

## Annual General Shareholders' Meeting

12 April 2023

### Proposal for Item 2 of the Agenda

(Resolve on allocation of profits in relation to the 2022 financial year and distribution of dividends)

In accordance with Article 30(1) of EDP's Articles of Association, the Executive Board of Directors hereby proposes for approval by the Shareholders, that:

1. The 2022 financial year results, in the total amount of € 848,564,984.40, are allocated as follows:

Legal Reserve	€ 42,428,249.22
Endowment to EDP Foundation	€ 6,200,000.00
Retained Earnings	€ 799,936,735.18

2. Dividends to be paid in the amount of € 0.190 per share, in the total amount of € 794,964,108.56.

The total amount of € 794,964,108.56 of dividends to be paid from distributable assets, corresponding to € 0.190 per share, considers the total amount of shares representing EDP's share capital; nevertheless, under applicable law, no payment of dividends shall be made regarding own shares held by EDP at the date the dividends are available for payment, and that value is therefore added to the amount of retained earnings.

Lisbon, 7 March 2023

**EDP – Energias de Portugal, S.A.**

**On behalf of the Executive Board of Directors**

**Miguel Stilwell de Andrade**

**Rui Teixeira**

ANNUAL GENERAL SHAREHOLDERS' MEETING

**EDP - ENERGIAS DE PORTUGAL, S.A.**

12 April 2023

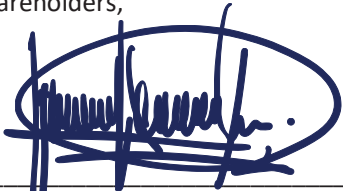
Considering the provisions of article 455 of the Portuguese Companies Code and the quality of the performance of the members of the management and supervision bodies of EDP - Energias de Portugal, S.A. who held office during the 2022 financial year:

**It is proposed:**

- 1.º - A vote of confidence and praise to the Executive Board of Directors and to each of its members for the performance of their duties during the 2022 financial year.
- 2.º - A vote of confidence and praise to the General and Supervisory Board and to each of its members for the performance of their duties during the 2022 financial year.
- 3.º - A vote of confidence and praise to the Statutory Auditor for the performance of its duties during the 2022 financial year.

Lisbon, 13<sup>th</sup> March 2023

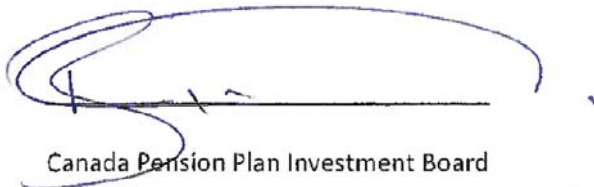
The Shareholders,



China Three Gorges (Europe), S.A.



Canada Pension Plan Investment Board



Canada Pension Plan Investment Board

## Annual General Shareholders' Meeting

12 April 2023

### Proposal for Item 3 of the Agenda

(Opinion of the General and Supervisory Board on the vote of confidence to the Executive Board of Directors regarding the 2022 financial year)

**As established by Article 22, paragraph 1(h) of the EDP Articles of Association, the General and Supervisory Board may “issue, at its own initiative or when requested by the Chairman of the Executive Board of Directors, an opinion regarding the annual vote of confidence in administration body members referred to in Article 455 of the Companies’ Code”.**

Thus, in the exercise of its powers and without prejudice to the principle of institutional cooperation guiding the relationship with the Executive Board of Directors (EBD) in the uncompromising pursuit of EDP’s interests, the General and Supervisory Board (GSB) has implemented a principle of the most demanding standards and full responsibilities, which has special significance in terms of assessing the activity and performance of the Executive Board of Directors.

EDP has voluntarily established a formal and objective process for assessing the activity of the Executive Board of Directors. This process was conducted, analysed and certified by an external consultant, Mercer.

At the beginning of 2023, the Members of the General and Supervisory Board were interviewed (by representatives of the referred external consultant) so that two types of approach, qualitative and quantitative, were included in the assessment of the Executive Board of Directors. The focus was on the topics of strategic orientation, efficient implementation, institutional image, quality of leadership, overall results, transparency, cooperation with the GSB, quality of information and timing, number of members and experience and capacity to deal with change. An individual assessment of the Members of the EBD was also carried out.

On the basis of the questionnaire replies and interviews, at the meeting of 15 February 2023 the General and Supervisory Board jointly reflected on these data, drawing its conclusions.

Therefore, in accordance with the respective rules, approved in line with best corporate governance practices, the General and Supervisory Board wishes to record the following conclusions regarding the process of assessing the activity and performance of the Executive Board of Directors in 2022:

1. The General and Supervisory Board globally assessed the EBD overall very positively, classifying its performance as "Above Expectations" in all the areas analysed.

2. Regarding the comparison with the year 2021, the GSB Members perceived that the EBD is at the same quality standard as the previous year for most of the analysed items. Nevertheless, it is important to highlight a number of items in which a considerable percentage of GSB Members perceived an improvement compared to the previous year: "Overall Results", "Strategic Orientation", "Institutional Image" and "Quality of Leadership".

