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## OPERATIONAL INDICATORS

RENEWABLES		UN	IQ20	IQ19	IQ18	IQ17
<b>HYDRO INSTALLED CAPACITY</b>						
Installed Capacity	MW	8,785	8,785	9,019	8,818	
Portugal	MW	6,759	6,759	6,847	6,646	
Spain	MW	426	426	426	426	
Brazil	MW	1,599	1,599	1,746	1,746	
Capacity under Construction	MW	-	-	-	263	
Portugal	MW	-	-	-	263	
<b>EQUITY HYDRO INSTALLED CAPACITY <sup>1</sup></b>						
Installed Capacity	MW	551	539	481	296	
Brazil	MW	551	539	481	296	
Capacity under Construction	MW	78	78	-	231	
Brazil	MW	-	-	-	231	
Peru	MW	78	78	-	-	
<b>HYDRO NET ELECTRICITY GENERATION</b>						
Electricity Generation	GWh	6,731	4,053	6,154	4,364	
Portugal	GWh	4,692	2,395	3,790	2,921	
Spain	GWh	230	274	408	175	
Brazil	GWh	1,809	1,384	1,956	1,268	
<b>HYDRO TECHNICAL AVAILABILITY</b>						
Portugal	%	95	96	99	93	
Spain	%	100	100	100	100	
Brazil	%	94	100	95	95	

<sup>1</sup> Share of the MW installed in plants owned by companies equity consolidated

RENEWABLES		UN	IQ20	IQ19	IQ18	IQ17
WIND AND SOLAR INSTALLED CAPACITY						
<b>Installed Capacity</b>		<b>MW</b>	<b>10,676</b>	<b>11,339</b>	<b>10,676</b>	<b>10,054</b>
Portugal	MW	1,164	1,355	1,253	1,253	
Spain	MW	1,974	2,288	2,244	2,194	
Rest of Europe	MW	1,263	1,667	1,564	1,541	
North America	MW	5,944	5,562	5,284	4,861	
Brazil	MW	331	467	331	204	
<b>Capacity under Construction</b>		<b>MW</b>	<b>964</b>	<b>354</b>	<b>1,042</b>	<b>423</b>
Portugal	MW	6	-	55	-	
Spain	MW	18	53	68	-	
Rest of Europe	MW	130	102	103	18	
North America	MW	809	199	679	278	
Brazil	MW	-	-	137	127	
<b>Equity Installed Capacity <sup>1</sup></b>		<b>MW</b>	<b>550</b>	<b>371</b>	<b>331</b>	<b>356</b>
Portugal	MW	-	-	-	-	
Spain	MW	152	152	152	177	
Rest of Europe	MW	-	-	-	-	
North America	MW	398	219	179	179	
Brazil	MW	-	-	-	-	
<b>WIND AND SOLAR NET ELECTRICITY GENERATION</b>		<b>GWh</b>	<b>7,761</b>	<b>8,412</b>	<b>8,763</b>	<b>7,719</b>
Portugal	GWh	712	834	1,066	877	
Spain	GWh	1,172	1,621	1,766	1,442	
Rest of Europe	GWh	1,022	1,175	1,079	1,064	
North America	GWh	4,694	4,467	4,694	4,189	
Brazil	GWh	161	314	159	147	
<b>WIND AND SOLAR TECHNICAL AVAILABILITY</b>			<b>97</b>	<b>97</b>	<b>97</b>	<b>98</b>

<sup>1</sup> Share of the MW installed in plants owned by companies equity consolidated

NETWORKS	UN	IQ20	IQ19	IQ18	IQ17
<b>DISTRIBUTION</b>					
<b>ELECTRICITY DISTRIBUTED</b>	<b>GWh</b>	<b>19,992</b>	<b>20,479</b>	<b>20,679</b>	<b>20,013</b>
Portugal	GWh	11,775	11,729	12,052	11,585
Spain	GWh	2,031	2,227	2,410	2,350
Brazil	GWh	6,186	6,523	6,217	6,078
<b>ELECTRICITY SUPPLY POINTS</b>	<b>'000</b>	<b>10,480</b>	<b>10,352</b>	<b>10,249</b>	<b>10,147</b>
Portugal	'000	6,285	6,232	6,194	6,148
Spain	'000	669	667	664	662
Brazil	'000	3,526	3,454	3,391	3,337
<b>ELECTRICITY SUPPLIED</b>	<b>GWh</b>	<b>14,517</b>	<b>7,943</b>	<b>8,637</b>	<b>7,755</b>
Portugal	GWh	692	790	863	928
Spain	GWh	132	135	126	135
Brazil	GWh	13,693	7,018	7,648	6,693
<b>ELECTRICITY CUSTOMERS</b>	<b>'000</b>	<b>4,767</b>	<b>4,779</b>	<b>4,796</b>	<b>4,896</b>
Portugal	'000	1,012	1,099	1,190	1,336
Spain	'000	230	228	216	223
Brazil	'000	3,525	3,453	3,390	3,336
<b>GRID EXTENSION</b>	<b>Km</b>	<b>342,228</b>	<b>339,976</b>	<b>338,235</b>	<b>337,673</b>
<b>Portugal</b>	<b>Km</b>	<b>228,110</b>	<b>226,589</b>	<b>226,124</b>	<b>225,606</b>
Overhead lines	Km	179,031	177,686	177,380	177,036
Underground lines	Km	49,078	48,903	48,744	48,570
<b>Spain</b>	<b>Km</b>	<b>20,781</b>	<b>20,724</b>	<b>20,630</b>	<b>20,528</b>
Overhead lines	Km	15,738	15,734	15,703	15,678
Underground lines	Km	5,043	4,990	4,927	4,850
<b>Brazil</b>	<b>Km</b>	<b>93,337</b>	<b>92,663</b>	<b>91,481</b>	<b>91,539</b>
Overhead lines	Km	93,077	92,408	91,236	91,298
Underground lines	Km	260	254	246	241
<b>GRID LOSSES</b>					
Portugal	%	10.5	10.9	11.8	11.2
Spain	%	4.4	4.4	4.1	4.7
Brazil	%	9.8	9.9	10.3	10.8
<b>SERVICE QUALITY</b>					
<b>Portugal</b>					
Installed Capacity Equivalent Interruption Time <sup>1</sup>	Min	11	10	9	13
<b>Spain</b>					
Installed Capacity Equivalent Interruption Time <sup>1</sup>	Min	2	5	39	10
<b>Brazil</b>					
<b>Average Interruption Duration per Consumer</b>					
EDP São Paulo	Hours	6.5	8.0	7.7	8.3
EDP Espírito Santo	Hours	8.2	8.6	8.3	8.6
<b>Frequency of Interruptions per Consumer</b>					
EDP São Paulo	#	4.3	4.8	5.0	5.3
EDP Espírito Santo	#	4.4	4.9	5.2	5.3
<b>TRANSMISSION</b>					
<b>GRID EXTENSION</b>	<b>Km</b>	<b>1,441</b>	<b>1,299</b>	<b>1,299</b>	<b>-</b>
<b>Grid extension in Operation</b>	<b>Km</b>	<b>187</b>	<b>113</b>	<b>-</b>	<b>-</b>
<b>Grid extension Under Construction</b>	<b>Km</b>	<b>1,254</b>	<b>1,186</b>	<b>1,299</b>	<b>-</b>

<sup>1</sup> ICEIT in MV grid, excluding extraordinary events

CLIENT SOLUTIONS AND ENERGY MANAGEMENT		UN	IQ20	IQ19	IQ18	IQ17
THERMAL INSTALLED CAPACITY						
Installed Capacity		MW	7,084	7,058	7,058	7,065
Portugal		MW	3,236	3,236	3,236	3,243
CCGT		MW	2,031	2,031	2,031	2,039
Coal		MW	1,180	1,180	1,180	1,180
Cogeneration		MW	24	24	24	24
Spain		MW	3,128	3,102	3,102	3,102
CCGT		MW	1,698	1,698	1,698	1,698
Coal		MW	1,250	1,224	1,224	1,224
Nuclear		MW	156	156	156	156
Cogeneration and Waste		MW	25	25	25	25
Brazil		MW	720	720	720	720
Coal		MW	720	720	720	720
Equity Installed Capacity <sup>1</sup>		MW	10	10	41	41
Portugal		MW	-	-	32	32
Spain		MW	10	10	10	10
THERMAL NET ELECTRICITY GENERATION						
Net Electricity Generation		GWh	3,793	5,505	5,681	7,132
Portugal		GWh	1,402	2,751	2,692	3,312
CCGT		GWh	1,330	768	907	1,105
Coal		GWh	38	1,934	1,734	2,192
Cogeneration		GWh	34	49	51	15
Spain		GWh	1,915	1,948	1,803	2,832
CCGT		GWh	924	547	395	608
Coal		GWh	645	1,036	1,045	1,860
Nuclear		GWh	331	332	331	333
Cogeneration and Waste		GWh	15	32	32	30
Brazil		GWh	477	805	1,186	988
Coal		GWh	477	805	1,186	988
THERMAL TECHNICAL AVAILABILITY						
Portugal		%	97	95	83	93
CCGT		%	98	96	82	95
Coal		%	94	95	86	91
Cogeneration		%	91	100	100	29
Espanha		%	100	98	92	94
CCGT		%	100	100	100	99
Coal		%	100	94	80	88
Nuclear		%	100	100	100	100
Cogeneration		%	100	88	94	57
Waste		%	97	90	93	97
Brazil		%	76	96	98	94
Coal		%	76	96	98	94

<sup>1</sup> Share of the MW installed in plants owned by companies equity consolidated

CLIENT SOLUTIONS AND ENERGY MANAGEMENT	UN	IQ20	IQ19	IQ18	IQ17
<b>ELECTRICITY CUSTOMERS</b>	<b>'000</b>	<b>5,030</b>	<b>5,025</b>	<b>5,058</b>	<b>4,921</b>
Portugal	'000	4,094	4,101	4,139	4,064
Spain	'000	935	924	919	857
Brazil	'000	0.3	0.4	0.3	0.3
<b>Social Tariff</b>	<b>'000</b>	<b>815</b>	<b>804</b>	<b>880</b>	<b>869</b>
Portugal	'000	616	612	661	665
Spain	'000	51	50	57	59
Brazil	'000	148	142	162	145
<b>Special Needs</b>	<b>'000</b>	<b>0.8</b>	<b>2.8</b>	<b>1.1</b>	<b>1.1</b>
Portugal	'000	n.d.	2.1	0.6	0.5
Brazil	'000	0.83	0.69	0.57	0.59
<b>Green Tariff</b>	<b>'000</b>	<b>1,058</b>	<b>1,066</b>	<b>1,026</b>	<b>829</b>
Portugal	'000	n.a.	8	3	3
Spain	'000	1,058	1,058	1,023	825
Brazil	'000	n.a.	n.a.	n.a.	n.a.
<b>ELECTRICITY SUPPLIED</b>	<b>GWh</b>	<b>17,631</b>	<b>10,590</b>	<b>12,135</b>	<b>11,580</b>
<b>Portugal</b>	<b>GWh</b>	<b>4,707</b>	<b>4,749</b>	<b>5,032</b>	<b>4,972</b>
Market Share EDP - Liberalised Market	%	n.a.	41	42	45
<b>Spain</b>	<b>GWh</b>	<b>2,689</b>	<b>2,969</b>	<b>3,017</b>	<b>3,477</b>
Market Share EDP - Liberalised Market	%	6	7	6	8
<b>Brazil</b>	<b>GWh</b>	<b>10,235</b>	<b>2,872</b>	<b>4,086</b>	<b>3,131</b>
Liberalised Market	GWh	10,235	2,872	4,086	3,131
<b>Social Tariff</b>	<b>GWh</b>	<b>159</b>	<b>146</b>	<b>168</b>	<b>168</b>
Portugal	GWh	46	52	59	63
Spain	GWh	28	25	32	36
Brazil	GWh	85	68	77	70
<b>Green Tariff</b>	<b>GWh</b>	<b>1,321</b>	<b>5,546</b>	<b>5,553</b>	<b>4,795</b>
Portugal	GWh	n.a.	10	9	9
Spain	GWh	1,321	5,536	5,544	4,786
Brazil	GWh	n.a.	n.a.	n.a.	n.a.
<b>GAS CUSTOMERS</b>	<b>'000</b>	<b>1,600</b>	<b>1,596</b>	<b>1,583</b>	<b>1,520</b>
<b>Portugal</b>	<b>'000</b>	<b>694</b>	<b>698</b>	<b>699</b>	<b>665</b>
Last Resort	'000	36	40	43	49
Liberalised Market	'000	658	659	656	616
<b>Spain</b>	<b>'000</b>	<b>906</b>	<b>897</b>	<b>883</b>	<b>855</b>
Last Resort	'000	53	52	51	54
Liberalised Market	'000	853	846	832	801
<b>GAS SUPPLIED</b>	<b>GWh</b>	<b>5,210</b>	<b>5,467</b>	<b>5,839</b>	<b>5,481</b>
<b>Portugal</b>	<b>GWh</b>	<b>1,143</b>	<b>1,210</b>	<b>1,255</b>	<b>1,293</b>
Last Resort	GWh	65	77	93	111
Liberalised Market	GWh	1,079	1,133	1,162	1,182
Market Share EDP - Liberalised Market	%	n.a.	n.d.	12	n.a.
<b>Spain</b>	<b>GWh</b>	<b>4,066</b>	<b>4,257</b>	<b>4,584</b>	<b>4,187</b>
Last Resort	GWh	98	110	111	110
Liberalised Market	GWh	3,969	4,147	4,474	4,078
Market Share EDP - Liberalised Market	%	4	4	4	4

## SUSTAINABILITY INDICATORS

ENVIRONMENTAL INDICATORS	UN	IQ20	IQ19	IQ18	IQ17
<b>ENVIRONMENTAL CERTIFICATION (ISO 14001)</b>					
ISO 14001 Certification <sup>1</sup>	%	96	96	89	88
<b>PRIMARY ENERGY CONSUMPTION</b>	<b>TJ</b>	<b>29,043</b>	<b>49,136</b>	<b>50,273</b>	<b>64,147</b>
Coal	TJ	10,589	35,680	37,960	47,692
Fuel oil	TJ	19	100	69	71
Natural gas	TJ	15,834	9,713	9,611	12,406
Residual gases	TJ	2,510	3,413	3,957	2,836
Diesel oil	TJ	31	51	31	81
Fuel for vehicle fleet	TJ	60	60	58	53
<b>ENERGY INTENSITY <sup>1</sup></b>	<b>MJ/EUR</b>	<b>8.29</b>	<b>13.12</b>	<b>12.47</b>	<b>15.15</b>
<b>ELECTRICITY CONSUMPTION</b>					
Generation self-consumption	MWh	901,662	856,403	1,110,703	1,089,472
Administrative service	MWh	8,873	8,140	9,140	9,707
Grid losses	%	12.1	10.3	10.4	10.5
<b>GHG EMISSION</b>					
<b>Direct emissions (scope 1)</b>	<b>ktCO<sub>2eq</sub></b>	<b>1,999</b>	<b>4,079</b>	<b>4,394</b>	<b>5,216</b>
Stationary combustion <sup>2</sup>	ktCO <sub>2eq</sub>	1,993	4,074	4,389	5,211
SF6 Emissions	ktCO <sub>2eq</sub>	1.3	1.3	1.2	0.7
Company fleet	ktCO <sub>2eq</sub>	4.2	4.2	4.0	3.8
Natural gas consumption	ktCO <sub>2eq</sub>	0.02	0.02	0.05	0.16
<b>Indirect emissions (scope 2) <sup>3</sup></b>	<b>ktCO<sub>2eq</sub></b>	<b>240</b>	<b>214</b>	<b>193</b>	<b>191</b>
Electricity consumption in office buildings	ktCO <sub>2eq</sub>	0.3	0.3	0.7	0.5
Electricity losses	ktCO <sub>2eq</sub>	235	208	187	185
Renewable plants self-consumption	ktCO <sub>2eq</sub>	5.4	5.9	5.4	5.3
<b>GHG EMISSIONS INTENSITY <sup>4</sup></b>	<b>kgCO<sub>2</sub>/EUR</b>	<b>0.6</b>	<b>1.1</b>	<b>1.1</b>	<b>1.3</b>
<b>CO<sub>2</sub> AVOID EMISSIONS</b>	<b>ktCO<sub>2</sub></b>	<b>8,371</b>	<b>7,644</b>	<b>9,953</b>	<b>8,665</b>
<b>SPECIFIC OVERALL EMISSIONS</b>					
CO <sub>2</sub> <sup>2 5</sup>	g/kWh	110	228	214	273
NO <sub>x</sub>	g/kWh	0.05	0.18	0.16	0.22
SO <sub>2</sub>	g/kWh	0.09	0.26	0.30	0.35
Particulate matter	g/kWh	0.01	0.02	0.02	0.02
<b>WATER COLLECTED</b>	<b>10<sup>3</sup> x m<sup>3</sup></b>	<b>70,021</b>	<b>369,079</b>	<b>345,100</b>	<b>424,052</b>
Salt and estuary	10 <sup>3</sup> x m <sup>3</sup>	67,021	364,948	339,754	415,236
Fresh	10 <sup>3</sup> x m <sup>3</sup>	3,000	4,130	5,346	8,816
<b>WASTE MATERIALS</b>	<b>t</b>	<b>48,761</b>	<b>202,298</b>	<b>171,618</b>	<b>224,215</b>
<b>Waste</b>	<b>t</b>	<b>40,925</b>	<b>66,696</b>	<b>68,297</b>	<b>112,175</b>
Hazard waste	%	2	2	2	1
Non-hazard waste	%	82	86	66	53
<b>By-products</b>	<b>t</b>	<b>7,835</b>	<b>135,601</b>	<b>103,321</b>	<b>112,040</b>
Gypsum	t	6,014	45,789	32,556	48,495
Fly ash	t	1,497	70,874	63,389	63,545
Slag	t	324	18,938	7,376	n.a.
<b>SUSTAINABLE MOBILITY</b>					
Light-duty fleet electrification	%	9	n/a	n/a	n/a
Electric charging points	#	936	n/a	n/a	n/a
Customers with electric mobility solutions	#	13,477	n/a	n/a	n/a

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

<sup>1</sup> Aggregated certification indicator due to assets with potential environmental impacts.

