic assumptions for these estimates is, at this date, still complex. Nevertheless, we can highlight that:

- i) In view of the measures enacted by the governments of the different countries in which the Group operates and the potential change in the quality of the customers' credit portfolio, the EDP Group carried out an analysis of the assumptions used in determining the expected credit losses and their confrontation with the best information available to date, such as the evolution of the Group's exposure as at 30 June 2020. Given the existing uncertainties regarding the impact on the credit risk of the respective customer portfolio, the Group has carried out an analysis of a set of scenarios in order to reflect its best expectation in the respective impairment calculation matrices, and will continue monitoring the evolution of this topic, in order to adjust the assumptions that may prove necessary. As at the reporting date, the Group has recognised impairment losses in the amount of approximately 17.5 million Euros, due to the situation generated by this pandemic. This increase has resulted essentially from the increase in accounts receivable balances on 30 June 2020, which are the basis for the impairment calculation matrices, as well as the adjustments made to the impairment loss assumptions, based on the country and the segment in which customers are included (residential customers and business customers), in order to reflect the specific situation generated by the pandemic.

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ii) Regarding the provision for employee benefit liabilities, given the evolution of the stock markets, the discount rate used in the valuation of past service liabilities has been reviewed. In this sense, considering the evolution of interest rates that support the determination of the discount rate during the first semester, on 30 June 2020 the EDP Group has considered the discount rate of 0.95% for Portugal (unchanged from 31 December 2019) and the discount rate of 7.70% for Brazil (31 December 2019: 7.56%). An increase of 50 basis points in the rate considered for Portugal would result in a reduction in the defined benefit obligation of approximately 105 million Euros. The increase in the discount rate considered in Brazil resulted in a reduction of the associated liability in the amount of approximately 12 million Euros. Moreover, there was a significant reduction in the fair value of the Plans Assets in Portugal in the first quarter, which has been partially recovered in the second quarter, translated into a reduction in the value of the Plan Assets of approximately 60 million Euros. Considering the impact above mentioned, the provision for employee benefit liabilities, on a consolidated basis, at the reporting date, has been impacted by 35 million Euros (net of tax).

iii) Regarding non-current assets, the Group has carried out an analysis in order to identify potential indication of impairment. With the exception of the situation described below, no materially relevant devaluations were identified as a result of the situation generated by the pandemic. Taking into account the continued deterioration in market conditions for coal power plants, especially accentuated during the first half of 2020 due to COVID-19, and following the information made to the market on 19 December 2019, EDP has decided to anticipate the closure process of Sines power plant (1,180 MW), which do not produced energy since January 2020. Thus, on 14 July 2020, a declaration of resignation of the production license was delivered, to anticipate the respective closure by January 2021. Until that date, the plant will produce what is strictly necessary for burning stored coal. Considering this decision to close the Sines power plant, the impairment test carried out in December 2019 was reviewed, being determined an additional impairment amounting of 77 million Euros.

iv) Regarding investments in joint ventures and associates, recorded in the consolidated financial statements accounted for under the equity method, the results for the period already include the effects resulting directly from the pandemic, with no materially relevant impacts having been determined.

v) Regarding assets measured at fair value, the Group did not consider necessary to make changes to the valuation methods applied due to the context of the pandemic. Therefore, there are no additional financial instruments categorized as "Level 3" (that is, valued based on inputs that are not based on observable market information).

vi) Regarding derivatives designated as cash flow hedges, the Group has not identified significant situations that have resulted in the discontinuation of hedge accounting or in the recognition of an increase in inefficiency in existing hedging relationships.

Stakeholders

The EDP Group assumed the commitment to its stakeholders from the first moment and has acted in the fight against the pandemic, having elaborated an integrated plan of which the following initiatives stand out:

- **Employees**

The investment in recent years in digitalization was critical in this response to the pandemic, allowing the EDP Group to have 72% of the Group's workers teleworking. The EDP Group also reinforced internal communication and created an internal medical support line for more than 45,000 people.

For employees who are at the front line to insure the continuity of energy supply, the Group reinforced its cleaning and disinfection activities, delivered personal protective equipment and worked in alternate shifts, without contact and redundancy of the teams.

- **Customers**

The Group takes care of its customers, not only ensuring the supply of energy, but also suspending energy cuts, making the deadline and payment method more flexible (without interest) and reinforcing digital contact means and call centers.

For its customers who are healthcare professionals and are at the frontline battling the pandemic, the Group is granting discounts on electricity prices in Portugal and Spain. These discounts also benefit the integrated continuing care units and residential structures around disability, childhood and community, as well as hotels required to provide support to hospitals.

- **Suppliers and job creation**

The Group is contributing to maintain the economic activity and employment and helping suppliers to overcome this phase of the economic slowdown. Thus, the Group maintains the goal of hiring 700 people in 2020 and the investment plan of more than 9 billion Euros between 2020 and 2022 (remaining period of the Business Plan). Regarding suppliers, the Group anticipated payments to more than 1,200 Small and Medium Enterprises (SME) in early April and made payments on a set of SME invoices of up to 500 thousand Euros, totalling about 100 Million Euros, by the end of May.

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- Communities

From the first moment, the Group made a commitment to the Communities, delivering medical equipment worth approximately 5.8 million Euros, of which approximately 4 million Euros in partnership with China Three Gorges (CTG) (50 fans, 200 monitors and medical support equipment), and personal protective equipment worth approximately 500 thousand Euros.

Additionally, the Group i) created a social fund to support community projects and vulnerable communities; ii) donated essential goods to homes and Non-Governmental Organizations (NGO) and personal protective equipment for homes; iii) helped to finance the production of a new invasive ventilator model, the development of platforms and applications to promote public health; and iv) provided electronic equipment for schools in the context of adapting schools to digital platforms. This set of measures totalled an investment of approximately 1.7 million Euros.

- Shareholders

The Group upheld the execution of the business plan and the commitment to the dividend distribution in May 2020.

This set of measures reflects the Group's resilience and commitment to all its stakeholders.

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I. 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. Although complementary, 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.

During the six-month period ended 30 June 2020, we emphasize the following regulatory changes, with potential significant impact in the economic activity of the EDP Group:

Activity in the energy sector in Portugal**Portugal - Electricity****Portugal - Electricity - Generation**

On 23 January 2020, Ordinance 15/2020, of the Ministry of Environment and Climate Action (MAAC), was published, which sets the values of fees within the scope of administrative procedures related to electricity production and supply activities subject to the Decree Law 172/2006, of 23 August 2006 (in its current wording given by Decree-Law 76/2019, of 3 June 2019 - Small Production Units (UPP)).

On 14 February 2020, Ordinance 42/2020, of the Ministry of Finance, was published, which sets the rate of addition on CO₂ emissions and the value of the resulting addition for each product. The rate of the addition provided for in article 92-A of the Special Consumption Tax Code, defined annually, is fixed based on the auctions prices of greenhouse gas emission licenses carried out within the scope of the European Licensing Trade Emission Levels (CELE), with the value calculated for 2020 of 23.619€ / ton of CO₂ (in 2019, this value amounted to 12.74€ / ton of CO₂).

On 27 February 2020, Ordinance 53/2020, of MAAC, was published, that sets the amounts to be charged by the entity issuing guarantees of origin (EEGO) to the services provided within the scope of its functions.

On 16 March 2020, Ordinance 73/2020, of MAAC, was published, which establishes the non-exhaustive requirements for the connection of the generator modules to the Public Service Electric Network (RESP), in compliance with the provisions of Commission Regulation (EU) 2016/631 of 14 April 2016 (establishing a network code that defines the requirements for the connection of electricity generators to the network - Requirements for Generators - RfG).

On 20 March 2020, Directive 4/2020, of Energy Services Regulatory Entity (ERSE), was published, which approves the operational rules of the commercial relationship between the Transmission System Operator (ORT) and the producers covered by the Decree-Law 74/2013, of 4 June 2013, with the amendment given by Decree-Law 104/2019, of 9 August 2019, revoking Directive 15/2016, of 14 September 2016, regarding the clawback regime. The main change in this Directive is to allow the breakdown in invoice of the amount of exchanges with contractual stability compensation (CMEC) and to allow monthly aggregation by balance sheet area, instead of by power generation centre.

On 25 March 2020, MAAC Ordinance 80/2020 was published, which establishes the reference tariff and respective duration to electricity producers from renewable energy sources, based on a single production technology, with maximum installed capacity up to 1 MW (UPP), and destined to the total sale of energy to Electric Public Network (RESP), that opt for the guaranteed remuneration regime. The reference rate for the UPP applicants that opt for the guaranteed remuneration scheme is 45€/MWh, non-upgradable (applies to any renewable source of primary energy and type of technology, regardless of the location of the UPP installation).

On 6 April 2020, Decree-Law 12/2020, of the Presidency of the Council of Ministers was published, which establishes the legal regime applicable to the trading of licenses and emission of greenhouse gases (GHG) for the period 2021-2030, transposing into the national legal order the EU Directive related to this theme (Directive 2018/410, of 14 March 2018 | CELE Directive - European Union Emissions Trading Scheme). This Decree-Law promotes decarbonisation in industrial installations that emit more GHG, contributing to the fight against climate change.

On May 29 2020, Order 5921/2020, of the Office of the Secretary of State for Energy (SEE) was published, which determines the opening of a competitive procedure, in the form of an electronic auction, for the attribution of reserve capacity injection at RESP connection points for electricity from solar energy conversion. On 18 June 2020, DGEG Order 6415/2020 was published, which appoints the jury for the tender procedure for the solar auction.

On 17 June 2020, Order 6403-A/2020 was published, regarding the opening of the period for expression of interest for participation in the future "Important Project of Common European Interest" (IPCEI) of Hydrogen.

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On 25 June 2020, MAAC Ordinance 158/2020 was published, proceeding to the first amendment to Ordinance 172/2013, of 3 May 2013, which establishes the verifying regime of the availability of power generation centers with the objective of adapting this discipline to storage.

On 30 June 2020, Order 6740/2020 of the SEE Office was published, which establishes the amount of payment on account to be applied in 2020 to electricity producers covered by the clawback mechanism. The payment on account to be applied for the year 2020 assumes the value of 2.24€/MWh, per unit of energy injected in the RESP, applying to all electric energy producers that operate power generation centers covered by Decree-Law 74/2013, of 4 June 2013, in its current wording, with the exception of power generation centers included in internal extra-market events (ISP, CESE and Social Tariff).

Portugal - Electricity - Distribution

On 26 May 2020, ERSE Regulation 496/2020 was published, approving the amendment to the Electric Sector Tariff Regulation (TR), determining that the regulatory parameters approved in ERSE Directive 2/2018, of 4 January, for the 2018-2020 regulatory period, are exceptionally applicable until 31 December 2021, that is, for another year.

Portugal - Electricity - Supply

On 23 January 2020, Ordinance 16/2020, of MAAC was published, which sets the amount of the fees of the administrative procedures for the self-consumption activity and Renewable Energy Communities (CER), implementing the regime approved by Decree-Law 162/2019, of 25 October 2019 (self-consumption production units (UPAC) and CER).

ERSE Directive 2-A/2020 was published on 14 February 2020, which approves the risk management and guarantee regime of the National Electric System (SEN). This Directive approved under article 58-D of Decree-Law 76/2019, of 3 June 2019, regulates the activity of guarantee management, the management and risks and provision of guarantees within the scope of the SEN, as well as the activity and procedures to be supervised by the Integrated Guarantees Manager.

On 20 March 2020, ERSE Directive 5/2020 was published, which approves the tariffs for access to the networks to be applied to self-consumption of electricity through the RESP in 2020.

On 1 April 2020, MAAC Ordinance 83/2020 was published, approving a new calendar postponement for the extinction of the transitional tariffs for sale to final customers (TTVCF) applicable to electricity supplies in MT, BTE and BTN and supplies of natural gas in Low Pressure (BP). This ordinance implements the extension provided in the State Budget Law for 2020, applicable to BTN (extension of the deadline for the TTVCF extinction of electricity in BTN to 31 December 2025), establishing as a new timetable for the TTVCF extinction.

On 2 April 2020 ERSE Directive 5-A/2020 was published, which approves a decrease in the price of the energy tariff applied in the regulated market in the electricity sector by 5€/MWh, with the change in this component of TTVCF, reflecting a reduction of about 3% in the total electricity bill.

On 20 April 2020, ERSE Directive 6/2020 was published, which approves the extension of the pilot project for the participation of consumption in the regulatory reserve market.

Portugal - Natural Gas

On 3 April 2020, Order 4131/2020 of the SEE Office was published, which sets the discount to be applied to the access tariffs to the networks in BP, to the beneficiaries of the natural gas social tariff. Thus, is determined to maintain the percentage of the social tariff for natural gas that ensures a 31.2% discount on transitory tariffs for sale to end customers of natural gas, excluding VAT, other taxes, contributions, taxes and default interest that are applicable, not being considered its application for the purposes of other support currently in force.

ERSE Regulation 455/2020 was published on 8 May 2020, which makes the first change to the Natural Gas Sector Tariff Regulation (RT), where ERSE approves an energy tariff adjustment mechanism, identical to that already existing in the electricity sector, which provides for quarterly monitoring of the cost of acquisition of natural gas related to the seller of last resort wholesale.

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Portugal - Transversal legislative changes**State Budget and Major Plan Options**

Law 2/2020 was published on 31 March 2020, which approves the State Budget Law for 2020, with the following main measures that impact the energy sector:

Exemption of the oil tax (ISP) and surcharge over CO₂

Coal and coal coke used in the production of electricity are taxed at a rate corresponding to 50% of the ISP rate and CO₂ addition for 2020. The payment of 50% of the value of the CO₂ addition is the difference between a reference price for CO₂ established at 25€/tCO₂ and the price subsequent from the arithmetic average resulting from the auctions of GHG emission licenses, with the maximum limit of 5€/tCO₂.

The ISP exemption on natural gas used to produce electricity is eliminated, which will be taxed at a rate corresponding to 10% of the ISP rate, which will progressively worsen until 2023 in the following terms: 20% in 2021; 30% in 2022; 40% in 2023. Natural gas for electricity production remains exempt from adding CO₂ as it is a CELE sector.

The ISP exemption on fuel oil used to produce electricity is eliminated and is now taxed at a rate corresponding to 25% of the ISP rate, which will progressively worsen until 2023 in the following terms: 50% in 2021; 75% in 2022; 100% in 2023. Fuel oil for electricity production remains exempt from adding CO₂ as it is a CELE sector.

It is expected that the revenue obtained from ISP and CO₂ addition will be allocated 50% to the National Electric System (SEN) or reduction of the tariff debt and 50% to the Environmental Fund.

During the year 2020: 1) The Government will reassess the exemptions attributed to the facilities included in the CELE regime and in the Management System for Intensive Energy Consumption to phase it out; 2) The Government will study the best way to accelerate the progressive reduction of the exemption of ISP and CO₂ addition rate, to align them with the incentives for the introduction into the consumption of renewable gases and ensure their contribution to the fulfillment of the targets RNC 2050 and PNEC 2030.

CESE (Extraordinary Contribution on the Energy Sector)

CESE remains in force in 2020 as it was in previous years, with the exemption from CESE's application to small producers using renewable sources with installed power up to 20 MW, foreseeing a standard anti abuse which excludes the exemption taxable to the passive subjects that in the set of power generation centers they own, have an installed power higher than 60 MW covered by FiT regimes.

The State Budget Law for 2020 grants legislative authorization to the Government (within 90 days), in order, namely, to reduce the various rates of extraordinary contribution to the energy sector, with the limit of the percentage reduction in tariff debt provided for in the electricity tariffs for 2020, according to ERSE. With the suspension of the deadlines implemented by the State of Emergency, it is unknown which is the deadline to consider.

Value added tax (VAT)

Legislative authorization is granted to the Government to amend the VAT Code (to be implemented within 1 year), in which within each power step there may be differentiated VAT rates, depending on consumption (request under analysis at the European Commission's VAT Committee).

CAV (Audiovisual Contribution)

In 2020, the monthly values of the CAV are not updated, keeping the value (excluding VAT) at 2.85 €.

Regulated Electricity Tariff

The existence of the regulated electricity tariff for Low Normal Voltage is extended until 31 December 2025.

Social Energy Tariff

The conditions for access to the social tariff for electricity and natural gas are extended to all situations of unemployment in addition to those that already exist (social income and social unemployment benefit).

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Other relevant legislative changes

ERSE Directive 3/2020, of 17 February 2020, approved the tariffs and prices for electricity and other services to be in force in 2020.

On 20 March 2020, Regulation 266/2020 of the ERSE was published, which establishes the rules for the exercise of self-consumption activity of individual or collective renewable energy, when there is a connection to the RESP.

On 6 June 2020, Resolution 41/2020 of the Council of Ministers was published, approving the Economic and Social Stabilization Program (PEES) with a time horizon until the end of 2020, determining measures that affect the bands of fuel interruption, MOBILE, program to support more sustainable buildings and fight poverty.

On 19 June 2020, Order 6453/2020, of the SEE Office was published, which establishes the conditions for the exemption of charges corresponding to the costs of general economic interest (CIEG) that affect network access charges determined by ERSE in self-consumption projects and renewable energy communities (CER).

On 25 June 2020, ERSE Directive 11/2020 was published, which approves the natural gas tariffs and prices to be in force for the 2020-2021 gas year. ERSE Directive 12/2020, of 30 June 2020, approves the update of the 2019-2020 energy tariff for the natural gas sector, with effect from 1 July.

Activity in the energy sector in Spain

Electricity - Spain

Supply

CNMC Circular 3/2020, of 15 January 2020, establishing the methodology for calculating tolls for electricity transmission and distribution.

Vulnerable Consumers

As a consequence of the declaration of a state of alarm in Spain due to the health crisis caused by COVID-19, Royal Decree-Law 8/2020, of 17 March 2020, with extraordinary urgent measures to face the economic and social impact of COVID-19, introduced temporary measures related with electricity, namely the prohibition on suspending the supply of electricity to vulnerable, seriously vulnerable consumers or CRES and the automatic extension of the validity of the social bonus of those consumers until 15 September 2020.

Likewise, Royal Decree-Law 11/2020, of 31 March 2020, made it possible for self-employed workers who have ceased their activity or who have suffered losses of at least 75% of their turnover, to be considered as vulnerable consumers in their habitual residence for a maximum period of 6 months if they comply with the criteria of article 28 of the Real DL.

Activity in the energy sector in Brazil

Electricity

Regulatory Changes

On March 6, 2018, the National Electric Energy Agency (ANEEL) approved the new efficiencies in the definition of the regulatory operating costs. EDP São Paulo maintained its level of efficiency at 82% and EDP Espírito Santo increased its efficiency from 72% to 82%. The global efficiency of the distributors increased from 76% to 79%. ANEEL accepted the request to include labor convictions and the costs of deactivating assets. Regarding the operating cost of the test year and civil convictions, ANEEL chose to postpone the discussion for the methodological review in 2020.

On 10 March 2020, in Normative Resolution 874, ANEEL defined the methodology for the rate of the weighted average cost of capital (WACC) for energy distributors, generators and transmitters. The Distribution WACC goes from 8.09% (amount extended until 31 December 2019) to 7.32%, effective from 2020. The remuneration rate will be recalculated annually, updating the cost of capital for third parties and adopting the average cost of equity for the last 5 years.

On 24 March 2020, Normative Resolution 878 imposed measures to preserve the provision of the distribution service resulting from the public calamity caused by the coronavirus pandemic (COVID-19), listing a series of guidelines necessary for the maintenance of essential services.

On 28 March 2020, due to the coronavirus pandemic, the Ministry of Mines and Energy (MME) decided to postpone, through Ordinance 134, the holding: (i) of the existing energy auctions "A-4" and "A- 5 ", 2020; (ii) the New Energy auction "A-4" and "A-6", from 2020; (iii) the transmission auctions provided for in MME Ordinance 15, of 13 January 2020; and (iv) auctions for contracting solutions for supplying isolated systems, as provided for in MME 67, of 1 March 2018.

On 15 June 2020, Normative Resolution 886 extended the provisions of the Normative Resolution 878 until 31 July 2020.

On 23 June 2020, Normative Resolution 885 established the creation of the COVID Account, through CDE (Energetic Development Account), to anticipate receivables from distributors and to mitigate the lack of liquidity in the electricity sector, through centralized credit by CCEE (Electric Energy Trading Chamber) with private banks.

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Generation

On 10 March 2020, ANEEL published Normative Resolution 875 concerning the requirements and procedures necessary to the approval of hydroelectric inventory studies of watersheds, the authorization to operate hydroelectric plants, the communication on the implementation of a hydroelectric generating plant with low installed capacity and the approval of technical and economic feasibility studies for hydroelectric power plants subject to concession. This Normative also establishes the requirements and procedures necessary to obtain authorization for exploration and to change the installed capacity of wind, photovoltaic, thermoelectric and other alternative sources and the communication of the implementation of power plants with low installed capacity.

Distribution

On 20 February 2020, ANEEL published Normative Resolution 871, establishing changes to module 8 of the Procedures for the Distribution of Electricity in the National Electrical System - PRODIST. Thus, as of January 2021, all consumer units included in the sample measurement draw for the evaluation of energy quality, must have installed meters with functionalities for permanent monitoring of voltage levels. This resolution also requires that from 1 January 2023, distributors must have a certification for the measurement process, data collection, calculation of indicators and compensation related to the permanent voltage, for the modalities described in item 9.2.1, based on the standards of the International Organization for Standardization (ISO 9000).

On 20 February 2020, ANEEL approved the Public Consultation CP 17/2019, publishing Normative Resolution 872, thus deciding to suspend the rounding of the additional tariff flags, in line with the EDP Group's contributions and in line with the decision embodied in REH 2,628 of 2019.

On 17 March 2020, Normative Resolution 877 determined the new methodology for Factor X Pd, that consists of shared productivity gains with the consumer. Total factor productivity went from 1.53% to 0.663%, showing a significant reduction in the concessionaires' market and increasing investment and O&M costs, which reduces gains in scale. The market variation coefficient goes from 0.14 to 0.317 and the variable number of consumer units is no longer part of the Pd equation.

On 24 March 2020, Normative Resolution 878 imposes measures to preserve the distribution service due to the public calamity caused by the coronavirus pandemic (COVID-19), such as: (i) cut-off due to lack of activities considered essentials, equipment for the preservation of human life and dependent on electricity, residential and rural consumers, among other cases; (ii) suspension of the requirement to meet deadlines for certain activities of the distributors, face-to-face service and the issuance of a physical invoice; and (iii) prohibition of scheduled closings in addition to those necessary for the maintenance of services.

Transmission

On 3 March 2020, Normative Resolution 873 establishes textual adjustments and corrections, definition of less restrictive requirements and changes to deadlines in the Grid Procedures.

On 9 June 2020, Normative Resolution 884 determines the regulatory WACC for Transmission at 6.96% (real after tax) in 2020 for the existing transmission companies and reinforcements and improvements also for the bidding transmission companies.

Activity in the renewable energy sector

Electricity

Generation

Regulatory framework for the activities in Spain

In December 2019, the CNMC (Comisión Nacional de los Mercados y la Competencia) disclosed in its website the final balance of the Spanish electricity system in 2018, delivering a surplus of 96 million Euros.

In January 2020, the CNMC's Circular 3/2020 was approved. The Circular sets the methodology to calculate access fee and removes the former 0.5€/MWh for generators. A new fee of 0.13741€/MWh was introduced to remunerate the system operator.

On 28 February 2020, the final version of the Rinv (investment premium) adjustment was published, as in 2019 ended the second semi-regulatory period of the RD 413/2014 framework. The three main adjustments vs the previous semi-period have been the estimation of pool prices using forward prices, the so-called "factor de apuntamiento" (from 14.79% to 6.14%) and the adjustment of the OPEX to reflect the removal of the 0.5€/MWh access fee and the inclusion of the system operator remuneration.

On 14 March 2020, Royal Decree 463/2020 entered into force, declaring the state of emergency for the management of the health crisis caused by the coronavirus (COVID 19). During extreme situations (among them, health crises) article 116 of the Spanish Constitution allows the executive to declare the state of emergency, a measure that enables it to prohibit the free movement of people throughout the country and to take all steps required to guarantee the supply of food to the nation's markets. It also allows the government to take over the means of production and requisition goods.

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Initially the state of emergency was set to last until 29 March 2020 but the Congress extended it until 21 June 2020. Also, the government toughened the lockdown measures on 28 March 2020 requiring the halt of all “non-essential” activities from 30 March to 9 April, including wind farms’ construction. Several subsequent Royal Decrees were published during the State of Alarm. These Royal Decrees included economic and social measures to fight the pandemic effects. Despite the lockdown, several consultations have been launched by the Energy Ministry (Hydrogen Strategy, Electric Energy Storage (EES), offshore strategy and FEDER auctions).

Due to the disruption caused by COVID-19, a 2-month extension (from the last day of the state of emergency) of the connection rights expiring on 31 March 2020, was decided.

The final version of the Spanish NECP (National Energy and Climate Plan) for the period 2021-2030 was sent to the European Commission. The final version did not contain changes compared to the latest draft.

The Council of Ministries approved an update on Project Law on Energy Transition and Climate, to be now passed for approval in the Spanish Parliament. The project law keeps the objective of 35% renewables in final energy in 2035 and 70% RES-E, as well as carbon neutrality and 100% RES by 2050, among other measures.

On 23 June 2020, the Government approved Royal Decree Law 23/2020 with measures in the area of energy and other areas aimed at economic recovery. The objective of this Royal Decree Law is to guide energy policy for economic recovery, financial resource mobilisation, sustainable job creation and the requisite collaboration between budgetary, monetary, financial and structural policies. In particular, RD 23/2020 consists of a battery of measures intended to help the energy transition, remove barriers to the large-scale deployment of renewable energy sources and promote energy efficiency.