Notwithstanding the assessment obtained, the activity of the Executive Board of Directors must be underpinned by the continuous improvement of its performance, both in terms of its own duties and in its relations with the other corporate bodies of EDP, and also in the defence of the Shareholders' interests.

### **Proposal**

**As set out above, the General and Supervisory Board unanimously decided to approve this opinion on the assessment of the activity and performance of the Executive Board of Directors during the 2022 financial year and to convey to the Shareholders its position in favour of a vote of confidence and praise for the Executive Board of Directors, its Chairman and each of its Members.**

Lisbon, 1 March 2023

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João Talone

Chairman of the General and Supervisory Board

## ANNUAL GENERAL SHAREHOLDERS' MEETING

### EDP – ENERGIAS DE PORTUGAL, S.A.

12<sup>th</sup> April 2023

#### PROPOSAL OF ITEM 4 OF THE AGENDA

#### **Grant authorization to the Executive Board of Directors for the acquisition and sale of own shares by EDP and subsidiaries of EDP**

##### **Considering:**

- A) The legal regulations applicable to the acquisition and sale of own shares by limited liability companies set forth in the Portuguese Companies Code;
- B) The permission granted on no. 3 of article 5 of the Articles of Association to acquire, hold and sell own shares, as provided in the law and up to the limits set forth in the law;
- C) The provisions laid down in Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 and in Commission Delegated Regulation (EU) 2016/1052 of 8 March 2016, that established a special regime contemplating, namely, requirements to exempt from the general regime of market abuse for certain programs of reacquisition of own shares that should be taken into consideration even if the acquisition of own shares is not integrated on the reacquisition programs covered by the referred Regulations;
- D) The obligation to communicate and disclose the execution of own shares' operations by companies listed into trading that are provided for in CMVM's Regulation no. 5/2008, in its current version;
- E) The authorization granted to the Executive Board of Directors to buy and sell own shares by resolution of the General Shareholders' Meeting of 6<sup>th</sup> April 2022 by



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virtue of which EDP carried out stock operations on own shares and currently holds, directly or through its subsidiaries, 18,616,167 own shares;

- F) In view of the underlying objective, from the Company's interest standpoint, it is deemed convenient for EDP and its subsidiaries to hold an authorization to buy or to sell own shares, namely considering the stock-options programs previously approved or for any actions deemed necessary or appropriate for the development of the Company's interests;

**The Executive Board of Directors proposes that the General Shareholders' Meeting:**

1. Approves to grant authorization to the Executive Board of Directors of EDP and the management bodies of EDP's subsidiaries for acquiring or selling own shares;
2. Approves the acquisition by EDP, or any of its current or future subsidiaries, of own shares, including acquisition or allocation rights, subject to decision of the Executive Board of Directors of EDP and under the following terms and conditions:
  - a) **Maximum number of shares to buy:** to a total not exceeding 10% of the share capital of EDP, less any sales that might have occurred, regardless of the exceptions included in number 3 of article 317 of the Portuguese Companies Code and the number of shares required for the buying entity to comply with its commitments set forth by law, contract, issue of securities or contractual requirement regarding the provision of stock-options previously approved programs for the Executive Board members to purchase shares, subject to, if required and in compliance with legislation, the subsequent sale of shares exceeding the foregoing threshold;
  - b) **Period during which shares can be acquired:** eighteen months from the date of this resolution;
  - c) **Forms of acquisition:** acquisition of shares or shares purchase or allocation rights, against payment, in any shape or form and pursuant to the terms and limits peremptorily determined in legislation, either in regulated market where EDP shares have been admitted for trading or outside of stock market,

respecting the principle of shareholder equal treatment, under the legal terms applicable, namely through (i) transaction performed outside regulated market with entity (ies) selected by the Executive Board of Directors, including financial institution(s) with which EDP or a subsidiary has entered into an equity swap agreement or similar derivative financial instrument agreement, or (ii) any acquisition of any form in order to or for the purpose of complying with any legal or contractual requirements, or the conversion or exchange of convertible or exchangeable securities issued by the company or a subsidiary, under the terms of the respective issuance conditions or agreements executed in relation to such conversion or exchange;

- d) **Minimum and maximum consideration for acquisitions:** the maximum and the minimum buying price shall be, respectively, 120% and 80% of the weighted daily average of the closing price of EDP shares in the last 5 sessions of the Euronext Lisbon immediately prior to the date of acquisition or the date on which the right to acquire or allocate shares was attained, or it will correspond to the acquisition price arising from contractual financial instruments, from the issuance conditions established by the company or any subsidiary, from securities convertible into or exchangeable for shares of the company, or any agreement entered into concerning such conversions or exchanges.
- e) **When to acquire:** to be determined by the Executive Board of Directors of EDP, considering the security market situation and the convenience or commitments of the buying entity, of any of its subsidiaries or of the buyer(s). Acquisitions may occur on one or more occasions, broken down in the manner that the referred Board deems appropriate.