<sup>2</sup> Primary energy consumption by turnover.

<sup>3</sup> The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain.

<sup>4</sup> Calculation according with GHG Protocol based location methodology.

<sup>5</sup> Scope 1 and Scope 2 emissions by turnover.

<sup>6</sup> Includes only stationary combustion emissions.



SOCIAL INDICATORS		UN	IQ20	IQ19	IQ18	IQ17
<b>EMPLOYMENT</b>						
<b>Employees</b>	#	11,563	11,613	11,514	11,859	
Executive Board of Directors	#	9	9	8	8	
Senior Management	#	845	814	788	751	
Supervisors	#	800	764	738	832	
Specialists	#	4,522	4,329	4,131	4,028	
Technicians	#	5,387	5,697	5,850	6,241	
Male employees	%	74	75	76	76	
Female employees	%	26	25	24	24	
<b>Employees by types of contract</b>	#	11,563	11,613	11,514	11,859	
<b>Executive bodies</b>	#	61	59	53	54	
Male	#	54	55	50	51	
Female	#	7	4	3	3	
<b>Permanent workforce</b>	#	11,462	11,502	11,395	11,731	
Male	#	8,522	8,656	8,642	8,920	
Female	#	2,940	2,846	2,753	2,811	
<b>Fixed-term contracts</b>	#	40	52	66	74	
Male	#	27	27	35	44	
Female	#	13	25	31	30	
<b>Employees by occupational contract</b>	#	11,563	11,613	11,514	11,859	
<b>Full-Time</b>	#	11,517	11,569	11,473	11,819	
Male	#	8,596	8,732	8,722	9,009	
Female	#	2,921	2,837	2,751	2,810	
<b>Part-time</b>	#	46	44	41	40	
Male	#	7	6	5	6	
Female	#	39	38	36	34	
<b>New employees</b>	#	408	378	299	220	
Male	#	262	293	223	149	
Female	#	146	85	76	71	
F/M new admissions rate	x	0.56	0.29	0.34	0.48	
<b>Employees leaving</b>	#	505	396	442	353	
Male	#	391	316	353	293	
Female	#	114	80	89	60	
Turnover	%	0.04	3.41	3.17	2.41	
Average age of workforce	years	42	43	44	45	
Absenteeism rate	%	2.94	2.85	2.97	3.32	
Pay ratio by gender (F/M)	x	1.05	1.05	1.03	1.03	
<b>TRAINING</b>						
Total hours of training	hours	52,094	79,990	75,624	58,639	
Average training per employee (h/p)	h/p	4.5	6.9	6.6	4.9	
Employees with training	%	58	45	60	31	
<b>HEALTH AND SAFETY (H&amp;S)</b>						
<b>Employees</b>						
Accidents <sup>1</sup>	#	5	6	6	6	
Fatal accidents	#	0	0	0	0	
Total lost days due to accidents <sup>2</sup>	#	249	564	501	602	
Frequency rate <sup>3</sup>	Tf	0.92	1.09	1.11	1.12	
Severity rate <sup>4</sup>	Tg	46	102	93	113	
<b>Contractors</b>						
Accidents <sup>1</sup>	#	19	16	17	26	
Fatal accidents	#	0	0	2	1	
Working days	#	1,577,500	1,312,243	1,311,961	1,206,320	
Frequency rate <sup>3</sup>	Tf	1.58	1.60	1.91	2.95	
Severity rate <sup>4</sup>	Tg	104	97	64	167	
<b>EDP employees and contractors</b>						
Frequency rate <sup>3</sup>	Tf_total	1.38	1.42	1.63	2.27	
Severity rate <sup>4</sup>	Tg_total	86	99	74	147	
Fatal electrical accidents involving third parties <sup>5</sup>	#	7	3	4	3	
Near accidents <sup>6</sup>	#	85	103	96	77	
<b>VOLUNTEER INVESTMENT IN THE COMMUNITY (LBG METHODOLOGY)</b>						
Volunteer investment/EBITDA <sup>7</sup>	%	0.15	0.27	0.30	0.22	

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Work accidents by a million worked hours.

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

<sup>5</sup> Accidents occurred in the premises of the company plants or equipment.

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

<sup>7</sup> The 1Q20 figure does not yet include all EDP's contributions to the response to the COVID-19 pandemic crisis.

<b>ECONOMIC INDICATORS</b>	<b>UN</b>	<b>IQ20</b>	<b>IQ19</b>	<b>IQ18</b>	<b>IQ17</b>
<b>ECONOMIC VALUE GENERATED</b>	<b>000€</b>	<b>3,721,999</b>	<b>3,929,875</b>	<b>4,247,458</b>	<b>4,448,463</b>
Economic value distributed	000€	3,159,088	3,129,827	3,551,015	3,808,976
Economic value accumulated	000€	562,911	800,048	696,443	639,487
<b>ENERGY EFFICIENCY AND SUPPLEMENTARY ENERGY SERVICES REVENUES <sup>1</sup></b>	<b>000€</b>	<b>271,745</b>	<b>270,528</b>	<b>263,960</b>	<b>310,658</b>
Energy efficiency services revenues	000€	54,032	41,471	37,485	25,017
Supplementary energy services revenues <sup>2</sup>	000€	217,714	229,057	226,475	285,640
<b>FINES AND PENALTIES</b>	<b>000€</b>	<b>1,613</b>	<b>4,416</b>	<b>1,995</b>	<b>3,963</b>
<b>ENVIRONMENTAL MATTERS</b>	<b>000€</b>	<b>57,278</b>	<b>82,109</b>	<b>44,870</b>	<b>22,494</b>
Investments	000€	7,698	9,638	6,092	9,099
Expenses	000€	49,580	72,471	38,778	13,395
<b>SOCIAL MATTERS</b>					
Personnal costs	000€	147,268	144,203	147,602	155,554
Employee benefits	000€	17,763	15,084	15,029	15,778
Direct training investment	000€	390	704	931	927
Direct training investment per employee	€/p	34	61	81	78
HC ROI per employee	€/p	7.72	7.29	7.28	7.56

<sup>1</sup> 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.

<sup>2</sup> 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.





**Condensed Financial Statements**  
**31 March 2020**

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**Condensed Consolidated Income Statements**  
for the three-month periods ended at 31 March 2020 and 2019

Thousand Euros	Notes	2020	2019 *
Revenues from energy sales and services and other	7	3,501,962	3,744,177
Cost of energy sales and other	7	-2,027,137	-2,383,306
		1,474,825	1,360,871
Other income	8	95,938	101,819
Supplies and services	9	-201,011	-199,610
Personnel costs and employee benefits	10	-165,031	-159,287
Other expenses	11	-209,625	-168,293
Impairment losses on trade receivables and debtors		-14,224	-14,035
		-493,953	-439,406
Joint ventures and associates	18	-1,297	5,334
		979,575	926,799
Provisions	29	-15,929	-3,622
Amortisation and impairment		-366,657	-373,633
		596,989	549,544
Financial income	12	125,397	78,546
Financial expenses	12	-331,214	-264,205
Profit before income tax and CESE		391,172	363,885
Income tax expense	13	-92,426	-98,735
Extraordinary contribution to the energy sector (CESE)		-62,759	-67,046
		-155,185	-165,781
<b>Net profit for the period</b>		<b>235,987</b>	<b>198,104</b>
<b>Attributable to:</b>			
<b>Equity holders of EDP</b>		<b>145,851</b>	<b>100,460</b>
<b>Non-controlling Interests</b>	26	<b>90,136</b>	<b>97,644</b>
<b>Net profit for the period</b>		<b>235,987</b>	<b>198,104</b>
Earnings per share (Basic and Diluted) - Euros		0.04	0.03

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

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## EDP - Energias de Portugal

Condensed Consolidated Statements of Comprehensive Income  
for the three-month periods ended at 31 March 2020 and 2019

Thousand Euros	2020		2019	
	Equity holders of EDP	Non-controlling Interests	Equity holders of EDP	Non-controlling Interests
<b>Net profit for the period</b>	145,851	90,136	100,460	97,644
<b>Items that will never be reclassified to profit or loss (i)</b>				
Actuarial gains/(losses) (iii)	-89,329	-	-46	-15
Tax effect from the actuarial gains/(losses)	28,139	-	11	4
Fair value reserve with no recycling (financial assets) (ii)	-7,111	-	3,039	-
Tax effect from the fair value reserve with no recycling (financial assets) (ii)	1,749	-	-789	-
	-66,552	-	2,215	-11
<b>Items that may be reclassified to profit or loss (i)</b>				
Currency translation reserve	-336,105	-268,982	9,650	33,394
Fair value reserve (cash flow hedge) (ii)	87,855	2,041	166,259	1,759
Tax effect from the fair value reserve (cash flow hedge) (ii)	-23,827	-2,065	-41,082	-335
Fair value reserve of assets measured at fair value through other comprehensive income with recycling (ii)	-	-	317	-
Tax effect of Fair value reserve of assets measured at fair value through other comprehensive income with recycling (ii)	-	-	-99	-
Share of other comprehensive income of joint ventures and associates, net of taxes	-10,039	-10,557	-20,797	-7,315
	-282,116	-279,563	114,248	27,503
<b>Other comprehensive income for the period (net of income tax)</b>	-348,668	-279,563	116,463	27,492
<b>Total comprehensive income for the period</b>	-202,817	-189,427	216,923	125,136

(i) See Condensed Consolidated Statement of Changes in Equity

(ii) See Note 25

(iii) See Note 28

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**Condensed Consolidated Statements of Financial Position**  
as at 31 March 2020 and 31 December 2019

Thousand Euros	Notes	2020	2019
<b>Assets</b>			
Property, plant and equipment	14	19,513,335	19,676,222
Right-of-use assets	15	854,759	828,503
Intangible assets	16	4,063,870	4,223,823
Goodwill	17	2,135,777	2,119,862
Investments in joint ventures and associates	18	988,051	1,098,512
Equity instruments at fair value	19	164,152	170,806
Investment property		29,328	29,944
Deferred tax assets	20	1,216,631	1,084,046
Debtors and other assets from commercial activities	21	3,246,020	3,424,220
Other debtors and other assets	22	1,061,712	932,578
Non-Current tax assets	23	290,323	389,037
Collateral deposits associated to financial debt	27	20,113	21,690
Total Non-Current Assets		33,584,071	33,999,243
Inventories		337,765	368,334
Debtors and other assets from commercial activities	21	2,697,226	2,858,160
Other debtors and other assets	22	849,293	881,779
Current tax assets	23	373,916	415,735
Collateral deposits associated to financial debt	27	32,768	39,786
Cash and cash equivalents	24	1,444,625	1,542,722
Non-Current Assets held for sale	34	2,311,575	2,255,887
Total Current Assets		8,047,168	8,362,403
<b>Total Assets</b>		<b>41,631,239</b>	<b>42,361,646</b>
<b>Equity</b>			
Share capital		3,656,538	3,656,538
Treasury stock		-61,220	-61,220
Share premium		503,923	503,923
Reserves and retained earnings	25	4,412,802	4,247,195
Consolidated net profit attributable to equity holders of EDP		145,851	511,751
Total Equity attributable to equity holders of EDP		8,657,894	8,858,187
Non-controlling Interests	26	3,563,694	3,773,826
<b>Total Equity</b>		<b>12,221,588</b>	<b>12,632,013</b>
<b>Liabilities</b>			
Financial debt	27	12,465,632	13,124,615
Employee benefits	28	1,151,729	1,128,155
Provisions	29	908,177	926,426
Deferred tax liabilities	20	494,670	503,746
Institutional partnerships in USA	30	2,450,763	2,289,784
Trade payables and other liabilities from commercial activities	31	1,556,627	1,644,307
Other liabilities and other payables	32	1,314,869	1,177,119
Non-current tax liabilities	33	113,738	138,212
Total Non-Current Liabilities		20,456,205	20,932,364
Financial debt	27	2,831,499	3,446,854
Employee benefits	28	181,200	183,514
Provisions	29	123,344	126,091
Trade payables and other liabilities from commercial activities	31	4,276,518	3,859,623
Other liabilities and other payables	32	778,096	623,771
Current tax liabilities	33	687,619	478,594
Non-Current Liabilities held for sale	34	75,170	78,822
Total Current Liabilities		8,953,446	8,797,269
<b>Total Liabilities</b>		<b>29,409,651</b>	<b>29,729,633</b>
<b>Total Equity and Liabilities</b>		<b>41,631,239</b>	<b>42,361,646</b>

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**EDP - Energias de Portugal**  
**Condensed Consolidated Statements of Changes in Equity**  
**for the three-month periods ended at 31 March 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)
<b>Balance as at 31 December 2018</b>	<b>12,900,327</b>	<b>3,656,538</b>	<b>503,923</b>	<b>739,024</b>	<b>4,817,541</b>	<b>-213,315</b>	<b>10,287</b>	<b>-483,410</b>	<b>-62,410</b>	<b>8,968,178</b>	<b>3,932,149</b>
Comprehensive income:											
Net profit for the period	198,104	-	-	-	100,460	-	-	-	-	100,460	97,644
Changes in the fair value reserve (cash flow hedge) net of taxes	126,601	-	-	-	-	125,177	-	-	-	125,177	1,424
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	2,468	-	-	-	-	-	2,468	-	-	2,468	-
Share of other comprehensive income of joint ventures and associates net of taxes	-28,112	-	-	-	-8,911	-13,606	-	1,720	-	-20,797	-7,315
Actuarial gains/(losses) net of taxes	-46	-	-	-	-35	-	-	-	-	-35	-11
Exchange differences arising on consolidation	43,044	-	-	-	-	-	-	9,650	-	9,650	33,394
Total comprehensive income for the period	342,059	-	-	-	91,514	111,571	2,468	11,370	-	216,923	125,136
Dividends attributable to non-controlling interests	-31,488	-	-	-	-	-	-	-	-	-	-31,488
Changes resulting from acquisitions/sales, equity increases/decreases and other	-20,375	-	-	-	-22	-	-	-	-	-22	-20,353
<b>Balance as at 31 March 2019</b>	<b>13,190,523</b>	<b>3,656,538</b>	<b>503,923</b>	<b>739,024</b>	<b>4,909,033</b>	<b>-101,744</b>	<b>12,755</b>	<b>-472,040</b>	<b>-62,410</b>	<b>9,185,079</b>	<b>4,005,444</b>
<b>Balance as at 31 December 2019</b>	<b>12,632,013</b>	<b>3,656,538</b>	<b>503,923</b>	<b>739,024</b>	<b>4,518,226</b>	<b>40,541</b>	<b>15,202</b>	<b>-554,047</b>	<b>-61,220</b>	<b>8,858,187</b>	<b>3,773,826</b>
Comprehensive income:											
Net profit for the period	235,987	-	-	-	145,851	-	-	-	-	145,851	90,136
Changes in the fair value reserve (cash flow hedge) net of taxes	64,004	-	-	-	-	64,028	-	-	-	64,028	-24
Changes in the fair value reserve of assets measured at fair value through other comprehensive income, net of taxes	-5,362	-	-	-	-	-	-5,362	-	-	-5,362	-
Share of other comprehensive income of joint ventures and associates net of taxes	-20,596	-	-	-	-13,546	-1,421	-	4,928	-	-10,039	-10,557
Actuarial gains/(losses) net of taxes	-61,190	-	-	-	-61,190	-	-	-	-	-61,190	-
Exchange differences arising on consolidation	-605,087	-	-	-	-	-	-	-336,105	-	-336,105	-268,982
Total comprehensive income for the period	-392,244	-	-	-	71,115	62,607	-5,362	-331,177	-	-202,817	-189,427
Dividends attributable to non-controlling interests	-814	-	-	-	-	-	-	-	-	-	-814
Changes resulting from acquisitions/sales, equity increases/decreases and other	-17,367	-	-	-	2,524	-	-	-	-	2,524	-19,891
<b>Balance as at 31 March 2020</b>	<b>12,221,588</b>	<b>3,656,538</b>	<b>503,923</b>	<b>739,024</b>	<b>4,591,865</b>	<b>103,148</b>	<b>9,840</b>	<b>-885,224</b>	<b>-61,220</b>	<b>8,657,894</b>	<b>3,563,694</b>