Regulatory framework for the activities in Portugal

In 27 December 2019, the Portuguese Government published the Order 12424-A/2019, setting the Social Tariff, CESE (energy tax) and the tax over oil products (ISP) as the internal events to be considered in the annual study made by ERSE to set the clawback. Additionally, the DGEG (Direção-Geral de Energia e Geologia) clarified in January 2020 that the clawback only applies to renewables under market conditions (and therefore, assets under a tariff scheme or a PPA are excluded from the mechanism).

The 2020 State Budget envisaged that small producers (up to 20 MW) would be exempted from paying the CESE. Also, passive subjects with more than 60 MW under tariff schemes would also be exempted from paying the tax.

On 14 February 2020, the reference terms for capacity reservation were published. Initially, Decree-Law 76/2019 opened the door to capacity reservation agreements with the Transport system operator (TSO) in which generators would commit to build the interconnection infrastructure. However, given the high number of requests received, a number of technical and sustainability criteria were also included.

In Portugal, a GO (Guarantees of Origin) system was launched. From March 2020 onwards, REN will start to render, transfer and cancel GOs, while importation and exportation will be only possible from the second semester of 2020 onwards. To participate in the GO system, companies will need to pay 1,000 Euros upfront and 0.037€/MWh for the issuing of the corresponding GOs. Additionally, there is a cost of 250 Euros per installation for the services of the external audit. The “Manual de Procedimentos” setting the attributions of REN as the entity responsible for the issuing of GOs was approved by DGEG in February 2020. The DGEG published in May 2020 an update about the participation in the GO system. According to this update, registration shall be compulsory for renewable producers above 5 MW and high efficiency cogeneration. Until 2021, renewable plants <1 MW and self-consumption ones will be exempted. Registration for obliged producers should be done until 30 June 2020.

In order to prevent further spread of the Covid-19, the state of emergency was declared by Presidential Decree 14-A/2020, of 18 March 2020, as authorized by the Parliament’s Resolution 15 A/2020, of 18 March 2020. DGEG suspended all deadlines linked to licensing procedures for all electrical projects after 16 March 2020. In particular, this suspension comprehends the deadlines for any administrative proceeding to be performed by solar promoters with projects awarded in the first solar auction (June 2019). The Emergency State was lifted on 2 May 2020 and replaced by the Calamity State and on 1 July 2020 it was changed to State of Alert for most of the country.

On 27 March 2020, the new solar auction was announced by the Energy Secretary of State. The injection capacity to be auctioned will be of 700 MW, all in the Alentejo and Algarve areas.

According to the online information session, promoters will have the choice between the following three remuneration schemes: 1) A fixed guaranteed tariff structures, where the bids will express a discount to a reference price, in €/MWh; 2) A market scheme where the promoters bid for a contribution made to the National Electric System (SEN) in MWh and where the promoters that bid the largest contributions will be awarded with the capacity title; 3) A new system consisting of a market scheme for power plants incorporating a storage system, in which participants bid the value of the capacity payment that would like to receive in €/MW (MW of connection capacity). In exchange, they shall sign a “one-side” CfD contract (“available contract”) with REN to protect the system against price spikes events. The pre-qualification process was open on 8 June 2020 and the auction will take place on 24 and 25 August 2020.

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On 31 March 2020, the Law 3/2020 accompanying the State Budget was published setting the main policies and investments for the 2020-23 period. In terms of energy, the path to carbon neutrality in 2050 is set by confirming the 55% reduction target in 2030, promoting regional guidelines for carbon neutrality and envisaging the development of 5-year carbon budgets. Additionally, the main goals of the NECP are also confirmed by the Law (preparation works for coal phase out, installations of 2 GW of solar PV in the next 2 years, reinforcement of existing onshore, promotion of hybrid and Energy storage, offshore wind, hydrogen, etc.). Energy efficiency, e-mobility and economic incentives for decarbonization are also among the government priorities.

On 9 June 2020, the Council of Ministers approved the Supplementary Budget for 2020. The proposed law amends the State Budget law for 2020, allowing the materialization of the Economic and Social Stabilization Program.

Regulatory framework for the activities in Romania

At the end of 2019, the regulatory entity (ANRE) released Order 236/2019 ruling on negative prices and PPAs, following the EC mandate of removing price limits from wholesale markets. Imbalance price cap is expected to be removed in April, although it's likely that there will be delays in the implementation. Also, ANRE is already working on a single-price mechanism, also in line with European balancing guidelines (expected to be implemented by January 2021). The Order also seems to allow PPAs as energy transactions in non-regulated markets.

The State of emergency was declared on 16 March 2020, through presidential Decree 195/2020. The Decree aims at controlling the spread of COVID-19. Among others, the Decree includes restrictions of certain rights (introducing for example compulsory quarantines). It also includes the possibility of price controls for certain goods and/or services (for example, electricity prices cannot be increased over the levels applicable on the day of issuance of the Decree). The State of emergency was subsequently extended until 16 May 2020. During the State of emergency period, the government has released several economic relief measures such as extension of payment deadlines for local taxes, a tax debt restructuring program, a reduction of the monetary interest rate, among others.

On 31 March 2020, ANRE published Order 61/2020 stating that negative prices would be allowed from September 2020 in line with Order 236/2019 published in 2019. The date to remove imbalance price cap had been postponed several times since Order 236/2019.

On 14 May 2020, Emergency Ordinance 74/2020 was approved, amending the Energy Law 123 and allowing PPAs signed outside the centralized markets for new renewable projects with COD from June 2020. It seems however, that the Emergency Ordinance has been modified for its ratification in the parliament, removing the mention of the PPAs, despite being previously published in the Official Journal.

On 11 June 2020, the Romanian Energy Ministry proposed a Memorandum with the basic characteristics of a potential CfD scheme, addressed at low carbon technologies (renewables, CCS and ESS).

Regulatory framework for the activities in the North America

On 20 December 2019, the President signed the Taxpayer Certainty and Disaster Tax Relief Act of 2019. The act changes the phase down schedule for the Production Tax Credit for onshore wind energy projects. Under prior law, the PTC phased down to 40% for projects beginning construction in 2019 and then to 0% for facilities for which construction began in 2020. The new act leaves in place the 40% PTC rate for 2019 projects, then increases the PTC to 60% for projects beginning construction in 2020. Projects beginning construction in 2021 & later will have no PTC. The act made no changes to the solar ITC.

The United States Treasury Department formally extended the eligibility deadlines for Production Tax Credits (PTC) and Investment Tax Credits (ITC) in connection with renewable facilities. The extensions were a welcomed relief for solar, wind, and other renewable energy projects navigating the uncertainties of the COVID-19 pandemic. The extensions were announced in Notice 20-41, issued on 27 May 2020. The safe harbor period will now be extended to five years (previously four) to complete projects that commenced in 2016 and 2017 while maintaining PTC and ITC eligibility. Developers and investors using the 5% safe harbor retain their eligibility so long as the taxpayer (i) invested 5% of project costs by 31 December 2019, (ii) reasonably expected the delivery of equipment intended to satisfy the safe harbor within 3.5 months after the date of payment, (iii) received qualifying equipment by 15 October 2020 for equipment paid for on or after 16 September 2019.

Regulatory framework for the activities in Poland

The Council of the Ministries published on 31 December 2019 a draft Ordinance defining volumes and values for 2020 auctions. The proposed volumes have been significantly lifted from previous versions (for onshore wind and solar PV above 1 MW it has been set at 46.29 TWh, equivalent to around 0.8 GW of onshore wind and around 0.7 GW of solar PV). In 2020, one renewable auction round is expected in Q4.

On 15 January 2020, the Ministry of State Assets submitted for public consultation a draft law on the promotion of electricity generation of offshore wind farms. The proposed remuneration scheme is a 25-year CfD with profile risk fully covered. The draft Act also considers the possibility of granting support out of a tender scheme up to 4.6 GW projects (provided certain project milestones have been reached). From 2023 onwards (or once the 4.6 GW threshold is reached), offshore wind projects can participate in competitive auctions.

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On 13 March 2020, the Minister of Health announced a state of epidemiological threat in Poland, which is a legal situation aimed at introducing measures to reduce the spread of COVID-19. Following the announcement, some restrictions have been approved, including the prohibition on entering the territory of Poland for foreigners, the obligation of a 14-day home quarantine or the suspension of all international flight and railway connections, among others. The restrictive measures started to be lifted on 20 April 2020. Several economic relief measures, the so-called government anti-crisis shields, were approved since the start of the state of epidemiological threat. In particular, the following ones apply to renewable producers: 1) renewable projects awarded in the 2018 and 2019 auctions will benefit from COD extensions (up to 12 months), if some delays are proved (for example, (i) delays in the delivery of equipment that is part of the installation, (ii) in the construction or (iii) the grid connection, among others); 2) power companies will be obliged to adjust in the grid connection agreements the date of the first delivery, considering the deadlines extensions.

After the consultation launched in February 2020 by the Ministry of State Assets, the Ministry of Climate published in May 2020 the reference prices for 2020 auctions. Reference price for onshore wind has been reduced from 285 to 250 PLN/MWh. Also decreases for small and large solar PV have been decided. Regarding the upcoming auction, the volume for onshore wind and solar PV above 1 MW will be 46.29 TWh equivalent to 0.8 GW of onshore wind and 0.7 GW of solar PV.

Regulatory framework for the activities in France

In December 2019, the CRE (Energy Regulator) held an auction to procure 630 MW of onshore wind and results were announced on 2 April 2020. In total, 35 onshore wind facilities, amounting to 750 MW (considerably above the capacity initially targeted) were awarded a CfD. The average price of winning bids was 62.9€/MWh.

A new version of the PPE ("Programmation Pluriannuelle de l'Énergie") was published for consultation until 19 February 2020. The new version of the plan that feeds France's NECP (National Energy and Climate Plan), has increased offshore wind targets vs. the previous version whilst decreased solar PV's. According to the latest version, France would need to achieve between 33.2 and 34.7 GW of onshore wind in 2028, 5.2-6.2 GW of offshore wind and 35.1-44 GW of solar PV. The PPE also includes a schedule of tenders to be held between 2020 and 2034. The final version of the PPE was approved by Law on 24 April 2020 and maintained all figures of the previous draft published for consultation in February.

On 20 March 2020, the CR 17 decree (Complément de Remunération 2017) was published, amending previous decree (Arrêté 6/05/2017). The decree aims at facilitating the transition from CR 16 to CR 17 regime. The maximum number of turbines by wind farm has increased to 6 (from 4, in previous draft) and height limitations have still not been introduced (there will be announced in a further decree).

The French Assemblée Nationale approved on 21 March 2020, a law introducing the "State of health emergency" during the coronavirus pandemic. The law introduces measures limiting private liberties (such as confinement and requisitions) and contains provisions regarding postponing the second round of the French municipal elections, economic measures to support the economy and other measures impacting the French justice and labour law. Measures easing restrictions across the country were applied from 11 May 2020. Economic rescue packages could amount to up to 110 billion Euros, and will include guarantees, loans, moratorium on debt repayments, among others. In the renewables sector, extensions of several deadlines have been envisaged to cope with delays and the sector has itself been declared "strategic". Test periods for CR 16 and CR 17 projects have been extended 3 months. Additionally, a 7-month extension of COD deadlines has been announced but will be restricted to wind and solar projects with (i) COD initially scheduled after 12 March 2020, (ii) remuneration scheme granted before or during the period 12 March to 23 June 2020 and (iii) nominal capacity less than 200 MW.

Also, the French Energy Ministry announced that the next onshore wind auction will be staggered in two phases. While part of the capacity (1/3, initially 250 MW) tendered on 1 July 2020 (which EDPR did not participate), the remaining capacity (2/3, this is, 500 MW) will be tendered on 1 November 2020.

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 June 2020 and 2019 and EDP S.A.'s Executive Board of Directors approved them on 3 September 2020, 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 and the changes introduced through Decree-law 98/2015 of 2 June, the condensed company's financial statements and the condensed Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (E.U). IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and their predecessor bodies. The EDP Group's condensed consolidated and company financial statements for the period ended at 30 June 2020 were prepared in accordance with IFRS as adopted by the E.U. until 1 January 2020 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 2019.

The EDP Group's activity does not present, on a quarterly basis, a level of seasonality that can be considered significant.

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

Change of Accounting Policy at the individual basis

On 1 January 2020, EDP SA changed its accounting policy for recognizing balances related to the Group's financial system, starting to recognize the balances of assets and liabilities in cash and cash equivalents and financial debt respectively. Prior to this change, the company recognized these balances in other debtors and other assets and other creditors and other liabilities.

With reference to 31 December 2019, at company level, the effect of this change implied the reclassification of a balance from the caption of other debtors and other assets to the caption of cash and cash equivalents in the amount of 612,064 thousand Euros and the reclassification of a balance of the caption of other creditors and other liabilities for the caption of financial debt in the amount of 711,836 thousand Euros.

With reference to 30 June 2019, at company level, the effect of this change implied the reclassification of a balance from the caption of other debtors and other assets to the caption of cash and cash equivalents in the amount of 852,244 thousand Euros and the reclassification of a balance of the caption of other creditors and other liabilities for the caption of financial debt in the amount of 836,268 thousand Euros.

With reference to 30 June 2019, at company level, the effect of this change implied the reclassification in Statement of Cash Flows of a negative balance of 176,247 thousand Euros from the line Receipts/(payments) relating to loans from related parties to the line of cash and cash equivalents.

Change in results presentation of Joint Ventures and Associated companies

In January 2020, EDP Group signed a strategic memorandum with ENGIE to the creation of a new company - a Joint Venture with equal control for both sides - as an exclusive investment vehicle for worldwide opportunities in wind offshore projects (fixed and floating projects), combining development and industrial skills of both companies. As part of the deal, EDP Group and ENGIE are preparing their offshore wind projects and the projects in progress of this new company, starting with a total of 1.5 GW in construction and 3.7 GW in development, working together to create a global leader in this sector.

With the relevance of this agreement and the growing expectations for offshore renewable business, EDP Group decided to change the way it controls these investments, changing the presentation of results with Joint Ventures and Associate companies in Consolidated Income Statement. Previously to this change, EDP Group presented a caption in Consolidated Income Statement, in which reflected only the results with Joint Ventures and Associates, being the results from acquisitions or disposals recorded as financial income or expenses.

With this change, and considering the interests of Joint Ventures and Associates, and in special the referred vehicle for offshore wind activity, are an extension of EDP Group operating activity, through which conducts its operation and strategy, EDP Group starts including after the other operation income and costs caption, a single caption related to Joint Ventures and Associates, integrating the results from these companies as well as the results from acquisitions and/or disposals in these investments.

The following accounting policies have been updated based on the changes mentioned above:

u) Cash and cash equivalents

Cash and cash equivalents include balances with maturity of less than three months from the balance sheet date, including cash and deposits in banks. This caption also includes other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and specific demand deposits in relation to institutional partnerships that are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships.

On a company basis, EDP S.A. classifies as Cash and cash equivalents the current account balances with Group companies formalized through Cash Pooling Agreements (Group's financial system).

3. Recent Accounting Standards and Interpretations Issued

The consolidated and individual consolidated financial statements of EDP SA, for the period ended 30 June 2020, were prepared in accordance with IFRS as adopted by the EU up to 1 January 2020 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 2019.

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:

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) have been issued by International Accounting Standards Board (IASB) in September 2019 and endorsed by the EU on 15 January 2020, and became effective as of 1 January 2020 and must be applied retrospectively.

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The amendments clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The amendments for IFRS 9 include a number of reliefs that apply to all hedging relationships of interest rate risk that are affected by interest rate benchmark reform. The reliefs are intended to be narrow in their effect. Accordingly, entities will cease to apply the relief when the earlier of the following occurs: (i) uncertainty regarding timing and amount of the resulting cash flows is no longer present; or (ii) hedging relationship terminates.

- IAS 1 (Amended) and IAS 8 (Amended) - Definition of material;
- IFRS 3 (Amended) - Definition of a business; and
- Amendments to References to the Conceptual Framework in IFRS.

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) 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);
- IFRS 16 (Amended) - Covid 19 - Related Rent Concessions; and
- IFRS 4 (Amended) - Deferral of effective dates to apply two optional solutions (temporary exemption from IFRS 9 and overlay approach).

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 2019, 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.

Contractual stability compensation - CMEC

i) Contractual stability compensation – Annual revisability mechanism

As a result of the PPAs extinction and in accordance with the applicable legislation established in the Decree-Law 240/2004, a contractual stability compensation (CMEC) was granted to EDP Produção after the signing of the Contractual stability at 27 January 2005. This mechanism includes three types of compensation: initial compensation, annual compensation (or revisability) and final adjustment.

During period I (2007/2017) of the contractual stability compensation mechanism, there was a correction on an annual basis, resulting from positive or negative deviations between the estimates made for the initial stability compensation calculation and actual amounts arising from an efficient performance, using the "Valorágua" model, as established in the Decree-Law 240/2004. Later, Order 4694/2014 was published to define the guidelines of the annual revisability calculation with respect to the revenues from the ancillary services market, regarding power plants under CMEC.

Revisability amounts for the years 2007 to 2014 were determined and approved by the Member of the Government responsible for the energy sector, and were contested by EDP Produção:

- a) As regards the approval of the 2011 and 2012 revisibilities, the fact that it did not consider the costs incurred with the social tariff in the calculation of the revisibilities; and
- b) As regards the approval of the 2014 revisibility, the fact that it did not take into account in the calculation of the revisibility the costs incurred with the social tariff and CESE.

Regarding the annual revisibilities of 2015 to 2017, it is awaited approval by the Government member responsible for the energy sector, even though, by letter of 21 April 2017 from ERSE, the transfer to EDP Produção of the annual revisability of 2015 has been authorised.

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ii) Contractual stability compensation – Final Adjustment

The CMEC's Final Adjustment is calculated in accordance with number 7 of article 3rd and Annex IV of Decree-Law 240/2004, of 27 December. The State budget for 2017 (Law 42/2016) determined, in its article 170, that the final adjustment amount shall be calculated and justified in a study done and presented by ERSE. This entity had the technical support of the Working Group EDP Produção/REN, legally enforced.

Accordingly, the technical group EDP/REN has presented to ERSE its report on the CMEC final adjustment calculation, which was achieved by strictly following the calculation methodology described in Decree-Law 240/2004. This calculation, performed by the technical group EDP/REN was presented to ERSE and comes to a range of amounts between 256.5 and 271 million Euros.

At the end of September 2017, ERSE has also presented to the Government its report on the calculation of the CMEC final adjustment, reaching an amount of 154 million Euros, which was provisionally considered in the document of tariffs and prices for 2018.

In the Financial statements as at 31 December 2017, EDP Group has included its best estimate of the CMEC final adjustment, by recognising an asset in the amount of 256.5 million Euros against deferred income, based on Decree-Law 240/2004 and on the document done jointly by EDP and REN and the legal opinions obtained on this subject.

On 3 May 2018, EDP was notified (through a DGEG's letter from 25 April 2018) that the CMEC final adjustment had been officially approved, according to ERSE's proposal, in the amount of 154 million Euros. EDP reflected this reality in its financial statements as of 31 December 2018, recognising a provision by the difference in the final adjustment amounts already recognised in the Group's revenues. On 30 June 2020 EDP maintains the provision in its accounts.

Considering that the administrative act contained in the Dispatch of approval of the SSE of 25 April 2018 lacks technical, economic and legal basis, and that, in particular, it does not apply the calculation methodology contained in Decree-Law 240/2004 and which would lead to the determination of an amount close to the one determined by the technical group, on 3 September 2018, EDP Produção has legally contested it.

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 was approved in Portugal, which aimed to rebalance the competition between electricity generators operating in Portugal and other players operating in Europe.

Pursuant to Decree-Law no. 74/2013 and its regulations, in order to restore such balance, the power plants operating on a market regime is 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 in Portugal 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 2015, 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, in the Dispatch 9371/2017, of 24 October 2017, partially nulled of Dispatch 11566-A/2015, of 3 October 2015 from the SSE, is declared, in relation to the decisions presented under its numbers 11 and 12 (the deduction of social tariff and CESE costs in the unit price). ERSE was asked to consider in 2018 UGS tariff, the recovery, in benefit of the consumers, of the amounts allegedly improperly included in previous years' tariffs (2016 and 2017). Dispatch 9955/2017, of 17 November, defines a new amount for the estimate of the off-market events' impact in EU, which is 4.75 €/MWh, with retroactive effects as at August 24. Following these Dispatches, the document of prices and tariffs for 2018 has included a clawback amount of around 90 million Euros to be returned to tariffs, which includes power plants operating under CMEC and estimated generation.

Based on its interpretation of the Law, as well as on legal opinions obtained in the meantime, EDP Produção considers that the Decree-Law 74/2013 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 Group'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, 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.

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.

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

- Order 895/2019 of 23 January, establishing the suspension of the "Clawback" was approved for a period of 6 months as from 1 October 2018;
- The Tariff and Price Document for 2019, published on 17 December 2018, estimates a Clawback value of € 4.18/MWh, to be applied after the end of the suspension period (more specifically from 6 April 2019);
- ERSE informed EDP Produção that any clawback invoicing relating to the referred suspension period should be deleted or canceled;
- 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, 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 August 9, Decree-Law 104/2019 was published, which makes the first amendment to Decree-Law 74/2013, by changing the scope of the clawback mechanism. Previously, "ordinary producers of electricity 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, EDP 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 2019, published on 16 December 2020, 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.

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, 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 2013, with the amendment given by Decree-Law 104/2019, of 9 August 2019, revoking Directive 15/2016, of 14 September 2016, regarding the "Clawback" regime. The main change of this Directive is to allow the breakdown of the amount of exchanges with CMEC and to allow 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 (ISP, CESE and Social Tariff). The approval by the Secretary of State for Energy of the amounts to be applied to payments made in 2019 is awaited, thereby generating adjustments to these amounts.

Ancillary Services

On 3 September 2018, the Portuguese Competition Authority (AdC) notified EDP Produção with Statement of Objections, under which EDP Produção was 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 2013, benefitting its non-CMEC power plants. The alleged benefit, in detriment of consumers, would be twofold: receiving higher compensation under CMEC annual adjustment regime; profiting from higher market prices in said market. AdC estimates that the alleged practice of EDP Produção has generated damages to the national electricity system and to consumers of around 140 million Euros. AdC points out that the adoption of a Statement of Objections does not determine the result of the investigation, which began in September 2016. On 28 November 2018, EDP Produção was given the opportunity to exercise its right to be heard and defend itself in relation to the alleged unlawful act and to the penalties in which it may incur.

On 13 March 2019, the Secretary of State for Energy underlined in the National Assembly, in the scope of the Parliamentary Commission of Inquiry on the Payment of Excessive Income to Electricity Producers, that this is not an innovative feature issue but a competition issue and is being handled by the Competition Authority (AdC).

On 18 September 2019, AdC informed EDP of its decision to condemn, imposing a fine of 48 million Euros, for abuse of dominant position in the secondary regulation band market in mainland Portugal between 2009 and 2013. Within the framework of the Competition the fine could amount to 153 million Euros.

According to AdC, EDP 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);
- The increase of the market price of the secondary bandwidth service, as a result of the limited supply by CMEC plants, favoring market-based power plants.

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The EDP Group considers that EDP Produção has not exercised any abuse of a dominant position, having acted strictly in accordance with the legal framework in force. EDP will appeal the decision to the Competition, Regulation and Supervision Court, as provided by law, and is waiting for a court decision on whether the fine will be returned or whether it can be replaced by some form of security.

Innovative Features

On 9 July 2018, EDP has been notified, within the scope of a stakeholder hearing promoted by the DGEG, to present its opinion on the possibility of DGEG proposing to the Secretary of State for Energy an amount associated with the alleged "innovative features" introduced in CMEC regime regarding PPA, to a maximum amount of 357.9 million Euros. According to DGEG, this amount shall be associated with the lack of legal scope for tests on the availability of the CMEC plants (285 million Euros) and the ancillary services, mentioned above (72.9 million Euros).

On 26 September 2018, EDP Produção was notified of the Order of the SEE of 29 August, which considers as an "innovative features" the topic "procedures for calculating the verified availability coefficient", quantified at 285 million Euros. This Order refers to the alleged lack of legal forecast of availability tests of CMEC plants. Considering that the Order in question lacks technical, economic and legal basis, on 8 October 2018 EDP Produção has submitted an administrative appeal.

Subsequently, EDP Produção received a letter from ERSE dated 12 November 2018 and became aware of the Order of the SEE of 4 October, which, following the Order of 29 August, declared the annulment of the annual adjustments in the part in which they considered the alleged "innovative features" concerning the procedures for calculating the coefficient of availability. In the Tariff and Price Document for 2019, ERSE considered the refund of an amount of 90 million Euros for a portion of the 285 million Euros referred to, expecting that the remaining portion will be paid for a number of years that allow the CMEC to have zero tariff impact by including the 86.5 million Euros in the tariffs of 2020, 86.5 million Euros in tariffs of 2021 and 21.9 million Euros in 2022.

Without having received any response to the gracious complain filed on 1 February 2019, EDP Produção challenged in court the Orders of 29 August and 4 October and the Tariff and Price Document for 2019.

In the Electricity Tariffs and Prices Document for 2020, approved by ERSE on 16 December 2019, that entity charged again 86.5 million Euros, as it had foreseen the previous year.

Although the EDP Group considers that there were no innovative features weighted in CMEC adjustments, this aspect was reflected in these financial statements as of 31 December 2018, by recognising a provision of 285 million Euros. In 2019 EDP made the payment of 92,458 thousand Euros and during 2020 made the payment of 44,583 thousand Euros (see note 29), using this provision, so that at 30 June 2020 this provision amount of 147,959 thousand Euros.

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 231.7 million 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 Favorable 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 agreed to suspend 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 Renewable Energy Source and Greenhouse Gas Reduction, 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.

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EDP Produção notified the Portuguese State to return to it 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. As at 31 December 2019 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 pre-arbitration procedure initiated by EDP is in progress.

Sale of real estate by EDP Distribuição

In the 2009-2018 period, EDP Distribuição disposed a set of real estate that were unused, in the amount of approximately 52 million Euros, obtaining a total net value of gains of 33.9 million Euros (35.7 million Euros of gains and 1.7 million Euros of losses).

