



**EDP Renováveis, S.A.
and its subsidiaries**

Report on limited review
Condensed consolidated interim financial statements
for the six-month period ended June 30, 2021
Consolidated interim management report



Report on limited review of condensed consolidated interim financial statements

To the shareholders of EDP Renováveis, S.A., at the request of the Board of Directors:

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of EDP Renováveis, S.A. (hereinafter, “the parent company”) and its subsidiaries (hereinafter, “the group”), which comprise the statement of financial position as at June 30, 2021, and the income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes, all condensed and consolidated, for the six-month period then ended. The parent company’s directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as adopted by the European Union, for the preparation of condensed interim financial information, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended June 30, 2021 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, “Interim Financial Reporting”, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007.

Emphasis of matter

We draw attention to note 2, in which it is mentioned that these interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying interim financial statements should be read together with the consolidated annual accounts of the group for the year ended December 31, 2020. Our conclusion is not modified in respect of this matter.



Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the six-month period ended June 30, 2021 contains the explanations which the parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in the aforementioned management report is in agreement with that of the interim financial statements for the six-month period ended June 30, 2021. Our work is limited to checking the consolidated interim management's report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from EDP Renováveis, S.A. and its subsidiaries' accounting records.

Preparation of this review report

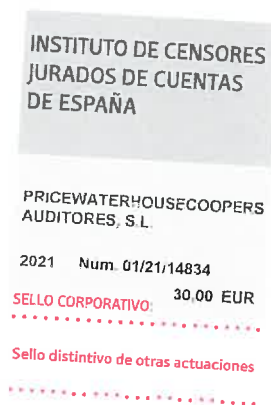
This report has been prepared at the request of the Board of Directors in relation to the publication of the half-yearly financial report required by Article 119 of Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Securities Market Law developed by Royal Decree 1362/2007, of 19 October.

PricewaterhouseCoopers Auditores, S.L.



Iñaki Goiriena Basualdu

July 28, 2021



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**INTERIM REPORT
EDPR 1H 2021**

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INDEX

1H 2021 Condensed Consolidated Financial Statements

01 Condensed Consolidated Financial Statements for the six-month period ended 30 June 2021	3
--	---

1H 2021 Consolidated Management Report

01 The Company

EDPR in Brief	7
1H21 in Review	12
Organisation	16

02 Strategic Approach

Strategy	27
Risk Management	33

03 Execution

Financial Capital	42
Human Capital	50
Supply Chain Capital	53
Social Capital	54
Natural Capital	57
Digital Capital	59
Innovation Capital	60

ORDER FROM DISRUPTION TO EVOLUTION IN THE 21ST CENTURY

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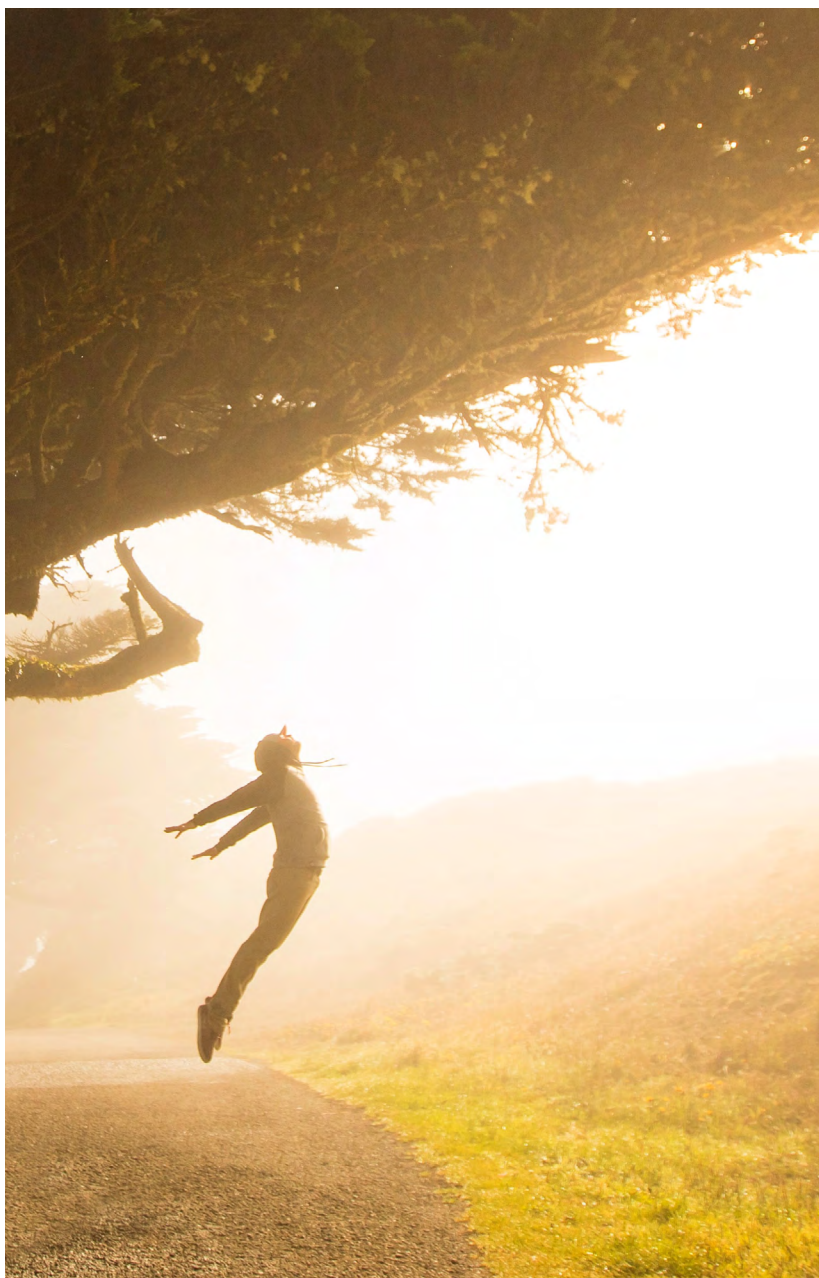
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX- MONTH PERIOD ENDED 30 JUNE 2021

Condensed consolidated income statement	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of financial position	5
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash-flows	7
Notes to the Condensed consolidated financial statements	9

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Condensed consolidated income statement for the six-month period ended 30 June 2021 and 2020

THOUSAND EUROS	NOTES	2021	2020
Revenues	7	769,438	808,435
Income from institutional partnerships in U.S. wind farms	8	86,518	104,560
		855,956	912,995
Other income	9	141,018	193,806
Supplies and services	10	-156,153	-147,155
Personnel costs and employee benefits	11	-82,020	-70,649
Other expenses	12	-93,138	-90,907
Impairment losses on trade receivables and debtors	23	216	-122
		-190,077	-115,027
Joint ventures and associates	20	-11,637	-4,793
		654,242	793,175
Provisions	32	-874	-199
Amortisation and impairment	13	-289,764	-292,030
Operating profit		363,604	500,946
Financial income	14	94,643	45,621
Financial expenses	14	-205,765	-209,225
Financial result – net		-111,122	-163,604
Profit before tax and CESE		252,482	337,342
Income tax expense	15	-43,714	-3,190
Extraordinary contribution to the energy sector (CESE)	15	-3,004	-3,173
Net profit for the year		205,764	330,979
ATTRIBUTABLE TO			
Equity holders of EDP Renováveis	29	141,554	254,739
Non-controlling interests	30	64,210	76,240
Net profit for the year		205,764	330,979
Earnings per share basic and diluted - Euros	28	0.16	0.29

Condensed consolidated statement of comprehensive income for the six-month period ended at 30 June 2021 and 2020

THOUSAND EUROS	2021		2020	
	EQUITY HOLDERS OF THE PARENT	NON- CONTROLLING INTERESTS	EQUITY HOLDERS OF THE PARENT	NON- CONTROLLING INTERESTS
Net profit for the year	141,554	64,210	254,739	76,240
Items that will never be reclassified to profit or loss				
Actuarial gains/(losses)	-	-	-	-
Tax effect of actuarial gains/(losses)	-	-	-	-
	-	-	-	-
Items that are or may be reclassified to profit or loss				
Fair value reserve (Equity instruments at fair value)	-	-	-	-
Tax effect of fair value reserve (Equity instruments at fair value)	-	-	-	-
Fair value reserve (cash flow hedge)	-244,466	2	46,678	-2,442
Tax effect from the fair value reserve (cash flow hedge)	60,494	-378	-13,852	775
Fair value reserve (cash flow hedge) net of taxes of non-current assets held for sale	-	-	-	-
Share of other comprehensive income of joint ventures and associates, net of taxes	480	-	1,740	-
Reclassification to profit and loss due to changes in control	19,903	-	42,232	-
Exchange differences arising on consolidation	49,753	33,366	-75,495	-30,786
	-113,836	32,990	1,303	-32,453
Other comprehensive income for the year, net of income tax	-113,836	32,990	1,303	-32,453
Total comprehensive income for the year	27,718	97,200	256,042	43,787

Condensed consolidated statement of financial position as at 30 June 2021 and 31 December 2020

THOUSAND EUROS	NOTES	2021	2020
ASSETS			
Property, plant and equipment	16	13,747,446	13,491,718
Right-of-use assets	17	694,580	674,045
Intangible assets	18	309,671	314,228
Goodwill	19	1,284,454	1,222,666
Investments in joint ventures and associates	20	871,222	474,884
Equity instruments at fair value	40	13,551	13,318
Deferred tax assets	21	181,943	122,168
Debtors and other assets from commercial activities	23	30,195	23,048
Other debtors and other assets	24	443,623	272,853
Collateral deposits associated to financial debt	31	23,046	21,544
Total Non-Current Assets		17,599,731	16,630,472
Inventories	22	51,168	54,528
Debtors and other assets from commercial activities	23	307,243	255,986
Other debtors and other assets	24	355,510	585,056
Current tax assets	25	135,671	140,761
Collateral deposits associated to financial debt	31	13,173	9,061
Cash and cash equivalents	26	815,387	474,384
Assets held for sale	27	490,036	12,307
Total Current Assets		2,168,188	1,532,083
Total Assets		19,767,919	18,162,555
EQUITY			
Share capital	28	4,802,791	4,361,541
Share premium	28	1,599,045	552,035
Reserves	29	-358,845	-245,009
Other reserves and Retained earnings	29	2,590,220	2,123,302
Consolidated net profit attributable to equity holders of the parent		141,554	555,680
Total Equity attributable to equity holders of the parent		8,774,765	7,347,549
Non-controlling interests	30	1,324,831	1,276,282
Total Equity		10,099,596	8,623,831
LIABILITIES			
Medium / Long term financial debt	31	3,314,407	3,449,621
Provisions	32	314,140	309,607
Deferred tax liabilities	21	413,071	427,102
Institutional partnerships in U.S. wind farms	33	1,589,303	1,933,542
Trade and other payables from commercial activities	34	478,756	439,103
Other liabilities and other payables	35	982,139	853,475
Total Non-Current Liabilities		7,091,816	7,412,450
Short term financial debt	31	1,100,072	496,895
Provisions	32	5,823	5,697
Trade and other payables from commercial activities	34	682,394	1,346,110
Other liabilities and other payables	35	400,896	167,649
Current tax liabilities	36	198,213	109,812
Liabilities held for sale	27	189,109	111
Total Current Liabilities		2,576,507	2,126,274
Total Liabilities		9,668,323	9,538,724
Total Equity and Liabilities		19,767,919	18,162,555

Condensed consolidated statement of changes in equity for the years ended at 30 June 2021 and 31 December 2020

THOUSAND EUROS	TOTAL EQUITY	SHARE CAPITAL	SHARE PREMIUM	RESERVES AND RETAINED EARNINGS	EXCHANGE DIFFERENCES	HEDGING RESERVE	FAIR VALUE RESERVE	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF EDP RENOVÁVEIS	NON-CONTROLLING INTERESTS
Balance as at 31 December 2019	8,334,700	4,361,541	552,035	2,183,880	-79,986	-50,903	6,272	6,972,839	1,361,861
COMPREHENSIVE INCOME									
- Fair value reserve (equity instruments at fair value) net of taxes	-3,194	-	-	-	-	-	-2,954	-2,954	-240
- Fair value reserve (cash flow hedge) net of taxes	-5,390	-	-	-	-	-5,404	-	-5,404	14
- Share of other comprehensive income in joint ventures and associates, net of taxes	13,515	-	-	-	15,179	-1,664	-	13,515	-
- Reclassification to profit and loss due to changes in control	74,511	-	-	-	39,791	34,720	-	74,511	-
- Actuarial gains/(Losses)	2	-	-	5	-	-	-	5	-3
Exchange differences arising on consolidation	-299,256	-	-	-	-200,061	-	-	-200,061	-99,195
- Net profit for the year	682,851	-	-	555,680	-	-	-	555,680	127,171
Total comprehensive income for the year	463,039	-	-	555,685	-145,091	27,652	-2,954	435,292	27,747
Dividends paid	-69,784	-	-	-69,784	-	-	-	-69,784	-
Dividends attributable to non-controlling interests	-38,231	-	-	-	-	-	-	-	-38,231
Other changes resulting from acquisitions/sales and equity increases	-65,972	-	-	9,293	-	-	-	9,293	-75,265
Other	79	-	-	-92	1	-	-	-91	170
Balance as at 31 December 2020	8,623,831	4,361,541	552,035	2,678,982	-225,076	-23,251	3,318	7,347,549	1,276,282
COMPREHENSIVE INCOME									
- Fair value reserve (cash flow hedge) net of taxes	-184,348	-	-	-	-	-183,972	-	-183,972	-376
- Share of other comprehensive income in joint ventures and associates, net of taxes	480	-	-	-	-6,515	6,995	-	480	-
- Reclassification to profit and loss due to changes in control	19,903	-	-	-	8,468	11,435	-	19,903	-
Exchange differences arising on consolidation	83,119	-	-	-	49,753	-	-	49,753	33,366
- Net profit for the year	205,764	-	-	141,554	-	-	-	141,554	64,210
Total comprehensive income for the year	124,918	-	-	141,554	51,706	-165,542	-	27,718	97,200
Dividends paid	-76,845	-	-	-76,845	-	-	-	-76,845	-
Dividends attributable to non-controlling interests	-27,690	-	-	-	-	-	-	-	-27,690
Share capital increase	1,488,260	441,250	1,047,010	-	-	-	-	1,488,260	-
Other	-32,878	-	-	-11,917	-	-	-	-11,917	-20,961
Balance as at 30 June 2021	10,099,596	4,802,791	1,599,045	2,731,774	-173,370	-188,793	3,318	8,774,765	1,324,831

Condensed consolidated statement of cash flows for the six-month period ended 30 June 2021 and 2020

THOUSAND EUROS	2021	2020
OPERATING ACTIVITIES		
Cash receipts from customers	811,098	798,204
Payments to suppliers	-283,349	-162,448
Payments to personnel	-102,353	-80,545
Other receipts / (payments) relating to operating activities	-124,090	-15,427
Net cash from operations	301,306	539,784
Income tax received / (paid)	-8,241	-13,284
Net cash flows from operating activities	293,065	526,500
INVESTING ACTIVITIES		
Cash receipts relating to:		
Changes in cash resulting from perimeter variations (*)	3,786	-
Property, plant and equipment and intangible assets	17,441	357
Interest and similar income	3,999	4,831
Dividends	16,107	8,672
Loans to related parties	516,538	162,925
Sale of subsidiaries with loss of control	232,712	272,711
Other receipts from investing activities	7,274	13,886
Cash payments relating to:		
Changes in cash resulting from perimeter variations (**)	-16,608	-6,707
Acquisition of subsidiaries	-52,306	-42,918
Property, plant and equipment and intangible assets	-1,661,599	-666,046
Loans to related parties	-346,115	-266,739
Other payments in investing activities	-300,766	-129,636
Net cash flows from investing activities	-1,579,537	-648,664
FINANCING ACTIVITIES		
Payments/receipts related with transactions with non-controlling interest without change of control	-	-1,364
Receipts / (payments) relating to loans from third parties	164,873	-33,377
Receipts / (payments) relating to loans from non-controlling interests	-11,519	-20,688
Receipts / (payments) relating to loans from Group companies	244,556	133,595
Interest and similar costs including hedge derivatives from third parties	-16,748	-22,243
Interest and similar costs from non-controlling interests	-2,278	-3,598
Interest and similar costs including hedge derivatives from Group companies	-52,524	-84,472
Payments of lease liabilities	-24,036	-23,251
Dividends paid	-103,443	-95,691
Receipts / (payments) from derivative financial instruments	6,557	6,790
Receipts / (payments) from institutional partnerships in North America	-36,911	114,944
Increases / (decreases) in capital and share premium by non-controlling interests (***)	1,453,240	-45,992
Other cash flows from financing activities	15	-
Net cash flows from financing activities	1,621,782	-75,347
Changes in cash and cash equivalents	335,310	-197,511
Effect of exchange rate fluctuations on cash held	5,693	-31,949
Cash and cash equivalents at the beginning of the period	474,384	581,759
Cash and cash equivalents at the end of the period (****)	815,387	352,299

(*) Refers to i) the acquisition of the DG business in EDPR NA and the operational companies Aria del Vento in Italy and Trung Son portfolio in Singapore and Vietnam (see note 6).

(**) Refers to i) sale of 2019 Vento XX portfolio which proceeds are included in caption "Sale of subsidiaries with loss of control" (see note 6); and ii) reclassification to held for sale of certain portfolio of European companies (see note 27).

(***) Relates essentially to the capital increase made by the company, net of transaction costs (see note 28)

(****) See note 26 of the consolidated financial statements for a detailed breakdown of Cash and cash equivalents.

Variations in the following captions, including cash flow variations, during the period ending June 30, 2021 are as follows:

THOUSAND EUROS	BANK LOANS (*)	GROUP LOANS	NON- CONTROLLING INTERESTS LOANS	U.S. INSTITUTIONAL PARTNERSHIPS	DERIVATIVES (**)	TOTAL
Balance as of December 31, 2020	619,600	3,277,917	200,281	1,933,545	-38,911	5,992,432
Cash flows						
- Receipts / (payments) relating to loans from third parties	164,873	-	-	-	-	164,873
- Receipts / (payments) relating to loans from non-controlling interests	-	-	-11,519	-	-	-11,519
- Receipts / (payments) relating to loans from Group companies	-	244,556	-	-	-	244,556
- Interest and similar costs including hedge derivatives from third parties	-13,919	-	-	-	-2,829	-16,748
- Interest and similar costs from non controlling interests	-	-	-2,278	-	-	-2,278
- Interest and similar costs including hedge derivatives from Group companies	-	-42,168	-	-	-10,356	-52,524
- Receipts/ (payments) from derivative financial instruments	-	-	-	-	6,557	6,557
- Receipts / (Payments) from institutional partnership in US wind farms	-	-	-	-36,911	-	-36,911
Changes of perimeter (***)	81,073	-	-	-321,100	37	-239,990
Reclassification to Held for Sale	-156,475	-	-	-	-	-156,475
Exchange differences	35,652	78,658	1,855	57,240	-685	172,720
Fair value changes	-	-	-	-	54,901	54,901
Accrued income/expenses	10,145	60,480	3,878	5,360	14,144	94,007
Unwinding	-	-	-	37,688	-	37,688
Changes in U.S. Institutional Partnerships related to ITC/PTC	-	-	-	-86,518	-	-86,518
Balance as of June 30, 2021	740,949	3,619,443	192,217	1,589,304	22,858	6,164,771

(*) Net of collateral deposits;

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

(***) Refer to decreases due to the sale of US portfolio of companies (see note 6);

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021 AND 2020

Covid-19. Macroeconomic, regulatory, operational, accounting impact and stakeholders	10
01 The business operations of the EDP Renováveis Group	11
02 Accounting policies	14
03 Recent accounting standards and interpretations issued	15
04 Critical accounting estimates and judgments in applying accounting policies	15
05 Financial risk management policies	17
06 Consolidation perimeter	21
07 Revenues	23
08 Income from institutional partnerships in U.S. wind farms	23
09 Other income	23
10 Supplies and services	24
11 Personnel costs and employee benefits	25
12 Other expenses	26
13 Amortisation and impairment	26
14 Financial income and financial expenses	27
15 Income tax expense and Extraordinary Contribution to the Energy Sector (CESE)	27
16 Property, plant and equipment	31
17 Right of use assets	33
18 Intangible assets	34
19 Goodwill	35
20 Investments in Joint Ventures and Associates	36
21 Deferred tax assets and liabilities	37
22 Inventories	37
23 Debtors and other assets from commercial activities	38
24 Other debtors and other assets	38
25 Current tax assets	39
26 Cash and cash equivalents	39
27 Assets and liabilities held for sale	40
28 Share capital and share premium	41
29 Other comprehensive income, reserves and retained earnings	42
30 Non-controlling interests	44
31 Financial debt	45
32 Provisions	47
33 Institutional partnerships in U.S. wind farms	47
34 Trade and other payables from commercial activities	48
35 Other liabilities and other payables	49
36 Current tax liabilities	51
37 Derivative financial instruments	51
38 Commitments	53
39 Related Parties	54
40 Fair value of financial assets and liabilities	58
41 Relevant subsequent events	60
42 Operating segments report	60
Annex I	62

COVID-19. Macroeconomic, Operational and Accounting Impact

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

Macroeconomic Impact

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

In global macroeconomic terms, COVID-19 has impacted the EDPR 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.

Operational Impact

EDPR operates a solid business model which risks to its day-to-day operations with reduced exposure to merchant prices. Due to Covid-19, the company has suffered some construction and supply chain disruptions with active management of critical supplies being carried out to minimize potential impacts of breakages in these chains.

EDPR team's commitment and capacity to adapt by working together while apart allowed the Company to keep achieving and surpassing its ambitious goals while always putting health and wellbeing first. Following the outbreak of the COVID-19 pandemic, and as a responsible company, EDPR quickly took measures to minimise the conditions for the virus to spread, focusing on people's health and keeping essential services in operation. During the first six months of 2021, employees continued to have the option to work from home or to gradually return to facilities according to a Reopening Plan with geographical specifications, guaranteeing the highest health and safety standards for all and complying with legal and space limitations.

Accounting Impact

To assess possible accounting impacts arising from COVID-19, the EDPR Group reassessed the estimates it considers relevant and which may have been impacted by this fact. Thus, during 2020 and 2021, the EDPR Group carried out a series of analyses of these relevant estimates and concluded that no significant accounting impacts have arisen derived from COVID-19 pandemic.

With advanced vaccination campaigns in most countries, the disruptions caused by COVID-19 in the electricity generation business (low demand, low market prices, high credit risk and supply chain malfunctions) are expected to be over during the second half of 2021.

01. The business operations of the EDP Renováveis Group

EDP Renováveis, Sociedad Anónima (hereinafter referred to as “EDP Renováveis” or “EDPR”) was incorporated in Spain on 4 December 2007. Its main corporate objective is to engage in activities related to the electricity sector, namely the planning, construction, operation and maintenance of electricity generating power stations, using renewable energy sources, mainly wind and solar. The registered offices of the company are located in Oviedo, Plaza del Fresno 2, Spain. On 18 March 2008 EDP Renováveis was converted into a company incorporated by shares (Sociedad Anónima).

The Company belongs to the EDP Group, of which the ultimate parent company is EDP Energias de Portugal, S.A., with registered offices at Avenida 24 de Julho, 12, Lisbon. As at 30 June 2021, EDP Energias de Portugal, S.A through its Spanish branch EDP S.A. - Sucursal en España (“EDP Branch”) held a qualified shareholding of 74.98% of the share capital and voting rights of EDPR and 25.02% of the share capital was free floated in the Euronext Lisbon.

As at 31 December 2020, EDP Renováveis S.A. directly holds a 100% stake in the share capital of the following companies: EDP Renewables Europe, S.L. (EDPR EU), EDP Renewables North America, LLC (EDPR NA), EDP Renewables Canada, Ltd. (EDPR Canada), EDP Renováveis Brasil, S.A. (EDPR BR), Colombian companies Eolos Energía S.A.S. E.S.P., Vientos del Norte S.A.S. E.S.P., Solar Power Solutions S.A.S. E.S.P. , Vietnamese company EDP Renewables Vietnam Ltd, Singaporean company Trina Solar Investment First Pte. Ltd. and Chilean companies EDP Renewables Chile SpA, Los Llanos Solar, SpA, Parque Eólico San Andrés, SpA and Parque Eólico Victoria, SpA.

The Group essentially operates in the European (Spain, Portugal, Poland, Romania, France, Italy and Belgium), American (U.S., Brazil, Canada and Mexico) and Asian (Vietnam) energy sectors.

EDPR Group is currently developing wind and solar onshore projects in other countries such as Chile, Colombia, Greece, UK and Hungary. Further, EDPR Group signed an agreement with ENGIE in 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L., in fixed and floating offshore wind business. This entity will be the exclusive vehicle of investment of EDPR and ENGIE for offshore wind opportunities worldwide.

Regulatory framework

During the six-month period ended 30 June 2021, we emphasize the following changes:

Regulatory framework for the activities in the United States of America

The U.S. Department of the Treasury (Treasury) determines eligibility under the federal law governing qualification for the wind energy production tax credit (PTC) and the solar energy investment tax credit (ITC). Treasury has allowed projects a “safe harbor” with respect to qualifying for the tax credit available in the year construction commenced, so long as the project subsequently was placed in service within a certain period of years.

On 29 June 2021, Treasury issued revised guidance:

1. Extends the placed-in-service safe harbor to six years for facilities that began construction in 2016, 2017, 2018 or 2019;
2. Extends the placed-in-service safe harbor to five years for facilities that began construction in 2020; and,
3. Provides that taxpayers not relying on the continuity safe harbor may demonstrate continuity by using the “continuous efforts” standard rather than the more restrictive “continuous construction” standard, regardless of whether the project started construction under the physical work pathway.

Together, these changes provide the industry with valuable flexibility regarding the timing of its project development and construction efforts, and provide greater assurance of being able to qualify for higher-level tax credits even with some of the delays encountered as a result of the COVID-19 crisis. Specifically:

- Qualifying equipment procured in 2016 can now be deployed in 2022 and be eligible for the full PTC (previously it would have had to be deployed in 2021); and
- Qualifying equipment procured in 2017 can now be deployed in 2023 and be eligible for the 80% PTC (previously it would have had to be used in 2022).

Regulatory framework for the activities in Spain

In May 2021, the Spanish Parliament approved a law on climate change and energy transition (Law 7/2021), which will bring the country into line with the EU's goal to become carbon neutral by 2050. As an intermediate target, the law targets to cut emissions 23% by 2030, compared with 1990 levels. Regarding the renewables' sector, the law foresees a reform of the electricity sector aimed at fostering: (i) the participation of consumers in the markets including aggregation and demand response and (ii) investment in variable and flexible renewables, distributed generation and energy storage among others. A fiscal reform is also foreseen focused on green taxation.

In June 2021, the European Commission adopted a positive assessment of Spain's Recovery and Resilience Plan. The financing will amount to 69,5 b€ in grants and will support the implementation of the crucial investment and reform measures outlined in the Plan. The presented Plan devotes 40% of its total allocation to measures that support climate objectives (sustainable mobility, energy efficiency and deployment of renewable energies, among others).

In June 2021, the Spanish government announced a 3-month suspension of its 7% generating tax and a reduction of value added tax for electricity bills (from 21% to 10%) until the end of the year. The VAT reduction will be applied to consumers with contracted power <10 kV (if wholesale prices were more than 45€/MWh) and to vulnerable consumers (regardless market prices). These measures come after Spain changed its hourly bands for calculating power bills and amid soaring power prices.

Regulatory framework for the activities in Portugal

DL 35/2013 introduced the tariff extension regime for wind producers: in exchange of 5.8 k€/MW payment from 2013 to 2020, producers were entitled to enter a cap and floor regime of 74 and 90 €/MWh during seven years once the initial tariff is exhausted.

Both payments and cap and floor values were subject to indexation:

- From 2013 to June 2020 based on the "Kn factor", which envisages an annual adjustment for the difference between CPI and 2%
- After June 2021 with CPI, applied over the reference value

So far, ERSE has applied literally the indexation formulas, that is, individually on each year, without cumulation.

Despacho n.º 6304/2021, published in June 2021, sets that "Kn factor" shall be applied on a cumulative basis, meaning that in 2020 the initial floor value of 74 €/MWh would change to 66 €/MWh.

The Despacho mandates ERSE to regularize payments from producers and floor payments and to apply the new methodology in the next update to be applied already in July 2021.

Further, the European Commission adopted in June 2021 a positive assessment of Portugal's Recovery and Resilience Plan. The Plan total 13,9 b€ of grants and 2,7b€ in loans and devotes 38% of its total allocation to measures that support climate objectives. This includes investments to finance a large-scale renovation programme to increase the energy efficiency of buildings or the promotion of energy efficiency and the use of alternative energy sources in industrial processes.

Regulatory framework for the activities in France

In April 2021, the eighth and last session of 2017-2020 onshore wind tender scheme was held, with 700 MW offered, which could be increased to 925 MW if sufficient subscription is reached .

Further, the European Commission endorsed in June 2021 the French Recovery and Resilience Plan. According to it, the EU will disburse 39,4 b€ in grants. The Plan devotes 46% of the total allocation to measures that support climate objectives. It features significant investments in R&D and innovation, in particular in the field of green technologies that should promote they deployment of renewable hydrogen.

Regulatory framework for the activities in Poland

In February 2021, the Polish Government announced the approval of the “Poland’s energy policy until 2040”, which is based on 3 pillars: a just transition, a zero-emission energy system and a good air quality. According to the document, in 2040, zero-emission sources will constitute more than half of the installed capacity, with special focus on offshore wind and nuclear power plants. Due to the adopted assumptions, the use of coal for electricity production is expected to drop to 37% in 2030 (being the current level 70%) and 28% in 2040.

After months of consultations, the offshore wind law was finally published in February 2021. The law sets the regulatory framework for the development of offshore wind energy in the Baltic Sea. The new regulation approves a new remuneration scheme for offshore wind, that will be introduced in two phases. In the first one, support will be granted by administrative decision (for a total of 5,9 GW). Then, in a second phase, support will be granted via competitive auctions, with the first auction taking place in 2025.

Further, in May 2021 Poland submitted to the European Commission its National Recovery and Resilience Plan. Poland has requested a total of 23,9 b€ in grants and 12,1 b€ in loans. The Polish Plan is structured around five pillars of resilience of the economy, including green energy. In particular, it includes measures improving air quality and the development of renewable energy sources. The EU Commission will now assess the Polish plan within the next months and translate its contents into legally binding acts if all the criteria are met.

A new renewable auction was held in June 2021, awarding CfDs to 1,2 GW of solar PV and 0,3 GW of onshore wind.

Regulatory frameworks for the activities in Romania

In June 2020, the Romanian Energy Ministry proposed a Memorandum with the basic characteristics of a potential CfD scheme, addressed at low carbon technologies (renewables, CCS and ESS). Following this Memorandum, the Ministry of Energy prepared the tendering process aimed at awarding the contract for the preparation of a CfD regulatory scheme to an external consultant. The first auction could take place by the end of 2023.

On December 9th, Order no. 213/2020, approving the single imbalance price was finally published on the Official Gazette (in force since February 2021). The methodology introduces a single imbalance price except for those cases when the system is almost balanced when a double price is calculated. The implementation of the new imbalance price was coincident with the 15-minute settlement introduction, in line with EU regulation.

Further, Romania submitted its Recovery and Resilience Plan in May 2021. Romania has requested 14,3 b€ in grants and 15 b€ in loans. The Romanian plan is structure around six pillars, being the green transition one of them. The Commission will now assess Romania's plan based on the criteria set out in the regulation and translate their contents into legally binding acts, provided the criteria are met. Some of the initiatives included in this plan are: (i) updating the NECP according to recommendations of the EC and increasing the target for the reduction of greenhouse gas emissions to 55% by 2030, (ii) eliminating barriers to ease project bankability (and thus, allowing PPAs), (iii) reforms for the integration of batteries, (iv) consolidation of the legal framework in order to facilitate investments, ensuring a sustainable decarbonization of the energy sector and (v) financing schemes for the installation of new renewable facilities.

Regulatory frameworks for the activities in Italy

On January 26th 2021, the GSE published the results of the fourth auction defined by the Ministerial Decree of 4 July 2019 that foresees 7 auctions from 2019 to 2021.

Further, on 27th April 2020, Italy presented its National Recovery and Resilience Plan (NRRP) which will support the implementation of the crucial investment and reform measures following the COVID-19 pandemic. The European Commission adopted a positive assessment of the Plan in June 2021. The Plan will provide 68,9 b€ in grants and 122,6 b€ in loans. The share of climate projects is 37% of the total and, to achieve a progressive decarbonization, interventions are planned to significantly increase the use of renewables.

The Italian government is also seeking to simplify administrative procedures (in particular, regarding public procurement and concessions). To this end, the so-called "Decreto Semplificazione" was published the 31th May 2021 and is expected to become law by the end of July.

02. Accounting policies

A) Basis of preparation

The accompanying condensed consolidated financial statements reflect the results of EDP Renováveis, S.A. and its subsidiaries (EDPR Group or Group) and the Group's interest in its joint ventures and associated companies. The condensed consolidated financial statements for the period ended at 30 June 2021 have been prepared to present fairly the consolidated equity and consolidated financial position of EDP Renováveis, S.A. and subsidiaries at 30 June 2021, the consolidated results of operations, consolidated statement of comprehensive income, consolidated cash flows and changes in consolidated equity for the six-month period. The Board of Directors approved these condensed consolidated financial statements on 27 July 2021. The condensed consolidated financial statements are presented in thousand Euros, rounded to the nearest thousand, except otherwise indicated.

In accordance with Regulation (EC) no. 1606/2002 of 19 July 2002, of the European Council and Parliament, the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). IFRS comprise accounting standards issued by the International Accounting Standards Board (IASB) and its predecessor body as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and their predecessor bodies.

The EDPR Group's condensed consolidated financial statements for the period ended at 30 June 2021 were prepared in accordance with IFRS as adopted by the E.U. until 1 January 2021 and considering the International Financial Reporting Standard IAS 34 - Interim Financial Reporting. These financial statements do not include all the information required to be published on the annual financial statements, and should, therefore, be read together with the annual accounts of the Group for the year ended 31 December 2020.