(i) See note 25

(ii) See note 26

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**Condensed Consolidated and Company Statements of Cash Flows  
for the three-month periods ended at 31 March 2020 and 2019**

Thousand Euros	Notes	Group		Company	
		2020	2019	2020	2019 *
<b>Operating activities</b>					
Profit before income tax and CESE		391,172	363,885	-96,059	54,346
Adjustments for:					
Amortisation and impairment		366,657	373,633	6,706	7,498
Provisions	29	15,929	3,622	-	-
Joint ventures and associates	18	1,297	-5,334	-	-
Financial (income)/expenses	12	205,817	185,659	163,188	-30,196
Changes in working capital:					
Trade and other receivables		183,796	-61,749	202,061	117,300
Trade and other payables		-130,983	-18,665	-146,635	-51,954
Personnel		-27,216	-75,502	2,338	479
Regulatory assets		514,909	-298,196	-	-
Other changes in assets/liabilities related with operating activities		-126,888	28,567	-62,959	-24,171
Income tax and CESE		-15,925	9,243	11,999	41,197
Net cash flows from operations		1,378,565	505,163	80,639	114,499
Net (gains) / losses with Asset Rotation		-	-	-	-
Net cash flows from operating activities		1,378,565	505,163	80,639	114,499
<b>Investing activities</b>					
Cash receipts relating to:					
Sale of assets/subsidiaries with loss of control i)		131,253	2	-	-
Other financial assets and investments		35,628	3,429	45	-
Other financial assets at amortised cost		-	-	154,679	4,955
Property, plant and equipment and intangible assets		3,819	770	6,099	8
Other receipts relating to tangible fixed assets		757	996	-	-
Interest and similar income		9,209	15,338	6,253	14,489
Dividends		2,429	713	85,000	-
Loans to related parties		9,594	2,567	-	-
		192,689	23,815	252,076	19,452
Cash payments relating to:					
Acquisition of assets/subsidiaries		-	-2	-	-
Other financial assets and investments ii)		-89,330	-187,197	-209	-430
Changes in cash resulting from consolidation perimeter variations		-	-2	-	-
Property, plant and equipment and intangible assets		-451,699	-776,542	-10,177	-11,344
Loans to related parties		-18,296	-13,192	-30,921	-75
		-559,325	-976,935	-41,307	-11,849
Net cash flows from investing activities		-366,636	-953,120	210,769	7,603
<b>Financing activities</b>					
Receipts relating to financial debt (include Collateral Deposits)		1,235,369	1,193,834	973,834	1,220,030
(Payments) relating to financial debt (include Collateral Deposits)		-2,048,372	-637,815	-1,725,000	-797,650
Interest and similar costs of financial debt including hedge derivatives		-231,653	-203,696	-87,092	-51,730
Receipts/(payments) relating to loans from non-controlling interests		1,542	-2,581	-	-
Interest and similar costs relating to loans from non-controlling interests		-536	-1,298	-	-
Receipts/(payments) relating to loans from related parties		-	-	671,147	-261,987
Share capital increases/(decreases) by non-controlling interests		-20,729	-16,737	-	-
Receipts/(payments) relating to derivative financial instruments		3,081	-16,616	12,416	-
Dividends paid to non-controlling interests		-8,792	-7,791	-	-
Receipts/(payments) related with transactions with non-controlling interest without change of control		1,267	-	-	-
Lease (payments) iii)		-19,005	-21,934	-3,108	-3,293
Receipts/(payments) from institutional partnerships iv)		129,258	-16,150	-	-
Net cash flows from financing activities		-958,570	269,216	-157,803	105,370
Changes in cash and cash equivalents		53,359	-178,741	133,605	227,472
Effect of exchange rate fluctuations on cash held		-136,816	13,087	369	-219
Cash and cash equivalents reclassified as held for sale		-14,640	-55,737	-	-
Cash and cash equivalents at the beginning of the period		1,542,722	1,803,205	1,037,392	1,160,600
Cash and cash equivalents at the end of the period v)		1,444,625	1,581,814	1,171,366	1,387,853

(i) Relates essentially to the receivment of the sales of Babilônia Holding, S.A. and its subsidiaries (see note 22);

(ii) Relates essentially to payments made for the capital increases in windfarms and solar plants and Investment Funds;

(iii) Includes capital and interest;

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

v) 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).

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**Condensed Company Income Statements**  
**for the three-month periods ended at 31 March 2020 and 2019**

Thousand Euros	Notes	2020	2019
Revenues from energy sales and services and other	7	684,031	877,900
Cost of energy sales and other	7	-558,437	-806,127
		125,594	71,773
Other income		5,032	7,773
Supplies and services	9	-33,485	-32,550
Personnel costs and employee benefits	10	-19,921	-14,389
Other expenses		-3,385	-959
		-51,759	-40,125
		73,835	31,648
Amortisation and impairment		-6,706	-7,498
		67,129	24,150
Financial income	12	152,496	188,137
Financial expenses	12	-315,684	-157,941
Profit before income tax		-96,059	54,346
Income tax expense	13	20,006	6,658
<b>Net profit for the period</b>		<b>-76,053</b>	<b>61,004</b>

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**Condensed Company Statements of Comprehensive Income  
for the three-month periods ended at 31 March 2020 and 2019**

Thousand Euros	2020	2019
<b>Net profit for the period</b>	-76,053	61,004
<b>Items that may be reclassified to profit or loss (i)</b>		
Fair value reserve (cash flow hedge) (ii)	-63,333	-118,928
Tax effect from the fair value reserve (cash flow hedge) (ii)	14,250	26,758
	-49,083	-92,170
<b>Other comprehensive income for the period (net of income tax)</b>	-49,083	-92,170
<b>Total comprehensive income for the period</b>	-125,136	-31,166

(i) See Condensed Company Statement of Changes in Equity

(ii) See Note 25

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## EDP - Energias de Portugal, S.A.

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

Thousand Euros	Notes	2020	2019 *
<b>Assets</b>			
Property, plant and equipment		27,901	28,925
Right-of-use assets		109,611	110,947
Intangible assets		99,845	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		70,380	71,163
Deferred tax assets	20	157,391	142,907
Debtors and other assets from commercial activities		701	692
Other debtors and other assets	22	3,478,361	3,289,149
<b>Total Non-Current Assets</b>		<b>19,629,790</b>	<b>19,422,736</b>
Debtors and other assets from commercial activities	21	448,051	583,828
Other debtors and other assets	22	1,907,104	1,551,140
Current tax assets	23	95,948	109,676
Cash and cash equivalents	24	1,171,366	1,037,393
<b>Total Current Assets</b>		<b>3,622,469</b>	<b>3,282,037</b>
<b>Total Assets</b>		<b>23,252,259</b>	<b>22,704,773</b>
<b>Equity</b>			
Share capital		3,656,538	3,656,538
Treasury stock		-55,124	-55,124
Share premium		503,923	503,923
Reserves and retained earnings	25	3,291,077	2,619,244
Net profit for the period		-76,053	720,916
<b>Total Equity</b>		<b>7,320,361</b>	<b>7,445,497</b>
<b>Liabilities</b>			
Financial debt	27	9,465,996	8,494,071
Employee benefits		6,812	6,696
Provisions		1,794	1,794
Trade payables and other liabilities from commercial activities		936	1,144
Other liabilities and other payables	32	544,440	348,890
<b>Total Non-Current Liabilities</b>		<b>10,019,978</b>	<b>8,852,595</b>
Financial debt	27	3,952,412	4,980,058
Employee benefits		69	69
Provisions		926	926
Trade payables and other liabilities from commercial activities	31	597,104	715,314
Other liabilities and other payables	32	1,141,207	681,279
Current tax liabilities	33	220,202	29,035
<b>Total Current Liabilities</b>		<b>5,911,920</b>	<b>6,406,681</b>
<b>Total Liabilities</b>		<b>15,931,898</b>	<b>15,259,276</b>
<b>Total Equity and Liabilities</b>		<b>23,252,259</b>	<b>22,704,773</b>

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

LISBON, 07 MAY 2020

THE CERTIFIED ACCOUNTANT  
N.º 17,713

THE MANAGEMENT

THE EXECUTIVE BOARD OF DIRECTORS

**Condensed Company Statements of Changes in Equity  
for the three-month periods ended at 31 March 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)
<b>Balance as at 31 December 2018</b>	<b>7,484,917</b>	<b>3,656,538</b>	<b>503,923</b>	<b>739,024</b>	<b>2,643,075</b>	<b>-1,328</b>	<b>-</b>	<b>-56,315</b>
Comprehensive income:								
Net profit for the period	61,004	-	-	-	61,004	-	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	-92,170	-	-	-	-	-92,170	-	-
Total comprehensive income for the period	-31,166	-	-	-	61,004	-92,170	-	-
<b>Balance as at 31 March 2019</b>	<b>7,453,751</b>	<b>3,656,538</b>	<b>503,923</b>	<b>739,024</b>	<b>2,704,079</b>	<b>-93,498</b>	<b>-</b>	<b>-56,315</b>
<b>Balance as at 31 December 2019</b>	<b>7,445,497</b>	<b>3,656,538</b>	<b>503,923</b>	<b>739,024</b>	<b>2,672,405</b>	<b>-71,269</b>	<b>-</b>	<b>-55,124</b>
Comprehensive income:								
Net profit for the period	-76,053	-	-	-	-76,053	-	-	-
Changes in the fair value reserve (cash flow hedge) net of taxes	-49,083	-	-	-	-	-49,083	-	-
Total comprehensive income for the period	-125,136	-	-	-	-76,053	-49,083	-	-
<b>Balance as at 31 March 2020</b>	<b>7,320,361</b>	<b>3,656,538</b>	<b>503,923</b>	<b>739,024</b>	<b>2,596,352</b>	<b>-120,352</b>	<b>-</b>	<b>-55,124</b>

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

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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 a deep uncertainty regarding lockdown length and its effects in the shape of economic downturn and recovery. Covid-19 is already impacting EDP Group both operationally and economically, but there are still additional risks with relevant likelihood.

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, CO<sub>2</sub>), partly already felt a few months before the COVID-19 crisis in Europe. The price risk hedging strategy, with very high levels of fixed-price coverage, made it possible 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. 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 in the sectors of activity most affected by the crisis, especially in the event of an extended lockdown. 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 the 825 million Euro tariff deficit and the issue of a 750 million Euro bond loan Euros in early April, 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**

Dispatch 26/2020 of the Portuguese Authority of Energy and Geology (DGEG) was published in 17 March 2020, and included decisions that came from the Council of Ministers on 13 March 2020 where a set of extraordinary and urgent measures to respond to the epidemiological situation of the new Covid-19 were approved, and DGEG joined this effort, simplifying and facilitating some measures related to the billing of fees related 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 installment 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, dated 20 March 2020, which 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, was published, 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 goods and public services. essential elements, 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, 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.

#### **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 31 March 2020, the EDP Group carried out a series of analyzes of these relevant estimates, given that, due to the current scenario of uncertainty and the short time since the pandemic was declared by the WHO, 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 to 31 March 2020. In view of the analysis carried out and, given the existing uncertainties regarding the impact on the credit risk of the respective customer portfolio, the Group decided to maintain the assumptions of the impairment calculation matrices, in accordance with those used on December 31, 2019, and continue to monitor the evolution of this topic, in order to adjust the assumptions that may prove necessary;

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, the EDP Group has changed the discount rate to 1.11% on 31 March 2020 (31 December 2019: 0, 95%). This has resulted in a reduction of the related defined benefit obligation amounting to approximately 35 million Euros. An increase of 50 basis points in this rate would result in a reduction in the defined benefit obligation of approximately 104 million Euros. Moreover, there was a significant reduction in the fair value of the Plans Assets, which translated into a reduction in the value of the Plan Assets of approximately 131 million Euros. In this sense, the provision for employee benefit liabilities, at the reporting date, has been impacted by 66 million Euros (net of tax).

#### **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.

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- 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 will make payments on a set of SME invoices of up to 500 thousand Euros, totaling about 100 Million Euros, by the end of May.

- 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 totaled an investment of approximately 1.7 million Euros.

- Shareholders

The Group upholds the execution of the business plan and the commitment to the proposal of a stable and sustainable dividend 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 three-month period ended 31 March 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, 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 Finance department, was published, which sets the rate of addition on CO<sub>2</sub> 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 CO<sub>2</sub> (in 2019, this value amounted to 12.74€ / ton of CO<sub>2</sub>).

On 27 February 2020, Ordinance 53/2020, of the Ministry of the Environment and Climate Action, 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 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 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 2020, regarding the clawback regime. The main change in this Directive is to allow the breakdown 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, 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).

##### **Portugal - Electricity - Distribution**

On 16 March 2020, Ordinance 73/2020, of the Ministry of Environment and Climate Action, 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).

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

##### **Portugal - Electricity - Supply**

On 23 January 2020, Ordinance 16/2020, of the Ministry of Environment and Climate Action, 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).

On 3 February 2020, DGEG Order 4/2020 was published, which approves the Inspection and Certification Regulation (RIC) and the Technical and Quality Regulation (RTQ), thus implementing the art. 13 of Decree-Law 162/2019 of 25 October 2019, a diploma that establishes the legal regime applicable to self-consumption of renewable energy and CER.

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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 under article 58-D of Decree-Law 76/2019, of 3 June 2020, 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, Regulation 266/2020 of the Energy Services Regulatory Authority (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 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 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. Following the drop in energy prices in the Iberian Electricity Market (MIBEL), ERSE approved a decrease in the price of the energy tariff applied to the regulated market by 5€/MWh, with the change in this component of transitory tariff on sales to end customers a reduction of about 3% in the total electricity bill.

### **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 CO<sub>2</sub>*

Coal and coal coke used in the production of electricity are taxed at a rate corresponding to 50% of the ISP rate and CO<sub>2</sub> addition for 2020. The payment of 50% of the value of the CO<sub>2</sub> addition is the difference between a reference price for CO<sub>2</sub> established at 25€/ tCO<sub>2</sub> and the price subsequent from the arithmetic average resulting from the auctions of GHG emission licenses, with the maximum limit of € 5 / tCO<sub>2</sub>.

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 CO<sub>2</sub> 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 CO<sub>2</sub> as it is a CELE sector.

It is expected that the revenue obtained from ISP and CO<sub>2</sub> 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 CO<sub>2</sub> 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 > a 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.

#### *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.

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#### *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).

#### **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 the state of emergency in Spain, motivated by the health crisis caused by COVID-19, temporarily, and for a period of 6 months, the right to receive the social bonus has been extended to all those self-employed workers or self-employed professionals who have been forced to close their business or who have suffered losses of at least 75% of their turnover, and who also meet the income criteria set out in Royal Decree-Law 11 / 2020, of 31 March 2020, adopting urgent complementary measures in the social and economic field to deal with COVID-19.

#### **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.

##### *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.

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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.

### **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.

Initially the state of emergency was set to last until 29 March 2020 but the Congress extended it until 11 April 2020. Also, the government toughened the lockdown measures on March 28 requiring the halt of all "non-essential" activities from 30 March 2020 to 9 April 2020.

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.

##### *Regulatory framework for the activities in Portugal*

In 27 December 2020, the Portuguese Government published the Dispatch n° 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, DL n° 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€ upfront and 0,037€/MWh for the issuing of the corresponding GOs. Additionally, there is a cost of 250 € 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.

In order to prevent further spread of the Covid-19, the state of emergency was declared by Presidential Decree no. 14-A/2020, of 18 March, as authorized by the Parliament's Resolution no. 15 A/2020, of 18 March 2020.

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On 27 March 2020, the new solar auction was announced by the Energy Secretary of State. Despite the announcement, there is still no date for the auction's launch, due to the Covid-19 pandemic's effects on the market. 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; 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, where the participants will need to bid a discount to an annual capacity payment.

Following the Portuguese Government's measures driven by Covid-19 pandemic emergency, the Portuguese energy authority (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).

*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).

*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, two renewable auction rounds are expected, one in Q2 and another 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.

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.

*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'Energie) 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 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.

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 Ministry announced that it would extend deadlines for wind and solar projects trying to complete permitting or construction works during the coronavirus crisis, as these works are becoming increasingly difficult amid lockdown restrictions. 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) would be tendered on 1 July 2020, the remaining capacity (2/3, this is, 500 MW) would be tendered on 1 November 2020.



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## 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 31 March 2020 and 2019 and EDP S.A.'s Executive Board of Directors approved them on 7 May 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 31 March 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.

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 31 March 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 761,551 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 779,943 thousand Euros.

#### *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 in course projects 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 how control this 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 the 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 this companies as well the results from acquisitions and/or disposals in this 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.

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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 31 March 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.

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; and
- IAS 1 (Amended) - Classification of Liabilities as Current or Non-current

### **4. Critical Accounting Estimates and Judgements in Preparing the Financial Statements**

IFRS require 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 - Initial Amount**

Following a Portuguese Government decision to extinguish the Power Purchase Agreement (PPA), the early termination of the PPAs of EDP Produção had effect from 1 July 2007.

As a result of the PPAs extinction and in accordance with the applicable legislation, a contractual stability compensation (CMEC) was granted to EDP Group. This mechanism includes three types of compensation: initial compensation, annual compensation (or revisability) and final adjustment.