In the regulated accounts sent to ERSE in June 2018, EDP Distribuição 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 EDP Distribuição 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.

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 EDP Distribuição 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, EDP Distribuição initiated an arbitration process at the Commercial Arbitration Center, with the State, represented by the Minister for the Environment and Climate Action (MAAC), submitted its response on 6 July 2020. Scheduling of the judgment is awaited in the Arbitral Tribunal for analysis and appreciation of the subject.

EDP Distribuição 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.

5. Financial Risk Management Policies

The Group monitors regularly the financial risks to which it has exposure to. During the first semester of 2020, 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 June 2020 and 2019, would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

Thousand Euros	Jun 2020			
	Profit or loss		Equity	
	+10%	-10%	+10%	-10%
USD	-5,708	6,976	-89,449	109,326
	-5,708	6,976	-89,449	109,326

Thousand Euros	Jun 2019			
	Profit or loss		Equity	
	+10%	-10%	+10%	-10%
USD	60,859	-74,383	-100,815	123,218
	60,859	-74,383	-100,815	123,218

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 June 2020 and 2019 would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

Thousand Euros	Jun 2020			
	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Cash flow effect:				
Hedged debt	-12,302	12,302	-	-
Unhedged debt	-10,823	10,823	-	-
Fair value effect:				
Cash flow hedging derivatives	-	-	7,364	-7,364
Trading derivatives (accounting perspective)	-	-	-	-
	-23,125	23,125	7,364	-7,364

Thousand Euros	Jun 2019			
	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
Cash flow effect:				
Hedged debt	-12,302	12,302	-	-
Unhedged debt	-9,009	9,009	-	-
Fair value effect:				
Cash flow hedging derivatives	-	-	5,078	-3,623
Trading derivatives (accounting perspective)	5,064	-6,608	-	-
	-16,247	14,703	5,078	-3,623

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

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 June 2020 and 2019, in the amount of:

Thousand Euros	Jun 2020	
	+ 25%	- 25%
Financial instruments - assets	8,916	-8,274
Financial instruments - liabilities	-87,335	70,996
Derivative financial instruments	-4,290	4,338
	-82,709	67,060

Thousand Euros	Jun 2019	
	+ 25%	- 25%
Financial instruments - assets	5,984	-5,984
Financial instruments - liabilities	-41,961	42,292
Derivative financial instruments	-1,237	1,309
	-37,214	37,617

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.

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The table below shows the contractual undiscounted cash flows and the estimated interests due, computed using the rates available at 30 June 2020:

Thousand Euros	Jun21	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Following years	Total
Bank loans	220,861	53,379	114,602	110,914	100,622	1,407,722	2,008,100
Bond loans	2,036,513	81,290	1,285,150	1,426,249	2,439,533	4,333,327	11,602,062
Hybrid Bond	13,315	-	-	-	-	1,750,000	1,763,315
Commercial paper	840,955	-	16,362	100,464	49,085	323,719	1,330,585
Other loans	2,041	188	34	211	-	9,627	12,101
Interest Payments (i)	349,838	347,051	387,532	346,718	201,989	398,634	2,031,762
	3,463,523	481,908	1,803,680	1,984,556	2,791,229	8,223,029	18,747,925

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	
		Jun 2020	Dec 2019
Business	Portfolio		
Electricity	Trading	3,742	536
Electricity	Trading + Hedging	96,390	87,680
Gas	Hedging	36,961	10,541
Diversification effect		-25,606	-10,971
		111,487	87,786

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:

	Jun 2020	Dec 2019
Credit risk rating (S&P)		
AAA to AA-	3.76%	1.97%
A+ to A-	24.60%	28.46%
BBB+ to BBB-	58.34%	61.24%
No rating assigned	13.30%	8.33%
	100.00%	100.00%

6. Consolidation Perimeter

During the six-month period ended 30 June 2020, 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:

- EDPR France Holding, S.A.S. acquired 100% of the company Société D'Exploitation du Parc Eolien Source de Sèves, S.A.R.L.;
- EDP Renewables Italia Holding, S.R.L. acquired 65% of the company Aliseo, S.r.l. and 60% of the company Energia Emissioni Zero 4, S.r.l.;
- EDP Renewables Polska, Sp. zo.o. acquired 100% of the company Wind Field Wielkopolska, Sp. zo.o.
- Korean Floating Wind Power Co., Ltd. acquired 90% of the company East Blue Power Co., Ltd.
- EDP Renováveis S.A. and EDP Renewables Europe S.L. acquired 100% of the company Parque Solar Los Cuervos, S. de R.L. de C.V.
- OW Offshore S.L. acquired 100% of the company Delphis Holdings Limited.

Companies sold and liquidated:

- The companies Frontier Beheer Nederland, B. V. and Frontier, C.V., in which OW Offshore, S.L. held, directly or indirectly, a 30% financial interest, were liquidated.

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Companies incorporated:

- Vanosc Energie, S.A.S.;
- Transition Euroise Roman II, S.A.S.;
- Mordel Limited;
- EDPR Offshore South Korea Co., Ltd.;
- Comercializadora Energética Sostenible, S.A.;
- Transporte GNL, S.A.
- EDP Clientes, S.A.;
- 20 companies incorporated in North America.

Other changes:

- A joint control partnership has been executed following the strategic memorandum of understanding dated May 2019 and signed between EDP Renováveis and ENGIE by which a co-controlled 50/50 joint venture in fixed and floating offshore wind segment, OW Offshore S.L., has been established, including its subsidiaries:
 - OW FS Offshore, S.A.;
 - Les Eoliennes Flottantes du Golfe du Lion, S.A.S.;
 - Éoliennes en Mer Dieppe - Le Tréport, S.A.S.;
 - Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S.;
 - Les Eoliennes en Mer Services, S.A.S.;
 - OW France, S.A.S.;
 - Relax Wind Park IV, Sp. z o.o.;
 - Morska Farma Wiatrowa Neptun, Sp. z o.o.;
 - B-Wind Polska, Sp. z o.o.;
 - C-Wind Polska, Sp. z o.o.;
 - EDPR UK Limited;
 - Mordel Limited;
 - Moray Offshore Renewable Power Limited;
 - B&C Wind Polska sp. z o.o. s.c.;
 - Vantum Ventures III Holding, B.V.;
 - 4THEWIND I, B.V.;
 - 4THEWIND II, B.V.;
 - 4THEWIND III, B.V.;
 - EDPR Japan Godo Kaisha;
 - EDPR Offshore South Korea Co., Ltd.;
 - Moray East Holdings Limited;
 - Moray Offshore Windfarm (East) Limited;
 - Delphis Holdings Limited;
 - Moray West Holdings Limited;
 - Moray Offshore Windfarm (West) Limited;
 - Korean Floating Wind Power Co., Ltd.;
 - East Blue Power Co. Ltd.;

As a result of this transaction, EDP Renováveis has registered a gain in the amount of 157,674 thousand Euros in the other income caption of the consolidated income statement (see note 8).

- EDP Renováveis owns 100% of Nation Raise LP through Quatro Limited Partnership (99.99%) and Nation Rise Wind Farm GP Inc. (0.01%) (see note 18).

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	
	Jun 2020	Jun 2019	Jun 2020	Jun 2019
Electricity and network access	5,385,865	6,243,574	974,857	1,268,510
Gas and network access	461,327	390,934	70,577	15,234
Sales of CO2 Licenses	-	-	8,164	132,456
Revenue from assets assigned to concessions	273,172	372,715	-	-
Other	62,523	99,794	81,666	82,355
	6,182,887	7,107,017	1,135,264	1,498,555

The caption Electricity and network access in Portugal, on a consolidated basis, includes a net revenue of 783,786 thousand Euros (revenue in 30 June 2019: 741,593 thousand Euros) regarding tariff adjustments of the period (see note 21). This caption also includes a net revenue of 17,124 thousand Euros (30 June 2019: net cost of 19,533 thousand Euros) related to recognition of tariff adjustments for the period in Brazil (see notes 21 and 31).

Additionally, the caption Electricity and network access includes, on a consolidated basis, a positive amount of 8,787 thousand Euros (30 June 2019: negative amount of 13,537 thousand Euros) related to the contractual stability compensation (CMEC) as a result of the power purchase agreements (PPA) termination, including an income of 31,447 thousand Euros related to the CMEC final adjustment (30 June 2019: positive amount of 30,834 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 563,278 thousand Euros (30 June 2019: 629,977 thousand Euros) related with energy sales under the purchase and sale agreement of evolutive energy between EDP, S.A. and EDP Comercial S.A.

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

	Jun 2020					
	Reported Operating Segments				Other Segments	Group
	Renewables	Networks	Client	Total		
			Solutions & Energy Management			
Thousand Euros						
Electricity and network access	686,740	1,568,713	3,130,414	5,385,867	-3	5,385,864
Gas and network access	-	6,247	455,080	461,327	-	461,327
Revenue from assets assigned to concessions	-	273,171	1	273,172	-	273,172
Other	19,739	13,313	26,543	59,595	2,929	62,524
	706,479	1,861,444	3,612,038	6,179,961	2,926	6,182,887

	Jun 2019					
	Reported Operating Segments				Other Segments	Group
	Renewables	Networks	Client	Total		
			Solutions & Energy Management			
Thousand Euros						
Electricity and network access	683,234	1,848,444	3,711,915	6,243,593	-19	6,243,574
Gas and network access	-	7,414	383,520	390,934	-	390,934
Revenue from assets assigned to concessions	-	372,708	7	372,715	-	372,715
Other	69,971	21,353	4,004	95,328	4,466	99,794
	753,205	2,249,919	4,099,446	7,102,570	4,447	7,107,017

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, and sales by the last resource supplying in Portugal, EDP Serviço Universal S.A.

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

Cost of energy sales and other are as follows:

Thousand Euros	Group		Company	
	Jun 2020	Jun 2019	Jun 2020	Jun 2019
Cost of electricity	2,584,046	3,193,748	919,405	1,264,124
Cost of gas	454,215	506,761	-	-
Expenditure with assets assigned to concessions	227,973	333,655	-	-
Changes in inventories and cost of raw materials and consumables used				
Fuel, steam and ashes	59,773	235,176	-	-
Gas	102,465	42,720	72,371	15,234
CO2 Licenses	59,505	119,995	8,165	139,052
Other	37,840	74,009	-48,966	-15,116
	259,583	471,900	31,570	139,170
	3,525,817	4,506,064	950,975	1,403,294

Cost of electricity includes, on a company basis, costs of 501,186 thousand Euros (30 June 2019: 602,703 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	
	Jun 2020	Jun 2019
Revenue from assets assigned to concessions	273,172	372,715
Expenditure with assets assigned to concessions		
Subcontracts and other materials	-176,016	-283,988
Personnel costs capitalised (see note 10)	-36,020	-36,493
Capitalised borrowing costs (see note 12)	-15,937	-13,174
	-227,973	-333,655

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Revenue from assets assigned to concessions include 159,497 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 a consolidated basis, the strong decline in electricity prices, associated with the strong decline in the price of commodities (gas, Brent, coal and CO₂), explains the reduction in sales revenue from energy and costs.

On an individual basis, the change in Revenues and cost of Energy Sales and Services and Other is explained by the fact that had a reduced volume of sales of CO₂ licenses in 2020 and also for the fact identified above for the EDP Group.

8. Other Income

Other income, for the Group, are as follows:

Thousand Euros	Group	
	Jun 2020	Jun 2019
Income arising from institutional partnerships (see note 30)	104,560	94,653
Gains on disposals - electricity business assets - Asset Rotation	157,674	218,931
Gains from contractual indemnities and insurance companies	13,972	7,622
Other	67,456	79,939
	343,662	401,145

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

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. As at 30 June 2020, the caption Gains on disposals includes the gain amounting to 157,674 thousand Euros resulting from loss of control in the EDPR's offshore business as a consequence of the joint control partnership (see note 6).

The caption Other includes gains on the reinsurance activity, gains in the adjustment of contingent prices of sale operations and gains on the sale of property, plant and equipment.

9. Supplies and Services

Supplies and services are as follows:

Thousand Euros	Group		Company	
	Jun 2020	Jun 2019	Jun 2020	Jun 2019
Consumables and communications	14,809	16,177	4,508	4,173
Rents and leases	18,699	15,930	4,356	2,701
Maintenance and repairs	175,977	185,679	14,898	17,438
Specialised works:				
- Commercial activity	69,649	78,541	352	385
- IT services, legal and advisory fees	44,734	45,306	20,884	20,455
- Other services	25,462	21,684	11,212	11,857
Provided personnel	-	-	4,986	5,085
Other supplies and services	52,243	57,784	7,055	8,780
	401,573	421,101	68,251	70,874

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10. Personnel Costs and Employee Benefits

Personnel costs and employee benefits are as follows:

Thousand Euros	Group		Company	
	Jun 2020	Jun 2019	Jun 2020	Jun 2019
Personnel costs				
Board of Directors remuneration	9,011	9,148	3,552	3,537
Employees' remuneration	241,509	239,636	21,930	19,976
Social charges on remuneration	57,080	59,251	5,422	5,070
Performance, assiduity and seniority bonus	37,998	33,076	7,547	2,928
Other costs	8,725	12,627	149	327
Own work capitalised:				
- Assigned to concessions (see note 7)	-36,020	-36,493	-	-
- Other (see note 14)	-31,414	-29,353	-162	-
	286,889	287,892	38,438	31,838
Employee benefits				
Pension plans costs	10,548	11,476	1,018	1,306
Medical plans costs and other benefits (see note 28)	3,711	3,326	121	164
Other	20,921	20,965	1,368	1,300
	35,180	35,767	2,507	2,770
	322,069	323,659	40,945	34,608

Pension plans costs include 3,041 thousand Euros (30 June 2019: 2,750 thousand Euros) related to defined benefit plans (see note 28) and 7,507 thousand Euros (30 June 2019: 8,726 thousand Euros) related to defined contribution plans.

The variation in the caption Performance, assiduity and seniority bonus, for the Company, essentially results from the 2018 bonus adjustment registered in the first quarter of 2019.

During the first semester of 2020, EDP Group distributed treasury stocks to employees (334,606 shares) totaling 1,259 thousand Euros.

11. Other Expenses

Other Expenses are as follows:

Thousand Euros	Group	
	Jun 2020	Jun 2019
Concession rents paid to local authorities and others	143,432	141,329
Direct and indirect taxes	151,694	118,947
Donations	15,252	11,530
Other	60,645	56,206
	371,023	328,012

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 includes the tax of 7% over electricity generation in Spain, property tax and other taxes and levies. The variation of this caption, in what relates to its homologous period amount, reflects, essentially, the recognition, in the first 3 months of 2020, of the costs with the rate of 7% on electricity generation in Spain and with Clawback in Portugal, since, in the first 3 months of 2019, these payments were suspended.

The caption Others includes losses in the reinsurance activity and losses in tangible fixed assets. Also, the caption includes an amount of 12,462 thousand Euros that refers to a change in the fair value of the contingent consideration related to the sale in 2018 to Sumitomo Corporation of 13,5% stake in the companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S. and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S., in accordance with the relevant agreements signed (see note 22).

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12. Financial Income and Expenses

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

Thousand Euros	Group	
	Jun 2020	Jun 2019
Financial income		
Interest income from bank deposits and other investments	14,477	26,013
Interest from derivative financial instruments	15,731	16,239
Interest income on tariff deficit:		
- Portugal - Electricity (see note 21)	934	2,876
- Brazil - Electricity (see notes 21 and 31)	452	1,445
Other interest income	20,531	30,316
Derivative financial instruments	-19,559	7,630
Foreign exchange gains	42,459	14,644
CMEC:		
- Interest on the initial CMEC	15,285	16,829
- Financial effect considered in the calculation	3,896	3,996
Gains on the sale of financial investments	41	19
Gains on the sale of the electricity tariff deficit - Portugal (see note 21)	-	3,589
Other financial income	15,106	59,148
	109,353	182,744
Financial expenses		
Interest expense on financial debt	258,073	331,592
Bonds buyback	56,897	-
Capitalised borrowing costs:		
- Assigned to concessions (see note 7)	-15,937	-13,174
- Other (see note 14)	-10,149	-7,692
Interest from derivative financial instruments	16,717	17,060
Interest expense on tariff deficit:		
- Portugal - Electricity (see note 31)	19	107
- Brazil - Electricity (see notes 21 and 31)	5,134	551
Other interest expense	11,346	17,774
Derivative financial instruments	5,488	-4,838
Foreign exchange losses	33,369	44,090
CMEC	5,211	6,714
Unwinding of discounted liabilities	65,933	63,611
Unwinding of lease liabilities (rents due from lease contracts) (see note 32)	18,872	19,473
Net interest on the net pensions plan liability (see note 28)	3,373	5,282
Net interest on the medical liabilities and other benefits (see note 28)	7,711	11,996
Losses on the sale of the electricity tariff deficit - Portugal (see note 21)	1,037	-
Other financial expenses	14,025	60,799
	477,119	553,345
Financial income/(expenses)	-367,766	-370,601

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 Unwinding of discounted liabilities refers essentially to: (i) the unwinding of the dismantling and decommissioning provision for wind generation assets of 3,859 thousand Euros (30 June 2019: 3,372 thousand Euros) (see note 29); (ii) the implied financial return in institutional partnerships of 48,079 thousand Euros (30 June 2019: 43,782 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 9,600 thousand Euros (30 June 2019: 10,919 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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Financial income and expenses, for the Company, are as follows:

Thousand Euros	Company	
	Jun 2020	Jun 2019
Financial income		
Interest income from loans to subsidiaries and related parties (see note 37)	26,793	38,119
Interest from derivative financial instruments	74,985	82,593
Derivative financial instruments	63,797	45,379
Income from equity investments (see note 37)	145,354	127,628
Gains on the sale of financial investments	41	18
Other financial income	7,624	17,369
	318,594	311,106
Financial expenses		
Interest expense on financial debt	102,247	122,937
Bonds Buyback	56,897	-
Interest from derivative financial instruments	79,729	82,334
Derivative financial instruments	118,282	63,625
Unwinding of lease liabilities (rents due from lease contracts)	2,741	2,804
Other financial expenses	5,263	5,982
	365,159	277,682
Financial income/(expenses)	-46,565	33,424

The caption Other financial income includes 9,555 thousand Euros related to nominal interests from bonds issued by EDP Finance B.V., repurchased by EDP S.A. in 2016, 2017 and 2018 (see notes 22 and 37). The effective interest of these instruments amounts to 200 thousand Euros (includes the recognition of premium and transaction costs associated with the buyback transaction by the effective interest rate method).

In the first quarter of 2020, EDP concluded a "Tender Offer" over the issue "€750,000,000 Fixed to Reset Rate Subordinated Notes due 2075", booking a cost related to the transaction of 56,897 thousand Euros.

The fluctuation on Financial Results on an individual basis is mainly explained by the Tender Offer above mentioned and negative fluctuation of cross currency interest rate swaps associated to US Dollar.

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 2020

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

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

	Jun 2020	Jun 2019
Europe:		
Belgium	25%	29.58%
France	28% - 32.02%	28% - 32.02%

Corporate income tax provision

Income tax expense is as follows:

Thousand Euros	Group		Company	
	Jun 2020	Jun 2019	Jun 2020	Jun 2019
Current tax	2,503	-164,749	28,800	31,135
Deferred tax	-136,684	28,110	-1,166	628
	-134,181	-136,639	27,634	31,763

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Reconciliation between the theoretical and the effective income tax expense

The effective income tax rate is as follows:

Thousand Euros	Group		Company	
	Jun 2020	Jun 2019	Jun 2020	Jun 2019
Profit before tax and CESE	684,235	809,623	13,608	8,324
Income tax expense	-134,181	-136,639	27,634	31,763
Effective income tax rate	19.6%	16.9%	-203.1%	-381.6%

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 June 2020 and 2019, is as follows:

Thousand Euros	Jun 2020	Jun 2019
Profit before income tax and CESE	684,235	809,623
Theoretical income tax rate *	29.5%	29.5%
Theoretical income tax expense	201,849	238,839
Tax losses and tax credits	-16,904	3,374
Tax benefits	-10,416	-12,896
Differences between accounting and fiscal provisions/depreciations	2,153	-3,372
Accounting/fiscal differences on the recognition/derecognition of assets	-37,185	-69,183
Taxable differences attributable to non-controlling interests	-9,414	-9,025
Other adjustments and changes in estimates	4,098	-11,098
Effective income tax expense as per the Consolidated Income Statement	134,181	136,639

* 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:

Thousand Euros	Land and natural resources	Buildings and other constructions	Plant and machinery	Other tangible assets	Assets under construction	Total
Gross Amount	70,594	320,571	33,959,105	427,296	2,024,701	36,802,267
Accumulated depreciation and impairment losses	-	149,119	17,276,608	350,379	82,375	17,858,481
Carrying Amount	70,594	171,452	16,682,497	76,917	1,942,326	18,943,786
Balance as at 31 December 2019	82,310	214,417	17,653,425	91,281	1,634,789	19,676,222
Additions	45	-	20,603	4,862	636,254	661,764
Depreciation and impairment	-	-4,279	-514,696	-15,646	-	-534,621
Disposals/Write-offs	-1,116	-804	-2,046	-532	8	-4,490
Transfers	-5	1,916	-94,466	-2,113	-408,577	-503,245
Exchange Difference	-10,772	-39,794	-384,318	-676	-49,077	-484,637
Perimeter Variations	132	-4	3,995	-259	128,929	132,793
Balance as at 30 June 2020	70,594	171,452	16,682,497	76,917	1,942,326	18,943,786

Gross amount of Assets under construction are as follows:

Thousand Euros	Jun 2020	Dec 2019
Wind and solar farms in North America	1,257,253	1,003,395
Wind and solar farms in Europe	456,377	345,360
Hydric Portugal	58,123	142,573
Other assets under construction	252,949	228,110
	2,024,701	1,719,438

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

Thousand Euros	Jun 2020
Subcontracts and other materials	509,918
Purchase price allocation	89,479
Dismantling and decommissioning costs (see note 29)	20,759
Personnel costs (see note 10)	31,414
Borrowing costs (see note 12)	10,149
	661,719

Additions include the investment in wind and solar farms by North America and by EDPR EU and EDPR BR subgroups. In Portugal, the Group is carrying out hydroelectric investments in the construction of several power plants (Foz Tua, Caniçada and Ribeiradio-Ermida) and improvements and repairs in thermoelectric power plants (Lares and Ribatejo).

Considering the decision to close Sines plant, its impairment test carried out in December 2019 was revised, with an impairment of a total amount of 77,311 thousand euros (see note COVID 19).

Transfers refer to wind and solar farms of EDP Renováveis that become operational in North America and Spain. Additionally, this caption includes the transfer to held for sale of Electricity generation and supply assets (Hydro Portugal, Onshore wind and Thermal and supply (B2C) Spain) by the net amount of 503,245 thousand Euros (cost in the amount of 854,534 thousand Euros and accumulated depreciation and impairment losses in the amount of 351,289 thousand Euros) (see note 34).

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

15. Right of use assets

This caption is as follows:

Thousand Euros	Land and natural resources	Buildings and other constructions	Plant and machinery	Other tangible assets	Total
Gross amount	681,355	217,902	3,749	8,000	911,006
Accumulated depreciation and impairment losses	39,100	34,858	1,354	4,597	79,909
Carrying Amount	642,255	183,044	2,395	3,403	831,097
Balance as at 31 December 2019	623,389	196,233	3,639	5,242	828,503
Additions	34,273	2,703	62	270	37,308
Depreciation and impairment	-14,374	-12,611	-492	-1,694	-29,171
Disposals/Write-offs	-	-229	-	-5	-234
Transfers	-9,112	47	-	127	-8,938
Exchange Difference	-1,944	-3,298	-814	-543	-6,599
Perimeter Variations	10,023	199	-	6	10,228
Balance as at 30 June 2020	642,255	183,044	2,395	3,403	831,097

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

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16. Intangible Assets

This caption is as follows:

	Concession rights	CO2 Licenses	Other intangibles	Intangible assets in progress	Total
Milhares de Euros					
Gross amount	12,342,944	23,131	1,057,739	248,484	13,672,298
Accumulated depreciation and impairment losses	9,248,146	-	633,774	-	9,881,920
Carrying Amount	3,094,798	23,131	423,965	248,484	3,790,378
Balance as at 31 December 2019	3,337,501	224,992	442,326	219,004	4,223,823
Additions	19,391	67,311	3,092	53,602	143,396
Depreciation and impairment	-174,784	-	-33,028	-	-207,812
Disposals/Write-offs	-2,478	-269,172	-	-70	-271,720
Transfers	45,388	-	17,042	-20,011	42,419
Exchange Difference	-130,564	-	-5,250	-3,625	-139,439
Perimeter Variations	344	-	-217	-416	-289
Balance as at 30 June 2020	3,094,798	23,131	423,965	248,484	3,790,378

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 2020 of the 2019 consumption licenses.

Transfers refer to the intangible assets assigned to concessions that became operational, in the amount of 30,452 thousand Euros (see note 21). Additionally, this caption includes the transfer to held for sale of Electricity generation assets (Hydro Portugal).

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 corporate structure, and is as follows:

Thousand Euros	Balance at 1 January	Increases	Decreases	Impairment	Exchange differences	Balance at 30 June
EDP España Group	884,574	-	-180,000	-	-	704,574
EDP Renováveis Group	1,198,498	-	-65,912	-	1,630	1,134,216
EDP Brasil Group	29,903	-	3,654	-	-1,361	32,196
Other	6,887	-	-	-	-	6,887
	2,119,862	-	-242,258	-	269	1,877,873

EDP España Group

During the second quarter of 2020, goodwill related to a portfolio of two CCGTs power plants (Castejón I & III) was reclassified to non-current assets held for sale in the amount of 180,000 thousand Euros (see note 34).

EDP Renováveis Group

During the second quarter of 2020, goodwill related to an operating onshore wind farms portfolio in Europe was reclassified to non-current assets held for sale in the amount of 65,912 thousand Euros (see note 34).

