



STRATEGIC UPDATE 2019-22

London, March 12th 2019

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As of today, the public tender offer launched by China Three Gorges Europe, S.A. ("CTG") over the shares of EDP and EDP Renováveis, S.A. ("Offer") is still ongoing, regarding which the preliminary announcement was published on May 11, 2018 (and subsequently amended on May 16, 2018) ("Offer") and the report prepared by the Executive Board of Directors of the Company on the timeliness and conditions of the Offer pursuant to the terms of number 1 of article 181 of the Portuguese Securities Code and released on June 9, 2018 (the "Report"). This presentation and information used herein shall not form the basis of, or be relied on in connection with, a decision to accept or reject the tendering of shares of the Company pursuant to the Offer. Rather, shareholders of the Company are advised to consider the Report within their individual decision-making process over the acceptance or rejection of the Offer, without prejudice of the necessary evaluation and individual and pondered judgement by each one of the shareholders of EDP. Notwithstanding, the Executive Board of Directors considers that this presentation and the strategic update now presented is not incompatible with the existence of the Offer. In fact, by presenting the new strategic update to the market, the Executive Board of Directors considers that it is acting in compliance with its fiduciary duties which, among others, include the continuous search of value maximization for shareholders. Moreover, this presentation and the communication of the strategic update has been subject to the necessary EDP's internal corporate validation procedures, in particular, it has been approved by EDP's Executive Board of Directors subsequently to the issuance of a favourable prior opinion by EDP's General Supervisory Board.

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What we are presenting today



Our context

Our vision and strategy

António Mexia (CEO)

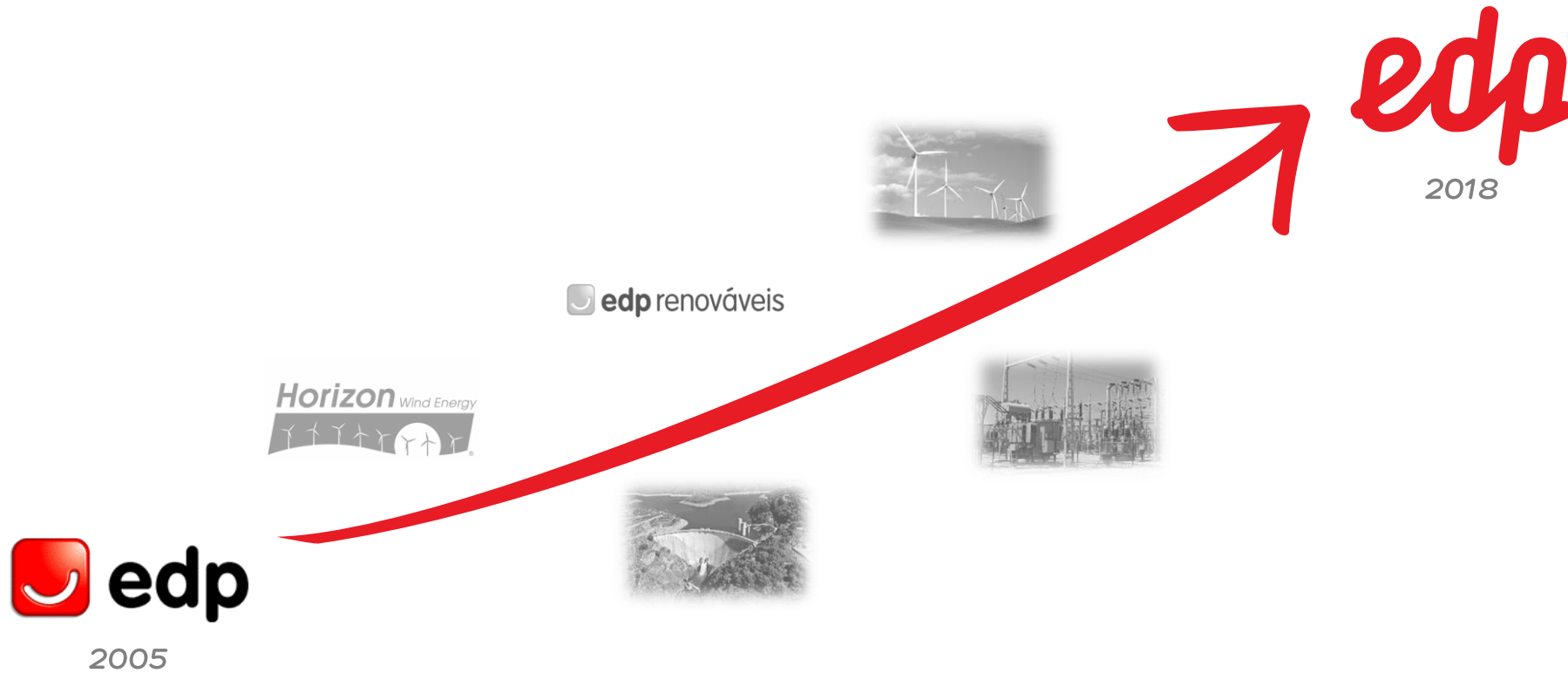
Our platforms

Our financials

Miguel Stilwell d'Andrade
(CFO)

Our final remarks

António Mexia (CEO)



Today we aim
to **reconnect**
with the
market and
share our
distinctive
positioning

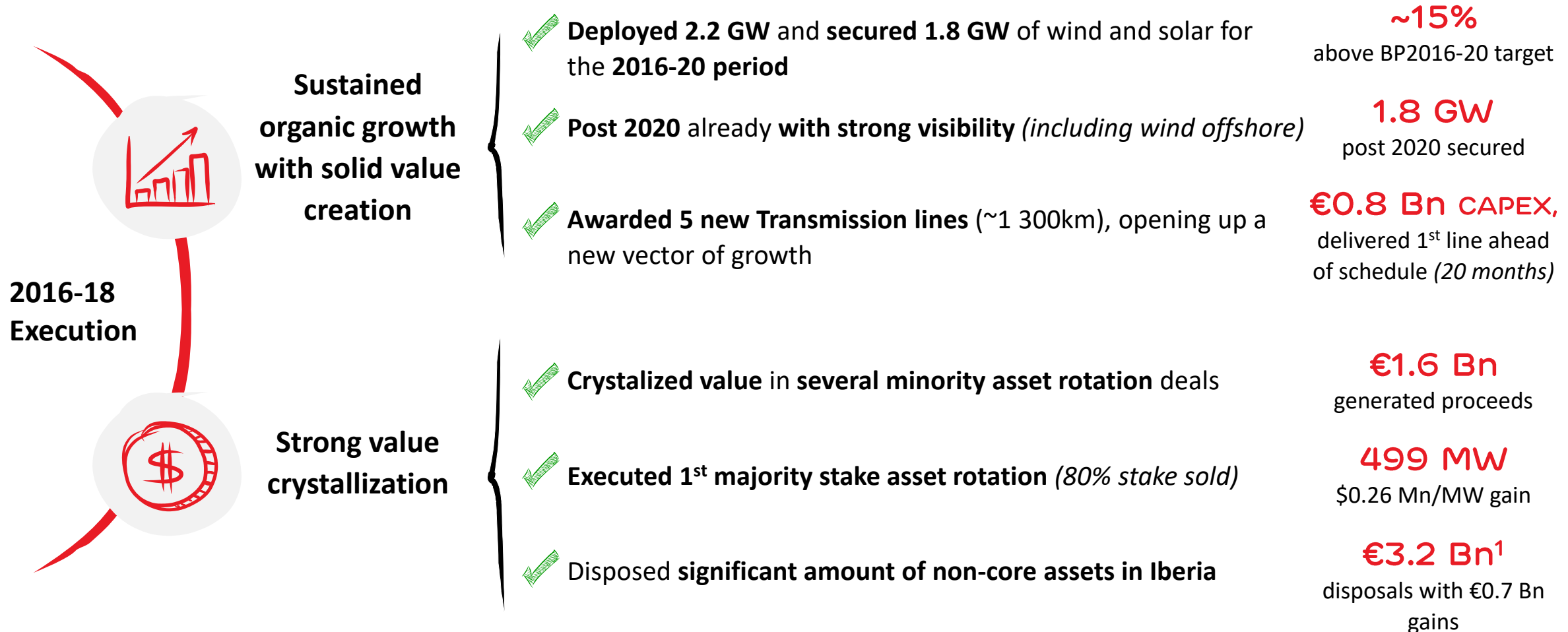
We **anticipated the energy transition**

