



**EDP RENOVÁVEIS, S.A.**

**REPORT ON THE PROPOSED SHARE CAPITAL INCREASE OF EDP RENOVÁVEIS, S.A., BY  
MEANS OF CASH CONTRIBUTIONS AND EXCLUDING THE PRE-EMPTIVE SUBSCRIPTION RIGHT,  
ISSUED BY THE BOARD OF DIRECTORS UNDER THE AUTHORISATION GRANTED BY THE  
GENERAL SHAREHOLDERS' MEETING HELD ON 31 MARCH 2022**

**ISSUED AT ITS MEETING HELD ON 2 MARCH 2023**

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## 1. PURPOSE OF THE REPORT

This report is issued by the Board of Directors of EDP Renováveis, S.A. (hereinafter, "**EDPR**" or the "**Company**", indistinctly) regarding the share capital increase by means of cash contributions and excluding pre-emptive subscription rights (hereinafter, the "**Share Capital Increase**"), which the Board of Directors of the Company intends to carry out under the authorisation granted by the General Shareholders' Meeting of the Company, held on 31 March 2022, under item ten of the Agenda (hereinafter, the "**2022 General Shareholders' Meeting**").

EDPR is a Spanish company whose shares are listed on *Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.*, with registered office at Avenida da Liberdade nº 196, 1250-096, Lisbon, Portugal (hereinafter "**Euronext Lisbon**"). Consequently, in accordance with the provisions set forth by article 495.3 of Royal Legislative Decree 1/2010, of 2 July, approving the Consolidated Text of the Spanish Companies Act (hereinafter, the "**Spanish Companies Act**"), the provisions set forth by Title XIV of the Spanish Companies Act are applicable to it as Spanish public limited company (*sociedad anónima cotizada*) whose shares are admitted to trading on a regulated market in another Member State of the European Economic Area.

In particular, this report is issued pursuant to the provisions set forth by articles 286, 297.1 b), 308, 495.3, 504, and 506 of the Spanish Companies Act and related provisions of the Commercial Registry Regulations, approved by Royal Decree 1784/1996, on 19 July, which require the issuance of a written report justifying (i) the reasons for the proposed share capital increase, to the extent that the approval and execution of the share capital increase would necessarily entail the amendment of article 5 ("Share Capital") of the by-laws of the Company; and (ii) regarding the exclusion of pre-emptive subscription rights, the value of the Company's shares and the consideration to be paid for the new shares, with an indication of the persons to whom they shall be attributed.

This report has been prepared taking into account, among other aspects, information provided by Citigroup Global Markets Europe AG, Goldman Sachs Bank Europe SE, J.P. Morgan SE and Morgan Stanley Europe SE, which are mandated in connection with the placement process of the Share Capital Increase as global coordinators (hereinafter the "**Global Coordinators**").

It is also noted that, given the conditions and characteristics of the Share Capital Increase, the issuance of the independent expert's report provided for in article 308.2 of the Spanish Companies Act is not mandatory, since (i) the number of shares to be issued under the Share Capital Increase does not exceed 20% of the share capital of the Company; and (ii) the nominal value of the shares to be issued, plus, if applicable, the share premium, corresponds to the fair value of the shares, which will be determined by reference to the market share price, to the extent that it will not be more than 10% lower than such market share price, as it turns out from Section 3.2 of this report, all in accordance with the provisions set forth by article 504 of the Spanish Companies Act.

In accordance with the provisions set forth by article 506.4 of the Spanish Companies Act, this report will be made available to the shareholders and communicated to the first General Shareholders' Meeting to be held after the approval of the Share Capital Increase. Likewise, this Directors' report will be immediately



published on the Company's corporate website (<https://www.edpr.com/es>) following the execution of the Share Capital Increase.

## **2. REPORT SUBMITTED BY THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 286 AND 297 OF THE SPANISH COMPANIES ACT**

### **2.1. Authorisation of the General Shareholders' Meeting to the Board of Directors to increase the share capital excluding the pre-emptive subscription right**

The 2022 General Shareholders' Meeting resolved, under item ten of its Agenda, to authorize the Board of Directors, in accordance with the provisions set forth on article 297. 1 b) of the Spanish Companies Act, so that, during a maximum period of 5 years as from the date of the aforementioned Meeting, it may increase the share capital by issuing new shares - with or without a premium - the value of which shall be based on cash contributions, on one or more occasions, and at the time and in the amount it deems appropriate, up to a maximum amount of 20% of the share capital existing at the time on which the authorization was granted if the pre-emptive subscription right for such shares is excluded, for which the Board of Directors was also expressly authorized, or 50% of such share capital if such exclusion is not agreed.

Pursuant to such authorization, the Board of Directors intends to carry out a Share Capital Increase for a maximum nominal amount representing 7.08% of the share capital of the Company as at the date on which this report is issued excluding pre-emptive subscription rights, whose main terms and conditions are set out in Section 2.4 below.

