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ANNUAL GENERAL SHAREHOLDERS' MEETING

EDP – ENERGIAS DE PORTUGAL, S.A.

14th April 2021

PROPOSAL OF ITEM 8 OF THE AGENDA

Assuming that the proposed amendment to the Articles of Association included in the foregoing item (the addition of numbers 4 and 5 to article 4) is approved, to resolve on the waiver of shareholder pre-emption rights in share capital increases to be approved by the Executive Board of Directors under such article 4 number 4

Considering that:

A) Under item 7 of the Agenda, a proposal was made to amend the Articles of Association of EDP that included notably the inclusion of the following provisions in article 4:

"4. The Executive Board of Directors is authorized to increase the share capital, on one or more occasions until 14 April 2026, up to the maximum amount of 10% of the current share capital, through the issuance of shares to be made by contributions in cash and subscribed by qualified investors following accelerated bookbuilding offers, in accordance with the terms and conditions of the issuance to be defined by the Executive Board of Directors, provided that the issuance price is not lower than (i) 95% of the weighted average price of the shares in Euronext Lisbon on the date on which the issuance price is set, or (ii) 95% of the weighted average price of the shares in Euronext Lisbon in the maximum period of ten days ending on the date in which the issuance price is set, and provided that the proposed resolution is approved in advance by the General and Supervisory Board by a qualified majority of two thirds of votes cast."

"5. The authorizations granted to the Executive Board of Directors pursuant to numbers 3 and 4 of this Article are non-cumulative, in the sense that any

issuance of shares carried out pursuant to such authorizations shall be deducted to the maximum limit of the other, so that the Executive Board of Directors, when making use of any of the authorizations above, or both, may not approve share capital increases exceeding 10% of the current share capital."

B) Assuming that the proposed amendment to the Articles of Association is approved, the Executive Board of Directors understands that the possibility granted by it, only viable through the suppression of the pre-emption rights, and according to the justificatory report of this proposal, which is attached and should be deemed reproduced, gives the Company the necessary flexibility to, at any given moment, take advantage of favorable market conditions for a capital increase.

The Executive Board of Directors proposes that the General Shareholders' Meeting:
Resolves the waiver of shareholders' pre-emption rights in capital increase(s) approved by the Executive Board of Directors pursuant to article 4 number 4 of the Articles of Association.

Lisbon, 12th March 2021

EDP – Energias de Portugal, S.A.
The Executive Board of Directors

Miguel Stilwell de Andrade **Rui Teixeira**

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EDP - Energias de Portugal, S.A.

Report of the Executive Board of Directors pursuant to Article 460(5) of the Portuguese Companies Code, for the purposes of the resolution included in item 8 of the agenda of the General Shareholders' Meeting of 14 April 2021 (waiver of pre-emption rights in share capital increases to be approved by the Executive Board of Directors)

Item 7 of the Agenda includes a proposal to amend EDP's Articles of Association which provides, in particular, for the inclusion of the following provisions to Article 4:

"4. The Executive Board of Directors is authorized to increase the share capital, on one or more occasions until 14 April 2026, up to the maximum amount of 10% of the current share capital, through the issuance of shares to be made by contributions in cash and subscribed by qualified investors following accelerated bookbuilding offers, in accordance with the terms and conditions of the issuance to be defined by the Executive Board of Directors, provided that the issuance price is not lower than (i) 95% of the weighted average price of the shares in Euronext Lisbon on the date on which the issuance price is set, or (ii) 95% of the weighted average price of the shares in Euronext Lisbon in the maximum period of ten days ending on the date in which the issuance price is set, and provided that the proposed resolution is approved in advance by the General and Supervisory Board by a qualified majority of two thirds of votes cast."

"5. The authorizations granted to the Executive Board of Directors pursuant to numbers 3 and 4 of this Article are non-cumulative, in the sense that any issuance of shares carried out pursuant to such authorizations shall be deducted to the maximum limit of the other, so that the Executive Board of Directors, when making use of any of the authorizations above, or both, may not approve share capital increases exceeding 10% of the current share capital."

Assuming the proposed amendment to the Articles of Association is approved, the execution of a share capital increase of EDP in the proposed terms is only possible to the extent the legal pre-emption rights attributed to shareholders are waived by said shareholders in the case of share capital increases by contributions in cash.