3. Approves the selling of own shares, including the right to acquire and to hold, that have already been acquired by EDP or any of its current or future subsidiary, subject to decision by the Executive Board of Directors of EDP and under the following terms and conditions:

- a) **Minimum number of shares to sell:** the number of sale transactions and the number of shares to sell shall be determined by the Executive Board of Directors of EDP, whenever deemed necessary or convenient for the development of the corporate interest or for compliance with legal or contractual obligations. Sales

transactions include the allocation of stock purchase options under the abovementioned stock-option programs;

- b) **Period during which shares can be acquired:** eighteen months from the date of this resolution;
- c) **Forms of selling:** selling of shares or share purchase or allocation rights, against payment, in any shape or form and pursuant to the terms and limits peremptorily determined in legislation, namely by sale or exchange, by negotiating proposal or public offer, respecting the principle of shareholder equal treatment under the applicable legal terms, to perform on regulated market where EDP shares have been admitted for trading or through transaction performed outside regulated market with entity(ies) selected by the Executive Board of Directors, including financial institution(s) with which EDP or a subsidiary has entered into an equity swap agreement or similar derivative financial instrument agreement, or through sale, in any title, in compliance with legal or contractual obligations, or even with the intention or meeting any commitment made in regard to EDP's stock-options programs incorporated under the express approval of the General Shareholder's Meeting;
- d) **Minimum Price:** the minimum selling price shall be either (i) no less than 80% of the weighted daily average of the closing price of EDP shares in the last 5 sessions of the Euronext Lisbon immediately prior to the date of the sale, except when the purpose of the sale is to permit the full implementation of stock-options programs that have been created under the express approval of the General Shareholders' Meeting, or (ii) it shall be the price that was set or results from the terms and conditions of the issuance of other securities, namely convertible or exchangeable securities, or from a contract entered into in regard to such issue, conversion or exchange, relative to a sale obliged by the same;
- e) **When to sell:** the Executive Board of Directors of EDP shall determine the timing of each transaction in view of the securities market conditions and whether the sale is appropriate to or complies with the requirements of the selling entity, the Company or its subsidiary. Sales transactions may occur one or more times, broken down in the manner the referred Executive Board deems appropriate.



4. Approves that the Executive Board of Directors be indicatively notified that, without prejudice to its freedom to decide and to act as per the resolutions taken in respect to paragraphs 1 to 3 precedent, in as much as possible and under the terms and according to the circumstances it deems appropriate – particularly in relation to acquisitions forming part of stock repurchase programs for the purpose of covering bond or other securities' conversion rights, or stock-options programs or similar rights, or other programs that may be governed by the Regulations mentioned in Recital C) – it should not only consider the legislation applicable regarding the disclosure of remuneration policy of the corporate bodies and the Securities Market Commission recommendations in force but also the following recommended practices concerning the buying and selling of own shares in accordance with the authorizations granted under the previous paragraphs:

- a) Disclose to the public, before beginning purchase and sale transactions, the contents of the authorization referred to in the foregoing paragraphs 1 to 3, in particular, the objective, maximum acquisition counter value, maximum number of shares to buy and the authorized timeframe established for the transaction;
- b) Record each transaction performed in the ambit of the preceding authorizations;
- c) Perform stock transactions in such a manner, in terms of timing, form and volume, that does not disturb the regular operation of the market, trying to avoid execution during sensitive trading periods, in particular the opening and closure of a session, at times when the market is disturbed, or when relevant facts are announced, or financial results are being disclosed;
- d) Restrict acquisitions to 25% of the average daily trading volume, or to 50% of this trading volume provided that the competent authority is previously notified of the intention of exceeding that limit;
- e) Publicly disclose of any transactions performed, that are relevant according to the applicable regulations, until the end of the third trading day subsequent to the date on which such transaction occurred;
- f) Communicate to the competent authority, until the end of the third working day counting from the transaction date, all acquisitions and sales performed;



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- g) Refrain from shares selling when stock repurchase transactions are occurring under the auspices of the program governed by the Regulations referred to in Recital C).

For that purpose and in the event of acquisitions under stock repurchasing programs, or other plans that might be covered by the Regulations referred to on C), the Executive Board of Directors may divide up acquisitions and their conditions according to the respective program. It may provide information of such division in any public disclosure that may be made.

Lisbon, 1<sup>st</sup> March 2023

**EDP – Energias de Portugal, S.A.**

**By the Executive Board of Directors**

**Miguel Stilwell de Andrade**

**Rui Teixeira**

## **ANNUAL GENERAL SHAREHOLDERS' MEETING**

**EDP – ENERGIAS DE PORTUGAL, S.A.**

12<sup>th</sup> April 2023

### **PROPOSAL OF ITEM 5 OF THE AGENDA**

#### **Grant authorization to the Executive Board of Directors for the acquisition and sale of own bonds by EDP**

##### **Considering that:**

- A) The Articles of Association allow, according to number 1 of article 6, to carry out transactions legally permitted by law involving its own bonds or other securities issued by EDP;
- B) It is deemed appropriate from the Company's and Group EDP point of view, that EDP holds an authorization to acquire or to sell own bonds whenever required by law;

##### **The Executive Board of Directors proposes to the General Shareholders' Meeting the approval of the following resolution:**