For these purposes, the Board of Directors of the Company hereby states that: (i) to date it has not exercised the aforementioned authority; and (ii) the maximum nominal amount of the planned Share Capital Increase is less than the figure of €960,558,162, which corresponds to 20% of the share capital of the Company as at the date of the authorization of the 2022 General Shareholders' Meeting (i.e. €4,802,790,810).

The resolution passed by the 2022 General Shareholders' Meeting to delegate to the Board of Directors the authority to increase the share capital excluding pre-emptive subscription rights, together with the mandatory report of the Board of Directors, were made available to the Company's shareholders on the Company's corporate website (<https://www.edpr.com/es>) on the occasion of the notice of the 2022 General Shareholders' Meeting call.

### **2.2. Context and justification of the proposed Share Capital Increase**

EDPR is a listed company focused on the development, construction, operation & maintenance and energy management of renewable energy projects worldwide, primarily through Onshore Wind, Solar PV, Offshore Wind and Solar Distributed Generation. As of December 2022, EDPR owned 14.7GW of renewable operating installed capacity and 4.0GW of assets under construction, primarily in Europe and US.

The current global trend towards the decarbonization of the energy sector and the overall economy coupled with the increasing competitiveness of renewable generation sources is expected to significantly accelerate



investments in the renewables sector, more than doubling renewables installed capacity worldwide until 2030. EDPR is committed to playing a key role in the decarbonization of the sector and has therefore significantly scaled up its organization, teams and capabilities to be able to meet the increasing demand for renewable energy.

In this context, on 2 March 2023, EDPR disclosed to the market its Strategy and Business plan 2023-26, which among others, includes a significant step up of growth with an investment plan of €20bn targeting 17GW of gross renewable capacity additions until 2026, primarily through growth in its core markets, Europe and US (hereinafter the "**Strategic and Business Plan 2023-2026**").

The sole purpose of the proposed Share Capital Increase is to obtain resources to be fully used to partially fund EDPR investment project contemplated by the Strategic and Business Plan 2023-2026. To this end, and on the basis of, among others, the information provided by the Global Coordinators of the transaction, the Board of Directors of the Company considers that the issuance of new shares of the Company through an accelerated private placement reserved exclusively for qualified investors (hereinafter referred to as the "**Accelerated Private Placement**" individually, and, together with the Share Capital Increase, the "**Transaction**") is the most appropriate and efficient structure for the Company to achieve the objectives described above and to take advantage, in turn, of the current market situation and the interest of the national and international investment community in the Company's shares. In this respect, following the passing by the Board of Directors of the Share Capital Increase resolution, the Company is expected to enter into a placement agreement with a group of entities led by the Global Coordinators.

Furthermore, the proposed Transaction takes place in a context of strong interest from institutional investors in acquiring a stake in the Company's share capital, which the Board of Directors of the Company considers it highly advisable to assess in order to fulfil its strategic plans. In particular, this interest has been manifested through the subscription of the cornerstone investor agreement yesterday, 1 March 2023, which was entered into by the Company with Lisson Grove Investment Pte. Ltd., an investment vehicle controlled by GIC Private Markets Pte. Ltd. (hereinafter, the "**Investor**"), pursuant to which the Investor has undertaken the commitment to make an investment in the Company equivalent to the subscription, as a maximum, of the lowest amount between (i) 50,000,000 new shares of the Company, and (ii) an amount of shares equivalent to the result of dividing €1,000,000,000 by the Offer Price, and as a minimum an 85% of said maximum amount (hereinafter, the "**CIA**"), being expected that the Share Capital Increase shall be fully or partially subscribed by the Investor.

In this way, the Transaction will allow the Company to obtain equity in a short period of time, substantially reducing the time of exposure to the risks associated with market volatility in general and, in particular, the market share price. The Board of Directors also considers that the current market circumstances are favourable for such a transaction. There are therefore sufficient grounds to justify structuring the transaction through this type of placement in the best interests of the Company.

### **2.3. Characteristics of the Share Capital Increase**

The main terms of the Share Capital Increase are the following:

### 2.3.1. Nominal amount of the Share Capital Increase.

It is proposed to increase the share capital of the Company for a nominal amount of €340,000,000, from the current amount of €4,802,790,810 to the amount of €5,142,790,810, by issuing and listing a maximum of 68,000,000 ordinary shares, representing approximately 7.08% of the share capital of the Company at the date of issue of this report, of €5 of nominal value per share, represented by book-entries (*acções escriturais*).

### 2.3.2. Offer Price.

The new shares will be issued at the issue price agreed in the CIA, which provides a calculation formula and a range. Under this premise, the Board of Directors agrees that the new shares will be issued at a nominal value of €5 plus a share premium between €14.25 and €15.50 per share, resulting in an overall Offer Price between €19.25 and 20.50 per share (hereinafter, the "**Offer Price Range**").