EDP Brasil Group

The movement in the amount of 3,654 thousand Euros is related to the reclassification of the item of non-current assets held for sale to the item of "goodwill" related to the company Energest S.A. (see note 34).

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18. Investments in Joint Ventures and Associates

This caption is as follows:

Thousand Euros	Group	
	Jun 2020	Dec 2019
Investments in joint ventures	829,261	936,496
Investments in associates	112,594	162,016
	941,855	1,098,512

As at 30 June 2020, for the Group, this caption includes goodwill in investments in joint ventures of 68,725 thousand Euros (31 December 2019: 42,226 thousand Euros) and goodwill in investments in associates of 20,048 thousand Euros (31 December 2019: 20,045 thousand Euros).

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

Thousand Euros	Group	
	Jun 2020	Dec 2019
Balance at the beginning of the period	1,098,512	951,613
Acquisitions/Entries	19,184	6,982
Increases/Decreases of share capital	29,723	260,298
Disposals	-13,534	-
Share of profit in joint ventures and associates	5,043	25,011
Dividends	-20,652	-45,771
Exchange differences	-113,175	107
Cash flow hedging reserve	-1,703	-10,334
Transfer to Assets held for sale (see note 34)	-33,162	-90,270
Other	-28,381	876
Balance at the end of the period	941,855	1,098,512

Nation Rise has reached the construction phase of a 100 MW wind farm in Ontario, Canada. This facility was scheduled to begin commercial operations in the first quarter of 2020. On 6 December 2019, the Ontario Minister of the Environment, Conservation and Parks issued a decision to revoke Nation Rise's Renewable Energy Approval (REA). This was a reversal of prior approvals by the same Ministry and was also previously ratified by the Environmental Review Tribunal. As a result of this decision, EDPR was forced to halt all construction activities. Immediately following this revocation, Nation Rise filed a Notice of Application for Judicial Review of the Ministers revocation of the REA. Subsequent to the filing for judicial review, Nation Rise was successful in obtaining a determination of force majeure, providing for a delay in the start date of the project's power sales contract. On 13 May 2020, the Ontario Superior Court rendered its decision fully in favor of the Nations Rise project and overturned the Ministry's actions.

Considering the positive outcome of the litigation, the project will continue its development and construction. As a consequence of the delays caused by the legal procedure, and according with the agreements reached in the selling contract of the project with Axium, as of 3 of June 2020, EDPR returned the original consideration received plus interest and now owns 100% of the project. This implies a decrease in the amount of 10,861 thousand Euros in interests in joint ventures caption (see note 6).

Further, EDPR Group has signed an agreement with ENGIE on January 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L., in fixed and floating offshore wind segmentbusiness. This entity will be the exclusive vehicle of investment of EDPR and ENGIE for offshore wind opportunities worldwide (see note 6). This implies an increase in the amount of 14,224 thousand Euros in interests in joint ventures caption.

19. Equity Instruments at Fair Value

As at 30 June 2020, the movements in Equity Instruments at Fair Value through OCI are as follows:

Thousand Euros	Group	
	Jun 2020	Dec 2019
Equity Instruments at Fair Value through OCI	105,808	102,814
Equity Instruments at Fair Value through PL	68,517	67,992
	174,325	170,806

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As at 30 June 2020, this caption is analysed as follows:

	Other Comprehensive Income		Results			Total
	Zephyr Fund (Energia RE portfolio)	Other	EDA - Electricidade dos Açores, S.A.	Feedzai - Consultadoria e Inovação Tecnológica, S.A.	Other	
Thousand Euros						
Balance as at 31 December 2019	80,079	22,735	14,416	46,814	6,762	170,806
Acquisitions	-	682	-	-	500	1,182
Disposals	-	-170	-	-	-	-170
Change in fair value (see note 25)	-2,409	4,909	-	-	127	2,627
Other variations	-	-18	-	-	-102	-120
Balance as at 30 June 2020	77,670	28,138	14,416	46,814	7,287	174,325

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 June 2020, 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 a 30 June 2020, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
	Balance at 01.01.2020	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 30.06.2020
Thousand Euros					
Tax losses and tax credits	1,067,738	-23,251	-	9,799	1,054,286
Provisions for social benefits, bad debts and other risks	666,766	-7,782	15,667	-44,896	629,755
Financial instruments	84,851	-12,729	21,943	-3,061	91,004
Property plant and equipment	278,901	-70,672	-	-3,561	204,668
Financial and equity instruments at fair value	248	-	3,095	-59	3,284
Tariff adjustments and tariff deficit	14,448	93,361	-	-	107,809
Allocation of fair value to assets and liabilities acquired	13,248	-4,382	-	-32	8,834
Fiscal revaluations	392,872	-55,584	-	1,247	338,535
Use of public property	24,437	492	-	-6,439	18,490
Other temporary differences	86,815	1,605	1,080	-5,173	84,327
Assets/liabilities compensation of deferred taxes	-1,546,278	-26,492	-1,039	-24,296	-1,598,105
	1,084,046	-105,434	40,746	-76,471	942,887

Net Deferred Tax Liabilities					
	Balance at 01.01.2020	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 30.06.2020
Thousand Euros					
Provisions for social benefits, bad debts and other risks	16,375	1,051	-601	-	16,825
Financial instruments	122,266	-11,579	28,785	-5,372	134,100
Property plant and equipment	404,458	-29,362	-	-924	374,172
Reinvested gains	3,192	-	-	-	3,192
Financial and equity instruments at fair value	10,551	4	-	-	10,555
Tariff adjustments and tariff deficit	109,158	75,874	-	-	185,032
Allocation of fair value to assets and liabilities acquired	663,855	19,188	-	-56,251	626,792
Fiscal revaluations	61,552	-2,114	-	80	59,518
Deferred income relating to CMEC	177,611	-3,930	-	-	173,681
Gains from institutional partnerships in wind farms	349,644	7,880	30	965	358,519
Use of public property	6,958	-177	-	-1,796	4,985
Fair value of financial assets	56,977	2	-	-14,880	42,099
Other temporary differences	67,428	905	-	-11,910	56,423
Assets/liabilities compensation of deferred taxes	-1,546,278	-26,492	-1,039	-24,296	-1,598,105
	503,747	31,250	27,175	-114,384	447,787

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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 June 2020, on a Company basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

Net Deferred Tax Assets					
	Balance at 01.01.2020	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 30.06.2020
Thousand Euros					
Tax losses and tax credits	116,483	-384	-	384	116,483
Provisions for social benefits, bad debts and other risks	6,065	-513	29	-	5,581
Financial instruments	48,337	-	-2,479	-	45,858
Property plant and equipment	4,330	-21	-	-	4,309
Other temporary differences	3,086	-	-	-	3,086
Assets/liabilities compensation of deferred taxes	-35,394	-15,792	-	-	-51,186
	142,907	-16,710	-2,450	384	124,131

Net Deferred Tax Liabilities					
	Balance at 01.01.2020	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 30.06.2020
Thousand Euros					
Financial instruments	27,642	-	15,544	-	43,186
Allocation of fair value to assets and liabilities acquired	3,546	-	-	-	3,546
Fiscal revaluations	192	-3	-	-	189
Other temporary differences	4,014	251	-	-	4,265
Assets/liabilities compensation of deferred taxes	-35,394	-15,792	-	-	-51,186
	-	-15,544	15,544	-	-

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	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019
Assets measured at amortised cost:				
Amounts receivable from tariff adjustments - Electricity - Portugal	410,844	254,482	167,743	82,166
Amounts receivable from tariff adjustments - Electricity - Brazil	5,795	29,105	53,514	50,486
Debtors for other goods and services	-	-	30,917	32,201
Amounts receivable relating to CMEC	543,290	579,160	204,776	197,905
Amounts receivable from concessions - IFRIC 12	741,455	954,132	316,642	57,916
Other assets measured at amortised cost	44,021	44,935	137,650	155,600
Impairment losses on other assets measured at amortised cost	-2,894	-2,895	-2,628	-2,694
	1,742,511	1,858,919	908,614	573,580
Trade receivables at amortised cost:				
Trade receivables	24,885	49,305	1,160,546	1,480,280
Impairment losses on trade receivables	-8,769	-16,285	-308,457	-302,687
	16,116	33,020	852,089	1,177,593
Assets measured at fair value through other comprehensive income:				
Amounts receivable from tariff adjustments - Electricity - Portugal	4,839	6,292	2,886	2,865
Assets measured at fair value through profit or loss:				
Amounts receivable from concessions - IFRIC 12	514,914	664,489	-	-
Contract assets:				
Contract assets receivable from energy sales contracts	881	1,355	811,208	1,051,994
Contract assets receivable from concessions - IFRIC 12	688,563	743,111	-	-
	689,444	744,466	811,208	1,051,994
Other assets:				
Incremental costs of obtaining contracts with customers	34,345	63,752	-	-
Other assets from commercial activities	52,517	53,282	66,537	52,128
	86,862	117,034	66,537	52,128
	3,054,686	3,424,220	2,641,334	2,858,160

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

Thousand Euros	Current	
	Jun 2020	Dec 2019
Assets measured at amortised cost:		
Debtors for other goods and services	27,009	33,827
Other assets measured at amortised cost	9,912	62,754
	36,921	96,581
Trade receivables at amortised cost:		
Trade receivables	156,574	237,424
Impairment losses on trade receivables	-215	-215
	156,359	237,209
Contract assets:		
Contract assets receivable from energy sales contracts	192,946	245,567
Other assets:		
Other assets from commercial activities	15,968	4,471
	402,194	583,828

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 2019	260,774	85,031
Receipts through the electricity tariff	-	-43,845
Sale of 2020 overcosts for the special regime generators	-	-821,221
Tariff adjustment of the period (see note 7)	282,661	501,125
Interest income (see note 12)	29	905
Prepayment of tariff deficit (see note 31)	-	320,853
Transfer from Non-Current to Current	-127,781	127,781
Balance as at 30 June 2020	415,683	170,629

During the first quarter of 2020, EDP Serviço Universal, S.A. sold the 2020 tariff deficit in the amount of 821,221 thousand Euros. This tariff deficit resulted from the deferral, for the period of 5 years, of the recovery of the 2020 over costs related to the acquisition of electricity from special regime generators (including the adjustments for 2018 and 2019). In this sale transaction of assets, EDP Serviço Universal, S.A. gave in fully and without recourse, the right to receive such amounts and interest. The sale price amounted to 825 million Euros and generated a loss net of transaction costs of 1,037 thousand Euros (see note 12).

As at 30 June 2020, 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 June 2020:

Thousand Euros	Deficit	Tariff adj.	Sales	Total
Year:				
2016	3,845	1,449	-	5,294
2018	6,215	-23,044	-	-16,829
2019	1,510	313,458	-	314,968
2020	821,221	282,879	-821,221	282,879
	832,791	574,742	-821,221	586,312

The caption Amounts receivable from tariff adjustments - Electricity - Brazil corresponds to tariff adjustments recognised in EDP São Paulo - Distribuição de Energia S.A. and EDP Espírito Santo - Distribuição de Energia S.A. in the accumulated amount, as at 30 June 2020, of 18,105 thousand Euros (31 December 2019: 33,190 thousand Euros) and 41,204 thousand Euros (31 December 2019: 46,401 thousand Euros), respectively. The variation occurred includes the tariff deficit for the period with a positive impact of 99,439 thousand Euros (see note 7), transfer to tariff adjustment payable of 39,275 thousand Euros (see note 31), amounts received through the electricity tariff of 62,848 thousand Euros, unwinding in the amount of 3,255 thousand Euros (see note 12) and the exchange differences due to depreciation of Brazilian Real against Euro with a negative impact of 20,853 thousand Euros.

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

Thousand Euros	Non-current	Current
Initial CMEC	370,310	44,624
Final adjustment	172,980	58,900
Revisibility 2014 - 2017 *	-	101,252
	543,290	204,776

* The revisibility calculation for 2015 to 2017 is still waiting the official approval.

The caption Amounts receivable from concessions - IFRIC 12 in the amount of 1,573,011 thousand Euros (31 December 2019: 1,676,537 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 191,368 thousand Euros and (ii) transfers from Contract assets receivable from concessions in the amount of 85,621 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, with the biggest increase, during the first half of 2020, in Brazil. The variation of the period includes (i) the effect of the depreciation of Brazilian Real against Euro in the amount of 186,309 thousand Euros; (ii) the investment of the period in the amount of 210,128 thousand Euros and (iii) the transfer of assets assigned to concessions which began operation to intangible assets, in the amount of 30,452 thousand Euros (see note 16), and to Amounts receivable from concessions - IFRIC 12, in the amount of 85,621 thousand Euros.

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22. Other Debtors and Other Assets

Other debtors and other assets are as follows:

Thousand Euros	Group		Company	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019 *
Debtors and other assets - Non-Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	3,037,301	3,016,108
Loans to related parties	5,925	9,070	90	90
Guarantees rendered to third parties	93,090	107,744	-	-
Other financial assets at amortised cost (i)	34,961	46,382	19	46,900
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	302,109	201,349	450,684	225,947
Contingent price	198,029	155,353	-	-
Other assets:				
Excess of the pension fund financing (see note 28)	29,237	55,506	103	104
Other debtors and sundry operations	351,648	357,174	-	-
	1,014,999	932,578	3,488,197	3,289,149
Debtors and other assets - Current				
Assets measured at amortised cost:				
Loans to subsidiaries	-	-	297,996	297,616
Dividends attributed by subsidiaries	-	-	-	85,000
Loans to related parties	204,867	13,257	-	-
Receivables from the State and concessioners	26,265	27,955	-	-
Guarantees rendered to third parties	117,774	70,809	83,135	43,980
Subsidiary companies	-	-	148,558	69,318
Other financial assets at amortised cost (i)	23,080	23,025	350,409	526,428
Assets measured at fair value through profit or loss:				
Derivative financial instruments (see note 35)	397,046	363,943	602,547	439,143
Other financial investments measured at fair value	53,698	29,938	-	-
Contingent price	5,507	129,161	-	-
Other assets:				
Other debtors and sundry operations	31,751	223,691	89,654	89,655
	859,988	881,779	1,572,299	1,551,140
	1,874,987	1,814,357	5,060,496	4,840,289

* Includes reclassification resulting from the change of the accounting policy as described in note 2a)

Loans to subsidiaries - Non-Current and Current, for the Company, mainly includes 1,369,829 thousand Euros (31 December 2019: 1,369,908 thousand Euros) of loans granted to EDP - Gestão da Produção de Energia, S.A. and 1,503,650 thousand Euros (31 December 2019: 1,503,715 thousand Euros) of loans granted to EDP Distribuição de Energia, 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 June 2020 there are no expected credit losses accounted for related to loans with subsidiaries.

Loans to related parties - Current, on a consolidated basis, mainly include loans granted to OW Offshore S.L. in the amount of 188,614 thousand Euros and to Parque Eólico Sierra del Madero, S.A. in the amount of 8,149 thousand Euros (see note 37).

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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 Crédito, 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 EDP Serviço Universal, 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 2020
Overcost from special regime production 2016	Ago 2016	436	503	-	939
Overcost from special regime production 2017	Dec 2017	576	473	12,497	13,546
Overcost from special regime production 2018	Jun 2018	442	1,029	21,791	23,262
Overcost from special regime production 2019	Jun 2019	573	596	19,105	20,274
		2,027	2,601	53,393	58,021

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

During 2020 EDP Finance B.V. repaid, at maturity, in the first quarter 750 million Dollars of securities issued, of which EDP, S.A. had already reacquired 167,076 thousand Dollars, and in the second quarter 300 million Euros of securities issued, of which EDP, S.A. had already reacquired 66,628 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.	14 Sep 2020	EUR	4.88%	750,000	287,778	301,628
EDP Finance B.V.	20 Jan 2021	EUR	4.13%	600,000	46,783	48,595
					334,561	350,223

Contingent prices - Non Current mainly include: (i) 92,246 thousand Euros related to the fair value of the contingent price related to the Naturgás sale and (ii) 67,800 thousand Euros and 24,926 thousand Euros related to the fair value of the contingent consideration in connection with the sale in 2020 and 2018 of 29.5% and 13.5% stake of the French companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS to OW Offshore S.L. and Sumitomo Corporation respectively, in accordance with the relevant agreements signed. The variation of the caption Contingent prices - Current is mainly due to a decrease in the amount of 123,041 thousand Euros related to financing proceeds of Nation Rise project (see note 18).

The caption Other debtors and sundry operations - Non Current includes the financial consideration paid in advance 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 receipt in the first quarter of the amount of 121,596 thousand Euros related to the sale of Babilônia Holding, S.A. and its subsidiaries and the receipt in 2020 of amounts related with the transaction of acquisition of the certain projects in North America in 2019 amounting 54,506 thousand Euros as at 31 December 2019.

23. Tax Assets

Current tax assets are as follows:

Thousand Euros	Group		Company	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019
Non-Current:				
Special taxes Brazil	282,363	389,037	-	-
Current:				
Income tax	212,808	186,869	152,755	108,799
Value added tax (VAT)	104,005	87,431	-	-
Special taxes Brazil	94,854	132,792	-	-
Other taxes	8,592	8,643	786	877
	420,259	415,735	153,541	109,676
	702,622	804,772	153,541	109,676

The movement in the period in current and non-current taxes in Brazil is mainly due to exchange rate differences resulting from the depreciation of Brazilian Real against the Euro in 2020.

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24. Cash and Cash Equivalents

Cash and cash equivalents are as follows:

Thousand Euros	Group		Company	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019*
Cash	272	298	47	41
Bank deposits				
Current deposits	808,960	953,829	393,824	167,288
Term deposits	541,905	545,480	-	-
Specific demand deposits in relation to institutional partnerships	33	60,977	-	-
	1,350,898	1,560,286	393,824	167,288
Operations pending cash settlement				
Current deposits	25,000	-	282,000	258,000
Other operations				
Other short term investments	1,429	-	-	-
Group Financial System (see note 37)	-	-	682,440	612,064
	1,377,599	1,560,584	1,358,311	1,037,393
Held for sale operations:				
Cash and cash equivalents reclassified as held for sale (see note 34)	-1,778	-17,862	-	-
	1,375,821	1,542,722	1,358,311	1,037,393

* Includes the reclassification arising from the change in accounting policy as described in note 2a).

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 June 2020, 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 282,000 thousand Euros (31 December 2019: 258,000 thousand Euros) refers to commercial paper issued on 30 June 2020, acquired by EDP Finance B.V., which settlement date occurred on 2 July 2020.

25. Reserves and retained earnings

This caption is as follows:

Thousand Euros	Group		Company	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019
Legal reserve	739,024	739,024	739,024	739,024
Fair value reserve (cash flow hedge)	103,457	58,716	-11,803	-91,909
Tax effect of fair value reserve (cash flow hedge)	-25,012	-18,175	2,616	20,640
Fair value reserve of assets measured at fair value through other comprehensive income	20,955	18,455	-	-
Tax effect of the fair value reserve of assets measured at fair value through other comprehensive income	-3,694	-3,253	-	-
Currency translation reserve - Exchange differences arising on consolidation	-279,539	62,094	-	-
Currency translation reserve - Net investment hedge	-588,283	-594,947	-	-
Currency translation reserve - Net investment hedge - Cost of hedging	-71,370	-21,194	-	-
Treasury stock reserve (EDP, S.A.)	54,025	55,124	54,025	55,124
Other reserves and retained earnings	3,722,154	3,951,351	1,927,413	1,896,365
	3,671,717	4,247,195	2,711,275	2,619,244

Fair value reserve (cash flow hedge)

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

Thousand Euros	Group FV reserve
Balance as at 31 December 2019	18,455
Positive changes in fair value	6,923
Negative changes in fair value	-4,423
Balance as at 30 June 2020	20,955

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Changes in fair value reserve attributable to the EDP Group during the period ended 30 June 2020 are as follows:

Thousand Euros	Increases	Decreases
Zephyr Fund (Energia RE portfolio) (see note 19)	584	-2,993
Other (see note 19)	6,339	-1,430
	6,923	-4,423

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		Jun 2020		Exchange rate Dec 2019		Jun 2019	
		Close	Average	Close	Average	Close	Average
US Dollar	USD	1.120	1.102	1.123	1.120	1.138	1.130
Brazilian Real	BRL	6.112	5.403	4.516	4.414	4.351	4.343
Macao Pataca	MOP	8.939	8.811	9.010	9.035	9.153	9.128
Canadian Dollar	CAD	1.532	1.503	1.460	1.486	1.489	1.507
Polish Zloty	PLN	4.466	4.413	4.257	4.298	4.250	4.292
Romanian Leu	RON	4.842	4.816	4.783	4.745	4.734	4.741
Pound Sterling	GBP	0.912	0.874	0.851	0.878	0.897	0.874
South African Rand	ZAR	19.443	18.291	15.777	16.177	16.122	16.047
Mexican Peso	MXN	25.881	23.835	21.220	21.560	21.820	21.661
Colombian peso	COP	4,209.227	4,061.660	3,685.713	3,673.675	3,638.448	3,603.717
Chinese Yuan	CNY	7.922	7.751	7.821	7.736	7.819	7.669
Corean Won	WON	1,345.830	1,329.270	1,296.280	1,305.210	n.a.	n.a.
Japanese Yen	JPY	120.660	119.288	121.940	122.021	n.a.	n.a.

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 2019	-594,947	-21,194
Changes in fair value	6,664	-50,176
Balance as at 30 June 2020	-588,283	-71,370

The caption Net investment hedge corresponds to the amounts resulting from the application of hedge accounting to investments in subsidiaries in foreign currencies, mainly in the subsidiary EDPR North America, through financial derivative instruments (see note 35) and debt in foreign currency. The caption Cost of hedging corresponds to the amounts determined in accordance with accounting policies.

Treasury stock reserve (EDP, S.A.)

In accordance with the article 324° of "Código das Sociedades Comerciais" (Portuguese Commercial Companies Code), EDP, S.A. has created an unavailable reserve with an amount equal to the book value amount of treasury stock held in the company statements.

Dividends

On 16 April 2020, the Shareholders General Meeting of EDP, S.A. approved the dividends distribution to shareholders of the net profit for the year 2019 in the amount of 690,739 thousand Euros, corresponding to a dividend of 0.19 Euros per share (including the treasury stock dividend owned by Energia RE in the amount of 287 thousand Euros). This distribution occurred on 14 May 2020.

26. Non-Controlling Interests

This caption is as follows:

Thousand Euros	Group	
	Jun 2020	Dec 2019
Non-controlling interests in income statement	172,967	387,576
Non-controlling interests in equity and reserves	3,314,277	3,386,250
	3,487,244	3,773,826

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

Thousand Euros	EDP Renováveis	EDP Brasil Group	Other	Total
Balance as at 31 December 2019	2,547,411	1,266,635	-40,220	3,773,826
Results	121,933	54,592	-3,558	172,967
Dividends	- 38 610	- 6 787	-	-45,397
Currency Exchange differences	-43,357	-326,617	-32	-370,006
Capital Increases/Decreases	-42,020	2,424	13	-39,583
Perimeter variations and Others	5,710	-10,273	-	-4,563
Balance as at 30 June 2020	2,551,067	979,974	-43,797	3,487,244

27. Financial Debt

This caption is as follows:

Thousand Euros	Group		Company	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019
Debt and borrowings - Non-current				
Bank loans:				
- EDP Finance B.V.	1,001,763	439,261	-	-
- EDP Brasil Group	222,184	285,520	-	-
- EDP Renováveis Group	546,540	688,708	-	-
	1,770,487	1,413,489	-	-
Non-convertible bond loans:				
- EDP, S.A.	742,237	-	8,142,237	7,400,000
- EDP Finance B.V.	7,958,164	9,190,998	-	-
- EDP Brasil Group	700,500	1,060,453	-	-
	9,400,901	10,251,451	8,142,237	7,400,000
Hybrid bonds:				
- EDP, S.A.	1,737,840	994,071	1,737,840	994,071
	1,737,840	994,071	1,737,840	994,071
Commercial paper:				
- EDP, S.A.	223,253	100,000	223,253	100,000
- EDP Finance B.V.	200,929	222,539	-	-
- EDP Brasil Group	65,447	66,435	-	-
	489,629	388,974	223,253	100,000
Other loans	10,060	13,557	-	-
	13,408,917	13,061,542	10,103,330	8,494,071
Accrued interest	8,296	8,528	-	-
Other liabilities:				
- Fair value of the issued debt hedged risk	59,181	54,545	-	-
Total Debt and Borrowings	13,476,394	13,124,615	10,103,330	8,494,071
Collateral Deposits - Non-current *	-20,176	-21,690	-	-
	13,456,218	13,102,925	10,103,330	8,494,071

* Deposits constituted as collateral for financial guarantee

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Thousand Euros	Group		Company	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019 **
Debt and borrowings - Current				
Bank loans:				
- EDP Brasil Group	134,543	125,956	-	-
- EDP Renováveis Group	76,239	79,825	-	-
- Other	268	17	-	-
	211,050	205,798	-	-
Non-convertible bond loans:				
- EDP, S.A.	-	-	850,000	850,000
- EDP Finance B.V.	1,683,141	1,213,181	-	-
- EDP Brasil Group	204,616	282,301	-	-
	1,887,757	1,495,482	850,000	850,000
Hybrid bonds:				
- EDP, S.A.	-	739,258	-	739,258
	-	739,258	-	739,258
Commercial paper:				
- EDP, S.A.	-	100,000	2,322,000	2,582,000
- EDP Finance B.V.	709,000	618,750	-	-
- EDP Brasil Group	129,258	-	-	-
	838,258	718,750	2,322,000	2,582,000
Other loans				
Group Financial System (see note 37)	-	-	1,026,259	711,836
- Other	871	1,198	-	-
	871	1,198	1,026,259	711,836
Accrued interest	168,954	279,568	105,601	96,964
Other liabilities:				
- Fair value of the issued debt hedged risk	2,027	6,800	-	-
Total Debt and Borrowings	3,108,917	3,446,854	4,303,860	4,980,058
Collateral Deposits - Current *	-30,495	-39,786	-	-
	3,078,422	3,407,068	4,303,860	4,980,058

* Deposits constituted as collateral for financial guarantee;

** Includes the reclassification arising from the change in accounting policy as described in note 2a).

Non-current Commercial Paper refers to a Commercial Paper program with firm underwriting commitment for a period of over one year, in the amount of 475,000 thousand US Dollars and 100,000 thousand Brazilian Real.