The Group has followed the same accounting policies and methods of computation as compared with the consolidated financial statements of the Group for the year ended 31 December 2020. The new standards and interpretations recently issued but not yet effective and that the Group has not yet applied on its consolidated financial statements, are detailed in note 3.

As at 30 June 2021, EDPR Group has not identified any significant changes in key assumptions used in impairment tests performed in the end of 2020, which could indicate that an asset may be impaired.

Selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the EDPR Group's financial position and performance since the last annual accounts.

03. Recent accounting standards and interpretations issued

Standards, amendments and interpretations issued effective for the Group

The new standards that have been issued and that are already effective and that the Group has applied on its financial statements, with no significant impacts are the following:

- IFRS 4 (Amended) - Deferral of effective dates to apply two optional solutions (temporary exemption from IFRS 9 and overlay approach); and
- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform (Phase 2);

Standards, amendments and interpretations issued but not yet effective for the Group

The standards, amendments and interpretations issued but not yet effective for the Group (whose effective application date has not yet occurred or, despite their effective dates of application, they have not yet been endorsed by the EU) for which no significant impact is expected, are the following:

- IFRS 17 - Insurance Contracts
- IAS 1 (Amended) - Classification of Liabilities as Current or Non-current;
- IFRS 3 (Amended) - Reference to the Conceptual Framework;
- IAS 16 (Amended) - Proceeds before Intended Use;
- IAS 37 (Amended) - Onerous Contracts – Cost of Fulfilling a Contract;
- Annual Improvement Project (2018-2020);
- IA1 (Amended) - Disclosure of Accounting Policies;
- IAS 8 (Amended) - Disclosure of Accounting Estimates;
- IAS 12 (Amended) – Deferred tax related to assets and liabilities arising from a Single Transaction; and
- IFRS 16 (Amended) - Covid-19 Related Rents Concessions beyond 30 June 2021.

04. Critical accounting estimates and judgments in applying accounting policies

IFRS requires the use of judgement and the making of estimates in the decision process regarding certain accounting treatments, with impact in total assets, liabilities, equity, costs and income. The actual effects may differ from these estimates and judgements, namely in relation to the effect of actual costs and income.

The critical accounting estimates and judgements made by management in applying EDPR Group's accounting policies were the same as those applied to the consolidated financial statements as at 31 December 2020, with a special note for the following items.

Considering that in many cases there are alternatives to the accounting treatment adopted by EDPR 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.

Measurement of the fair value of financial instruments

Fair values are based on listed market prices, if available. Otherwise, fair value is determined either by the price of similar recent transactions under market conditions, or determined by external entities, or based on valuation methodologies, supported by discounting future cash flows techniques, considering market conditions, time value, yield curves and volatility factors. These methodologies may require the use of assumptions or judgements in determining fair values.

Consequently, the use of different methodologies and different assumptions or judgements in applying a particular model, could generate different financial results from those reported.

Additionally, financial instruments' classification as debt or equity requires judgement in the interpretation of contractual clauses and in the evaluation of the existence of a contractual obligation to deliver cash or other financial assets.

Review of the useful life of the assets

The Group reviews periodically the reasonableness of the assets' useful lives that are used to determine the depreciation rates of assets assigned to the activity, and prospectively changes the depreciation charge of the year based on such review.

Entities included in the consolidation perimeter

In order to determine which entities must be included in the consolidation perimeter, the Group evaluates whether it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

This evaluation requires judgement, assumptions and estimates in order to conclude whether the Group is in fact exposed to variable returns and has the ability to affect those returns through its power over the investee.

Other assumptions and judgments could lead to a different consolidation perimeter of the Group, with direct impact in the consolidated financial statements.

Business combinations

Under IFRS 3 (Business Combination) in a business combination, the acquirer shall recognise and measure in the consolidated financial statements the assets acquired and liabilities assumed at fair value at the acquisition date. The difference between the purchase price and the fair value of the assets and liabilities acquired leads to the recognition of goodwill or a gain from a purchase at a low price (bargain purchase).

The fair value determination of the assets acquired and liabilities assumed is carried out internally or by independent external evaluators, using the discounted cash flows method, using the replacement cost or other fair value determination techniques, which rely on the use of assumptions including macroeconomic indicators such as inflation rates, interest rates, exchange rates, discount rates, sale and purchase prices of energy, cost of raw materials, production estimates, useful life and business projections.

Consequently, the determination of the fair value and goodwill or gain from a purchase at a low price is subject to numerous assumptions and judgments and therefore changes could result in different impacts on results.

Fair value measurement of contingent consideration

Contingent consideration from a business combination or a sale of a financial investment is measured at fair value at the acquisition date as part of the business combination or at the date of the sale in the event of a sale of a financial investment. This contingent consideration is subsequently remeasured at fair value at each report date. Fair value is based on discounted cash flows. The main assumptions consider the probability of achieving each objective and the discount factor, corresponding to the best estimates of management at each report date. Changes in assumptions could have significant impact on the values of contingent assets and liabilities recognised in the financial statement.

05. Financial risk management policies

The businesses of EDP Renováveis Group are exposed to a variety of risks, including the effects of changes in electricity market prices, foreign exchange and interest rates. The main financial risks arise from interest-rate and the exchange-rate exposures. The volatility of financial markets is analysed on an on-going basis in accordance with EDPR's risk management policies. Financial instruments are used to mitigate potential adverse effects on EDP Renováveis financial performance resulting from interest rates and foreign exchange rates changes.

The Board of Directors of EDP Renováveis is responsible for the definition of general risk-management policies and the establishment of exposure limits. Recommendations to manage financial risks of EDP Renováveis Group are proposed by EDPR's Finance and Global Risk Departments and discussed in the Financial Risk Committee of EDP Renováveis, which is held quarterly. The pre-agreed strategy is shared with the Finance Department of EDP - Energias de Portugal, S.A., to verify the accordance with the policies approved by the Board of Directors of EDP. The evaluation of appropriate hedging mechanisms and the execution is done by EDPR but may also be outsourced to the Finance Department of EDP.

All transactions undertaken using derivative financial instruments require the prior approval of the Board of Directors, which defines the parameters of each transaction and approves the formal documents describing their objectives.

Exchange-rate risk management

EDPR/EDP Group's Financial Department are responsible for managing the foreign exchange exposure of the Group, seeking to mitigate the impact of exchange rate fluctuations on the net assets and net profits of the Group. Instruments used for hedging are foreign exchange derivatives, foreign exchange debt and other hedging structures with offsetting exposure versus the item to be hedged. The effectiveness of these hedges is reassessed and monitored throughout their lives.

EDPR operates internationally and is exposed to the exchange-rate risk resulting from investments in foreign subsidiaries. With the objective of minimizing the impact of exchange rates fluctuations, EDP Renováveis general policy is to fund each project in the currency of the operating cash flows generated by the project.

Currently, the main currency exposure is the U.S. Dollar, resulting from the shareholding in EDPR NA. EDPR is also exposed to Polish Zloty, Romanian Leu, Brazilian Real, British Pound, Canadian Dollar, Colombian Peso and in the near future EDPR will also be exposed to the Hungarian Forint and Vietnamese Dong. Currencies in emerging markets have suffered a depreciation following COVID-19, but net investment hedges currently in place have mitigated the potential impact in EDPR balance sheet.

To hedge the risk originated with net investment in EDPR NA, EDP Renováveis uses financial debt expressed in USD and also entered into a CIRS in USD/EUR with EDP - Energias de Portugal, S.A. Following the same strategy adopted to hedge these investments in USA, EDP Renováveis has also entered into CIRS in PLN/EUR, BRL/EUR, GBP/EUR, CAD/EUR and in COP/EUR to hedge the investments in Poland, Brazil, United Kingdom, Canada and Colombia (see note 37).

Sensitivity analysis - Foreign exchange rate

As a consequence, a depreciation/appreciation of 10% in the foreign currency exchange rate, with reference to 30 June 2021 and 2020, would originate an increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

30 JUN 2021				
THOUSAND EUROS	PROFIT OR LOSS			EQUITY
	+10%	-10%	+10%	-10%
USD/EUR	7,211	-8,814	-30,154	36,855
	7,211	-8,814	-30,154	36,855

30 JUN 2020				
THOUSAND EUROS	PROFIT OR LOSS			EQUITY
	+10%	-10%	+10%	-10%
USD / EUR	7,651	-9,351	-63,322	77,393
	7,651	-9,351	-63,322	77,393

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

Interest rate risk management

The Group's operating cash flows are substantially independent from the fluctuation in interest-rate markets.

The purpose of the interest-rate risk management strategy is to reduce the exposure of debt cash flows to market fluctuations. As such, whenever considered necessary and in accordance to the Group's policy, interest-rate financial instruments are contracted to hedge interest rate risks. These financial instruments hedge cash flows associated with future interest payments, converting floating rate loans into fixed rate loans.

All these hedges are undertaken on liabilities in the Group's debt portfolio and are mainly perfect hedges with a high correlation between changes in fair value of the hedging instrument and changes in fair value of the interest-rate risk or upcoming cash flows.

The EDP Renováveis Group has a portfolio of interest-rate derivatives with maturities up to 15 years. The Financial Department of EDP Group undertakes sensitivity analyses of the fair value of financial instruments to interest-rate fluctuations or upcoming cash flows.

About 75% of EDP Renováveis Group financial debt bear interest at fixed rates, considering operations of hedge accounting with financial instruments.

Sensitivity analysis - Interest rates

EDPR/EDP Group's Financial Department are responsible for managing the interest rate risk associated to activities developed by the Group, contracting derivative financial instruments to mitigate this risk.

Based on the EDPR Group debt portfolio and the related derivative financial instruments used to hedge associated interest rate risk, as well as on the shareholder loans received by EDP Renováveis, a change of 50 basis points in the interest rates with reference to 30 June 2021 and 2020 would increase/(decrease) in EDP Renováveis Group income statement and equity before taxes, as follows:

30 JUN 2021				
THOUSAND EUROS	+50 BPS	-50 BPS	+50 BPS	-50 BPS
Cash flow hedge derivatives	-	-	3,161	-1,248
Unhedged debt (variable interest rates)	5,030	-5,030	-	-
	5,030	-5,030	3,161	-1,248

30 JUN 2020				
THOUSAND EUROS	+50 BPS	-50 BPS	+50 BPS	-50 BPS
Cash flow hedge derivatives	-	-	5,730	-2,657
Unhedged debt (variable interest rates)	-2,416	2,416	-	-
	-2,416	2,416	5,730	-2,657

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

Counter-party credit-rate risk management in financial transactions

The EDP Renováveis Group counter-party risk exposure in financial and non-financial transactions is managed by an analysis of technical capacity, competitiveness and probability of default to the counter-party. EDP Renováveis has defined a counter-party risk policy inspired in Basel III, which is implemented across all departments in all EDP Renováveis geographies. EDP Renováveis Group is exposed to counter-party risk in financial derivatives transactions in energy sales (electricity, GC and RECs) and in supply contracts.

Counterparties in derivatives and financial transactions are restricted to high-quality credit institutions or to the EDP Group.

Most relevant counterparties in derivatives and financial transactions are companies within EDP Group. Financial instruments contracted outside EDP Group are generally engaged under ISDA Master Agreements and credit quality of external counterparties is analysed and collaterals required when needed.

In the process of selling the energy (electricity, GCs and RECs produced), counter-party exposure arises from trade receivables, but also from mark-to-market of long-term contracts:

- In the specific case of the energy sales of EDPR EU Group, the Group's main customers are utilities and regulated entities in the different countries (EDP and CNMC in the case of the Spanish market). Credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of its debtors. Additional counter-party risk comes from the countries with renewables incentives, which it is usually treated as regulatory risk;
- In the specific case of EDPR NA Group, the Group's main customers are regulated utility companies and regional market agents in the US. As it occurs in Europe, credit risk from trade receivables is not significant due to the limited average collection period for customer balances and the quality of the debtors. However, the exposure due to the mark-to-market of long-term contracts may be significant. This exposure is managed by a detailed assessment of the counter-party before signing any long term agreement and by a requirement of collaterals when financial soundness of the counterparty deteriorates.

Regarding Trade receivables and other debtors, they are recognized net of the impairment losses. The Group believes that the credit quality of these receivables is adequate and that no significant impaired credits exist that have not been recognised as such and provided for.

Counter-party exposure to suppliers arises mainly from contracts with equipment manufacturers and civil engineering contractors. Counter-party analyses are performed for each new contract. If needed, either parent company guarantees or bank guarantees are requested to comply with the limits of exposure established by EDP Renováveis counter-party risk policy.

Impairment losses are determined using the simplified approach precluded in IFRS 9, based on life time expected losses.

Liquidity risk

Liquidity risk is the possibility that the Group will not be able to meet its financial obligations as they fall due. The Group strategy to manage liquidity is to ensure, as far as possible, that it will always have significant liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The liquidity policy followed ensures compliance with payment obligations acquired, through maintaining sufficient credit facilities and having access to the EDP Group facilities who manages the Group 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 programs, allowing the EDP Group's short-term financing sources to be diversified.

The Directors have estimated cash flows that show that the Group will meet the commitments existing at the close of the 2021 financial year and those foreseen for 2022.

The maturity analysis for financial debt (see note 31), including expected future interests, is as follows:

THOUSAND EUROS	JUN 2022	DEC 2022	DEC 2023	DEC 2024	DEC 2025	FOLLOWING YEARS	TOTAL
Bank loans	107,543	33,969	78,791	74,881	50,416	440,291	785,891
Loans received from EDP Group	992,537	211,587	468,611	438,560	209,434	1,299,134	3,619,863
Other loans	1,022	499	1,202	1,029	1,031	13,078	17,861
Expected future interests	79,507	51,264	95,464	74,511	53,540	205,015	559,301
	1,180,609	297,319	644,068	588,981	314,421	1,957,518	4,982,916

Electricity market price risk

As of 30 June 2021, electricity market price risk affecting the EDP Renováveis Group is not significant. In the case of EDPR NA, the great majority of the plants are under power purchase agreements or long term financial contracts, with fixed or escalating prices. In the case of EDPR EU, the electricity is sold in Spain, France, Italy, Portugal and Poland through regulated tariffs, physical or financial PPAs. In Romania the green certificates have a floor.

For the small share of energy with merchant exposure after tariff regimes, PPAs or long term financial contracts (electricity, green certificates and RECs), market risk is managed through the execution of electricity, green certificate and REC forward contracts. For this marginal exposure EDPR EU and EDPR NA have electricity, green certificates and REC financial swaps that qualify for hedge accounting (cash flow hedge) that are related to sales for the years 2021 to 2025 (see note 37).

The purpose of EDP Renováveis Group is to hedge in advance a significant volume of the merchant exposure to reduce the volatility of energy prices in each reporting year.

Capital management

The Group's goal in managing equity, in accordance with the policies established by its main shareholder, is to safeguard the Group's capacity to continue operating as a going concern, grow steadily to meet established growth targets and maintain an optimum equity structure to reduce equity cost.

In conformity with other sector groups, the Group controls its financing structure based on the leverage ratio. This ratio is calculated as net financial borrowings divided by total equity and net borrowings. Net financial borrowings are determined as the sum of financial debt, institutional equity liabilities corrected for non-current deferred revenues, less cash and cash equivalents.

Climate-related risk to physical assets

The Earth's climate has changed throughout history. Scientists attribute the current global warming trend observed since the mid-20th century to the human expansion of the "greenhouse effect" – warming that results when the atmosphere traps heat radiating from Earth toward space. Over the last century, the burning of fossil fuels like coal and oil has increased the concentration of atmospheric carbon dioxide (CO₂).

EDPR is a clear example of how fighting against climate change creates business opportunities. The Company's core business, to deliver clean energy by developing, building and operating top quality wind farms and solar plants, inherently implies the reduction of greenhouse gas emissions, contributing to the world's fight against climate change and its impacts.

Nevertheless, on the risk side, meteorological changes may pose a risk for EDPR's activities and results since they are carried out in areas of the planet that are being affected by climate change.

Production risk in the long term: Future estimations of wind and solar production are based on analysis of historical measurements for more than 20 years and they are considered to be representative of the future. However, relevant unexpected meteorological changes could lead to a lower production than the one expected from historical data. Thus, when evaluating a new investment, EDPR considers potential changes in the production forecasted but, even so, the size of the potential deviation in the case of relevant meteorological changes is uncertain.

Damage to physical assets and consequent loss of revenues: Renewable plants in construction and in operation are exposed to weather hazards, natural disasters, etc. These risks depend on the location of the assets. At EDPR, all plants are insured from the physical damage during construction and operation. During operation, any natural disaster, weather hazard or accident damaging the assets will also be partially insured to revenue losses due to the event.

Increase of intermittency in production: Extreme meteorological events can imply a higher intermittency in hourly production of renewable plants and in hourly prices. Under this scenario, financial impact to EDPR could occur in those contracts with fixed volume obligations if in hours with low production, prices are high.

06. Consolidation perimeter

During the six-month period ended in 30 June 2021, the changes in the consolidation perimeter of the EDP Renováveis Group were:

Companies acquired:

The following acquisitions were classified as asset purchases, out of scope of IFRS 3 – Business Combinations, due to the substance of these transactions, the type of assets acquired and the very early stage of the projects:

- EDP Renováveis, S.A. and EDP Renewables Europe, S.L.U. acquired 100% of the company Aioliki Oitis Energiaki Single-Member LLC;
- EDP Renewables Europe, S.L.U. acquired 51% of the companies Enercoplan Energy – EPC & Investments IKE and Sofrano S.A. and 100% of the companies Kadmeios Anemos Energiaki, A.E., Voiotikos Anemos Energy, A.E. and Energopark, S.R.L.;
- EDP Renewables Polska, Sp. z o.o acquired 100% of the company Elektrownia Kamienica, Sp. z o.o.;
- EDP Renováveis, S.A. acquired the companies Los Llanos Solar, SpA, Parque Eólico San Andrés, SpA and Parque Eólico Victoria, SpA.;
- EDP Renewables Italia S.r.l. acquired 100% of the company C & C Tre Energy S.r.l.

Additionally, the following companies were acquired:

- In the first quarter of 2021, EDP Renováveis, S.A. acquired, through a North American subsidiary, an 85% stake in a distributed solar generation (DG) business that includes 89 MW of operating capacity and is about to be completed and a portfolio in-state advanced development of about 120 MW, distributed by approximately 200 projects, for an amount of 66 million Euros (79 million US Dollar). This transaction was framed within the scope of IFRS 3 – Business combinations. At acquisition date, the estimated book value of the net assets of this portfolio amounted to 48 million Euros (58 million US Dollar), and an evaluation is still in progress to determine its fair value allocation;

- In the second quarter of 2021, EDP Renováveis, S.A. acquired a 100% stake in the portfolio of Singaporean and Vietnamese companies Trina Solar Investment First Pte. Ltd., LYS Energy Investment Pte. Ltd. and Trung Son Energy Development JSC for a total amount of 13 million Euros. This last company owns a 28 MW PV operational project in Vietnam. This transaction was framed within the scope of IFRS 3 – Business combinations. Regarding the acquisition date, the book value of the net assets of this portfolio amounted to 8 million Euros and an evaluation is still in progress to determine its fair value allocation;
- In the second quarter of 2021, EDP Renewables Italia S.r.l. acquired a 100% stake in the Italian company SPV Parco Eolico Aria Del Vento S.R.L. that owns a 16 MW wind operational project in Italy, for a total amount of 26 million Euros. This transaction was framed within the scope of IFRS 3 – Business combinations. Regarding the acquisition date, the book value of the net assets of this portfolio amounted to 28 million Euros and an evaluation is still in progress to determine its fair value allocation;

Disposals with loss of control:

- In the second quarter of 2021 EDP Renewables North America LLC. sold to Greencoat Fuji LLC, by 233 million Euros the equivalent of 281 million US Dollars, 68% of its interest in the company 2019 Vento XX LLC with a subsequent loss of share interest in the following companies:
 - Lexington Chenoa Wind Farm LLC
 - Broadlands Wind Farm LLC

In accordance with the Shareholders Agreement and other relevant contracts, it has been established a shared control of the Company which led to a loss of control over the company and its consolidation by the equity method. This disposal with loss of control generated a gain on a consolidated basis of 101 million Euros, recorded in the income statement (see note 9). Additionally to the above sale price, it should be considered a contingent consideration, according to the relevant agreements signed, which fair value as of June 30, 2021 amounts to -17 million Euros.

Companies sold and liquidated:

- EDP Renewables North America LLC liquidated the following companies: Horizon Wind Ventures II LLC and 2009 Vento IV LLC.;
- EDP Renewables Europe, S.L.U. liquidated the company Dunkerque Éoliennes en Mer, S.A.S.;
- EDP Renewables Canada Ltd liquidated the company Quatro Limited Partnership.

Companies Incorporated:

- Randolph Solar Park LLC*;
- EDPR Northeast Allen Solar Park II LLC*;
- Tillman Solar Park II LLC*;
- Indiana Crossroads Wind Ventures LLC*;
- Riverstart Solar Park VI LLC*;
- EDPR NA Shelby Solar Park LLC*;
- EDPR NA Greenfield Solar Park LLC*;
- EDP Renewables Chile SpA;
- Tillman Storage LLC*;
- Sailor Springs Solar Park LLC*;
- 10 Point Solar Park LLC*.

Other changes:

- EDPR sold during 2021 a 50.01% stake in the Nation Rise windfarm to the Algonquins of Pikwakanagan First Nation (AOPFN) Group. The sale price was the book value of this stake. EDPR has a call option at a fixed price over the stake sold. In addition EDPR has agreed to loan AOPFN the capital so that they can fund 50.01% of the equity. It has been determined that, from a consolidated accounting perspective, there was not an effective sale, thus EDPR is consolidating 100% of the company and no minority interests have been recognized.

* EDPR Group holds, through its subsidiary EDPR NA, a set of subsidiaries legally established in the United States without share capital and that, as at 30 June 2021, do not have any assets, liabilities, or any operating activity.

07. Revenues

Revenues are analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
REVENUES BY BUSINESS AND GEOGRAPHY		
Electricity in Europe	441,633	413,936
Electricity in North America	212,934	363,846
Electricity in Brazil	16,382	15,435
	670,949	793,217
Other revenues	3,324	5,174
	674,273	798,391
Services rendered	20,182	7,372
CHANGES IN INVENTORIES AND COST OF RAW MATERIAL AND CONSUMABLES USED		
Cost of consumables used and changes in inventories	74,983	2,672
Total Revenues	769,438	808,435

The breakdown of revenues by segment is presented in the segmental reporting (see note 44).

08. Income from institutional partnerships in U.S. wind farms

Income from institutional partnership in U.S. Wind Farms in the amount of 86,518 thousand Euros (30 June 2020: 104,560 thousand Euros), includes revenue recognition related to production tax credits (PTC), investments tax credits (ITC) and other tax benefits, mostly from accelerated tax depreciation related to projects Sol I and II, Blue Canyon I, Vento I to Vento V, Vento IX to XVI, Vento XVIII and Vento XX to XXI (see note 33).

09. Other income

Other income is analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
Amortisation of deferred income related to power purchase agreements	942	1,163
Contract and insurance compensations	11,900	12,713
Gains on disposals	100,809	157,674
Other income	27,367	22,256
	141,018	193,806

The power purchase agreements between EDPR NA and its customers were valued based on market assumptions, at the acquisition date of the business combination, using discounted cash flow models. At that date, these agreements were valued at approximately 190,400 thousand of USD and booked as a non-current liability (see note 34). This liability is amortised over the period of the agreements against other income. As at 30 June 2021, the amortisation for the period amounts to 942 thousand Euros (30 June 2020: 1,163 thousand Euros) and the non-current liability amounts to 11,356 thousand Euros (31 December 2020: 6,438 thousand Euros).

As at 30 June 2021, the caption Gains on disposals refers to the gain amounting to 100,809 thousand Euros related to the sale of the 68% stake and loss of control in the company 2019 Vento XX, LLC and subsidiaries (see note 6).

As at 30 June 2021, the caption other income mainly includes an amount of 15,778 thousand Euros that refers to a net change in the fair value of the contingent consideration related to the sale in 2018 to Sumitomo Corporation and in 2020 to Ocean Winds of the stake in the companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S. and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S., in accordance with the relevant agreements signed (see note 24).

Significant amounts within other income caption as at 30 June 2020 included: i) management and cost re-invoicing for UK offshore projects in the amount of 8,836 thousand Euros; and ii) price adjustment amounting to 3,634 thousand Euros according to the corresponding agreement in the transaction of selling 49% of Baixas de Feijão portfolio of companies to CTG that took place in 2015.

As at 30 June 2020, the caption Gains on disposals includes the gain amounting to 157,674 thousand Euros resulting from loss of control in the EDPR's offshore business as a consequence of the joint control partnership in this business following the strategic memorandum of understanding dated May 2019 and signed between EDPR and ENGIE by which a co-controlled 50/50 joint venture in fixed and floating offshore wind business, OW Offshore, S.L., was established (see note 6).

10. Supplies and services

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
Rents and leases	13,678	12,941
Maintenance and repairs	83,628	90,488
SPECIALISED WORKS:		
- IT Services, legal and advisory fees	11,941	3,337
- Shared services	7,293	6,743
- Other services	19,449	14,466
Other supplies and services	20,164	19,180
	156,153	147,155

The caption Rents and leases mainly includes costs for variable lease payments and rental costs for short-term leases.

11. Personnel costs and employee benefits

Personnel costs and employee benefits is analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
PERSONNEL COSTS		
Board remuneration (see note 39)	254	284
Remunerations	62,674	56,751
Social charges on remunerations	11,715	9,635
Employee's variable remuneration	15,698	12,833
Other costs	2,603	1,480
Own work capitalised (see note 16)	-20,116	-18,213
	72,828	62,770
EMPLOYEE BENEFITS		
Costs with pension plans	3,274	3,148
Costs with medical care plans and other benefits	5,918	4,731
	9,192	7,879
	82,020	70,649

As at 30 June 2021, Costs with pension plans relates essentially to defined contribution plans in the amount of 3,227 thousand Euros (30 June 2020: 3,088 thousand Euros) and defined benefit plans amounting to 2 thousand Euros (2 thousand Euros as at 30 June 2020).

The average breakdown by gender of the permanent staff during six-month period ended 30 June 2021 and 30 June 2020 is as follows:

	30 JUN 2021	30 JUN 2020
Male	1,285	1,094
Female	580	491
	1,865	1,585

The breakdown by gender of the permanent staff as at 30 June 2021 and 2020 is as follows:

	30 JUN 2021	30 JUN 2020
Male	1,354	1,106
Female	622	504
	1,976	1,610

In the companies in Spain where there is a legal obligation to have people with disabilities in the workforce to comply with the LISMI due to the number of employees, EDPR has opted for the exceptionality measures provided by the Law. The Company is able to comply with the quota that legally applies to it through contracts of goods or services with companies that promote the hiring of disabled people and also through donations. EDPR's companies under this obligation are covered with the exceptionality measures since March 2021 until 2023. For the rest of EDPR countries, the approach is the same. In 2020, as part of EDPR's global strategy, a Diversity and Equality Committee was set up with the participation of the Management Team, whose objective is to integrate the commitment to this issue within the company. One of the objectives of this Committee is focused on the group of people with disabilities as one of the most important topics to be developed.

12. Other expenses

Other expenses are analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
Taxes	64,126	60,433
Losses on fixed assets	1,331	516
Other costs and losses	27,681	29,958
	93,138	90,907

The caption Taxes, on 30 June 2021, includes the amount of 11,243 thousand Euros (30 June 2020: 13,935 thousand Euros) related to taxes for energy generators in Spain, affecting all the wind farms in operation, amounting to 7% of revenues for each wind farm.

Other costs and losses included as at 30 June 2020 an amount of 12,462 thousand Euros that refers to a change in the fair value of the contingent consideration related to the sale in 2018 to Sumitomo Corporation of 13,5% stake in the companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S. and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S., in accordance with the relevant agreements signed (see note 24).

13. Amortisation and impairment

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
PROPERTY, PLANT AND EQUIPMENT		
Buildings and other constructions	189	907
Plant and machinery	269,041	274,327
Other	2,485	2,375
Impairment loss	657	-
	272,372	277,609
RIGHT-OF-USE ASSETS		
Right-of-use assets	16,277	17,607
INTANGIBLE ASSETS		
Industrial property, other rights and other intangibles	8,982	5,392
	297,631	300,608
Impairment of goodwill	-	-
	-	-
Amortisation of deferred income (Government grants)	-7,867	-8,578
	289,764	292,030

Right of use assets includes depreciation of related assets due to the implementation of IFRS 16 on 1 January 2019. Amortisation of deferred income (Government grants) refers to grants for fixed assets received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States that are amortised through the recognition of revenue in the income statement over the useful life of the related assets (see note 34).

14. Financial income and financial expenses

Financial income and financial expenses are analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
FINANCIAL INCOME		
Interest income	5,446	8,834
Derivative financial instruments:		
Interest	483	581
Fair value	6,981	6,107
Foreign exchange gains	81,363	29,742
Other financial income	370	357
	94,643	45,621
FINANCIAL EXPENSES		
Interest expense	70,318	73,218
Derivative financial instruments:		
Interest	13,302	31,396
Fair value	11,350	2,883
Foreign exchange losses	66,179	42,407
Own work capitalised	-14,793	-10,216
Unwinding	53,376	65,902
Other financial expenses	6,033	3,635
	205,765	209,225
Net financial income / (expenses)	-111,122	-163,604

Derivative financial instruments include interest liquidations on the derivative financial instrument established between EDPR and EDP Finance BV and EDP - Energias de Portugal, S.A. (see notes 24, 35 and 37).

In accordance with the corresponding accounting policy, the borrowing costs (interest) capitalised in tangible fixed assets in progress as at 30 June 2021 amounted to 14,793 thousand Euros (at 30 June 2020 amounted to 10,216 thousand Euros) (see note 16), which are included under Own work capitalised (financial interest). The interest rates used for this capitalisation vary in accordance with the related loans' interests. Interest expense refers to interest on loans bearing interest at contracted and market rates.

Unwinding expenses refers essentially to: (i) the implied return in institutional partnerships in U.S. wind farms amounting to 37,688 thousand Euros (30 June 2020: 48,073 thousand Euros) (see note 33); (ii) financial update of lease liabilities in the amount of 13,762 thousand Euros due to the implementation of IFRS 16 on 1 January 2019 (30 June 2020: 14,960 thousand Euros); and (iii) financial update of provisions for dismantling and decommissioning of wind farms in the amount of 1,924 thousand Euros (30 June 2020: 2,761 thousand Euros) (see note 32).

15. Income tax expense and Extraordinary Contribution to the Energy Sector (CESE)

The following note includes an analysis on the reconciliation between the theoretical and the effective income tax rate applicable at the level of the EDPR Group, on a consolidated basis. In general terms, the analysis on the reconciliation between the theoretical and the effective income tax rate aims at quantifying the impact of the income tax, recognised in the income statement, which includes both current and deferred tax. The note also includes an analysis on the extraordinary contribution to the energy sector (CESE).

As the EDPR Group prepares and discloses its financial statements in accordance with IFRS, an alignment between the accounting of income tax expense or income and the corresponding cash flow is not mandatory. Accordingly, this analysis does not represent the income tax paid or received by the EDPR Group for the corresponding reporting period.

Main features of the tax systems of the countries in which the EDP Renewables Group operates

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

COUNTRY	30 JUN 2021	30 JUN 2020
EUROPE:		
Belgium	25%	25%
France	26.5%	28%
Greece	24%	24%
Hungary	9%	-
Italy	24% - 28.8%	24% - 28.8%
Poland	19%	19%
Portugal	21% - 31.5%	21% - 31.5%
Romania	16%	16%
Spain	25%	25%
United Kingdom	19%	-
AMERICA:		
Brazil	34%	34%
Canada	26.5%	26.50%
Chile	27%	-
Mexico	30%	30%
Colombia	31%	32%
United States of America	24.91%	24.91%
ASIA:		
Vietnam	20%	-

EDP Renováveis S.A. and its subsidiaries file individual tax returns in accordance with the applicable tax legislation. Nevertheless, the company and the majority of its Spanish subsidiaries are taxed under the tax consolidation group regime foreseen in the Spanish law. EDP - Energias de Portugal, S.A. - Sucursal en España (Branch) is the dominant company of this Group, which includes other subsidiaries that are not within the renewables energy industry.

As per the applicable tax legislation, tax periods may be subject to inspection by the various Tax Administrations during a limited number of years. Statutes of limitation differ from country to country as follows: USA, Belgium, Colombia, Chile and France: 3 years; Spain, United Kingdom and Portugal: 4 years; Brazil, Hungary, Romania, Poland, Italy, Greece and Mexico: 5 years; and Canada and Vietnam: 10 years. Notwithstanding this, it is important to note that, in case of Portugal and France, if tax losses/credits being carried-forward are utilized, the statute of limitation is extended to the years when such tax losses/credits were generated. In Spain, tax losses may be subject to the Tax Authorities' verification up to 10 years after they are generated; once this period has expired, taxpayers must prove the origin of the tax losses whose utilization is intended.

Tax losses generated each year are also subject to Tax Administrations' review and reassessment. As per the legislation currently in force, losses may be used to offset yearly taxable income assessed in the subsequent periods as follows: 5 years in Portugal, Greece, Vietnam, Hungary and Poland; 7 in Romania; 10 in Mexico; 12 in Colombia; 20 in Canada; and indefinitely in the United States, Spain, France, Italy, Belgium, Brazil, Chile and United Kingdom. Notwithstanding this, it is important to note that, in some geographies, tax losses generated in previous years might be subject to the limitation period that was applicable at the moment when they were generated (e.g., Portugal and the United States). Moreover, in France tax losses in a given year may be carried back against the taxable base assessed in the previous tax year, and in Canada in the 3 previous years. Notwithstanding this, the deduction of tax losses in the USA, Portugal, Spain, Brazil, France, Italy, Hungary, the United Kingdom and Poland is limited to a percentage of the taxable income of each period, or subject to other limitations.

EDP Renováveis Group companies may, in accordance with the law, benefit from certain tax benefits or incentives under specific conditions. Most importantly, Production Tax Credits in the US which are the dominant form of wind remuneration in this country, and represent an extra source of revenue per unit of electricity over the first 10 years of the asset's life. Wind farms that qualify for the application of the PTC prior to 1 January 2017, benefit from 100% of the credit (\$28/MWh in 2018, \$25/MWh in 2019 and 2020 and \$26/MWh in 2021, being adjusted to inflation in subsequent years). The PTC amount is reduced by 20% for wind farms qualifying in 2017, 40% in 2018 and 60% in 2019. Additional legislation in 2020 & 2021 extended the aforementioned regime to wind facilities, with start of construction in 2020 or 2021, attributing 60% of the tax credit amount. Additionally, EDP Group companies benefit from the Investment Tax Credit which avails solar projects to a credit based upon its capital expenditures. This credit amount equates to 26% for projects that start construction before 2022 and 22% for projects starting construction in 2023 as long as these projects go into service by 2025.