In any event, the offer price determined within the Offer Price Range (hereinafter, the "**Offer Price**"), which shall be determined according to the provisions set forth by the CIA by the Board of Directors or by any of the individuals duly entitled for these purposes, shall be higher than the figure resulting from applying a 10% discount to the share price of the Company's shares on the *Central de Valores Mobiliários* (hereinafter "**CVM**"), the stock exchange interconnection system of Euronext Lisbon, at the closing of the trading session corresponding to the date on which the Share Capital Increase resolution is passed by the Board of Directors of the Company.

### 2.3.3. Subscription and payment of the new shares.

The Company may, at its sole discretion, determine whether the subscription and disbursement of the new shares shall be made (i) entirely by the Investor and, therefore, the Accelerated Private Placement shall be made exclusively by it, or (ii) jointly by the Investor and other qualified investors, who shall jointly subscribe for the amount corresponding to the Share Capital Increase through an Accelerated Private Placement process, in both cases, under the coordination of the Global Coordinators.

In any event, the subscription and payment of the new ordinary shares will take place upon confirmation by the qualified investors of their subscription proposals, either directly by such investors or indirectly by the Global Coordinators (acting in the name and on behalf of such qualified investors, for subsequent transfer to such investors) and will be effected by the payment in cash of the total amount of the new shares subscribed for (nominal value and issue premium).

### 2.3.4. Consideration.

The consideration for the Share Capital Increase shall consist of contributions to be made in cash.

### 2.3.5. Representation of new shares.

The new ordinary shares to be issued by virtue of the Share Capital Increase shall be represented by book entries (*acções escriturais*) and shall be registered in the relevant accounts of the CVM, the centralized



securities deposit and settlement system in Portugal managed by *Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.*, with registered office at Avenida da Boavista no. 3433, 4100-138 Porto, Portugal (“**Interbolsa**”).

#### 2.3.6. Rights and characteristics attaching to the new shares.

The new shares to be issued by virtue of the Share Capital Increase, shall be ordinary shares and shall belong to the same class and series as the ordinary shares of the Company which are currently listed in Euronext Lisbon, and shall be fungible and traded together with the remaining ordinary shares of the Company from the moment they are admitted to trading.

The new issued shares shall grant the same rights and obligations to their holders as from the date on which they are registered in the relevant accounts of the CVM and in the individual accounts opened in the name of the entities subscribing the shares before financial intermediaries affiliated with Interbolsa.

The new shares shall grant to their holders the right to receive any dividends to be paid, to receive pre-emptive subscription rights in share capital increases that may be approved, as well as to exercise any other political or economic rights to which they may be entitled, once they have been validly issued.

#### 2.3.7. Incomplete subscription.

In accordance with the provisions set forth by article 311 of the Spanish Companies Act, in the event that the new ordinary shares of €5 of nominal value per share, of the same class and series as those currently in circulation, represented by book entries (*ações escriturais*), are not fully subscribed and paid up, the share capital of EDPR shall be increased on the amount of the subscription effectively made.

#### 2.3.8. Exclusion of the pre-emptive subscription right.

In order to ensure that the new shares can be subscribed and paid up in accordance with the Accelerated Private Placement procedure described above, it is necessary to exclude the pre-emptive subscription right of the existing shareholders of EDPR. Such exclusion is based on the corporate interest of the Company as it is explained on Section 2.2 of this report and is carried out by making use of the authority expressly granted for this purpose by the 2022 General Shareholders’ Meeting.

#### 2.3.9. Date of execution of the Share Capital Increase.

The Share Capital Increase will be implemented at the latest by 10 March 2023.

#### 2.3.10. Listing of the new shares.

Application will be made for the new shares to be admitted to trading on Euronext Lisbon and to be integrated into CVM.

The Company shall rely on the exemptions of preparing and submitting for approval a prospectus for the public offering or admission to trading of the new issued shares, pursuant to articles 1.4.a) and 1.5.a) of

Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

### **3. REPORT SUBMITTED BY THE BOARD OF DIRECTORS FOR THE PURPOSES OF ARTICLES 308, 504 AND 506 OF THE SPANISH COMPANIES ACT**

The Share Capital Increase is proposed to be executed with the exclusion of the pre-emptive subscription right of the shareholders of the Company, in accordance with the provisions of articles 308, 504 and 506 of the Spanish Companies Act, insofar as such exclusion is necessary in order to implement the Share Capital Increase through the Accelerated Private Placement described above. In order to comply with the provisions of articles 308, 504 and 506 of the Spanish Companies Act and to acknowledge the compliance of the legal requirements to the exclusion of pre-emptive subscription rights in the issue of new shares, which requires the Directors to submit a report specifying the value of the Company's shares and providing detailed justification for the proposal and the consideration to be paid for the new shares, the Board of Directors of the Company hereby reports the following:

#### **3.1. Justification of the exclusion of the pre-emptive subscription right from the perspective of the Company's corporate interest**

##### **3.1.1. Suitability of the proposed transaction in terms of corporate interest.**

Pursuant to article 308 of the Spanish Companies Act, the exclusion of the pre-emptive subscription right of the Company's shareholders requires that the corporate interest so requires. For these purposes, and in accordance with the reasoning set out in Sections 2.2 and 2.3 of this report, the Company considers that the advantages offered by the Accelerated Private Placement procedure are ideal for the financing of the investment project contemplated by the Strategic and Business Plan 2023-2026, given that it will enable the Company to raise equity in a short period of time, thereby substantially reducing exposure to execution risks which, given the length of the terms, could introduce uncertainties due to possible volatility in the markets in general and, in particular, of the market share price. In addition, the Accelerated Private Placement procedure strengthens the Company's shareholding structure by adding a new reference shareholder for a long-term, thus facilitating shareholder stability.

Therefore, taking into account the advantages offered by the Accelerated Private Placement procedure and in accordance with consolidated market practice, the Board of Directors considers that the Share Capital Increase and the Accelerated Private Placement is the most appropriate placement method to ensure the achievement of the aforementioned objectives, and are also in accordance with the corporate interest insofar as, *a priori*, these are the measures that are appropriate to provide the Company with full coverage, in the most efficient manner and under the most favourable conditions, of the partial financing of the Strategic and Business Plan 2023-2026.

### 3.1.2. Adequacy of the Share Capital Increase with the exclusion of the pre-emptive subscription right in the implementation of the Transaction.

The Board of Directors of the Company, on the basis of the information provided by the Global Coordinators and the CIA entered into with the Investor, considers that the issue of the new shares through an Accelerated Private Placement is the most appropriate instrument to achieve the objective pursued and to take advantage of the current market situation and the interest of the national and international investment community in the Company's shares, in terms of the Issue Price of the new shares, the cost of raising funds and the execution risk, which shows the proportionality in the application of this procedure for the purpose of achieving the corporate interest pursued, in line with Section 3.1.3.

In this respect, it should be noted that this type of transaction is commonly used by large issuers in international capital markets and has been used on numerous occasions by various Spanish listed companies, mainly due to its flexibility, efficiency and quickness. All this explains why this procedure is a consolidated practice in the market to which listed companies have habitually resorted, excluding pre-emptive subscription rights as it is incompatible in terms of deadlines and formalities with a rapid placement aimed at a specific group of investors such as the one envisaged.

The Board of Directors of the Company has considered the following alternative procedures for raising new equity available to the Company: (i) a share capital increase by means of cash contributions with pre-emptive rights, or (ii) a share capital increase, also by means of cash contributions, excluding such rights in order to carry out an ordinary public offer for subscription of shares, that is, without a private placement.

As already mentioned in previous Sections of this report, the aim of the Transaction responds to the strong interest from institutional investors, and, in particular of the Investor, given the guarantees and level of certainty that the Accelerated Private Placement procedure offers. However, in accordance with established market practice, such advantages could not be secured through alternative means of raising capital by the Company. For these purposes, the advantages of structuring the Transaction in the manner proposed, in comparison with the other alternatives, are the following:

- *Possible lower discount to the share price:* the Offer Price of the new shares under an Accelerated Private Placement procedure usually represents a smaller discount on the share price at that time, as the shorter time frame minimises the market risk to which a share capital increase with pre-emptive subscription rights or a share capital increase with cash contributions and excluding pre-emptive subscription rights would be exposed for the purpose of a public offer for subscription of shares, which are subject to deadlines that mean a delay of several weeks in closing after their announcement, during which fluctuations in the share price could occur and could lead to decreases in relation to the Offer Price set for such increases. Therefore, alternative means of raising capital resources to the one proposed could, as a general rule, mean having to carry out the transaction at an Offer Price that is at a greater discount to the listed price of the Company's shares.
- *Flexibility in terms of launch and promptness of execution.* Any alternative strategy would significantly delay the process of ensuring the raising of equity.

In this respect, a cash share capital increase with recognition of pre-emptive subscription rights is exercised within a period which, by law, may not be less than 14 days from the publication of the announcement of the offer for subscription of the new issue in the *Boletín Oficial del Registro Mercantil*. For its part, a share capital increase with cash contributions and with exclusion of pre-emptive subscription rights for the purpose of a public offering of shares requires a period of approximately 2 weeks from the announcement to the fixing of the Offer Price. In both cases, the transaction would be subject to the preparation and registration of a prospectus before the relevant securities markets regulator, a process that takes several weeks.