Initial compensation was recognised when the PPAs terminated as an account receivable of 833,467 thousand Euros, booked as a receivable asset at its net present value, against deferred income. This compensation is recognised as operating income each period against the deferred initial compensation. According to the applicable legislation, the securitization of this amount is allowed.

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ii) Contractual stability compensation – Annual revisibility mechanism

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 revisibility calculation with respect to the revenues from the ancillary services market, regarding power plants under CMEC.

Revisibility 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 revisibility of 2015 has been authorised.

iii) 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 31 March 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 I 1566-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 I 1566-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.

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Subsequently, in the Dispatch 9371/2017, of 24 October 2017, partially nullified by 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 from 24 October and Dispatch 9955/2017, from 17 November. 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 correspond to the suspension of the off-market event verified within the European Union, which is considered in the clawback calculation.

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

- Order 895/2019 of 23 January, establishing the suspension of the "Clawback" was approved for a period of 6 months as from 1 October 2018;
- The Tariff and Price Document for 2019, published on 17 December 2018, estimates a Clawback value of € 4.18/MWh, to be applied after the end of the suspension period (more specifically from 6 April 2019);
- ERSE has 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. 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.

### **Ancillary Services**

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 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.

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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.

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.

#### **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 the 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 above mentioned ancillary services (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 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 22,541 thousand Euros (see note 29), using this provision, so that at 31 March 2020 this provision amount of 170,001 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.

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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.

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 arbitration process 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, 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".

However, in March 2020, EDP Distribuição requested the annulment of the aforementioned Order, requesting the initiation of the arbitration process.

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**

During the first quarter of 2020, no significant changes occurred to the risks to which the Group is exposed, or to their management, compared to that has been disclosed in the last annual report period. The description of risks and of their management is disclosed in note 5 - Financial Risk Management Policies of the Annual Report of 2019. The impact of Covid-19 has been felt on the interest and exchange rates to which the EDP Group is exposed, yet so far the Group has not considered necessary to change its Financial Risk Management Policies. However, given that its duration and global impacts are still unknown, the EDP Group continues to monitor the risks, seeking to anticipate and manage possible impacts.

### **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 31 March 2020 and 2019, would lead to an increase/(decrease) in the EDP Group results and/or equity as follows:

Thousand Euros	Mar 2020			
	Profit or loss		Equity	
	+10%	-10%	+10%	-10%
USD	1,106	-1,351	-168,187	205,562
	1,106	-1,351	-168,187	205,562

Thousand Euros	Mar 2019			
	Profit or loss		Equity	
	+10%	-10%	+10%	-10%
USD	54,307	-66,375	-120,757	147,592
	54,307	-66,375	-120,757	147,592

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

Thousand Euros	Mar 2020			
	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
<b>Cash flow effect:</b>				
Hedged debt	-12,302	12,302	-	-
Unhedged debt	-4,473	4,473	-	-
<b>Fair value effect:</b>				
Cash flow hedging derivatives	-	-	6,606	-6,606
Trading derivatives (accounting perspective)	-1,298	1,307	-	-
	-18,073	18,082	6,606	-6,606

Thousand Euros	Mar 2019			
	Profit or loss		Equity	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
<b>Cash flow effect:</b>				
Hedged debt	-14,052	14,052	-	-
Unhedged debt	-4,171	4,171	-	-
<b>Fair value effect:</b>				
Cash flow hedging derivatives	-	-	6,665	-4,819
Trading derivatives (accounting perspective)	2,782	-6,855	-	-
	-15,441	11,368	6,665	-4,819

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 31 March 2020 and 2019, in the amount of:

Thousand Euros	Mar 2020	
	+ 25%	- 25%
Financial instruments - assets	3,039	-2,945
Financial instruments - liabilities	-122,682	108,847
Derivative financial instruments	-	-
	-119,643	105,902

Thousand Euros	Mar 2019	
	+ 25%	- 25%
Financial instruments - assets	7,081	-7,091
Financial instruments - liabilities	-54,802	55,009
Derivative financial instruments	-1,012	1,085
	-48,733	49,003

**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).

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The table below shows the contractual undiscounted cash flows and the estimated interests due, computed using the rates available at 31 March 2020:

Thousand Euros	Mar21	Dec 2021	Dec 2022	Dec 2023	Dec 2024	Following years	Total
Bank loans	230,900	118,347	121,704	121,021	110,546	1,031,717	1,734,235
Bond loans	2,268,116	134,935	1,293,120	1,442,592	2,465,757	3,610,503	11,215,023
Hybrid Bond	43,906	-	-	-	-	1,750,000	1,793,906
Commercial paper	291,684	100,000	-	-	280,815	-	672,499
Other loans	2,029	301	34	211	-	10,238	12,813
Interest Payments (i)	246,460	351,222	306,173	275,492	145,021	255,402	1,579,770
	3,083,095	704,805	1,721,031	1,839,316	3,002,139	6,657,860	17,008,246

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	
		Mar 2020	Dec 2019
<b>Business</b>	<b>Portfolio</b>		
Electricity	Trading	968	536
Electricity	Trading + Hedging	102,941	87,680
Gas	Hedging	21,386	10,541
Diversification effect		-28,052	-10,971
		97,243	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:

	Mar 2020	Dec 2019
<b>Credit risk rating (S&amp;P)</b>		
AAA to AA-	3.56%	1.97%
A+ to A-	19.60%	28.46%
BBB+ to BBB-	63.59%	61.24%
No rating assigned	13.25%	8.33%
	100.00%	100.00%

#### 6. Consolidation Perimeter

During 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. z o.o. acquired 100% of the company Wind Field Wielkopolska, Sp. z o.o.

##### 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.

##### 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.



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

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

Thousand Euros	Group		Company	
	Mar 2020	Mar 2019	Mar 2020	Mar 2019
Electricity and network access	3,041,623	3,263,124	602,303	727,606
Gas and network access	286,984	268,102	40,915	-
Sales of CO2 Licenses	-	-	-	108,951
Revenue from assets assigned to concessions	134,115	160,657	-	-
Other	39,240	52,294	40,813	41,343
	3,501,962	3,744,177	684,031	877,900

The caption Electricity and network access in Portugal, on a consolidated basis, includes a net revenue of 302,445 thousand Euros (revenue in 31 March 2019: 320,799 thousand Euros) regarding tariff adjustments of the period (see notes 21 and 31). This caption also includes a net revenue of 9,470 thousand Euros (31 March 2019: net cost of 16,488 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 negative amount of 19,925 thousand Euros (31 March 2019: negative amount of 19,131 thousand Euros) related to the contractual stability compensation (CMEC) as a result of the power purchase agreements (PPA) termination, including a income of 23,479 thousand Euros related to the CMEC final adjustment (31 March 2019: positive amount of 20,963 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 317,528 thousand Euros (31 March 2019: 367,881 thousand Euros) related with energy sales under the purchase and sale agreement of evolutive energy between EDP, S.A. and EDP Comercial S.A.

The breakdown of Revenues from energy sales and services and other by segment, are as follows (see note 41 - Operating Segments):

Thousand Euros	Mar 2020					
	Reported Operating Segments				Other Segments	Group
	Renewables	Networks	Client	Total		
			Solutions & Energy Management			
Electricity and network access	342,485	847,167	1,851,973	3,041,625	-3	3,041,622
Gas and network access	-	3,957	283,027	286,984	-	286,984
Revenue from assets assigned to concessions	-	134,115	-	134,115	-	134,115
Other	9,550	11,388	17,265	38,203	1,038	39,241
	352,035	996,627	2,152,265	3,500,927	1,035	3,501,962

	Mar 2019					Group
	Reported Operating Segments					
	Renewables	Networks	Client	Total	Other Segments	
			Solutions & Energy Management			
Thousand Euros						
Electricity and network access	356,263	942,666	1,964,198	3,263,127	-2	3,263,125
Gas and network access	-	4,690	263,412	268,102	-	268,102
Revenue from assets assigned to concessions	-	160,652	6	160,658	-	160,658
Other	12,415	10,918	27,069	50,402	1,890	52,292
	368,678	1,118,926	2,254,685	3,742,289	1,888	3,744,177

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".

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Cost of energy sales and other are as follows:

Thousand Euros	Group		Company	
	Mar 2020	Mar 2019	Mar 2020	Mar 2019
<b>Cost of electricity</b>	1,503,827	1,695,107	559,617	710,338
<b>Cost of gas</b>	299,137	314,685	-	-
<b>Expenditure with assets assigned to concessions</b>	109,972	141,787	-	-
<b>Changes in inventories and cost of raw materials and consumables used</b>				
Fuel, steam and ashes	29,539	136,766	-	-
Gas	49,078	11,892	36,686	-
CO2 Licenses	31,494	64,131	-	115,549
Other	4,090	18,938	-37,866	-19,760
	114,201	231,727	-1,180	95,789
	2,027,137	2,383,306	558,437	806,127

Cost of electricity includes, on a company basis, costs of 304,033 thousand Euros (31 March 2019: 329,396 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	
	Mar 2020	Mar 2019
<b>Revenue from assets assigned to concessions</b>	134,115	160,657
<b>Expenditure with assets assigned to concessions</b>		
Subcontracts and other materials	-84,227	-116,782
Personnel costs capitalised (see note 10)	-18,232	-19,406
Capitalised borrowing costs (see note 12)	-7,513	-5,599
	-109,972	-141,787

Revenue from assets assigned to concessions include 76,838 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 there was no sales of CO2 licenses in 2020.

## 8. Other Income

Other income, for the Group, are as follows:

Thousand Euros	Group	
	Mar 2020	Mar 2019
Income arising from institutional partnerships (see note 30)	51,081	46,510
Gains from contractual indemnities and insurance companies	8,530	4,796
Other	36,327	50,513
	95,938	101,819

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 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.

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## 9. Supplies and Services

Supplies and services are as follows:

Thousand Euros	Group		Company	
	Mar 2020	Mar 2019	Mar 2020	Mar 2019
Consumables and communications	7,478	8,176	2,087	1,927
Rents and leases	11,227	9,657	3,184	1,402
Maintenance and repairs	84,505	89,361	5,964	10,746
Specialised works:				
- Commercial activity	36,780	38,099	257	63
- IT services, legal and advisory fees	20,875	19,828	10,490	7,749
- Other services	13,032	8,882	6,036	5,069
Provided personnel	-	-	1,935	2,004
Other supplies and services	27,114	25,607	3,532	3,590
	201,011	199,610	33,485	32,550

## 10. Personnel Costs and Employee Benefits

Personnel costs and employee benefits are as follows:

Thousand Euros	Group		Company	
	Mar 2020	Mar 2019	Mar 2020	Mar 2019
<b>Personnel costs</b>				
Board of Directors remuneration	4,839	4,498	1,780	1,703
Employees' remuneration	121,302	123,143	10,842	10,208
Social charges on remuneration	29,016	29,125	2,673	2,503
Performance, assiduity and seniority bonus	19,612	14,163	3,352	-1,465
Other costs	6,032	6,205	97	250
Own work capitalised:				
- Assigned to concessions (see note 7)	-18,232	-19,406	-	-
- Other (see note 14)	-15,302	-13,526	-	-
	147,267	144,202	18,744	13,199
<b>Employee benefits</b>				
Pension plans costs	5,171	5,608	494	603
Medical plans costs and other benefits (see note 28)	1,726	1,568	22	89
Other	10,867	7,909	661	498
	17,764	15,085	1,177	1,190
	165,031	159,287	19,921	14,389

Pension plans costs include 1,512 thousand Euros (31 March 2019: 1,387 thousand Euros) related to defined benefit plans (see note 28) and 3,659 thousand Euros (31 March 2019: 4,221 thousand Euros) related with defined contribution plans.

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

During the first quarter of 2020, no treasury stocks were granted to employees.

## 11. Other Expenses

Other Expenses are as follows:

Thousand Euros	Group	
	Mar 2020	Mar 2019
Concession rents paid to local authorities and others	69,350	70,394
Direct and indirect taxes	113,718	76,088
Donations	4,469	1,079
Other	22,088	20,732
	209,625	168,293

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, in a general way, from 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.

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## 12. Financial Income and Expenses

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

Thousand Euros	Group	
	Mar 2020	Mar 2019
<b>Financial income</b>		
Interest income from bank deposits and other investments	9,203	13,381
Interest from derivative financial instruments	7,906	8,001
Interest income on tariff deficit:		
- Portugal - Electricity (see note 21)	505	1,342
- Brazil - Electricity (see notes 21 and 31)	388	244
Other interest income	11,940	12,844
Derivative financial instruments	9,079	7,703
Foreign exchange gains	67,165	12,121
CMEC:		
- Interest on the initial CMEC	7,642	8,414
- Financial effect considered in the calculation	1,948	1,998
Gains on the sale of financial investments	41	-
Other financial income	9,580	12,498
	<b>125,397</b>	<b>78,546</b>
<b>Financial expenses</b>		
Interest expense on financial debt	130,008	168,600
Bonds buyback	56,897	-
Capitalised borrowing costs:		
- Assigned to concessions (see note 7)	-7,513	-5,599
- Other (see note 14)	-4,844	-3,586
Interest from derivative financial instruments	8,413	7,888
Interest expense on tariff deficit:		
- Portugal - Electricity (see note 31)	17	56
- Brazil - Electricity (see notes 21 and 31)	3,939	425
Other interest expense	4,832	8,951
Derivative financial instruments	23,383	12,686
Foreign exchange losses	57,404	13,037
CMEC	2,600	3,356
Unwinding of discounted liabilities	32,412	31,856
Unwinding of lease liabilities (rents due from lease contracts) (see note 32)	8,963	10,018
Net interest on the net pensions plan liability (see note 28)	1,740	2,659
Net interest on the medical liabilities and other benefits (see note 28)	4,121	6,043
Losses on the sale of the electricity tariff deficit - Portugal (see note 21)	1,037	-
Other financial expenses	7,805	7,815
	<b>331,214</b>	<b>264,205</b>
<b>Financial income/(expenses)</b>	<b>-205,817</b>	<b>-185,659</b>

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 2,190 thousand Euros (31 March 2019: 1,653 thousand Euros) (see note 29); (ii) the implied financial return in institutional partnerships of 22,257 thousand Euros (31 March 2019: 21,607 thousand Euros) (see note 30); and (iii) the financial expenses related to the discount of the liability associated to the concessions of Alqueva/Pedrógão, Investco and Enerpeixe of 4,596 thousand Euros (31 March 2019: 5,681 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	
	Mar 2020	Mar 2019
<b>Financial income</b>		
Interest income from loans to subsidiaries and related parties (see note 37)	13,324	18,953
Interest from derivative financial instruments	38,636	42,497
Derivative financial instruments	77,872	39,422
Income from equity investments	-	70,800
Gains on the sale of financial investments	41	-
Other financial income	22,623	16,465
	152,496	188,137
<b>Financial expenses</b>		
Interest expense on financial debt	48,660	59,265
Bonds Buyback	56,897	-
Interest from derivative financial instruments	40,363	42,406
Derivative financial instruments	161,508	49,639
Unwinding of lease liabilities (rents due from lease contracts)	1,371	1,408
Other financial expenses	6,885	5,223
	315,684	157,941
<b>Financial income/(expenses)</b>	<b>-163,188</b>	<b>30,196</b>

The caption Other financial income includes 4,911 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 155 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, dividends received in 2019 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.

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

	Mar 2020	Mar 2019
<b>Europe:</b>		
Belgium	25%	30%
France	28% - 32.02%	28% - 34.43%

#### Corporate income tax provision

Income tax expense is as follows:

Thousand Euros	Group		Company	
	Mar 2020	Mar 2019	Mar 2020	Mar 2019
Current tax	-210,847	58,908	20,095	8,316
Deferred tax	118,421	-157,643	-89	-1,658
	-92,426	-98,735	20,006	6,658

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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	
	Mar 2020	Mar 2019	Mar 2020	Mar 2019
Profit before tax and CESE	391,172	363,885	-96,059	54,346
Income tax expense	-92,426	-98,735	20,006	6,658
Effective income tax rate	23.6%	27.1%	20.8%	-12.3%

The difference between the theoretical and the effective income tax expense results from the application of the law provisions 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 March 2020 and 2019, is as follows:

Thousand Euros	Mar 2020	Mar 2019
<b>Profit before income tax and CESE</b>	391,172	363,885
Theoretical income tax rate *	29.5%	29.5%
<b>Theoretical income tax expense</b>	115,396	107,346
Tax losses and tax credits	2,420	4,921
Tax benefits	-5,802	-7,095
Differences between accounting and fiscal provisions/depreciations	-1,046	3,905
Accounting/fiscal differences on the recognition/derecognition of assets	-868	-30
Taxable differences attributable to non-controlling interests	-3,713	-3,007
Other adjustments and changes in estimates	-13,961	-7,305
<b>Effective income tax expense as per the Consolidated Income Statement</b>	92,426	98,735

\* 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	74,087	329,232	35,066,726	432,046	1,651,326	37,553,417
Accumulated depreciation and impairment losses	-	148,417	17,463,944	346,227	81,494	18,040,082
<b>Carrying Amount</b>	74,087	180,815	17,602,782	85,819	1,569,832	19,513,335
<b>Balance as at 31 December 2019</b>	82,310	214,417	17,653,425	91,281	1,634,789	19,676,222
Additions	47	-	3,422	1,341	289,158	293,968
Depreciation and impairment	-	-2,244	-239,795	-7,100	-	-249,139
Disposals/Write-offs	-56	-52	-1,418	-230	-160	-1,916
Transfers	-	349	342,296	995	-337,600	6,040
Exchange Difference	-8,214	-31,651	-155,145	-460	-16,357	-211,827
Perimeter Variations	-	-4	-3	-8	2	-13
<b>Balance as at 31 March 2020</b>	74,087	180,815	17,602,782	85,819	1,569,832	19,513,335

Gross amount of Assets under construction are as follows:

Thousand Euros	Mar 2020	Dec 2019
Wind and solar farms in North America	955,976	1,003,395
Wind and solar farms in Europe	399,295	345,360
Hydric Portugal	73,479	142,573
Other assets under construction	222,577	228,110
	1,651,327	1,719,438

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

Thousand Euros	Mar 2020
Subcontracts and other materials	248,008
Purchase price allocation	24,010
Dismantling and decommissioning costs (see note 29)	1,757
Personnel costs (see note 10)	15,302
Borrowing costs (see note 12)	4,844
	293,921

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Additions include the investment in wind and solar farms by the subgroups EDPR NA, EDPR EU and EDPR BR. 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, Ribatejo and Sines).