Transfer pricing legislation is duly complied with by EDP Renováveis Group. Its policy follows the rules, guidelines and best international practices applicable across all geographies where the Group operates, in due compliance with the spirit and letter of the Law.

Changes in the tax law with relevance to the EDP Renewables Group in 2021

Corporate income tax ("CIT") rate

As from 2021, the statutory CIT rates applicable in France and Colombia are reduced as follows:

- In France, the Finance Bill 2018 voted on December 30th, 2017 (LOI n° 2017-1837 du 30 décembre 2017 de finances pour 2018) approved a progressive reduction of the general CIT rate to 25% by 2022. For fiscal years starting in 2021, the CIT rate amounts to 26.5%.
- In Colombia, the CIT rate is lowered from 32% to 31%. A further progressive reduction of 1% per year is expected until year 2022, dropping the final CIT rate to 30%.

Spanish participation exemption

The Spanish state budget for 2021 introduced amendments to the participation exemption regime, under which the exemption for dividends and capital gains from domestic and foreign subsidiaries would be limited to 95% of the income. Given the standard CIT rate in Spain, the effective tax rate on dividends and capital gains derived by Spanish companies would be 1,25%, not susceptible of elimination under Spanish CIT group taxation.

Corporate income tax provision.

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
Current tax	-69,580	-19,555
Deferred tax	25,866	16,365
Income tax expense	-43,714	-3,190

The effective income tax rate as at 30 June 2021 and 2020 is analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
Profit before tax	252,482	337,342
Income tax expense	-43,714	-3,190
Effective Income Tax Rate	17.31%	0.95%

The difference between the theoretical and the effective income tax expense, results from the application of the law provisions in the determination of the tax base, as demonstrated below.

The reconciliation between the nominal and the effective income tax rate for the Group during the years ended 30 June 2021 and 2020 is analysed as follows:

THOUSAND EUROS	30 JUN 2021	30 JUN 2020
Profit before taxes	252,482	337,342
Nominal income tax rate (*)	25.00%	25.00%
Theoretical income tax expense	-63,120	-84,336
Fiscal revaluations, amortization, depreciation and provisions	-1,062	-1,665
Tax losses and tax credits	26,150	20,353
Financial investments in associates	535	531
Difference between tax and accounting gains and losses	16	34,816
Effect of tax rates in foreign jurisdictions and CIT rate changes	1,631	1,809
Taxable differences attributable to non-controlling interests (USA)	7,409	8,843
Other	-15,273	16,459
Effective income tax expense as per the Consolidated Income Statement	-43,714	-3,190

(*) Statutory corporate income tax rate applicable in Spain

The main captions are the following:

- The caption "Tax losses and tax credits" mainly reflects the effect of the aboveresferred PTCs retained by EDPR North America and the effect of tax losses in different geographies.
- The caption "Difference between tax and accounting gains and losses" refers to changes in the Group's perimeter not subject to income taxes.
- The caption "Taxable differences attributable to non-controlling interests (USA)" essentially includes the effect inherent to the attribution of taxable income to non-controllable interests in the subgroup EDPR NA, as determined by the tax legislation of that geography.
- The caption "Other" as at 30 June 2021 mainly includes the variation in the fair value of the contingent consideration in connection with the sale in 2020 and 2018 of 29,5% and 13,5% stake of the French companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS to OW Offshore S.L. and Sumitomo Corporation respectively, not subject to income taxes.

During 2021, the EDPR Group has various tax audits regarding different topics. All of them are either successfully concluded or in the process of conclusion; however, EDPR does not expect any significant liability derived therefrom.

Extraordinary Contribution to the Energy Sector (CESE)

Law 83-C/2013, of the State Budget 2014 ("Lei do Orçamento de Estado 2014"), approved by the Portuguese Government on 31 December 2013, introduced an extraordinary contribution applicable to the energy sector (CESE), with the objective of financing mechanisms that promote the energy sector systemic sustainability, through the establishment of a fund which aims to contribute for the reduction of tariff debt and to finance social and environmental policies in the energy sector. This contribution focuses generally on the economic operators that develop the following activities: (i) generation, transportation or distribution of electricity; (ii) transportation, distribution, storage or wholesale supply of natural gas; and (iii) refining, treatment, storage, transportation, distribution and wholesale supply of crude oil and oil products.

CESE is calculated based on the companies' net assets as at 1 January, which comply, cumulatively, to: (i) property, plant and equipment; (ii) intangible assets, except industrial property elements; and (iii) financial assets assigned to concessions or licensed activities. In the case of regulated activities, CESE focuses on the value of regulated assets if it is higher than the value of those assets.

As at 30 June 2021, EDPR Group recorded in caption Tax Liabilities a value for this contribution of 3,004 thousand Euros (3,173 thousand Euros as at 30 June 2020).

16. Property, plant and equipment

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
COST		
Land and natural resources	30,579	29,585
Buildings and other constructions	22,167	19,276
Plant and machinery:		
- Renewables generation	16,654,241	16,446,322
- Other plant and machinery	10,982	10,985
Other	72,603	67,562
Assets under construction	2,951,592	2,571,806
	19,742,164	19,145,536
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-271,715	-564,979
Accumulated depreciation in previous years	-5,574,388	-4,941,938
Impairment losses	-657	-348
Impairment losses in previous years	-147,958	-146,553
	-5,994,718	-5,653,818
Carrying amount	13,747,446	13,491,718

The movement in Property, plant and equipment for the six-month period ended 30 June 2021, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	TRANSFERS	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 30 JUN
COST							
Land and natural resources	29,585	1,873	-58	-	376	-1,197	30,579
Buildings and other constructions	19,276	232	-	-	562	2,097	22,167
Plant and machinery	16,457,307	70,849	-20,717	484,877	335,310	-662,403	16,665,223
Other	67,562	3,327	-70	613	1,151	20	72,603
Assets under construction	2,571,806	900,649	-1,749	-485,490	88,969	-122,593	2,951,592
	19,145,536	976,930	-22,594	-	426,368	-784,076	19,742,164
THOUSAND EUROS	BALANCE AT 01 JAN	CHARGE FOR THE PERIOD	IMPAIRMENT LOSSES/ REVERSES	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER / OTHER	BALANCE AT 30 JUN
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Buildings and other constructions	11,736	189	-	-	393	23	12,341
Plant and machinery	5,523,972	269,041	657	-11,199	103,102	-25,314	5,860,259
Assets under construction	72,981	-	-	-191	933	-	73,723
Other	45,129	2,485	-	-45	825	1	48,395
	5,653,818	271,715	657	-11,435	105,253	-25,290	5,994,718

Plant and machinery includes the cost of the wind farms and solar plants under operation.

Additions include the investment in wind farms and solar plants under development and construction mainly in the United States, Brazil, Poland, Portugal, Spain, Italy, France and Mexico. This caption also includes the allocation of the acquisition cost of certain companies due to the nature of the transactions, the type of assets and the initial stage of completion of the projects acquired (see note 6). The most significant ones, including additions from their acquisition, are:

- Greek companies Aioliki Oitis Energiaki Single-Member LLC, Kadmeios Anemos Energiaki, A.E. and Voiotikos Anemos Anonimi Energiaki Etaireia Wind Shape, Ltd. for a total amount of 16,299 thousand Euros.
- Italian company C & C Tre Energy S.r.l. in the amount of 8,150 thousand Euros;
- Romanian company Energopark, S.R.L. in the amount of 3,618 thousand Euros;
- Polish company Elektrownia Kamienica, Sp. z o.o. in the amount of 1,842 thousand Euros;
- Chilean companies Los Llanos Solar, SpA, Parque Eólico San Andrés, SpA and Parque Eólico Victoria, SpA. for a total amount of 1,421 thousand Euros.

Transfers from assets under construction into operation mainly refer to wind and solar farms that became operational mainly in the United States, Italy, Poland and France.

Impact of Disposals/Write-offs, net of accumulated depreciation, is not significant.

Exchange differences are mainly generated by the variation in the exchange rate of the Brazilian Real, Polish Zloty and US Dollar.

The caption Changes in perimeter/Other mainly includes:

- Increase amounting to 131,326 thousand Euros related to the acquisition of a distributed solar generation business in EDPR North America (see note 6);
- Increase amounting to 22,196 thousand Euros related to the acquisition of the Italian operational company Parco Eolico Aria Del Vento S.R.L (see note 6);
- Increase amounting to 22,144 thousand Euros related to the acquisition of the Vietnamese operational company Trung Son Energy Development JSC and Singaporean companies Trina Solar Investment First Pte. Ltd. and LYS Energy Investment Pte. Ltd. (see note 6);
- Decrease, net of accumulated depreciation, amounting to 531,844 thousand Euros due to the loss of control in the company 2019 Vento XX LLC with a subsequent loss of share interest in companies Lexington Chenoa Wind Farm LLC and Broadlands Wind Farm LLC (see note 6);
- Decrease, net of accumulated depreciation, amounting to 392,033 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies (see note 27).

The Company has taken out an insurance global program to cover risks relating to property, plant and equipment. The coverage provided by these policies is considered to be sufficient.

Loans with credit institutions formalized as 'Project Finances' are secured by the shares of the corresponding wind farms and, ultimately, by the fixed assets of the wind farm to which the financing is related (see note 31). Additionally, the construction of certain assets has been partly financed by grants received from different Government Institutions.

Assets under construction as at 30 June 2021 and 2020 are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
EDPR NA Group	1,726,829	1,485,274
EDPR EU Group	687,832	712,437
EDPR BR Group	396,502	229,503
Others	140,429	144,592
	2,951,592	2,571,806

Assets under construction as at 30 June 2021 are mainly related to wind and solar farms under construction and development in the United States of America, Brazil, Poland, Mexico, Canada, Colombia, Italy, Spain, Italy, France, Greece and UK.

Financial interests capitalized during the period amount to 14,793 thousand Euros as at 30 June 2021 (30 June 2020: 10,216 thousand Euros) (see note 14).

Personnel costs capitalised during the period amount to 20,116 thousand Euros as at 30 June 2021 (30 June 2020: 18,213 thousand Euros) (see note 11).

The EDP Renováveis Group has purchase obligations disclosed in Note 38 - Commitments.

17. Right of use assets

In the context of the adoption of IFRS 16 as of 1 January 2019 (see note 3), the caption Right of use assets was created, which presents the following detail:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
COST		
Land and natural resources	732,750	699,214
Buildings and other constructions	32,246	30,246
Plant and machinery:	127	118
Other	4,376	4,150
	769,499	733,728
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES		
Depreciation charge	-16,277	-34,311
Accumulated depreciation	-58,642	-25,372
	-74,919	-59,683
Carrying amount	694,580	674,045

The movements in Right of use assets, for the Group, for the period ended 30 June 2021, are as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 30 JUN
COST						
Land and natural resources	699,214	88,456	-1,312	18,281	-71,889	732,750
Buildings and other constructions	30,246	1,367	0	633	0	32,246
Plant and machinery:	118	0	0	9	0	127
Other	4,152	199	0	34	-9	4,376
	733,730	90,022	-1,312	18,957	-71,898	769,499

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS/ WRITE-OFF	EXCHANGE DIFFERENCES	CHANGES IN PERIMETER/ OTHER	BALANCE AT 30 JUN
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Land and natural resources	-48,143	-13,081	-	-1,088	2,314	-59,998
Buildings and other constructions	-9,348	-2,599	-	-169	0	-12,116
Plant and machinery:	-7	-2	-	-1	0	-10
Other	-2,187	-595	-	-13	0	-2,795
	-59,685	-16,277	-	-1,271	2,314	-74,919

Cost additions include new lease contracts mainly located in the USA, Brazil, Spain, Italy and Mexico.

The caption Changes in perimeter/Other mainly includes:

- Decrease, net of accumulated depreciation, amounting to 51,353 thousand Euros due to the sale of a 68% stake and loss of control in the companies 2019 Vento XX LLC and subsidiaries (see note 6);
- Decrease, net of accumulated depreciation, amounting to 18,273 thousand Euros due to the reclassification to held for sale of certain portfolio of European companies.

18. Intangible assets

This caption is analysed as follows:

THOUSAND EUROS EUROS	30 JUN 2021	31 DEC 2020
COST		
Industrial property, other rights and other intangible assets	381,859	369,249
Concession Rights	26,603	27,786
Intangible assets under development	38,548	44,199
	447,010	441,234
ACCUMULATED AMORTISATION		
Amortisation charge	-8,982	-16,841
Accumulated amortisation in previous years	-116,611	-98,207
Impairment losses	-	-
Impairment losses in previous years	-11,746	-11,958
	-137,339	-127,006
Carrying amount	309,671	314,228

Industrial property, other rights and other intangible assets mainly include:

- Generated green certificates pending to be sold amounting to 153,832 thousand Euros (31 December 2020: 148,668 thousand Euros) (see note 2 i));
- Software and applications in the amount of 113,278 thousand Euros (31 December 2020: 108,243 thousand Euros);
- Wind generation licenses amounting to 66,320 thousand Euros in the EDPR NA Group (31 December 2020: 64,228 thousand Euros).

The movement in Intangible assets for the six-month period ended June 2021, is analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS / WRITE-OFFS	TRANSFERS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 30 JUN
COST							
Industrial property, other rights and other intangible assets	369,249	6,923	-	3,443	2,242	2	381,859
Concession rights	27,786	-	-	1,711	22	-2,916	26,603
Intangible assets under development	44,199	3,475	-	-5,154	15	-3,987	38,548
	441,234	10,398	-	-	2,279	-6,901	447,010

THOUSAND EUROS	BALANCE AT 01 JAN	ADDITIONS	DISPOSALS / WRITE-OFFS	EXCHANGE DIFFERENCES	OTHERS	BALANCE AT 30 JUN
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES						
Industrial property, other rights and other intangible assets	120,304	7,713	-8	1,584	1	129,594
Concession Rights	6,702	1,269	-	10	-236	7,745
	127,006	8,982	-8	1,594	-235	137,339

Additions mainly refer to software license acquisitions during the period.

The caption Others mainly includes a decrease amounting to 6,553 thousand Euros related to reclassification to held for sale of certain portfolio of European companies (see note 27).

19. Goodwill

For the Group, the breakdown of Goodwill resulting from the difference between the cost of the investments and the corresponding share of the fair value of the net assets acquired, is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Goodwill booked in EDPR EU Group:	582,853	577,547
- EDPR Spain Group	470,784	470,784
- EDPR France Group	25,904	25,904
- EDPR Portugal Group	43,712	43,712
- Other	42,453	37,147
Goodwill booked in EDPR NA Group	695,308	644,499
Goodwill booked in other geographies	6,293	620
	1,284,454	1,222,666

The movements in Goodwill, by subgroup, during the six-month period ended 30 June 2021 are analysed as follows:

THOUSAND EUROS	BALANCE AT 01 JAN	INCREASES	DECREASES	EXCHANGE DIFFERENCES	CHANGE PERIMETER / OTHERS	BALANCE AT 30 JUN
EDPR EU Group:						
- EDPR Spain Group	470,784	-	-	-	-	470,784
- EDPR France Group	25,904	-	-	-	-	25,904
- EDPR Portugal Group	43,712	-	-	-	-	43,712
- Other	37,147	-	-	6	5,300	42,453
EDPR NA Group	644,499	-	-	21,527	29,282	695,308
Other EDPR geographies	620	-	-	50	5,623	6,293
	1,222,666	-	-	21,583	40,205	1,284,454

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

20. Investments in Joint Ventures and Associates

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
INVESTMENTS IN ASSOCIATES		
Interests in joint ventures	784,173	388,337
Interests in associates	87,049	86,547
Carrying amount	871,222	474,884

For the purpose of the consolidated financial statements presentation, goodwill arising from the acquisition of joint ventures and associated companies is presented in this caption.

The movement in Investments in joint ventures and associates, is analysed as follows:

THOUSAND EUROS	2021
Balance as at 1 January	474,884
Changes in consolidation method	101,846
Acquisitions / Increases	307,534
Share of profits of joint ventures and associates	-11,637
Dividends	-15,522
Exchange differences	10,621
Hedging reserve in joint ventures and associates	6,995
Others	-3,499
Balance as at 31 December	871,222

Changes in consolidation method refers to the 32% of interest in the portfolio of companies of 2019 Vento XX LLC and subsidiaries as a consequence of the sale of the 68% stake and loss of control in such portfolio (see note 6).

Acquisitions / Increases caption mainly includes capital contributions to Ocean Winds in the amount of 268,936 thousand Euros and the acquisition of the equity consolidated companies Enercoplan Energy – EPC & Investments IKE and Sofrano S.A. (see note 6) in the total amount of 35,655 thousand Euros.

EDPR has granted operational and financial guarantees in the amount of 27,760 thousand Euros and 199,855 thousand Euros respectively to Joint Ventures as at 30 June 2021, mainly related with Ocean Winds. Refer to note 39 for guarantees granted by EDP Group companies to EDPR's Joint Ventures.

21. Deferred tax assets and liabilities

EDP Renováveis Group records the tax effect resulting from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As at 30 June 2021, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

NET DEFERRED TAX ASSETS					
THOUSAND EUROS	BALANCE AT 01.01.2021	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 30.06.2021
Tax losses and tax credits	618,024	44,140	-	16,428	678,592
Provisions	10,640	-629	-	-847	9,164
Financial instruments	12,195	279	63,844	-136	76,182
Property plant and equipment	64,795	4,122	-	29	68,946
Non-deductible financial expenses	34,530	427	-	66	35,023
Other temporary differences	40,397	-1,456	-2,271	2,184	38,854
Assets/liabilities compensation of deferred taxes	-658,413	-24,181	-	-42,223	-724,817
	122,168	22,702	61,573	-24,499	181,944

NET DEFERRED TAX LIABILITIES					
THOUSAND EUROS	BALANCE AT 01.01.2021	MOV. RESULTS	MOV. RESERVES	PERIMETER VARIATIONS, EXCHANGE DIFFERENCES AND OTHERS	BALANCE AT 30.06.2021
Financial instruments	10,943	-605	750	462	11,550
Property plant and equipment	284,601	1,312	-146	7,975	293,742
Allocation of fair value to assets and liabilities acquired	433,443	2,060	-	5,931	441,434
Income from institutional partnerships (US wind farms)	343,468	14,361	28	11,185	369,042
Other temporary differences	22,104	1,395	-	8,546	32,045
Assets/liabilities compensation of deferred taxes	-667,457	-24,188	-285	-42,812	-734,742
	427,102	-5,665	347	-8,713	413,071

The compensation between deferred tax assets and liabilities is performed at each subsidiary, and therefore the consolidated financial statements reflect the total deferred tax assets and deferred tax liabilities of the Group's subsidiaries.

22. Inventories

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Advances on account of purchases	6,254	8,328
Finished and intermediate products	1,451	8,874
Raw and subsidiary materials and consumables	43,463	37,326
	51,168	54,528

23. Debtors and other assets from commercial activities

Debtors and other assets from commercial activities are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Trade receivables	1,362	600
Deferred costs	18,636	20,157
Sundry debtors and other operations	10,197	2,291
	30,195	23,048
DEBTORS AND OTHER ASSETS FROM COMMERCIAL ACTIVITIES - CURRENT		
Trade receivables	210,021	200,425
Services rendered	32,829	12,252
Advances to suppliers	8,282	5,363
Deferred costs	32,064	26,488
Sundry debtors and other operations	24,638	12,723
	307,834	257,251
Impairment losses	-591	-1,265
	337,438	279,034

Trade receivables-current principally refers to EDPR EU in the amount of 96,704 thousand Euros (101,919 thousand Euros as at 31 December 2020) and to EDPR NA in the amount of 104,740 thousand Euros (83,107 thousand Euros as at 31 December 2020), which mainly includes electricity generation invoicing.

The caption of Debtors and other assets from commercial activities – Current includes 591 thousand Euros, which is the result of increases in impairment losses under the expected credit loss model recommended in IFRS 9.

The credit risk analysis are disclosed in note 5, under the Counterparty credit risk management section.

24. Other debtors and other assets

Other debtors and other assets are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
OTHER DEBTORS AND OTHER ASSETS - NON-CURRENT		
Loans to related parties	134,923	6,688
Derivative financial instruments	59,541	28,412
Sundry debtors and other operations	249,159	237,753
	443,623	272,853
OTHER DEBTORS AND OTHER ASSETS - CURRENT		
Loans to related parties	103,276	409,453
Derivative financial instruments	46,948	82,428
Sundry debtors and other operations	205,286	93,175
	355,510	585,056
	799,133	857,909

Loans to related parties mainly include loans granted to Ocean Winds in the amount of 93,303 thousand Euros in the short-term and 134,923 thousand Euros in the long-term, in the context of the agreement with ENGIE on January 2020 to establish a co-controlled 50/50 joint venture, OW Offshore S.L., to jointly develop fixed and floating offshore wind business (398,262 thousand Euros in the short-term and 5,815 thousand Euros in the long-term as at 31 December 2020). These loans bear interest at market rates, which are made of a reference rate indexed to Euribor or Libor in its majority, plus a market spread.

For derivatives, refer to note 37.

Sundry debtors and other operations non-current mainly include:

- Fair value of the contingent consideration in connection with the sale in 2020 and 2018 of 29,5% and 13,5% stake of the French companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, SAS to OW Offshore S.L. and Sumitomo Corporation respectively, in accordance with the relevant agreements signed, that amounts to 112,977 thousand Euros (96,587 thousand Euros as at 31 December 2020);
- 70,425 thousand Euros to be received in the long-term upon the achievement of certain milestones in accordance with the relevant agreements related to the sale transaction in 2020 of the entire stake in the company Rosewater Wind Farm LLC (68,204 thousand Euros as at 31 December 2020);
- 23,304 thousand Euros (29,515 thousand Euros as at 31 December 2020) mainly related to Interconnection and transmission deposits in EDPR NA;
- 13,056 thousand Euros (the same amount as at 31 December 2020) as part of the price adjustment, according to the corresponding agreements, in the transaction of selling 49% of EDP Renováveis Portugal S.A to CTG that took place in 2013.

Sundry debtors and other operations- current mainly include i) Amounts held on deposit at exchanges as collateral requirements of derivative positions and REC contracts in EDPR NA in the amount of 68,196 thousand Euros (19,355 thousand Euros as at 31 December 2020); ii) amounts held on deposit for transactions related with derivatives in EDPR EU in the amount of 35,900 thousand Euros; and iii) estimated corporate income tax due by EDP Energias de Portugal, S.A. Sucursal en España in the amount of 31,915 thousand Euros (11,748 thousand Euros as at 31 December 2020).

25. Current tax assets

Current tax assets is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Income tax	1,831	14,088
Value added tax (VAT)	126,371	120,002
Other taxes	7,469	6,671
	135,671	140,761

26. Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Cash	8	5
BANK DEPOSITS		
Current deposits	285,551	169,367
Term deposits	116,524	55,927
Specific demand deposits in relation to institutional partnerships	12,863	34,287
	414,938	259,581
Other short term investments	400,441	214,798
	815,387	474,384

Term deposits include temporary financial investments to place treasury surpluses.

Specific demand deposits in relation to institutional partnerships are funds required to be held in escrow sufficient to pay the remaining construction related costs of projects in institutional equity partnerships (see note 33), under the corresponding accounting policy. The governing agreements of these partnerships and specific escrow agreements define the appropriate expenditure of these funds.

The caption "Other short term investments" essentially includes, as at 30 June 2021 and 2020, the debit balance of the current account with EDP Servicios Financieros España S.A. in accordance with the terms and conditions of the contract signed between the parties (see note 39).

27. Assets and liabilities held for sale

The criteria for classifying assets and liabilities as held for sale and discontinued operations, as well as their presentation in the EDPR Group's consolidated financial statements, are described in the Group's accounting policies.

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021		31 DEC 2020	
THOUSAND EUROS	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE	ASSETS HELD FOR SALE	LIABILITIES HELD FOR SALE
Electricity generation assets - Offshore wind	15,752	-	12,307	111
Electricity generation assets - Onshore wind	474,284	189,109	-	-
	490,036	189,109	12,307	111

Electricity generation assets – Offshore wind

The assets and liabilities, which are associated with Moray West Holdings Limited, remain classified as non-current assets and liabilities held for sale under the sale plan that the EDPR Group has entered into in the past.

Electricity generation assets – Onshore wind

During the second quarter of 2021, EDPR Group started the process of selling onshore wind portfolios in Europe (see note 41). Assets and liabilities associated with these portfolios were presented in non-current assets and liabilities held for sale, according to the analysis performed under IFRS 5.

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

THOUSAND EUROS	Onshore wind	Offshore wind	Total
ASSETS			
Property, plant and equipment	392,033	-	392,033
Right-of-use assets	18,273	-	18,273
Other assets	55,711	15,752	71,463
Cash and cash equivalents	8,267	-	8,267
Non-Current assets held for sale	474,284	15,752	490,036
Financial debt	154,716	-	154,716
Provisions	4,962	-	4,962
Other liabilities	29,431	-	29,431
Non-Current liabilities held for sale	189,109	-	189,109

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.

28. Share capital and share premium

On April 15, 2021, EDPR made a capital increase by issuing 88,250,000 ordinary shares, with a par value of 5 Euros each and a subscription price of 17 Euros per share, with the exclusion of the pre-emptive subscription rights of the Company's shareholders. The new shares are fungible with EDPR's other shares and will confer on their holders, as from the date of the respective issue, the same rights as the other shares existing prior to the capital increase. As such, the share capital of EDPR at 30 June 2021 amounts to 4,802,790,810 euros, represented by 960,558,162 shares of 5 euros par value each, all of a single class and series.

The shares are in book-entry bearer form, the company is entitled to request the listing of its shares and all the shareholders are registered in the relevant book-entry records. These shares have the same voting and profit-sharing rights and are freely transferable.

EDP Renováveis, S.A. shareholder's structure as at 30 June 2021 is analysed as follows:

	NO. OF SHARES	% CAPITAL	% VOTING RIGHTS
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	720,191,372	74.98%	74.98%
Other (*)	240,366,790	25.02%	25.02%
	960,558,162	100.00%	100.00%

(*) Shares quoted on the Lisbon stock exchange

EDP Renováveis, S.A. shareholder's structure as at 31 December 2020 is analysed as follows:

	NO. OF SHARES	% CAPITAL	% VOTING RIGHTS
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	720,191,372	82.56%	82.56%
Other (*)	152,116,790	17.44%	17.44%
	872,308,162	100.00%	100.00%

Share capital and Share premium are as follows:

THOUSAND EUROS	SHARE CAPITAL	SHARE PREMIUM
Balance as at 1 January 2021	4,361,541	552,035
Movements during the period (net of transaction costs)	441,250	1,047,010
Balance as at 30 June 2021	4,802,791	1,599,045

The Share Premium is freely distributable.

Earnings per share attributable to the shareholders of EDPR are analysed as follows:

	30 JUN 2021	30 JUN 2020
Profit attributable to the equity holders of the parent(in thousand Euros)	141,554	254,739
Profit from continuing operations attributable to the equity holders of the parent (in thousand Euros)	141,554	254,739
Weighted average number of ordinary shares outstanding	909,078,995	872,308,162
Weighted average number of diluted ordinary shares outstanding	909,078,995	872,308,162
Earnings per share (basic) attributable to equity holders of the parent (in Euros)	0.16	0.29
Earnings per share (diluted) attributable to equity holders of the parent (in Euros)	0.16	0.29
Earnings per share (basic) from continuing operations attributable to the equity holders of the parent (in Euros)	0.16	0.29
Earnings per share (diluted) from continuing operations attributable to the equity holders of the parent (in Euros)	0.16	0.29

The EDPR Group calculates its basic and diluted earnings per share attributable to equity holders of the parent using the weighted average number of ordinary shares outstanding during the period.

The company does not hold any treasury stock as at 30 June 2021 and 2020.

The average number of shares was determined as follows:

	30 JUN 2021	30 JUN 2020
Ordinary shares issued at the beginning of the period	872,308,162	872,308,162
Effect of shares issued during the period	36,770,833	-
Average number of realised shares	909,078,995	872,308,162
Average number of shares during the period	909,078,995	872,308,162
Diluted average number of shares during the period	909,078,995	872,308,162

29. Other comprehensive income, reserves and retained earnings

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
OTHER COMPREHENSIVE INCOME		
Fair value reserve (cash flow hedge)	-188,793	-23,251
Fair value reserve (equity instruments at fair value)	3,318	3,318
Exchange differences - Currency translation arising on consolidation	521,742	344,738
Exchange differences - Net investment hedge	-695,382	-569,648
Exchange differences - Net investment hedge - Cost of hedging	270	-166
	-358,845	-245,009
OTHER RESERVES AND RETAINED EARNINGS		
Retained earnings and other reserves	2,314,726	1,986,665
Additional paid in capital	60,666	60,666
Legal reserve	214,828	75,971
	2,590,220	2,123,302
	2,231,375	1,878,293

Additional paid in capital

The accounting for transactions among entities under common control is excluded from IFRS 3. Consequently, in the absence of specific guidance, within IFRSs, the Group EDPR has adopted an accounting policy for such transactions, judged appropriate. According to the Group's policy, business combinations among entities under common control are accounted for in the consolidated financial statements using the book values of the acquired company (subgroup) in the EDPR consolidated financial statements. The difference between the carrying amount of the net assets received and the consideration paid is recognised in equity.

Legal reserve

The legal reserve has been appropriated in accordance with Article 274 of the Spanish Companies Act whereby companies are obliged to transfer 10% of the profits for the year to a legal reserve until such reserve reaches an amount equal to 20% of the share capital. This reserve is not distributable to shareholders and may only be used to offset losses, if no other reserves are available, or to increase the share capital.

Fair value reserve (cash flow hedge)

The Fair value reserve (cash flow hedge) comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments (see note 37).

Exchange differences arising on consolidation

This caption reflects the amount arising on the translation of the financial statements of subsidiaries and associated companies from their functional currency into Euros. The exchange rates used in the preparation of the consolidated financial statements are as follows:

		EXCHANGE RATES AT 30 JUNE 2021		EXCHANGE RATES AT 30 JUNE 2020	
		CLOSING RATE	AVERAGE RATE	CLOSING RATE	AVERAGE RATE
US Dollar	USD	1.19	1.21	1.12	1.10
Zloty	PLN	4.52	4.54	4.47	4.41
Brazilian Real	BRL	5,91	6.49	6.11	5.40
New Leu	RON	4.93	4.90	4.84	4.82
Pound Sterling	GBP	0.86	0.87	0.91	0.87
Canadian Dollar	CAD	1.47	1.50	1.53	1.50
Mexican Peso	MXN	23.66	24.31	25.88	23.83
Colombian Peso	COP	4,455.03	4,364.85	4,209.23	4,061.66
Japanese Yen	JPY	131.43	129.87	120.66	119.29
Hungarian Forint	HUF	351.68	357.88	-	-
Vietnamese Dong	VND	27,349.84	27,706.10	-	-
Chilean Peso	CLP	869.55	870.35	-	-

30. Non-controlling interests

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Non-controlling interests in income statement	64,210	127,171
Non-controlling interests in share capital and reserves	1,260,621	1,149,111
	1,324,831	1,276,282

Non-controlling interests, by subgroup, are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
EDPR NA Group	846,725	821,118
EDPR EU Group	416,189	399,419
EDPR BR Group	61,917	55,745
	1,324,831	1,276,282

The movement in non-controlling interests of EDP Renováveis Group is mainly related to:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Balance as at 1 January	1,276,282	1,361,861
Dividends distribution	-27,690	-38,231
Net profit for the year	64,210	127,171
Exchange differences arising on consolidation	33,366	-99,195
Increases/(Decreases) of share capital	-31,851	-75,265
Other changes	10,514	-59
Balance as at 31 December	1,324,831	1,276,282

31. Financial debt

Financial debt current and Non-current is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
FINANCIAL DEBT - NON-CURRENT		
Bank loans:		
- EDPR EU Group	135,712	231,156
- EDPR BR Group	289,836	156,014
- EDPR NA Group	244,303	185,288
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	219,469	303,966
- EDP Renováveis Servicios Financieros, S.L.	2,408,248	2,555,834
Other loans:		
- EDPR EU Group	16,839	17,363
Total Debt and borrowings - Non-current	3,314,407	3,449,621
Collateral Deposits - Non-current (*)		
Collateral Deposit - Project Finance and others	-23,046	-21,544
Total Collateral Deposits - Non-current	-23,046	-21,544
FINANCIAL DEBT - CURRENT		
Bank loans:		
- EDPR EU Group	61,837	57,508
- EDPR BR Group	9,026	7,788
- EDPR NA Group	33,746	11,877
Loans received from EDP group entities:		
- EDP Renováveis, S.A.	94,334	117,452
- EDP Renováveis Servicios Financieros, S.L.	862,741	269,181
Other loans:		
- EDPR EU Group	1,022	1,029
Interest payable	37,366	32,060
Total Debt and borrowings - Current	1,100,072	496,895
Collateral Deposits - Current (*)		
Collateral Deposit - Project Finance and others	-13,173	-9,061
Total Collateral Deposits - Current	-13,173	-9,061
Total Debt and borrowings – Current and Non-current	4,414,479	3,946,516
Total Debt and borrowings net of collaterals – Current and Non-current	4,378,260	3,915,911

(*) Collateral deposits mainly refer to amounts held in bank accounts to comply with obligations under project finance agreements entered into by certain EDP Renewable subsidiaries.

Loans received from EDP group entities current and non-current as at 30 June 2021 mainly refer to a set of loans granted by EDP Finance BV amounting to 2,527,432 thousand Euros, including accrued interests and deducted of debt origination fees (2,182,739 thousand Euros non-current and 344,302 thousand Euros current) and by EDP Servicios Financieros España S.A. amounting to 445,472 thousand Euros (non-current). The bundled average maturity regarding long-term loans is approximately 4 and a half years and bear interest at weighted average fixed market rates of 1.9% for EUR loans and 3.6% for USD loans.