The opinion of the Executive Board of Directors is that the waiver of shareholders' pre-emption rights is justified not only considering the Company's interests, but also – at least indirectly – those of the current shareholders themselves.

It should be noted that the waiver of pre-emption rights shall only apply to a share capital increase that is approved by the Executive Board of Directors under the aforementioned Article 4 number 4, strictly in compliance with the terms thereof (which signifies that they cannot be directed to the public), and does not apply in case the Executive Board of Directors approves a share capital increase under Article 4 number 3, in which shareholder pre-emption rights must be granted.

Pursuant to applicable legal provisions, the Executive Board of Directors hereby presents its report on the grounds, and legal and economic arguments, supporting the waiver of pre-emption rights.

1. Reinforcement of the share capital structure through accelerated bookbuilding offers of shares

The lasting changes in market environment brought about by the financial and pandemic crises have highlighted the importance that should be attributed to own funds' availability in companies.

In this context, the proposal to authorize the Executive Board of Directors to approve one or more share capital increases (up to a maximum of 10%) should be understood as a preparatory measure to ensure a reinforcement of the Company's own funds base. Additionally, the proposed authorization will also allow EDP to obtain financial resources in the short-term, by way of issuance of shares in the capital markets against cash contributions, in special terms and considering other available options. It is the view of the Executive Board of Directors that its diligence duties impose on it the need to analyze and explore all available alternatives to reinforce the Company's share capital and the raising of funds to that effect, so as to pursue the interests of the Company and its shareholders.

The context of national and international financial markets requires the Company to be able to respond quickly and flexibly to a favorable outlook. The waiver of pre-emption rights grants the Company the flexibility it needs to, in any given moment, take advantage of market conditions that are favorable to a share capital increase. If shareholder pre-emption rights are waived, the Company shall be in a position to resort to accelerated bookbuilding offer(s), and, accordingly, to significantly minimize the subscription risks associated with a public share capital increase offer. Accelerated bookbuilding offers allow EDP to assess market expectations and valuations regarding share price during a short offer period, with greater accuracy and speed than would be technically possible in the context of an issuance including pre-emption rights. A share capital increase including the exercise of pre-emption rights requires launching a public offer – which entails the need to approve a prospectus, as well as the granting of a 15-day term to shareholders for the purposes of exercising pre-emption rights. The timings associated with an issuance including the exercise of pre-emption rights expose the Company to speculative short-selling that reduces the issuance price envisaged by the Company, as well as to risks with detrimental price impacts, particularly in a context of uncertainty and volatility dictated by macroeconomic factors.

In that sense, resorting to accelerated bookbuilding offers eliminates, or significantly minimizes, the risk that the issuance price of the new shares, which is set in advance, proves to be inadequate at the moment of share placement, in view of shifting market conditions. Market valuations can effectively suffer significant variation during the period when a share capital increase including pre-emption rights is being carried out. In the case of an issuance where pre-emption rights are waived, the Company can set an issuance price as optimal as possible, in a comparatively faster and more flexible way, considering up-to-date market conditions.

Additionally, international experiences have shown that, in general, an accelerated bookbuilding offer will have more favorable conditions, simply due to the fact that it provides immediate placement of shares, eliminating market risk factors which, where it not so, would lead institutional investors to reflect those risks in price calculation, to the Company's detriment. Such an offer also adds certainty to the transaction, since an issuance with pre-emption rights always entails greater uncertainty to qualified investors regarding the exercise of such rights (clawback risk), and can frequently prevent a successful placement of shares with those investors.

Each purchase order issued by institutional investors before the term of the pre-emption period, whose fulfilment remains uncertain, implies the attribution of an option to former shareholders, which results in a security discount at the Company's expense, and results in lower issuance prices. The waiver of pre-emption rights in a share capital increase eliminates this clawback risk, insofar as the placement of shares is no longer conditioned to the non-exercise of their respective pre-emption rights, thus reducing the discount that investors apply to the subscription price they are willing to pay. In other words, assuming that market conditions are correctly evaluated, the waiver of pre-emption rights can result in – comparatively – more financial resources to the Company with less costs, through the reduction of issuance price discounts usually applied by institutional investors in order to account for the clawback risk.