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 assets (Hydro Brazil, Hydro Portugal and Offshore wind) by the net amount of 6,040 thousand Euros (cost in the amount of 10,814 thousand Euros and accumulated depreciation and impairment losses in the amount of 4,774 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	693,164	216,679	3,994	8,032	921,869
Accumulated depreciation and impairment losses	32,909	29,106	1,219	3,876	67,110
<b>Carrying Amount</b>	<b>660,255</b>	<b>187,573</b>	<b>2,775</b>	<b>4,156</b>	<b>854,759</b>
<b>Balance as at 31 December 2019</b>	<b>623,389</b>	<b>196,233</b>	<b>3,639</b>	<b>5,242</b>	<b>828,503</b>
Additions	36,077	324	68	206	36,675
Depreciation and impairment	-6,988	-6,501	-274	-863	-14,626
Disposals/Write-offs	-	-174	-	-5	-179
Transfers	-	315	-	37	352
Exchange Difference	7,777	-2,624	-658	-461	4,034
<b>Balance as at 31 March 2020</b>	<b>660,255</b>	<b>187,573</b>	<b>2,775</b>	<b>4,156</b>	<b>854,759</b>

Additions include, essentially, new lease contracts registered under IFRS16 in the EDPR NA and EDPR EU subgroup.

Transfers include the transfer to held for sale of Electricity generation assets (Hydro Brazil and Offshore wind).

## 16. Intangible Assets

This caption is as follows:

Milhares de Euros	Concession rights	CO2 Licenses	Other intangibles	Intangible assets in progress	Total
Gross amount	12,382,558	226,732	1,050,690	233,345	13,893,325
Accumulated depreciation and impairment losses	9,210,858	-	618,597	-	9,829,455
<b>Carrying Amount</b>	<b>3,171,700</b>	<b>226,732</b>	<b>432,093</b>	<b>233,345</b>	<b>4,063,870</b>
<b>Balance as at 31 December 2019</b>	<b>3,337,501</b>	<b>224,992</b>	<b>442,326</b>	<b>219,004</b>	<b>4,223,823</b>
Additions	9,375	1,740	4,708	25,077	40,900
Depreciation and impairment	-87,714	-	-15,845	-	-103,559
Disposals/Write-offs	-1,639	-	-	-77	-1,716
Transfers	17,877	-	4,497	-7,859	14,515
Exchange Difference	-104,054	-	-3,355	-2,817	-110,226
Perimeter Variations	354	-	-238	17	133
<b>Balance as at 31 March 2020</b>	<b>3,171,700</b>	<b>226,732</b>	<b>432,093</b>	<b>233,345</b>	<b>4,063,870</b>

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

Transfers refer to the intangible assets assigned to concessions that became operational, in the amount of 15,019 thousand Euros (see note 21). Additionally, this caption includes the transfer to held for sale of Electricity generation assets (Hydro Brazil, Hydro Portugal and Offshore wind).

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

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**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 31 March
EDP España Group	884,574	-	-	-	-	884,574
EDP Renováveis Group	1,198,498	-	-	-	16,899	1,215,397
EDP Brasil Group	29,903	-	-	-	-984	28,919
Other	6,887	-	-	-	-	6,887
	<b>2,119,862</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,915</b>	<b>2,135,777</b>

**18. Investments in Joint Ventures and Associates**

This caption is as follows:

Thousand Euros	Group	
	Mar 2020	Dec 2019
Investments in joint ventures	875,360	936,496
Investments in associates	112,691	162,016
	<b>988,051</b>	<b>1,098,512</b>

As at 31 March 2020, for the Group, this caption includes goodwill in investments in joint ventures of 42,253 thousand Euros (31 December 2019: 42,226 thousand Euros) and goodwill in investments in associates of 20,070 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	
	Mar 2020	Dec 2019
<b>Balance at the beginning of the period</b>	<b>1,098,512</b>	<b>951,613</b>
Acquisitions/Entries	-	6,982
Increases/Decreases of share capital	25,555	260,298
Share of profit in joint ventures and associates	-1,297	25,011
Dividends	-3,107	-45,771
Exchange differences	-78,869	107
Cash flow hedging reserve	-1,721	-10,334
Transfer to Assets held for sale (see note 34)	-24,405	-90,270
Other	-26,617	876
<b>Balance at the end of the period</b>	<b>988,051</b>	<b>1,098,512</b>

**19. Equity Instruments at Fair Value**

As at 31 March 2020, the movements in Equity Instruments at Fair Value through OCI are as follows:

Thousand Euros	Group	
	Mar 2020	Dec 2019
Equity Instruments at Fair Value through OCI	96,240	102,814
Equity Instruments at Fair Value through PL	67,912	67,992
	<b>164,152</b>	<b>170,806</b>

As at 31 March 2020, this caption is analysed as follows:

Thousand Euros	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	
<b>Balance as at 31 December 2019</b>	80,079	22,735	14,416	46,814	6,762	170,806
Acquisitions	-	662	-	-	-	662
Disposals	-	-170	-	-	-	-170
Change in fair value	-6,488	-623	-	-	-	-7,111
Other variations	-	45	-	-	-80	-35
<b>Balance as at 31 March 2020</b>	<b>73,591</b>	<b>22,649</b>	<b>14,416</b>	<b>46,814</b>	<b>6,682</b>	<b>164,152</b>



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Under IFRS 13 (see note 38), equity instruments at fair value are classified into three levels of fair value: level 1 includes essentially financial investments that are indexed to quoted market prices; level 2 includes the fund of stocks and bonds held by Energia RE; and level 3 covers all other equity instruments at fair value. As at 31 March 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 31 March 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 31.03.2020
Thousand Euros					
Tax losses and tax credits	1,067,738	-27,655	-	20,931	1,061,014
Provisions for social benefits, bad debts and other risks	666,766	-6,674	28,096	-30,454	657,734
Financial instruments	84,851	-26,863	55,530	-479	113,039
Property plant and equipment	278,901	-388	-	-151	278,362
Financial and equity instruments at fair value	248	-	131	-6	373
Tariff adjustments and tariff deficit	14,448	188,376	-	-	202,824
Allocation of fair value to assets and liabilities acquired	13,248	-2,192	-	-45	11,011
Fiscal revaluations	392,872	-12,472	-	623	381,023
Use of public property	24,437	125	-	-5,095	19,467
Other temporary differences	86,815	2,580	1,035	660	91,090
Assets/liabilities compensation of deferred taxes	-1,546,278	-4,058	-1,035	-47,935	-1,599,306
	1,084,046	110,779	83,757	-61,951	1,216,631

Net Deferred Tax Liabilities					
	Balance at 01.01.2020	Mov. Results	Mov. Reserves	Perimeter variations, exchange differences and others	Balance at 31.03.2020
Thousand Euros					
Provisions for social benefits, bad debts and other risks	16,375	229	-1,618	-	14,986
Financial instruments	122,266	-17,706	89,345	-4,454	189,451
Property plant and equipment	404,458	-15,931	-	5,516	394,043
Reinvested gains	3,192	-	-	-	3,192
Financial and equity instruments at fair value	10,551	-393	-	-	10,158
Tariff adjustments and tariff deficit	109,158	27,801	-	-	136,959
Allocation of fair value to assets and liabilities acquired	663,855	8,741	-	-30,133	642,463
Fiscal revaluations	61,552	-1,020	-	61	60,593
Deferred income relating to CMEC	177,611	-9,166	-	-	168,445
Gains from institutional partnerships in wind farms	349,644	1,434	4	8,821	359,903
Use of public property	6,958	-97	-	-1,433	5,428
Fair value of financial assets	56,977	1,508	-	-12,048	46,437
Other temporary differences	67,427	1,016	-	-6,525	61,918
Assets/liabilities compensation of deferred taxes	-1,546,278	-4,058	-1,035	-47,935	-1,599,306
	503,747	-7,642	86,696	-88,130	494,670

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

<b>Net Deferred Tax Assets</b>					
	<b>Balance at 01.01.2020</b>	<b>Mov. Results</b>	<b>Mov. Reserves</b>	<b>Perimeter variations, exchange differences and others</b>	<b>Balance at 31.03.2020</b>
<b>Thousand Euros</b>					
Tax losses and tax credits	116,483	-	-	-	116,483
Provisions for social benefits, bad debts and other risks	6,065	242	-	-	6,307
Financial instruments	48,337	-	25,759	-	74,096
Property plant and equipment	4,330	-11	-	-	4,319
Other temporary differences	3,086	-322	-	323	3,087
Assets/liabilities compensation of deferred taxes	-35,394	-11,507	-	-	-46,901
	<b>142,907</b>	<b>-11,598</b>	<b>25,759</b>	<b>323</b>	<b>157,391</b>

<b>Net Deferred Tax Liabilities</b>					
	<b>Balance at 01.01.2020</b>	<b>Mov. Results</b>	<b>Mov. Reserves</b>	<b>Perimeter variations, exchange differences and others</b>	<b>Balance at 31.03.2020</b>
<b>Thousand Euros</b>					
Financial instruments	27,642	-	11,509	-	39,151
Allocation of fair value to assets and liabilities acquired	3,546	-	-	-	3,546
Fiscal revaluations	192	-2	-	-	190
Other temporary differences	4,014	-	-	-	4,014
Assets/liabilities compensation of deferred taxes	-35,394	-11,507	-	-	-46,901
	<b>-</b>	<b>-11,509</b>	<b>11,509</b>	<b>-</b>	<b>-</b>

## 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	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019
<b>Assets measured at amortised cost:</b>				
Amounts receivable from tariff adjustments - Electricity - Portugal	300,630	254,482	124,952	82,166
Amounts receivable from tariff adjustments - Electricity - Brazil	13,773	29,105	43,409	50,486
Debtors for other goods and services	-	-	38,954	32,201
Amounts receivable relating to CMEC	561,225	579,160	201,093	197,905
Amounts receivable from concessions - IFRIC 12	976,149	954,132	65,054	57,916
Other assets measured at amortised cost	43,992	44,935	116,010	155,600
Impairment losses on other assets measured at amortised cost	-2,894	-2,895	-2,645	-2,694
	<b>1,892,875</b>	<b>1,858,919</b>	<b>586,827</b>	<b>573,580</b>
<b>Trade receivables at amortised cost:</b>				
Trade receivables	41,762	49,305	1,334,111	1,480,280
Impairment losses on trade receivables	-14,664	-16,285	-284,382	-302,687
	<b>27,098</b>	<b>33,020</b>	<b>1,049,729</b>	<b>1,177,593</b>
<b>Assets measured at fair value through other comprehensive income:</b>				
Amounts receivable from tariff adjustments - Electricity - Portugal	5,565	6,292	2,876	2,865
<b>Assets measured at fair value through profit or loss:</b>				
Amounts receivable from concessions - IFRIC 12	542,498	664,489	-	-
<b>Contract assets:</b>				
Contract assets receivable from energy sales contracts	1,093	1,355	987,771	1,051,994
Incremental costs of obtaining contracts with customers	72,968	63,752	-	-
Contract assets receivable from concessions - IFRIC 12	649,311	743,111	-	-
	<b>723,372</b>	<b>808,218</b>	<b>987,771</b>	<b>1,051,994</b>
<b>Other assets:</b>				
Other assets out of scope of IFRS 9	54,612	53,282	70,023	52,128
	<b>3,246,020</b>	<b>3,424,220</b>	<b>2,697,226</b>	<b>2,858,160</b>

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

Thousand Euros	Current	
	Mar 2020	Dec 2019
<b>Assets measured at amortised cost:</b>		
Debtors for other goods and services	22,102	26,509
Other assets measured at amortised cost	46,094	62,754
	68,196	89,263
<b>Trade receivables at amortised cost:</b>		
Trade receivables	182,712	237,424
Impairment losses on trade receivables	-215	-215
	182,497	237,209
<b>Contract assets:</b>		
Contract assets receivable from energy sales contracts	179,591	252,885
<b>Other assets:</b>		
Other assets out of scope of IFRS 9	17,767	4,471
	448,051	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
<b>Balance as at 31 December 2019</b>	260,774	85,031
Receipts through the electricity tariff	-	-22,119
Sale of 2020 overcosts for the special regime generators	-	-821,221
Tariff adjustment of the period (see note 7)	109,453	236,171
Interest income (see note 12)	-	505
Prepayment of tariff deficit (see note 31)	-	585,429
Transfer from Non-Current to Current	-64,032	64,032
<b>Balance as at 31 March 2020</b>	306,195	127,828

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 31 March 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 31 March 2020:

Thousand Euros	Deficit	Tariff adj.	Sales	Total
<b>Year:</b>				
2016	5,768	1,449	-	7,217
2018	6,825	-34,563	-	-27,738
2019	1,616	343,521	-	345,137
2020	821,221	109,406	-821,221	109,406
	835,430	419,814	-821,221	434,023

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 31 March 2020, of 20,020 thousand Euros (31 December 2019: 33,190 thousand Euros) and 37,162 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 7,993 thousand Euros (see note 7), transfer from tariff adjustment payable of 7,844 thousand Euros (see note 31), amounts received through the electricity tariff of 24,692 thousand Euros, unwinding in the amount of 2,041 thousand Euros (see note 12) and the exchange differences due to depreciation of Brazilian Real against Euro with a negative impact of 15,595 thousand Euros.

The caption Amounts receivable relating to CMEC amounts to 762,318 thousand Euros, and includes 561,225 thousand Euros as non-current and 201,093 thousand Euros as current. The amount receivable relating to CMEC includes 382,534 thousand Euros as non-current and 44,203 thousand Euros as current, which correspond to the initial CMEC granted to EDP Produção (833,467 thousand Euros), deducted from the annuities for the years 2007 to 2017, and 178,691 thousand Euros as non-current and 55,638 thousand Euros as current, relating with the final adjustment recognised in accordance with the result achieved by the EDP/REN working group. The remaining 101,252 thousand Euros as current correspond to the amounts receivable through the revisibility calculation from 2014 to 2017. The revisibility calculation for 2015 to 2017 is still waiting the official approval.

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The caption Amounts receivable from concessions - IFRIC 12 in the amount of 1,583,701 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 153,601 thousand Euros; (ii) transfers from Contract assets receivable from concessions in the amount of 53,136 thousand Euros; and (iii) the re-measurement of IFRIC 12 indemnity amount in Brazil concessions of 4,435 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 quarter 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 144,203 thousand Euros; (ii) the investment of the period in the amount of 100,597 thousand Euros and (iii) the transfer of assets assigned to concessions which began operation to intangible assets, in the amount of 15,019 thousand Euros (see note 16), and to Amounts receivable from concessions - IFRIC 12, in the amount of 53,136 thousand Euros.

## 22. Other Debtors and Other Assets

Other debtors and other assets are as follows:

Thousand Euros	Group		Company	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019 *
<b>Debtors and other assets - Non-Current</b>				
<b>Assets measured at amortised cost:</b>				
Loans to subsidiaries	-	-	3,047,434	3,016,108
Loans to related parties	8,056	9,070	90	90
Guarantees rendered to third parties	94,589	107,744	-	-
Other financial assets at amortised cost (i)	40,488	46,382	18	46,900
<b>Assets measured at fair value through profit or loss:</b>				
Derivative financial instruments (see note 35)	360,006	201,349	430,715	225,947
Contingent price	141,853	155,353	-	-
<b>Other assets:</b>				
Excess of the pension fund financing (see note 28)	55,506	55,506	104	104
Other debtors and sundry operations	361,214	357,174	-	-
	1,061,712	932,578	3,478,361	3,289,149
<b>Debtors and other assets - Current</b>				
<b>Assets measured at amortised cost:</b>				
Loans to subsidiaries	-	-	304,301	297,616
Dividends attributed by subsidiaries	-	-	-	85,000
Loans to related parties	13,969	13,257	-	-
Receivables from the State and concessors	23,939	27,955	-	-
Guarantees rendered to third parties	47,458	70,809	42,087	43,980
Subsidiary companies	-	-	298,153	69,318
Other financial assets at amortised cost (i)	23,234	23,025	419,740	526,428
<b>Assets measured at fair value through profit or loss:</b>				
Derivative financial instruments (see note 35)	462,771	363,943	753,169	439,143
Other financial investments measured at fair value	41,792	29,938	-	-
Contingent price	107,605	129,161	-	-
<b>Other assets:</b>				
Other debtors and sundry operations	128,525	223,691	89,654	89,655
	849,293	881,779	1,907,104	1,551,140
	1,911,005	1,814,357	5,385,465	4,840,289

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

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Loans to subsidiaries - Non-Current and Current, for the Company, mainly includes 1,372,080 thousand Euros (31 December 2019: 1,369,908 thousand Euros) of loans granted to EDP - Gestão da Produção de Energia, S.A. and 1,507,097 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 31 March 2020 there are no expected credit losses accounted for related to loans with subsidiaries.