This caption also includes the credit balance of the USD current account with EDP Servicios Financieros España S.A. in the amount of 646,534 thousand Euros.

The main events regarding financing and refinancing of the Group mainly refers to bank loans, related to the reclassification to held for sale of certain portfolio of European companies in the amount of 156,475 thousand Euros (see note 27) and new loan facilities related to the acquisition of DG business in EDPR NA in the amount of 82,478 thousand Euros, as well as additional disbursements in the amount of 26,348 thousand Euros from the facility signed between BEI and EDPR Brasil.

Bank loans bear interest at market rates, which are made of a reference rate indexed to Libor or Euribor in its majority, plus a market spread.

As at 30 June 2021, future debt and borrowings payments and accrued interest by type of loan and currency are analysed as follows:

THOUSAND EUROS	JUN 2022	DEC 2022	DEC 2023	DEC 2024	DEC 2025	FOLLOWING YEARS	TOTAL
BANK LOANS							
Euro	30,939	13,666	31,096	25,224	11,755	-	112,680
American Dollar	33,723	8,410	17,190	19,278	19,601	243,331	341,533
Brazilian Real	11,305	4,870	13,762	10,041	8,935	179,260	228,173
Others	31,576	7,023	16,743	20,338	10,125	17,700	103,505
	107,543	33,969	78,791	74,881	50,416	440,291	785,891
LOANS RECEIVED FROM EDP GROUP							
Euro	-	211,587	233,000	-	-	-	444,587
American Dollar	992,537	-	235,611	438,560	209,434	1,299,134	3,175,276
	992,537	211,587	468,611	438,560	209,434	1,299,134	3,619,863
OTHER LOANS							
Euro	1,022	499	1,202	1,029	1,031	13,078	17,861
	1,022	499	1,202	1,029	1,031	13,078	17,861
Origination fees	-1,030	-326	-776	-743	-531	-5,730	-9,136
	1,100,072	245,729	547,828	513,727	260,350	1,746,773	4,414,479

The Group has project finance financings that include the usual guarantees on this type of financings, namely the pledge or a promise of pledge of bank accounts and assets of the related projects. As at 30 June 2021, these financings amount to 685,734 thousand Euros (31 December 2020: 643,984 thousand Euros), which are included within the financial debt caption. At 30 June 2021, the Group confirms the fulfillment of all the covenants of the Project Finance Portfolio under the Facilities Agreements. Additionally, there are 17,561 thousand Euros of other loans that are guaranteed by EDPR, which are also included within the financial debt caption.

The fair value of EDP Renováveis Group's debt is analysed as follows:

THOUSAND EUROS	30 JUN 2021		31 DEC 2020	
	CARRYING VALUE ^(*)	MARKET VALUE	CARRYING VALUE ^(*)	MARKET VALUE
Financial debt - Non-current	3,314,407	3,355,327	3,449,621	3,506,887
Financial debt - Current	1,100,072	1,100,072	496,895	496,895
	4,414,479	4,455,399	3,946,516	4,003,782

(*) Net of origination fees

The market value of the medium/long-term (non-current) debt and borrowings that bear a fixed interest rate is calculated based on the discounted cash flows at the rates ruling at the balance sheet date. The market value of debt and borrowing that bear a floating interest rate is considered not to differ from its book value as these loans bear interest at a rate indexed to Euribor. The book value of the short-term (current) debt and borrowings is considered to be the market value.

32. Provisions

Provisions are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Dismantling and decommission provisions	309,861	305,628
Provision for other liabilities and charges	9,867	9,454
Long-term provision for other liabilities and charges	4,044	3,757
Short-term provision for other liabilities and charges	5,823	5,697
Employee benefits	235	222
	319,963	315,304

Dismantling and decommission provisions refer to the costs to be incurred for dismantling wind and solar farms and restoring sites and land to their original condition, in accordance with the corresponding accounting policy. The above amount refers to: (i) 155,919 thousand Euros for wind farms in North America (31 December 2020: 151,704 thousand Euros); (ii) 148,703 thousand Euros for wind farms in Europe (31 December 2020: 149,249 thousand Euros); and (iii) 5,239 thousand Euros for wind farms in Brazil (31 December 2020: 4,675 thousand Euros).

There were no significant movements in any of the provisions either in 2021 or in 2020.

EDP Renováveis believes that the provisions booked on the consolidated statement of financial position adequately cover the foreseeable obligations described in this note. Therefore, it is not expected that they will give rise to liabilities in addition to those recorded.

33. Institutional partnerships in U.S. wind farms

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Deferred income related to benefits provided	737,998	799,094
Liabilities arising from institutional partnerships in U.S. wind farms	851,305	1,134,448
	1,589,303	1,933,542

The movements in Institutional partnerships in U.S. wind farms are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Balance at the beginning of the period	1,933,542	2,289,784
Proceeds received from institutional investors	-	307,860
Payments for deferred transaction costs	-135	-3,252
Cash paid to institutional investors	-36,776	-55,880
Income (see note 7)	-86,518	-201,783
Unwinding (see note 14)	37,688	94,718
Loss of control of companies with institutional partnerships	-321,100	-320,944
Perimeter variations	752	-
Exchange differences	57,240	-181,373
Others	4,610	4,412
Balance at the end of the period	1,589,303	1,933,542

The Group has entered in several partnerships with institutional investors in the United States, through limited liability companies operating agreements that apportions the cash flows generated by the wind farms between the investors and the Company and allocates the tax benefits, which include Production Tax Credits (PTC), Investment Tax Credits (ITC) and accelerated depreciation, largely to the investor.

EDPR has lost control in 2021 over the Vento XX portfolio upon the completion of the sale of 68% of equity shareholding (see note 6), implying a decrease in the amount of 321,100 thousand Euros in the Institutional partnerships liabilities related to this portfolio.

Others mainly include proceeds received by EDPR during 2021 amounting to 3,812 thousand Euros related to PTC generated after flip date in the context of certain tax equity deals that are structured to include an option to allocate substantially all of the projects' generated PTCs to the tax equity investors after the Flip Date.

EDPR NA is providing its tax equity investors with standard corporate guarantees typical of these agreements to indemnify them against costs they may incur as a result of fraud, willful misconduct or a breach of EDPR NA of any operational obligation under the tax equity agreements.

34. Trade and other payables from commercial activities

Trade and other payables from commercial activities are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES - NON-CURRENT		
Government grants / subsidies for investments in fixed assets	305,092	303,408
Electricity sale contracts - EDPR NA	11,356	6,438
Property, plant and equipment suppliers	153,676	122,349
Other creditors and sundry operations	8,632	6,908
	478,756	439,103
TRADE AND OTHER PAYABLES FROM COMMERCIAL ACTIVITIES - CURRENT		
Suppliers	100,619	66,781
Property, plant and equipment suppliers	478,135	1,167,391
Other creditors and sundry operations	103,640	111,938
	682,394	1,346,110
	1,161,150	1,785,213

Government grants for investments in fixed assets are essentially related to grants received by EDPR NA subgroup under the American Recovery and Reinvestment Act promoted by the United States of America Government.

At the moment of the EDPR North America acquisition, the contracts signed between this subsidiary and its customers, determined under the terms of the Purchase Price Allocation, were valued through discounted cash flow models and market assumptions at 190,400 thousands of USD, being booked as a non-current liability under Electricity sale contracts - EDPR NA, which is depreciated over the useful life of the contracts under Other income (see note 9).

Property plant and equipment suppliers-non current mainly includes success fees payables in the long term for the acquisition of certain projects in Colombia for a total amount of 63,666 thousand Euros, UK for a total amount of 34,039 thousand Euros, Greece for a total amount of 24,876 thousand Euros and Poland for a total amount of 16,309 thousand Euros that, due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions (see note 6).

Variation in other creditors and sundry operations – non current is mainly explained by the evolution of the energy pool prices in the Spanish market related to the establishment of the pool boundaries adjustment as a result of the publication of Royal Decree-Law 413/2014 and Order IET/1045/2014.

Significant decrease in Property plant and equipment suppliers -current caption is explained by the Group liquidity during the first half of the year, and the current cost charged by the banks due to positive cash balances, so EDPR group has taken an active cash management approach minimizing the payment terms of some suppliers. As a result the amount of payables to suppliers has significantly decreased. Balances refer to wind and solar farms in construction mainly in the USA in the amount of 331,052 thousand Euros (586,681 thousand Euros as of December 31, 2020), Mexico in the amount of 21,573 thousand Euros (120,758 thousand Euros as of December 31, 2020), Spain in the amount of 12,315 thousand Euros (46,769 thousand Euros as of December 31, 2020) and Italy in the amount of 11,510 thousand Euros (55,265 thousand Euros as of December 31, 2020). This caption also includes success fees payables for the acquisition of certain projects mainly in Greece, Italy, UK, Poland and Colombia for a total amount of 62,097 thousand Euros that due to the nature of such transactions, the type of assets acquired and the initial stage of completion of the projects, they have been considered asset acquisitions.

35. Other liabilities and other payables

Other liabilities and other payables are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
OTHER LIABILITIES AND OTHER PAYABLES - NON-CURRENT		
Amount payable for the acquisition/sale of subsidiaries	17,325	850
Loans from non-controlling interests	146,973	155,630
Derivative financial instruments	136,432	62,895
Rents due from lease contracts	681,103	633,794
Other creditors and sundry operations	306	306
	982,139	853,475
OTHER LIABILITIES AND OTHER PAYABLES - CURRENT		
Amount payable for the acquisition/sale of subsidiaries	22,599	19,260
Derivative financial instruments	243,534	26,120
Loans from non-controlling interests	45,247	44,651
Rents due from lease contracts	35,196	55,915
Other creditors and sundry operations	54,320	21,703
	400,896	167,649
	1,383,035	1,021,124

Amount payable for the acquisition of subsidiaries non-current at 30 June 2021 is mainly related to the estimated contingent price in the amount of 16,522 thousand Euros related with the sale of Vento XX portfolio sold in 2021 (see note 6).

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

- i) Loans granted by ACE Portugal (CTG Group) due to the sale in 2017 of 49% of shareholding in EDPR PT – Parques Eólicos S.A and subsidiaries for a total amount of 29,834 thousand Euros, including accrued interests (29,282 thousand Euros as of 31 December 2020), bearing interest at a fixed rate of 3.75%;
- ii) Loans granted by ACE Poland (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Polska HoldCo, S.A. and subsidiaries for a total amount of 89,300 thousand Euros including accrued interests (88,950 thousand Euros as at 31 December 2020), bearing interest at a fixed rate of a range between 2.95% and 7.23%;
- iii) Loans granted by ACE Italy (CTG Group) due to the sale in 2016 of 49% of shareholding in EDP Renewables Italia, S.r.l. and subsidiaries for a total amount of 47,689 thousand Euros including accrued interests (50,284 thousand Euros as at 31 December 2020), bearing interest at a fixed rate of 4.50%;
- iv) Loans granted by CITIC CWEI Renewables (CTG Group) due to the sale in 2013 of 49% of shareholding in EDP Renováveis Portugal, S.A. for a total amount of 20,113 thousand Euros including accrued interests (31 December 2020: 26,462 thousand Euros), bearing interests at a fixed rate of 5.50%.

Significant change in Derivative financial instruments mainly refer to variation in power price swaps. Further, Derivative financial instruments-current includes 43,078 thousand Euros (31 December 2020: 12,014) related to hedge instruments of USD and EUR with EDP - Energias de Portugal, S.A. and EDP Finance BV, which was formalised in order to hedge the foreign exchange risk of the net investment held in EDPR NA, expressed in USD (see note 37 derivatives). The amount receivable as at 30 June 2021 related to these hedge instruments is 24,192 thousand Euros (31 December 2020: 43,974 thousand Euros (see note 24).

The caption Rents due from lease contracts - Non-Current and Current includes lease liabilities as a consequence of the adoption of IFRS 16 on 1 January 2019. Variation in both captions is as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Balance as at 1 January	689,709	618,248
Increases due to new lease contracts	89,336	149,816
Unwinding (note 14)	13,762	29,594
Payment of leases	-24,036	-43,555
Exchange differences	18,521	-48,866
Reclassification to held for sale	-18,037	-
Changes in the perimeter and other changes	-52,956	-15,528
Balance at the end of the period	716,299	689,709

Increases due to new lease contracts are mainly located in the USA, Brazil, Spain, Italy and Mexico.

Changes in the perimeter and other changes in 2021 mainly refer to:

- Decrease in the amount of 52,937 thousand Euros due to the sale of a 68% stake and loss of control in the companies 2019 Vento XX LLC and subsidiaries (see note 6);
- Decrease in the amount of 18,037 thousand Euros due to the reclassification to held for sale of certain European portfolio of companies.

Changes in the perimeter and other changes in 2020 mainly refer to:

- Increase in the amount of 15,579 thousand Euros related to the acquisition of the renewable business of Viesgo (see note 6);
- Decrease in the amount of 31,433 thousand Euros due to the sale of the 80% stake and loss of control in the companies EDPR Wind Ventures XVII, LLC and subsidiaries (see note 6);
- Decrease in the amount of 9,202 thousand Euros due to the sale of the following portfolio of companies: Bon Vent de Corbera, S.L.U., Eólica Sierra de Ávila, S.L.U., Parc Eòlic de Torre Madrina, S.L.U., Parc Eòlic de Coll de Moro, S.L.U., Parc Eòlic de Vilalba dels Arcs, S.L.U. and Aprofitament D'Energies Renovables de L'Ebre, S.L (see note 6).

As at 30 June 2021, the nominal value of the rents due from lease contracts is detailed as follows: (i) less than 5 years: 263,103 thousand Euros; (ii) from 5 to 10 years: 227,359 thousand Euros; (iii) from 10 to 15 years: 230,033 thousand Euros; and (iv) more than 15 years: 502,046 thousand Euros.

Amount payable for the acquisition of subsidiaries current at 30 June 2021 is mainly related to the estimated remaining cost to incur in the amount of 10,861 thousand Euros and 11,688 thousand Euros for the Vento XX portfolio sold in 2021 (see note 6) and for the Rosewater project sold in 2020 respectively, where EDPR retains the obligation to complete the construction of the related wind farm facilities at the EDPR's sole cost.

Other creditors and sundry operations at 30 June 2021 mainly include estimated contingent prices related with some of the acquisition during the period (see note 6) as well as contingent prices related to sale transactions for certain Portuguese and Italian portfolio of companies that took place in previous years, according to the relevant agreements.

36. Current tax liabilities

This caption is analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
Income tax	76,220	16,947
Withholding tax	3,063	1,682
Value added tax (VAT)	51,745	56,027
Other taxes	67,185	35,156
	198,213	109,812

37. Derivative financial instruments

As of 30 June 2021, the fair value and maturity of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE		
	ASSETS	LIABILITIES	NET
NET INVESTMENT HEDGE			
Cross currency rate swaps	33,649	-41,822	-8,173
Currency forwards	430	-6,863	-6,433
	34,079	-48,685	-14,606
FAIR VALUE HEDGE			
Cross currency rate swaps	-	-	-
	-	-	-
CASH FLOW HEDGE			
Power price swaps	47,385	-302,903	-255,518
Interest rate swaps	715	-14,590	-13,875
Currency forwards	6,384	-4,691	1,693
	54,484	-322,184	-267,700
TRADING			
Power price swaps	6,449	-1,549	4,900
Interest rate swaps	-	-1,351	-1,351
Cross currency rate swaps	6,891	-2,118	4,773
Currency forwards	4,586	-4,079	507
	17,926	-9,097	8,829
	106,489	-379,966	-273,477

As of 31 December 2020, the fair value and maturity of derivatives is analysed as follows:

THOUSAND EUROS	FAIR VALUE		
	ASSETS	LIABILITIES	NET
NET INVESTMENT HEDGE			
Cross currency rate swaps	55,594	-12,566	43,028
	55,594	-12,566	43,028
FAIR VALUE HEDGE			
Cross currency rate swaps	6,511	-12	6,499
	6,511	-12	6,499
CASH FLOW HEDGE			
Power price swaps	18,963	-41,469	-22,506
Interest rate swaps	2,271	-24,834	-22,563
Currency forwards	14,282	-429	13,853
	35,516	-66,732	-31,216
TRADING			
Power price swaps	8,454	-3,035	5,419
Interest rate swaps	-	-1,705	-1,705
Cross currency rate swaps	1,893	-421	1,472
Currency forwards	2,872	-4,544	-1,672
	13,219	-9,705	3,514
	110,840	-89,015	21,825

The fair value of derivative financial instruments is recorded under Other debtors and other assets (note 24) or Other liabilities and other payables (note 35), if the fair value is positive or negative, respectively. The trading derivative financial instruments are derivatives contracted for economic hedging that are not eligible for hedge accounting.

Fair value of derivative financial instruments is based on listed market prices, whenever available, or on valuations determined through valuation models that use variables observable on the market. These valuation models are based on generally accepted discounted cash flow techniques and option valuation models generally accepted, using market data obtained through financial information platforms. Therefore, according to IFRS13 requirements, the fair value of the derivative financial instruments is classified as of level 2 (see note 40) and no changes of level were made during this period.

During 2021 and 2020 the following market inputs were considered for the fair value calculation:

INSTRUMENT	MARKET INPUT
Cross currency interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Libor 3M, daily brazilian CDI, CAD-BA-CDOR 3M, Wibur 3M and COOVIBR index; and exchange rates: EUR/BRL, EUR/PLN, EUR/CAD, EUR/GBP, EUR/COP, EUR/RON and EUR/USD.
Interest rate swaps	Fair value indexed to the following interest rates: Euribor 3M, Euribor 6M, Wibur 6M, Libor 3M and CAD-BA-CDOR 3M
Foreign exchange forwards	Fair value indexed to the following exchange rates: EUR/USD, EUR/PLN, EUR/GBP, BRL/CNY, BRL/EUR, BRL/USD, USD/PLN, EUR/HUF and COP/USD.
Power price swaps	Fair value indexed to the price of electricity.

38. Commitments

As at 30 June 2021 and 2020, the financial commitments not included in the statement of financial position in respect of financial, operational and real guarantees provided, are analysed as follows:

THOUSAND EUROS	30 JUN 2021	31 DEC 2020
GUARANTEES OF OPERATIONAL NATURE		
EDP Renováveis, S.A.	662,863	586,594
EDPR NA Group	878,730	854,336
EDPR EU Group	4,748	2,337
EDPR BR Group	5,657	1,447
Total	1,551,998	1,444,714

The above operating guarantees, which are not included in the consolidated statement of financial position or in the Notes, as at 30 June 2021 and 2020, mainly refer to Power Purchase Agreements (PPA), interconnection, permits and market participation guarantees.

Additionally to the above guarantees, an amount of 200 thousand Euros refer to guarantees of operational nature related to the Spanish portfolio of companies that were sold in 2020 although EDPR assumes temporarily the responsibility under such guarantees until these are effectively replaced. Further, additionally to the above guarantees, an amount of 95,149 thousand Euros of guarantees of operational nature refer to certain European companies that are classified as held-for-sale as at 30 June 2021 (see note 27).

Refer to note 20 for guarantees granted by EDPR Group to Joint Ventures. Refer to note 39 for guarantees granted by EDP Group companies to EDPR Group companies.

There are additional financial and operating guarantees granted by EDPR Group that have underlying liabilities already reflected in its Consolidated Statement of Financial Position and/or disclosed in the Notes.

EDPR does not expect any significant liability arising from the above commitments related to financial, operational and real guarantees provided.

The EDPR Group future cash outflows not reflected in the measurement of the lease liabilities and purchase obligations by maturity date are as follows:

30 JUN 2021					
CAPITAL OUTSTANDING BY MATURITY					
THOUSAND EUROS	TOTAL	UP TO 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS
Future Cash Outflows not reflected in the measurement of the Lease Liabilities	44,082	7,210	9,309	4,562	23,001
Purchase obligations	4,335,664	2,811,154	1,040,824	97,184	386,502
	4,379,746	2,818,364	1,050,133	101,746	409,503
31 DEC 2020					
CAPITAL OUTSTANDING BY MATURITY					
THOUSAND EUROS	TOTAL	UP TO 1 YEAR	1 TO 3 YEARS	3 TO 5 YEARS	MORE THAN 5 YEARS
Future Cash Outflows not reflected in the measurement of the Lease Liabilities	63,596	6,952	11,157	6,429	39,058
Purchase obligations	3,706,644	2,377,806	943,891	67,168	317,779
	3,770,240	2,384,758	955,048	73,597	356,837

As from 1 January 2019 onwards EDPR Group has adopted IFRS 16 and therefore presents the information related to lease contracts in the caption Right-of-use assets (see note 17).

Purchase obligations include debts related with long-term agreements of property, plant and equipment and operational and maintenance contracts product and services supply related to the Group operational activity. When prices are defined under forward contracts, these are used in estimating the amounts of the contractual commitments.

Some of the disposal of non-controlling interests transactions retaining control carried out in previous years incorporate contingent assets and liabilities according to the terms of the corresponding agreements.

Related to other disputes, and as a consequence of a possible different interpretation of certain sales contracts in the North American segment after the winter storm, EDPR has estimated possible claims from clients. EDPR considers that more detail about its assessment of this risk could harm its development and final outcome, and therefore considers that this information is sufficient according to paragraph 92 of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

39. Related parties

Remuneration of the members of the Board of Directors and Management Team

In accordance with the Company's by-laws, the remuneration of the members of the Board of Directors is proposed by the Nominations and Remunerations Committee to the Board of Directors on the basis of the overall amount of remuneration authorized by the General Meeting of Shareholders. The Board of Directors approves the distribution and the exact amount to be paid to each Director on the basis of this proposal. The average number of members of the Board of Directors as at 30 June 2021 is 12 and as at 30 June 2020 is 15.

The remuneration paid to the members of the Board of Directors as at 30 June 2021 and 2020 was as follows:

THOUSAND EUROS	31 DEC 2020	31 DEC 2019
CEO	-	-
Board members	254	284
	254	284

EDPR signed an Executive Management Services Agreement with EDP, under which EDPR bears the cost for the services rendered by its Executive and Non-Executive Directors, which currently are Miguel Stilwell d'Andrade, Rui Teixeira, Miguel Setas, Vera de Moraes Pinto Pereira Carneiro and Ana Paula Marques. This corporate governance practice of remuneration is in line with the model adopted by the EDP Group, in which the executive Directors of EDP do not receive any remuneration directly from the group companies on whose governing bodies they serve, but rather through EDP.

Under this contract, EDPR is due to pay an amount to EDP, for the services rendered by the Executive Managers and the Non-executive Managers. The amount due under said Agreement for the management services rendered by EDP for the six-month period ended 30 June 2021 is 758 thousand Euros (461 thousand Euros as at 30 June 2020), of which 691 thousand Euros refers to the management services rendered by the Executive Members, that includes the remuneration as Directors and as members of the Management Team, and 67 thousand Euros to the management services rendered by the non-executive Members.

The retirement savings plan for the members of the Management Team, acts as an effective retirement supplement with a range between 3% to 6% of their annual salary. The percentage is defined according with the retirement savings plan applicable in their home country.

In the case of the COOs which are members of the Management Team (Duarte Bello, COO EU&BR; Spyridon Martinis, COO Offshore and New Projects & CDO; and Miguel Ángel Prado Balboa, COO EDPR NA), the remuneration amounts to 1,283 thousand Euros (1,179 thousand Euros as at 30 June 2020). Within the remuneration of the Management Team, it should also be considered the above mentioned remuneration of Executive Members, that includes the remuneration as Directors and as members of the Management Team.

Additionally, the COOs received non-monetary benefits as at 30 June 2021 such as retirement savings plan (as described above), company car and Health Insurance in the amount of 187 thousand Euros. As at 30 June 2020, the non-monetary benefits amounted to 161 thousand Euros.

Relevant balances and transactions with subsidiaries and associates of China Three Gorges Group

Within the context of the transactions with CTG related to the sale of 49% of EDPR Portugal, EDPR PT-PE, EDPR Italia and EDPR Polska equity shareholding to CTG Group, CTG has granted loans to the EDPR Group in the amount of 186,945 thousand Euros including accrued interests (44,202 thousand Euros as current and 142,743 thousand Euros as non-current) as at 30 June 2021. As at 31 December 2020, this balance amounted to 194,978 thousand Euros including accrued interests (43,617 thousand Euros as current and 151,259 thousand Euros as non-current). See note 35.

Balances and transactions with EDP Group companies

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

As at 30 June 2021, assets and liabilities with related parties, are analysed as follows:

			ASSETS
THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	45,801	45,801
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	31,986	31,986
Joint Ventures and Associated companies	238,199	89,271	327,470
EDP Serviço Universal, S.A.	-	21,083	21,083
EDP Servicios Financieros España, S.A.	-	397,001	397,001
EDP España S.A.U.	-	28,389	28,389
Other EDP Group companies	-	36,773	36,773
	238,199	650,304	888,503

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	183,648	183,648
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	1,992	1,992
Joint Ventures and Associated companies	-	4,068	4,068
EDP Finance B.V.	2,527,432	6,282	2,533,714
EDP Servicios Financieros España, S.A.	1,092,007	1,240	1,093,247
EDP Global Solutions	-	1,168	1,168
Other EDP Group companies	-	3,758	3,758
	3,619,439	202,156	3,821,595

Assets mainly refer to:

- Debit balance of the Euro current account with EDP Servicios Financieros España, S.A. (see note 26) amounting to 397,001 thousand Euros as at 30 June 2021 (214,002 thousand Euros as at 31 December 2020);
- Loans granted to companies consolidated by the equity method and namely to Ocean Winds in the total amount of 228,226 thousand Euros (see note 24);

- Commercial receivables related to the sale of energy in EDPR Portugal and EDPR Spain through EDP Serviço Universal, S.A. (which is a last resort retailer due to regulatory legislation) and EDP España S.A.U. respectively;
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value, including interests, as at 30 June 2021 amounts to 45,657 thousand Euros (see note 37);
- Estimated corporate income tax to be received from EDP Branch in the amount of 31,789 thousand Euros.

Liabilities mainly refer to:

- Loans obtained by EDP Renováveis S.A. and by EDP Renováveis Servicios Financieros S.L. from EDP Finance BV in the amount, including interests and deducted from debt origination fees, of 2,527,432 thousand Euros (31 December 2020: 2,832,418 thousand Euros) and from EDP Servicios Financieros España S.A. in the amount of 445,473 thousand Euros (31 December 2020: 445,499 thousand Euros). See note 31;
- Credit balance of the USD current account with EDP Servicios Financieros España, S.A. in the amount of 646,534 thousand Euros.
- Derivatives contracted with EDP Energias de Portugal, S.A. which market value, including interests, as at 30 June 2021 amounts to 173,013 thousand Euros (see note 37);.

Transactions with related parties for the six-month period ended on 30 June 2021 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	24	4,983	-7,771	-24,694
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	629	-	-10,254	-552
Joint Ventures and Associated companies	22,758	3,883	-2,047	-1
EDP Serviço Universal, S.A.	125,033	-	-64	-
EDP Comercializadora, S.A.U.,	15	-	-	-
EDP Finance B.V.	28	-	-	-47,701
EDP Servicios Financieros España, S.A.	-	3	-	-7,275
EDP España S.A.U.	112,479	-	-1,230	-137
EDP Clientes S.A.	200	-	-212	-
Other EDP Group companies	55	-	-3,711	-519
	261,221	8,869	-25,289	-80,879

Operating income mainly includes: i) change in the fair value of the contingent consideration related to the sale in 2020 to Ocean Winds of the stake in the companies Éoliennes en Mer Dieppe - Le Tréport, S.A.S. and Éoliennes en Mer Îles d'Yeu et de Noirmoutier, S.A.S., in accordance with the relevant agreements signed (see note 24); and ii) electricity sales to EDP Serviço Universal, S.A. which is a supplier of last resource in Portugal due to regulatory legislation and to EDP España S.A.U. as the commercial agent in Spain.

Financial expenses with EDP Finance B.V., EDP Servicios Financieros España S.A., EDP Energias de Portugal, S.A., and EDP Branch are mainly related to derivative financial instruments and interests on the loans granted to EDP Renováveis S.A. and EDP Renováveis Servicios Financieros, S.A. referred above.

As at 31 December 2020, assets and liabilities with related parties, are analysed as follows:

			ASSETS
THOUSAND EUROS	LOANS AND INTERESTS TO RECEIVE	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	69,234	69,234
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	8,175	8,175
Joint Ventures and Associated companies	415,940	75,478	491,418
EDP Serviço Universal, S.A.	-	24,218	24,218
EDP Servicios Financieros España, S.A.	-	214,002	214,002
EDP España S.A.U.	-	21,640	21,640
Other EDP Group companies	-	40,871	40,871
	415,940	453,618	869,558

			LIABILITIES
THOUSAND EUROS	LOANS AND INTERESTS TO PAY	OTHERS	TOTAL
EDP Energias de Portugal, S.A.	-	32,101	32,101
EDP - Energias de Portugal, S.A. Sucursal en España (EDP Branch)	-	8,109	8,109
Joint Ventures and Associated companies	-	2,603	2,603
EDP Finance B.V.	2,832,418	596	2,833,014
EDP Servicios Financieros España, S.A.	445,499	92	445,591
EDP Global Solutions	-	23,817	23,817
Other EDP Group companies	-	3,946	3,946
	3,277,917	71,264	3,349,181

Transactions with related parties for the six-month period ended 30 June 2020 are analysed as follows:

THOUSAND EUROS	OPERATING INCOME	FINANCIAL INCOME	OPERATING EXPENSES	FINANCIAL EXPENSES
EDP Energias de Portugal, S.A.	39	7,096	-832	-10,482
EDP Energias de Portugal, S.A. Sucursal en España (EDP Branch)	157	-	-9,170	-185
Joint Ventures and Associated companies	12,515	2,551	-2,206	-451
EDP Serviço Universal, S.A.	112,339	-	-14	-
EDP Comercializadora, S.A.U.,	58,028	-	-1,200	-
EDP Finance B.V.	-	-	-	-67,197
EDP Servicios Financieros España, S.A.	-	649	-	-8,112
Other EDP Group companies	22,944	5	-2,545	-125
	206,022	10,301	-15,967	-86,552

As part of its operational activities, the EDP Renováveis Group must present guarantees in favor of certain suppliers and in connection with renewable energy contracts. As at 30 June 2021, EDP España and EDP Energías de Portugal Sucursal en España granted operational guarantees to suppliers in favor of EDP Renováveis S.A. and EDPR NA in the amount of 391,243 thousand Euros (356,919 thousand Euros as at 31 December 2020). The operational guarantees are issued following the commitments assumed by EDPR EU and EDPR NA in relation to Power Purchase Agreements (PPA), interconnection, permits and market participation.

Further, an amount of 256,395 thousand Euros and 10,518 thousand Euros refer to guarantees of financial nature and operational nature respectively, granted by EDP Energías de Portugal Sucursal en España to EDPR's joint venture companies.

40. Fair value of financial assets and liabilities

Fair value of financial instruments is based, whenever available, on quoted market prices. Otherwise, fair value is determined through internal models, which are based on generally accepted cash flow discounting techniques and option valuation models or through quotations supplied by third parties.

Non-standard instruments may require alternative techniques, which consider their characteristics and the generally accepted market practices applicable to such instruments. These models are developed considering the market variables that affect the underlying instrument, namely yield curves, exchange rates and volatility factors.

Market data is obtained from generally accepted suppliers of financial data (Bloomberg and Reuters).

Non-listed equity instruments, for which a reliable and consistent fair value estimate is not available either by internal models or external providers, are recognized at their historical cost.

Equity instruments at fair value and financial assets at fair value through profit or loss

Listed financial instruments are recognized at fair value based on market prices. The financial instruments for which reliable fair value estimates are not available, are recorded in the statement of financial position at their cost.

Cash and cash equivalents, trade receivables and suppliers

These financial instruments include mainly short term financial assets and liabilities. Given their short term nature at the reporting date, their book values are not significantly different from their fair values.

Financial debt

The fair value of the financial debt is estimated through internal models, which are based on generally accepted cash flow discounting techniques. At the reporting date, the carrying amount of floating rate loans is approximately their fair value. In case of fixed rate loans, mainly the intercompany loans granted by EDP Group, their fair value is obtained through internal models based on generally accepted discounting techniques.

Derivative financial instruments

All derivatives are accounted at their fair value. For those which are quoted in organized markets, the respective market price is used. For over-the-counter derivatives, fair value is estimated through the use of internal models based on cash flow discounting techniques and option valuation models generally accepted by the market, or by dealer price quotations.

CIRS with EDP - Energias de Portugal, S.A. (note 37)

With the purpose of hedging the foreign exchange risk resulting from the net investment in EDPR NA, the Group entered into CIRS in USD and EUR with EDP - Energias de Portugal, S.A.. These financial derivatives are presented in the statement of financial position at its fair value, which is estimated by discounting the projected USD and EUR cash flows. See also note 35.

The fair values of assets and liabilities as at 30 June 2021 and 31 December 2020 are analysed as follows:

THOUSAND EUROS	30 JUNE 2021			31 DECEMBER 2020		
	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE	CARRYING AMOUNT	FAIR VALUE	DIFFERENCE
FINANCIAL ASSETS						
Equity instruments at fair value	13,551	13,551	-	13,318	13,318	-
Debtors and other assets from commercial activities	337,438	337,438	-	279,034	279,034	-
Other debtors and other assets	799,133	799,133	-	857,909	857,909	-
Derivative financial instruments	106,489	106,489	-	110,840	110,840	-
Cash and cash equivalents	815,387	815,387	-	474,384	474,384	-
	2,071,998	2,071,998	-	1,735,485	1,735,485	-
FINANCIAL LIABILITIES						
Financial debt	4,414,479	4,455,399	40,920	3,946,516	4,003,782	57,266
Suppliers	732,430	732,430	-	1,356,521	1,356,521	-
Institutional partnerships in U.S. wind farms	1,589,303	1,589,303	-	1,933,542	1,933,542	-
Trade and other payables from commercial activities	428,720	428,720	-	428,692	428,692	-
Other liabilities and other payables	1,003,069	1,003,069	-	932,109	932,109	-
Derivative financial instruments	379,966	379,966	-	89,015	89,015	-
	8,547,967	8,588,887	40,920	8,686,395	8,743,661	57,266

The fair value levels used to value EDP Renováveis Group financial assets and liabilities are defined as follows:

- **level 1** - Quoted prices (unadjusted) in active market for identical assets and liabilities
- **level 2** - Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e., derived from prices)
- **level 3** - Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

THOUSAND EUROS	30 JUN 2021			31 DECEMBER 2020		
	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 1	LEVEL 2	LEVEL 3
FINANCIAL ASSETS						
Equity instruments at fair value	-	-	13,551	-	-	13,318
Derivative financial instruments	-	106,489	-	-	110,840	-
	-	106,489	13,551	-	110,840	13,318
FINANCIAL LIABILITIES						
Liabilities arising from options with non-controlling interests	-	-	-	-	-	883
Derivative financial instruments	-	379,966	-	-	89,015	-
	-	379,966	-	-	89,015	883

The remaining assets and liabilities are valued within Level 1 or correspond to assets and liabilities which fair value is the same as its carrying amount. In the first half of 2021, there are no transfers between levels.