Main events of the period:

On 21 January 2020, EDP concluded a "Tender Offer" over the issue "€750,000,000 Fixed to Reset Rate Subordinated Notes due 2075". As a result of the offer, EDP S.A. acquired 681 million Euros of that issuance, and on March 2020 proceeded with the early redemption for the remaining nominal amount of that issuance, which totalled 69 million Euros (see note 12).

On 15 April 2020, under its "Debt Issuance Program (EMTN)", EDP issued a green bond of 750 million Euros maturing in April 2027.

The nominal value of outstanding Bond loans placed with external counterparties issued during 2020, as at 30 June 2020, 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-20	Fixed Rate EUR 1.7% (ii)	n.a.	Jul-80	750 EUR	750,000	750,000
						750,000	750,000
Issued under the Euro Medium Term Notes program (EMTN)							
EDP, S.A.	Apr/20	Fixed Rate EUR 1.625%	n.a.	Apr/27	750 EUR	750,000	750,000
						750,000	750,000

(i) There is a call option exercisable at par by EDP at April 2025 and July 2025 and subsequently, on each interest payment date.

(ii) Fixed rate in the first 5,5 years, subsequently updated every 5 years.

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Issuer	Issue date	Interest rate	Type of hedge	Conditions / Redemption	Nominal Value in Million Currency	Thousand Euros	
						Group	Company
Issued by the EDP Energias do Brasil Group in the Brazilian domestic market							
EDP Espírito Santo	Apr/20	CDI + 2.5%	n.a.	Apr/21	150 BRL	24,543	
						24,543	

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 June 2020, these loans amounted to 695,456 thousand Euros (31 December 2019: 771,854 thousand Euros).

EDP Group has several credit facilities it uses for liquidity management. EDP Group has short-term credit facilities of 256 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 June 2020 were totally available. EDP Group also has a Commercial Paper program of 50 million Euros with guaranteed placement, which as at 30 June 2020 was totally available. Regarding medium-term credit facilities with a firm underwriting commitment, EDP Group has three Revolving Credit Facilities, namely (i) 75 million Euros, maturing in 2021 and totally available as at 30 June 2020; (ii) 3,300 million Euros, of which 3,295 million Euros mature in 2024 while the remaining amount matures in 2023, and totally available as at 30 June 2020; and (iii) 2,240 million Euros, of which 2,095 million Euros mature in 2025 while the remaining amount matures in 2023, which as at 30 June 2020 is available in 1,632 million Euros.

As at 30 June 2020, future debt and interest payments and origination fees, by type of loan and currency, are as follows:

Thousand Euros	Jun 2021	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Following years	Total
Bank loans:							
Euro	35,002	15,014	35,597	34,257	30,677	446,516	597,063
Brazilian Real	151,378	26,994	53,227	47,074	36,622	143,265	458,560
US Dollar	12,664	6,353	12,387	12,653	12,761	788,156	844,974
Other	21,817	5,018	13,391	16,930	20,562	29,785	107,503
	220,861	53,379	114,602	110,914	100,622	1,407,722	2,008,100
Bond loans:							
Euro	1,115,457	-	1,203,789	1,343,662	1,420,909	3,979,693	9,063,510
Brazilian Real	220,055	81,290	81,361	82,587	125,607	353,634	944,534
US Dollar	701,001	-	-	-	893,017	-	1,594,018
	2,036,513	81,290	1,285,150	1,426,249	2,439,533	4,333,327	11,602,062
Hybrid Bonds:							
Euro	13,315	-	-	-	-	1,750,000	1,763,315
	13,315	-	-	-	-	1,750,000	1,763,315
Commercial paper:							
Euro	709,000	-	-	-	-	-	709,000
Brazilian Real	129,258	-	16,362	-	49,085	-	194,705
US Dollar	2,697	-	-	100,464	-	323,719	426,880
	840,955	-	16,362	100,464	49,085	323,719	1,330,585
Other loans:							
Euro	1,322	49	34	211	-	6	1,622
Brazilian Real	719	139	-	-	-	9,621	10,479
	2,041	188	34	211	-	9,627	12,101
Origination Fees:							
	-4,768	-	-8,360	-44,790	-10,660	-62,274	-130,852
	3,108,917	134,857	1,407,788	1,593,048	2,578,580	7,762,121	16,585,311

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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	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019
Provisions for pension liabilities	445,774	499,948	130,246	130,842
Provisions for medical liabilities and other benefits	588,523	628,207	46,917	52,672
	1,034,297	1,128,155	177,163	183,514

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

Thousand Euros	Jun 2020	
	Pensions	Medical and Other
Balance at the beginning of the period	630,790	680,879
Charge for the period	6,414	11,422
Actuarial (gains)/losses	40,127	10,426
Charge-off	-66,034	-14,867
Fund contributions (see note 37)	-	-11,520
Surplus/(Deficit) pension funding (see note 22)	-26,269	-
Transfers, reclassifications and exchange differences	-9,008	-40,900
Balance at the end of the period	576,020	635,440

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

Thousand Euros	Jun 2020	
	Pensions	Medical and Other
Current service cost	3,041	3,711
Operational component (see note 10)	3,041	3,711
Net interest on the net pensions plan liability	3,373	7,711
Financial component (see note 12)	3,373	7,711
	6,414	11,422

With reference to 30 June 2020, the net movement of the Provision for pension liabilities period corresponds to a decrease of 54.770 thousands of Euros, of which 43.620 thousands of Euros correspond to the negative net movement seen in Portugal and 11.150 thousands of Euros correspond to the negative net movement seen in Brazil. The movement in the period in Portugal is mainly related to the payment of benefits (negative 65,359 thousand Euros), the decrease of surplus (negative 26,269 thousand Euros) and the recognition of actuarial losses (42,568 thousand Euros) resulting from the devaluation of the assets of the portfolio of Pension Plan Fund. The movement in the period in Brazil is mainly due to exchange rate differences resulting from the depreciation of Brazilian Real.

In turn, the net movement in the Provision period for liabilities for medical care and other benefits corresponds to a decrease of 45.439 thousands of Euros, of which 6.221 thousands of Euros correspond to the positive net movement seen in Portugal, 4.182 thousands of Euros correspond to the negative net movement seen in Spain and 47.478 thousands of Euros correspond to the negative net movement in Brazil. The positive net movement in Portugal is mainly related the recognition of actuarial losses (19,581 thousand Euros) resulting from the devaluation of the assets of the Funds portfolio and the contributions made in the period to the Medical Plan and Death Subsidy Plan (negative 11,520 thousand Euros). The movement in the period in Brazil is mainly due to exchange rate differences resulting from the depreciation of Brazilian Real.

On 30 June 2020, 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 2019.

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29. Provisions

Provisions are as follows:

Thousand Euros	No-Current		Current	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019
Provision for legal and labour matters and other contingencies	89,319	107,813	2,419	2,221
Provision for customer guarantees under current operation	-	-	1,030	1,029
Provision for dismantling and decommissioning	479,438	475,320	10,670	10,670
Provision for other liabilities and charges	307,769	343,293	138,409	112,171
	876,526	926,426	152,528	126,091

With reference to 30 June 2020, the movement by nature of the Provisions item at the EDP Group level is presented as follows:

Thousand Euros	Legal, labor 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 2019	110,034	1,029	485,990	455,464	1,052,517
Charge for the period	10,072	-	-	48,091	58,163
Reversals	-4,638	-	-	-2,369	-7,007
Charge-off for the period	-4,621	-	-8,102	-1,974	-14,697
Unwinding (see note 12)	3,983	-	3,859	565	8,407
Increase of the responsibility (see note 14)	-	-	20,759	-	20,759
Innovative Features Charge-off (see note 4)	-	-	-	-44,583	-44,583
CMEC	-	-	-	9,040	9,040
"Lesividad"	-	-	-	6,010	6,010
Exchange differences and other	-23,692	1	-140	-8,459	-32,290
Reclassification to Liabilities Held for Sale (see note 34)	600	-	-12,258	-15,607	-27,265
Balance as at 30 June 2020	91,738	1,030	490,108	446,178	1,029,054

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. As at 30 June 2020, there were no significant changes in the several provisions as of 31 December 2019.

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, administrative, central, municipal, tax, environmental or other authorities. In EDP Group and its legal advisors' opinion, the risk of a loss in these actions is not probable, and the outcome will not affect on a material way its consolidated financial position.

The processes whose losses were considered as possible, do not require the recognition of provisions and are periodically reassessed. As at 30 June 2020, there were no significant changes in the losses considered as possible as of 31 December 2019, with the following exception:

- i) On 29 July 2016, the Portuguese Competition Authority (AdC) has notified EDP, S.A. and EDP Comercial, S.A. with a notice for alleged violation of competition laws, regarding the process about 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 and are still awaiting sentence. Subsequently, a dispatch was delivered by Competing, Regulation and Supervision Court (TCRS) that considered unconstitutional the law from AdC which demanded a fine payment or a security before a decision about the case. This view was confirmed with a Constitutional Court judgment on 4 October 2018. The Public Prosecutors as well as AdC presented a new appeal about this judgement for Constitutional Court, with EDP, S.A. and EDP Comercial presenting its counter-allegations. On 17 December 2019, EDP S.A. and EDP Comercial were notified by the Constitutional Court for the reversal of the prior decision, by the same court. The process will pass from the Constitutional Court to TCRS and EDP Group companies are now awaiting for a new audience. On 5 June 2020, it was determined in a court hearing that EDP and EDP Comercial would provide a 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. The last judgment session was held on the 15th of July, awaiting the decision of the TCRS and maintaining for the time being both the amount of the contingency and the risk analysis.

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ii) Within EDP Distribuição there is a contingency established by Gás Natural Comercializador, S.A. (GNC), for the undue payment of tariffs for access to networks charged by EDP Distribuição and surplus consumption by Repsol Polimeros, S.A. The situation is related with 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. Regarding the year 2015, GNC was reimbursed for the over paid amounts, therefore the claim is only on payments about the second half of 2014, in the amount of 5,724 thousand Euros. As at 31 December 2020, the value of this contingency is divided between a probable risk of loss in the amount of 2,308 thousand Euros and the remain value with a classification of risk as possible. According to the expert report issued in the meantime, it came to recognize that, with regard to the Network Access Tariffs ("TAR"), despite the fact that at the time of the facts, the self-consumption statute has not yet been approved and that, therefore, EDP Distribuição situation was not clear, the amount of TAR charged by the company would have been higher than the amount actually due by GNC. With regard to the amount claimed by GNC as "excess consumption", the consolidated expert report concluded that "(...) the reliquidation taking into account the adjustments between 13 June 2014 and 31 December 2014, according to the hourly values presented by GNC for that period, would generate a return to GNC whose approximate value estimates that it could be in the range between 3,192 thousand Euros and 3,271 thousand Euros ". Consequently, and with reference to 30 June 2020, the probable contingency amount of 2,308 thousand Euros (referring to the value of TAR) was updated to 5,579 thousand Euros; the difference refers to the higher amount indicated in the expert report as the amount allegedly owed by GNC to excess consumption securities. The provision amount was also updated accordingly, with the remainder remaining as possible, 144 thousand Euros.

iii) On 3 September 2018, the Portuguese Competition Authority (AdC) notified EDP Produção with 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 2013, benefitting its non-CMEC power plants. The alleged benefit, in 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 for an alleged infraction to competition rules. At this moment, it is open the time to present an appeal to Competing, Regulation and Supervision Court (TCRS). This contingency was estimated with a value of 48 million Euros and its graduation was assessed as possible. On 30 October 2019, EDP Produção presented an appeal against this decision to the TCRS and it is waiting the counter-allegations of AdC. 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 merely devolution effect to the Judicial Challenge Appeal. By order issued on 7/15, TRCS considered the new elements brought to the process by EDP Produção and decided to suspend its decision regarding the payment of the fine and notified the company to add a set of evidential elements to the case file in order to be able to decide whether or not there is a possibility of decreeing the suspensive effect of the judicial challenge appeal and the amount and form of the guarantee to be provided. The contingency amount and risk analysis are maintained.

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

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 June 2020, the amount of this tax contingency amounts to 295 million euros (31 December 2019: 292 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	
	Jun 2020	Dec 2019
Deferred income related to benefits provided	990,266	1,002,871
Liabilities arising from institutional partnerships	1,364,383	1,286,913
	2,354,649	2,289,784

Subsidiaries in North America recognises under this caption the receipts of institutional investors associated with wind and solar projects. This liability is reduced by the amount of tax benefits provided and payments made to the institutional investors during the period. The amount of tax benefits provided is booked as a non-current deferred income, and recognised over the useful life of the related projects (see note 8). Additionally, this liability is increased by the estimated interest based on the liability outstanding and the expected rate of return of the institutional investors (see note 12).

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

Thousand Euros	Group	
	Jun 2020	Dec 2019
Balance at the beginning of the period	2,289,784	2,231,249
Proceeds received from institutional investors	134,764	188,490
Cash paid for deferred transaction costs	-2,285	-2,087
Cash paid to institutional investors	-17,535	-80,776
Other Income (see note 8)	-104,560	-181,570
Unwinding (see note 12)	48,079	85,320
Exchange differences	6,444	42,848
Other	-42	6,310
Balance at the end of the period	2,354,649	2,289,784

During the first half of 2020, EDPR NA, has secured and received proceeds amounting to 134,764 thousand Euros (148,539 thousand dollars) related to institutional equity financing from 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 June 2020, 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	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019
Contract liabilities:				
Energy sales contracts - North America	8,032	9 148	-	-
Deferred income - CMEC	197,664	208,535	69,342	74,995
Amounts received from the Fund for systemic sustainability of the energy sector	-	-	24,810	-
	205,696	217,683	94,152	74,995
Other liabilities:				
Investment government grants	554,872	566,450	-	-
Amounts payable for tariff adjustments - Electricity - Portugal	-	-	21,808	43,626
Amounts payable for tariff adjustments - Electricity - Brazil	339,889	464,823	-	-
Amounts payable - securitisations	-	-	450,693	136,933
Amounts payable - CMEC	-	-	222,245	221,955
Amounts payable for concessions	188,569	199,772	-	-
Property, plant and equipment suppliers	3,956	5,101	1,065,360	1,196,186
Suppliers	-	-	560,080	919,745
Accrued costs related with commercial activities	-	-	481,126	633,664
Holiday pay, bonus and other charges with employees	-	-	130,762	151,917
CO2 emission Licenses	-	-	61,480	203,085
Other creditors and sundry operations	133,008	190,478	247,499	277,517
	1,220,294	1,426,624	3,241,053	3,784,628
	1,425,990	1,644,307	3,335,205	3,859,623

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

Thousand Euros	Current	
	Jun 2020	Dec 2019
Other liabilities:		
Suppliers	210,813	412,388
Accrued costs related with commercial activities	185,806	253,650
Property, plant and equipment suppliers	1,057	961
Holiday pay, bonus and other charges with employees	24,943	30,370
Other creditors and sundry operations	9,560	17,945
	432,179	715,314

The caption Deferred income - CMEC is detailed as follows:

Thousand Euros	Non-current	Current
Initial CMEC	97,479	42,869
Final adjustment	100,185	26,473
	197,664	69,342

The Amounts received from the Fund for Systemic Sustainability of the Energy Sector refer to amounts transferred to EDP SU related with the electricity tariffs for 2020, which represented CESE amounts intended to reduce the National Electric System's tariff debt and that will be settled through the tariff.

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 12,473 thousand Euros as at 30 June 2020.

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	-	43,626
Payment through the electricity tariff	-	-21,837
Interest expense (see note 12)	-	19
Balance at the end of the period	-	21,808

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The caption Amounts payable for tariff adjustments - Electricity - Brazil, refers to tariff adjustments recognised in EDP São Paulo - Distribuição de Energia S.A. and EDP Espírito Santo - Distribuição de Energia S.A. in the accumulated amount of 203,694 thousand Euros (31 December 2019: 276,341 thousand Euros) and 136,195 thousand Euros (31 December 2019: 188,482 thousand Euros), respectively. The variation occurred includes the tariff deficit of the period with a positive impact of 82,315 thousand Euros (see note 7), the transfer from tariff adjustment receivable of 39,275 thousand Euros (see note 21), the decrease of the amount returned through the tariff of 54,989 thousand Euros, the exchange differences due to depreciation of Brazilian Real against Euro with a negative impact of 120,922 thousand Euros and the unwinding in the amount of 7,937 thousand Euros (see note 12), which includes the recognition of 4,738 thousand Euros (25,603 thousand Brazilian Real) of the 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).

In the energy distribution activity, the subsidiaries of EDP Group in Portugal and Spain recover the deficits and tariff adjustment assets through the tariffs charged to their customers. The caption Amounts payable - securitizations includes the amounts payable to entities that have acquired the right to receive these assets in securitisation or direct sales operations in Portugal. Additionally, as at June 2020, this caption includes 320,853 thousand Euros related to the anticipated sale of tariff deficit of 2020 (see note 21), which right to be received by EDP Serviço Universal will occur during 2020.

The caption Amounts payable - CMEC refers to amounts received by EDP Distribuição, through the tariff, regarding the CMEC Revisibility of 2016 and 2017, which delivery to REN is awaiting approval.

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 139,243 thousand Euros (31 December 2019: 134,496 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 49,326 thousand Euros (31 December 2019: 65,276 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 808,724 thousand Euros (31 December 2019: 1,003,564 thousand Euros), in Poland in the amount of 69,397 thousand Euros (31 December 2019: 18,055 thousand Euros) and in Mexico in the amount of 53,210 thousand Euros (31 December 2019: 124 thousand Euros) .

The caption CO2 emission licenses includes the CO2 consumptions during 2020 in Portugal and Spain, in the amount of 24,414 thousand Euros and 36,170 thousand Euros, respectively (31 December 2019: 116,752 thousand Euros and 86,333 thousand Euros). The variation includes the consumptions of 2020 and the delivery in 2020 of the 2019 consumption licenses, which are returned to regulatory authorities until April of the year following its consumption.

The caption Other creditors and sundry operations - Non-current includes the amount of 58,036 thousand Euros related with the reinsurance activity (31 December 2019: 62,258 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 2019: 14,317 thousand Euros).

32. Other Liabilities and Other Payables

Other liabilities and other payables are as follows:

Thousand Euros	Group		Company	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019 *
Other liabilities and other payables - Non-Current				
Loans from non-controlling interests	178,023	215,023	-	-
Derivative financial instruments (see note 35)	247,864	169,008	332,479	215,510
Amounts payable and contingent prices for acquisitions/sales	13,496	18,303	-	-
Lease Liabilities (Rents due from lease contracts)	786,134	762,725	130,343	133,378
Other creditors and sundry operations	3,775	12,060	1	2
	1,229,292	1,177,119	462,823	348,890
	-1			
Other liabilities and other payables - Current				
Loans from non-controlling interests	136,935	117,327	-	-
Dividends attributed to related companies	48,094	58,749	-	-
Derivative financial instruments (see note 35)	280,126	213,363	670,938	547,312
Group companies	-	-	72,206	70,288
Amounts payable and contingent prices for acquisitions/sales	52,565	151,975	-	-
Lease Liabilities (Rents due from lease contracts)	63,280	75,004	12,310	12,390
Other creditors and sundry operations	10,436	7,353	125,804	51,289
	591,436	623,771	881,258	681,279
	1,820,728	1,800,890	1,344,081	1,030,169

* Includes reclassification resulting from the change of the accounting policy as described in note 2a).

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

Thousand Euros		Jun 2020
ACE Portugal (CTG Group)	Fixed rate of 3.75%	28,731
ACE Poland (CTG Group)	Fixed rate of a range between 1.33% and 7.23%	100,590
ACE Italy (CTG Group)	Fixed rate of 4.5%	52,879
CITIC CWEI Renewables (CTG Group)	Fixed rate of 5.5%	32,640
Sonatrach	Fixed rate of 5.6%	75,139
		289,979

The variation of the caption Amounts payable and contingent prices for acquisitions/sales mainly relates to Nation Rise project (decrease of 87.963 thousand Euros (see note 18)) and to the costs actually incurred in the construction of the windfarm projects as foreseen in the context of the sale of projects in North America in December 2018 (decrease of 12.684 thousand Euros).

The variation of the caption Lease Liabilities (Rents due from lease contracts non-current and current) includes: i) 37,307 thousand Euros corresponding to lease liabilities (rents due from lease contracts) starting after 1 January 2020; ii) negative 36,802 thousand Euros corresponding to payments of rents made; and iii) 18,872 thousand Euros corresponding to the financial update of the liability (see note 12).

As at 30 June 2020, the nominal value of the lease liabilities (rents due from lease contracts) is detailed as follows: (i) less than 5 years: 330,738 thousand Euros; (ii) from 5 to 10 years: 275,137 thousand Euros; (iii) from 10 to 15 years: 277,155 thousand Euros; and (iv) more than 15 years: 532,857 thousand Euros.

33. Tax Liabilities

Tax liabilities are as follows:

Thousand Euros	Group		Company	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019
Non Current				
Special tax Brazil	108,860	138,212	-	-
Current				
Income tax	62,616	47,100	23,075	1,456
Withholding tax	18,445	36,785	1,254	1,801
Value Added Tax (VAT)	81,238	116,799	21,232	24,725
Special taxes Brazil	75,789	90,100	-	-
CESE	62,173	53,360	-	-
Other taxes	119,819	134,450	1,152	1,053
	420,080	478,594	46,713	29,035
	528,940	616,806	46,713	29,035

34. Non-Current Assets and Liabilities Held for Sale

This caption is as follows:

Thousand Euros	Group	
	Jun 2020	Dec 2019
Assets held for sale		
Electricity generation assets - Hydro Brazil	-	90,517
Electricity generation assets - Hydro Portugal	1,930,424	1,951,176
Electricity generation assets - Offshore wind	149,905	111,183
Electricity generation assets - Offshore wind - Transaction completed	-	103,011
Electricity generation assets - Onshore wind	443,891	-
Electricity generation thermal and supply (B2C) assets - Spain	632,236	-
	3,156,456	2,255,887
Liabilities held for sale		
Electricity generation liabilities - Hydro Brazil	-	16,924
Electricity generation liabilities - Hydro Portugal	20,718	35,147
Electricity generation liabilities - Offshore wind	663	10,427
Electricity generation liabilities - Offshore wind - Transaction completed	-	16,324
Electricity generation liabilities - Onshore wind	135,087	-
Electricity generation thermal and supply (B2C) liabilities - Spain	223,631	-
	380,099	78,822
	2,776,357	2,177,065

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In May 2019, EDPR Group signed a strategic memorandum of understanding with ENGIE to create a co-controlled 50/50 joint venture in fixed and floating offshore wind segment, the OW Offshore S.L. The new entity will be the exclusive vehicle of investment of EDPR and ENGIE for offshore wind opportunities worldwide. Part of this transaction was completed in June (see note 6). Certain transfers are pending of regulatory approvals as at 30 June 2020, thus the assets and liabilities associated with these companies were presented in non-current assets and liabilities held for sale.

During the first semester of 2019, the EDP Brasil Group started the process of selling Energest, S.A. Assets and liabilities associated with this company were presented in non-current assets and liabilities held for sale. During the first semester of 2020 and considering the actual scenario of uncertainty, the management of the EDP Brasil Group decided that is no longer its intention to dispose of the participation in this company. As of the decision taken, its assets and liabilities stopped being presented as non-current assets and liabilities held for sale.

In the last quarter of 2019, the EDP Group agreed to sell a portfolio of 6 large hydro plants in Portugal to a consortium of investors formed by Engie, Crédit Agricole Assurances and Mirova – Natixis Group. The disposed hydro portfolio comprises 1,689 MW of installed capacity in the Douro river basin (Miranda, Picote, Bemposta, Foz Tua, Baixo Sabor and Feiticeiro). Assets and liabilities associated with this transaction were presented in non-current assets and liabilities held for sale. This transaction is based on a set of potential price adjustments and its fair value will be determined on the date of the transaction.

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 Energía).

In the second quarter of 2020, EDPR Group committed to the plan of selling the entire stake held in the following portfolio of Spanish companies: Bon Vent de Corbera, S.L.U., Eólica Sierra de Ávila, S.L.U., Parc Eòlic de Coll de Moro, S.L.U., Parc Eòlic de Torre Madrina, S.L.U., Parc Eòlic de Vilalba dels Arcs, S.L.U., Aprofitament D'Energies Renovables de la Terra Alta, S.A. and Aprofitament D'Energies Renovables de L'Ebre, S.L.

Assets and liabilities associated with these companies were presented in non-current assets and liabilities held for sale.

As at 30 June 2020 the following reclassifications were made to held for sale:

Thousand Euros	Renewables				Client Solutions & Energy Management Thermal and supply (B2C) Spain	Total
	Hydro Brazil	Hydro Portugal	Offshore wind	Onshore wind		
Assets						
Property, plant and equipment (see note 14)	44,991	-2,885	-	-332,398	-212,953	-503,245
Goodwill (see note 17)	3,654	-	-	-65,912	-180,000	-242,258
Investments in joint ventures and associates (see note 18)	-	-	-22,118	-1,102	-9,942	-33,162
Other assets	35,514	23,637	-16,604	-36,343	-229,341	-223,137
Cash and cash equivalents (see note 24)	6,358	-	-	-8,136	-	-1,778
Assets Held for Sale	-90,517	-20,752	38,722	443,891	632,236	1,003,580
	-	-	-	-	-	-
Liabilities						
Financial debt	-	-	-	-82,419	-	-82,419
Provisions (see note 29)	1,341	-	-	-8,308	-20,298	-27,265
Other liabilities	15,583	14,429	9,764	-44,360	-203,333	-207,917
Liabilities Held for Sale	-16,924	-14,429	-9,764	135,087	223,631	317,601
	-	-	-	-	-	-

These reclassifications were made only for financial statement presentation purposes, without impact on the measurement of these assets and liabilities, as it is expected that the fair value less costs to sell is higher than its book value, in accordance with IFRS 5.

