



EDP BRASIL ANNOUNCES PROGRAM OF ACQUISITION OF TREASURY SHARES AND DIVIDEND POLICY UPDATE

Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP PL

Lisbon, August 29th 2020: EDP - Energias de Portugal, S.A. ("EDP") informs the market and the public in general:

The Board of Directors of EDP – Energias do Brasil, S.A. ("EDP Brasil"), 51.2%¹ owned by EDP, has approved a program of acquisition of treasury shares as well as updated its policy of dividends and equity interests. This strategy aims to apply the available resources to maximize value to shareholders, as it is understood that the current stock price of EDP Brasil does not reflect the intrinsic value of its assets and that there is a positive outlook regarding return for the shareholders.

The approved program of acquisition of treasury shares, up to a maximum of 24,863,880 shares, represents 8.5% of free-float of EDP Brasil, to be executed during a maximum period of 18 months. The acquisitions will be performed at Bolsa de Valores da B3 S.A., at market prices.

In terms of dividend policy, it was approved that the annual dividend from 2020 onwards should correspond to the highest value of: (i) R\$1.0 per share; (ii) payout ratio of 50% of adjusted net profit; (iii) payout ratio of 25% of reported net profit.

EDP Brasil continues pursuing an investment strategy focused on regulated networks, following the investment criteria defined in the Strategic Plan 2019-2022. In the absence of investment opportunities that meet these criteria, the remaining free cash flow (cash flow not reinvested) will be distributed as programs of acquisition of shares and/or as extraordinary dividends, in order to keep an optimized capital structure. Furthermore, it is also reinforced the commitment to keep the Net Debt / Adjusted EBITDA ratio of EDP Brasil between 2.5x and 3.0x, with a floor of 2.0x.

The Board of Directors of EDP Brasil may, if suitable, evaluate the need of revision of these policies, in accordance with statutory, legal or regulation changes applied to EDP Brasil.

This information is disclosed pursuant to the terms and for the purposes of the article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council and of article 248-A of the Portuguese Securities code.

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¹ EDP holds directly 51.2% of EDP Brasil, but consolidates 51.4% due to treasury shares