Whenever required by law, to approve and grant authorization to EDP's Executive Board of Directors to buy or to sell own bonds and/or, independently of the applicable jurisdiction, other current or future securities representative of debt of EDP, for a period of 18 months and under any business condition or negotiation structure, either out of the Stock Exchange or within national or international regulated markets, using or not the services of a financial intermediary, through direct transaction or by means of derivative instruments, as well as in accordance with the following conditions and limitations:

#### **1. Acquisition**

**1.1. Maximum number of bonds to buy:** Until the limit correspondent to 10% of the nominal aggregate amount of all bonds issued, independently of the issuance it respects to, deducted the sales performed, without prejudice of the exceptions foreseen on article 354 (including scenarios of conversion or amortization) and in no. 3

of article 317, both of the Portuguese Companies Code, and of the quantity that is required for the compliance of buyer obligations pursuant to law, agreement or securities issuance.

**1.2. Minimum and maximum consideration of the acquisition:**

- a) The maximum and minimum buying price will be, respectively, 120% and 80% of the weighted average of the closing price of the issuance published in the last 5 negotiation sessions prior to the date of acquisition;
- b) The maximum and minimum buying price concerning issuances not listed in a regulated market of multilateral trading facility will be determined by reference to its average buying and selling price published by an entity internationally well known in the bond market, if available;
- c) It will correspond to the acquisition price resulting from financial instruments entered into or from the respective issuance terms, if applicable contractually or in the conditions of issuance;
- d) In the case where a transaction results from or has to do with contractual conditions contemplated in another securities issuance, the price will be the value that results from the said contractual conditions;
- e) For issuances not mentioned in the previous paragraphs, the price limits are determined by reference to the value indicated by an independent and qualified consultant or by a financial intermediary appointed by the Executive Board of Directors;

**1.3. Moment of acquisition:** The Executive Board of Directors shall determine the timing of each transaction and acquisition may take place one or more times, depending on what the Board deems more appropriate from the Company's point of view.

**2. Selling**

**2.1. Maximum number of bonds to sell:** The total number of own bonds acquired and held;

**2.2. Minimum consideration of the sale:**

- a) The minimum selling price will be 80% of the weighted average of the closing price of the issuance in the last 5 negotiation sessions prior to the date of selling;

- b) The maximum and minimum buying price concerning issuances not listed in a regulated market of multilateral trading facility will be determined by reference to its average buying and selling price published by an entity internationally well known in the bond market, if available;
- c) It will correspond to the acquisition price resulting from financial instruments entered into or from the respective issuance terms, if applicable contractually or in the conditions of issuance;
- d) In the case where a transaction results from or has to do with contractual conditions contemplated in another bond issuance, the price will be the value that results from the said contractual conditions;
- e) For issuances not mentioned in the previous paragraphs, the price limits are determined by reference to the value indicated by an independent and qualified consultant or by a financial intermediary appointed by the Executive Board of Directors;

**2.3. Moment of selling:** The Executive Board of Directors shall determine the timing of each transaction and selling may take place one or more times, depending on what the Board deems more appropriate from the Company's point of view.

Lisbon, 1<sup>st</sup> March 2023

**EDP – Energias de Portugal, S.A.**

**By the Executive Board of Directors**

**Miguel Stilwell de Andrade**

**Rui Teixeira**

ANNUAL GENERAL SHAREHOLDERS' MEETING

**EDP – ENERGIAS DE PORTUGAL, S.A.**

12 April 2023

RESOLUTION PROPOSAL FOR ITEM 6 OF THE AGENDA

Renewal of the authorization granted to the Executive Board of Directors to increase the share capital

**Whereas:**

- A. The current highly volatile environment requires companies to be increasingly prepared to respond swiftly and flexibly to specific opportunities that may arise or to access adequate financial resources through rapid processes with less red tape;
- B. Accordingly, an autonomous authorisation was introduced in Article 4(4) of the Articles of Association, by decision of the General Shareholders' Meeting of 14 April 2021, granting the Executive Board of Directors the possibility of increasing the share capital on one or more occasions, by an amount corresponding to a maximum of 10% of the share capital on that date (not cumulative with the limit of the authorisation provided for in article 4(3) of the Articles of Association), by means of accelerated bookbuilding procedure(s). In this way, the Company has the necessary flexibility to benefit, at any given moment, from market conditions favourable to a capital increase;
- C. More specifically, the Company is now in a position to significantly minimise the placement risk associated with a classic share capital increase. It is able to assess market valuations and expectations more accurately and quickly during the short offer period, particularly with regard to share prices, thus maximising the eventual proceeds from the operation or operations;
- D. The Executive Board of Directors, using the referred authorisation, increased EDP's capital from EUR 3,965,681,012 to EUR 4,184,021,624 by issuing 218,340,612 shares at the unit price of EUR 4.58, which represents a discount of only 1.2% in relation to the closing price on the date the price was set at EUR 4.63 (0.9% in relation to the weighted average price of the shares on Euronext Lisbon on the date the price was set, and 3.3% in relation to the weighted average price of the shares on Euronext Lisbon over the 10 consecutive days ending on the said date for setting the price).
- E. This operation fully demonstrated the usefulness and advantages of the autonomous authorisation referred to above. It allowed EDP to place the shares at a substantially higher price (discount of only 1.2%) than would have been practicable in the context of a share capital

increase carried out by resolution of the General Shareholders' Meeting and with respect to the shareholders' right of first refusal;