These deadlines contradict the nature of the Accelerated Private Placement, as it is limited to a very short period of time, allowing the transaction to be executed quickly and flexibly, thus significantly increasing the Company's room for maneuver and ability to react. This shortening of the time frames allows the Company to take advantage of the current market situation and the interest of the national and international investment community in EDPR's shares and, therefore, to ensure that the transaction is carried out in the most favourable conditions for the Company.

Consequently, this speed of execution is essential to limit and take advantage of market windows, thus contributing to the corporate interest by optimizing the Share Capital Increase in terms of price and cost, as well as providing greater certainty as to the outcome of the Share Capital Increase, which, in the current market situation, makes it the option best suited to the best interests of the Company and all of the Company's shareholders.

- *Reduced exposure to market volatility.* As stated in the preceding point, any alternative capital raising instrument to the one proposed would significantly delay the process and, therefore, expose the Transaction to market volatility for an extended period of time, making it incompatible with the corporate interest intended.

This advantage is particularly relevant in view of the current economic and geopolitical environment, influenced by factors such as the inflation and rising interest rates, and the diplomatic tensions arising from the ongoing war conflict in Ukraine. In this context, equity markets have had, and continue to have, highly volatile trading sessions, which, together with the current new political and economic framework, creates a scenario that makes it advisable to resort to mechanisms that reduce the uncertainty and volatility associated with them.

In this respect, in a share capital increase with cash contributions and recognition of shareholders' pre-emptive subscription rights, the value of the shares is fixed at the beginning of the process, leaving the Company exposed to the evolution of the markets during the rights trading period, in a context of particular volatility as described above.

Likewise, in a share capital increase with cash contributions and excluding pre-emptive subscription rights for the purpose of a public share offer, the duration of the process could again entail a considerable market risk which, depending on how it develops, could prevent the intended capital raising.

The Board of Directors of the Company, given the conditions of volatility inherent in the financial markets referred to above, considers it inadvisable to raise equity through mechanisms that could entail a prolonged exposure of the Company to a potential evolution of the market share price. Consequently, none of the capital raising instruments alternatives to the one proposed in this report would allow the Company's objectives to be achieved in the most efficient manner, considering the execution time required to carry out any of these alternatives.

- *Increase in the Company's shareholder base.* The proposed transaction constitutes an opportunity to increase the Company's shareholder base, adding new reputable qualified investors to it, thereby improving the liquidity of the shares and increasing the analysts' interest and monitoring of the Company. The engagement of the Investor and other qualified investors in the Accelerated Private Placement is a demonstration of their confidence in the Company and its future business prospects. Furthermore, through the Accelerated Private Placement, the Company participates in a process of consolidating a shareholder base that is aligned with the interests of the Company, non-speculative and with a long-term vocation.

As a sign of this vocation of permanence, and pursuant to the provisions set forth in the CIA, the Investor has undertaken the commitment to keep the new shares of the Company subscribed by it, which locks up and conditions their free transferability for a period of 90 days as from the date of execution of the Share Capital Increase.

- *Cost saving.* The management costs of an Accelerated Private Placement are generally lower than those associated with any other capital raising transaction, since most of the advertising and marketing costs are eliminated and, in general, the fees of the Global Coordinators are reduced. Consequently, alternative means of raising funds to the one proposed would, in principle, entail a higher cost for the Company.

Therefore, the Board of Directors of the Company considers that the structure of the Accelerated Private Placement represents the ideal instrument to achieve the objectives pursued with the Share Capital Increase in the current market situation from the perspective of the best corporate interest.

### 3.1.3. Proportionality of the exclusion of the pre-emptive rights in the Share Capital Increase.

In accordance with what is set out in this report, the recognition of pre-emptive subscription rights in favour of shareholders is incompatible in its deadlines, formalities and elements with a rapid placement aimed at the group of qualified investors, being precisely this procedure that would allow the Company to achieve the objectives pursued in favour of the corporate interest, given that:

- (i) in the case of execution of a share capital increase by means of cash contributions with recognition of pre-emptive subscription rights, the minimum period for the exercise of pre-emptive rights would significantly delay the process of securing the raising of own funds; and,

- (ii) in order to ensure that the new shares are subscribed exclusively by qualified investors who have expressed their interest during the Accelerated Private Placement carried out by the Global Coordinators, the exclusion of pre-emptive subscription rights is inherent to this type of placement.

In this regard, the Board of Directors of the Company considers that the exclusion of the pre-emptive subscription rights of the shareholders is in full compliance with the substantive requirements established by law and, in particular, with the requirement that the exclusion be required by the corporate interest.

Likewise, in the opinion of the Board of Directors of the Company, the terms in which the Transaction has been proposed have been established in accordance with the criteria of proportionality that must exist between the advantages that the Transaction may entail for the Company and the disadvantages that may eventually be caused to those shareholders whose expectations would be diminished due to the political dilution that necessarily entails any issue of shares without recognition of the pre-emptive subscription right.