We have been focused on delivering superior value to our shareholders



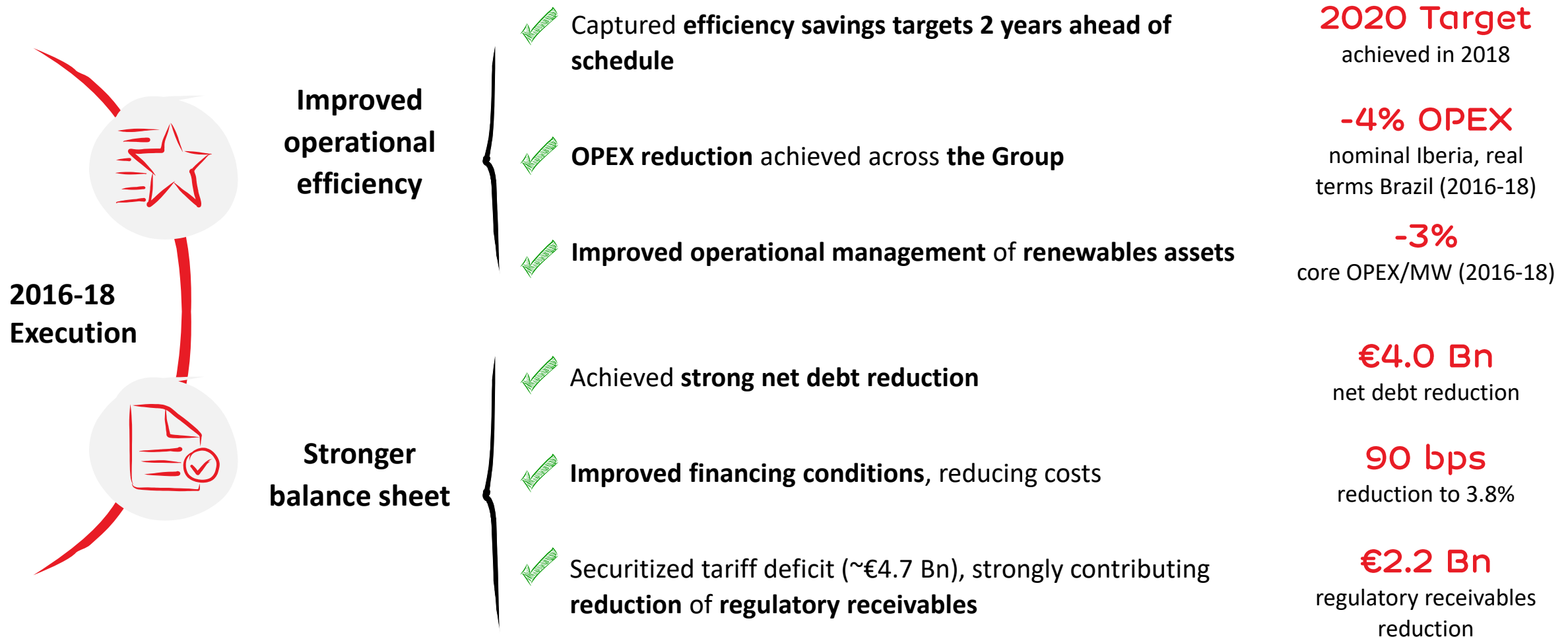
Our platforms clearly overdelivered but overall EDP was significantly impacted by relevant cuts in Portugal

We have achieved sustained organic growth and solid value creation, while ensuring strong value crystallization



¹ Including Naturgas @ 16x EBITDA, Portgas @ 1.2x RAB, and mini-hydro in Portugal @ €1.6 Mn/MW

We kept improving our efficiency and strengthening our balance sheet



We have a differentiated track record in sustainability



Broad presence in multiple renowned ESG indices worldwide



Distinctive positioning within top-tier indices



Long-standing commitment to sustainability



Well assessed against rigorous selection criteria

>10

ESG indices in which EDP is present

>10 years

Part of ESG Indices

#1/#2 in Dow Jones SI

High scores in ESG indices vs. peers

Leading performance

Risk Management, Green Capital allocation,
Climate Change issues, Human Rights and
Community engagement



Looking forward, renewable energy is at the center of the energy transition revolution



The energy of the future will be **electric** and...

Key figures



... **clean**

- **World needs to decarbonize** and power utilities **represent 40% of total emissions**
- **Need to invest in renewables** to reduce coal (*180 GW decommissioned until 2030²*)

45% Global emissions reduction needed by 2030¹

>70% Renewables share in global new additions 2018-30



... **affordable**

- **Lower cost of renewables**, reinforced position as most **competitive technologies**
- **Incentives on energy efficiency** to give rise for new services opportunities

-20% Wind onshore LCOE³ reduction expected for 2015-25

-33% Δ energy intensity⁴ 2014-35



... **reliable**

- Need for flexible capacity, **hydro reservoir/pumping, batteries and thermal**
- **E-mobility and electrification** will require more **digitization and smarter networks**