- F. In addition, it enabled EDP to announce the capital increase in the context of the 2023-26 Business Plan presented at Capital Markets Day on 02/03/2023, together with the announcement of EDP Brasil's delisting Public Offer, EDP Renewables' share capital increase and the 2023-2026 financial and growth targets for the entire EDP Group. These announcements were received very positively by the market, with EDP shares rising by 4.5% the day after the capital increase was carried out;
- G. The powers granted by Article 4(3) to (5) to the Executive Board of Directors to increase the share capital are now reduced as a result of their partial use for the purposes of the increase referred to in point (D);

It seems adequate and convenient, for flexibility and proper management reasons, that the Executive Board of Directors should continue to be endowed with powers with the amplitude of those it had before, in order to enlarge the capacity to take advantage of market conditions favourable to a capital increase. Moreover, it is the Executive Board of Directors' duty to use such powers only to the extent justified in light of EDP's interests.

**The proposal made to the Shareholders is to:**

Resolve, in accordance with article 4 (3 and 4) of EDP's Articles of Association, to renew the authorization granted to the Executive Board of Directors to:

- (i) Increase EDP's share capital up to the limit of 10% of the current share capital by the issuance of shares upon subscription through new cash contributions, on one or more occasions, for a 5-year period counted from the date of the General Shareholders' Meeting scheduled for 12 April 2023, under terms and conditions to be defined, subject to the previous approval by a two-third majority of the General and Supervisory Board, allowing, notably to resolve, in accordance with article 6 (2) of the Articles of Association, on the issuance of ordinary shares or convertible or exchangeable securities over shares representing the share capital of EDP.
- (ii) Increase the share capital, on one or more occasions, until 14 April 2026, up to a maximum amount of 10% of the current share capital, through the issue of shares, to be paid up in cash and subscribed by qualified investors using the procedure(s) for accelerated placement of shares ("accelerated bookbuilding"), in accordance with the terms and conditions of issuance defined by it, provided that the issue price is not inferior to (i) 95% of the weighted average quotation of the shares on Euronext Lisbon on the date of fixing that price, or (ii) 95% of the weighted average quotation of the shares on

Euronext Lisbon in the maximum period of ten days ending on the aforementioned price fixing date, and the draft resolution must be submitted for prior approval by the General and Supervisory Board by a two-third majority.

It should be noted that, pursuant to article 4 (5) of EDP's Articles of Association, the authorizations granted to the Executive Board of Directors under the terms of paragraphs 3 and 4 of this article are not cumulative, in the sense that any shares issued under one of these authorizations reduces the maximum limit of the other, and that, therefore, in the use of either authorization or both, the Executive Board of Directors cannot approve capital increases that exceed 10% of the current share capital.

Lisbon, 7 March 2023

**EDP – Energias de Portugal, S.A.**

**On behalf of the Executive Board of Directors**

**Miguel Stilwell de Andrade**

**Rui Teixeira**



ANNUAL GENERAL SHAREHOLDERS' MEETING

**EDP - ENERGIAS DE PORTUGAL, S.A.**

12 April 2023

**PROPOSAL FOR ITEM 7 OF THE AGENDA**

**If the renewal of the authorization granted to the Executive Board of Directors to increase the Company's share capital is approved, then to decide on the suppression of the right of first refusal of shareholders in share capital increases to be decided by the Executive Board of Directors regarding an increase or increases of EDP's share capital carried out by means of accelerated bookbuilding procedures, until 14 April 2026 and with a maximum limit of 10% of the current share capital, provided for in article 4(4) of the Articles of Association (not cumulative with the limit of the authorisation provided for in Article 4(3) of the Articles of Association)**

**Taking into account that:**

- A) The present General Shareholders' Meeting renewed the authorization granted to the Executive Board of Directors by Article 4(4) of the EDP Articles of Association, wherein the Executive Board of Directors is authorised to increase the share capital on one or more occasions, until 14 April 2026, and respecting the limit of 10% of the current share capital, not cumulative with the limit of the authorisation provided for in Article 4(3) of the Articles of Association. It shall increase the share capital by issuing shares, to be paid up in cash and subscribed by qualified investors through the accelerated bookbuilding procedure(s), in accordance with the terms and conditions of issue which it has defined, subject to the limitations on the issue price referred to in Article 4(4) on the date of setting the price. The draft resolution must be submitted to the General and Supervisory Board for prior approval by a two-thirds majority.
- B) The Executive Board of Directors considers that this possibility is only feasible by suppressing the right of first refusal (to the extent that the jurisdiction of the Executive Board of Directors has been quantitatively extended as a result of the renewal approved in point 6, which is not covered by the suppression decision adopted by the General Shareholders' Meeting on 14 April 2021), and, according to the explanatory report annexed hereto, which provides the

Company with the necessary flexibility to take advantage of market conditions favourable to a capital increase that may exist at any given time.