Such proportionality is ensured by the fact that (i) the advantages that the Accelerated Private Placement offers to the Company in terms of price, structuring and result ensure the achievement of the corporate interest purposes pursued with the Share Capital Increase to a greater extent than other alternative means of raising capital; and (ii) since the shares are issued at their fair value, it does not imply an economic dilution or economic detriment to the current shareholders of the Company.

In view of the foregoing, the Board of Directors of the Company considers that the exclusion of pre-emptive subscription rights in the Share Capital Increase referred to in this report is justified for reasons of corporate interest, all to the extent that, in the current market situation, the advantages that the Accelerated Private Placement offers the Company, in terms of price, structuring and performance, compensate, justify and make such placement method necessary in the interest of the Company and all of its shareholders.

### **3.2. Fair value of the new shares**

Pursuant to the provisions set forth by articles 504.3 and 506.4 of the Spanish Companies Act, the waiver by the Board of Directors of the requirement to issue an independent expert's report in the resolution to increase capital with exclusion of pre-emptive subscription rights is subject to the condition that the nominal value of the new shares to be issued, plus, if applicable, the amount of the issue premium, corresponds to their fair value. In addition, the fair value shall be presumed to be the market value provided that the Offer Price is not more than 10% below the market price.

For these purposes, as described in Section 2.3.2 above, the Offer Price shall be within the Offer Price Range between €19.25 and €20.50 per share, including nominal value and issue premium, which corresponds to the fair value of the shares. It is foreseen that this Offer Price shall represent a discount not higher than 10% to the share price of the Company's shares on the CVM of Euronext Lisbon at the closing of the trading session corresponding to the date on which this report is issued by the Board of Directors of the Company, this is, at 2 March 2023.

The criteria used by the Board of Directors to determine the fair value of the shares correspond to generally accepted business valuation methodologies, taking into account both public information on the value of the Company on Euronext Lisbon and valuation models based on the expected profitability of EDPR's business.

In accordance with the provisions set forth by article 505 of the Spanish Companies Act, the Board of Directors, in accordance with international and national financial practice, considers that the fair value corresponds to the Offer Price resulting from the Accelerated Private Placement described in this report, which adequately and faithfully expresses what the market is willing to pay for the Company's shares, as it is set forth in article 506.4 of the Spanish Companies Act.

The Offer Price Range proposed by the Board of Directors of the Company corresponds to that envisaged in the CIA which has been also determined in accordance with the discussions held by the Company with the Global Coordinators prior to the execution of the Accelerated Private Placement, taking into account the market conditions at such time moment.

The discount foreseen is in line with the discounts generally applied by other companies in similar transactions (by type of placement, size of the placement and percentage of the Company's current share capital represented by the Share Capital Increase) carried out in Spain and in other international markets in highly volatile market environments.

#### **4. PROPOSED RESOLUTION FOR THE SHARE CAPITAL INCREASE**

The full text of the resolution on the Share Capital Increase which the Board of Directors of the Company proposes to adopt is set out below:

**"Share capital increase by issuing new ordinary shares of the Company with a nominal value of five euros (€5) each, which shall be fully subscribed and paid up by means of cash contributions, excluding pre-emptive subscription rights and providing for incomplete subscription."**

*The Board of Directors of the Company unanimously resolves to carry out a share capital increase of the Company in accordance with the terms and conditions set below (hereinafter, the "**Share Capital Increase**"). This resolution is passed pursuant to the provisions of the Report and under the authorization granted by the 2022 General Shareholders' Meeting under item ten of the Agenda (authorization that has not been used up to date) so that, in accordance with the provisions set forth by article 297. 1.b) of the Spanish Companies Act, may resolve, at one or more occasions, to increase the share capital up to a specific amount by means of cash contributions at the time and up to the amount it resolves, under a maximum equivalent to 20% of the share capital at the date of said authorization (which amounted to €4,802,790,810, divided into 960,558,162 shares of €5 of nominal value each), in the event of exclusion of the pre-emptive subscription right corresponding to these shares, for which the Board of Directors is also expressly authorized, or 50% of this amount of share capital if such exclusion is not agreed.*

1. Share Capital Increase by means of cash contributions.

*The Share Capital Increase shall be carried out by means of cash contributions under a maximum nominal amount of 340,000,000 euros, through the issue of up to 68,000,000 new ordinary shares of the same class and series as those currently issued, representing approximately 7,08% of the share capital of the Company at the date of passing of this resolution, with a nominal value of five euros (€5) each, represented by book entries (acções escriturais) (hereinafter, the "**New Shares**"). For the purposes of the provisions set forth by article 299 of the Spanish Companies Act, it is hereby stated for the record that the Company's shares existing prior to the Share Capital Increase are fully paid up.*

*The Board of Directors, or any of the persons empowered for that purpose in paragraph 10 below, shall determine the nominal amount of the Share Capital Increase and the number of ordinary shares to be issued at the time of execution of this Share Capital Increase resolution.*