**(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 Mar 2019
Overcost from special regime production 2016	Ago 2016	462	693		1,155
Overcost from special regime production 2017	Dez 2017	613	546	14,356	15,515
Overcost from special regime production 2018	Jun 2018	462	1,132	23,801	25,395
Overcost from special regime production 2019	Jun 2019	606	640	20,390	21,636
		2,143	3,011	58,547	63,701

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.

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.	29 Jun 2020	EUR	4.13%	300,000	66,628	69,196
EDP Finance B.V.	14 Sep 2020	EUR	4.88%	750,000	287,778	300,247
EDP Finance B.V.	20 Jan 2021	EUR	4.13%	600,000	46,783	48,239
					401,189	417,682

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.

**23. Tax Assets**

Current tax assets are as follows:

Thousand Euros	Group		Company	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019
<b>Non-Current:</b>				
Special taxes Brazil	290,323	389,037	-	-
<b>Current:</b>				
Income tax	192,343	186,869	95,221	108,799
Value added tax (VAT)	70,316	87,431	-	-
Special taxes Brazil	103,425	132,792	-	-
Other taxes	7,832	8,643	727	877
	373,916	415,735	95,948	109,676
	664,239	804,772	95,948	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	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019*
<b>Cash</b>	1,365	298	46	41
<b>Bank deposits</b>				
Current deposits	712,397	953,829	133,731	167,288
Term deposits	745,503	545,480	250,000	-
Specific demand deposits in relation to institutional partnerships	-	60,977	-	-
	1,457,900	1,560,286	383,731	167,288
<b>Operations pending cash settlement</b>				
Current deposits	-	-	150,000	258,000
<b>Other operations</b>				
Group Financial System (see note 37)	-	-	637,589	612,064
	1,459,265	1,560,584	1,171,366	1,037,393
<b>Held for sale operations:</b>				
Cash and cash equivalents reclassified as held for sale (see note 34)	-14,640	-17,862	-	-
	1,444,625	1,542,722	1,171,366	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 31 March 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 150,000 thousand Euros (31 December 2019: 258,000 thousand Euros) refers to commercial paper issued on 31 March 2020, acquired by EDP Finance B.V., which settlement date occurred on 2 April 2020.

## 25. Reserves and retained earnings

This caption is as follows:

Thousand Euros	Group		Company	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019
Legal reserve	739,024	739,024	739,024	739,024
Fair value reserve (cash flow hedge)	144,637	58,716	-155,242	-91,909
Tax effect of fair value reserve (cash flow hedge)	-41,489	-18,175	34,890	20,640
Fair value reserve of assets measured at fair value through other comprehensive income	11,344	18,455	-	-
Tax effect of the fair value reserve of assets measured at fair value through other comprehensive income	-1,504	-3,253	-	-
Currency translation reserve - Exchange differences arising on consolidation	-139,430	62,094	-	-
Currency translation reserve - Net investment hedge	-660,711	-594,947	-	-
Currency translation reserve - Net investment hedge - Cost of hedging	-85,083	-21,194	-	-
Treasury stock reserve (EDP, S.A.)	55,124	55,124	55,124	55,124
Other reserves and retained earnings	4,390,890	3,951,351	2,617,281	1,896,365
	4,412,802	4,247,195	3,291,077	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
<b>Balance as at 31 December 2019</b>	18,455
Changes in fair value - Zephyr Fund (Energia RE portfolio) (see note 19)	-6,488
Changes in fair value - Other (see note 19)	-623
<b>Balance as at 31 March 2020</b>	11,344

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*Currency translation reserve - Exchange differences arising on consolidation*

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

Currency		Exchange Rate in Mar 2020		Exchange Rate in Dec 2019		Exchange Rate in Mar 2019	
		Close	Average	Close	Average	Close	Average
US Dollar	USD	1.096	1.103	1.123	1.120	1.124	1.136
Brazilian Real	BRL	5.700	4.911	4.516	4.414	4.387	4.280
Macao Pataca	MOP	8.749	8.828	9.010	9.035	9.084	9.180
Canadian Dollar	CAD	1.562	1.482	1.460	1.486	1.500	1.511
Polish Zloty	PLN	4.552	4.325	4.257	4.298	4.301	4.302
Romanian Leu	RON	4.825	4.797	4.783	4.745	4.761	4.735
Pound Sterling	GBP	0.886	0.862	0.851	0.878	0.858	0.873
South African Rand	ZAR	19.610	16.930	15.777	16.177	16.264	15.929
Mexican Peso	MXN	25.712	22.056	21.220	21.560	21.691	21.816
Colombian peso	COP	4,453.406	3,900.351	3,685.713	3,673.675	3,585.021	3,565.105
Chinese Yuan	CNY	7.778	7.698	7.821	7.736	7.540	7.667
Corean Won	WON	1,341.030	1,315.974	1,296.280	1,305.210	n.a.	n.a.
Japanese Yen	JPY	118.900	120.126	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
<b>Balance as at 31 December 2019</b>	-594,947	-21,194
Changes in fair value	-65,764	-63,889
<b>Balance as at 31 March 2020</b>	-660,711	-85,083

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.

## 26. Non-Controlling Interests

This caption is as follows:

Thousand Euros	Group	
	Mar 2020	Dec 2019
Non-controlling interests in income statement	90,136	387,576
Non-controlling interests in equity and reserves	3,473,558	3,386,250
	<b>3,563,694</b>	<b>3,773,826</b>

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

Thousand Euros	EDP Renováveis	EDP Brasil Group	Other	Total
<b>Balance as at 31 December 2019</b>	2,547,411	1,266,635	-40,220	3,773,826
Results	59,864	32,075	-1,803	90,136
Dividends	-	-814	-	-814
Currency Exchange differences	-10,099	-258,883	-	-268,982
Capital Increases/Decreases	-20,050	-	-	-20,050
Perimeter variations and Others	4,792	-15,215	1	-10,422
<b>Balance as at 31 March 2020</b>	<b>2,581,918</b>	<b>1,023,798</b>	<b>-42,022</b>	<b>3,563,694</b>

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## 27. Financial Debt

This caption is as follows:

Thousand Euros	Group		Company	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019
<b>Debt and borrowings - Non-current</b>				
Bank loans:				
- EDP Finance B.V.	597,607	439,261	-	-
- EDP Brasil Group	225,491	285,520	-	-
- EDP Renováveis Group	661,918	688,708	-	-
	1,485,016	1,413,489	-	-
Non-convertible bond loans:				
- EDP, S.A.	-	-	7,400,000	7,400,000
- EDP Finance B.V.	7,981,813	9,190,998	-	-
- EDP Brasil Group	798,988	1,060,453	-	-
	8,780,801	10,251,451	7,400,000	7,400,000
Hybrid bonds:				
- EDP, S.A.	1,737,810	994,071	1,737,810	994,071
	1,737,810	994,071	1,737,810	994,071
Commercial paper:				
- EDP, S.A.	328,186	100,000	328,186	100,000
- EDP Finance B.V.	-	222,539	-	-
- EDP Brasil Group	52,631	66,435	-	-
	380,817	388,974	328,186	100,000
Other loans	10,784	13,557	-	-
	12,395,228	13,061,542	9,465,996	8,494,071
Accrued interest	10,280	8,528	-	-
Other liabilities:				
- Fair value of the issued debt hedged risk	60,124	54,545	-	-
<b>Total Debt and Borrowings</b>	<b>12,465,632</b>	<b>13,124,615</b>	<b>9,465,996</b>	<b>8,494,071</b>
<b>Collateral Deposits - Non-current *</b>	<b>-20,113</b>	<b>-21,690</b>	<b>-</b>	<b>-</b>
	<b>12,445,519</b>	<b>13,102,925</b>	<b>9,465,996</b>	<b>8,494,071</b>
<b>Debt and borrowings - Current</b>				
Bank loans:				
- EDP Brasil Group	137,383	125,956	-	-
- EDP Renováveis Group	81,574	79,825	-	-
- Other	-	17	-	-
	218,957	205,798	-	-
Non-convertible bond loans:				
- EDP, S.A.	-	-	850,000	850,000
- EDP Finance B.V.	1,930,062	1,213,181	-	-
- EDP Brasil Group	222,418	282,301	-	-
	2,152,480	1,495,482	850,000	850,000
Commercial paper:				
- EDP, S.A.	100,000	100,000	1,607,000	2,582,000
- EDP Finance B.V.	190,000	618,750	-	-
- EDP Brasil Group	-	-	-	-
	290,000	718,750	1,607,000	2,582,000
Other loans				
Group Financial System (see note 37)	-	-	1,382,983	711,836
- Other	858	1,198	-	-
	858	1,198	1,382,983	711,836
Accrued interest	164,653	279,568	112,429	96,964
Other liabilities:				
- Fair value of the issued debt hedged risk	4,551	6,800	-	-
<b>Total Debt and Borrowings</b>	<b>2,831,499</b>	<b>3,446,854</b>	<b>3,952,412</b>	<b>4,980,058</b>
<b>Collateral Deposits - Current *</b>	<b>-32,768</b>	<b>-39,786</b>	<b>-</b>	<b>-</b>
	<b>2,798,731</b>	<b>3,407,068</b>	<b>3,952,412</b>	<b>4,980,058</b>

\* Deposits constituted as collateral for financial guarantee;

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



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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 100,000 thousand Euros, 250,000 thousand US Dollars and 300,000 thousand Brazilian Reais.

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 totaled 69 million Euros (see note 12).

The nominal value of outstanding Bond loans placed with external counterparties issued during 2020, as at 31 March 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

(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.

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 31 March 2020, these loans amounted to 737,338 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 31 March 2020 were totally available. EDP Group also has a Commercial Paper program of 50 million Euros with guaranteed placement, which as at 31 March 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 31 March 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 31 March 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 31 March 2020 is available in 1,632 million Euros.

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	No-Current		Current	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019
Provisions for pension liabilities	533,340	499,948	130,426	130,842
Provisions for medical liabilities and other benefits	618,389	628,207	50,774	52,672
	1,151,729	1,128,155	181,200	183,514

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

Thousand Euros	Mar 2020	
	Pensions	Medical and Other
<b>Balance at the beginning of the period</b>	630,790	680,879
Charge for the period	3,252	5,847
Actuarial (gains)/losses	65,871	23,458
Charge-off	-28,763	-6,035
Transfers, reclassifications and exchange differences	-7,384	-34,986
<b>Balance at the end of the period</b>	663,766	669,163

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

Thousand Euros	Mar 2020	
	Pensions	Medical and Other
Current service cost	1,512	1,726
<b>Operational component (see note 10)</b>	1,512	1,726
Net interest on the net pensions plan liability	1,740	4,121
<b>Financial component (see note 12)</b>	1,740	4,121
	<b>3,252</b>	<b>5,847</b>

With reference to 31 March 2020, the net movement of the Provision for pension liabilities period corresponds to an increase of 32.976 thousands of Euros, of which 40.226 thousands of Euros correspond to the positive net movement seen in Portugal and 7.250 thousands of Euros correspond to the negative net movement seen in Brazil. The movement in the period in Portugal is mainly related to the recognition of actuarial losses (65,871 thousand Euros) resulting from the devaluation of the assets of the portfolio of Pension Plan Fund and the payment of benefits (negative 28,763 thousand Euros). 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 11.716 thousands of Euros, of which 21.933 thousands of Euros correspond to the positive net movement seen in Portugal, 110 thousands of Euros correspond to the negative net movement seen in Spain and 33.539 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 resulting from the devaluation of the assets of the portfolio of Medican Plan and Death Subsidy Plan. The movement in the period in Brazil is mainly due to exchange rate differences resulting from the depreciation of Brazilian Real.

On 31 March 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.

## 29. Provisions

Provisions are as follows:

Thousand Euros	No-Current		Current	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019
Provision for legal and labour matters and other contingencies	88,369	107,813	2,428	2,221
Provision for customer guarantees under current operation	-	-	1,030	1,029
Provision for dismantling and decommissioning	477,108	475,320	10,670	10,670
Provision for other liabilities and charges	342,700	343,293	109,216	112,171
	<b>908,177</b>	<b>926,426</b>	<b>123,344</b>	<b>126,091</b>

With reference to 31 March 2020, the movement by nature of the Provisions item at the EDP Group level is presented as follows:

	Legal, labor and other matters	Guarantees to customers in the context of current activity	Dismantling and Decommissioning	Other risks and charges	Total
<b>Thousand Euros</b>					
<b>Balance as at 31 December 2019</b>	110,034	1,029	485,990	455,464	1,052,517
Charge for the period	2,488	-	-	16,739	19,227
Charge-off for the period	-2,876	-	-	-422	-3,298
Reversals	-3,381	-	-3,796	-1,169	-8,346
Unwinding (see note 12)	-	-	2,190	-	2,190
Increase of the responsibility (see note 14)	-	-	1,757	-	1,757
Innovative Features Charge-off (see note 4)	-	-	-	-22,541	-22,541
CMEC	-	-	-	6,224	6,224
"Lesividad"	-	-	-	3,005	3,005
Exchange differences and other	-15,468	-	1,637	-5,383	-19,214
<b>Balance as at 31 December 2019</b>	<b>90,797</b>	<b>1,029</b>	<b>487,778</b>	<b>451,917</b>	<b>1,031,521</b>

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 31 March 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.

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

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 31 March 2020, the amount of this tax contingency amounts to 292 million euros (31 December 2019: 290 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 USA

The caption Institutional partnerships in USA is as follows:

Thousand Euros	Group	
	Mar 2020	Dec 2019
Deferred income related to benefits provided	1,014,436	1,002,871
Liabilities arising from institutional partnerships	1,436,327	1,286,913
	2,450,763	2,289,784

EDPR 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 USA are as follows:

Thousand Euros	Group	
	Mar 2020	Dec 2019
<b>Balance at the beginning of the period</b>	2,289,784	2,231,249
Proceeds received from institutional investors	134,734	188,490
Cash paid for deferred transaction costs	-1,545	-2,087
Cash paid to institutional investors	-3,931	-80,776
Other Income (see note 8)	-51,081	-181,570
Unwinding (see note 12)	22,257	85,320
Exchange differences	58,790	42,848
Other	1,755	6,310
<b>Balance at the end of the period</b>	2,450,763	2,289,784

During the first quarter of 2020, EDPR NA, has secured and received proceeds amounting to 134,734 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 31 March 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	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019
<b>Contract liabilities:</b>				
Energy sales contracts - EDPR NA	8,794	9,148	-	-
Deferred income - CMEC	226,679	208,535	71,204	74,995
Amounts received from the Fund for systemic sustainability of the energy sector	-	-	37,215	-
	235,473	217,683	108,419	74,995
<b>Other liabilities:</b>				
Investment government grants	568,574	566,450	-	-
Amounts payable for tariff adjustments - Electricity - Portugal	25,186	-	32,718	43,626
Amounts payable for tariff adjustments - Electricity - Brazil	363,110	464,823	-	-
Amounts payable - securitisations	-	-	715,269	136,933
Amounts payable - CMEC	-	-	222,245	221,955
Amounts payable for concessions	188,840	199,772	-	-
Property, plant and equipment suppliers	4,595	5,101	1,230,999	1,196,186
Suppliers	-	-	651,139	919,745
Accrued costs related with commercial activities	-	-	613,759	633,664
Holiday pay, bonus and other charges with employees	-	-	165,634	151,917
CO2 emission Licenses	-	-	236,464	203,085
Other creditors and sundry operations	170,849	190,478	299,872	277,517
	1,321,154	1,426,624	4,168,099	3,784,628
	1,556,627	1,644,307	4,276,518	3,859,623

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

Thousand Euros	Current	
	Mar 2020	Dec 2019
Suppliers	333,539	412,388
Accrued costs related with commercial activities	224,019	249,488
Property, plant and equipment suppliers	894	961
Holiday pay, bonus and other charges with employees	32,969	30,370
Other creditors and sundry operations	5,683	22,107
	597,104	715,314

Deferred income - CMEC Non-current and Current, in the amount of 297,883 thousand Euros (31 December 2019: 283,530 thousand Euros) includes the amount of 162,144 thousand Euros corresponding to the initial CMEC amount (833,467 thousand Euros) deducted from the amortisation of initial CMEC during the years 2007 to 2017 and accrued with unwinding (see note 12), and the amount of 135,739 thousand Euros relating with the final adjustment recognised in accordance with the result achieved by EDP/REN working group (256,539 thousand Euros), deducted from amortisation charges of the period and accrued with corresponding unwinding (see note 12).