**The Executive Board of Directors proposes that the General Shareholders' Meeting:**

Decides to suppress the right of first refusal of the shareholders in the capital increase(s) approved by the Executive Board of Directors in the exercise of the powers provided for in Article 4(4) of the Articles of Association, to the extent that those powers have been quantitatively extended as a result of the renewal approved in point 6.

Lisbon, 7 March 2023

**EDP – Energias de Portugal, S.A.**  
**On behalf of the Executive Board of Directors**

**Miguel Stilwell de Andrade**

**Rui Teixeira**

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

Executive Board of Directors' Report  
pursuant to Article 460(5) of the Portuguese Companies Code,  
for the purposes of the resolution regarding item 7 of the agenda  
of the Annual General Shareholders' Meeting of 12 April 2023.

(suppression of the right of first refusal in a share capital increase resolved by the Executive Board  
of Directors)

A proposal was submitted under item 6 of the Agenda to renew the powers to be granted to the Executive Board of Directors to increase EDP's share capital.

On the assumption that the proposal for renewal is approved, the implementation of an increase of EDP's share capital in the terms described herein is only possible if, for such purpose, the right of first refusal legally granted to all shareholders in share capital increases through contributions in cash is suppressed.

The suppression of the right of first refusal, in the Executive Board of Directors' view, is justified not only for reasons of the superior interest of the Company, but also due to that for reasons in the interests of the current shareholders.

It should be noted that the suppression of the right of first refusal will only take place in the event of a share capital increase resolved by the Executive Board of Directors under said Article 4(4). An increase of the share capital of EDP, when decided by the Executive Board of Directors under Article 4(3), will not be affected, and must be carried out with respect for the shareholders' right of first refusal.

It should also be noted, additionally, that compliance with requirements mentioned under said Article 4 (4) prevents the increase from being addressed to the public and obliges that the issue price is not inferior to (i) 95% of the weighted average quotation of the shares on Euronext Lisbon on the date of fixing that price, or (ii) 95% of the weighted average quotation of the shares on Euronext Lisbon in the maximum period of ten days ending on the aforementioned price fixing date, and the draft resolution must be submitted for prior approval by the General and Supervisory Board by a two-third majority.

In accordance with the applicable legal provisions, the Executive Board of Directors submits this report stating the grounds and justifications for suppression of the right of first refusal.

## **1. Reinforcement of the capital structure through accelerated share placement processes**

The lasting changes that the financial and pandemic crises have caused in the market environment have strengthened the importance that is ascribed to the availability of companies' equity.

In this context, the proposed authorisation for the Executive Board of Directors to decide on one or more increases in the Company's capital (up to a maximum of 10%) should be understood as a preparatory measure to ensure a strengthening of the Company's equity base. Furthermore, the proposed authorisation is also inspired by the intention to allow EDP to raise short-term financial resources in the form of cash inflows through the issuance of shares on the capital market, under special conditions and taking into account the options available. It is the opinion of the Executive Board of Directors, even from the point of view of due diligence, that it is essential that it analyse and explore the various alternatives available for strengthening the share capital and the raising of equity required for this purpose, in order 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 react quickly and flexibly to an advantageous climate. The suppression of the right of first refusal provides the Company with the necessary flexibility to take advantage, at a given moment, of market conditions favourable to a share capital increase. The Company, by suppressing the right of first refusal, will be in a position to use the accelerated bookbuilding procedure(s) and, therefore, to significantly minimise the placement risk associated with the implementation of a capital increase. EDP, using an accelerated bookbuilding procedure, will be able to assess the valuations and expectations of the market as to the price of the shares over a short offering period, with greater accuracy and speed than would technically be possible in an issue with preferential subscription rights. The share capital increase carried out through an issue with rights of first refusal requires a public offering - which implies the approval of a prospectus, as well as the elapse of the 15-day period granted to shareholders for the exercise of the rights of first refusal. The implementation period of an issue with respect for rights of first refusal exposes the Company not only to speculative "short selling", which reduces the issue price targeted by the Company for the share capital increase, but also to risks that may have an unfavourable impact on the price, particularly in a context of uncertainty and volatility brought about by macroeconomic factors.

The use of one or more accelerated bookbuilding procedures thus eliminates or minimizes very significantly the risk that, at the time of the actual placing of the new shares, the price previously set may prove to be inappropriate due to changing market conditions. The valuations by the market may indeed undergo significant variations during the period the operation is pending due to increases with respect to rights of first refusal. On the other hand, in the case of an issue with suppressed rights of first refusal, the Company can set, in a comparatively much faster and more flexible manner, an issue

price that is as optimal as possible, taking into account the market circumstances prevailing at any given time.

Furthermore, international practice has shown that, in general, an accelerated bookbuilding procedure allows for more favourable conditions due to the mere fact of enabling immediate placement, annulling market risk factors that would otherwise lead institutional investors to reflect such risk in the price calculation, to the detriment of the Company. This procedure also enhances the security of the transaction, since an issue safeguarding the right of first refusal always implies greater uncertainty for qualified investors as to the exercise of those rights (clawback risk), and may often jeopardize successful placement with those investors.