35. Derivative Financial Instruments

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

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

Thousand Euros	Jun 2020		Dec 2019	
	Assets	Liabilities	Assets	Liabilities
Net Investment hedge				
Cross-currency interest rate swaps	18,960	-113,729	9,343	-54,085
Currency forwards	-	-	5,026	-
Fair value hedge				
Interest rate swaps	77,507	-	84,762	-
Cross-currency interest rate swaps	11,259	-6,036	50,213	-
Cash flow hedge				
Interest rate swaps	541	-26,624	122	-15,383
Swaps related to gas commodity	215,208	-183,633	131,719	-148,416
Electricity swaps	25,507	-16,833	25,213	-30,132
Currency forwards for commodities	128,435	-6,746	95,434	-5,240
Trading				
Interest rate swaps	13	-5,652	7,682	-1,958
Cross-currency interest rate swaps	716	-	-	-55
Commodity swaps	146,710	-140,221	123,013	-116,937
Currency forwards	1,875	-1,940	1,573	-1,233
Commodity forwards	26,651	-14,364	728	-2,760
Currency forwards associated to commodities	42,503	-12,179	27,855	-6,172
Commodity options	3,270	-33	2,609	-
	699,155	-527,990	565,292	-382,371

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	Jun 2020		Dec 2019	
	Assets	Liabilities	Assets	Liabilities
Cash flow hedge				
Swaps related to gas commodity	59,899	-53,069	7,392	-82,537
Electricity swaps	4,345	-109,029	4,157	-95,770
Currency forwards for commodities	100,675	-145	86,380	-
Trading				
Interest rate swaps	76,337	-83,909	91,067	-86,739
Cross-currency interest rate swaps	133,739	-132,135	53,946	-57,922
Commodity swaps	561,155	-534,630	369,978	-405,701
Currency forwards	9,160	-9,160	2,806	-5,296
Commodity forwards	59,895	-62,474	7,661	-10,089
Currency forwards associated to commodities	42,998	-15,620	39,096	-16,269
Commodity options	5,028	-3,246	2,607	-2,499
	1,053,231	-1,003,417	665,090	-762,822

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.

Fair value of derivative financial instruments is based on listed market prices, whenever available, or on valuations determined through valuation models that use variables observable on the market. Therefore, according to IFRS 13 requirements, the fair value of the derivative financial instruments is classified as of level 2 (see note 38) and no changes of level were made during this period. These valuation models are based on generally accepted discounted cash flow techniques and option valuation models, using market data obtained through financial information platforms.

Considering that hedging derivative financial instruments are contracted with a high correlation of critical terms, namely in the same currency and at the same indexes, the hedge ratio between the hedging instruments and the hedged instruments is 1:1.

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As at 30 June 2020, 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 and Robor 3M; and exchange rates: EUR/GBP, EUR/BRL, EUR/PLN, EUR/CAD, EUR/RON 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, BRL/USD, BRL/CNY 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	
	Jun 2020	Dec 2019	Jun 2020	Dec 2019
Operating guarantees				
EDP S.A.	515,017	453,005	515,017	453,005
EDP España Group	65,833	105,283	-	-
EDP Brasil Group	211,893	270,421	-	-
EDP Renováveis Group	1,457,800	1,435,821	-	-
	2,250,543	2,264,530	515,017	453,005

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 487,532 thousand Euros and 353,033 thousand Euros, respectively (31 December 2019: 604,590 thousand Euros and 341,301 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 (rents due from lease contracts) and purchase obligations are disclosed, by maturity, as follows:

Thousand Euros	Jun 2020				
	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 (rents due from lease contracts)	352,087	29,451	68,912	56,409	197,315
Purchase obligations	19,512,532	4,746,547	4,209,022	2,114,156	8,442,807
	19,864,619	4,775,998	4,277,934	2,170,565	8,640,122

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

Thousand Euros	Jun 2020				
	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 (rents due from lease contracts)	351	351	-	-	-
Purchase obligations	5,125,316	299,240	537,752	490,847	3,797,477
	5,125,667	299,591	537,752	490,847	3,797,477

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 has made contributions of 11,520 thousand Euros in the first semester of 2020 (see note 28). Until the end of 2027, the Group estimates to make additional contributions in the approximate total amount of 161 million Euros, in line with the financing plan approved by Insurance and Pension Funds Supervisory Authority (ASF).

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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 June 2020			
	Intra-Group Financial Mov.	Loans and Interests receivable	Other Credits	Total
EDP Comercial, S.A.	-	65,696	221,696	287,392
EDP Distribuição, S.A.	9,526	1,503,650	19,481	1,532,657
EDP España, S.A.U.	-	-	42,416	42,416
EDP Finance B.V.	-	346,531	362	346,893
EDP Produção, S.A.	-	1,369,829	217,924	1,587,753
Hidrocantábrico Distribucion Eléctrica, S.A.U.	-	-	43,188	43,188
EDP Renováveis, S.A.	-	-	117,554	117,554
EDP Servicios Financieros España, S.A.U.	666,956	-	4,839	671,795
EDP Serviço Universal, S.A.	-	300,399	32,990	333,389
EDP Renewables Europe, S.L.U.	-	-	7,063	7,063
EDP Comercializadora, S.A.U.	-	-	111,236	111,236
EDP GAS.COM - Comércio de Gás Natural, S.A.	-	10,037	27,968	38,005
Other	5,958	85,776	50,370	142,104
	682,440	3,681,918	897,087	5,261,445

The amount of 346,531 thousand Euros refers to the repurchase in market by EDP, S.A. of two bond issues issued by EDP Finance B.V.

Debits held

Thousand Euros	30 June 2020			
	Intra-Group Financial Mov.	Loans and Interests payable	Other Debits	Total
EDP Distribuição, S.A.	-	-	23,065	23,065
EDP Comercial, S.A.	25,964	-	433	26,397
EDP Finance B.V.	-	10,731,253	78,565	10,809,818
EDP Renováveis Servicios Financieros, S.A.	-	-	6,419	6,419
EDP Produção, S.A.	673,004	-	422,282	1,095,286
EDP Renováveis, S.A.	-	-	11,449	11,449
EDP Serviço Universal, S.A.	255,038	-	27,535	282,573
EDP España, S.A.U.	-	-	31,107	31,107
EDP Comercializadora, S.A.	-	-	143,601	143,601
Other	72,253	-	94,410	166,663
	1,026,259	10,731,253	838,866	12,596,378

The amount of 10,731,253 thousand Euros includes 8,337,047 thousand Euros related to six intragroup bonds issued by EDP Finance BV and acquired by EDP S.A., with fixed and variable rate and a term to maturity up to 7 years.

Expenses

Thousand Euros	30 June 2020			
	Interest on Intra-Group Financial Mov.	Interest on Loans Obtained	Other Losses	Total
EDP Finance, B.V.	-	68,473	68,921	137,394
EDP Produção, S.A.	-	-	930,932	930,932
EDP España, S.A.U.	-	-	29,508	29,508
EDP Comercializadora, S.A.U.	-	-	129,059	129,059
Other	29	-	96,782	96,811
	29	68,473	1,255,202	1,323,704

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Income

Thousand Euros	30 June 2020			
	Interest on Intra-Group Financial Mov.	Interest on Loans Granted	Other Gains	Total
EDP Comercial, S.A.	80	808	577,172	578,060
EDP Distribuição, S.A.	-	11,556	101,416	112,972
EDP España, S.A.U.	-	-	54,499	54,499
EDP Produção, S.A.	-	11,033	413,505	424,538
EDP Soluções Comerciais, S.A.	-	109	6,763	6,872
EDP Finance B.V.	-	9,555	87,122	96,677
Hidrocontábrico Distribución Eléctrica S.A.U.	-	-	10,929	10,929
EDP Comercializadora, S.A.	-	-	137,851	137,851
EDP Renováveis, S.A.	-	166	67,515	67,681
EDP Renewables Europe, S.L.U.	-	-	3,707	3,707
Outras	45	2,996	71,095	74,136
	125	36,223	1,531,574	1,567,922

Other gains include income from equity investments of 145,354 thousand Euros (see note 12).

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

Assets and Liabilities

Thousand Euros	30 June 2020		
	Assets	Liabilities	Net Value
Joint Ventures			
OW Offshore, S.L.	188,614	794	187,820
Porto do Pecém Transportadora de Minérios S.A.	388	-	388
Cide HC Energía, S.A.	2,655	11,474	-8,819
SCNET - Sino-Portuguese Centre	-	1,080	-1,080
HC Tudela Cogeneración, S.L.	883	561	322
Other	2,333	1,311	1,022
	194,873	15,220	179,653
Associates			
MABE Construção e Administração de Projectos, Ltda.	4,093	-	4,093
Parque Eólico Sierra del Madero, S.A.	8,149	-	8,149
Parque Eólico Belmonte, S.A.	967	-	967
Centrais Elétricas de Santa Catarina, S.A. - Celesc	2,623	-	2,623
Kosorkuntza, A.I.E.	1,143	174	969
Other	1,276	25	1,251
	18,251	199	18,052
	213,124	15,419	197,705

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Transactions

Thousand Euros	30 June 2020			
	Operating Income	Financial Income	Operating Expenses	Financial Expenses
Joint Ventures				
Cide HC Energia, S.A.	35,183	4	98	-
HC Tudela Cogeneración, S.L.	486	9	1,318	-
Empresa de Energia São Manoel, S.A.	58	-	3,362	-
Porto do Pecém Transportadora de Minérios S.A.	94	-	1,494	-
Windplus, S.A.	603	902	1,647	-
Other	4,141	6	465	-
	40,565	921	8,384	-
Associates				
MABE Construção e Administração de Projectos, Ltda.	-	79	-	-
Desarrollos Eólicos de Canarias, S.A.	210	-	32	-
Parque Eólico Sierra del Madero	4	142	-	-
Parque Eólico Belmonte, S.A.	315	-	-	10
Other	-	19	-	-
	529	240	32	10
	41,094	1,161	8,416	10

38. Fair Value of Financial Assets and Liabilities

Fair value of financial instruments is based, whenever available, on listed market prices. Otherwise, fair value is determined through quotations supplied by third parties or through the use of generally accepted valuation models, which are based on cash flow discounting techniques and option valuation models. These models use market data which impacts the financial instruments, namely yield curves, exchange rates and volatility indicators, including credit risk.

Market data is available on stock exchanges and/or financial information platforms such as Bloomberg and Reuters.

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

Thousand Euros	Jun 2020			Dec 2019		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
Assets						
Equity instruments at fair value	174,325	174,325	-	170,806	170,806	-
Debtors/other assets from commercial activities	5,696,020	5,696,020	-	6,282,380	6,282,380	-
Other debtors and other assets	1,175,832	1,175,832	-	1,249,065	1,249,065	-
Derivative financial instruments	699,155	699,155	-	565,292	565,292	-
Collateral deposits/financial debt	50,671	50,671	-	61,476	61,476	-
Cash and cash equivalents	1,375,821	1,375,821	-	1,542,722	1,542,722	-
	9,171,824	9,171,824	-	9,871,741	9,871,741	-
Liabilities						
Financial debt	16,585,311	17,399,845	814,534	16,571,469	17,319,817	748,348
Suppliers and accruals	1,625,440	1,625,440	-	2,115,931	2,115,931	-
Institutional partnerships	2,354,649	2,354,649	-	2,289,784	2,289,784	-
Trade payables and other liabilities from commercial activities	2,580,883	2,580,883	-	2,821,549	2,821,549	-
Other liabilities and other payables	1,292,739	1,292,739	-	1,418,519	1,418,519	-
Derivative financial instruments	527,990	527,990	-	382,371	382,371	-
	24,967,012	25,781,546	814,534	25,599,623	26,347,971	748,348

Given that EDP Group's financial assets and liabilities, recognised at amortised cost, are predominantly short-term and level 2, changes in fair value were not considered. Fair value of EDP Group's loans was determined considering current market interest rates.

The market value of loans is calculated based on the discounted cash flows at market interest rates at the balance sheet date, increased by the best estimate, at the same date, of market conditions applicable to Group's debt, based on its average term.

For fair value of debt purposes, the Hybrid bonds were valued considering the maturity of the first call date.

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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:

- Level 1 – Fair value based on the available listed price (not adjusted) in the identified active markets for assets and liabilities;
- Level 2 – Fair value based in market inputs not included in level 1, but observable in the market for the asset or liability, either directly or indirectly;
- Level 3 – Fair value of the assets and liabilities calculated with inputs that are not based on observable market information.

Thousand Euros	Jun 2020			Dec 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets						
Equity instruments at fair value through other comprehensive income (note 19)	-	77,670	28,138	-	80,079	22,735
profit or loss (note 19)	-	-	68,517	-	-	67,992
Tariff deficit at fair value through other comprehensive income (see note 21)	-	7,725	-	-	9,157	-
Amounts receivable from concessions-IFRIC 12 at fair value through profit or loss (see note 21)	-	514,914	-	-	664,489	-
Derivative financial instruments (see note 35)	-	699,155	-	-	565,292	-
	-	1,299,464	96,655	-	1,319,017	90,727
Financial liabilities						
Derivative financial instruments (see note 35)	-	527,990	-	-	382,371	-
	-	527,990	-	-	382,371	-

The market value of the amounts of tariff deficit at fair value through other comprehensive income is calculated based on the cash flows associated with these assets, discounted at rates which, at the balance sheet date, better reflect the assets risk considering the average term of the assets.

The amounts receivable from concessions - IFRIC 12 at fair value through profit or loss are valued based in the methodology of the Value of Replacement as New (VNR). This method requires that each asset is valued, at current prices, for all the expenses needed for its replacement by equivalent asset that performs the same services and has the same capacity as the existing asset. The valuation for each asset is based on (i) Data Bank of Referential Prices - which is defined in the Tariff Adjustment Procedures - PRORET; or (ii) Data Bank of Prices from the Distribution company - which is formed based on the company's own information; or (iii) Referential Budget - that corresponds to the calculation by comparison of market data, relating to other assets with similar characteristics. ANEEL reviews the VNR, through the valuation report of the Regulatory Remuneration Base, every three years for EDP Espírito Santo and every four years for EDP São Paulo, as established in the concession contracts.

39. Relevant or Subsequent Events

Notification by Public Prosecutor's Office

On 13 July 2020, EDP informed, under the terms and for the purposes of the established in article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council and of article 248-A of the Portuguese Securities Code, that was notified by the Public Prosecutor's Office ("DCIAP") that during the next days it should designate a legal representative to attend the DCIAP, in order to be appointed as defendant. Accordingly with the notification, the investigation is related to the hiring by EDP of the father of the Energy Secretary of State at the time, Artur Trindade.

Sale of 273 million Euros of Portuguese tariff deficit

On 14 July 2020, EDP Serviço Universal, S.A., the last resort supplier of the Portuguese electricity system, agreed the non-recourse sale of the 2020 tariff deficit, related with special regime generation, for a total amount of 273 million Euros.

This tariff deficit results from the 5-year deferral of the recovery of the 2020 overcost with the acquisition of energy from special regime generation (including adjustments for 2018 and 2019).

Anticipation of the shutdown process of coal power plants in Iberia

On 14 July 2020, EDP informed that, due to the loss of competitiveness of coal plants and continued deterioration of market conditions for these plants during the first half of 2020, has decided to anticipate the shutdown process of its coal power plants in Iberia, which is estimated to represent an extraordinary cost of around 100 million Euros (before taxes), to be booked in 2020. EDP is developing projects in the regions of these plants, for potential investments aligned with the energy transition, which may be included within in the scope of the Just Transition Fund.

Agreement with Macquarie to acquire Viesgo and launches a rights issue

On 15 July 2020, EDP entered into a definitive agreement with certain funds managed by Macquarie Infrastructure and Real Assets (Europe) Limited (together with its managed funds, MIRA), for the acquisition of Viesgo, and the establishment of a long-term electricity distribution partnership with MIRA in Spain.

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Under the terms of the agreement, EDP's Spanish electricity distribution subsidiary, E-Redes, and Viesgo's electricity distribution units, Viesgo Distribución and Begasa, will be owned 75.1% by EDP and 24.9% by MIRA.

As part of the transaction, EDP through its subsidiary EDP Renováveis, S.A., will acquire 100% of the renewables business of Viesgo, which comprises 24 wind farms and two mini hydro power plants located through in Spain and Portugal, representing a total of over 500 MW of installed net capacity.

EDP will also acquire Viesgo's two thermal generation plants in the south of Spain, which carry potential interconnection rights under the European Union's "Green Deal Investment Plan and Just Transition Mechanism" following completion of their decommissioning in 2021.

Viesgo transaction has an Enterprise Value of 2.7 billion Euros (excluding contribution from the thermal generation business) and implies a net equity investment by EDP of 0.9 billion Euros and will result in EDP consolidating Viesgo's existing net financial debt of 1.1 billion Euros. MIRA will invest a total of 0.7 billion Euros across debt and equity as part of the Viesgo transaction.

Following completion of the transaction, EDP will consolidate Viesgo and will have a majority representation on the Board of Directors with the right to appoint the Chairman, CEO and CFO.

The acquisition is subject to the satisfaction of all applicable conditions precedent, which include all relevant regulatory and governmental approvals. Closing is expected to occur by the end of 2020.

The Viesgo Transaction will be primarily funded through a Rights Issue of 1,020 million Euros occurred between 23 July and 6 August 2020, a fully underwritten increase of share capital of 309,143,297 New Shares of EDP, with a nominal value of 1.00 Euros each, a subscription price of 3.30 Euros per share and a share premium of 2.30 Euros per share, representing in total of 8.45% of EDP share capital, with subscription reserved to the shareholders of EDP in the exercise of their pre-emptive subscription rights pursuant to applicable law and other investors who have acquired subscription rights. During this period, the Chairman of the Executive Board of Directors (currently suspended from his functions), some members of the Executive Board of Directors and some members of the General and Supervisory Board opted for the exercise of their respective subscription rights. On 7 August 2020, the results of the offer were announced, corresponding to proceeds in the amount of 1,020,173 thousand Euros. The share capital increase was registered on 11 August 2020 with the competent Commercial Registry Office.

Binding Offer to sell 80% of certain assets in the North America

After the reporting period ended at 30 June 2020, EDPR has received a binding offer for the sale of 80% stake in certain assets located in North America which totals 563 MW.

Asset rotation deal for wind farms in Spain

On 10 August de 2020, EDP Renováveis, S.A. signed a Sale and Purchase Agreement with the Finerge Group, one of the largest Portugal's renewable energy producer, to sell EDPR's full equity shareholding and outstanding shareholder loans in an operating onshore wind portfolio with 242 MW of installed capacity, for a total consideration of approximately 426 million Euros. The transaction scope covers 7 wind farms in operation located in Ávila and Cataluña in Spain. Based on i) the transaction price and ii) the outstanding external net debt, the total enterprise value of the transaction amounts to 507 million Euros, which translates to an implied enterprise value multiple of 2.1 million Euros/MW. The transaction is subject to regulatory and other precedent conditions and is expected to be completed in the 4º quarter of 2020.

Hydrological Correction Account

EDP has not received a reply to the request submitted on 21 May 2019, nor to the various letters sent requesting information on the approval of the Working Group Report for the extinction of the hydrological correction account, on 17 August 2020, EDP petitioned to the Lisbon Administrative Court, the condemnation - in the event of ratification of the conclusions reached by the Working Group - of the Portuguese State, the Ministry of Finance and the Treasury and Public Debt Management Agency - IGCP, EPE, to be paid to EDP, under the terms of paragraph e) of no. 2 of article 3 of Decree-Law 453/88, of 13 December (in the wording prior to that given to it by Law No. Law 75-A / 2014, of 30 September), the amount corresponding to the impact of the error or inaccuracy committed in the assessments that preceded the various stages of privatization of EDP, specifically the error that stands out from the disregard of the balance of the hydraulicity correction account as a deductible liability for the purposes of determining its equity value.

Decreases of Banco Comercial Português qualified shareholding

On 17 August 2020, the managing company of the Pension Fund of Grupo Banco Comercial Português, Ageas - Sociedade Gestora de Fundos de Pensões, S.A., notified EDP that it had increased its shareholding from 74,458,394 to 76,268,714 shares of EDP, following EDP's share capital increase. However, its ownership interest in EDP's share capital and respective voting rights decreased from 2.036% to 1.923%. The Pension Fund of Grupo Banco Comercial Português crossed the 2% threshold of shareholding in EDP on 12 August 2020, following the financial settlement of EDP's share capital increase.

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Also, on the same date Grupo Banco Comercial Português notified EDP that it had increased its overall shareholding from 74,809,019 to 76,627,022 shares of EDP, following EDP's share capital increase. However, its ownership interest in EDP's share capital and respective voting rights decreased from 2.046% to 1.932%. Grupo Banco Comercial Português crossed the 2% threshold of shareholding in EDP on 12 August 2020, following the financial settlement of EDP's share capital increase.

EDP Brasil approval of a program of acquisition of treasury shares and dividend policy update

By the end of August, the Board of Directors of EDP – Energias do Brasil, S.A., 51.2% owned directly by EDP, has approved a program of acquisition of treasury shares as well as updated its policy of dividends and equity interests. This strategy aims to apply the available resources to maximize value to shareholders, as it is understood that the current stock price of EDP Brasil does not reflect the intrinsic value of its assets and that there is a positive outlook regarding return for the shareholders.

The approved program of acquisition of treasury shares, up to a maximum of 24,863,880 shares, represents 8.5% of free-float of EDP Brasil, to be executed during a maximum period of 18 months. The acquisitions will be performed at Bolsa de Valores da B3 S.A., at market prices.

In terms of dividend policy, it was approved that the annual dividend from 2020 onwards should correspond to the highest value of: (i) R\$1.0 per share; (ii) payout ratio of 50% of adjusted net profit; (iii) payout ratio of 25% of reported net profit.

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"), 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 Sistemas de Informação") and Department of Environment, Sustainability, Innovation and Quality ("Direcção de Ambiente, Sustentabilidade, Inovação e Qualidade") ensuring in a homogeneous way the functions of these departments transversally to the Spanish territory, being provided with 217 human resources as at 30 June 2020, including 117 in its own payroll. Lastly, the Spanish branch of EDP has direct representation on iberian scope EDP Management Committees, particularly the Energy Planning, Price and Volume, Markets, Distribution Networks, Commercial and Production Committees.

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

Thousand Euros	EDP Branch	
	Jun 2020	Dec 2019*
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	66,972	66,972
Other debtors and others assets	9,467	9,702
Total Non-Current Assets	7,807,416	7,807,651
Other debtors and others assets	82,175	132,751
Tax receivable	75,943	79,517
Cash and cash equivalents	667,133	523,961
Total Current Assets	825,251	736,229
Total Assets	8,632,667	8,543,880
Equity	8,500,796	8,442,024
Employee benefits	2,267	2,225
Other liabilities and other payables	1,090	1,501
Total Non-Current Liabilities	3,357	3,726
Employee benefits	17	17
Other liabilities and other payables	104,247	96,521
Tax payable	24,250	1,592
Total Current Liabilities	128,514	98,130
Total Liabilities	131,871	101,856
Total Equity and Liabilities	8,632,667	8,543,880

* Includes reclassification resulting from the change in accounting policy as described in note 2a)

41. Investigation process about CMEC and DPH

As part of the liberalisation of the power sector in Portugal, following changes in European Union legislation, Decree-Law no. 240/2004 was introduced, which provided for the early termination of PPAs that were signed in 1996. As a result of this required early termination, EDP and REN - Rede Eléctrica Nacional, S.A. (REN) agreed in 2005 and in 2007 to the early termination of their long-term PPAs, with effect from 1 July 2007. The methodology which was used to determine the amount of the compensation that EDP was entitled to receive in connection with such early termination, the CMEC, was approved by the EC in 2004 (Decision N161/2004) which considered the compensation as effectively and strictly necessary.

On 8 March 2008, the Government, REN and EDP Produção signed several service concession arrangements for which EDP Produção paid approximately 759 million Euros as consideration of the economic and financial balance for the use of the DPH.

In 2012, the European Commission (EC) and the Portuguese authorities (Public Prosecution Services) received complaints concerning the early termination of the Power Purchase Agreements (PPAs) and the costs for the contractual stability compensation (CMEC), as well as in respect of EDP's rights to use the Public Hydro Domain (DPH).

Following the complaint received, the EC requested clarifications from the Portuguese State in relation to the early termination of the PPAs and its replacement for the CMEC, having concluded in September 2013 that the compensation payments for early termination did not exceed what was necessary to repay the shortfall in investment costs repayable over the asset's lifetime, and determined that the implementation of the CMEC remains in keeping with the terms notified to and approved by the EC in 2004. Thus, the EC decided that no in depth investigation into the CMEC process was necessary.

In May 2017, the EC formally concluded its investigation into the DPH concession rights and stated that the compensation paid in connection with such concessions was compatible with market conditions. As a result, the EC concluded that the financial methodology used to assess the price of the concessions was appropriate and resulted in a fair market price, and therefore, no state aid had been granted to EDP.

On 2 June 2017, EDP became aware of Portugal's Public Prosecution Services investigation in relation to the amounts due to EDP for the termination of the PPAs and compensation paid by EDP for the DPH concessions. Portugal's Public Prosecution Services stated that the investigations continue and the facts may relate to active and passive corruption and economic participation in business and searches were conducted at the offices of EDP, grid operator REN and the local division of a consulting group. In the context of the Investigation, the Portuguese Public Prosecution Services stated that certain members of EDP's Executive Board of Directors, as well as former EDP directors, that had signed the relevant contracts were named as targets of the Investigation.

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On 6 July 2020, EDP's Chief Executive Officer, Mr. António Mexia, and EDP's Executive Board member, Mr. João Manso Neto, were suspended from their executive functions. The process continues in the inquiry phase and they have not been formally accused. In the same day, the General and Supervisory Board and the Executive Board of Directors met and have decided to designate Mr. Miguel Stilwell de Andrade, currently Chief Financial Officer, to take the role of interim CEO while Mr. António Mexia is suspended, in addition to his current functions.