2. Offer price.

*Pursuant to the provisions set forth by article 505 of the Spanish Companies Act, the new shares shall be issued at their nominal value of €5 plus a share premium between €14.25 and €15.50 per share, resulting in an overall issue price of €19.25 and €20.50 per share (hereinafter, the "**Offer Price Range**"), so that the maximum consideration to be paid for the Share Capital Increase amounts to between €1,309,000,000 and €1,394,000,000. This offer price shall be determined within the Offer Price Range by the Board of Directors or by any of the individuals duly entitled for these purposes pursuant to Section 10 below (hereinafter, the "**Offer Price**"), and shall not represent a discount higher than 10% to the market price of the Company's shares at the Central de Valores Mobiliários de Euronext Lisbon at the closing of the trading session corresponding to the date on which this resolution is passed by the Board of Directors, this is, at 2 March 2023.*

3. Determination of the reference market share price.

*For the purposes of the provisions set forth by article 504 of the Spanish Companies Act and in accordance with the provisions of the Report, it is hereby stated for the record that the market share price which shall be taken as a reference to determine whether the Offer Price corresponds to the fair value of the New Shares shall be the market price of the Company's shares at the Central de Valores Mobiliários de Euronext Lisbon at the closing of the trading session corresponding to the date on which this resolution is passed by the Board of Directors of the Company, this is, as of 2 March 2023. Given that the difference between such price and the Offer Price shall not exceed 10%, the Board of Directors considers that the Offer Price shall be representative of the fair value of the New Shares. Therefore, the issuance of the independent expert's report provided for in article 308 of the Spanish Companies Act is not mandatory.*

4. Representation of the New Shares.

*The New Shares shall be ordinary shares, equal to and of the same class and series as those currently issued, represented by book entries (acções escriturais), whose accounting record is runned by Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.,*



with its registered office at Avenida da Boavista no. 3433, 4100-138 Porto, Portugal (hereinafter, "**Interbolsa**") and its participating entities.

5. Rights and characteristics of the New Shares.

The New Shares issued pursuant to the Share Capital Increase shall be ordinary shares and shall belong to the same class and series as the Company's ordinary shares currently issued at Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A with its registered office at Avenida da Liberdade nº 196, 1250-096, Lisbon, Portugal ("**Euronext Lisbon**"), they shall be fungible and shall be traded along with other ordinary shares of the Company as from the time they are admitted to trading.

The New Shares issued shall grant their holders the same rights and obligations as from the date on which they are recorded in the corresponding accounting records of the Central de Valores Mobiliários and in the individual accounts opened in the name of the shares' subscribing entities before the financial intermediaries affiliated to Interbolsa.

The New Shares shall grant their holders the right to receive any dividends to be paid, to receive pre-emptive subscription rights at any share capital increases that may be approved, as well as to exercise any other voting or economic rights which may correspond to them, once they have been validly issued.

6. Exclusion of pre-emptive subscription rights.

Making use of the authority expressly granted by the 2022 General Shareholders' Meeting under item ten of the Agenda, in accordance with the provisions set forth by article 506 of the Spanish Companies Act and in accordance with the provisions of the Report, it is unanimously resolved to exclude the pre-emptive subscription rights of the Company's shareholders in view of the requirements of the corporate interest and to enable the placing of the New Shares among qualified investors by means of a private placement.

7. Addressees of the Share Capital Increase. Subscription and payment.

The Share Capital Increase shall be addressed exclusively to qualified investors: (i) in the Member States of the European Economic Area, as defined in article 2(e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC; and (ii) in the other countries where the placement is made, considering as such those investors having such status or equivalent category, in accordance with the applicable regulations in each jurisdiction so that, in accordance therewith, the Share Capital Increase shall not require any registration or approval before the competent authorities, in order to provide the transaction for a quicker execution.

The New Shares to be issued shall be fully paid up by means of cash contributions.

For this purpose, on 1 March 2023, the Company entered into a cornerstone investor agreement with Lisson Grove Investment Pte. Ltd, an investment vehicle controlled by GIC Pte Ltd (the "**Investor**"), pursuant to which the Offer Price Range has been agreed and the Investor has undertaken a commitment to subscribe,

as maximum, the minimum amount between (i) 50,000,000 new shares of the Company, and (ii) the equivalent amount of new shares resulting from dividing €1,000,000,000 by the Offer Price, and as minimum an 85% of said maximum amount, whereby the Share Capital Increase is expected to be fully or partially subscribed by the Investor.

8. Incomplete subscription.

Pursuant to the authorisation granted by the 2022 General Shareholders' Meeting, and in accordance with the provisions set forth by articles 311 and 507 of the Spanish Companies Act, in the event of incomplete subscription, the share capital of the Company shall be increased only by the amount of the subscriptions effectively made.