The same practice shows that a capital increase with right of first refusal takes place at an issue price between 10% / 20% lower (sometimes more than that) than a capital increase without right of first refusal.

Each purchase order issued by institutional investors before the end of the right of first refusal subscription term, the effective performance of which remains uncertain, entails the granting of an option in favour of the former shareholders, which is reflected in the application of a security discount at the Company's expense and results in a lower issue price. A suppression of right of first refusal in the event of a share capital increase eliminates this clawback risk, insofar as the allocation of shares is no longer dependent on the exercise of rights of first refusal, and therefore the reduction applied by investors on the price at which they are willing to subscribe shares is less. In other words, by way of suppression of the right of first refusal, and assuming that market conditions are correctly assessed, it is possible to generate - in comparative terms - more financial resources for the Company with lower charges, resulting from the discounts that institutional investors impose on the issue price due to the clawback risk.

In the event of suppression of the right of first refusal, the Company also has the possibility of approaching one or several selected institutional investors in advance so that they may commit to the subscription of a certain quantity of shares (so-called "anchor investors"). On the one hand, the possibility of guaranteeing a fixed allocation to those investors means that the issue price achievable by the Company will normally increase, as has already been demonstrated; on the other hand, the positive sign given by a fixed placement and acquisition of shares by an anchor investor also increases, as a general rule, the security of the transaction in a subsequent issue with subscription rights of first refusal, to the benefit of the Company.

In summary, by having the possibility of using accelerated bookbuilding procedures, the Company may be able to flexibly set attractive issuance conditions at times that, from its perspective, are ideal,

and thus optimize the financing conditions of a capital increase in the interest of all shareholders. At the same time, the suppression of the right of first refusal allows the Company to react with relative flexibility to the usual conditions and practices in international financial markets at the time of issuance.

## **2. New investor base and risk reduction**

It has become evident, especially in recent years, how important it is and, under certain circumstances, even necessary, to ensure that companies can quickly have adequate financial resources at their disposal in the form of new share capital.

A share capital increase safeguarding rights of first refusal makes it substantially difficult to place large packages of shares with institutional investors and, in certain circumstances, may even prevent the Company from raising, at least with the necessary promptness, the financial resources it needs at a certain point in time, in the face of specific opportunities that may arise. On the other hand, the suppression of rights of first refusal in the event of a share capital increase also allows the Company to approach strategic or institutional financial investors that are willing to make equity capital available quickly, with the aim of thereby broadening or stabilising the Company's investor base.

Share capital increases exclusively addressed to qualified investors may be carried out without a prospectus, which is also not required for the new shares, not exceeding 10% of the capital, to be admitted for trading immediately after issue. The decision for a transaction structure of this type, exclusively addressed to strategic or institutional financial investors and which waives the publication of a prospectus, will therefore also result in considerable savings in terms of time and costs. Waiving the requirement to produce a prospectus also reduces the liability risks for the issuer.

Thus, the suppression of rights of first refusal in the case of a capital increase by cash injections enables the Company, in the event of funding needs, to directly and promptly approach strategic investors or a completely new base of institutional financial investors and to mobilize, relatively quickly and cost-efficiently, the financial resources it may need, provided that they do not exceed 10% of the share capital.

The “dilution” of shareholders' interests in the value of the company and their voting rights will remain within reasonable limits, given that the stock market is a liquid market and that the suppression of rights of first refusal is limited to a maximum of 10% of the share capital. Shareholders interested in

maintaining their percentage interest in the Company may acquire the number of shares necessary for that purpose on the stock exchange.

In summary, we may conclude that the waiver of compliance with the procedure applicable to a share capital increase with respect for the right of first refusal of shareholders - which is time-consuming and therefore costly - enables any possible financing need of the Company to be met, even if limited to the volume of 10% of the share capital, in a much faster, more effective and advantageous manner. This meets, not only, the interests of EDP but also, for the reasons set out above, the interests of all shareholders

### **3. Summary / weighing-up of interests**

The proposal to suppress the right of first refusal is objectively justified by the intended purposes, namely the possibility to strengthen EDP's capital structure through an accelerated share allocation process, in order to ensure greater consolidation and improvement of its competitive position, in the interests of the Company and the shareholders.

It is the opinion of EDP's Executive Board of Directors that the advantage resulting from the issuance of new Company shares with the suppression of the rights of first refusal will benefit all shareholders, since the strengthening of the Company's capital base is likely to ensure the value of the shareholders' current investments in the Company's capital. Furthermore, a higher issue price can be achieved by abolishing the right of first refusal.

The suppression of the right of first refusal is, moreover, appropriate and necessary, as without it the Company would not be able to obtain relatively quickly and flexibly the financial resources necessary to ensure the achievement of its strategic objectives, to the benefit of the Company and, consequently, of all its shareholders. The suppression of the right of first refusal may also make it possible for a share capital increase to be carried out quickly without the lengthy and costly drawing up of a prospectus.

It is the view of EDP's Executive Board of Directors that the suppression of the right of first refusal is also proportional, since it will be subject to the 10% ceiling of the share capital. This will also limit the "dilution" of shareholders' interests in the value of the company and their voting rights.