The Executive Board of Directors maintains more than the statutory minimum number of members and therefore retains its full powers and conditions to ensure the normal operation of the company and the relationship with its subsidiaries, namely EDP Renováveis and EDP Energias do Brasil.

EDP reaffirms that regarding these matters there was no irregularity that can be attributed to the company nor on to any member of the EDP Group and believes that the amounts due for the termination of PPAs under the CMEC and the amount paid for the DPH concession rights were fair and in compliance with market conditions and based on arm's length transactions.

EDP remains focused on its corporate objectives, namely the fulfilment of the needs and expectations of its key stakeholders, including our clients, shareholders and employees, and maintains fully focused on the execution of the Strategic Plan presented to the market in March 2019, and no impact on the consolidated financial statements is expected as a result of this situation.

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 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, including last resort suppliers. This segment includes, but not limited to, the following companies:

- EDP Distribuição - Energia, S.A.;
- EDP Serviço Universal, S.A.;
- Electra de Llobregat Energia, S.L.;
- Hidrocantábrico Distribucion Eléctrica, S.A.U.;
- EDP Gás Serviço Universal, 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 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.

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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 June 2020

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
Revenues from energy sales and services and other				
Revenues inter-segments	1,379,908	2,672,253	3,655,272	7,707,433
Revenues from third parties	673,429	810,809	43,234	1,527,472
	706,479	1,861,444	3,612,038	6,179,961
Gross Profit				
	1,260,617	851,234	555,604	2,667,455
Other income				
Supplies and services	301,519	14,842	10,347	326,708
Personnel costs and employee benefits	-171,525	-159,921	-127,154	-458,600
Other costs	-94,688	-102,368	-69,580	-266,636
Impairment losses on trade receivables and debtors	-129,107	-154,922	-59,251	-343,280
Joint ventures and associates	-127	-13,619	-26,416	-40,162
	-3,261	4,442	3,015	4,196
Gross Operating Profit				
	1,163,428	439,688	286,565	1,889,681
Provisions	123	-20,601	-30,551	-51,029
Amortisation and impairment	-379,512	-175,601	-185,378	-740,491
Operating Profit				
	784,039	243,486	70,636	1,098,161
Assets				
	20,170,172	3,420,181	2,163,870	25,754,223
Financial assets - Investments in joint ventures and associates				
	715,089	65,783	10,517	791,389
Operating Investment				
	600,315	260,515	27,881	888,711

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

Thousand Euros	
Total Revenues from energy sales and services and other of Reported Segments	7,707,433
Revenues from energy sales and services and others from Other Segments	111,424
Adjustments and Inter-segments eliminations*	-1,635,970
Total Revenues from energy sales and services and other of EDP Group	6,182,887
Total Gross Profit of Reported Segments	2,667,455
Gross Profit from Other Segments	112,669
Adjustments and Inter-segments eliminations*	-123,054
Total Gross Profit of EDP Group	2,657,070
Total Gross Operating Profit of Reported Segments	1,889,681
Gross Operating Profit from Other Segments	-15,853
Adjustments and Inter-segments eliminations*	-2,866
Total Gross Operating Profit of EDP Group	1,870,962
Total Operating Profit of Reported Segments	1,098,161
Operating Profit from Other Segments	-34,530
Adjustments and Inter-segments eliminations*	-11,631
Total Operating Profit of EDP Group	1,052,000
Total Assets of Reported Segments	25,754,223
Assets Not Allocated	14,308,147
Financial Assets	4,757,273
Trade Receivables and Other Debtors	5,696,020
Inventories	305,253
Tax Assets	1,645,510
Other Assets	1,904,091
Assets from Other Segments	524,766
Inter-segments assets eliminations*	106,003
Total Assets of EDP Group	40,693,139
Total Equity accounted Investments in joint ventures and associates of Reported Segments	791,389
Equity accounted Investments in joint ventures and associates from Other Segments	150,466
Total Equity accounted Investments in joint ventures and associates of EDP Group	941,855
Total Operating Investment of Reported Segments	888,711
Operating Investment from Other Segments	30,815
Total Operating Investment of EDP Group	919,526
Dismantling/discommission of PP&E	6,730
CO2 Emission Licenses and Green Certificates	71,946
Concession Rights - IFRIC 12 **	-210,128
Investment Grants	0
Other Investments	3,056
Total Fixed Assets additions of EDP Group (Notes 14 and 16)	791,130

	Total of Reported Segments	Other Segments	Adjustments and Inter-segments eliminations*	Total of EDP Group
Other income	326,708	28,241	-11,287	343,662
Supplies and services	-458,600	-71,785	128,812	-401,573
Personnel costs and employee benefits	-266,636	-57,969	2,536	-322,069
Other costs	-343,280	-27,870	127	-371,023
Impairment losses on trade receivables and debtors	-40,162	14	-	-40,148
Equity method in joint ventures and associates	4,196	847	-	5,043
Provisions	-51,029	-127	-	-51,156
Amortisation and impairment	-740,491	-18,551	-8,764	-767,806

* 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 June 2019

Thousand Euros	Renewables	Client Solutions & Energy Management	Networks	Total Segments
Revenues from energy sales and services and other				
Revenues inter-segments	745,125	1,560,995	2,517,652	4,823,772
Revenues from third parties	376,447	442,069	262,967	1,081,483
	368,678	1,118,926	2,254,685	3,742,289
Gross Profit	673,907	459,066	228,823	1,361,796
Other income	75,850	6,147	12,275	94,272
Supplies and services	-83,681	-85,006	-62,686	-231,373
Personnel costs and employee benefits	-45,855	-56,411	-33,714	-135,980
Other costs	-64,522	-76,530	-19,166	-160,218
Impairment losses on trade receivables and debtors	-65	-4,022	-9,948	-14,035
Joint ventures and associates	5,799	1,240	2,303	9,342
Gross Operating Profit	561,433	244,484	117,887	923,804
Provisions	-542	-2,882	-198	-3,622
Amortisation and impairment	-210,443	-89,039	-60,534	-360,016
Operating Profit	350,448	152,563	57,155	560,166
Assets (31 December 2019)	20,532,246	3,654,007	3,124,385	27,310,638
Financial assets - Investments in joint ventures and associates Assets (31 December 2019)	812,696	110,846	20,401	943,943
Operating Investment (30 June 2019)	396,853	364,128	37,709	798,690

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Reconciliation of information between Operating Segments and Financial Statements for 30 June 2019

Thousand Euros	
Total Revenues from energy sales and services and others of Reported Segments	4,823,772
Revenues from energy sales and services and others from Other Segments	136,590
Adjustments and Inter-segments eliminations*	2,146,655
Total Revenues from energy sales and services and others of EDP Group	7,107,017
Total Gross Profit of Reported Segments	1,361,796
Gross Profit from Other Segments	135,929
Adjustments and Inter-segments eliminations*	1,103,228
Total Gross Profit of EDP Group	2,600,953
Total Gross Operating Profit of Reported Segments	923,804
Gross Operating Profit from Other Segments *	-6,642
Adjustments and Inter-segments eliminations*	991,204
Total Gross Operating Profit of EDP Group	1,908,366
Total Operating Profit of Reported Segments	560,166
Operating Profit from Other Segments	-27,202
Adjustments and Inter-segments eliminations*	647,260
Total Operating Profit of EDP Group	1,180,224
Total Assets of Reported Segments (31 December 2019)	27,310,638
Assets Not Allocated	14,414,724
Financial Assets	4,030,891
Trade Receivables and Other Debtors	6,282,380
Inventories	368,334
Tax Assets	1,888,818
Other Assets	1,844,301
Assets from Other Segments	531,633
Inter-segments assets eliminations*	104,651
Total Assets of EDP Group (31 December 2019)	42,361,646
Total Equity accounted Investments in joint ventures and associates of Reported Segments (31 December 2019)	943,943
Equity accounted Investments in joint ventures and associates from Other Segments	154,569
Total Equity accounted Investments in joint ventures and associates of EDP Group (31 December 2019)	1,098,512
Total Operating Investment of Reported Segments (30 June 2019)	798,690
Operating Investment from Other Segments	26,533
Total Operating Investment of EDP Group (30 June 2019)	825,223
Discomission of Property, plant and equipment	3,651
CO2 Licenses and Green Certificates	250,560
Concession Rights - IFRIC 12	-309,947
Investment Grants	755
Other Investments	-25,510
Total Fixed Assets additions of EDP Group (30 June 2019)	744,732

	Total of Reported Segments	Other Segments	Adjustments and Inter-segments eliminations*	Total of EDP Group
Other income	94,272	23,091	283,782	401,145
Supplies and services	-231,373	-88,731	-100,997	-421,101
Personnel costs and employee benefits	-135,980	-58,694	-128,985	-323,659
Other costs	-160,218	-21,177	-146,617	-328,012
Other costs	-14,035	47	-6,972	-20,960
Joint ventures and associates	9,342	2,895	-	12,237
Provisions	-3,622	-150	-1,204	-4,976
Amortisation and impairment	-360,016	-20,411	-354,976	-735,403

* Mainly related with intragroup balances and transactions eliminations

43. Reconciliation of Changes in the responsibilities of Financing activities at 30 June 2020

Thousand Euros	Group					
	Financial debt and Derivative financial instruments (including Collateral Deposits)			Institutional partnerships in North America (Note 30)	Lease Liabilities (Rents due) (Note 32)	Loans from non-controlling interests (Note 32)
	Loans obtained (Note 27)	Collateral Deposits (Note 27)	Derivative financial instruments (Note 35)*			
Balance as at 31 de December 2019	16,571,469	-61,476	-86,007	2,289,784	837,729	332,350
Cash flows:						
Receipts relating to financial debt (including Collateral Deposits)	5,616,668	-	-	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-4,882,669	-1,892	-	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-380,383	-	32,001	-	-	-
Receipts/(payments) relating to loans from non-controlling interests	-	-	-	-	-	-14,661
Interest and similar costs relating to loans from non-controlling interests	-	-	-	-	-	-5,270
Receipts/(payments) relating to derivative financial instruments	-	-	6,286	-	-	-
Receipts/(payments) from institutional partnerships	-	-	-	114,944	-	-
Lease (payments)	-	-	-	-	-37,367	-
Perimeter variations	337	-	36,111	-	10,186	-
Exchange differences	- 541,255	12,693	- 620	6,444	- 7,781	- 5,027
Fair value changes	-4,510	-	58,369	-	-	-
Interests and accrued and deferred costs	288,073	-	986	-42	-	7,566
Unwinding	-	-	-	48,079	18,771	-
ITC/PTC recognition	-	-	-	-104,560	-	-
New lease contracts/Increments in rent values	-	-	-	-	36,810	-
Reclassification to Liabilities held for sale	-82,419	4	-4,016	-	-8,934	-
Balance as at 30 June 2020	16,585,311	-50,671	43,110	2,354,649	849,414	314,958

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

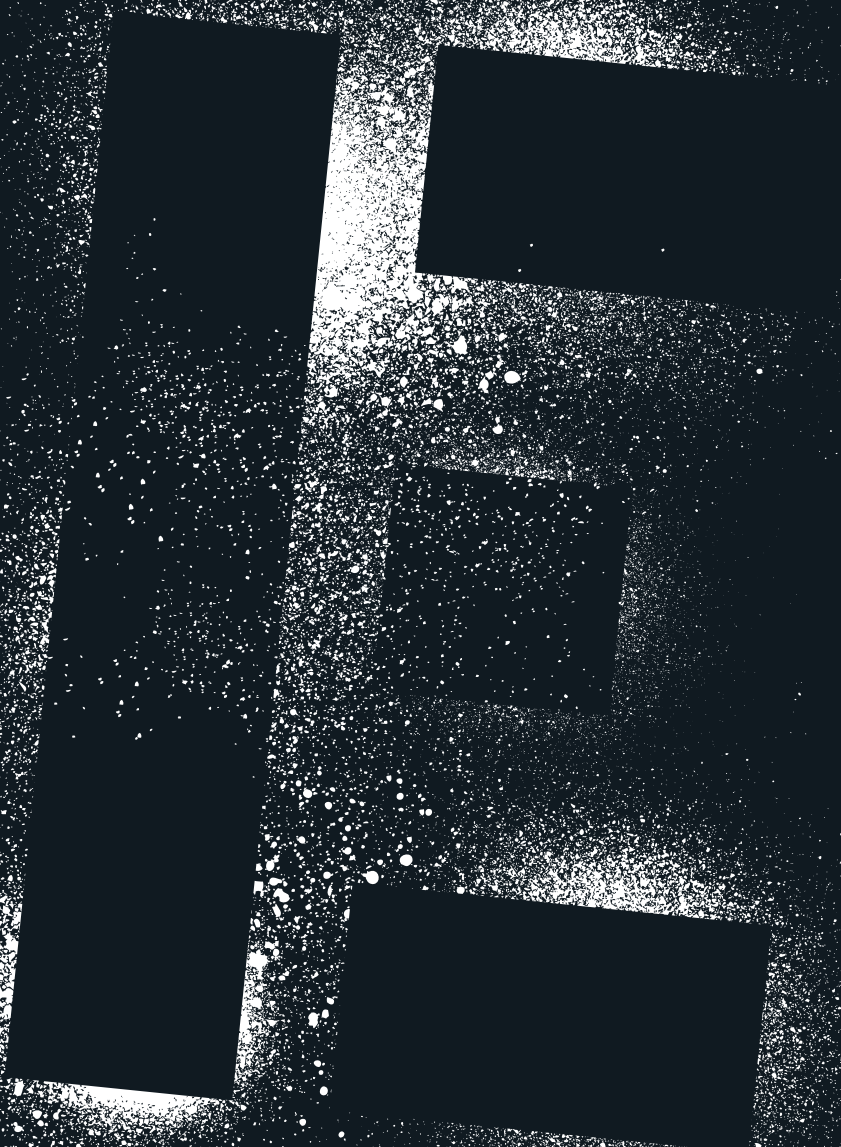
Thousand Euros	Company			
	Financial debt and Derivative financial instruments		Lease Liabilities (Rents due)	Group companies
	Loans obtained (Note 27)	Derivative financial instruments (Note 35)*		
Balance as at 31 December 2019	13,474,129	2,138	145,768	70,288
Cash flows:				
Receipts relating to financial debt (including Collateral Deposits)	1,723,834	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-1,110,000	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-149,582	10,250	-	-
Receipts/(payments) relating to loans from related parties	314,423	-	-	-
Interest and similar costs of loans from related parties including hedge derivatives	-	-	-	-1,572
Receipts/(payments) relating to derivative financial instruments	-	-62,825	-	-
Lease (payments)	-	-	-6,195	-
Exchange differences	-580	-	-	-
Fair value changes	-	51,661	-	-
Unwinding	-	-	2,742	-
Interests and accrued and deferred costs	154,966	4,744	-	3,490
New lease contracts/Increments in rent values	-	-	338	-
Balance as at 30 June 2020	14,407,190	5,968	142,653	72,206

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

EDP - Energias de Portugal, S.A.
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44. Explanation Added for Translation

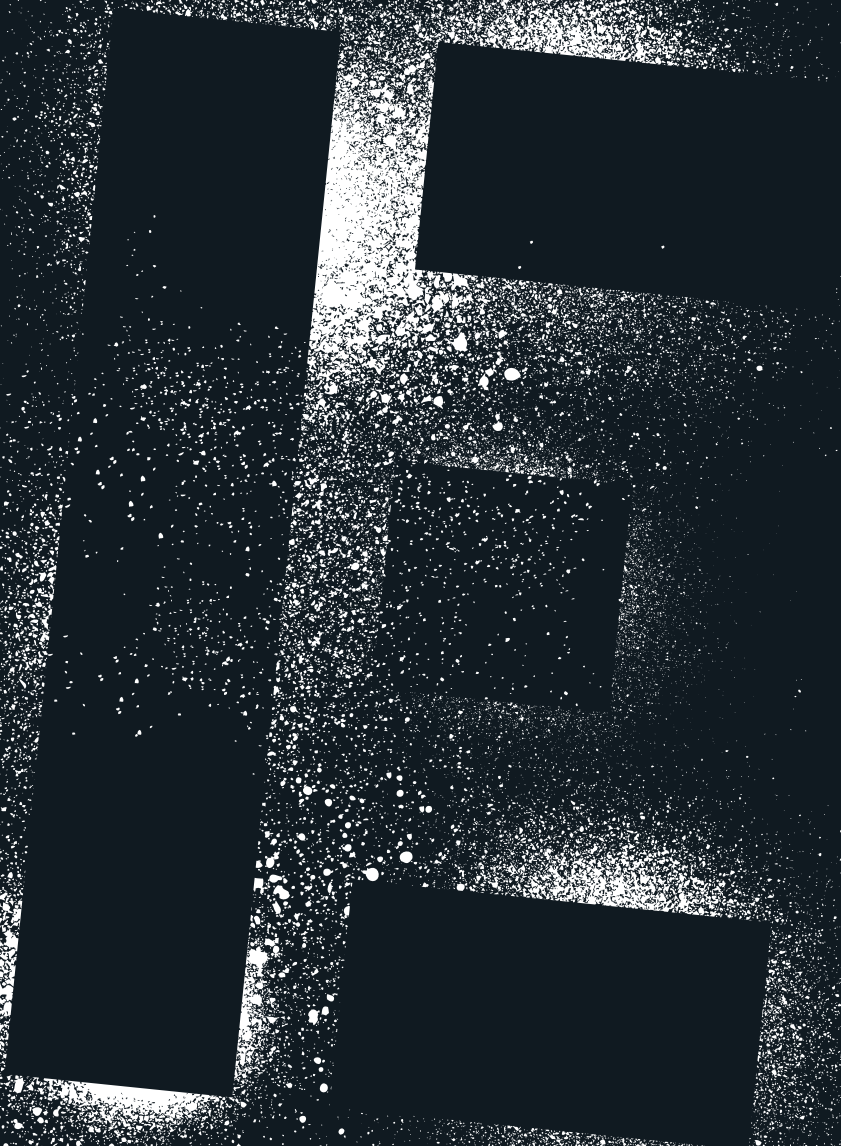
These financial statements are a free translation of the financial statements originally issued in Portuguese in accordance with International Financial Reporting Standards as adopted by the European Union. In the event of discrepancies, the Portuguese language version prevails.



05

05 ANNEXES

SUSTAINABILITY INDICATORS	168
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EXTERNAL CHECKS	



THE EXECUTIVE BOARD OF DIRECTORS

Miguel Stilwell de Andrade (Interim Chairman)

António Fernando Melo Martins da Costa

João Manuel Veríssimo Marques da Cruz

Miguel Nuno Simões Nunes Ferreira Setas

Rui Manuel Rodrigues Lopes Teixeira

Maria Teresa Isabel Pereira

Vera de Moraes Pinto Pereira Carneiro

SUSTAINABILITY INDICATORS

ENVIRONMENTAL INDICATORS	UN	IH20	IH19	IH18	IH17
ENVIRONMENTAL CERTIFICATION (ISO 14001)					
ISO 14001 Certification ¹	%	96	96	88	88
PRIMARY ENERGY CONSUMPTION	TJ	45,733	94,894	98,842	128,113
Coal	TJ	14,917	60,954	75,580	97,802
Fuel oil	TJ	18	229	182	106
Natural gas	TJ	27,344	26,584	16,258	22,512
Residual gases	TJ	3,336	3,413	3,957	2,836
Diesel oil	TJ	48	83	88	126
Fuel for vehicle fleet	TJ	71	105	117	118
ENERGY INTENSITY ¹	MJ/EUR	7.40	13.35	13.08	16.27
ELECTRICITY CONSUMPTION					
Generation self-consumption	MWh	1,568,295	1,636,794	1,886,968	2,298,197
Administrative service	MWh	14,053	21,573	16,579	18,044
Grid losses	%	11.8	9.4	9.1	9.9
GHG EMISSION					
Direct emissions (scope 1)	ktCO_{2eq}	3,045	7,461	8,455	10,618
Stationary combustion ²	ktCO _{2eq}	3,037	7,451	8,444	10,607
SF6 Emissions	ktCO _{2eq}	3.8	3.0	2.9	1.8
Company fleet	ktCO _{2eq}	4.7	7.2	8.2	8.2
Natural gas consumption	ktCO _{2eq}	0.01	0.02	0.00	0.70
Indirect emissions (scope 2) ³	ktCO_{2eq}	464	388	376	358
Electricity consumption in office buildings	ktCO _{2eq}	0.3	2.5	1.0	0.1
Electricity losses	ktCO _{2eq}	453	374	366	355
Renewable plants self-consumption	ktCO _{2eq}	10.4	11.6	9.8	3.2
GHG EMISSIONS INTENSITY ⁴	kgCO₂/EUR	0.5	1.1	1.2	1.4
CO₂ AVOID EMISSIONS	ktCO₂	14,430	14,237	18,336	15,456
SPECIFIC OVERALL EMISSIONS					
CO ₂ ^{2 5}	g/kWh	96	221	222	299
NO _x	g/kWh	0.07	0.16	0.17	0.25
SO ₂	g/kWh	0.07	0.23	0.29	0.41
Particulate matter	g/kWh	0.02	0.02	0.03	0.02
WATER COLLECTED	10³ x m³	150,964	660,612	672,354	867,618
Salt and estuary	10 ³ x m ³	145,356	652,650	662,189	855,052
Fresh	10 ³ x m ³	5,608	7,963	10,165	12,565
WASTE MATERIALS	t	94,309	343,295	368,475	446,432
Waste	t	79,944	118,328	157,357	226,003
Hazard waste	%	2	2	2	1
Non-hazard waste	%	96	93	65	62
By-products	t	14,365	224,967	211,118	220,429
Gypsum	t	11,964	72,407	68,165	102,147
Fly ash	t	2,401	118,670	114,470	114,272
Slag	t	0	33,890	28,483	4,010
SUSTAINABLE MOBILITY					
Light-duty fleet electrification	%	8.9	n/a	n/a	n/a
Electric charging points	#	1,073	n/a	n/a	n/a
Customers with electric mobility solutions	#	14	n/a	n/a	n/a

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 plant in Spain.

⁴ Calculation according with GHG Protocol based location methodology.

⁵ Scope 1 and Scope 2 emissions by turnover.

⁶ Includes only stationary combustion emissions.

ENERGY

INTERIM REPORT 1H20

SOCIAL INDICATORS		UN	1H20	1H19	1H18	1H17
EMPLOYMENT						
Employees	#	11,641	11,570	11,566	11,938	
Executive Board of Directors	#	9	9	9	8	
Senior Management	#	861	812	796	760	
Supervisors	#	814	769	741	828	
Specialists	#	4,588	4,378	4,175	4,120	
Technicians	#	5,369	5,602	5,846	6,223	
Male employees	%	74	75	76	76	
Female employees	%	26	25	24	24	
Employees by types of contract	#	11,641	11,570	11,566	11,938	
Executive bodies	#	61	57	55	55	
Male	#	54	53	50	52	
Female	#	7	4	5	3	
Permanent workforce	#	11,542	11,467	11,446	11,801	
Male	#	8,557	8,611	8,675	8,961	
Female	#	2,985	2,856	2,771	2,840	
Fixed-term contracts	#	38	46	65	82	
Male	#	24	24	32	49	
Female	#	14	22	33	33	
Employees by occupational contract	#	11,641	11,570	11,566	11,938	
Full-Time	#	11,598	11,528	11,526	11,899	
Male	#	8,630	8,683	8,753	9,057	
Female	#	2,968	2,845	2,773	2,842	
Part-time	#	43	42	40	39	
Male	#	5	5	4	5	
Female	#	38	37	36	34	
New employees	#	624	641	581	484	
Male	#	405	465	423	335	
Female	#	219	176	158	149	
F/M new admissions rate	x	0.54	0.38	0.37	0.44	
Employees leaving	#	642	702	672	538	
Male	#	502	537	524	428	
Female	#	140	165	148	110	
Turnover	%	5.51	6.07	5.33	4.27	
Average age of workforce	years	42	43	44	45	
Absenteeism rate	%	2.67	2.81	3.11	3.12	
Pay ratio by gender (F/M)	x	1.05	1.05	1.03	1.02	
TRAINING						
Total hours of training	hours	101,355	187,562	195,264	176,974	
Average training per employee (h/p)	h/p	8.7	16.2	16.9	14.8	
Employees with training	%	79	76	82	65	
HEALTH AND SAFETY (H&S)						
Employees						
Accidents ¹	#	8	14	11	13	
Fatal accidents	#	0	0	1	0	
Total lost days due to accidents ²	#	597	976	1,016	1,206	
Frequency rate ³	Tf	0.71	1.27	1.09	1.16	
Severity rate ⁴	Tg	53	88	93	107	
Contractors						
Accidents ¹	#	34	36	54	62	
Fatal accidents	#	1	0	3	3	
Working days	#	2,996,329	2,758,177	2,797,570	2,608,055	
Frequency rate ³	Tf	1.54	1.72	2.68	3.28	
Severity rate ⁴	Tg	104	103	99	159	
EDP employees and contractors						
Frequency rate ³	Tf_total	1.26	1.56	2.14	2.51	
Severity rate ⁴	Tg_total	87	98	97	140	
Fatal electrical accidents involving third parties ⁵	#	9	3	6	4	
Near accidents ⁶	#	166	220	197	194	
VOLUNTEER INVESTMENT IN THE COMMUNITY (LBG METHODOLOGY)						
Volunteer investment/EBITDA	%	0.39	0.28	0.33	0.33	

¹ Accidents at the workplace in worktime and accidents on the way to or from work, with an absence of one or more calendar days and fatal accidents.

² Sum of the number of days of absence (civil) resulting from accidents at work that occurred in the reference period, plus the number of days lost from accidents in the previous period, which were extended to the reference period. The time lost is measured from the day after the day of the accident until the day preceding the day of return to work.

³ Work accidents by a million worked hours.

⁴ Number of calendar days lost due to work accident by a million worked hours.