1 TW Global flexibility needs by 2040

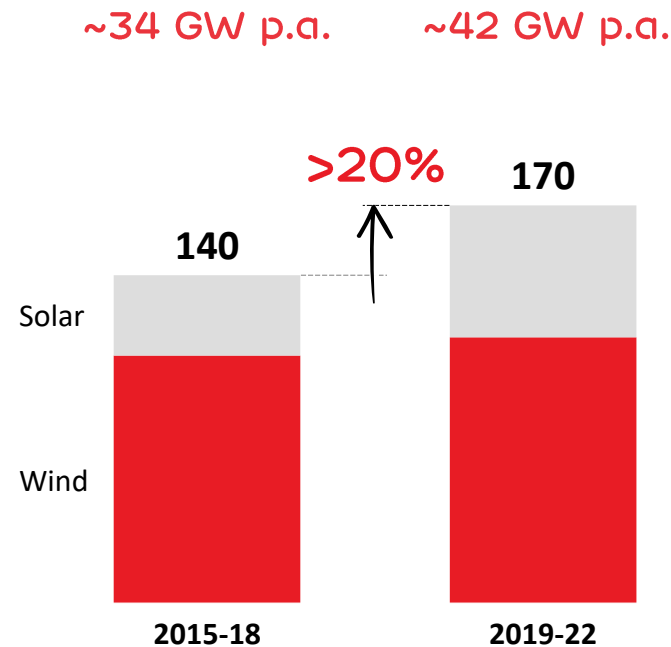
+80% Electricity 2014-50

1 Compared to 2010. IPCC report Jul-18. Scenario to limit global warming at ~1.5oC vs pre-industrial era | 2 Net decommissionments since 2018, Europe and North America, | 3 LCOE: Levelized Cost of Energy: Measures lifetime costs divided by energy production | 4 Energy required to produce 1 unit of GDP
SOURCE: IHS, BNEF, McKinsey Energy Insights, IRENA, IEA

Renewables growth will be supported by sound fundamentals

Strong growth in wind and solar...

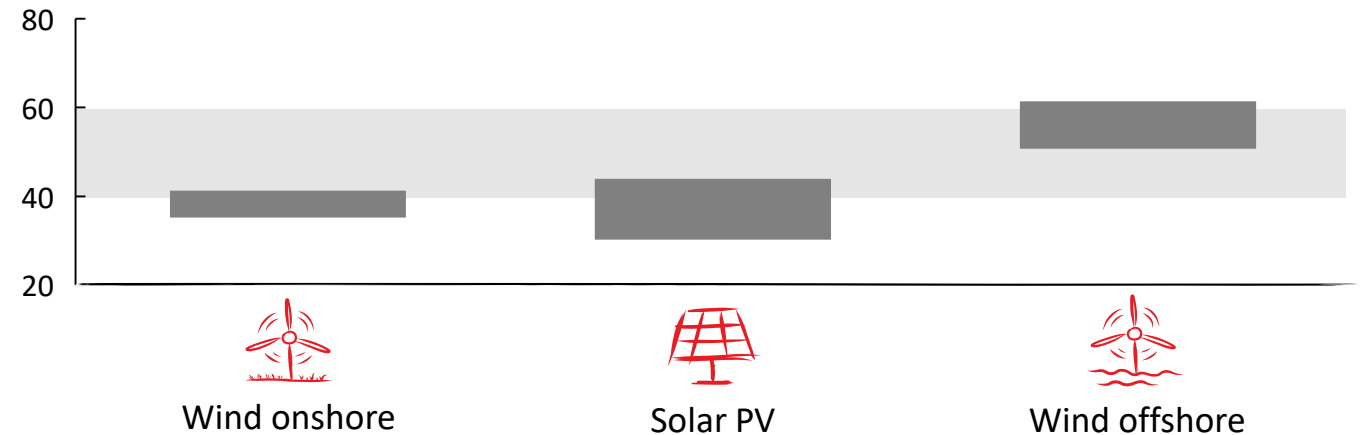
Capacity additions¹, GW



... that are already cost competitive, will further become more efficient...

LCOE², €/MWh

Wholesale electricity price range³, 2020



... and contribute to reach long term renewables and climate targets



State-level **renewable portfolio standards** and federal **ITC/PTC**



2030 energy & climate targets – New Renewables Directive (RED II)

¹ Wind onshore/ offshore and solar utility scale for USA, Mexico, Canada, Europe, and Brazil | ² LCOE: Levelized Cost of Energy: Measures lifetime costs divided by energy production. Wind onshore, Solar PV, and Wind offshore in Europe. Figures reflect the evolution for the 2018-30 period, based on internal analysis | ³ Wholesale electricity price band reflects the expected range of wholesale electricity prices in European markets

Digitalization and decentralization will accelerate new client solutions and smarter networks



Energy transition driving new client solutions...

Client pushing for new and innovative solutions



Increased requirement for savings and **energy efficiency**



Decentralized solar uptake partially shifting generation towards downstream



Adoption of distributed storage



New business models (e.g. flat rates) to anchor on **higher flexibility needs**



EVs mass adoption

Key figures

32.5% EU energy saving target 2030

>180 GW North America, Europe and LatAm 2018-30

~50 GW global installed capacity by 2030

~100 GW demand response capacity by 2030 (Europe and US)

>130 Mn global EV stock 2030

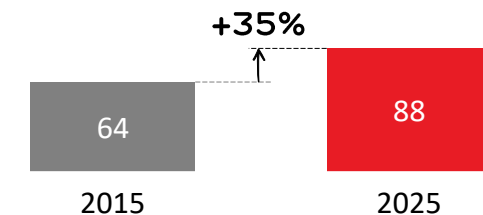
... and requiring smarter networks

Key growth drivers

- Higher **electricity consumption**
- **E-mobility** uptake and generation **decentralization** requiring **networks'** and **cities'** infrastructure redesign
- Higher resilience to **accommodate higher share of renewables**
- **Grids increasing complexity** requiring smarter management

Networks growing value pools

Europe and USA EBIT, € Bn





OUR VISION

Leading the energy transition to create superior value

OUR STRATEGY

 Accelerated and focused growth


 Continuous portfolio optimization

 Solid balance sheet and low-risk profile

 Efficient and digitally enabled

 Attractive shareholder remuneration









OUR PLATFORMS


Renewables


Networks


Client solutions & energy management



OUR VISION	Leading the energy transition to create superior value		
OUR STRATEGY	 Accelerated and focused growth		
	 Continuous portfolio optimization		
	 Solid balance sheet and low-risk profile		
	 Efficient and digitally enabled		
	 Attractive shareholder remuneration		
OUR PLATFORMS			
	 Renewables	 Networks	 Client solutions & energy management

We are in a privileged position to capitalize on the energy transition given our early-mover advantage



We are a global leading renewables player...



~21 GW

of renewables capacity¹ deployed worldwide



- **Top-5** global wind player with **~12 GW**
- **>9 GW** in **hydro**, of which **4.3 GW** with **reservoirs**, and **~3 GW** **pumped hydro**