The movements of derivative financial instruments are presented in note 37.

41. Relevant subsequent events

EDPR enters the UK onshore market with a 544 MW wind and solar portfolio

EDPR has reached agreements to acquire a 544 MW wind and solar portfolio in the UK. The Transaction has been reached through two separate agreements with Vento Ludens and Wind2 for a total consideration of up to GBP 71 million, conditional to the successful achievement of pre-determined milestones for each project.

The portfolio consists of:

- 5 MW operating wind farm commissioned in 2012 with a 20-year Feed in Tariff;
- 192 MW of wind projects under advanced stage of development, which will be participating in the upcoming CfD rounds and in the UK private PPA market, aiming to enter in operation until 2025;
- 347 MW of projects under development, including 229 MW of wind and 118 MW of solar.

The UK has a low-risk profile and is a sizeable power market of c.325 TWh, one of the largest in Europe. Recently, the UK Government announced a target to reach net zero greenhouse gas emissions by 2050 and has signalled that from 2021 onwards both onshore wind and solar will be able to participate in the CfD rounds, which are expected to occur every two years until 2030. In addition, the UK is a very liquid market and has one of the most developed PPA markets in Europe, providing multiple routes to market for the portfolio.

This Transaction allows EDPR to establish its presence in the UK onshore market with a sizeable and technologically diversified portfolio at different stages of development and provides an experienced development team which will be focusing on additional opportunities in the country. Furthermore, this portfolio reinforces EDPR's overall presence in the UK, diversifying and complementing its already long presence in offshore, where it currently has 1 GW of offshore gross capacity under construction and 0.9 GW under development, through Ocean Winds.

EDPR sells a 221 MW wind portfolio for an EV of €530 million

EDPR signed a Sale and Purchase Agreement with Onex Renewables S.a.r.l. ("Onex") to sell a 100% equity stake in a 221 MW wind portfolio located in Portugal for an estimated Enterprise Value of €530 million (subject to customary closing adjustments).

The transaction scope comprises five wind farms, with an average age of 1.4 years as of 2021YE, out of which three are in operation and two are under construction with expected CoD until 2021YE. The five wind farms will be managed upon completion by Exus Management Partners who has a strong presence in Iberia.

The total consideration of the transaction corresponds to an estimated Enterprise Value of €530 million, which translates into an Enterprise Value of €2.4 million/MW.

The transaction is subject to regulatory and other customary precedent conditions.

This transaction will contribute with approximately €530 million proceeds allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

42. Operating segments report

The Group generates energy from renewable resources and has three reportable segments which are the Group's business platforms, Europe, North America and Brazil. The strategic business units have operations in different geographic zones and are managed separately because their characteristics are quite different. For each of the strategic business units, the Group's CEO reviews internal management reports on at least a quarterly basis.

The accounting policies of the reportable segments are the same as described in note 2. Information regarding the results of each reportable segment is included in Annex 1. Performance is based on segment operating profit measures, as included in the internal management reports that are reviewed by the Management. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

A business segment is an identifiable component of the Group, aimed at providing a single product or service, or a group of related products or services, and it is subject to risks and returns that can be distinguished from those of other business segments.

The Group generates energy from renewable sources in several locations and its activity is managed based on the following business segments:

- Europe: refers to EDPR EU Group companies operating in Spain, Portugal, Belgium, France, Italy, Netherlands, Poland, Romania, United Kingdom, Hungary and Greece
- North America: refers to EDPR North America, EDPR Canada and EDPR Mexico Group companies that operate in United States of America, Canada and Mexico, respectively
- Brazil: refers to EDPR Brasil Group companies that operate in this country.

Segment definition

The amounts reported in each business segment result from the aggregation of the subsidiaries and business units defined in each segment perimeter, including the intra-segment eliminations, without any inter-segment allocation adjustment.

The financial information disclosed by each business segment is determined based on the amounts booked directly in the subsidiaries that compose the segment, including the intra-segment eliminations, without any inter-segment allocation adjustment.

Annex I

Group Activity by Operating Segment

Operating Segment Information for the years ended 30 June 2021

THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	SEGMENTS TOTAL
Revenues	453,123	297,513	16,579	767,215
Income from institutional partnerships in U.S. wind farms	-	86,518	-	86,518
	453,123	384,031	16,579	853,732
Other operating income	25,501	102,639	519	128,659
Supplies and services	-85,638	-76,604	-5,610	-167,852
Personnel costs and Employee benefits expenses	-22,306	-40,937	-1,313	-64,556
Other operating expenses	-34,159	-56,017	-459	-90,635
	-116,602	-70,919	-6,863	-194,384
Joint ventures and associates	2,141	-1,066	-	1,075
Gross operating profit	338,662	312,046	9,716	660,424
Provisions	-475	-415	16	-874
Amortisation and impairment	-126,523	-153,831	-5,035	-285,389
Operating profit	211,664	157,800	4,697	374,161
Assets	6,125,173	9,225,063	606,071	15,956,307
Liabilities	351,488	630,012	41,275	1,022,775
Operating Investment	346,288	473,448	135,484	955,220

Note: The Segment "Europe" includes: i) revenues in the amount of XXX thousand of Euros from Spanish companies; ii) assets from Spanish companies in the amount of XXX thousands of Euros.

Reconciliation between the Segment Information and the Financial Statements

THOUSAND EUROS	
Revenues of the Reported Segments	767,215
Revenues of Other Segments	6,246
Elimination of intra-segment transactions	-4,023
Revenues of the EDPR Group	769,438
Gross operating profit of the Reported Segments	660,424
Gross operating profit of Other Segments	6,985
Elimination of intra-segment transactions	-13,167
Gross operating profit of the EDPR Group	654,242
Operating profit of the Reported Segments	374,161
Operating profit of Other Segments	3,766
Elimination of intra-segment transactions	-14,323
Operating profit of the EDPR Group	363,604
Assets of the Reported Segments	15,956,307
Not Allocated Assets	2,739,320
Financial Assets	1,484,351
Tax assets	374,786
Debtors and other assets	880,183
Assets of Other Segments	9,120,948
Elimination of intra-segment transactions	-8,048,656
Assets of the EDPR Group	19,767,919
Investments in joint ventures and associates	871,222
Liabilities of the Reported Segments	1,022,775
Not Allocated Liabilities	7,672,149
Financial Liabilities	1,540,916
Institutional partnerships in U,S, wind farms	1,589,303
Tax liabilities	607,123
Payables and other liabilities	3,934,807
Liabilities of Other Segments	982,971
Elimination of intra-segment transactions	-9,572
Liabilities of the EDPR Group	9,668,323
Operating Investment of the Reported Segments	955,220
Operating Investment of Other Segments	12,839
Operating Investment of the EDPR Group	968,059

THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in U.S. wind farms	86,518	-	-	86,518
Other operating income	128,659	19,254	-6,895	141,018
Supplies and services	-167,852	-14,572	26,271	-156,153
Personnel costs and Employee benefits expenses	-64,556	-17,464	-	-82,020
Other operating expenses	-90,635	25,998	-28,285	-92,922
Provisions	-874	-	-	-874
Amortisation and impairment	-285,389	-3,219	-1,156	-289,764
Joint ventures and associates	1,075	-12,477	-235	-11,637

Operating Segment Information for the six-month period ended 30 June 2020

THOUSAND EUROS	EUROPE	NORTH AMERICA	BRAZIL	SEGMENTS TOTAL
Revenues	425,305	370,959	15,717	811,981
Income from institutional partnerships in U.S. wind farms	-	104,560	-	104,560
	425,305	475,519	15,717	916,541
Other operating income	163,732	15,419	3,634	182,785
Supplies and services	-75,843	-75,679	-4,050	-155,572
Personnel costs and Employee benefits expenses	-16,833	-35,591	-1,282	-53,706
Other operating expenses	-42,499	-46,466	-1,963	-90,928
	28,557	-142,317	-3,661	-117,421
Share of profit of associates	881	-343	-	538
Gross operating profit	454,743	332,859	12,056	799,658
Provisions	-199	-	-	-199
Amortisation and impairment	-113,986	-170,014	-5,112	-289,112
Operating profit	340,558	162,845	6,944	510,347
Assets	5,677,186	9,751,627	289,292	15,718,105
Liabilities	351,116	1,346,103	29,407	1,726,626
Operating Investment	169,620	377,150	40,670	587,440

Note: The Segment "Europe" includes: i) revenues in the amount of 187,510 thousand of Euros from Spanish companies; ii) assets from Spanish companies in the amount of 2,325,951 thousands of Euros.

Reconciliation between the Segment Information and the Financial Statements

THOUSAND EUROS	
Revenues of the Reported Segments	811,981
Revenues of Other Segments	16,005
Elimination of intra-segment transactions	-19,551
Revenues of the EDPR Group	808,435
Gross operating profit of the Reported Segments	799,658
Gross operating profit of Other Segments	-5,758
Elimination of intra-segment transactions	-725
Gross operating profit of the EDPR Group	793,175
Operating profit of the Reported Segments	510,347
Operating profit of Other Segments	-6,975
Elimination of intra-segment transactions	-2,426
Operating profit of the EDPR Group	500,946
Assets of the Reported Segments	15,718,105
Not Allocated Assets	2,262,299
Financial Assets	1,436,384
Tax assets	221,436
Debtors and other assets	604,479
Assets of Other Segments	30,399
Elimination of intra-segment transactions	-180,648
Assets of the EDPR Group	17,830,155
Investments in joint ventures and associates	460,539
Liabilities of the Reported Segments	1,726,626
Not Allocated Liabilities	6,406,215
Financial Liabilities	3,407,712
Institutional partnerships in U,S, wind farms	2,354,648
Tax liabilities	447,207
Payables and other liabilities	196,648
Liabilities of Other Segments	15,314
Elimination of intra-segment transactions	1,186,818
Liabilities of the EDPR Group	9,334,973
Operating Investment of the Reported Segments	587,440
Operating Investment of Other Segments	1,578
Operating Investment of the EDPR Group	589,018

THOUSAND EUROS	TOTAL OF THE REPORTED SEGMENTS	OTHER SEGMENTS	ELIMINATION OF INTRA-SEGMENT TRANSACTIONS	TOTAL OF THE EDPR GROUP
Income from institutional partnerships in U.S. wind farms	104,560	-	-	104,560
Other operating income	182,785	10,620	401	193,806
Supplies and services	-155,572	-10,725	19,142	-147,155
Personnel costs and Employee benefits expenses	-53,706	-13,673	-3,270	-70,649
Other operating expenses	-90,928	-7,843	7,864	-90,907
Share of profit of associates	538	-13,673	8,342	-4,793
Provisions	-199	-	-	-199
Amortisation and impairment	-289,112	-1,216	-1,702	-292,030

edp renováveis

Changing tomorrow now.

INDEX

1H 2021 Consolidated Management Report

01 The Company

EDPR in Brief	7
1H21 in Review	12
Organisation	16

02 Strategic Approach

Strategy	27
Risk Management	33

03 Execution

Financial Capital	42
Human Capital	50
Supply Chain Capital	53
Social Capital	55
Natural Capital	57
Digital Capital	59
Innovation Capital	60

TRANSITION

FROM A JUST TRANSITION
TO SUSTAINABLE COMMUNITIES

SUSTAINABLE

edp renováveis



**Changing
tomorrow now.**

edp renováveis

Pioneering
the new
green normal

Changing tomorrow now.

01

THE COMPANY

EDPR in Brief	7
Vision, values and commitments	7
EDPR in the world	8
Business description	10
EDPR Main Events 1H21	11
1H21 in Review	12
Key metrics	12
Share performance	14
Organisation	16
Shareholder structure	16
Governance model	17
Organisation structure	21

1.1. EDPR in brief

1.1.1.

VISION

A global energy company, leading the energy transition to create superior value

VALUES

INNOVATION

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

SUSTAINABILITY

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

HUMANIZATION

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

COMMITMENTS

SUSTAINABILITY

We assume the social and environmental responsibilities that result from our performance thus contributing towards the development of the regions in which we operate.

We ensure the participatory, competent and honest governance of our business.

We avoid specific greenhouse gas emissions with the energy we produce.

CLIENTS

We place ourselves in our clients' shoes whenever a decision has to be made.

We listen to our clients and answer in a simple and clear manner.

We surprise our clients by anticipating their needs.

PEOPLE

We join conduct and professional rigour to enthusiasm and initiative, emphasizing team work.

We promote the development of skills and merit.

We believe that the balance between private and professional life is fundamental in order to be successful.

RESULTS

We fulfil the commitments that we embraced in the presence of our shareholders.

We are leaders due to our capacity of anticipating and implementing.

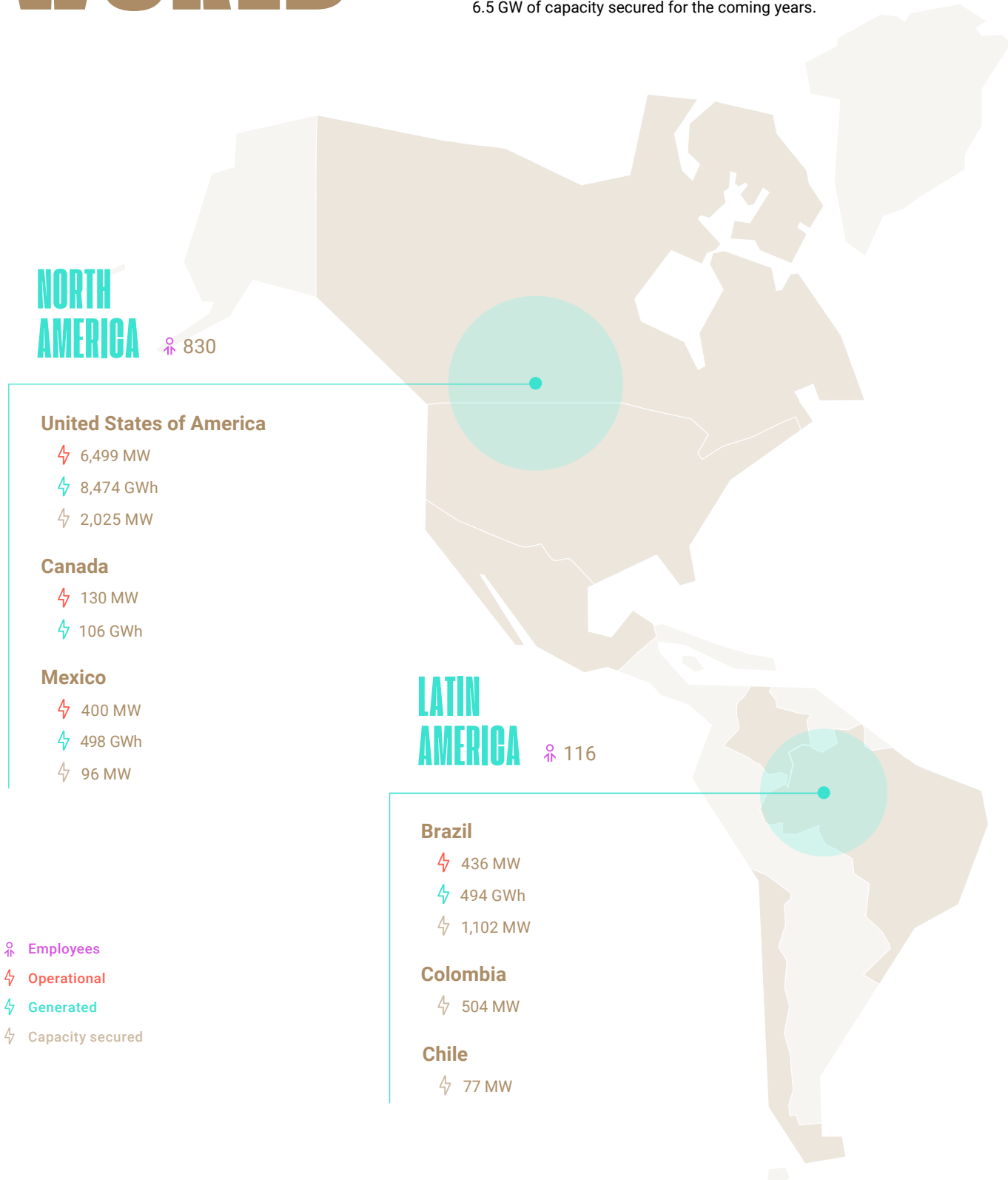
We demand excellence in everything that we do.

1.1.2.

EDPR IN THE WORLD

In the 1H21, EDPR generated 15.3 TWh of clean energy avoiding the emissions of 10 million tons of CO₂.

EDPR is a market leader with top quality assets in 17 countries, and has 1,976 employees. The company manages a global portfolio of 12.6 GW of installed capacity and has added 691 MW in the first six months of 2021. As of June 2021, EDPR had 6.5 GW of capacity secured for the coming years.






EUROPE 1,024




Spain

-  2,304 MW
-  2,613 GWh
-  426 MW



Portugal

-  1,269 MW
-  1,483 GWh
-  267 MW




France

-  155 MW
-  160 GWh
-  71 MW



Belgium

-  10 MW
-  12 GWh



Poland

-  476 MW
-  557 GWh
-  568 MW

Italy

-  314 MW
-  343 GWh
-  200 MW

Romania

-  521 MW
-  597 GWh

Greece

-  155 MW

Hungary

-  50 MW

ASIA PACIFIC 6

Vietnam

-  28 MW

OFFSHORE


United Kingdom

-  950 MW
- 269 MW net for EDPR


France

-  1,022 MW
- 312 MW net for EDPR


Belgium

-  487 MW
- 43 MW net for EDPR

Portugal

-  25 MW
- 10 MW net for EDPR

United States of America

-  804 MW
- 201 MW net for EDPR

1.1.3.

BUSINESS DESCRIPTION

DEVELOPMENT



Site identification

- Search for sites with top-class wind conditions or irradiance resource and analyse grid connection feasibility.



Renewable resources analysis

- Install meteorological equipment to collect and study wind profile and solar radiance.



Obtain permits

- Engage with local public authorities to secure environmental, construction, operating and other licenses.



Project funding

- Find appropriate financing for the project.



Long term contract for the sell of energy

- Secure long term contracts for energy sale, guaranteeing stable and predictable cash-flows.



Design layout & equipment choice

- Optimise the layout of the asset and select the best fit of equipment model based on the site characteristics.

CONSTRUCTION



Construction

- Build access roads, prepare foundations, assemble wind turbines or solar panels, construct substation.

OPERATION



Start of operations & deliver clean energy

- A better energy, a better future, a better world!



Ongoing maintenance service

- Keep availability figures at the highest level possible and minimise failure rates.



Data Analysis

- Monitor real-time operational data, analyse performance and identify opportunities for improvement.

DISMANTLING



Dismantling

- Once wind farms and solar plants reach the end of useful life (30-35 years), there is a process of land restoration and proper treatment of the waste generated.

1.1.4.

EDPR MAIN EVENTS IN 1H 2021

JAN — FEB — MAR

APR — MAY — JUN

JAN

EDPR informs about agreement to acquire 85% of a distributed solar platform in the US

EDPR is recognised by the Top Employers Institute as one of the best companies to work for in Europe, and is included in the Bloomberg Gender-Equality Index for the 2nd consecutive year

FEB

EDPR enters Hungarian market with a 50 MW solar PV project

EDPR presents its Strategic Update 2021-25

MAR

EDPR informs about completion of the ABB and approval of a capital increase proposal

EDPR is a new member of the RES4Africa Foundation, supporting the sustainable development of Africa by impulsing green energy

APR

EDPR concludes the capital increase of around €1.5bn

EDPR's Shareholders Meeting approves resolutions that contribute to a more agile, independent and diverse corporate governance structure

MAY

EDPR informs about entry in the Chilean market with a 628 MW portfolio

EDPR's BoD approves the new Environmental Policy, which reinforces the importance of the promotion of a circular economy

JUN

EDPR informs about offshore projects secured in Poland

EDPR informs about entry in Vietnam with a 28 MWac solar PV project

EDPR completes AR deal for 405 MW wind portfolio in the US

1.2. 1H21 in review

1.2.1.

KEY METRICS

OPERATIONAL

12.6 GW

Installed capacity
EBITDA + Net Equity

15 TWh

Generation
+5% YoY

+691 MW

New additions
EBITDA + Net Equity

96.9%

Technical availability
vs 96.8% in 1H20

31%

Load factor
-0.5pp vs 1H20

10 mt CO₂

Emissions avoided

FINANCIAL

€654m

EBITDA
-18% YoY

€968m

CAPEX
vs €589m in 1H20

€142 m

Net income
vs €255m in 1H20

€293m

Operating cash-flow
-44% YoY

€4.4bn

Net debt + Tax Equity
flat YoY

€19k/MW

Core OPEX/Avg. MW¹
-3% YoY

ESG

1,976

Employees
+23% YoY

76%

Total waste recovered
+2.4p.p. YoY

€0.7m

Social investment
-41% YoY

50%

Independent members
of the Board of Directors
+10p.p. YoY

17

Hours of training
per employee
+48% YoY

100%

Capacity certified²
ISO 14001 & ISO 45001

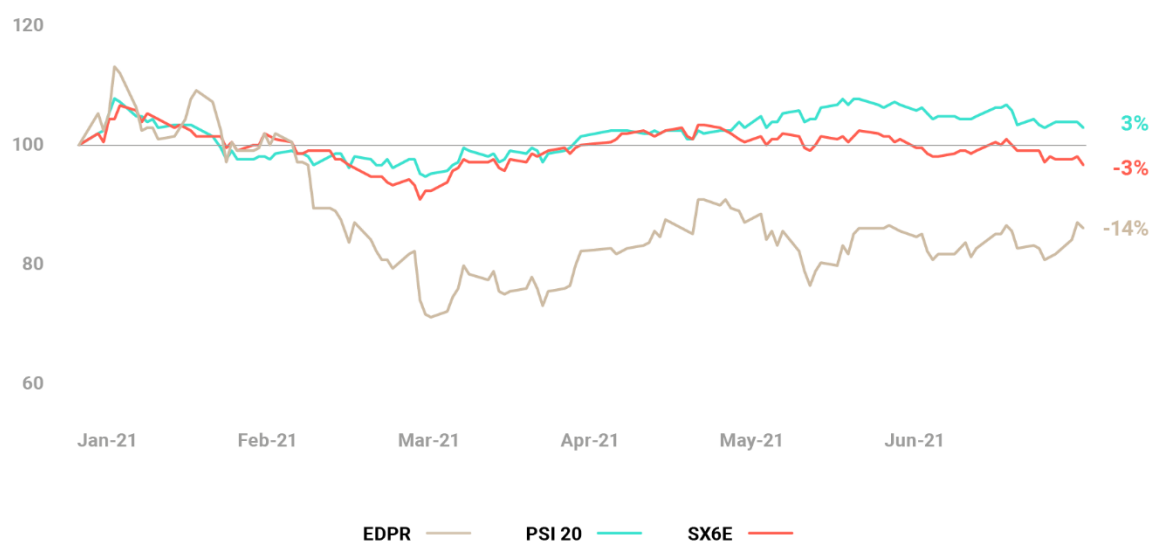
¹ Adjusted by Asset rotation, offshore costs (mainly cross-charged to projects' SPVs), service fees, one-offs and forex.

² Calculation based on 2019YE installed capacity. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2020 will be certified in 2021.

1.2.2. Share performance

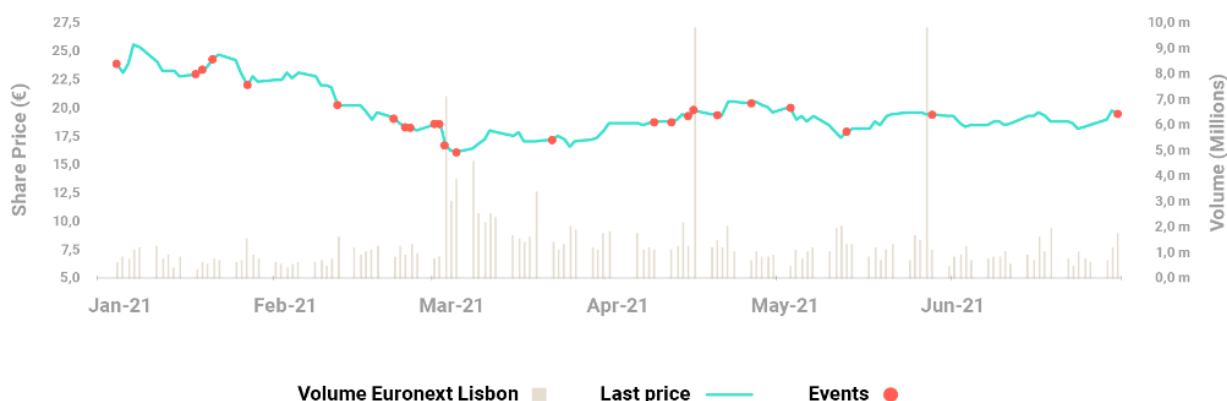
EDPR has 960.6 million shares listed and admitted to trading in NYSE Euronext Lisbon, following the successful share capital increase concluded in April of this year. By June 30th, 2021, EDPR had a market capitalisation of €18.8 billion, equivalent to €19.54 per share. In the 1H21, the total shareholder return was -14%, considering the dividend paid on May 12th of €0.08 per share.

Indexed EDPR Share Performance vs. PSI20 & SX6E



EDPR IN CAPITAL MARKETS	1H21	2020	2019	2018
Opening Price (€)	22.80	10.42	7.78	6.97
Minimum Price (€)	16.17	8.82	7.72	6.78
Maximum Price (€)	25.69	23.00	10.50	9.17
Closing Price (€) (adjusted for dividend and splits)	19.54	22.80	10.42	7.78
Market Capitalisation (€ Millions)	18,769	19,889	9,089	6,782
Total Traded Volume: Listed & OTC (Millions)	707.76	381.87	162.72	209.59
of which in Euronext Lisbon (Millions)	372.72	47.96	36.24	44.01
Average Daily Volume (Millions)	5.62	1.49	.64	.82
Turnover (€ Millions)	13,418	4,965.74	1,502.80	1,587.12
Average Daily Turnover (€ Millions)	106.49	19.32	5.89	6.22
Rotation of Capital (% of Total Shares)	74%	44%	19%	24%
Rotation of Capital (% of Floating Shares)	294%	195%	83%	107%
Total Shareholder Return	-14%	120%	36%	12%
Share Price Performance	-14%	119%	34%	12%
PSI 20	3%	-6%	10%	-12%
Dow Jones Eurostoxx Utilities	-3%	10%	22%	0%

EDPR'S MAIN EVENTS IN 1H21		
1	04-Jan	EDPR informs about PPA contracts secured for two solar projects in the US
2	18-Jan	EDPR informs about agreement to acquire 85% of a distributed solar platform in the US
3	19-Jan	EDPR informs about changes in Corporate Bodies
4	21-Jan	EDPR informs about FY 2020 operating data
5	27-Jan	EDPR informs about Spanish and Italian renewable energy auctions
6	12-Feb	EDPR enters Hungarian market with a 50 MW solar PV project
7	22-Feb	EDPR's Extraordinary General Shareholders Meeting
8	24-Feb	EDPR informs about FY 2020 results
9	25-Feb	EDPR - Strategic Update 2021-25
10	01-Mar	EDPR secures PPA for a 204 MW wind project in the US
11	02-Mar	EDPR informs about plans for a non-preemptive capital increase of c.1.5bn euros
12	03-Mar	EDPR informs about completion of the ABB and approval of a capital increase proposal
13	05-Mar	EDPR informs on EDP notice of change on qualified shareholding in EDPR following ABB
14	05-Mar	EDPR informs about manager transaction related to EDP
15	05-Mar	EDPR informs on Blackrock notice of acquisition of a qualified shareholding in EDPR
16	22-Mar	EDPR signs a Build & Transfer Agreement for a 200 MWac solar project in the US
17	09-Apr	EDPR informs about Asset rotation transaction in the US
18	12-Apr	EDPR informs about resolutions of the Annual General Shareholders Meeting
19	12-Apr	EDPR informs about resolutions of the Board of Directors meeting
20	15-Apr	EDPR informs about the registration of share capital increase
21	16-Apr	EDPR informs about new shares admitted to trading
22	16-Apr	EDPR informs about conclusion of the capital increase of c.1.5 billion euros
23	16-Apr	EDPR informs about notification of increase of qualified shareholding of EDP
24	16-Apr	EDPR informs about the payment of dividends of FY 2020
25	20-Apr	EDPR informs about notification of decrease of qualified shareholding of Blackrock
26	26-Apr	EDPR informs about a PPA for 40 MW secured in Spain
27	03-May	EDPR informs about PPA for 20 MW in Spain
28	13-May	EDPR informs about 1Q21 Results
29	28-May	EDPR informs about entry in the Chilean market with a 628 MW portfolio
30	30-Jun	EDPR informs about offshore projects secured in Poland
31	30-Jun	EDPR informs about entry in Vietnam
32	30-Jun	EDPR concludes AR deal of a 405 MW wind portfolio in the US for an EV (100%) of \$0.7bn



Source: BLOOMBERG / EDPR

1.3. Organisation

1.3.1. Shareholder structure

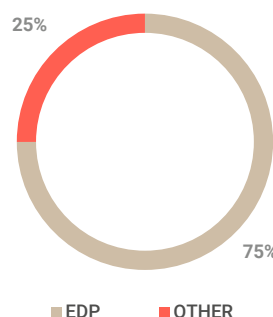
EDPR shareholders are spread across more than 20 countries, being EDP the main shareholder.

Since the successful Share capital increase in April 2021, where 88,250,000 new shares were issued at a subscription price of seventeen euros per share for a share premium of twelve euros, EDPR total share capital is composed of 960,558,162 shares with a nominal value of five euros each, fully paid. All these shares are part of a single class and series and are admitted to trading on the Euronext Lisbon regulated market.

Major shareholders, the EDP Group

The majority of the Company’s share capital is owned by EDP Group, holding 74.98% of the share capital and voting rights. EDP Group is a vertically integrated utility company, the largest generator, distributor and supplier of electricity in Portugal, has significant operations in electricity in Spain and is one of the largest private generation group in Brazil through its stake in Energias do Brasil. In the Iberian Peninsula, EDP is the third largest electricity generation company and one of the largest distributors of electricity. EDP has a worldwide relevant presence, being present in 22 countries and has about 12,100 employees around the world. In the 1H21, EDP had an installed capacity of 23.9 GW, generating 29.9 TWh, of which 81% came from renewables. EDP is part of sustainability indexes (DJSI World and Europe), following its performance in the economic, social and environmental dimensions. Its holding company, EDP S.A. is a listed company whose ordinary shares are traded in the Euronext Lisbon since its privatisation in 1997.

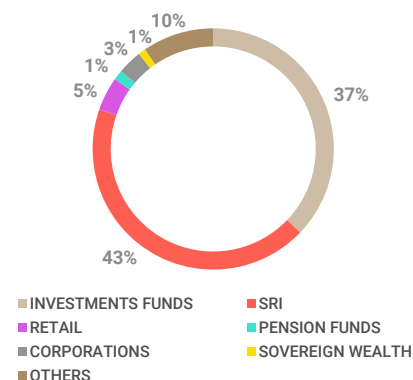
EDPR shareholder structure



Broad base of investors

EDPR has an international base of investors. Excluding EDP Group, EDPR shareholders comprise more than 30,000 institutional and private investors spread worldwide. Within institutional investors, which represent about 95% of shareholder base (ex-EDP Group), investment funds are the major type of investor, followed by sustainable and responsible funds (SRI). EDPR is a member of several financial indexes that aggregate top performing companies for sustainability.

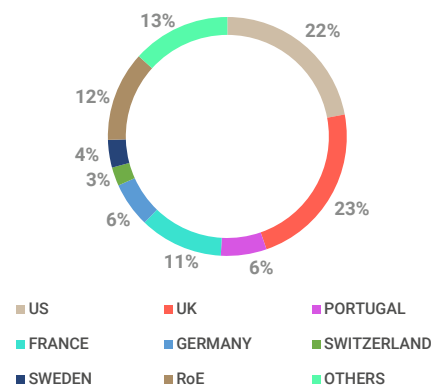
Shareholders (Ex-EDP) by Type



Worldwide shareholders

EDPR shareholders are spread across 28 countries, the United Kingdom being the most representative country accounting for 23% of EDPR shareholder base (ex-EDP Group), followed by the US, France, Portugal, Germany, Sweden and Switzerland. In the Rest of Europe, the most representative countries are Norway, Belgium, Spain Netherlands.

Shareholders (EX-EDP) by Country



1.3.2. Governance Model

The organisation and functioning of EDPR corporate governance model aims to achieve the highest standards of corporate governance, business conduct and ethics referenced on the best national and international practices.