In summary, after having considered all the above-mentioned circumstances, it can be concluded that the suppression of the right of first refusal, within the limits described, is necessary, appropriate, and objectively justified and timely, taking into account the best interests of EDP.

**EDP – Energias de Portugal, S.A.**

**On behalf of the Executive Board of Directors**

**Miguel Stilwell de Andrade**

**Rui Teixeira**



**ANNUAL GENERAL SHAREHOLDERS' MEETING**

**EDP - ENERGIAS DE PORTUGAL, S.A.**

12 April 2023

**PROPOSAL OF THE AGENDA**

**Appointment of a new member for the Executive Board of Directors of EDP until the end of the current term of office (2021-2023 triennium)**

**Considering that:**

- A) The current mandate of the members of the Executive Board of Directors of EDP – Energias de Portugal, S.A. (“EDP” or “Company”), appointed in the extraordinary general shareholders’ meeting of 19 January 2021 for the 2021-2023 triennium, is ongoing;
- B) EDP was informed today of the resignation of Miguel Nuno Simões Nunes Ferreira Setas to the exercise of functions in EDP Group, notably as member of EDP’s Executive Board of Directors, with effect at the date a substitute member is elected at EDP’s General Shareholders’ Meeting scheduled for 12<sup>th</sup> April 2023;
- C) EDP’s Executive Board of Directors is currently composed by five members, the minimum number defined in article 16, number 2 of the Articles of Association of EDP;
- D) The replacement of Miguel Nuno Simões Nunes Ferreira Setas shall be promoted as EDP’s Executive Board of Directors cannot perform its functions below that minimum number;
- E) The Articles of Association of EDP (article 8, number 6) further stipulate that, in the event of a supplementary designation, the end of the term of office of the members so elected shall coincide with the end of the term of office of the remaining members of that corporate body;
- F) For these reasons, and after consulting the Chairman of the Executive Board of Directors, a new member for EDP’s Executive Board of Directors shall be appointed for the remaining of the current term of office (2021-2023 triennium), in replacement of Miguel Nuno Simões Nunes Ferreira Setas, with effects on the date of the General Shareholders’ Meeting, scheduled for 12<sup>th</sup> April 2023;

- G) Mr. Pedro Collares Pereira de Vasconcelos, EDP employee since 2007, knows the Company very well, has a profound expertise in the energy sector and he is deemed to have the necessary conditions to integrate EDP's Executive Board of Directors for the remaining of the current term of office.

**It is hereby proposed that the Shareholders approve:**

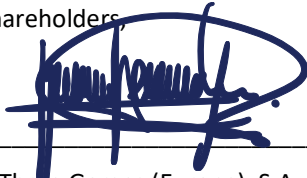
The appointment of Pedro Collares Pereira de Vasconcelos as member of the Executive Board of Directors of EDP until the end of the current term of office (2021-2023 triennium) with effects as from 12<sup>th</sup> April 2023 onwards.

Should this proposal is approved, EDP's Executive Board of Directors for the current mandate will be composed by the following members:

- Miguel Stilwell de Andrade (Chairman)
- Rui Manuel Rodrigues Lopes Teixeira
- Vera de Morais Pinto Pereira Carneiro
- Ana Paula Garrido de Pina Marques
- Pedro Collares Pereira de Vasconcelos

Lisbon, 13<sup>th</sup> March, 2023

The shareholders



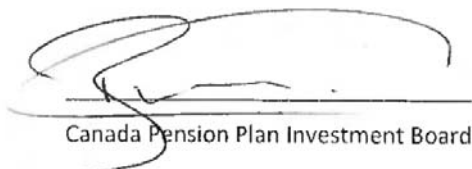
China Three Gorges (Europe), S.A.



Oppidum Capital S.L.



Canada Pension Plan Investment Board



Canada Pension Plan Investment Board



### **Pedro Vasconcelos**

He was born on August 9, 1982. He is a member of EDP Renováveis Management Team and acting Chief Operating Officer for the APAC region, Executive Chairman of Sunseap Group (Singapore), member of the Board of OW Ocean Winds, and member of the Board of EDP Inovação and of EDP Ventures.

He joined EDP in 2007, working as an M&A Project Manager until 2009. He was then seconded to the US to integrate NGEN Partners, a California-based cleantech US venture capital firm, returning to Lisbon two years later to become EDP's CEO Chief of Staff until 2012. In 2013 he got his MBA from INSEAD. In 2014, he joined the Board of EDP International where he led EDP's efforts to develop its hydro business in Latin America, just before joining EDP Renováveis in 2016 as Head of Solar Strategy and establishing the foundations for this growing segment both in the US and in Europe.

From 2017 until the late 2021, he was Global Head of M&A and Corporate Development at EDP, having led, among others, EDP's 2019-22 and 2021-25 Business Plans, strategic divestments worth €3.0Bn in generation (gas and hydro) and energy retail assets, strategic investments of €3.7Bn in distribution and renewable platforms, and two capital market equity raisings of €2.5Bn.

He has an MSc in Aerospace Engineering from Instituto Superior Técnico, Portugal, and an MBA with Distinction from INSEAD, Singapore/France.