>€20 Bn

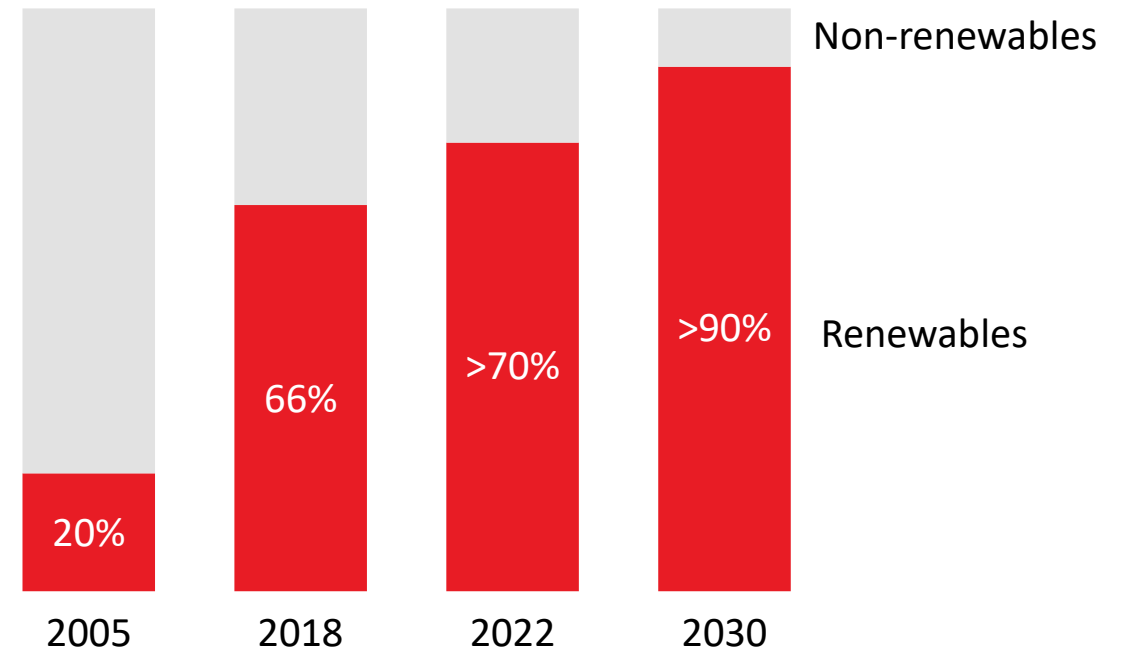
deployed in renewables since 2006



- **75%** in **wind onshore**
- **40%** in the **US**

... prepared for the future

Source of generated electricity, TWh

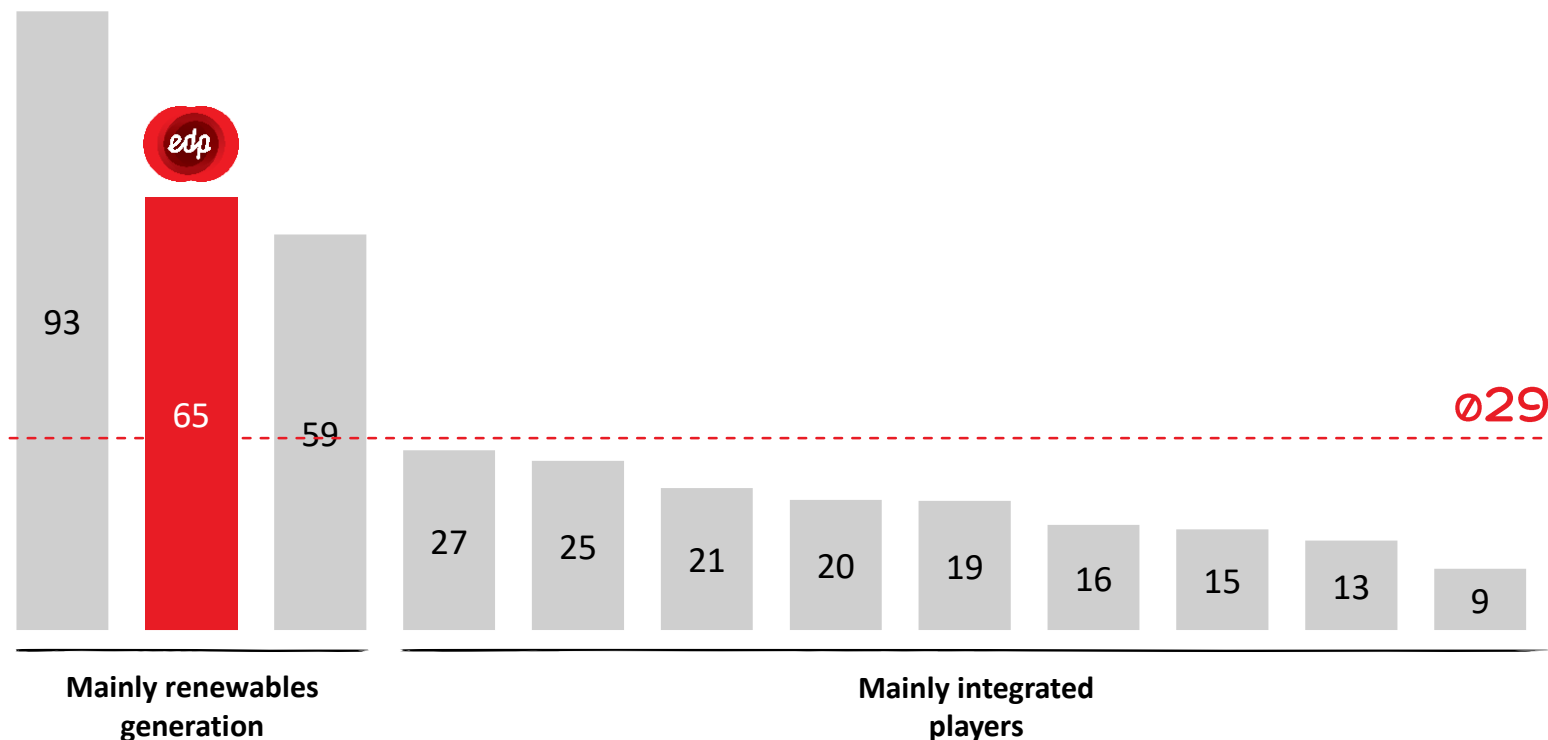


We are already a leading green energy utility



Distinctive positioning among European utilities...

European utilities' share of Renewables in total EBITDA¹, %



...supported by strong intrinsics

~2.5x more renewables

than integrated peers and **~35pp**
higher renewables EBITDA share than
average of peers

>25 years of residual life²

high-quality and young portfolio

- Wind and solar: **22 years**
- Hydro: **33 years**

¹ Values as of 2017 except for EDP (2018), average excludes EDP | ² Average considering asset life for wind of 30 years, solar 35 years and for hydro concession terms



OUR 2030 VISION

Leading the energy transition to create superior value



Decarbonization



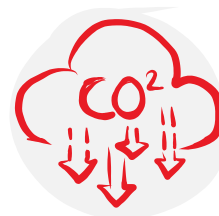
Digitalization



Decentralization



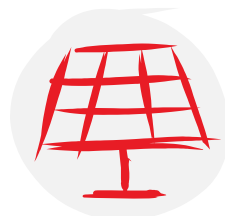
**>90% renewables
generation**



**Reduce 90% specific
emissions** (vs 2005 levels)



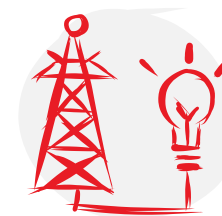
**Become
coal-free**



**>4 Mn decentralized
solar PV panels installed**



**>1 Mn clients with
e-mobility solutions**



100% smart grids
(in Iberia)