⁵ Accidents occurred in the premises of the company plants or equipment.

⁶ Campaign started in the second half of 2017, in Brazil, to report dangerous situations.

ECONOMIC INDICATORS	UN	1H20	1H19	1H18	1H17
ECONOMIC VALUE GENERATED	000€	6.640.944	7.703.142	8.039.787	8.321.912
Economic value distributed	000€	5.826.169	7.008.813	7.502.360	7.616.801
Economic value accumulated	000€	814.775	694.329	537.427	705.111
ENERGY EFFICIENCY AND SUPPLEMENTARY ENERGY SERVICES REVENUES ¹	000€	506.268	522.960	508.188	571.128
Energy efficiency services revenues	000€	118.105	79.317	71.036	60.756
Supplementary energy services revenues ²	000€	388.163	443.643	437.152	510.372
FINES AND PENALTIES	000€	2.639	5.735	3.844	4.813
ENVIRONMENTAL MATTERS	000€	109.431	184.434	90.246	50.459
Investments	000€	21.981	46.937	18.398	24.617
Expenses	000€	87.450	137.497	71.848	25.842
SOCIAL MATTERS					
Personnal costs	000€	286.889	287.892	293.005	309.195
Employee benefits	000€	35.180	35.767	31.889	31.593
Direct training investment	000€	1.026	1.489	2.243	2.184
Direct training investment per employee	€/p	88	129	194	183
HC ROI per employee	€/p	7,06	6,74	6,91	7,10

¹ Energy Efficiency and Supplementary Energy Services: services provided under energy supply, instalation 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.

CONCEPTS AND DEFINITIONS

A

ADJUSTED NET DEBT

Net Debt adjusted by Regulatory Receivables.

ADJUSTED NET DEBT/EBITDA

Number of times/years needed to pay the Adjusted Net Debt with the EBITDA generated by the Company.

ASSET ROTATION

Strategy aimed at crystallizing the value of a project by selling a stake in an asset and reinvesting the proceeds in another asset, targeting greater growth. Typically the developer retain the role as an O&M supplier.

AVERAGE COST OF DEBT

Considers (Interest expense on financial debt +/- Income and Expenses with Interest from derivative financial instruments) / Average Financial Gross Debt in the period (Total debt and borrowings - Accrued Interest - Fair value of the issued debt hedged risk). Includes 50% of the interest expense and of the nominal amount of hybrid debt.

C

CAGR (COMPOUND ANNUAL GROWTH RATE)

Annual growth rate over a specified period of time longer than one year

CAPEX (CAPITAL EXPENDITURE)

Capex includes increases in Property, Plant and Equipment and in Intangible Assets, excluding CO₂ licenses and Green certificates, net of increases in Government grants, Customers contributions for investment and Sales of properties in the period.

CDI (INTERBANK DEPOSIT CERTIFICATE RATE)

Brazilian reference interest rate constructed from the daily average overnight interbank loans. The CDI rate is commonly used as the reference in short-term securities.

CDS (CLEAN DARK SPREAD)

Theoretical gross margin of a coal-fired power plant per unit of electricity after deducting variable production costs (fuel, emission allowances, transport charges, variable O&M, per-unit taxes, etc.).

CESE (EXTRAORDINARY CONTRIBUTION TO THE ENERGY SECTOR)

Extraordinary contribution created in 2014, in Portugal, with the objective of financing mechanisms that promote the energy sector systemic sustainability. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transportation or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CLAWBACK

Mechanism of financial compensation established by the Portuguese government on electricity generators operating in Portugal. This mechanism has as its objective the restitution to the electricity system of part of the income derived from the tax differences in electricity generation between Portugal and Spain.

COD (COMMERCIAL OPERATION DATE)

Date upon which the project starts operating officially, after the testing and commissioning period.

CONTRACTING LEVEL

Ratio that returns the percentage of market commitment of Brazilian electricity distribution companies that is properly covered by energy purchase contracts registered in CCEE. Non-compliance generates penalties provided for in the rules and procedures of commercialization. The penalties apply when the ratio is above 105% or below 95%.

CSS (CLEAN SPARK SPREAD)

Theoretical gross margin of a gas-fired power plant per unit of electricity after deducting variable production costs (fuel, emission allowances, transport charges, variable O&M, per-unit taxes, etc.).

D**D/E (DEBT-TO-EQUITY RATIO)**

Debt-to-equity (D/E) ratio is calculated by dividing a company's total liabilities by its shareholder equity. The ratio is used to evaluate a company's financial leverage being an important metric used in corporate finance. It is a measure of the degree to which a company is financing its operations through debt versus wholly-owned funds.

DEC

Equivalent interruption time of energy per consumed unit. Refers only to medium voltage.

DIVIDEND PAY-OUT RATIO

Measures the percentage of a company's net income that is given to shareholders in the form of dividends (Total Dividends per Share of period "n" / Earnings per Share of period "n-1").

DIVIDEND YIELD

Considers the ratio between gross dividend per share and its share price.

DPS (DIVIDEND PER SHARE)

Dividend per share (DPS) is the sum of declared dividends issued by a company for every ordinary outstanding share. DPS is calculated by dividing the total dividends paid out by a business, including interim dividends, over a period of time by the number of outstanding ordinary shares issued.

E**EBIT**

Earnings before Interest and Tax: EBITDA deducted from provisions, amortisations and impairments.

EBITDA

Earnings before Interest, Tax, Depreciations and Amortizations: Gross Profit - Supplies and services - Personnel costs and employee benefits +/- Other income/expenses.

EBITDA@risk

Estimated loss of EBITDA, in a given period of time and for a given confidence interval. Usually it is used an horizon of 12 months and a level of confidence of 95%.

EOLICITY

Indicator that allows to quantify the deviation of the total value of energy produced by wind in a given period, in relation to an average wind regime.

ENERGY BOX

Energy Box is a household energy manager that does much more than metering energy, being endowed with technology that supports the supply of electricity services, namely, in remote communications.

EPS (EARNINGS PER SHARE)

The portion of a company's net profit allocated to each outstanding share of common stock.

F**FEC**

Equivalent interruption frequency of energy per consumed unit. Refers only to medium voltage.

FEED IN TARIFFS

Remuneration framework that guarantees that a company will receive a set price, applied to all of the electricity they generate and provide to the grid.

FFO

Funds from Operations: EBITDA – Interest on debt and on TEI liabilities – Current taxes +/- Income from equity investments +/- other residual adjustments resulting from accruals/deferrals.

FFO/NET DEBT

Funds from Operations (FFO) over Net Debt. For this purpose, Net Debt includes Nominal Debt of the company + Pension and Medical care liabilities post tax + Tax Equity financial liabilities + Present value of leasing and other financial commitments.

FOREX

Foreign Exchange (forex or FX) is the trading of one currency for another. For example, one can swap the U.S. dollar for the euro. Foreign exchange transactions can take place on the foreign exchange market, also known as the Forex Market.

G**GC (GREEN CERTIFICATE)**

Tradable commodity resulting from electricity generated using renewable energy sources.

GHG (GREENHOUSE GASES)

Gases that trap the heat of the sun in the Earth's atmosphere, producing the greenhouse effect. The two major greenhouse gases are water vapor and carbon dioxide. Lesser greenhouse gases include methane, ozone, chlorofluorocarbons, and nitrogen oxides.

GROSS PROFIT

Includes Revenues from energy sales and services and other minus Cost of energy sales and other.

GSF (GENERATION SCALING FACTOR)

Ratio of the deficit of hydroelectric companies' actual generation volumes to their assured energy delivery.

GW (GIGAWATT)

Unit of electric power equal to 1,000 MW.

GWh

Equal to 1,000 MW used continuously for one hour.

H**HEDGING**

Risk management strategy used in limiting or offsetting probability of loss from fluctuations in the prices of commodities, currencies, indexes or securities.

HYDRO COEFFICIENT

Indicator that allows to quantify the deviation of the total value of hydroelectric energy produced in a given period, in relation to an average hydro regime. Values above "1" translate a period with inflows and energy generated above the average ("wet" period) and below "1" the reverse ("dry" period).

I**ICEIT (INSTALLED CAPACITY EQUIVALENT INTERRUPTION TIME)**

Indicator that represents the equivalent interruption time of installed power per geographical area of the operator of the distribution network in a given period, excluding extraordinary events (the extraordinary weather events that exceed the conditions for which was dimensioned).

IGP-M (GENERAL MARKET PRICE INDEX)

Index used to comprehensively measure the fluctuation of prices of goods and services practiced in the Brazilian market. Calculated by FGV (Getúlio Vargas Foundation), this index is used to update the prices of some goods and services, namely electricity.

INSTALLED CAPACITY

Installed Capacity is the sum of capacity (MW) installed in power plants owned by companies fully consolidated.

INSTALLED CAPACITY EQUITY

Installed Capacity Equity also includes the respective share of the MW installed in power plants owned by company's equity consolidated.

IPCA (EXTENDED NATIONAL CONSUMER PRICE INDEX)

Is the name given to the Consumer Price Index in Brazil being a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care.

ITC (INVESTMENT TAX CREDIT)

Tax incentive in the US in the form of an one-shot tax credit that covers a percentage of the investment.

K**KRI (KEY RISK INDICATOR)**

Risk indicator that follows a variable risk factor, allowing the early warning of changes in risk exposure and the identification of potential risks or opportunities.

L**LIQUIDITY**

Total amount of Cash and Equivalents, Credit Lines available and Financial assets at fair value through profit or loss.

LOSSES

The total losses of electric energy are calculated by the differential between the energy entered in the electrical network and the distributed energy ($\% \text{ Global losses} = (\text{Energy Input} - \text{Distributed Energy}) / \text{Distributed Energy}$). They consist of technical losses related to the magnetization of the power transformers, the Joule effect, the consumption of meters, etc. and non-technical losses related to theft, fraud, anomalies in counting equipment or in systems

M**MW (MEGAWATT)**

Unit of electric power equal to 10^6 watts.

MWh

Equal to 10^6 watts of electricity used continuously for one hour.

N**NCF (NET CAPACITY FACTOR)**

The ratio of a plant's actual output over a period of time to its potential output if it were possible for it to operate at full nameplate capacity continuously, over the same period of time. Also known as Load Factor.

NET DEBT

A metric that shows a company's overall debt situation calculated using company's total debt less cash on hand. From 2017 onwards it includes Financial Debt, Cash and Equivalents, Short-term financial assets at fair-value and fair value hedge and collateral deposits associated to financial debt and 50% of the amount related with the issuance of a subordinated debt instrument (hybrid). Until 31 December 2016, it included the fair value of derivatives designated for Net Investments hedge.

NET INVESTMENTS

Considers Capex + organic Financial Investments - Asset Rotations + granted and/or sold shareholder loans.

O

OPEX (OPERATING EXPENDITURE)

Includes Supplies and Services and Personnel costs and Employee Benefits.

OPEX/GROSS PROFIT

Efficiency ratio that compares the cost to operate with the income generated computed by OPEX (excluding Restructuring costs) over Gross Profit (including income from institutional partnerships in EDPR-NA).

ORGANIC CASH-FLOW

Cash generated from organic activities. Includes cash flows from operating activities (excluding changes in Regulatory Receivables), net of maintenance CAPEX, interest payments associated with debt, payments to institutional partnerships in the US and payments to minorities (such as dividends, capital distributions and payments of capital/interests on shareholder loans), not excluding gains arising from Sell-Down.

P

PLD (SETTLEMENT PRICE FOR THE DIFFERENCES)

Price used to value the energy exchanged in the spot market. This price is calculated weekly for each submarket and load periods, based on the marginal cost of generation. It is limited by a minimum and maximum value.

PPA (POWER PURCHASE AGREEMENT)

A legal contract between an electricity generator (provider) and a power purchaser (host). The power purchaser buys energy, and sometimes also capacity and/or ancillary services, from the electricity generator.

PTC (PRODUCTION TAX CREDIT)

The result of the Energy Policy Act of 1992, a commercial tax credit in the US that applies to wholesale electrical generators of wind energy facilities based upon the amount of energy generated in a year.

PUMPING

Pumping activity is the act of pushing back to the dam reservoir the water that had already been turbinated before. This action intends to increase the hydro output and thus generate higher operational results as water is pushed back when electricity market prices are low and turbinated again when those prices reach higher levels.

R

RAB (REGULATORY ASSET BASE)

Corresponds to the net book value of the distribution companies' regulated fixed assets (gross value less accumulated depreciation, net of reimbursements).

RECURRING

Which occurs periodically or repeatedly. It aims to normalize indicators into more predictable ones and which can be counted on in the future with a high degree of certainty. Indicators such as EBITDA, Net Profit, FFO, Organic Cash-Flow are referred to as recurring when adjusted by one-off events. One-off events include non-recurrent amounts materially relevant resulting from, for instance, impairments and capital gains/losses on assets, retroactive regulatory changes, HR and debt restructuring costs and CESE.

REGULATORY RECEIVABLES

Amounts pending to be received from the electricity system and related with tariff adjustments and tariff deficits from regulated activities in Iberia and Brazil (Generation in Portugal and Spain, Distribution and Last Resort Supply of electricity in Portugal and Distribution in Brazil).

RENEWABLE ENERGY

Energy that is derived from resources that are regenerative or that cannot be depleted including wind energy, solar, biomass, geothermal, and moving water.

REC (RENEWABLE ENERGY CREDIT)

Represents the property rights to the environmental, social, and other non-power qualities of renewable electricity generation. A REC can be sold separately from the electricity associated with a renewable energy generation source.

RESERVOIR LEVEL

Volume of water stored in a dam reservoir measured in total amount of electrical power it can produce if turbinated (GWh).

RESIDUAL INCOME

Is the amount of net income generated in excess of the minimum rate of return. Residual income concepts have been used in a number of contexts, including as a measurement of internal corporate performance whereby a company's management team evaluates the return generated relative to the company's minimum required return.

ROE (RETURN ON EQUITY)

Earnings before non-controlling interests over average total equity of the period.

ROIC (RETURN ON INVESTED CAPITAL)

ROIC gives a sense of how a company uses its money to generate returns. $ROIC = \text{EBIT Adjusted over annual average Invested Capital}$. EBIT Adjusted is $\text{EBIT} + \text{share of net profit in joint ventures and associates} + \text{impairments} + \text{provisions} \pm \text{capital losses/gains (except related to sell downs)} + \text{HR restructuring costs} - \text{Price Purchase Allocation amortizations} - \text{other one-off events}$. Invested Capital includes net fixed assets – assets under construction + working capital.

ROIC CASH (CASH RETURN ON INVESTED CAPITAL)

Similar to ROIC but focuses on cash return rather than profit. EBIT adjusted is $\text{EBIT} - (\text{nominal tax rate} \times \text{EBIT}) + \text{share of net profit in joint ventures and associates}$. Invested Capital as in ROIC.

ROIC LEVELIZED

Similar to ROIC but focuses on the average life of Invested Capital rather than in accounted Invested Capital. EBIT Adjusted as in ROIC. Invested Capital assumes 50% amortization of assets for all businesses except networks.

ROR (RATE OF RETURN)

Corresponds to the rate to be applied to the distribution companies' RAB accepted for capital remuneration purposes, with the respective formula defined by the Regulator at the beginning of each regulatory period.

RPS (RENEWABLE PORTFOLIO STANDARD)

Regulation in the US that places an obligation in certain states on electricity supply companies to source a specific percentage of their energy from renewable sources.

S**SAIDI (SYSTEM AVERAGE INTERRUPTION DURATION INDEX)**

Is the average outage duration for each served customer.

SELL-DOWN

Strategy aimed at developing and selling a majority stake in an asset, crystallizing the value of a project, and reinvesting the proceeds in another asset, targeting greater growth. Typically, the developer may retain the role of O&M supplier.

SOLAR PV (PHOTOVOLTAIC)

Generation of electricity by means of solar power through photovoltaics, consisting on an arrangement of several components, including solar panels to absorb and convert sunlight into electricity, a solar inverter, cables and other electrical accessories.

SUPPLY POINTS

Points of the grid where the delivering or reception of electricity is made to the costumer, producer or other grid installation.

SUSTAINABILITY INDEX

The Sustainability Index (SI) is a measurement system of sustainability performance, composed by 33 indicators organized in 3 dimensions: Economic, Environmental and Social. The weights assigned to each dimension of the sustainable development reflect the importance given by RobecoSAM (investment specialist focused exclusively on Sustainability Investing).

T**TEI (TAX EQUITY INVESTORS)**

Tax Equity Investors are the agents that are willing to trade on PTC.

TSR (TOTAL SHAREHOLDER RETURN)

Measures the return that the stock provides to the shareholder, including dividends paid and the stock price appreciation.

V**VALUE@RISK**

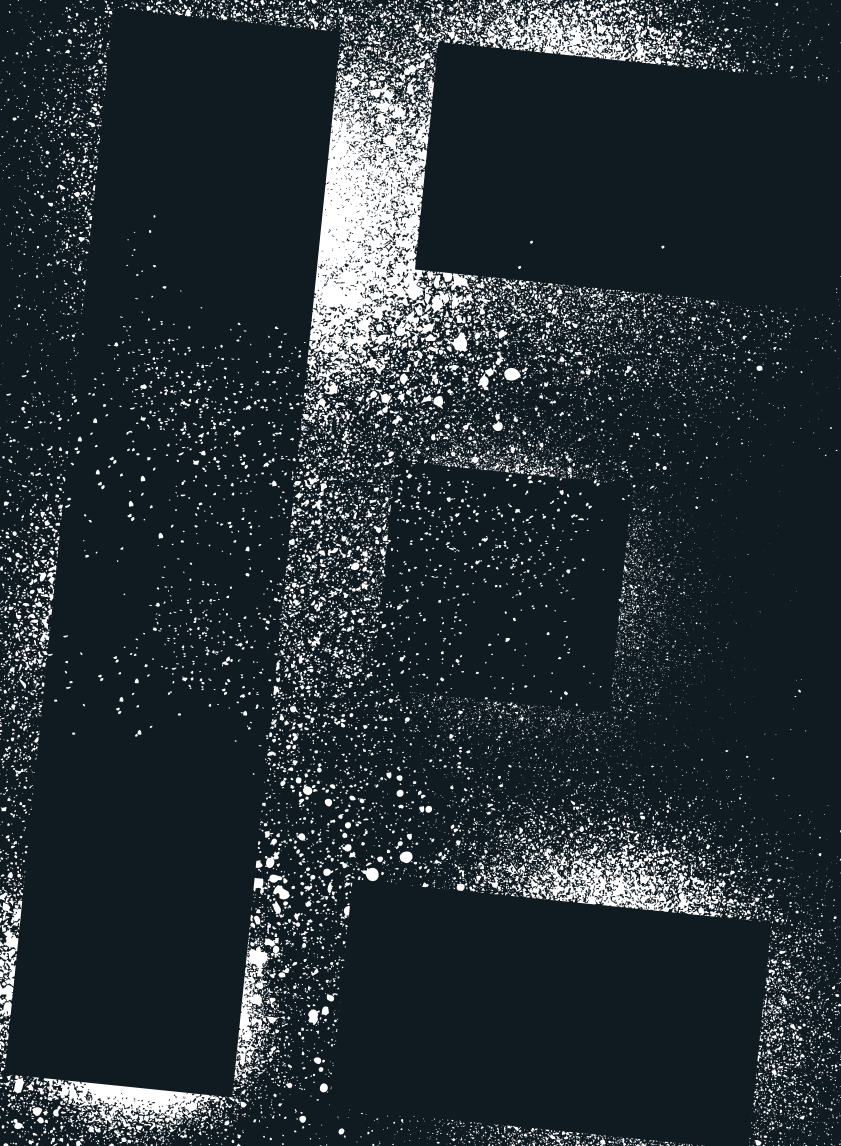
Estimated loss of the asset value, in a given period of time and for a given confidence interval. Usually it is used a horizon of 12 months and a level of confidence of 95%.

W**WATT (W)**

The rate of energy transfer equivalent to one ampere under an electrical pressure of one volt. One watt equals 1/746 horsepower, or one joule per second. It is the product of voltage and current (amperage). Watts are the yardstick for measuring power.

WIND TARIFF

Average price of energy sold per MWh produced.



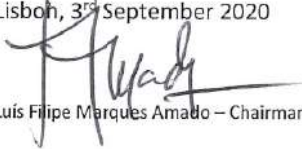



Conselho Geral e de Supervisão

STATEMENT

Pursuant article 246, No. 1, item c) of Portuguese Securities Code (CVM), to the best knowledge of each of the signatories, as Members of the General and Supervisory Board of EDP – Energias de Portugal, S.A. (EDP), the information referred in article 246º No. 1, item a) of CVM (“condensed financial statements”) regarding 2020 first semester, has been prepared in accordance with the accounting standards applicable, providing a true and fair view of the assets and liabilities, financial position and results of EDP and subsidiaries included in the consolidation perimeter, and that, pursuant article 246º, No. 2 of CVM, the 2020 interim report faithfully states the events that have occurred on the referred period, trend of the business, the performance and position of EDP and subsidiaries included in the consolidation, their impact on the respective financial statements and contains a description of the principal risks and uncertainties for the coming six months of the 2020 financial year.

Lisbon, 3rd September 2020



Luís Filipe Marques Amado – Chairman


Shengliang Wu (as representative of China Three Gorges International Corp.)


Li Li (as representative of China Three Gorges Brasil Energia Ltda.)

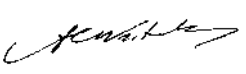

Felipe Fernández Fernández (as representative of DRAURSA, S.A.)

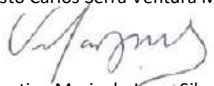

Nuno Manuel da Silva Amado (as representative of Banco Comercial Português, S.A.)


Mohammed Al-Shamsi (as representative of Senfora B.V.)


Maria Celeste Ferreira Lopes Cardona

Jorge Braga de Macedo


Augusto Carlos Serra Ventura Mateus


Clementina Maria de Jesus Silva Barroso



Luís Maria Viana Palha da Silva


Dingming Zhang – Vice-Chairman (as representative of China Three Gorges Corporation)


Ignacio Herrero Ruiz (as representative of China Three Gorges (Europe), S.A.)


Eduardo de Almeida Catroga (as representative of China Three Gorges (Portugal) Sociedade Unipessoal, Lda.)


Fernando Maria Masaveda Herrero



Karim Djebbour (as representative of Sonatrach)


Laurie Lee Fitch


Ilídio da Costa Leite de Pinho


Vasco Joaquim Rocha Vieira


João Carvalho das Neves


María del Carmen Fernández Rozado





STATEMENT

With reference to the first half of 2020 financial year, and according to No. 1, item c) of article 246º of the Portuguese Securities Code, the signers hereby, acting as members of the Executive Board of Directors, declare that, to the best of their knowledge, the condensed set of financial statements, was prepared according to the applicable accounting standards, presenting a fairly position of the assets, liabilities, financial position and results of EDP – Energias de Portugal, S.A. and its subsidiaries companies included in the consolidation perimeter, and that the Interim Management Report includes a fair review of the information required pursuant to No. 2 of the aforementioned article.

Lisbon, 3rd September 2020

A handwritten signature in black ink, appearing to read 'Miguel Stilwell de Andrade', written over a horizontal line.

Miguel Stilwell de Andrade

A handwritten signature in black ink, appearing to read 'António Fernando Melo Martins da Costa', written over a horizontal line.

António Fernando Melo Martins da Costa

A handwritten signature in black ink, appearing to read 'João Manuel Veríssimo Marques da Cruz', written over a horizontal line.

João Manuel Veríssimo Marques da Cruz

A handwritten signature in black ink, appearing to read 'Miguel Nuno Simões Nunes Ferreira Setas', written over a horizontal line.

Miguel Nuno Simões Nunes Ferreira Setas

A handwritten signature in blue ink, appearing to read 'Rui Manuel Rodrigues Lopes Teixeira', written over a horizontal line.

Rui Manuel Rodrigues Lopes Teixeira

A handwritten signature in black ink, appearing to read 'Maria Teresa Isabel Pereira', written over a horizontal line.

Maria Teresa Isabel Pereira

A handwritten signature in black ink, appearing to read 'Vera de Moraes Pinto Pereira Carneiro', written over a horizontal line.

Vera de Moraes Pinto Pereira Carneiro



EDP – Energias de Portugal, S.A.
Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira
Senior Accounting Officer
Corporate Centre

STATEMENT

With reference to the first half of 2020 financial year, and according to No. 1, item c) of article 246º of the Portuguese Securities Code, I hereby declare that, to the best of my knowledge, the condensed set of financial statements, was prepared according to the applicable accounting standards, presenting a fairly position of the assets, liabilities, financial position and results of EDP – Energias de Portugal, S.A. and its subsidiaries companies included in the consolidation perimeter, and that the Interim Management Report includes a fair review of the information required pursuant to No. 2 of the aforementioned article.

Lisbon, 3rd September 2020

A handwritten signature in blue ink, consisting of stylized initials and a long, sweeping underline.



Review Report on the Condensed Consolidated Financial Statements

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 June 30, 2020 (which shows total assets of Euro 40,693,139 thousand and total equity of Euro 11,573,915 thousand including a consolidated net profit attributable to equity holders of EDP of Euro 314,613 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 six month period then ended, and the accompanying explanatory notes to these condensed consolidated financial statements.

Management's responsibility

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

Auditor's Responsibility

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

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

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

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

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

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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 as at June 30, 2020 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

September 3, 2020

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda
Registered in the Comissão do Mercado de Valores Mobiliários with no. 20161485
represented by:



João Rui Fernandes Ramos, R.O.C.



Review Report on the Condensed Financial Statements

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 June 30, 2020 (which shows total assets of Euro 23,099,758 thousand and total equity of Euro 6,858,953 thousand including a net profit for the period of Euro 41,242 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 six month period then ended, and the accompanying explanatory notes to these condensed financial statements.

Management's responsibility

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the accompanying condensed 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 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 financial statements.

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 accompanying condensed financial statements of EDP – Energias de Portugal, S.A. as at June 30, 2020 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

September 3, 2020

PricewaterhouseCoopers & Associados
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