9. Application for trading in Euronext Lisbon.

An application shall be made for the New Shares to be admitted to trading on Euronext Lisbon and to be incorporated to the Central de Valores Mobiliários, in the same way as the Company's shares currently issued. In this regard, the Company shall be subject to the applicable rules currently existing or which may be enacted in regard of this matter and, in particular, on trading, continued listing and delisting.

10. Delegation of powers for the execution and formalization of the prior resolutions.

Notwithstanding any other existing powers of attorney, it is unanimously resolved to indistinctly and joint and severally empower, in the broadest terms, all the members of the Board of Directors, so that any of them, without distinction, may perform such acts and execute such public and private documents as may be necessary or appropriate for the execution of the Share Capital Increase. In particular, by way of illustration only, the Board of Directors or any of the Directors may carry out the following actions:

- (a) to decide the specific date on which the Share Capital Increase, as well as the accelerated offering of the shares to be issued thereunder, shall be carried out;
- (b) to establish the terms and conditions of the Share Capital Increase other than those expressly provided for in this resolution and in accordance with its terms and conditions, and, in particular, to determine (i) the nominal amount of the Share Capital Increase and the number of ordinary shares to be issued; and (ii) the Offer Price of the New Shares and, in particular, the amount of the share premium per New Share;
- (c) to perform such acts as may be necessary to formalize the subscription and payment of the Share Capital Increase, as well as such other acts as may be required for the execution of this resolution, including the offering and attribution of the New Shares in order to be subscribed by the relevant entities, the determination of the deadline for the effective payment and subscription of the Share Capital Increase and the passing of any other resolutions that may be required for the execution of the Share Capital Increase;

- (d) *to reduce the effective amount of equity (fondos propios) to be increased pursuant to the Share Capital Increase, in the event that such reduction is advisable due to purely technical reasons in order to balance the aggregate amount of nominal value and share premium finally determined;*
- (e) *to declare the Share Capital Increase closed (with full or incomplete subscription) once the subscription and payment of the New Shares period has expired, by executing such public and private documents as may be necessary for the full or partial execution of the Share Capital Increase; and*
- (f) *to render the Share Capital Increase void and therefore the accelerated offer for the subscription of the New Shares, upon a material change of the market conditions or for any other reason deemed relevant in its opinion at any time prior to the disbursement of the issue price of such shares.*

*Notwithstanding any other existing powers of attorney, it is unanimously resolved to indistinctly and joint and severally empower, in the broadest terms, all the members of the Board of Directors, as well as the Secretary of the Board of Directors, so that any of them, without distinction, may perform such acts and execute such public and private documents as may be necessary or appropriate for the execution of the Share Capital Increase. In particular, by way of illustration only, any of such Directors or the Secretary of the Board of Directors may carry out the following actions:*

- (a) *draft and publish such announcements and/or communications of inside information or other relevant information as may be necessary or convenient;*
- (b) *to perform and carry out the actions, submit the applications, subscribe the documents required for the full effectiveness and fulfilment of the Share Capital Increase resolution, as well as to appear before a Notary Public and execute the corresponding public deed of share capital increase and amendment of article 5 of the Company's By-Laws and, where appropriate, to remedy and clarify this resolution in the terms necessary to achieve its full registration with the Commercial Registry or request its partial registration;*
- (c) *make any statement or carry out any action or procedure before the Comissão do Mercado de Valores Mobiliários, the Central de Valores Mobiliários, Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários and any other public or private entity or registry in order to obtain the authorization, verification and subsequent execution of the Share Capital Increase and the corresponding admission to official trading of the New Shares on Euronext Lisbon - Sociedade Gestora de Mercados Regulamentados, S.A.;*
- (d) *to pay any expenses or fees, in particular those regarding the financial institutions participating in the Share Capital Increase and the fees of the rating agencies, the lawyers, agents and Notary Public involved, as well as any taxes or other expenses arising in connection with the Share Capital Increase; and*

- (e) *to take such actions as may be necessary or appropriate to ensure the effectiveness of the Share Capital Increase covered by this resolution, and therefore to enable any of them to take such actions as may be necessary to construe, clarify, remedy, correct, execute and enforce, including the execution of such public or private documents as may be necessary, the publication of such notices as may be legally required, registration in such registers as may be appropriate and the performance of such acts and formalities as may be necessary for the purpose thereof; as well as, among others, the powers to remedy, clarify, construe, complete or specify, as the case may be, the resolutions taken and, in particular, to remedy any defects, omissions or errors that may be detected, including those detected in the verbal or written qualification of the Commercial Register, which may hinder the effectiveness of the decision.*

*After the relevant deliberation and none of the attendees having requested any intervention or reservation to be recorded in the minutes, it is unanimously resolved to carry out the Share Capital Increase on the terms set out above.”*

And for the appropriate legal purposes, the Board of Directors of EDPR issues this report in Oviedo, on 2 March 2023.