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OUR STRATEGY



Accelerated and focused growth



Continuous portfolio optimization



Solid balance sheet and low-risk profile



Efficient and digitally enabled



Attractive shareholder remuneration

OUR PLATFORMS



Renewables



Networks



Client solutions &
energy management

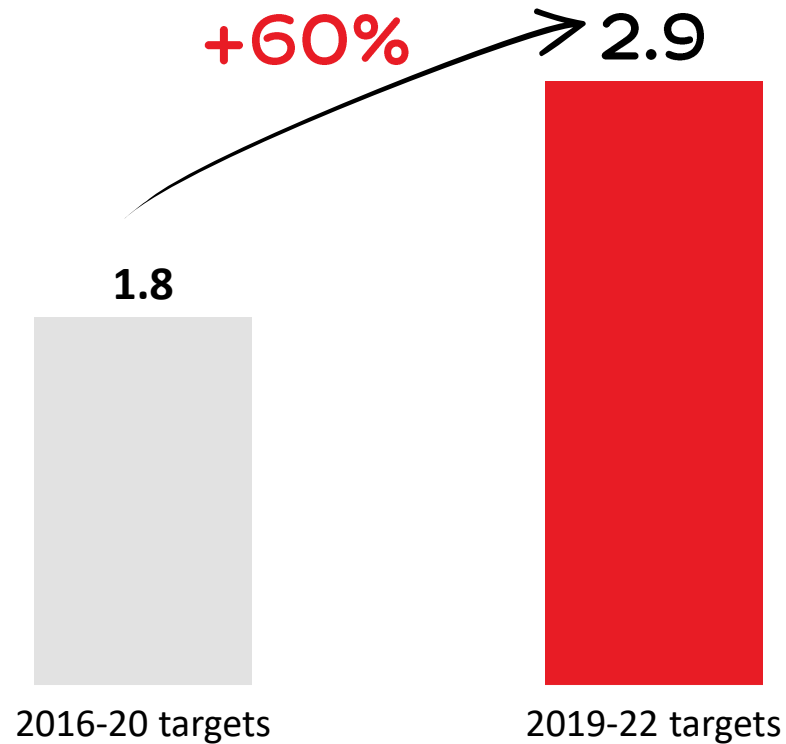
Accelerated and focused growth

We will deliver a strong and accelerated investment plan

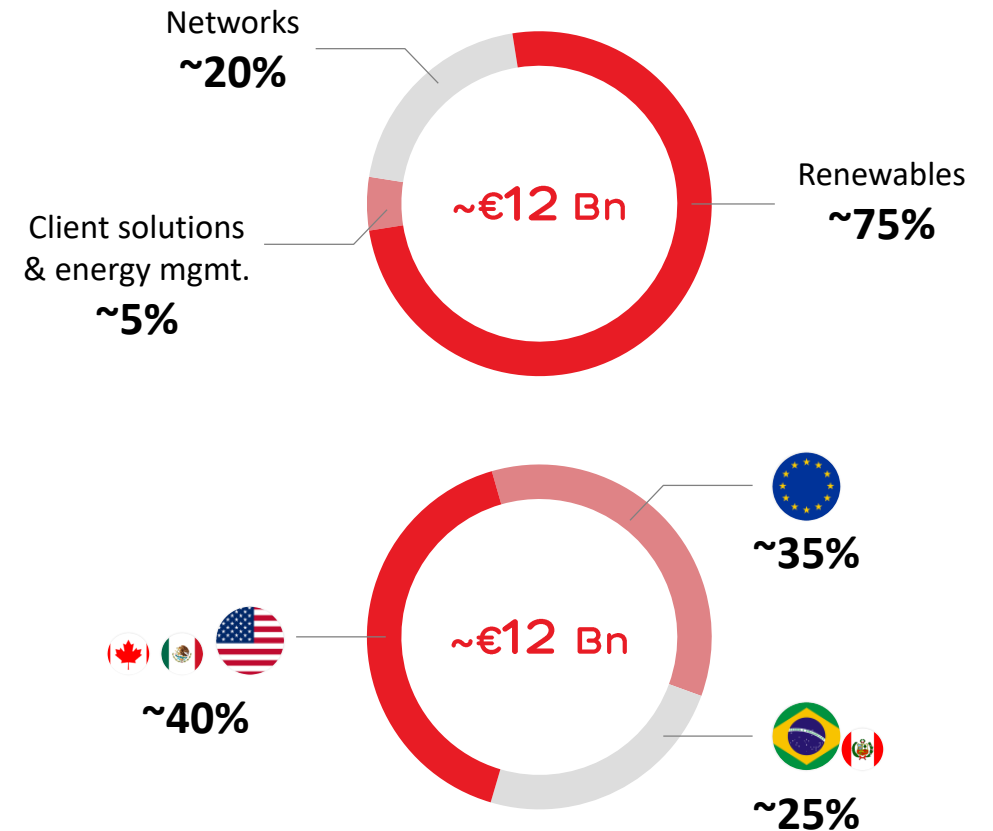


Significant investment acceleration...