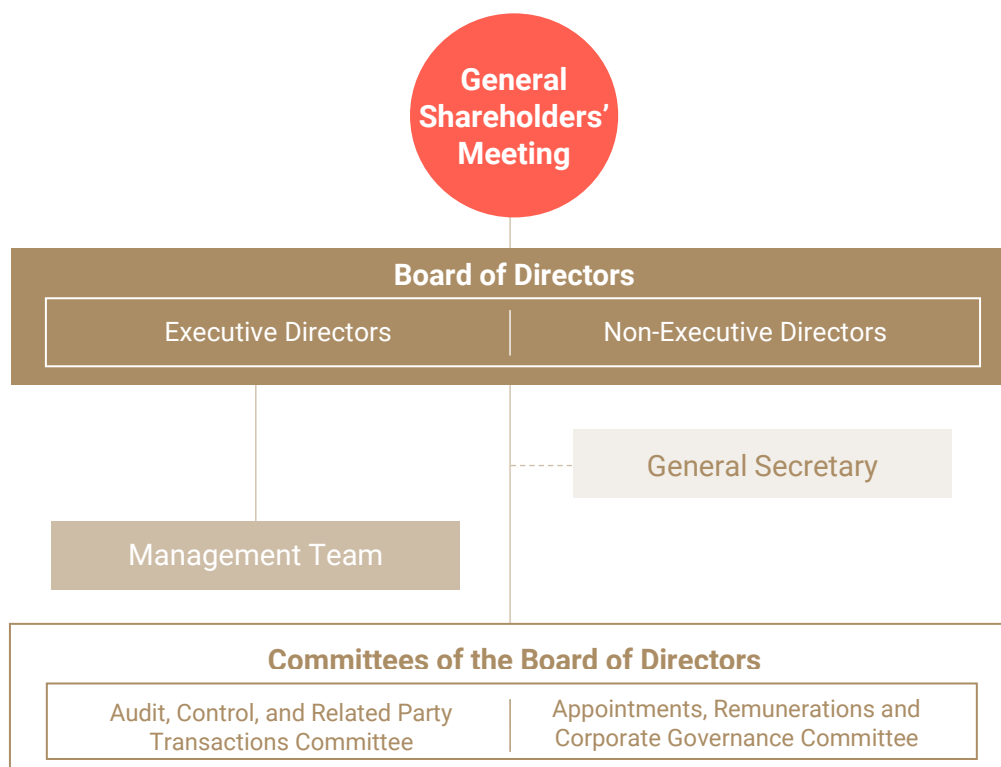
EDPR is a Spanish Company listed in a regulated stock exchange in Portugal, being the regulation of its corporate organisation subject to the Spanish law but trying to parallelly also comply to the extent possible with the Portuguese recommendations contained in the Corporate Governance Code of the Instituto Português de Corporate Governance (“IPCG”). As such, the Company intends to comply with both legal systems but always taking into account that its personal law is the Spanish one, and that in case of discrepancy, the aim is to adopt the law that entails more protectionism for its shareholders.

Considering the applicable guidelines as of this regulatory framework, EDPR’s model was designed with the aim of ensuring a transparent and meticulous separation of duties and management by the same time that provides a specialisation in the supervision functions. With this purpose, EDPR’s governance structure is comprised by a General Shareholders’ Meeting and a Board of Directors (BoD) that represents and manages the Company, which, in accordance with the law and its Articles of Association, has additionally set up two delegated Committees entirely composed its members: The Audit, Control and Related-Party Transactions Committee; and the Appointments, Remunerations and Corporate Governance Committee. Furthermore, the Board of Directors created the Management Team in order to assume the conduction and supervision of the daily activity and performance of the Company.

With the purpose of adapting to the extent possible this structure to the Portuguese legislation, despite that as referred the personal law of EDPR is the Spanish one, parallelly seeks to correspond it to the so-called “Anglo-Saxon” model set forth in the Portuguese Commercial Companies Code, in which the management body is a Board of Directors, and the supervision and control duties are of the responsibility of an Audit and Control Committee.

This structure and its functioning enable a fluent workflow between all levels of the governance model, as each of the delegated Committees shall report the decisions taken to the Board of Directors, and all the Committees members are also Members of the Board. Hence, this organisation allows Directors to receive the complete information at Board of Directors level in order to take the corresponding decisions and all in all ensuring in time and manner the access to all the information in order to appraise the performance, current situation and perspectives for the further development of the Company.

As exposed above, the governance model of EDPR was designed to ensure the transparent and meticulous separation of duties and the specialisation of supervision through the following structure:



A) General Shareholders' Meeting

The General Shareholders' Meeting is the body where the shareholders participate. Represents the Company with the full authority corresponding to its legal personality and has the power to deliberate, vote and adopt decisions, particularly on matters that the law and Articles of Association reserve for its decision and must be submitted for its approval.

B) Board of Directors

The Board of Directors is the body that represents and administrates the Company under the broadest powers of management, supervision and governance with no limitations other than the responsibilities expressly and exclusively granted to the jurisdiction of the General Shareholders' Meeting in the Company's Articles of Association or in the applicable law. EDPR's Board of Directors shall consist of no less than 5 and no more than 17 members (including a Chairperson), who are elected for 3 years period and that may be re-elected for equal periods. In the Shareholder's meeting held on February 22nd, 2021 it was approved to adjust the total members of the Board of Directors of the Company in 12.

The commitment of EDPR with ESG best practices and with the continuous improvement of its corporate governance was again reflected in the proposals submitted for the General Shareholders' Meetings held 2021 (February 22nd and April 12th), which will contribute to a more agile, independent and diverse corporate governance structure. As a result of these resolutions, as of June 30th, 2021, EDPR's Board of Directors is composed by 12 members, of which 10 are non-executive. EDPR strengthened the presence of Independent Directors and women, representing 50% and 33% of the composition of the Board, respectively. In addition, in line with EDPR's commitment with the best corporate governance practices, 100% of the members of the delegated Committees are independent, and the specialization on Corporate Governance matters was attributed to the Appointments, Remunerations and Corporate Governance Committee.

In this context, the approved proposals for re-election and appointments of directors of the Company were the following: António Gomes Mota was appointed as Chairperson and Independent Director; Miguel Stilwell d'Andrade was appointed as Executive Vice-Chairman and re-elected as CEO; Rui Teixeira was re-elected as Executive Director and CFO; Vera Pinto Pereira and Ana Paula Marques were re-elected as Dominical Directors; Miguel Setas was appointed as Dominical Director; Manuel Menéndez was re-elected as External Director; Acácio Piloto, Allan J. Katz and Joan Avalyn Dempsey were re-elected as Independent Directors; and José Félix Morgado and Rosa García were appointed as Independent Directors.

The Board of Directors and Delegated Committees of EDPR have both a Secretary and Vice-secretary, who are Emilio García-Conde Noriega and María González Rodríguez, respectively. They constitute the focal point for the distribution of the information among the bodies that compose the governance structure of the Company, ensuring its efficient and adequate workflow and functioning, and supervising their alignment with the bylaws, internal regulations and applicable law. As such, the Secretary is in charge of the reception, treatment and sending of all the documentation and information necessary for the celebration of the meetings of all the governing bodies and the Management Team, and of the drafting of the minutes of each their sessions.

Delegated Committees of the Board of Directors

As stated, EDPR Board of Directors has set up two delegated Committees entirely composed by its members: The Audit, Control and Related-Party Transactions Committee; and the Appointments, Remunerations and Corporate Governance Committee. Following the best corporate governance recommendations and practices, both Committees are entirely composed by non-executive and independent Directors.

I) Audit, Control and Related Party Transactions Committee

This is the specialised and delegated Committee of the Board of Directors in charge of, among others, the appointment of the Company's auditors and the risk management and Compliance Management and Internal Control systems, supervision of internal audits and ratification of transactions between EDPR and EDP and between its related parties, qualified shareholders, directors, key employees or his relatives and prepares an annual report on its supervisory activities.

The Audit, Control and Related Party Transactions Committee consists of three non-executive and independent directors:

- Acácio Piloto, who is the Chairperson
- Rosa García
- José Félix Morgado

II) Appointments, Remunerations and Corporate Governance Committee

This is the specialised and delegated Committee of the Board of Directors that assists and reports to the Board of Directors about appointments, re-elections, dismissals, evaluation and remunerations of Board members and executive staff, and also assumes the functions related to the reflection on the Corporate Governance structure and on its efficiency.

The Appointments, Remunerations and Corporate Governance Committee consists of three non-executive and independent directors:

- António Gomes Mota, who is the Chairperson
- Rosa García
- José Félix Morgado

C) Management Team

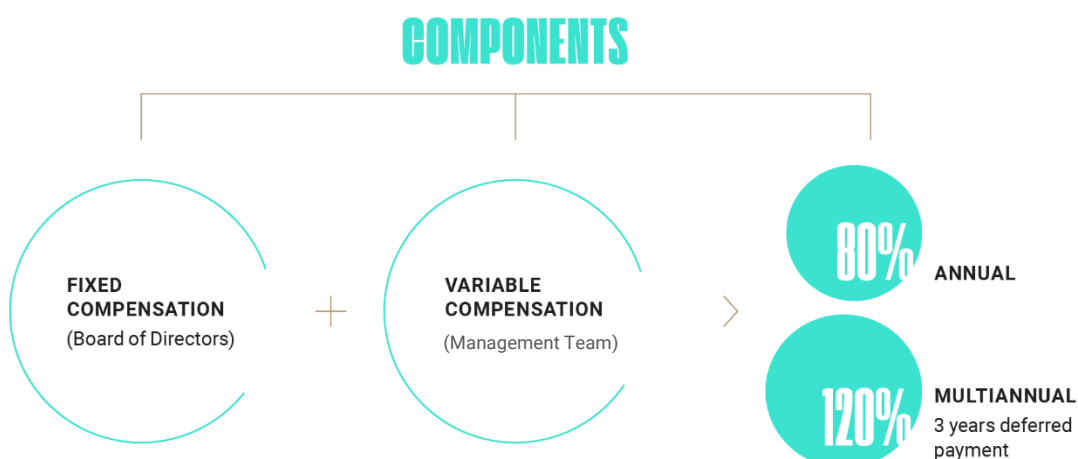
The Management Team was created by the Board of Directors in order to assume the conduction and supervision of the daily activity and performance of the Company, being its current members the following:

- Miguel Stilwell d'Andrade (CEO and Vice-Chairperson of the Board of Directors)
- Rui Teixeira (CFO)
- Duarte Bello (COO Europe & Brazil)
- Miguel Ángel Prado (COO North America)
- Spyridon Martinis (COO Offshore and New Markets & CDO)

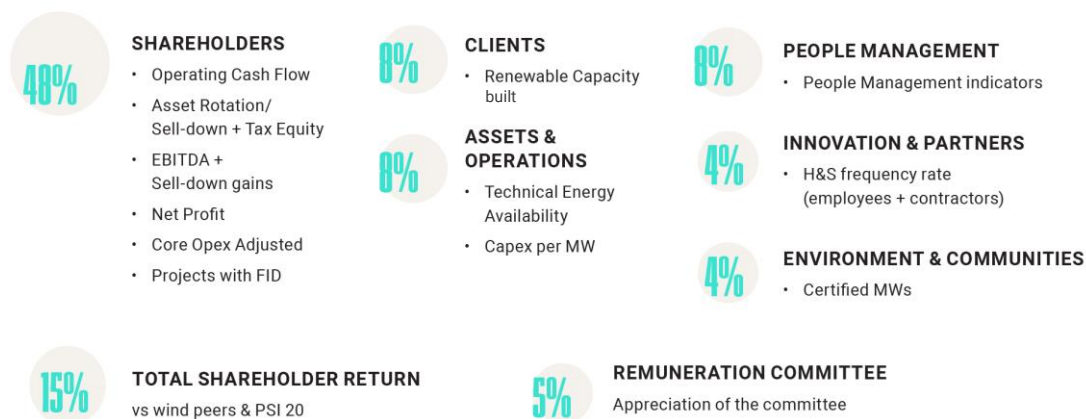
Remuneration policy

EDPR governance model is reinforced by an incentive structure with transparent remuneration through variable remuneration based on key performance indicators. The definition of the proposal of the remuneration policy for the members of the Board of Directors is incumbent on Nominations and Remunerations Committee, which is appointed by the Board of Directors.

The 2020-2022 Remuneration Policy is aligned with the strategic grounds of the Company: growth, risk control and efficiency and establishes that the indicators shall be set in accordance with 6 clusters: (i) Shareholders, (ii) People, (iii) Environment & Communities, (iv) Assets and Operations, (v) Innovation & Partners, and (vi) Clients though 14 KPIs, including all dimensions of EDPR 's strategy. Each of such clusters shall have at least one indicator.



VARIABLE REMUNERATION



For more information, please refer to the Approval of the Remuneration Policy of the members of the Board of Directors, available at the 7th Item of the April 12th, 2021 General Shareholders' Meeting agenda.

For further detailed information regarding the responsibilities and roles of the different social bodies, the activity during 1H 2021 and the Company's up-to-date articles of association and regulations, please visit www.edpr.com.

1.3.3. Organisation structure

The organisation structure is designed to accomplish the strategic management of the company and a transversal operation of all the business units, ensuring alignment with the defined strategy, optimising support processes and creating synergies.

Organisational model principles

The EDPR organisation model is organised around five main elements: a Corporate Center Holding, an Onshore Europe & Brazil platform, an Onshore North America platform, a New Geographies platform and, lastly, an Offshore platform. Each element includes different business units specialized in each of the countries' specificities.



The principles on which EDPR bases its organisational model is defined by the Management Team. These are a set of performance aspects that define the characteristics of the relationships, grant the rights between EDPR Holding and the business units, and ensure optimal efficiency and value creation.

ACCOUNTABILITY ALIGNMENT



Critical KPIs and span of control should be hierarchically aligned at project, country, platform and holding level to endure accountability tracking, and to take advantage of complementarities derived from end-to-end process vision.

CLIENT-SERVICE



Corporate areas function as competence support centers and are internal service providers to all business units for all geographical non-specific needs. Business priorities and needs are defined by local businesses, and best practices are defined and distributed by corporate units.

LEAN ORGANIZATION



Execution of activities at holding level are held only when significant value is derived, coherently with defined EDPR holding role.

REINFORCE COLLEGIATE DECISION MAKING



Ensure proper country-balance dynamics to ensure multiple-perspective challenge across functions.

CLARITY AND TRANSPARENCY



Platforms organizational models should remain similar, to allow for:
 (1) Easy coordination, vertically (holding-platforms) and horizontally (across platforms);
 (2) Scalability and replicability to ensure efficient integration of future growth.

EDPR Holding

EDPR Holding seizes value creation through the dissemination of best practices in the organisation and the standardisation of corporate processes to the platforms and the business units to improve efficiency. The internal coordination model and interface with EDP Group impacts functions and responsibilities of both the company's processes and structure. The assignments of the main responsibilities and activities of EDPR Holding to fulfil their respective missions include:

- Define internal structures;
- Ensure a global budget and its periodic monitoring;
- Manage the essential human resources;
- Provide appropriate management information;
- Compete for a culture of excellence throughout the Group;
- Integrate risk management and compliance in each area of responsibility, ensuring the monitoring and effectiveness of controls.



EDPR Platforms

The four platforms are defined as: Onshore Europe & Brazil, Onshore North America, New Geographies and Offshore.

- **Europe & Brazil Onshore platform:** There are different business units where the company operates, namely Spain, Portugal, France/Belgium, Italy, Poland, Romania and Brazil.
- **North America Onshore platform:** There are three business units that represent the operational regions in North America: United States of America, Mexico and Canada.
- **New Geographies platform:** This platform grants EDPR's international business expansion in any geography where the company does not currently operate.
- **Offshore platform:** In January 2020, EDPR finalised the agreement with ENGIE to create a 50:50 Joint Venture for offshore wind that grants the development of projects in the UK, Portugal, France, Belgium, Poland, South Korea and the US.

DIVER

**FROM DIVERSIFICATION
TO VALUE CREATION**

STAY

edp renováveis



**Changing
tomorrow now.**

edp renováveis

Powering
a sustainable
lifestyle for
a brighter future

Changing tomorrow now.

02

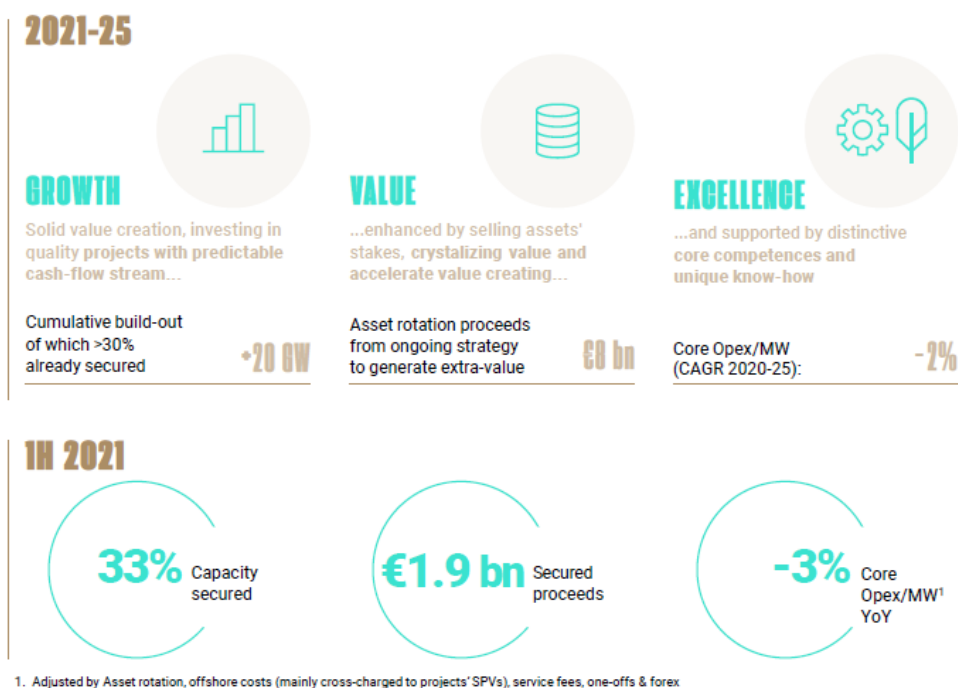
STRATEGIC APPROACH

Strategy	27
Growth	28
Value	30
Excellence	31
Risk Management	33

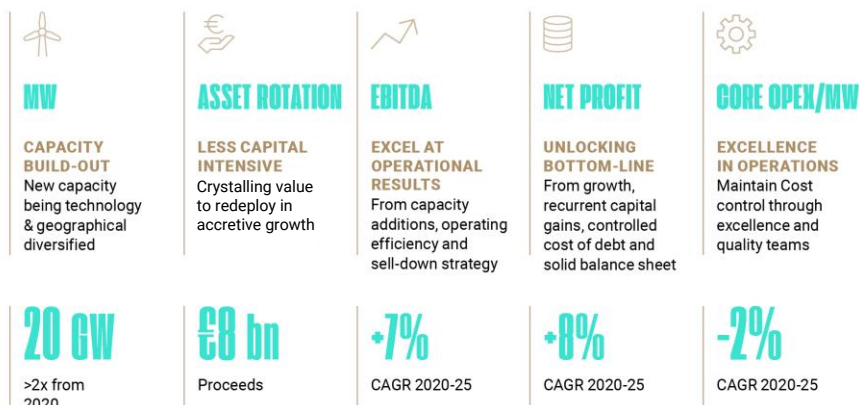
2.1. Strategy

The World is joining forces to face global warming, one of the major challenges that currently threatens our planet, that if not controlled might have irreversible consequences. There is an undeniable new private and social commitment demanding and supporting an unparalleled renewables growth to meet the requirements for a decarbonized and electrified world in which a clean, affordable and reliable energy sector is at the centre of the economy. This will inevitably lead to an unparalleled growth of renewable energy that is expected to be supported by a continued decrease in renewable's costs. EDPR has extensive experience in the sector and a track-record in delivering its targets, often ahead of schedule, and is prepared to deliver on a new and even more ambitious plan.

EDPR new Business Plan for the 2021-25 period will be based on a strategy focused on accelerating growth, supported by the value generated by its ongoing Asset rotation strategy and performed by its proven high quality teams and efficient operations based on sustainable excellence across all ESG dimensions.



EDPR Business model to deliver solid and ambitious growth targets through 2025 positioning to successfully lead a sector with increased worldwide relevance.



2.1.1. Growth

Accelerated and selective growth is the key principle behind EDPR’s investment selection process, with new projects having long-term PPAs or CfDs secured or awarded through long-term contracts under stable legal and regulatory frameworks. As presented in February 2021, EDPR plans to double its installed capacity and add 20 GW for the 2021-2025 period. EDPR will diversify its portfolio geographically and technologically even more, developing more wind onshore, solar, wind offshore and storage technology along with the entrance in new markets. Geographical distribution of the 20 GW will translated to 45% in North America, 35% in Europe, 15% in Latin America and 5% in Other geographies, while technological distribution will result in 45% additions on wind onshore, 40% in solar PV, 7% in solar DG, 5% in wind offshore and 2% in storage.



EDPR MAIN GROWTH MARKET DRIVEN BY PPAS SECURED

North America is EDPR’s main growth market, with 7.0 GW installed capacity, representing more than half of EDPR total portfolio.

The US, Canada and Mexico will account for 45% of the total 20 GW targeted capacity additions.

EDPR has already secured 30% of such target. More than 2.5 GW of projects in the US, related to wind onshore projects and, regarding solar technology, EDPR already secured 1.8 GW in the US.

In the first half of 2021, EDPR also added 0.6 GW of wind onshore and 0.1 GW of solar technology in North America.



FOCUS ON LOW RISK REGULATORY FRAMEWORKS

EDPR growth in Europe is supported by identified short-term opportunities along with medium-term pipeline options and PPA appetite.

EDPR plans to add 6.7 GW in Europe, representing 35% of the total capacity to be added in the period 2021-2025.

From the 6.7 GW, **EDPR already secured c.2 GW related to wind onshore and solar PV.**

In the first half of 2021, EDPR added 0.1 GW of wind onshore in Europe.



PROJECTS WITH LONG-TERM PPAS

LatAm will represent a 15% of the total capacity to be added in the 2021-2025 period.

EDPR has been active in upcoming new opportunities, namely auction and long term PPAs, given the strong fundamentals of some Latin American countries, with high growth of electricity demand, robust renewable resources and stable regulatory frameworks.

EDPR has already secured 1.1 GW in Brazil, of which 0.3 GW will be solar. In Colombia, EDPR secured 0.5 GW of wind, while in Chile 0.1 GW of wind is secured.



WORLDWIDE OPPORTUNITIES LOW RISK + REGULATORY STABILITY

EDPR will expand its footprint along new countries with a dedicated team screening several markets and developing the best strategy for each market.

New geographies will represent a 5% of EDPR 2021-25 growth. **EDPR managed to secure 5% of such target** with the entrance during the first half of the year in **Hungary, Chile, Vietnam and UK onshore** market in its portfolio.

In February, EDPR entered in Hungary with a 50 MW solar project and with expected commercial operation in 2022.

In May, EDPR entered the Chilean market with a 628 MW wind and solar portfolio to be commissioned between 2023 and 2025.

In June, EDPR entered in Vietnam with the acquisition of a 28 MWac solar PV project in operation since Dec-2020 and with a 20-y PPA.

Finally, in July an agreement was reached to acquire a 544 MW wind and solar onshore portfolio in the UK.



INVESTING IN OFFSHORE WIND TECHNOLOGY

Offshore wind energy is becoming an essential part of the global energy transition, leading to the market’s rapid growth and increased competitiveness.

In 2019, a **Joint Venture** was announced by **EDPR and ENGIE** for worldwide offshore wind investments opportunities to bring together the industrial expertise and development capacity of both companies. EDPR and ENGIE will combine their offshore wind assets and project pipeline. As of June 2021, Ocean Winds has a total capacity of 53 MW in operation coming from Portugal and Belgium, 0.3 GW under construction and 5.1 GW under development, with a **target of 5 to 7 GW of projects in operation or construction and 5 to 10 GW under advanced development by 2025.**

In the first half of 2021, the 43 MW Seamade project located in Belgium, entered in operation backed by a 17-y CfD remuneration scheme.



Developing new technologies and business models to ensure long term renewables competitive edge and growth

NEW TECH FROM CMD



HYBRIDIZATION

IMPROVE PROFITABILITY AND ASSETS UTILIZATION

- Opportunities combining **Solar + Wind** to improve infrastructure utilization
- **0.4 GW of hybrid projects** analyzed for 2021-25
- 0.1 GW highly competitive projects **awarded** in 2021 Spanish auction



STORAGE

STRONG PATH TO ADDRESS INTERMITTENCY

- Deploy **storage coupled with solar** (first solar 200 MW + storage 40 MW to be installed in 2022 in the US)
- New unit to develop capabilities for **standalone storage** management (0.4 GW expected through 2025)
- Addressing **client requirements**



FLOATING OFFSHORE

DIFFERENTIATED BUSINESS CASE

- **Early-mover advantage** and technology partner
- First project installed in **Portugal** (25 MW), second project secured in **France** (30 MW)
- Large GW project in **early stage in Korea**, pipeline in **Spanish and Greek islands** and preparing tenders in **California, France and Scotland**



REPOWERING

INCREASING CURRENT ASSETS LONG-TERM VALUE

- Using current infrastructure and upgrade with more efficient technology
- **First repowerings** successfully installed/under construction in Spain (42 MW)
- At least **additional 0.4 GW** expected through 2025 (in the US taking advantage of current PTC framework)

2.1.2. Value

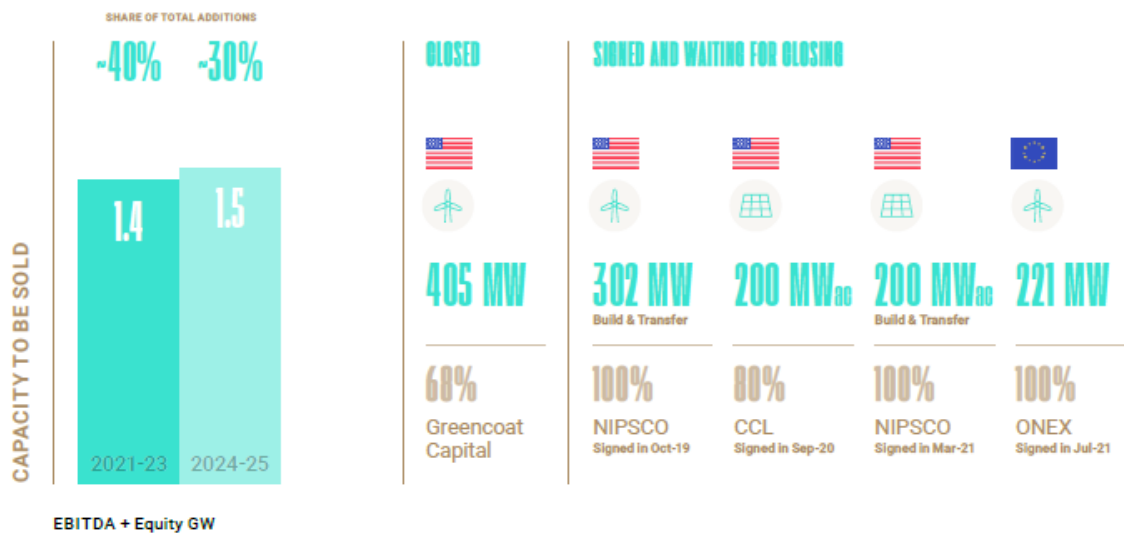
EDPR ongoing Asset rotation model has been a cornerstone of EDPR’s strategy and its success has been key to crystallize value upfront to redeploy and fund accretive new growth opportunities.

The Asset Rotation model relies on a combination of the cash generated from operating assets and EDPR’s strategy of selling majority stakes in projects in operation or under development, along with the US Tax Equity structures to finance the profitable growth of the business. This model allows the company to crystallize value upfront while recycling capital to reinvest in other projects.



Value: Ongoing Asset rotation strategy

Proceeds from selling majority stakes in operational or under development assets are also important sources of funds for the self-funding model of EDPR in financing its profitable growth. Under this strategy, EDPR sells majority stakes in projects in operation or in late stage of development, allowing the company to recycle capital, with up-front cash flow crystallization, and create value by reinvesting proceeds in accretive growth, with the option to provide operating and maintenance services. On the top of these, the Asset rotation strategy makes visible the value creation on reported financial statements, with capital gains being booked in the income statement. EDPR value creation assumption expects to deliver c.€0.3 billion p.a. projected for 2021-25 Business Plan period. As of June 2021, EDPR already announced the signing of c.€1.9 billion out of the €8.0 billion of Asset rotation proceeds for 2021-25.



2.1.3. Excellence

One of the strategic pillars that has always been a cornerstone of the Company, setting it apart in the industry, is the drive to maximise the operational performance of its wind and solar plants through excellence and the experience from its quality teams. EDPR has flexibility on managing the full value chain to deliver competitive and quality projects at the highest excellence standards, while guaranteeing the compliance with the best ESG standards.



Development: Competitive Projects

EDPR leverages on its local development knowledge and multi-partnership network to find and develop competitive and quality projects. The Company's second to none energy assessment track record, experienced PPA origination teams and efficient site layouts are set to maximize the output of each and every project, both operational and financial wise.

Construction: On time and on budget

EDPR's global scale provides competitive procurement over the whole portfolio. Its long-term business with top tier suppliers becomes a scarce asset nowadays, accounting with more than 20 years of relationships, it brings EDPR the best market opportunities.

The large experience in years and MW of EDPR's E&C team, leverage on agile project management, focused in deliver "On time and on budget" new projects to the portfolio.

Operations: Excellence in asset management

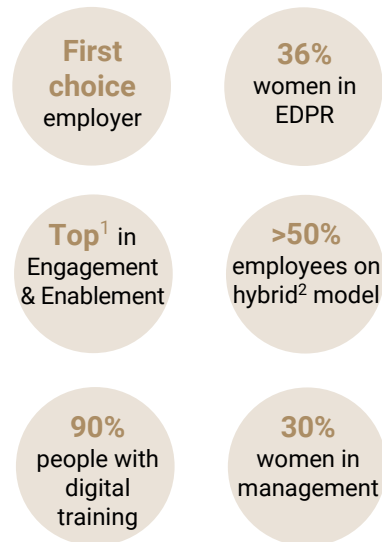
EDPR's unique O&M strategy has allowed the Company to increase internalization post-warranty, therefore resulting in service price reductions and flexibility to choose today on an asset by asset basis the most competitive choice between insourcing or outsourcing. During the 2021-25 Business Plan, EDPR is committed to reduce its Core Opex/ avg. MW by -2% CAGR.

Excellence in ESG throughout the value chain



EDPR's growth derived from the 2021-25 Business Plan will be supported by the current top-class team and reinforced by the best talent in the market, attracted by a superior value proposition offered by the Company. Accordingly, EDPR aims to double the size of its team by the end of 2025. In this context, EDPR developed a Human Resources strategy focused on three main pillars and supported by specific targets:

- **Attract:** EDPR aims to integrate the best talent in the market, attracted by a great company culture, while fostering diversity and inclusion as a trigger for innovation;
- **Experience:** The Company will continue to work on promoting the best experience for its team, providing tailored reward schemes and career paths and consolidating the flexibility measures offered, resulting in the retention of top talent.
- **Develop:** Relying on internal talent is a key drive for EDPR, mainly accomplished by favouring development through training, functional and geographic mobility and development programs.



¹ Better than utilities and high performing companies;

² Work at home for some part of the week.

2.2. Risk management

In line with EDPR's controlled risk profile, Risk Management process defines the mechanisms for evaluation and management of risks and opportunities impacting the business, increasing the likelihood of the Company in achieving its financial, operational and sustainability targets, while minimising fluctuations of results.

Risk management process

EDPR's Enterprise Risk Management Process is an integrated and transversal management model that ensures the minimisation of the effects of risk on EDPR's capital and earnings, as well as the implementation of best practices of Corporate Governance and transparency.

EDPR's Enterprise Risk Management Process is inspired on Basel Committee on Banking Supervision's principles, guidelines and recommendations.

The process aligns EDPR's risk exposure with the Company's desired risk profile. Risk management policies are aimed to mitigate risks, without ignoring potential opportunities, thus, optimising return versus risk exposure.

The process is closely followed and supervised by the Audit, Control and Related Party Transactions Committee, an independent supervisory body composed of non-executive members.

Risk management is endorsed by the Management Team, supported by the Risk Committee and implemented in day-to-day decisions by all managers of the Company.

EDPR created three distinct meetings of the Risk Committee, separating discussions on execution of mitigation strategies from those on definition of new policies, in order to help decision-making:

- **Restricted Risk Committee:** Held every month, it is mainly focused on development risk and market risk from selling energy (electricity price, basis, profile, GCs and RECs). It is the forum to discuss the evolution of projects under development and construction and the execution of mitigation strategies to reduce merchant exposure. It also monitors the limits of defined risk policies, with regards to counterparty risk, operational risk and country risk.
- **Financial Risk Committee:** Held every quarter, it is held to review main financial risks and discuss the execution of mitigation strategies. Exchange rate risk, interest rate risk, inflation risk and credit risk arising from financial counterparties are reviewed in this committee.
- **Risk Committee:** Held every quarter, it is the forum where new strategic analysis is discussed and new policies and procedures are proposed for approval to the Management Team. Additionally, EDPR's overall risk position is reviewed, together with EBITDA@Risk and Net Income@Risk.

Risk map at EDPR

Risk Management at EDPR is focused on covering all risks of the Company. In order to have a holistic view, they are classified in five Risk Categories. Within each Risk Category, risks are classified in Risk Groups. The full description of the risks and how they are managed can be found in the Corporate Governance chapter. The graph below summarises the Risk Categories, the Risk Groups and the Risk Management mitigation strategies at EDPR.

RISK CATEGORIES

MARKET RISKS

It refers to the risk to EDPR resulting from movements in market prices. Due to the relationship between wind production and energy price, production risk is considered within market risk. In particular, market risks are changes in energy prices, energy production risk, interest rates, foreign exchange rates and other commodity prices.

COUNTERPARTY RISKS

Risk that counterparty to a transaction could default before final settlement of the transaction's cash flows. A direct economic loss would occur if transactions with the counterparty had positive economic value at the time of default. Even in the case of not defaulting, it may not comply with its contract obligations (timing, quality, etc.), implying additional higher costs due to its replacement or to delays in fulfilling the contract.

OPERATIONAL RISKS

Defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events (such as an increase in equipment default rates, increasing O&M, or natural disasters) and ensuring Business continuity at all times.

BUSINESS RISKS

Potential loss in the Company's earnings due to adverse changes in business margins. Such losses can result, above all, from a serious increase in equipment prices or changes in the regulatory environment. Changes in energy prices and energy production are considered market risks.

STRATEGIC RISKS

It refers to risks coming from macroeconomic, political, social or environmental situation in countries where EDPR is present, as well as those coming from a change in competitive landscape, from technology disruptions, from changes in energy markets or from governance decisions (investment decisions criteria, Corporate Governance and Reputational issues).

