ERSE announces its proposal for electricity tariffs in 2026 and parameters for 2026-2029

Investors & Analysts' Briefing

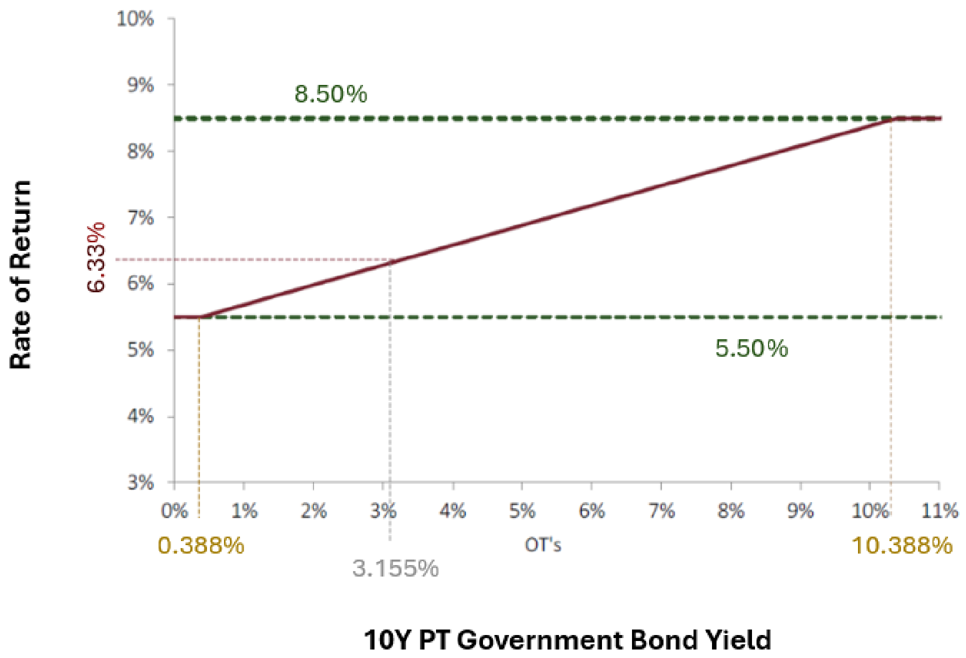
Reuters: EDP.LS
Bloomberg: EDP PL

Lisbon, October 16th, 2025: The Portuguese Electricity Regulator ("ERSE") announced its proposal for electricity tariffs in 2026 and parameters for the 2026-2029 regulatory period, on which it is worth noting the following:

An increase of 1.0% in end users' regulated electricity tariffs for 2026 in the normal low voltage (NLV) segment, compared to 2025, which includes residentials and SMEs electricity consumers. This reflects the increase in grid access tariffs to 97.1€/MWh.

ERSE proposed that regulated gross profit for the activity of electricity distribution, operated by E-Redes, is €1,224 million in 2026 (including previous years' adjustments), an increase of €93 million YoY. Assuming as regulatory parameters for 2026-2029:

i) A preliminary a rate of return ("RoR") of 6.33%, before taxes, which compares with the reference RoR of the current regulatory period of 4.70%. The definitive rate in the period 2026-2029 will be set for year t, according to the daily average of the 10 year Portuguese government bond yield between October of year t-1 and September of year t – this mechanism foresees a floor of 5.50% and a cap of 8.50%. Note that the preliminary RoR of 6.33% reflects an underlying average of 3.155% for the 10 year Portuguese government bond yield and that each 1% change in Portuguese government bond yield implies a 0.3% change in the RoR.



Investor Relations Department

phone +351 21 001 2834
ir@edp.com

In 2027, 2028 and 2029, the OPEX base and the CAPEX base of electricity distribution, should be adjusted annually for an efficiency factor of "GDP deflator – 0.50%", which compares with the current efficiency factor of 0.75%.

For the last resort electricity supply (operated by SU Electricidade), ERSE proposed a regulated gross profit of €47 million in 2026.

According to ERSE's proposal, the amount of tariff deficit of the electricity system in Portugal is expected to continue to decrease in 2026 to €1,081 million, not incorporating the creation of any additional deferral.

In line with electricity regulation rules in Portugal, the Tariffs Advisory Board shall issue its nonbinding opinion until November 15th. Following that, ERSE will approve the final tariffs and parameters until December 15th, 2025.

This information is disclosed to the terms and for the purposes of article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council.

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