CAPEX¹, € Bn/ year



... with strong focus in renewables, North America and Europe



¹ Includes financial investments

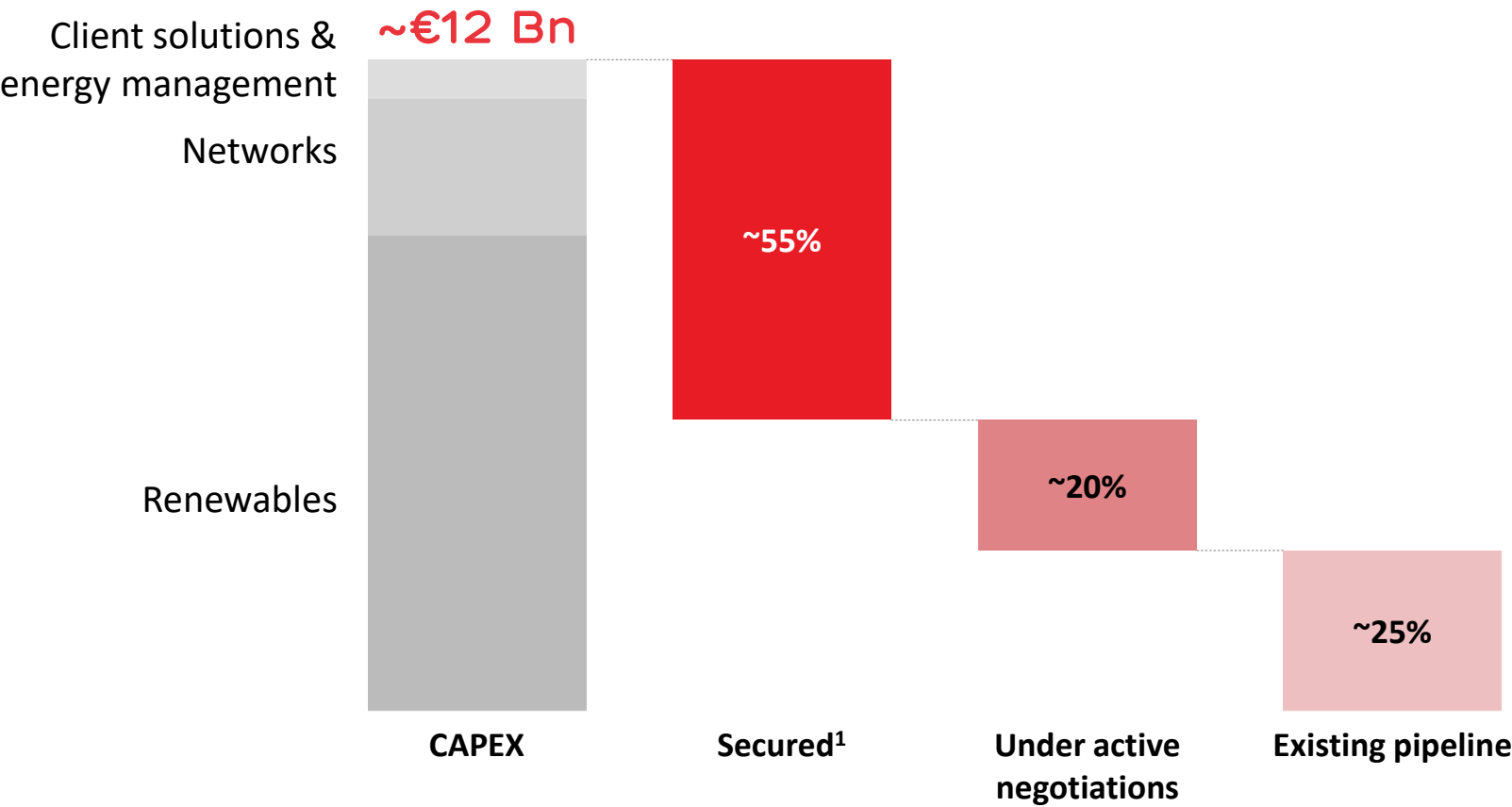
Accelerated and focused growth

We have clear visibility on the execution of this plan



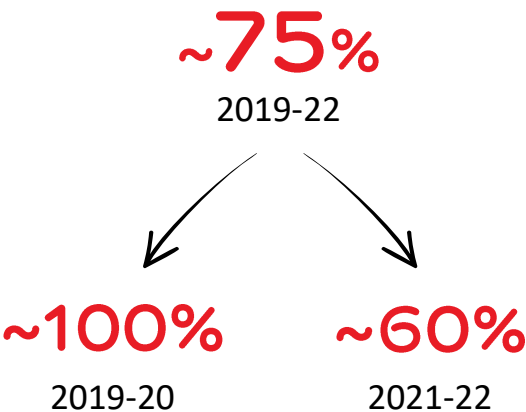
Commitment to deliver accelerated and focused investment plan...

2019-22



... with significant visibility

Share of CAPEX secured and under active negotiations



¹ Includes maintenance CAPEX
STRATEGIC UPDATE

Accelerated and focused growth

We will grow under a disciplined investment framework



Clear investment framework...

		Threshold	Achieved ¹
Attractive returns	IRR/WACC	>1.4x	~1.5x ✓
	NPV/CAPEX	25%	~35% ✓
Sound contracted profile and time to cash	Contracted period	>15 yr	~20 yr ✓
	Contracted NPV	>60%	~70% ✓

... with a track record of delivery

Leader in renewables PPA origination...

Renewables

- Top-3 PPAs secured in USA 2016-18
- #2 C&I PPAs wind onshore in 2018 (0.7 GW signed)

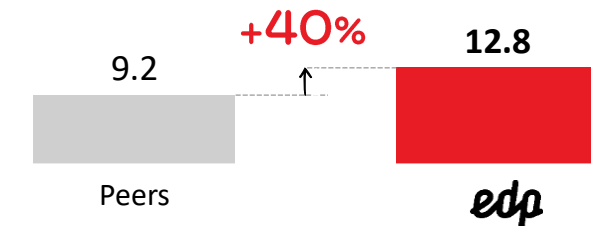
...with a selective approach (2016-2018)

- ~200 RfPs answered
- 5% PPAs won

Brazil Transmission auctions

Regulated revenue/CAPEX² 2017-2018, %

Networks



¹ Average last 60 projects | ² Regulated revenue (RAP – Receita Anual Permitida) bid by the company and CAPEX assumed by ANEEL

Accelerated and focused growth

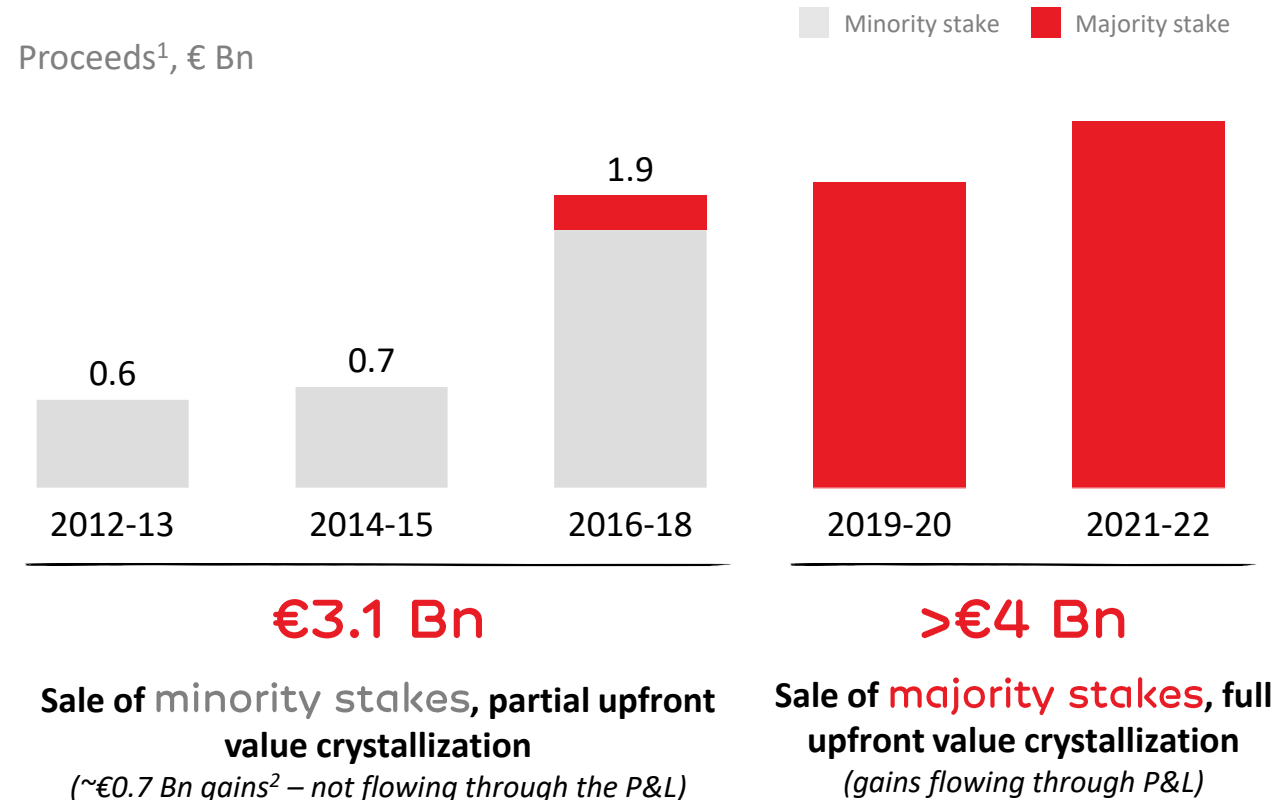
We will use our proven asset rotation model to create value and accelerate renewables growth



Asset rotation – Proven model with continuous delivery...