If pre-emption rights are waived, the Company may also approach, in advance, one or more selected institutional investors to obtain firm purchasing commitment(s) of a certain number of shares (so-called "anchor investor"). On one hand, the ability to ensure the placement of a fixed amount of shares with such shareholders leads, usually, to an increase of the maximum issuance price attainable by the Company, as shown above; on the other hand, the positive signs evidenced by the placement of a fixed amount of shares in advance by an anchor investor will also increase, generally speaking, the certainty of future transactions that include pre-emption rights, to the Company's benefit.

In short, by having the ability to resort to accelerated bookbuilding offers, the Company may set attractive issuance conditions flexibly, in moments which are ideal from its perspective, and thus optimize financing conditions for a capital increase that benefits all shareholders. Simultaneously, obtaining a waiver to pre-emption rights allows the Company to react with relative ease to common practices and conditions in international financial markets at the time of issuance.

2. New investor base and risk reduction

Especially in recent years, the importance and, in some cases, the need to give companies conditions to rapidly obtain adequate financial resources in the form of new share capital has been self-evident.

A share capital increase that respects shareholder pre-emption rights substantially hampers the possibility of placing sizeable numbers of shares with institutional investors and, in certain circumstances, may even prevent the Company from obtaining the financial resources needed at a given moment, at least within the required timeframe in face of opportunities that may arise. On the other hand, the waiver of pre-emption rights in a share capital increase also permits the Company to approach strategic or institutional financial investors willing to rapidly deploy funds, with a view to broaden or stabilize the Company's investor base.

Share capital increases that are exclusively offered to qualified investors can be carried out without the need of a prospectus, a requirement that is also waived in respect of the immediate listing of such shares after issuance, so long as the new shares do not exceed 10% of the share capital. Opting for a transaction structure of this sort, exclusively directed at strategic or institutional financial investors and which does not require a prospectus to be published, shall translate to considerable time and cost savings. The exemption of the duty to prepare a prospectus also reduces the issuer's liability.

Accordingly, waiving pre-emption rights in a share capital increase by way of cash contributions allows the Company to approach strategic investors, or a completely new financial institutional investor base, directly and swiftly in case funding needs arise, and thus mobilize any financial resources it may require with relative ease and efficiency in terms of costs, provided they do not exceed 10% of share capital.

Considering that the shareholder market is liquid and that a waiver to pre-emption rights only applies to a maximum percentage of 10% of the Company's share capital, any shareholder dilution in the Company's value and their voting rights shall be kept within reasonable limits. Shareholders interested in maintaining their share percentage may acquire the necessary shares in the stock market.

In essence, we may conclude that the exemption from following the procedure associated to a share capital increase including shareholder pre-emption rights – time consuming and, thus, expensive – may enable the Company to satisfy its potential funding needs, even when limited to a volume of 10% of share capital, in a way that is faster, more effective and advantageous, corresponding not only to EDP's best interests, but also, as set out above, to those of all its shareholders.

3. Summary / balancing of interests

The proposal to waive pre-emption rights is justified objectively by the purposes intended, in particular the possibility to reinforce EDP's capital structure through accelerated bookbuilding offers, so as to ensure greater consolidation and improvement of its competitive position, both in the Company and its shareholders' interests.

The opinion of the Executive Board of Directors is that the advantages resulting from the issuance of new shares with a waiver of pre-emption rights shall benefit all shareholders, considering that the reinforcement of the Company's capital base can help ensure the value of shareholders' current investment in the Company's capital. In addition to the above, the waiver of pre-emption rights allows the attainment of higher issuance prices.

The waiver of pre-emption rights is, additionally, both adequate and necessary, since in its absence the Company could not obtain, in such a relatively fast and flexible way, the financial resources required to ensure the fulfilment of its strategic objectives, to the Company's benefit and, inherently, to the benefit of all its shareholders. Waiving pre-emption rights may also permit the execution of a share capital increase without the timely and expensive preparation of an offer prospectus.

In the view of EDP's Executive Board of Directors, the waiver to pre-emption rights is also proportional, since it will be limited to capital increases of up to 10% of the share capital. Accordingly, any shareholder dilution in the Company's value and their voting rights will be limited.

In conclusion, considering the abovementioned circumstances, one can verify that the waiver of pre-emption rights, within the proposed limits, is necessary, adequate, appropriate and objectively justified, and timely, considering EDP's superior interests.

EDP – Energias de Portugal, S.A.

The Executive Board of Directors

Miguel Stilwell de Andrade **Rui Teixeira**