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 6,202 thousand Euros as at 31 March 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
<b>Balance at the beginning of the period</b>	-	43,626
Payment through the electricity tariff	-	-10,918
Tariff adjustment of the period (see note 7)	25,179	-
Interest expense (see note 12)	7	10
<b>Balance at the end of the period</b>	25,186	32,718

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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 216,355 thousand Euros (31 December 2019: 276,341 thousand Euros) and 146,755 thousand Euros (31 December 2019: 188,482 thousand Euros), respectively. The variation occurred includes the tariff deficit of the period with a negative impact of 1,477 thousand Euros (see note 7), the transfer to tariff adjustment receivable of 7,844 thousand Euros (see note 21), the decrease of the amount returned through the tariff of 17,914 thousand Euros, the exchange differences due to depreciation of Brazilian Real against Euro with a negative impact of 95,758 thousand Euros and the unwinding in the amount of 5,592 thousand Euros (see note 12), which includes the recognition of 3,791 thousand Euros (18,616 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 March 2020, this caption includes 585,429 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 in 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 136,869 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 51,971 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 1,040,320 thousand Euros (31 December 2019: 1,003,564 thousand Euros) and in Italy in the amount of 30,646 thousand Euros (31 December 2019: 28,902 thousand Euros) .

The caption CO2 emission licenses includes the CO2 consumptions during 2019 and 2020 in Portugal and Spain, in the amount of 130,221 thousand Euros and 104,925 thousand Euros, respectively (31 December 2019: 116,752 thousand Euros and 86,333 thousand Euros). The CO2 emission licences related with the consumptions in a given year are delivered to the regulatory authorities until April of the following year.

The caption Other creditors and sundry operations - Non-current includes the amount of 66,893 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	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019 *
<b>Other liabilities and other payables - Non-Current</b>				
Loans from non-controlling interests	192,729	215,023	-	-
Derivative financial instruments (see note 35)	301,724	169,008	412,760	215,510
Amounts payable and contingent prices for acquisitions/sales	13,443	18,303	-	-
Lease Liabilities (Rents due from lease contracts)	794,375	762,725	131,680	133,378
Other creditors and sundry operations	12,598	12,060	-	2
	1,314,869	1,177,119	544,440	348,890
<b>Other liabilities and other payables - Current</b>				
Loans from non-controlling interests	137,330	117,327	-	-
Dividends attributed to related companies	43,335	58,749	-	-
Derivative financial instruments (see note 35)	389,322	213,363	997,912	547,312
Group companies	-	-	72,033	70,288
Amounts payable and contingent prices for acquisitions/sales	131,224	151,975	-	-
Lease Liabilities (Rents due from lease contracts)	73,633	75,004	12,372	12,390
Other creditors and sundry operations	3,252	7,353	58,890	51,289
	778,096	623,771	1,141,207	681,279
	2,092,965	1,800,890	1,685,647	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		Mar 2020
ACE Portugal (CTG Group)	Fixed rate of 3.75%	32,608
ACE Poland (CTG Group)	Fixed rate of a range between 1.33% and 7.23%	103,495
ACE Italy (CTG Group)	Fixed rate of 4.5%	56,105
CITIC CWEL Renewables (CTG Group)	Fixed rate of 5.5%	39,225
Sonatrach	Fixed rate of 5.6%	74,168
		<b>305,601</b>

The variation of the caption Lease Liabilities (Rents due from lease contracts) includes: i) 36,675 thousand Euros corresponding to lease liabilities (rents due from lease contracts) starting after 1 January 2020; ii) negative 19,181 thousand Euros corresponding to payments of rents made; and iii) 8,963 thousand Euros corresponding to the financial update of the liability (see note 12).

As at 31 March 2020, the nominal value of the lease liabilities (rents due from lease contracts) is detailed as follows: (i) less than 5 years: 334,168 thousand Euros; (ii) from 5 to 10 years: 278,308 thousand Euros; (iii) from 10 to 15 years: 277,200 thousand Euros; and (iv) more than 15 years: 560,420 thousand Euros.

### 33. Tax Liabilities

Tax liabilities are as follows:

Thousand Euros	Group		Company	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019
<b>Non Current</b>				
Social tax Brazil	113,738	138,212	-	-
<b>Current</b>				
Income tax	254,903	47,100	202,935	1,456
Withholding tax	20,658	36,785	1,976	1,801
Value Added Tax (VAT)	121,014	116,799	13,314	24,725
Special taxes Brazil	65,359	90,100	-	-
CESE	52,733	53,360	-	-
Other taxes	172,952	134,450	1,977	1,053
	<b>687,619</b>	<b>478,594</b>	<b>220,202</b>	<b>29,035</b>
	<b>801,357</b>	<b>616,806</b>	<b>220,202</b>	<b>29,035</b>

As at 31 March 2020, the caption CESE excludes the amount that is recorded in Non-Current Assets and Liabilities Held for Sale of 10,026 thousand Euros (31 December 2019: 10,045 thousand Euros).

The variation in Other Taxes is mainly due to the record of Property Tax by companies located in North America.

### 34. Non-Current Assets and Liabilities Held for Sale

This caption is as follows:

Thousand Euros	Group	
	Mar 2020	Dec 2019
<b>Assets held for sale</b>		
Electricity generation assets - Hydro Brazil	80,020	90,517
Electricity generation assets - Hydro Portugal	1,975,838	1,951,176
Electricity generation assets - Offshore wind	255,717	214,194
	<b>2,311,575</b>	<b>2,255,887</b>
<b>Liabilities held for sale</b>		
Electricity generation assets - Hydro Brazil	11,961	16,924
Electricity generation assets - Hydro Portugal	28,943	35,147
Electricity generation assets - Offshore wind	34,266	26,751
	<b>75,170</b>	<b>78,822</b>
	<b>2,236,405</b>	<b>2,177,065</b>

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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 new entity will be the exclusive vehicle of investment of EDPR and ENGIE for offshore wind opportunities worldwide. As at 31 March 2020, the assets and liabilities associated with the companies included in this segment 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.

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.

As at 31 March 2020 the following reclassifications were made to held for sale:

Thousand Euros	Mar 2020			Total
	Hydro Brazil	Hydro Portugal	Offshore wind	
<b>Assets</b>				
Property, plant and equipment (see note 14)	9,347	-2,270	-1,037	6,040
Investments in joint ventures and associates (see note 18)	-	-	-24,405	-24,405
Other assets	7,399	-22,392	-7,690	-22,683
Cash and cash equivalents (see note 24)	-6,249	-	-8,391	-14,640
Assets Held for Sale	-10,497	24,662	41,523	55,688
	-	-	-	-
<b>Liabilities</b>				
Other liabilities	4,963	6,204	-7,515	3,652
Liabilities Held for Sale	-4,963	-6,204	7,515	-3,652
	-	-	-	-

All assets and liabilities held for sale are part of the Renewables segment.

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

### 35. Derivative Financial Instruments

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

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

Thousand Euros	Mar 2020		Dec 2019	
	Assets	Liabilities	Assets	Liabilities
<b>Net Investment hedge</b>				
Cross-currency interest rate swaps	20,832	-161,409	9,343	-54,085
Currency forwards	13	-3,254	5,026	-
<b>Fair value hedge</b>				
Interest rate swaps	80,808	-	84,762	-
Cross-currency interest rate swaps	3,834	-	50,213	-
<b>Cash flow hedge</b>				
Interest rate swaps	258	-21,850	122	-15,383
Swaps related to gas commodity	246,728	-246,737	131,719	-148,416
Electricity swaps	57,855	-27,346	25,213	-30,132
Currency forwards for commodities	148,636	-333	95,434	-5,240
<b>Trading</b>				
Interest rate swaps	12,295	-3,684	7,682	-1,958
Cross-currency interest rate swaps	-	-	-	-55
Commodity swaps	199,824	-208,521	123,013	-116,937
Currency forwards	3,796	-859	1,573	-1,233
Commodity forwards	3,596	-8,140	728	-2,760
Currency forwards associated to commodities	42,092	-8,743	27,855	-6,172
Commodity options	2,210	-170	2,609	-
	822,777	-691,046	565,292	-382,371

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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	Mar 2020		Dec 2019	
	Assets	Liabilities	Assets	Liabilities
<b>Cash flow hedge</b>				
Swaps related to gas commodity	77,684	-57,304	7,392	-82,537
Electricity swaps	699	-229,493	4,157	-95,770
Currency forwards for commodities	113,966	-	86,380	-
<b>Trading</b>				
Interest rate swaps	83,378	-78,747	91,067	-86,739
Cross-currency interest rate swaps	108,455	-182,763	53,946	-57,922
Commodity swaps	665,281	-757,995	369,978	-405,701
Currency forwards	4,655	-11,344	2,806	-5,296
Commodity forwards	67,388	-63,063	7,661	-10,089
Currency forwards associated to commodities	59,910	-27,664	39,096	-16,269
Commodity options	2,468	-2,299	2,607	-2,499
	1,183,884	-1,410,672	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 quotes indicated by external entities, which are compared in each date of report to fair values available in common financial information platforms. 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 entities use generally accepted discounted cash flow techniques and data from public markets.

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.

As at 31 March 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 and USD/BRL.
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	
	Mar 2020	Dec 2019	Mar 2020	Dec 2019
<b>Operating guarantees</b>				
EDP, S.A.	483,167	453,005	483,167	453,005
EDP España Group	73,237	105,283	-	-
EDP Brasil Group	224,409	270,421	-	-
EDP Renováveis Group	1,751,282	1,435,821	-	-
	2,532,095	2,264,530	483,167	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 536,066 thousand Euros and 345,123 thousand Euros, respectively (31 December 2018: 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.



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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	Mar 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)	325,088	29,547	68,921	61,811	164,809
Purchase obligations	21,053,470	4,590,788	4,408,497	2,371,123	9,683,062
	21,378,558	4,620,335	4,477,418	2,432,934	9,847,871

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	Mar 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)	300	300	-	-	-
Purchase obligations	5,830,946	337,971	603,598	551,386	4,337,991
	5,831,246	338,271	603,598	551,386	4,337,991

### 37. Related Parties

#### Balances and transactions with subsidiaries, joint ventures and associates

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

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

#### Credits held

Thousand Euros	31 March 2020			
	Intra-Group Financial Mov.	Loans and Interests receivable	Other Credits	Total
EDP Comercial, S.A.	-	76,088	240,157	316,245
EDP Distribuição, S.A.	-	1,507,097	20,158	1,527,255
EDP España, S.A.U.	-	-	52,013	52,013
EDP Finance, B.V.	-	411,264	76,669	487,933
EDP Produção, S.A.	-	1,372,080	278,902	1,650,982
Hidrocentrítrico Distribucion Eléctrica, S.A.U.	-	-	36,859	36,859
EDP Renováveis, S.A.	-	-	12,739	12,739
EDP Servicios Financieros España, S.A.U.	629,391	-	3,194	632,585
EDP Serviço Universal, S.A.	-	301,258	149,846	451,104
EDP Renewables Europe, S.L.U.	-	-	3,475	3,475
EDP Comercializadora, S.A.U.	-	-	119,016	119,016
EDP GÁS.COM - Comércio de Gás Natural, S.A.	3,634	10,093	22,693	36,420
Other	4,564	85,209	53,196	142,969
	637,589	3,763,089	1,068,917	5,469,595

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The amount of 411,264 thousand Euros refers to the repurchase in market by EDP, S.A. of three bond issues issued by EDP Finance B.V.

**Debits held**

Thousand Euros	31 March 2020			Total
	Intra-Group Financial Mov.	Loans and Interests payable	Other Debits	
EDP Distribuição, S.A.	95,103	-	1,325	96,428
EDP Comercial, S.A.	36,090	-	299	36,389
EDP Finance, B.V.	-	9,895,873	82,178	9,978,051
EDP Renováveis Servicios Financieros, S.A.	-	-	10,135	10,135
EDP Produção, S.A.	459,638	-	729,392	1,189,030
EDP Renováveis, S.A.	-	-	10,553	10,553
EDP Serviço Universal, S.A.	747,404	-	27,520	774,924
EDP España, S.A.U.	-	-	14,651	14,651
EDP Comercializadora, S.A.U	-	-	171,496	171,496
Other	44,748	-	125,581	170,329
	1,382,983	9,895,873	1,173,130	12,451,986

The amount of 9,895,873 thousand Euros includes 8,316,840 thousand Euros related to six intragroup bonds issued by EDP Finance BV and acquired by EDP S.A., with fixed and variable rate at medium-long term (3, 5, 7 and 10 years).

**Expenses**

Thousand Euros	31 March 2020			Total
	Interest on Intra-Group Financial Mov.	Interest on Loans Obtained	Other Losses	
EDP Finance, B.V.	33,982	-	25,956	59,938
EDP Produção, S.A.	-	-	588,827	588,827
EDP España, S.A.U.	-	-	12,917	12,917
EDP Comercializadora, S.A.U.	-	-	121,689	121,689
Other	-	3	98,854	98,857
	33,982	3	848,243	882,228

**Income**

Thousand Euros	31 March 2020			Total
	Interest on Intra-Group Financial Mov.	Interest on Loans Granted	Other Gains	
EDP Comercial, S.A.	35	430	324,357	324,822
EDP Distribuição, S.A.	-	5,778	12,448	18,226
EDP España, S.A.U.	-	-	56,434	56,434
EDP Produção, S.A.	-	5,516	288,967	294,483
EDP Soluções Comerciais, S.A.	-	54	2,997	3,051
EDP Finance, B.V.	-	4,911	56,953	61,864
Hidroantábrico Distribución Eléctrica S.A.U.	-	-	5,278	5,278
EDP Comercializadora, S.A.U	-	-	129,070	129,070
EDP Renováveis, S.A.	-	-	8,380	8,380
EDP Renewables Europe, S.L.U.	-	-	2,195	2,195
Other	39	1,472	36,357	37,868
	74	18,161	923,436	941,671

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**Assets and Liabilities**

Thousand Euros	31 March 2020		
	Assets	Liabilities	Net Value
<b>Joint Ventures</b>			
Porto do Pecém Transportadora de Minérios S.A.	404	-	404
Cide HC Energía, S.A.	3,278	8,289	-5,011
SCNET - Sino-Portuguese Centre	-	1,080	-1,080
HC Tudela Cogeneración, S.L.	878	590	288
Other	2,680	1,394	1,286
	7,240	11,353	-4,113
<b>Associates</b>			
MABE Construção e Administração de Projectos, Ltda.	4,342	-	4,342
Parque Eólico Sierra del Madero, S.A.	8,150	-	8,150
Parque Eólico Belmonte, S.A.	1,428	-	1,428
Aprofitament D'Energies Renovables de L'Ebre, S.L.	1,883	-	1,883
Centrais Elétricas de Santa Catarina, S.A. - Celesc	2,813	1,754	1,059
Other	881	181	700
	19,497	1,935	17,562
	26,737	13,288	13,449

**Transactions**

Thousand Euros	31 March 2020			
	Operating Income	Financial Income	Operating Expenses	Financial Expenses
<b>Joint Ventures</b>				
Cide HC Energía, S.A.	21,085	3	93	-
HC Tudela Cogeneración, S.L.	462	5	910	-
Empresa de Energia São Manoel, S.A.	32	-	1,854	-
Porto do Pecém Transportadora de Minérios S.A.	52	-	848	-
Other	2,799	412	472	-
	24,430	420	4,177	-
<b>Associates</b>				
MABE Construção e Administração de Projectos, Ltda.	-	50	-	-
Desarrollos Eólicos de Canarias, S.A.	43	-	7	-
Parque Eólico Sierra del Madero	2	71	-	-
Parque Eólico Belmonte, S.A.	151	8	-	-
Other	-	7	-	-
	196	136	7	-
	24,626	556	4,184	-

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### 38. Fair Value of Financial Assets and Liabilities

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

Thousand Euros	Mar 2020			Dec 2019		
	Carrying amount	Fair value	Difference	Carrying amount	Fair value	Difference
<b>Assets</b>						
Equity instruments at fair value	164,152	164,152	-	170,806	170,806	-
Debtors/other assets from commercial activities	5,943,246	5,943,246	-	6,282,380	6,282,380	-
Other debtors and other assets	1,088,228	1,088,228	-	1,249,065	1,249,065	-
Derivative financial instruments	822,777	822,777	-	565,292	565,292	-
Collateral deposits/financial debt	52,881	52,881	-	61,476	61,476	-
Cash and cash equivalents	1,444,625	1,444,625	-	1,542,722	1,542,722	-
	9,515,909	9,515,909	-	9,871,741	9,871,741	-
<b>Liabilities</b>						
Financial debt	15,297,131	15,654,953	357,822	16,571,469	17,319,817	748,348
Suppliers and accruals	1,882,138	1,882,138	-	2,115,931	2,115,931	-
Institutional partnerships	2,450,763	2,450,763	-	2,289,784	2,289,784	-
Trade payables and other liabilities from commercial activities	3,382,433	3,382,433	-	2,821,549	2,821,549	-
Other liabilities and other payables	1,401,919	1,401,919	-	1,418,519	1,418,519	-
Derivative financial instruments	691,046	691,046	-	382,371	382,371	-
	25,105,430	25,463,252	357,822	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.