...and clear execution visibility

- **Track-record** (since 2012) of significant **value crystallization** to **reinvest in organic growth**
- Fully leverages **distinctive development capabilities** and allows to **retain industrial value added** (e.g. O&M)
- **Growing appetite** for renewables and, in particular, for majority ownership



✓ **First asset rotation of majority stake** (80%) **executed in 2018** (499 MW) with **significant gains**

✓ **Visibility on execution for 2019**

✓ **Prudent assumptions** for the 2020-22 period

Continuous portfolio optimization

We will generate >€6 Bn of sale proceeds to reinvest in renewables and strengthen our balance sheet



Consistent investment plan...

CAPEX¹

~€12 Bn
investments

~75%
in renewables

~75%
in North America /
Europe

~90%
regulated / long
term contracted

...combined with capital reallocation plan

>€6 Bn
proceeds

Asset
rotations

>4

Disposals

>2

Strategic rationale



Upfront **value crystallization** to finance organic growth



Recycle capital to **accelerate growth** in renewables



Accelerate **improvement of risk profile**



Portfolio alignment with equity story
– Disposals mainly in Iberia and merchant/ thermal
– To be executed in the coming 12-18 months

Actively considering a number of portfolio optimization strategies that create sustained shareholder value

¹ Includes financial investments

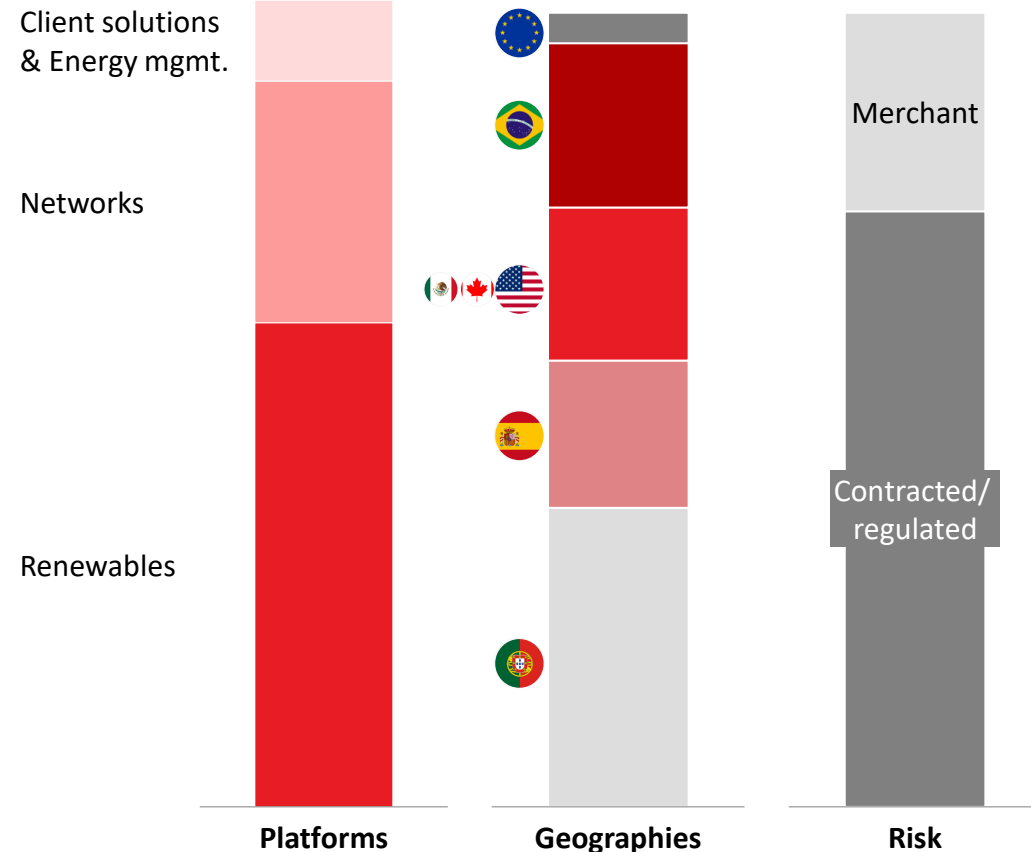
Continuous portfolio optimization

We will keep adjusting our portfolio to better align it with our strategy



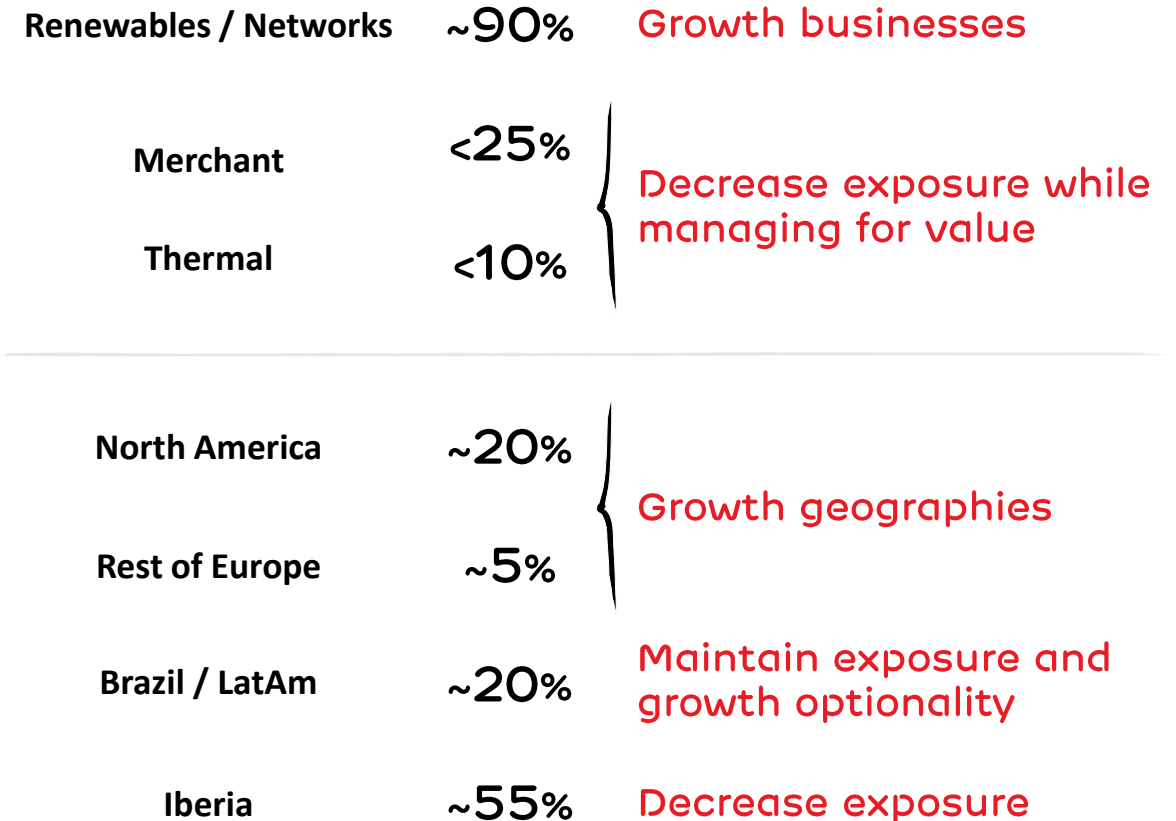
Our diversified portfolio...