RISK GROUPS

- Energy Price Risk
- Energy Production Risk
- Commodity Price Risk
- Liquidity Risk
- Inflation Risk
- Exchange Rate Risk
- Interest Rate Risk

- Counterparty Credit Risk
- Counterparty Operational Risk

- Development Risk
- Legal Claims Risk (Compliance, Corruption, Fraud)
- Execution Risk
- Personnel Risk (health and safety, human rights, discrimination)
- Operation Risk (Damage to Physical Assets, Equip. Performance, Environmental)
- Processes Risk (including Business Continuity)
- Information
- Technologies Risk

- Regulatory Risk (renewables)
- Equipment Price Risk
- Equipment Supply Risk

- Country Risk
- Competitive Landscape Risk
- Technology Disruptions Risk
- Invest. Decisions Criteria Risk
- Reputational Risk
- Meteorological Changes
- Corp. Organisation and Governance
- Energy Planning

MITIGATION STRATEGIES



- Close analysis of natural hedges to define best alternatives
- Hedge of market exposure through long term power purchase agreements (PPA) or short and medium term financial contracts
- Natural FX hedging, with debt and revenues in same currency
- Execution of FX hedging for net investment (after deducting local debt)
- Execution of FX hedging to eliminate FX transaction risk, mainly in Capex
- Execution of interest rate hedging
- Execution of inflation hedging
- Alternative funding sources such as Tax equity structures and Multilateral/ Project Finance agreements



- Counterparty exposure limits by counterparty and at EDPR level
- Collateral requirement if limits are exceeded
- Monitoring of compliance with internal policy



- Supervision of suppliers by EDPR's engineering team
- Flexible CODs in PPAs to avoid penalties
- Partnerships with strong local teams
- Monitor recurrent operational risks during construction and development
- Close follow-up of O&M costs, turbine availability and failure rates
- Insurance against physical damage and business interruption
- Strict compliance with legal requirements and zero tolerance for discrimination, unethical behavior or fraud
- Attractive remuneration packages and training for personnel
- Revision and compliance with all regulations that affect EDPR activity (H&S, environmental, taxes...)
- Control of internal procedures
- Redundancy of servers and control centers of wind farms
- Information Technologies Risk
- Existing Crisis Plan; Internal and External auditing on Business Continuity.



- Careful selection of energy markets based on country risk and energy market fundamentals
- Diversification in markets and remuneration schemes
- Diversification in technologies
- Follow-up of regulation changes in markets where EDPR is present to adjust strategy if needed
- Active involvement in major industry associations in all EDPR markets
- Signing of medium-term agreements with equipment manufacturers to ensure visibility of prices and supply
- Relying on a large base of equipment suppliers to ensure supply



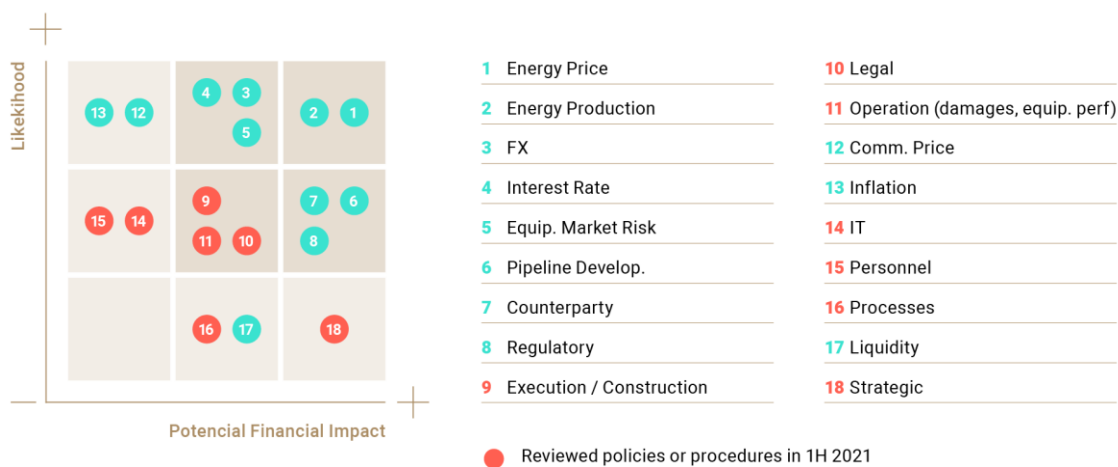
- Careful selection of countries
- Worst case profitability analysis of every new investment considering all risks factors
- Risk-return metrics at project and equity level
- Profitability resilience metrics
- Consideration of stress case scenarios in the evolution of energy markets for new investment decisions
- Follow-up of cost effectiveness of renewable technologies and potential market disruptions

Risk analyses in EDPR

During 2021, EDPR reassessed the Operational Risk of the company, executing a bottom-up analysis across all departments, as stated in EDPR’s Operational Risk Policy. Following the growth of the installed capacity at EDPR in the last years, together with the planned growth within the new Business Plan 2021-25, the Operational Risk limit was accordingly adjusted in EDPR’s Operational Risk Policy and Enterprise Risk Management framework.

EDPR risk matrix by financial impact

EDPR Risk Matrix is a qualitative assessment of likelihood and impact of the different risk categories within the Company. It is dynamic and it depends on market conditions and future internal expectations.



EDPR ESG risks

The commitment to foster a sustainable development has been one of the core values of EDPR’s strategic agenda, with clear and demanding objectives for the future. Accordingly, the Company promotes clean energy delivering superior value through a solid business model operated with the highest ESG standards. In this context, EDPR has identified five potential risk factors key to the ESG practices of the Company. The highest standards have been put in place to mitigate these risks:

- Environmental Risk:** As stated in its Environmental Policy, EDPR seeks to prevent, correct or compensate the potential impact of its activities on the environment through a set of commitments that ensure the implementation and maintenance of an effective Environmental Management System (EMS). The integrated Health & Safety and Environmental Management System, which was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity, was implemented and jointly certified by an independent certifying organisation.
- Human Resources Risk:** At EDPR, it is top priority to promote fair labour practices throughout the employees’ journey in the Company by integrating the human capital aspects in planning and decision-making, optimising employment policies and labour practices and implementing its actions considering an active listening of the employees. Accordingly, EDPR strives to attract and retain talent, bringing in the right skills to address current and future business challenges while guaranteeing non-discrimination during all the selection processes, and has an Onboarding Policy for new hires detailing the process to follow when integrating a new employee in the Company. In addition, EDPR regularly implements measures and campaigns important for the employees professional and personal experience such as providing an individualised value proposition, creating top-class working conditions, supporting their wellbeing and families, fostering volunteer activities and promoting diversity and inclusion. Lastly, the growth and development of the EDPR’s business leads it to invest in the employees by improving and emphasising the potential of each mainly through internal mobility, training and development actions.

- **Health and Safety Risk:** The health, safety and wellbeing of our employees are a priority for EDPR. These commitments are firmly set in the Occupational Health & Safety Policy and implemented through the Health & Safety Management System. The integrated Health & Safety and Environmental Management System, which was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity, was implemented and jointly certified by an independent certifying organisation.
- **Human Rights Risk:** EDPR has committed, through its Code of Ethics, to respect and undertake to promote Human Rights internally, in its suppliers, customers and local communities, by guiding its actions according to the Universal Declaration of Human Rights and international conventions, treaties or initiatives, such as the Conventions of the International Labour Organisation, the United Nations Global Compact and the Human Rights Council's Guiding Principles for Companies.
- **Corruption and Fraud Risk:** EDPR has implemented a Code of Ethics, an Anti-Corruption Policy and a Compliance Model. The Code of Ethics, which was updated and published earlier in the year, has its own regulation that defines a process and channel, open to all stakeholders, to report any potential claim or doubt on the application of the code. The Ethics Ombudsperson is behind this communication channel, and is responsible for analysing and presenting to the Ethics Committee any potential ethical problem. EDPR's Anti-Corruption Policy, which implies a series of procedures regarding the relationships of EDPR employees with external parties, is available at EDPR's website and intranet, and it is attached to the labour agreements of the new hires to their written acknowledgement when they join the Company. Lastly, EDPR has a Compliance Model with the goal of establishing, developing, promoting and maintaining an adequate ethical business culture. The Compliance Channel is also available to report any questionable practice and wrongdoing.

The quantification of the financial impact on the Company's performance of these five ESG risk factors is included within the Operational Risk analysis. EDPR frequently evaluates the economic impact of its Operational Risk, following the guidelines of Basel III. The analysis includes the identification, estimation and mitigation of individual operational risks belonging to the short, medium and long term in all its geographies. For this purpose, EDPR takes into account present and future relevance of these risks, as well as historical data of their impact, with the help of department heads. The final results of the Operational Risk analysis are then communicated to the Management Team and shared with every department involved.

During 1H21, the economic valuation of Operational Risk at EDPR was reassessed and none of the five ESG risk factors had a material financial impact on the Company's performance.

GHANA

WORLD

FROM MORE TO BETTER

edp renováveis



**Changing
tomorrow now.**

edp renováveis

Innovating
to power
the planet

Changing tomorrow now.

03

EXECUTION

Financial Capital	42
Operational Performance	42
Financial Performance	44
Human Capital	50
Supply Chain Capital	53
Social Capital	54
Guarantee Health & Safety	54
Respect Human and Labour Rights	55
Contribute to the Society	55
Natural Capital	57
Digital Capital	59
Innovation Capital	60

03

Execution

3.1. Financial capital

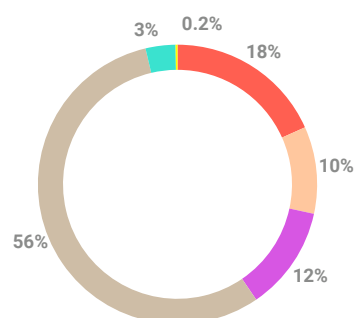
3.1.1. Operational performance

INSTALLED CAPACITY (MW)	2021				NCF			GWh		
	Jun-21	Added	AR	YTD	Jun-21	Jun-20	YoY	Jun-21	Jun-20	YoY
EBITDA MW										
Spain	2,137	-	-	-	28%	24%	+4pp	2,613	2,102	+24%
Portugal	1,238	+10	-	+10	27%	25%	+3pp	1,483	1,262	+18%
Rest of Europe	1,476	+74	-	+74	26%	31%	-4pp	1,670	1,699	(2%)
France	155	+30	-	+30	27%	34%	-7pp	160	80	+99%
Belgium	10	-	-	-	28%	-	-	12	-	-
Italy	314	+44	-	+44	28%	28%	-1pp	343	335	+2%
Poland	476	-	-	-	26%	34%	-8pp	557	615	(9%)
Romania	521	-	-	-	26%	29%	-3pp	597	668	(11%)
EUROPE	4,852	+83	-	+83	27%	26%	+1pp	5,766	5,063	+14%
US	5,898	+475	(405)	+70	33%	36%	-2pp	8,474	8,792	(4%)
Canada	130	+62	-	+62	30%	32%	-2pp	106	41	+156%
Mexico	400	-	-	-	47%	44%	+3pp	498	380	+31%
NORTH AMERICA	6,428	+537	(405)	+132	34%	36%	-2pp	9,079	9,213	(1%)
Brazil	436	-	-	-	34%	27%	+8pp	494	388	+27%
LATIN AMERICA	436	-	-	-	34%	27%	+8pp	494	388	+27%
Vietnam	28	+28	-	+28	-	-	-	-	-	-
APAC	28	+28	-	+28	-	-	-	-	-	-
Total EBITDA MW	11,743	+648	(405)	+243	31%	32%	-0.5pp	15,338	14,664	+5%
Equity Consolidated										
Wind Onshore (SP + PT)	187	-	-	-						
Wind/ Solar Onshore (US)	601	-	+130	+130						
Wind Offshore	53	+43	-	+43						
Total Equity Consolidated	841	+43	+130	+172						
EBITDA MW + EQUITY CONSOL.	12,584	+691	(275)	+415						

EDPR continues to deliver solid selective growth

With a top-quality portfolio, EDPR has a strong track record and proven capability to execute superior projects and deliver on targets. The installed asset base of 12.6 GW is not only young, on average 9 years, it is also mostly certified in terms of environmental and health and safety standards. Since 2008, EDPR has more than doubled its installed capacity, resulting in a total installed capacity of 12,584 MW (EBITDA + Equity Consolidated). As of June 2021, EDPR had 5,092 MW installed in Europe, 7,028 MW in North America, 436 MW in Latin America and 28 MW in APAC.

12.6 GW of EBITDA MW + Equity Consol. (%)



■ SP ■ PT ■ RoE ■ NA ■ LatAm ■ APAC

1H 2021 installations concentrated in North America

Since December 2020, EDPR added a total of 691 MW, namely 126 MW in Europe, 537 MW in North America, and 28 MW in APAC, from the acquisition of a solar project in Vietnam. In 1H21, EDPR added 551 MW of wind onshore, corresponding to 83 MW in Europe, namely 10 MW in Portugal, 30 MW in France and 44 MW in Italy, while in North America 598 MW of wind onshore were added, more precisely 536 MW (130 MW from equity stake) in United States and 62 MW in Canada. In terms of solar technology, 69 MW of solar DG were added in the US and 28 MW were added in Vietnam, whilst 43 MW of wind offshore were built, corresponding to Seamade in Belgium (equity stake).

Pursuing its Asset rotation strategy, EDPR successfully concluded the sale of a 68% equity stake in a 405 MW operational wind portfolio in the US (275 MW net). All in all, EDPR YTD consolidated portfolio net variation in 1H21 was +415 MW.

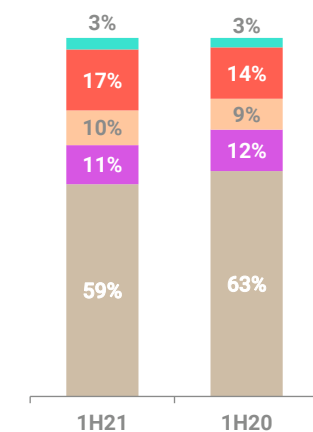
5% increase in Year on Year generation

EDPR produced 15.3 TWh of clean energy in 1H21, +5% YoY, avoiding the emissions 10mt of CO₂ emissions. The YoY evolution benefitted from the higher installed capacity YoY (+1,145 GW) and a stable wind resource.

In 1H21, EDPR achieved a 31% load factor (vs -0.5pp YoY) reflecting 95% of P50 expected long term average Gross Capacity Factor (+1pp YoY). In the period EDPR reached a 34% load factor in North America (vs 36% in 1H20), with YoY comparison being affected by the one-off event ERCOT in Texas, US.

EDPR achieved a 96.9% availability in 1H21, vs 96.8% in 1H20. The company continues to leverage on its competitive advantages to maximise wind farm output and on its diversified portfolio across different geographies to minimise the wind volatility risk.

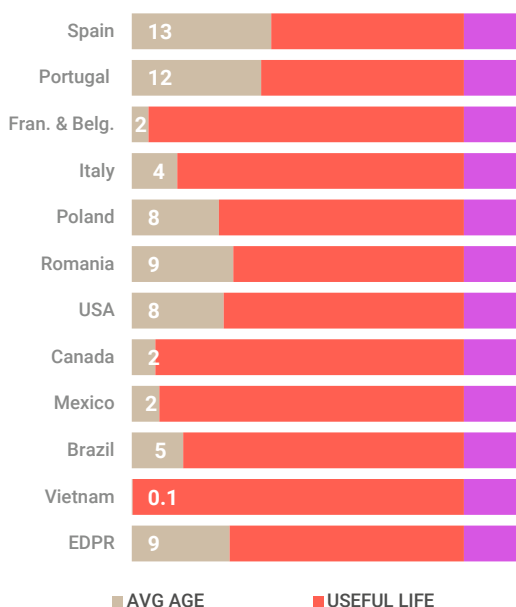
Generation breakdown



■ NA ■ RoE ■ PT ■ SP ■ LatAm

Solid growth and diversified portfolio delivers balanced output

Assets' Average Age and Useful Life (years)



EDPR's operations in Europe were a major driver for the electricity production increase in 1H21, increasing 14% YoY to 5.8 TWh and representing 38% of the total output. This is mainly explained by the resource increase in Iberia. In Europe, EDPR achieved a 28% load factor (vs 26% in 1H20).

EDPR obtained a load factor of 28% in Spain (+4pp YoY), while in Portugal reached a load factor of 28% (+3pp YoY). In Rest of Europe, EDPR accomplished a 27% load factor (-4pp YoY), mainly driven by Poland (-8pp YoY).

EDPR's production in Latin America increased to 494 GWh vs 388 GWh in 1H20 (+27% YoY), representing 3% of total EDPR's generation, driven by the higher level of recourse in Brazil, where EDPR reached a 34% load factor (vs 27% in 1H20).

In North America, output decreased 1% YoY to 9.1 TWh, reflecting the lower wind resource at 34% (-2pp YoY) as result of the ERCOT one-off event in 1Q21. North America represents 59% of EDPR's total output in the first six months of 2021.

Propelled by capacity additions in 1H 2021, EDPR manages a portfolio of 12.6 GW

As of June 2021, EDPR had 2.9 GW of new capacity under construction, of which 2,195 MW related to wind onshore, 421 MW to solar PV and 269 MW from equity participations in an offshore project in the UK. In Europe, 911 MW of wind onshore were under construction, with 101 MW in Spain, 125 MW in Portugal, 26 MW in France, 371 MW in Poland, 229 MW in Italy and 59 MW in Greece. In North America, 767 MW were under construction, of which 549 MW corresponding to wind onshore, namely 453 MW in US and 96 MW in Mexico, and 218 MW of solar in US. In Latin America, Brazil was the country with all capacity under construction, more precisely 735 MW of wind onshore and 204 MW of solar, for a total of 939 MW under construction. In terms of wind offshore, EDPR had a total of 269 MW of wind offshore in construction from equity stakes in the offshore project Moray East in the UK. As a result of continuous growth effort, EDPR also has a young portfolio with an average operating age of 9 years, with an estimate of over 21 years of useful life remaining to be captured.

3.1.2. Financial performance

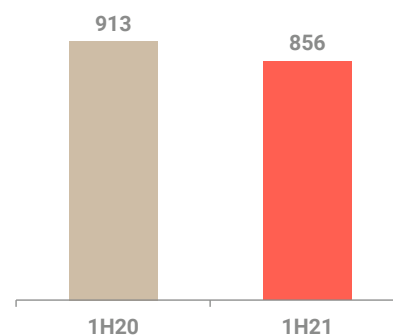
Income statement

Revenues reached over €0.8 billion and EBITDA summed €0.7 Billion.

Revenues totalled €856 million (-6% decrease YoY) on the back of Asset rotation deconsolidation (-€52 million YoY), lower average price (-€42 million YoY) along with unfavorable forex translation and others (-€30 million YoY) not offset by additional installed capacity (+€67 million YoY).

Other operating income amounted to €141 million (-€53 million YoY), with evolution reflecting the gains (€118 million) related to the Sell-down transaction closed during the period in the US, namely the 68% stake sold to Greencoat Capital of a 405 MW wind portfolio comprising 2 projects. Assets were transferred pursuant to the agreement signed in April 2021.

REVENUE EVOLUTION (€ MILLIONS)



In the context of EDPR's continuous growth, Operating Costs (Opex) totalled €331 million (+7% YoY), given upfront costs to support expected growth over the coming years. In comparable terms, adjusted by offshore costs (mainly cross charged to projects' SPV), Asset rotation assets deconsolidated, one-offs, forex and service fees, Core Opex (defined as Supplies and Services and Personnel Costs) per average MW was -3% YoY.

In the first half of the year, EBITDA summed €654 million (vs €793 million in June 2020) and EBIT amounted to €364 million (vs €501 million in June 2020). Net Financial Expenses decreased to €111 million (-32% YoY) with evolution impacted by lower average cost of debt in the period (3.6% vs 4.0% in June 2020). At the bottom line, Net Profit summed €142 million (vs €255 million in June 2020) mainly driven by lower top line performance on the back of lower prices, unfavorable forex translation and assets deconsolidated. Non-controlling interests in the period totalled €64 million, decreasing by €12 million YoY, as a result of results performance and Financial results improved with Financial expenses decreasing by €52 million YoY.

CONSOLIDATED INCOME STATEMENT (€ MILLIONS)	1H21	1H20	Δ %
REVENUES	856	913	(6%)
Other Operating Income	141	194	(27%)
Operating Costs	(331)	(309)	+7%
Supplies and Services	(156)	(147)	+6%
Personnel Costs	(82)	(71)	+16%
Other Operating Costs	(93)	(91)	+2%
Share of Profit of Associates	(12)	(5)	+143%
EBITDA	654	793	(18%)
EBITDA/Revenues	76%	87%	-10pp
Provisions	(1)	(0.2)	+339%
Depreciation and Amortisation	(298)	(301)	(1%)
Amortisation Government Grants	8	9	(8%)
EBIT	364	501	(27%)
Financial Income/ (Expense)	(111)	(163)	(32%)
PRE-TAX PROFIT	252	337	(25%)
Income Taxes	(44)	(3)	-
CESE	(3)	(3)	(5%)
Profit of the Period	206	331	(38%)
NET PROFIT (EQUITY HOLDERS OF EDPR)	142	255	(44%)
Non-controlling Interests	64	76	(16%)

Balance sheet

In the first half of 2021 total equity increased by €1.4 billion.

Since December 2020, total Equity attributable to EDPR shareholders increased €1.4 billion to €8.8 billion. Evolution is explained by €1,488 million Capital increase, +€142 million of Net profit, +€20 million from Acquisition/sale of companies, along with +€43 million of the exchange rate effects, -€177 million from variation in fair value cash flow hedges, -€77 million from dividend payments and -€12 million from others. From the total equity, €2,231 million corresponded to reserves and retained earnings. Total Liabilities increased €130 million YTD to €9.7 billion, explained by the increase in financial debt (+€468 million), rents due from lease contracts (+€27 million) and in provisions (+€5 million), despite the decrease in deferred tax liabilities (-€14 million), deferred revenues from Institutional partnerships (-€59 million), in Institutional partnerships (-€285 million), and other liabilities (-€12 million). Debt-to-equity ratio stood at 96% by the end of June 2021. Liabilities were mainly composed of financial debt (46%; vs 41% by December 2020), liabilities related to institutional partnerships in the United States (9%; vs 12% by December 2020) and accounts payable (23%; flat vs December 2020).

Liabilities to tax equity partnerships in the United States decreased by €344 million to €1,589 million. Deferred revenues related to institutional partnerships primarily represent the non-economic liability associated to the tax credits already realised by the institutional investor, arising from accelerated tax depreciation, and yet to be recognised as income by EDPR throughout the remaining useful lifetime of the respective assets. Deferred tax liabilities reflect the liabilities arising from temporary differences between the accounting and the tax basis of assets and liabilities. Accounts payables include trade suppliers, PP&E suppliers, deferred income related to investment grants received and derivative financial instruments.

As total assets summed €19.8 billion by June 2021, the equity ratio of EDPR reached 51%. Assets were 70% composed of net PP&E - property, plant and equipment representing €13.7 billion (+€256 million vs December 2020). In detail it included €955 million of capex investments, -€272 billion of depreciation charges along with positive exchange differences of €321 million and -€749 million coming from sales and acquisitions.

STATEMENT OF FINANCIAL POSITION (€ MILLIONS)	1H21	2020	Δ €
ASSETS			
Property, Plant and Equipment, net	13,747	13,492	+256
Intangible Assets and Goodwill, net	1,594	1,537	+57
Financial Investments, net	885	488	+397
Deferred Tax Assets	182	122	+60
Inventories	51	55	-3
Accounts Receivable - Trade, net	337	279	+58
Accounts Receivable - Other, net	935	999	-64
Right-of-use asset	695	674	+21
Collateral Deposits	36	31	+6
Cash and Cash Equivalents	815	474	+341
Assets Held for Sale	490	12	+478
Total	19,768	18,163	+1,605
EQUITY			
Share Capital + Share Premium	6,402	4,914	+1,488
Reserves and Retained Earnings	2,231	1,878	+353
Net Profit (Equity Holders of EDPR)	142	556	-414
Non-controlling Interests	1,325	1,276	+49
Total	10,100	8,624	+1,476
LIABILITIES			
Financial Debt	4,414	3,947	+468
Institutional Partnerships	858	1,143	-285
Provisions	320	315	+5
Deferred Tax Liabilities	413	427	-14
Deferred Revenues from Institutional Partnerships	731	790	-59
Other Liabilities	2,932	2,227	-12
Rents due from lease contracts	716	689	+27
Total	9,668	9,539	+130
TOTAL EQUITY AND LIABILITIES	19,768	18,163	+1,605

Cash flow statement and Net debt

Operating cash-flow impacted by top line performance

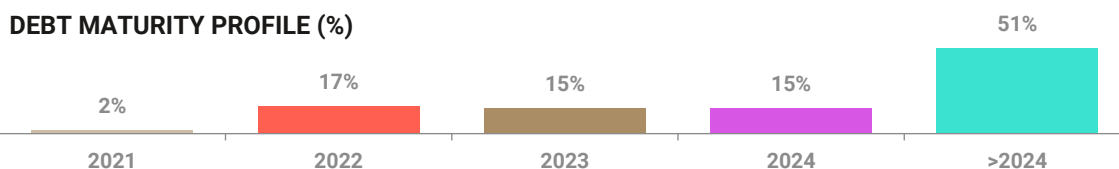
In the first half of 2021, EDPR generated Operating Cash-flow of €293 million (-44% YoY), with year on year evolution explained by weaker top line performance. The key items that explain cash-flow evolution are the following:

- Funds from operations, resulting from EBITDA after net interest's expenses, share of profits of associates and current taxes, were €605 million (vs €685 million in June 2020)
- Operating Cash-flow, which is the EBITDA net of income tax and adjusted by non-cash items (namely income from US institutional partnerships) and net of changes in working capital, was €293 million (-44% YoY). Non-cash items include capital gains related to assets sold in the US and Spain;
- Capital expenditures with capacity additions, ongoing construction and development works totalled €968 million (+64% YoY) mainly from higher capex in North America and Europe;
- Payments to institutional partnerships totalled €37 million, contributing to the reduction of Institutional Partnership liabilities. Total net dividends and other capital distributions paid to minorities totalled €1,350 million (including €1,494 million from the capital increase).

CASH-FLOW (€ MILLIONS)	1H21	1H20	Δ %
EBITDA	654	793	-18%
Current Income Tax	(8)	(23)	-64%
Net Interest Costs	(41)	(86)	-53%
FFO (FUNDS FROM OPERATIONS)	605	685	-12%
Net Interest Costs	41	86	-53%
Share of Profit of Associates	12	-	n/a
Income from Institutional Partnerships	(87)	(105)	-17%
Non-cash Items Adjustments	(100)	(158)	-37%
Changes in Working Capital	(178)	19	-
OPERATING CASH-FLOW	293	526	-44%
Capex	(968)	(589)	64%
Financial Desinvestments/ (Investments)	(211)	(86)	146%
Changes in Working Capital related to PP&E Suppliers	(644)	(77)	736%
Government Grants	-	-	n/a
NET OPERATING CASH-FLOW	(1,530)	(225)	578%
Sale of Non-controlling Interests and Asset rotation strategy	239	122	96%
Proceeds from Institutional Partnerships	(0.1)	132	-
Payments to Institutional Partnerships	(37)	(18)	110%
Net Interest Costs (Post Capitalisation)	(41)	(86)	-53%
Dividends Net and Other Capital Distributions	1,350	(142)	-
Forex & Others	(102)	(8)	-
DECREASE/(INCREASE) IN NET DEBT	(120)	(224)	-46%

NET-DEBT + TAX EQUITY (€ MILLIONS)	1H21	2020	Δ €
TOTAL NET DEBT + TAX EQUITY	4,421	4,586	(165)
Net Debt	3,563	3,443	+120
Institutional Partnerships	858	1,143	(285)

As of June 2021, Net Debt totalled €3,563m (+€120m vs December 2020) reflecting on the one hand assets' cash generated and on the other hand investments in the period and forex translation. Institutional Partnership Liabilities summed €858m (-€285m vs December 2020), with benefits captured by the projects and tax equity partners.



Other reporting topics

Subsequent events

The following are the most relevant subsequent to the first half of 2021 until the publication of this report:

EDPR enters the UK onshore market with a 544 MW wind and solar portfolio

Madrid, July 21st 2021: EDP Renováveis, SA ("EDPR") has reached agreements to acquire a 544 MW wind and solar portfolio in the UK ("Transaction").

The Transaction has been reached through two separate agreements with Vento Ludens and Wind2 for a total consideration of up to GBP 71 million, conditional to the successful achievement of pre-determined milestones for each project.

The portfolio consists of:

- 5 MW operating wind farm commissioned in 2012 with a 20-year Feed in Tariff;
- 192 MW of wind projects under advanced stage of development, which will be participating in the upcoming CfD rounds and in the UK private PPA market, aiming to enter in operation until 2025;
- 347 MW of projects under development, including 229 MW of wind and 118 MW of solar.

The UK has a low-risk profile and is a sizeable power market of c.325 TWh, one of the largest in Europe. Recently, the UK Government announced a target to reach net zero greenhouse gas emissions by 2050 and has signalled that from 2021 onwards both onshore wind and solar will be able to participate in the CfD rounds, which are expected to occur every two years until 2030. In addition, the UK is a very liquid market and has one of the most developed PPA markets in Europe, providing multiple routes to market for the portfolio.

This Transaction allows EDPR to establish its presence in the UK onshore market with a sizeable and technologically diversified portfolio at different stages of development and provides an experienced development team which will be focusing on additional opportunities in the country. Furthermore, this portfolio reinforces EDPR's overall presence in the UK, diversifying and complementing its already long presence in offshore, where it currently has 1 GW of offshore gross capacity under construction and 0.9 GW under development, through Ocean Winds.

The entry in the UK onshore market is within the context of EDPR Business plan 2021-25, providing diversification and growth optionality, further reinforcing EDPR's worldwide leading position in renewables.

Signing and completion of the Transaction have already occurred.

EDPR signs a deal to sell a 221 MW wind portfolio for an EV of €530 million

Madrid, July 21st 2021: EDP Renováveis, S.A. ("EDPR") signed a Sale and Purchase Agreement with Onex Renewables S.a.r.l. ("Onex") to sell a 100% equity stake in a 221 MW wind portfolio located in Portugal for an estimated Enterprise Value of €530 million (subject to customary closing adjustments).

The transaction scope comprises five wind farms, with an average age of 1.4 years as of 2021YE, out of which three are in operation and two are under construction with expected CoD until 2021YE. The five wind farms will be managed upon completion by Exus Management Partners who has a strong presence in Iberia.

The total consideration of the transaction corresponds to an estimated Enterprise Value of €530 million, which translates into an Enterprise Value of €2.4 million/MW.

The transaction is subject to regulatory and other customary precedent conditions.

This transaction will contribute with approximately €530 million proceeds, allowing EDPR to accelerate value creation while recycling capital to reinvest in accretive growth.

Own shares

As of June 2021, EDPR did not hold own shares and no transactions were made during the year.

3.2. Human capital



During recent times, which were highly marked by the COVID-19 pandemic, EDPR team's commitment and capacity to adapt by working together while apart allowed the Company to keep achieving and surpassing its ambitious goals while always putting health and wellbeing first.

Following the outbreak of the COVID-19 pandemic, and as a responsible company, EDPR quickly took measures to minimise the conditions for the virus to spread, focusing on people's health and keeping essential services in operation. During the first six months of 2021, employees continued to have the option to work from home or to gradually return to facilities according to a Reopening Plan with geographical specifications, guaranteeing the highest health and safety standards for all and complying with legal and space limitations.

Even during the global crisis, EDPR was able to continue hiring and maintain the promotions, mobilities and training sessions, adapting the processes to the current situation.

Employee journey

A customised value proposition is offered to employees throughout their journey in EDPR, which allows them to join a multinational team and grow along with it. EDPR believes that motivated workforce aligned with the company's strategy is one of the key drivers behind the ability to deliver positive results. In this sense, EDPR bases its Human Resources policies on the Business Plan goals and implements its actions considering an active listening of the employees.

EDPR continuously works to provide excellent conditions for its employees, to grow and develop talent at all levels and optimise its employment policies and labour practices. As a result, EDPR was recognised by the Top Employers Institute as one of the best companies to work for in Europe in 2021 for the third consecutive year and, at a local level, in Spain, France, Italy, Portugal, Poland and Romania. The Company was also recognized as a 2021 Top Workplace in the United States.



Practice active listening with employees throughout their journey.



Joining & Integrating

Attracting talent

EDPR aims to be a long-term market leader in the renewable energy sector and is aware that its team is key to achieve this. Therefore, the Company is continuously striving to attract talent, bringing in the right skills and profiles to address current and future business challenges, and retain professionals who seek to excel in their work.

In EDPR, non-discrimination and equal opportunities are guaranteed during all the selection processes. This is reflected in its Code of Ethics, which contains specific clauses on non-discrimination and equal opportunities, in line with the company's culture of diversity and inclusion and the respect for human and labour rights.

During 1H 2021, EDPR implemented different talent attraction initiatives to strengthen its image as a leading employer:

- **Pool of Engineers Program:** EDPR selects exceptional junior engineers for Tech profiles and different academic backgrounds to join and be an active part of one of the most compelling junior engineer programs in the market. Through the program, EDPR gives new talents the tools to develop themselves professionally and personally, having the chance to know and influence different technical areas, including a tailor-made training program. During the 24 month program, junior engineers have the opportunity to complete two rotations in EDPR in different technical areas. Our current pool of 5 engineers completed their first rotation in February 2021, immediately assuming their new position in the second rotation to complete their technical training in order to assume the final assigned position by February 2022.
- **Job Fairs:** In 1H 2021, EDPR attended 9 online job fairs from the most relevant Universities and Business Schools from Spain and Portugal with an assistance of almost 8,426 students.
- **LinkedIn:** The platform is a main source of Recruitment, covering up to 59% of the Corporate positions hired in 1H 2021.

Integrating the team

Onboarding plays a critical role in a new hire's success and happiness, and builds relationships that are important to job satisfaction and performance. Aware of this, EDPR has an Onboarding Policy for new hires which details the process and measures to follow when integrating a new employee in the Company. During the first half of 2021, EDPR welcomed 335 team members of whom 35% are women. There were 20 nationalities among the new hires, and their average age was 34 years old. 100% of the hires were allocated in permanent positions, and 128 internships were carried out during 1H 2021.

Being EDPR

Individualisation

Part of EDPR value proposition is a competitive remuneration package aligned with the best practices in the market. EDPR Compensation Package includes (i) an Annual Base Salary and (ii) a Variable Pay depending on the achievements of Area, Company KPIs and an Individual Global Assessment of the employee, and also an (iii) above market practice benefits package such as Health Insurance or Pension Plan. The remuneration package is not static, which means that it evolves at the same pace of employees' needs and concerns as well as the business.