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	Mar 2020			Dec 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>						
Equity instruments at fair value through other comprehensive income (note 19)	-	73,591	22,649	-	80,079	22,735
profit or loss (note 19)	-	-	67,912	-	-	67,992
Tariff deficit at fair value through other comprehensive income (see note 21)	-	8,441	-	-	9,157	-
Amounts receivable from concessions-IFRIC 12 at fair value through profit or loss (see note 21)	-	542,498	-	-	664,489	-
Derivative financial instruments (see note 35)	-	822,777	-	-	565,292	-
	-	1,447,307	90,561	-	1,319,017	90,727
<b>Financial liabilities</b>						
Derivative financial instruments (see note 35)	-	691,046	-	-	382,371	-
	-	691,046	-	-	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.

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### 39. Relevant or Subsequent Events

#### EDP issues a €750 million 7-year green bond

On 7 April 2020, EDP - Energias de Portugal S.A. issued 750 million Euros of subordinated notes, maturing in April 2027 with a coupon of 1.625%, corresponding to a yield of 1.719%. Notes will be issued under EDP and EDP Finance B.V.'s Programme for the Issuance of Debt Instruments (MTN) and application will be made for the Notes to be admitted to trading on Euronext Dublin. This issue will be used for the financing or refinancing, in whole or in part, of EDP's Eligible Green Project Portfolio, which consists of renewable projects – wind and solar – as set out in EDP's Green Bond Framework.

#### Payment of dividends - Year 2019

On 16 April 2020, EDP - Energias de Portugal, S.A. in accordance with article 249° of the Portuguese Securities Code n° 2 paragraph b) and article 7, no. 3 of the Portuguese Securities Market Commission's Regulation no. 5/2008, EDP - Energias de Portugal, S.A. hereby informs that the General Shareholders Meeting, approved the proposal of the Executive Board of Directors for the allocation of profits regarding the financial year ended 31 December 2019, which provides for the payment of a gross dividend of 0.19 euros per share.

#### EDP secures a solar PPA in Mexico

On 16 April 2020, EDP Renováveis, S.A., has secured a Power Purchase Agreement with Amper Energía S.A.P.I. de C.V. to sell the energy produced by the 200 MW Los Cuervos solar PV project. The contract is set in USD and for a 15-year minimum period. The Los Cuervos solar project, located in Mexico, is expected to start operations in the beginning of 2021.

#### The Capital Group notifies qualified shareholding in EDP of 2.05%

On 22 April 2020, The Capital Group Companies, Inc. notified EDP that, in accordance with article 20 of the Portuguese Securities Code, it had reached a qualifying shareholding correspondent to 2.05% of EDP's share capital and of the respective voting rights. The 2% threshold was crossed on 21 April 2020.

### 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 31 March 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	
	Mar 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	9,364	9,702
<b>Total Non-Current Assets</b>	<b>7,807,313</b>	<b>7,807,651</b>
Other debtors and others assets	76,503	132,751
Tax receivable	67,406	79,517
Cash and cash equivalents	629,532	523,961
<b>Total Current Assets</b>	<b>773,441</b>	<b>736,229</b>
<b>Total Assets</b>	<b>8,580,754</b>	<b>8,543,880</b>
Equity	8,442,993	8,442,024
Employee benefits	2,246	2,225
Other liabilities and other payables	1,308	1,501
<b>Total Non-Current Liabilities</b>	<b>3,554</b>	<b>3,726</b>
Employee benefits	17	17
Other liabilities and other payables	107,053	96,521
Tax payable	27,137	1,592
<b>Total Current Liabilities</b>	<b>134,207</b>	<b>98,130</b>
<b>Total Liabilities</b>	<b>137,761</b>	<b>101,856</b>
<b>Total Equity and Liabilities</b>	<b>8,580,754</b>	<b>8,543,880</b>

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

#### 41. 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.

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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 Energía, 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.

#### **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.

EDP Group Operating Segments Information as at 31 March 2020

Thousand Euros	Renewables	Networks	Client Solutions & Energy Management	Total Segments
<b>Revenues from energy sales and services and other</b>				
Revenues inter-segments	766,666	1,438,351	2,184,662	4,389,679
Revenues from third parties	414,631	441,724	32,397	888,752
	352,035	996,627	2,152,265	3,500,927
<b>Gross Profit</b>	694,015	450,987	336,135	1,481,137
Other income	77,406	6,991	6,236	90,633
Supplies and services	-82,430	-83,093	-66,251	-231,774
Personnel costs and employee benefits	-50,206	-53,350	-34,706	-138,262
Other costs	-87,753	-79,797	-31,958	-199,508
Impairment losses on trade receivables and debtors	0	-6,364	-7,860	-14,224
Joint ventures and associates	-2,008	1,247	1,407	646
<b>Gross Operating Profit</b>	549,024	236,621	203,003	988,648
Provisions	-109	-15,880	60	-15,929
Amortisation and impairment	-187,901	-88,655	-77,679	-354,235
<b>Operating Profit</b>	361,014	132,086	125,384	618,484
<b>Assets</b>				
	20,565,832	3,478,422	2,887,024	26,931,278
<b>Financial assets - Investments in joint ventures and associates</b>				
	746,828	62,701	20,884	830,413
<b>Operating Investment</b>	275,562	123,109	12,704	411,375



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**Reconciliation of information between Operating Segments and Financial Statements for 31 March 2020**

Thousand Euros	
<b>Total Revenues from energy sales and services and other of Reported Segments</b>	<b>4,389,679</b>
Revenues from energy sales and services and others from Other Segments	56,322
Adjustments and Inter-segments eliminations*	-944,039
<b>Total Revenues from energy sales and services and other of EDP Group</b>	<b>3,501,962</b>
<b>Total Gross Profit of Reported Segments</b>	<b>1,481,137</b>
Gross Profit from Other Segments	48,695
Adjustments and Inter-segments eliminations*	-55,007
<b>Total Gross Profit of EDP Group</b>	<b>1,474,825</b>
<b>Total Gross Operating Profit of Reported Segments</b>	<b>988,648</b>
Gross Operating Profit from Other Segments	-16,301
Adjustments and Inter-segments eliminations*	7,228
<b>Total Gross Operating Profit of EDP Group</b>	<b>979,575</b>
<b>Total Operating Profit of Reported Segments</b>	<b>618,484</b>
Operating Profit from Other Segments	-25,004
Adjustments and Inter-segments eliminations*	3,509
<b>Total Operating Profit of EDP Group</b>	<b>596,989</b>
<b>Total Assets of Reported Segments</b>	<b>26,931,278</b>
Assets Not Allocated	14,104,678
Financial Assets	3,973,233
Trade Receivables and Other Debtors	5,943,246
Inventories	337,765
Tax Assets	1,880,870
Other Assets	1,940,335
Assets from Other Segments	524,346
Inter-segments assets eliminations*	70,937
<b>Total Assets of EDP Group</b>	<b>41,631,239</b>
<b>Total Equity accounted Investments in joint ventures and associates of Reported Segments</b>	<b>830,413</b>
Equity accounted Investments in joint ventures and associates from Other Segments	157,638
<b>Total Equity accounted Investments in joint ventures and associates of EDP Group</b>	<b>988,051</b>
<b>Total Operating Investment of Reported Segments</b>	<b>411,375</b>
Operating Investment from Other Segments	13,690
<b>Total Operating Investment of EDP Group</b>	<b>425,065</b>
Dismantling/discommission of PP&E	1,757
CO2 Emission Licenses and Green Certificates	8,224
Concession Rights - IFRIC 12 **	-100,597
Investment Grants	-
Other Investments	419
<b>Total Fixed Assets additions of EDP Group (Notes 16 and 18)</b>	<b>334,868</b>

	Total of Reported Segments	Other Segments	Adjustments and Inter-segments eliminations*	Total of EDP Group
<b>Other income</b>	<b>90,633</b>	<b>11,537</b>	<b>-6,232</b>	<b>95,938</b>
<b>Supplies and services</b>	<b>-231,774</b>	<b>-36,399</b>	<b>67,162</b>	<b>-201,011</b>
<b>Personnel costs and employee benefits</b>	<b>-138,262</b>	<b>-28,130</b>	<b>1,361</b>	<b>-165,031</b>
<b>Other costs</b>	<b>-199,508</b>	<b>-10,062</b>	<b>-55</b>	<b>-209,625</b>
<b>Impairment losses on trade receivables and debtors</b>	<b>-14,224</b>	<b>-</b>	<b>-</b>	<b>-14,224</b>
<b>Equity method in joint ventures and associates</b>	<b>646</b>	<b>-1,943</b>	<b>-</b>	<b>-1,297</b>
<b>Provisions</b>	<b>-15,929</b>	<b>-</b>	<b>-</b>	<b>-15,929</b>
<b>Amortisation and impairment</b>	<b>-354,235</b>	<b>-</b>	<b>-12,422</b>	<b>-366,657</b>

\* 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 31 March 2019**

Thousand Euros	Renewables	Client Solutions & Energy Management	Networks	Total Segments
<b>Revenues from energy sales and services and other</b>				
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
<b>Gross Profit</b>	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	3,708	-1,071	1,139	3,776
<b>Gross Operating Profit</b>	559,342	242,173	116,723	918,238
Provisions	-542	-2,882	-198	-3,622
Amortisation and impairment	-210,443	-89,039	-60,534	-360,016
<b>Operating Profit</b>	348,357	150,252	55,991	554,600
<b>Assets (31 December 2019)</b>	20,532,246	3,654,007	3,124,385	27,310,638
<b>Financial assets - Investments in joint ventures and associates Assets (31 December 2019)</b>	812,696	110,846	20,401	943,943
<b>Operating Investment (31 March 2019)</b>	163,082	154,557	12,296	329,935

**EDP - Energias de Portugal, S.A.**  
**Notes to the Consolidated and Company Financial Statements**  
**for the three-month periods ended at 31 March 2020 and 2019**

**Reconciliation of information between Operating Segments and Financial Statements for 31 March 2019**

Thousand Euros	
<b>Total Revenues from energy sales and services and others of Reported Segments</b>	<b>4,823,772</b>
Revenues from energy sales and services and others from Other Segments	67,661
Adjustments and Inter-segments eliminations*	-1,147,256
<b>Total Revenues from energy sales and services and others of EDP Group</b>	<b>3,744,177</b>
<b>Total Gross Profit of Reported Segments</b>	<b>1,361,796</b>
Gross Profit from Other Segments	67,607
Adjustments and Inter-segments eliminations*	-68,532
<b>Total Gross Profit of EDP Group</b>	<b>1,360,871</b>
<b>Total Gross Operating Profit of Reported Segments</b>	<b>918,238</b>
Gross Operating Profit from Other Segments *	9,060
Adjustments and Inter-segments eliminations*	-5,833
<b>Total Gross Operating Profit of EDP Group</b>	<b>921,465</b>
<b>Total Operating Profit of Reported Segments</b>	<b>554,600</b>
Operating Profit from Other Segments	-1,056
Adjustments and Inter-segments eliminations*	-4,000
<b>Total Operating Profit of EDP Group</b>	<b>549,544</b>
<b>Total Assets of Reported Segments (31 December 2019)</b>	<b>27,310,638</b>
Assets Not Allocated	10,979,847
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*	3,539,528
<b>Total Assets of EDP Group (31 December 2019)</b>	<b>42,361,646</b>
<b>Total Equity accounted Investments in joint ventures and associates of Reported Segments (31 December 2019)</b>	<b>943,943</b>
Equity accounted Investments in joint ventures and associates from Other Segments	154,569
<b>Total Equity accounted Investments in joint ventures and associates of EDP Group (31 December 2019)</b>	<b>1,098,512</b>
<b>Total Operating Investment of Reported Segments (31 March 2019)</b>	<b>329,935</b>
Operating Investment from Other Segments	13,384
<b>Total Operating Investment of EDP Group (31 March 2019)</b>	<b>343,319</b>
Discomission of Property, plant and equipment	2,062
CO2 Licenses and Green Certificates	124,215
Concession Rights - IFRIC 12	-130,169
Investment Grants	-740
Other Investments	22,037
<b>Total Fixed Assets additions of EDP Group (31 March 2019)</b>	<b>360,724</b>

	Total of Reported Segments	Other Segments	Adjustments and Inter-segments eliminations*	Total of EDP Group
<b>Other income</b>	<b>94,272</b>	<b>15,335</b>	<b>-7,788</b>	<b>101,819</b>
<b>Supplies and services</b>	<b>-231,373</b>	<b>-40,760</b>	<b>72,523</b>	<b>-199,610</b>
<b>Personnel costs and employee benefits</b>	<b>-135,980</b>	<b>-26,644</b>	<b>3,337</b>	<b>-159,287</b>
<b>Other costs</b>	<b>-160,218</b>	<b>-8,037</b>	<b>-38</b>	<b>-168,293</b>
<b>Other costs</b>	<b>-14,035</b>	<b>-</b>	<b>-</b>	<b>-14,035</b>
<b>Joint ventures and associates</b>	<b>3,776</b>	<b>1,558</b>	<b>-</b>	<b>5,334</b>
<b>Provisions</b>	<b>-3,622</b>	<b>0</b>	<b>-</b>	<b>-3,622</b>
<b>Amortisation and impairment</b>	<b>-360,016</b>	<b>-10,116</b>	<b>-3,501</b>	<b>-373,633</b>

\* Mainly related with intragroup balances and transactions eliminations

## 42. Reconciliation of Changes in the responsibilities of Financing activities at 31 March 2020

Thousand Euros	Group					
	Financial debt and Derivative financial instruments (including Collateral Deposits)			Institutional partnerships in USA (Note 30)	Lease Liabilities (Rents due) (Note 34)	Loans from non-controlling interests (Note 32)
	Loans obtained (Note 21)	Collateral Deposits (Note 21)	Derivative financial instruments (Note 35)*			
<b>Balance as at 31 de December 2019</b>	<b>16,571,469</b>	<b>-61,476</b>	<b>-86,007</b>	<b>2,289,784</b>	<b>837,729</b>	<b>332,350</b>
<b>Cash flows:</b>						
Receipts relating to financial debt (including Collateral Deposits)	1,235,369	-	-	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-2,046,754	-1,618	-	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-265,788	-	34,135	-	-	-
Receipts/(payments) relating to loans from non-controlling interests	-	-	-	-	-	1,542
Interest and similar costs relating to loans from non-controlling interests	-	-	-	-	-	-536
Receipts/(payments) relating to derivative financial instruments	-	-	3,081	-	-	-
Receipts/(payments) from institutional partnerships	-	-	-	129,258	-	-
Lease (payments)	-	-	-	-	-19,005	-
Exchange differences	-371,806	10,213	-49	58,790	3,630	-7,119
Fair value changes	845	-	117,573	-	-	-
Interests and accrued and deferred costs	173,796	-	507	1,755	-	3,822
Unwinding	-	-	-	22,257	8,963	-
ITC/PTC recognition	-	-	-	-51,081	-	-
New lease contracts/Increments in rent values	-	-	-	-	36,329	-
Reclassification to Liabilities held for sale	-	-	-	-	362	-
<b>Balance as at 31 March 2020</b>	<b>15,297,131</b>	<b>-52,881</b>	<b>69,220</b>	<b>2,450,763</b>	<b>868,008</b>	<b>330,059</b>

\* 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) (Note 32)	Group companies (Note 32)
	Loans obtained (Note 27)	Derivative financial instruments (Note 35)*		
<b>Balance as at 31 December 2019</b>	<b>13,474,129</b>	<b>2,138</b>	<b>145,768</b>	<b>70,288</b>
<b>Cash flows:</b>				
Receipts relating to financial debt (including Collateral Deposits)	973,834	-	-	-
(Payments) relating to financial debt (including Collateral Deposits)	-1,725,000	-	-	-
Interest and similar costs of financial debt including hedge derivatives	-82,778	-4,314	-	-
Receipts/(payments) relating to loans from related parties	671,147	-	-	-
Receipts/(payments) relating to derivative financial instruments	-	12,416	-	-
Lease (payments)	-	-	-3,108	-
Exchange differences	4,351	-	-	-
Fair value changes	-	64,399	-	-
Unwinding	-	-	1,371	-
Interests and accrued and deferred costs	102,725	1,727	-	1,745
New lease contracts/Increments in rent values	-	-	21	-
<b>Balance as at 31 March 2020</b>	<b>13,418,408</b>	<b>76,366</b>	<b>144,052</b>	<b>72,033</b>

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

#### 43. 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.



## THE EXECUTIVE BOARD OF DIRECTORS

António Luís Guerra Nunes Mexia (Chairman)

João Manuel Manso Neto

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







## ***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 March 31, 2020 (which shows total assets of Euros 41,631,239 thousand and total equity of Euros 12,221,588 thousand including a consolidated net profit attributable to equity holders of EDP of Euros 145,851 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 three 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.

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

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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 March 31, 2020 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

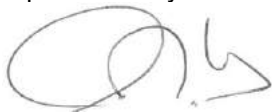
May 7, 2020

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 March 31, 2020 (which shows total assets of Euros 23,252,259 thousand and total equity of Euros 7,320,361 thousand including a negative net profit for the period of Euros 76,053 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 three 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 March 31, 2020 are not prepared, in all material respects, in accordance with International Accounting Standard 34 – Interim Financial Reporting as adopted by the European Union.

May 7, 2020

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

A handwritten signature in dark ink, consisting of a large, stylized 'J' followed by 'RFR' and a flourish.

João Rui Fernandes Ramos, R.O.C.

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