Work Life Balance

EDPR implements various initiatives focused mainly on family, time and health, offering its team a wide range of benefits that strengthen the Company's position as flexible and family-friendly, and fostering time efficiency of employees' daily tasks to balance their professional and personal life while still delivering excellent results.

As a result of the successful implementation of home office globally during 2020, EDPR approved a remote work strategy, which will be fully implemented post-pandemic. The Company believes remote work is key to improve flexibility, work life balance and overall wellbeing of its team, whilst still being productive. Therefore, employees will be able to work remotely 2 days per week, where feasible.

Nevertheless, EDPR is committed to continue promoting ways of working that improve everyone's work life balance. To achieve this, the Company encourages all colleagues to adopt more effective time-management strategies. Accordingly, the Company has a wellness platform to further development a wellness culture and promote healthy habits. The programs promoted by the platform aim to generate a culture in which employees choose to adopt healthy habits voluntarily, sharing their experiences, forming support networks to facilitate the process and motivating each other. In addition, during 1H 2021, EDPR introduced an initiative under the name "Golden Rules", to provide best practice recommendations on topics such as respecting routines, good practices when communicating through email and tips for organizing the daily schedule. By following these recommendations, people can be more efficient with their time and promote each other's wellbeing. Furthermore, EDPR has a volunteer program addressed to its employees in order to promote social responsibility, giving them the opportunity to grow not only at work but also personally while also contributing to the society. As a result, EDPR employees are given 4 hours a month to dedicate to volunteering initiatives. During the COVID-19 pandemic, EDPR reinforced the volunteering activities proposed, adding initiatives that run on an online model and adding the possibility to make donations to support the health and wellbeing of the society during this global crisis.

Diversity & Inclusion

EDPR incorporates the principles of Diversity and Inclusion in its values and practices as it is aware that a diverse team helps bring together different perspectives and know-how, and represent different sources of talent. Specifically, EDPR aims to contribute to improving the quality of life of its employees, eliminate career barriers and promote gender equality, seeking to ensure an environment of openness in a workplace where mutual respect and equal opportunity prevail. EDPR has a Diversity & Inclusion Committee to promote its commitment to these crucial principles, which aims to reflect the Company's strategy on D&I, which integrates the definition and development of initiatives that contribute to a global action plan and local action plans, and to foster sharing knowledge and best practices. Additionally, in January 2021, EDPR was featured for the second consecutive year as part of the Bloomberg Gender Equality Index (GEI), a benchmark index that selects the listed companies most involved in the development of gender equality in the world.

Growing with the company

People are EDPR's most important asset. Thus, the Company invests in intergenerational knowledge sharing and in the ongoing training of its team. EDPR is committed to the development of its employees, investing on them by discovering, improving and emphasising the potential of each mainly through internal mobility, training and development actions.

Mobility

EDPR considers both functional and geographical mobility as a tool that contributes to the organisational development by stimulating employees' motivation, skills, productivity, personal fulfilment and fostering the share of best practices. The mobility processes within EDPR aim to respond to the different challenges and needs of the Company, considering the characteristics of the different geographies. In 1H 2021 there were 35 mobility processes, 30 of which functional, 4 geographical and 1 both functional and geographical.

Training

EDPR offers job-specific ongoing training opportunities to contribute to the improvement of knowledge and skills, as well as specific development programs aligned with the Company's strategy. The 360 potential appraisal process is created for all employees with the goal of defining each person's training needs along with their manager, which is then used to define a customised Training Plan. The annual Training Plan is based on a catalogue of programs that is constantly evolving and is aligned with the Company's challenges and new markets. The key aspect about the courses offered is that they usually contain subjects to promote the development of skills needed to ensure the sustainability of EDPR's business. Moreover, the networking and the share of best practices foster innovation and improve performance. During 1H 2021, EDPR delivered a total of 31,674 training hours throughout 1,982 sessions that included 21,802 participants. This translates into an average of 17 hours of training per employee and results in 97% of EDPR's team receiving training. The challenges that the COVID-19 pandemic brought to the training activities were successfully overcome by redesigning and adapting training contents and sessions to virtual, e-learning or remote formats. This effort allowed to maintain the main training ratios aligned with previous years, increasing the training courses delivered in e-learning, live webinars or other non-synchronous including game-based training (a total of 84% of training hours or 97% of the attendances were delivered in online methodology).

3.3. Supply chain capital

EDPR's market leadership, based in value creation capacity, innovation and relationship with its stakeholders, is much influenced by the performance of its suppliers. Technical excellence together with sustainability is the basis of EDPR relationship with suppliers. This results in close collaboration, joint capacity to innovate, strengthen the sustainability practices and improve the quality of the Company's operations.

EDPR's supply chain

EDPR has a strong and permanent interaction with its supply chain, in particular with the strategic suppliers understood as WTG (Wind Turbine Generator) manufacturers and suppliers, Balance of Plant (BOP) and Operation and Maintenance (O&M) contractors. Those suppliers contribute in a meaningful and visible way to the value of EDPR core activities – construction and operation of wind farms and solar plants. This close relationship allows EDPR to benefit from all the new technical solutions and innovations available on the market to maximise the value creation in the projects worldwide.

High quality and sustainable procurement

EDPR's procurement process is developed within the framework of the Procurement Policy, which extends to EDPR's both direct and indirect suppliers, and from which the most relevant aspects for EDPR regarding the supply chain's high quality and sustainability are established. The implementation of the Procurement Policy leads to a better control in the suppliers' management process, assuring EDPR values are respected, product quality is high and risks are minimised. EDPR has requirements in place through the main procurement phases: registration, contracting and, lastly, monitoring and evaluation.

Registration and qualification: The registration process is required for any company who intends to apply for a qualification process issued by EDPR. The Corporate System of Supplier Registration of the Company works as a support to search and select suppliers, providing detailed information, validated and updated by credible sources to guarantee their accreditation through financial, technical quality and sustainability criteria. EDPR also has a Supplier Qualification Process, whose main goal is to provide a thorough analysis on critical topics such as technical capabilities, H&S, environment and ethics, and to establish uniform minimum requirements to ensure that the suppliers with whom EDPR conducts business are qualified. All parameters of the Qualification Process are periodically reviewed and reassessed by EDPR to guarantee that supply chain performance remains on the high quality level required. In addition, EDPR has a Third Party Integrity Due Diligence (IDD) procedure in place, reinforcing the mechanisms for identifying and preventing possible integrity risks for EDPR in the relation with third parties. This IDD system is based on an appropriate risk assessment, namely at the level of the transactions carried out and the respective counterparties, ensuring that the said counterparties comply with the defined integrity requirements in the mentioned procedure.

Bidding and contracting: The incorporation of adequate criteria in the bidding and contracting processes is essential to ensure the management and mitigation of operational risks in the supply chain. In Europe & Brazil, EDPR has a Suppliers Sustainability Guide in place for both construction and O&M operations, providing an overview of the sustainability requirements EDPR expects its suppliers to meet, including H&S, environmental and ethical requirements. In addition, EDPR has a process in place that classifies suppliers according to their H&S and environmental risks. The classification serves as an input in the selection of suppliers during the bidding phase. Adequate compliance by all EDPR suppliers with applicable H&S and environmental requirements is crucial to guarantee the correct performance of the contracted services and works.

Monitoring and evaluation: To guarantee that the suppliers comply with the previously mentioned requirements, EDPR monitors strategic suppliers during their services delivery. EDPR performs internal inspections during the construction and operation phases to monitor the suppliers performance regarding environmental and H&S aspects and to identify potential risks. In 1H 2021, EDPR performed 770 inspections to suppliers regarding their EHS procedures. EDPR also hires an external party for additional supervision in these areas. These processes are reinforced by the integrated Health & Safety and Environmental Management System, developed and certified according to international standards ISO 45001 & ISO 14001.

3.4. Social capital

EDPR believes it is indispensable to contribute to the development of the society respecting both human and labour rights and creating value in different ways, for different people. With this in mind, the Company is guided by three key social responsibility principles: guarantee the highest health and safety standards, respect human and labour rights in the whole value chain and, lastly, support communities.

3.4.1. Guarantee the highest health & safety standards

The health and safety of those who contribute to EDPR's activities is a key value and a priority for its success. Consequently, the Company aims to promote and build on a positive safety culture in which every employee, service provider and supplier is engaged. According to its Code of Ethics, EDPR undertakes to give priority to the employees and suppliers' safety, health and wellbeing and to ensure the development of appropriate occupational health and safety management systems. The commitment to guarantee the welfare of employees and contractors is further supported by EDPR's Occupational Health and Safety Policy.

EDPR team's commitment and capacity to adapt by working together while apart allowed the Company to keep achieving and surpassing its goals, leading to the development of a more ambitious 2021-2025 Business Plan. In line with the new Business Plan, the Company added 691 MW during 1H 2021 and has 2.9 GW of capacity under construction. This growth is consistent with the increase of worked hours both in construction and operation (+115% YoY) which, in turn, is reflected on the number of work-related injuries. During 1H 2021, EDPR registered 15 work-related accidents that resulted in lost workdays for employees and contractors. One of these accidents was fatal and EDPR is currently analysing the causes and improvement opportunities related to this incident. The injury and the lost day rate were 1.7 work accidents per million hours worked and 58 days lost due to work accident per million hours worked, respectively. The severity rate is adjusted, excluding the lost days derived from accidents in 2020, with the non-adjusted severity rate being 113.

Nonetheless, EDPR continuously works to improve these ratios and to bring awareness to the best H&S practices. This commitment is reinforced by the integrated Health & Safety and Environmental Management System, which was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity. The HSEMS, where synergies play a fundamental role, was implemented and jointly certified by an independent certifying organisation. The implementation of this integrated system allows for better management and prevention of future accidents, with the objective of zero accidents overall. The commitment to health & safety is further supported through the ISO 45001 certification, which covers 100%¹ of EDPR's installed capacity by the end of 1H 2021.

The COVID-19 pandemic resulted in a new way of living and working through strengthened H&S measures, adaption of work arrangements, and management of stress and other psychosocial risks. Following the initial outbreak of the pandemic, EDPR implemented a Response Plan, quickly taking measures to minimise the conditions for the virus to spread, focusing on people's health and keeping essential services in operation. During the first six months of 2021, employees continued to have the option to work from home or to gradually return to facilities according to a Reopening Plan with geographical specifications, guaranteeing the highest health and safety standards for all and complying with legal and space limitations.

In addition, the Company has a Wellness Platform to further develop a wellness culture and promote healthy habits. The programs promoted by the platform aim to generate a culture in which employees choose to adopt healthy habits, sharing their experiences, forming support networks and motivating each other.

¹ Calculation based on 2019YE installed capacity. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2020 will be certified in 2021.

3.4.2. Respect human and labour rights

At EDPR, it is top priority to promote human rights and fair labour practices across the entire value chain. The Company is committed to integrate the social aspects in planning and decision-making and to guarantee responsible operations throughout the whole lifecycle of its business.

As a result, EDPR undertakes to respect and foster due respect for these practices within the Company and in its supply chain, as well as to provide dignified working conditions for all. This is reflected in the Code of Ethics, which contains specific clauses regarding non-discrimination and equal opportunities, in line with the Company's culture of diversity and respect for human and labour rights. The Code is not an isolated feature – it belongs to an Ethics Framework that includes functional units, specific regulations, monitoring and accountability for our ethical performance, along with training, awareness-raising and capacity building for employees, service providers and suppliers.

EDPR requires its suppliers and service providers to comply with their ethical standards. In this way, the alignment with the spirit of EDPR's Code of Ethics is required. Moreover, the Sustainable Procurement Policy references the promotion of respect for dignity and human rights, and the rejection of any form of forced labour or child labour, harassment, discrimination, abuse or other types of physical or psychological violence.

An Ethics Channel is available for the communication of any breach of the Code related to the matters of human rights or labour practices, including those in the context of the supply chain. The Ethics Ombudsman receives ethical-related complaints, investigates and documents the procedure for each of them. A preliminary report is then submitted to the Ethics Committee, whose main goal is to ensure compliance with the Code of Ethics within EDPR.

In addition, as a responsible company, EDPR incorporates the principles of Diversity and Inclusion in its values and practices as it is aware that a diverse team helps bring together different perspectives and know-how, and represent different sources of talent. Specifically, EDPR aims to contribute to improving the quality of life of its employees, eliminate career barriers and promote gender equality, seeking to ensure an environment of openness in a workplace where mutual respect and equal opportunity prevail. Accordingly, EDPR has a Diversity & Inclusion Committee in place to promote its commitment to these crucial principles. The main goals of the Committee are to reflect the Company's strategy on Diversity and Inclusion, which integrates the definition and development of initiatives that contribute to global and local action plans, and to foster sharing knowledge and best practices. As a result, in January 2021, EDPR was featured for the second consecutive year as part of the Bloomberg Gender Equality Index (GEI), a benchmark index that selects the listed companies most involved in the development of gender equality in the world.

3.4.3. Supporting communities

The Company believes that besides excelling in the way it performs, there must be a main factor weighing in every action or activity EDPR does – people. The Company considers that in order to have a positive impact on society, it is vital to work for the common good by promoting and supporting social investment activities.

EDPR's Social Investment is developed within the framework of its Social Investment Policy, which establishes the corporate objectives and strategies related to this area. As a result, EDPR invests in activities that will positively impact the promotion and development of the following four main priorities:

- **Lift Up Our Heritage:** Protect and promote cultural heritage, local traditions and access to culture and art, contributing to a more vibrant and creative society;
- **Build Up Community:** Build thriving and inclusive communities by improving the living conditions of those in need and supporting the wellbeing of people near our projects, and focus on enhancing energy inclusion and access to energy;
- **Enhance Our Environment:** Promote and protect biodiversity and natural heritage for the benefit of society members;
- **Brighten Up Our Future:** Promote energy efficiency, renewable energy and decarbonization through increased awareness, supporting education on renewable energy for all.

As an integral part of the communities where it operates and as stated in its Code of Ethics, EDPR undertakes to maintain an active relationship of proximity with local communities in the regions where it operates, engaging in regular, open and frank dialogue, seeking to learn about their needs, respecting their cultural integrity, and seeking to contribute to improving the living conditions of local populations. Therefore, in line with its Social Investment Policy and the communities' needs and expectations, EDPR has defined a Catalogue of Activities that works as a tool for defining the social investment made in local communities. In addition to the development of social activities, EDPR provides long-lasting economic benefits to the surrounding areas that include, but are not limited to, infrastructure investments, tax payments, landowners' royalty payments and job creation.

However, as a responsible company, EDPR works to promote the wellbeing and development of not only the communities where it operates but also of society in general, focusing on the people who contribute to the success of the Company's business and how society may benefit from it. Specifically, as a global leader in the renewable energy sector, EDPR defined a clear strategy for promoting Access to Energy (A2E): to provide clean energy in developing countries based on energy efficiency and decentralised renewable energy solutions, promoting the sustainable development of communities involved.

Access to renewable energy makes the difference for people not connected to the electricity grid not only by providing sustainable energy services but also by enabling improvement on health and education conditions, job creation and new economic activities. Moreover, the use of clean energies and the promotion of energy efficiency has a positive impact on the environment. In 2018, EDPR purchased a stake in SolarWorks!, a company engaged in the marketing of decentralised solar energy solutions for off-grid domestic and business customers in Mozambique. The acquisition of the €2.2 million minority stake was an important step in the group's strategy for universal access to sustainable energy. In 2019, EDPR reinforced its strategy to promote universal access to sustainable energy by investing \$2.9 million in Rensource, a company that develops and manages decentralized solar energy systems, to support its expansion in Nigeria. The investment, which was the result of a financing initiative completed by EDPR and other international investors, allowed EDPR to participate in Africa's largest market and to bring sustainable, low-cost energy solutions to more communities. The A2E initiative powerfully contributes to make EDPR's vision of a sustainable, safe and healthy world a reality.

The objective of supporting communities is fully supported by the Company's new and more ambitious 2021-25 Business Plan, in which EDPR commits to contribute to the decarbonization of the economy by promoting clean energy while operating in a sustainable way across the three ESG dimensions. Within the new Business Plan, one of the targets set by EDPR is to invest €7 million per year in social investment and A2E.

In addition, EDPR has a volunteer program addressed to its employees in order to promote social responsibility, giving them the opportunity to grow personally while also contributing to the society. During the COVID-19 pandemic, EDPR reinforced the volunteering activities proposed, adding initiatives that run on an online model and adding the possibility to make donations to support the health and wellbeing of the society during this global crisis.

During the first half of 2021, EDPR invested a total of €5.4 million in supporting communities, of which €4.7 million are related to A2E and €0.7 million are a result of activities such as internally developed and collaborative initiatives, donations to charitable organisations and volunteering activities. 6% of EDPR employees participated in volunteering initiatives, contributing with more than 500 hours of their time to the development and wellbeing of the society.

3.5. Natural capital

Wind and solar power are two of the most environmentally friendly ways of producing energy and actively contribute to the decarbonization of the economy. Even though EDPR's business inherently implies a positive impact on the environment, the company continues to work on a daily basis to hold itself to a higher standard. Accordingly, promoting clean energy while operating in a sustainable way across the three ESG dimensions is one of the key messages of the new 2021-2025 Business Plan, which includes three specific targets related to the environmental performance of the Company.



DEVELOPMENT



CONSTRUCTION

2021-25 Business Plan

20
GW

2021-25:
Gross
additions

Climate Change

As a clean energy company, EDPR is strongly committed to the protection of the climate by stepping-up to the challenge of the decarbonization of the economy. By producing renewable energy, EDPR is contributing to the world's fight against climate change.

During the development phase, EDPR's teams of highly experienced and qualified developers start by locating sites with quality renewable resource (wind or solar) with nearby electricity transmission lines.

EDPR aims to be a reference in the industry for building the most cost competitive, safe and efficient wind farms and solar plants in order to generate clean energy and help protect the climate.

The Procurement, Engineering and Construction teams from EDPR are well equipped to select the best wind turbines and solar panel systems based on each project's specifics. The Company also uses in-house expertise to design the best sites, and assure top-class engineering and construction standards.

85%

2021-25:
Recovery rate
for waste
generated
in the whole
value chain

Circular Economy

EDPR carries out environmental viability studies to detect the environmental constraints and to ensure the best location of the project. It is key in this phase to have a circular economy approach to guarantee respect for the environment and to ensure an efficient use of natural resources in the following phases.

It is also the phase to select and contract suppliers that prioritise materials and products with a high proportion of recyclable materials or a high possibility of recycling at the end of their useful life.

The construction phase is essential for the circularity of the Company, which promotes the efficient use of natural resources in the value chain, in particular by minimizing the use of resources, by optimizing and efficiently managing internal products and services, promoting a circular economy, and maximizing the recovery of waste and its reintroduction into the economy as by-products.

100%

2021-25:
Facilities
with high
biodiversity
risk with action
plans defined

Biodiversity

The potential environmental impacts of each project are assessed in detail in the Environmental Impact Studies and other specific studies, and are always performed by professional external experts. These studies evaluate the potential impacts that a project may have on biodiversity aspects such as fauna, flora, soil, air and water bodies, among others.

During the first half of 2021, EDPR invested more than 1.4 million euros in Environmental Impact Studies of its projects in the development phase.

The construction process is closely followed by EDPR teams, who work to minimise potential impacts or disturbances and to ensure proper restoration of the land once the works finish.

EDPR recently finished the morphological and vegetal restoration of the Vaudrimesnil wind farm in France, whose construction works finished during 1H 2021, restoring c.90% of the hectares impacted.

Beyond the emissions related to the operation phase, from a life cycle point of view, others shall be considered (manufacture of components, transport, construction...).

EDPR's new Environmental Policy, updated during 1H 2021, assumes specific commitments to the mitigation of climate change, promotion of circular economy and biodiversity protection. The policy reflects EDPR's approach of complementing its business strategy with a proactive and responsible environmental management along the entire value chain. As stated in its Environmental Policy, EDPR seeks to prevent, correct or compensate the potential impact of its activities on the environment through commitments that ensure the implementation and maintenance of an effective Environmental Management System. The integrated Health & Safety and Environmental Management System, which was developed and certified according to international standards ISO 45001 and ISO 14001 for a more global and efficient approach, simplifying processes and managing the potential risks of its activity, was implemented and certified by an independent certifying organisation. By the end of the 1H 2021, the ISO 14001 certification covers 100%¹ of EDPR's installed capacity.



OPERATION

EDPR produces renewable energy, which inherently implies the reduction of GHG emissions. Wind and solar energy have zero carbon emissions and do not produce harmful SOx, NOx or mercury emissions, protecting valuable air and water resources and contributing to the world's fight against climate change. During 1H 2021, EDPR's operations avoided the emission of 10 million tons of CO₂. The CO₂ emissions related to EDPR's activities represent 0.2% of the total amount of emissions avoided.

EDPR promotes a culture of rational use of resources. Thus, the Company encourages the recovery of waste rather than disposal through recycling and other means. Accordingly, EDPR recovered 76% of the waste generated during operations. However, the waste is not directly linked to the generation process. Most of it is related to the turbines' operation & maintenance and the rest is originated in the offices.

In addition, generation from wind and solar energy does not consume water in its operational processes.

In order to guarantee that the suppliers comply with environmental requirements during construction and O&M, EDPR has an environmental monitoring plan implemented by an external party. Within this framework, EDPR performs internal inspections to monitor the suppliers environmental performance, which includes biodiversity related indicators.

In 1H 2021, EDPR performed over 490 inspections to suppliers on their environmental procedures during the construction and operation of the Company's projects.



DISMANTLEMENT

When approaching the end of its lifespan, wind turbines need to be assessed. One of the solutions implemented by EDPR is repowering the wind farm, which means reducing the overall number of wind turbines and replacing them with more efficient ones.

This results in a net increase of power generated, reduced land area per MW and, due to the use of more modern wind turbines, a better integration with the grid and reduced noise pollution, while also maximizing the production of clean energy.

The main waste generated during this phase are dismantled turbines. EDPR prioritises their reuse by keeping some pieces for future repairs, selling some of the material to third parties and recycling it. The wind turbine is around 80%-90%² recyclable, as the missing percentage is related to the turbine's blades that are composed and manufactured by complex materials that make it hard to recycle. EDPR recurrently works to support processes to recover the blades and encourage circular economy.

Even though EDPR works to minimise any impact on the land surrounding its facilities, the Company commits to clean up and rehabilitate the sites to return the area to its initial state.

Thus, EDPR has in place a guide for environmental management during the dismantlement phase to serve as a framework of best practices to follow and environmental matters to keep in mind when dismantling a project, including biodiversity aspects.

EDPR wind farms with a projected life span of 30 years will pay back its life cycle energy consumption in less than a year', meaning, more than 29 years of a wind farm's life will be producing clean energy.

¹ Calculation based on 2019YE installed capacity. EDPR certifies the facilities the year after the COD (commercial operating date). Thus, the facilities that have entered into operation in 2020 will be certified in 2021; ² According to the life cycle assessments of our main turbine suppliers.

3.6. Digital Capital

Digital transformation is one of EDPR's strategic pillars for the coming years, and Business Plan 2021-25 includes ambitious metrics to be achieved in Digital Transformation. In order to attain such challenge, a Digital Transformation Committee has been created composed by the main stakeholders in Digital Transformation in EDPR and with the presence of EDP in order to align strategy on this matter at Group level.

Technology

The focus of digitalisation is seen as the way to achieve the necessary capacity to adapt in new contexts and to maximise efficiency in the operation (characterised by high-level performance, in a global geography). EDPR participates in different typologies of IT/OT projects adapting it to the different business challenges specific needs and level of maturity, to ensure that initiatives are accordingly followed with the best practices of architecture and security: 7 "Quick-wins" (small proof of concept; until 2 months), 15 "mVP" ("minimum Viable Products; from 3 months and until 6 months) and more than 70,000 hours spent in development and maintenance "Core IT projects" (projects or products to support of business units operation and is included all operation, maintenance and technological evolution of applications and infrastructure such as Big Data).

Processes

EDPR is focused on ensuring that business processes are clear, efficient, aligned with business needs, and known to all stakeholders. As such, EDPR's Process Map is based on the Company's value chain and critical processes are aligned towards meeting business objectives. Recently, EDPR has focused on automating and digitalising processes to achieve business requirements with greater efficiency and to help employees spend less time on repetitive tasks. Different initiatives are being deployed in order to enhance process optimization throughout EDPR: i) The Plan for Optimisation of Administrative Processes to identify business needs in terms of process digitalisation and automation for every department in the company is still on going with different initiatives identified that will enhance process automation along the different stages of the value chain; ii) A new initiative to elaborate a Digital Scorecard is being carried out in order to have a global picture of the percentage of processes that are currently digitalised according to a global EDP Methodology. iii) The increasing evolution of Robotic Process Automation (RPA) technology represents an important milestone at EDPR – currently, 262 RPAs are in place throughout EDPR, saving 200,000 hours of employee time and enabling employees to focus on more valuable activities.

People

Every change in culture must start with people and Digital Transformation only takes place if the people with the necessary skills are involved in the process. During 1H 2021, digitalisation training continued to be a key aspect of the learning strategy with a total of 3,752 training hours delivered on the subject (12% of the total) with 7,231 attendances (33% of the total), In addition, digital contents were another important pillar of the digital skills transformation: new resources coming from eLearning solutions, recorded webinars conducted internally by employees or learning contents from the UDEMY for Business portfolio with +5,000 online courses added to the learning offer at EDPR. Other customised tools have been developed for people management, such as a Virtual Assistant (chatbot) or a Virtual Platform designed in its first phase to support both the onboarding and integration processes.

Since employee involvement is considered key in this process, the Digital Champions community remained active during the first half of 2021 with the intention of initiating a renewal process to engage and involve new members in the process.

Employees with special digital capabilities, ability to work with collaborative tools and specific knowledge and concerns on digital technologies are part of this program to extend the Digital Mindset throughout the Company.

New initiatives are expected to be launched regularly in order to reinforce and ensure that a digital culture is spreading all over the Company and that everyone is on board with the changes that will happen across the business.

3.7. Innovation Capital

Technical innovation is one of the hallmarks of EDPR. The Company's history is built on the continuous searching of new trends and solutions in energy production to meet its stakeholders expectations. Accordingly, EDPR develops projects within the framework of its two main strategic pillars for Innovation: Cleaner Energy focused on sustainable power generation, and Energy Storage & Flexibility to ensure a smoother transition to an energy mix system.

EDPR's commitment to innovation and new technologies has made it a leader in the renewable energy sector. The Company continues to take advantage of all expertise obtained since the start of its inception to ensure more efficient solutions, more attractive returns and a more sustainable future. As a result, EDPR engages in projects that englobe wind energy, solar energy, energy storage plants, floating offshore wind farms, green hydrogen and hybrid power plants.

Cleaner Energy:



When approaching the end of its lifespan, wind turbines need to be assessed. One of the solutions implemented by EDPR is repowering, which consists in reducing the overall number of wind turbines and replacing them with more efficient ones. In addition, the Company focuses on innovation as a mean for predictive diagnostics and performance. Through advanced analytical technics, EDPR detects failures in early stage or high degradation levels in components/systems to avoid unplanned maintenance. EDPR's main focus has been in detections in major components, repairing uptower instead of replacing the components or saving offline time, but also includes other detections with lower impact in other systems.



EDPR participates in some innovative projects to collect more data and know-how on new technologies of solar energy with the objective to anticipate trends and to improve return of investment (ROI) in this technology. For example, the Company has installed a photovoltaic system with innovative bifacial panel and 1 axis tracker, proven to be more efficient. In addition, EDPR installed the TrueCapture technology software in two of its solar sites to increase annual energy production (IAEP), providing a greater energy output of the PV plant based on two algorithms: Row-to-Row (R2R) and diffuse.



Green hydrogen is gaining relevance on the European scene and the European Commission announced its strategy, which sets more ambitious targets for this energy and, in parallel, alliances are being established to lead the implementation. In 2021, in order to focus its opportunity development efforts for green hydrogen in promising sectors, EDPR created an H2 Business Unit (H2BU) that will be the Group's new arm for the development of green hydrogen projects, which will be working with the also new Engineering Center.

Energy storage & flexibility:



EDPR has been working in different projects of energy battery storage. Energy storage reserves renewable energy supply for periods of high energy demand. Increased energy storage capacity can lead to cost savings on both sides of the meter and can improve the overall efficiency of the grid through reduced cycling and changes in output, resulting in lower emissions. In strengthening its crucial role in the energy transition, EDPR lauched a new business unit dedicated to the development of energy storage technologies. This unit, which aims to achieve 1 GW in energy storage projects by 2026, will focus on the exploiting the potential of energy storage systems, and is another step in the Company's commitment to innovation in clean energy generation.

PEOPLE

PEOPLE

FROM STRIVE
TO THRIVE

Mrs. María González Rodríguez, Vice-Secretary of the Board of Directors of EDP Renováveis, S.A.

CERTIFIES

That on July 27th, 2021 a meeting of the Board of Directors of EDP Renováveis, S.A. was held by video conference with the participation of all the Directors: Mr. Antonio Sarmiento Gomes Mota, Mr. Miguel Stilwell de Andrade, Mr. Rui Manuel Rodrigues Lopes Teixeira, Mrs. Vera Pinto Pereira, Mrs. Ana Paula Garrido de Pina Marques, Mr. Miguel Nuno Simões Nunes Ferreira Setas, Mr. Manuel Menéndez Menéndez, Mr. Acacio Liberado Mota Piloto, Mr. Allan Katz, Mrs. Joan Avalyn Dempsey, Mrs. Rosa María García García and Mr. José Manuel Félix Morgado.

That the Board Members attending the meeting unanimously agreed to formulate and approve the Condensed Interim Consolidated Financial Statements and the Management Report of EDP Renováveis SA and its subsidiaries corresponding to the first half of 2021 (Interim Report 1H2021) each of them expressly stating the approval and without any disconformity being raised.

That it was also stated by the Board Members attending the meeting that to the extent of their knowledge, the information referred to in sub-paragraph a) of paragraph 1 of article 11 of the Royal Decree 1362/2017 of October 19th, and other documents relating to the submission of accounts required by current regulations have been prepared in accordance with applicable accounting standards and principles, reflecting a true faithful and appropriate view of the assets, liabilities, financial position, cash flows and results of EDP Renováveis, S.A. and the companies included in its scope of consolidation and the management report fairly presents the business evolution, performance, business results and position of EDP Renováveis, S.A. and the companies included in its scope of consolidation, containing a description of the principal risks and uncertainties that they face.

That due to the restrictions of the Covid-19 pandemic situation, the Board of Directors met by videoconference, and therefore, it was not possible to collect the signatures of the Directors in these documents but in the related minutes of the meeting will be stated their affirmative vote for its formulation.

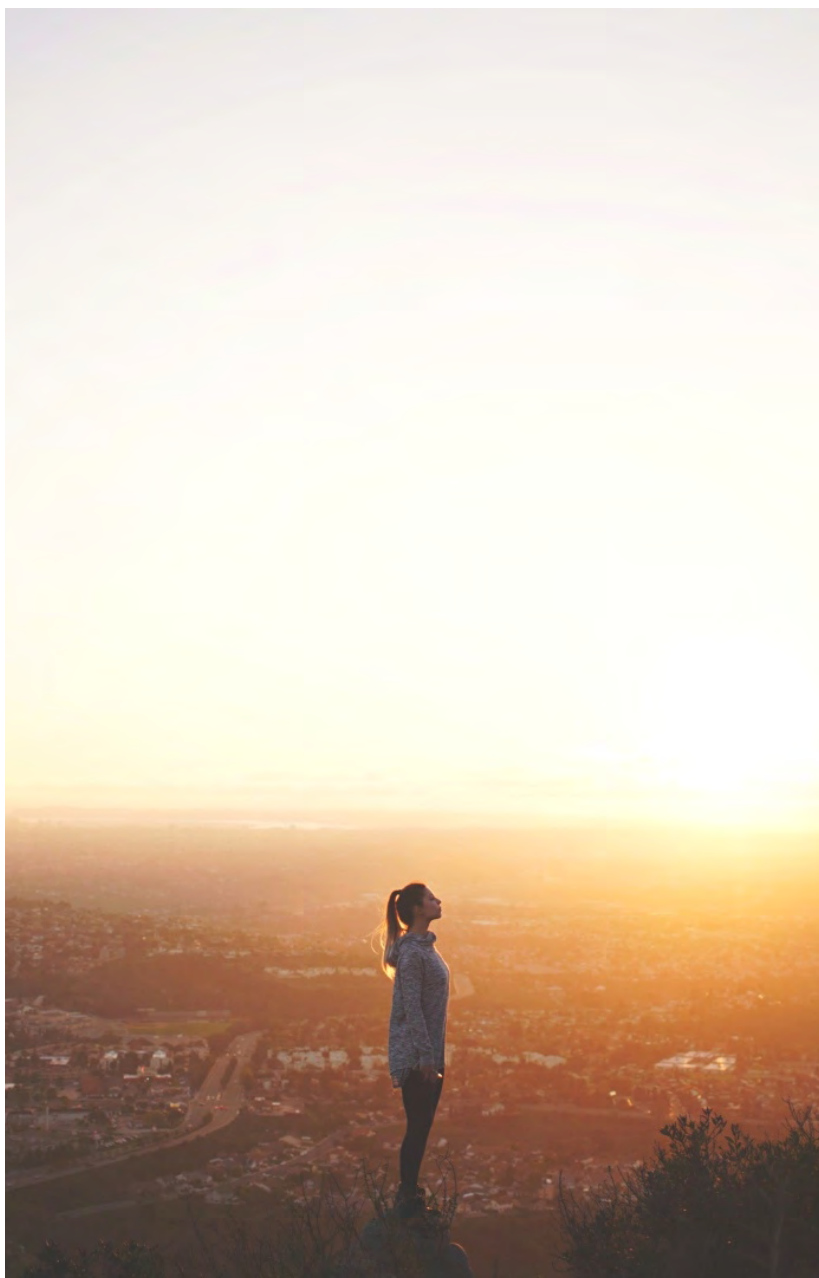
This certification is attached to the Interim Report 1H2021, the authenticity of which I hereby guarantee, and is issued at Oviedo on July 27th, 2021.



María González Rodríguez

Vice-Secretary of the Board of Directors of EDP Renováveis S.A.

edp renováveis



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tomorrow now.**

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