Share of EBITDA 2018



...to be further optimized

Share of EBITDA 2018



Solid balance sheet and low-risk profile

We are targeting a solid investment grade (BBB)

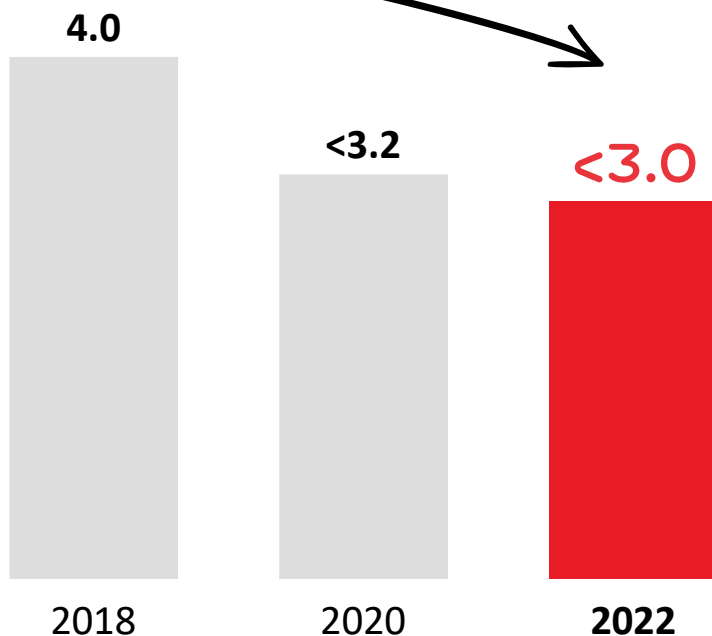


We will deleverage in the short-term...

Net debt
€ Bn

13.5 ——— ~11.5 ———

ND/EBITDA¹



✓
Strong cash flow
generation

✓
Disposals

✓
~€2 Bn Net debt
reduction

... and reinforce our low-risk profile

Share of EBITDA

>75%

Contracted exposure
to be improved

~80%

Europe and US weight to
be maintained

¹ Recurring EBITDA (excluding one-offs), Net debt excludes regulatory receivables



- **Government committed to the energy transition:** ~€23 Bn investment needs until 2030 (e.g. 2019 solar auction, wind over-equipment framework)
- Steady **decline of electricity system debt** with demand recovery despite lower retail tariffs, **expected to lead to CESE reduction**
- *Iberia: Special taxes* (e.g., Clawback, Generation tax) expected to reduce/be eliminated over the period



- **Government presented ambitious climate targets** (e.g. increase of renewables, phase-out of coal/nuclear)
- **Additional visibility on allowed returns up to 2025** for regulated activities



- **Renewable Portfolio Standards** in 29 states + DC, **covering 56% of US electricity sales**, and **environmental restrictions** contributing to large amount of **coal and nuclear retirements**
- **Clear visibility** of federal fiscal **incentives phase-out schedule (PTC/ITC)**



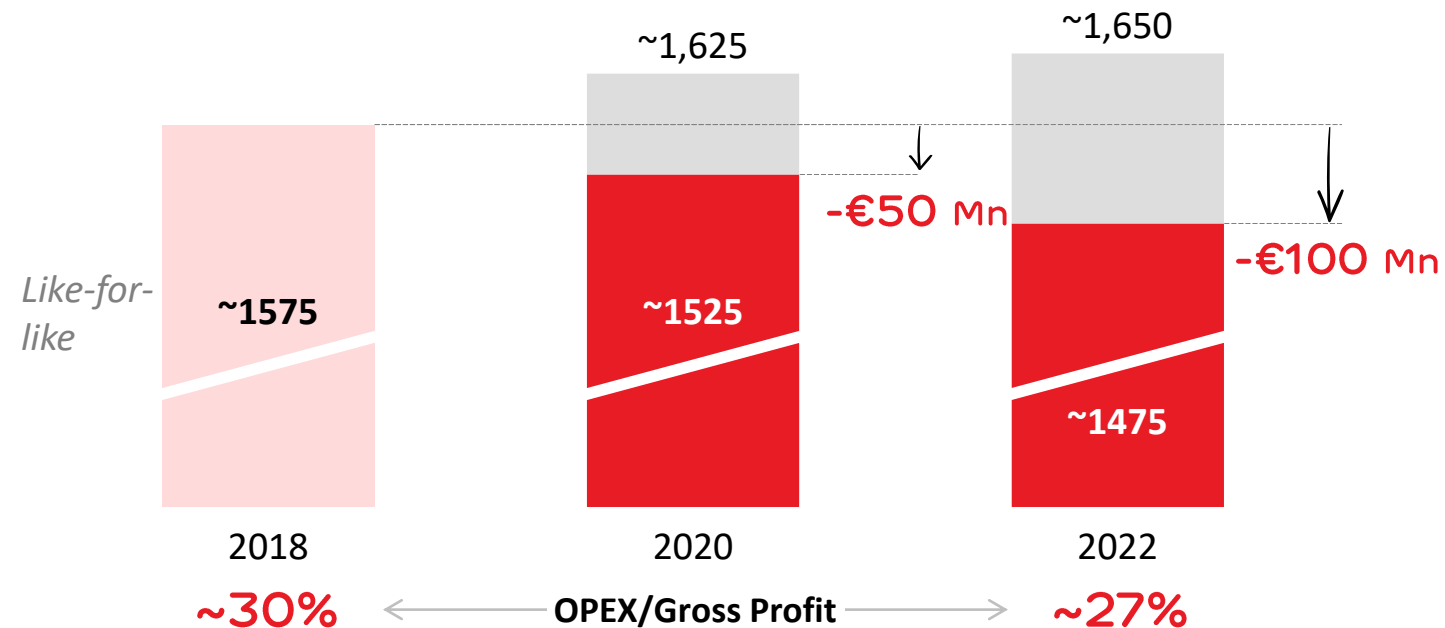
- **ANEEL return in distribution** at 8.1% real pre-tax up to December 2019: applying to EDP Discos up to 2022/2023
- **Government targeting to attract private investment** to the energy sector

We are committed to keep taking action...

- **Keep implementing OPEX efficiency programs** (including zero based budgeting)
- **Maintain generational replacement ratio**, embedding **new skills in the organization**
- **Continue investing in digitalization** to increase **assets intelligence** (e.g. smart meters), **operations and processes efficiency** (e.g. advanced analytics, predictive maintenance)

...to reduce OPEX/ gross margin, building on solid past delivery

Recurring OPEX, € Mn



€100 Mn/yr like-for like savings (-2%/yr) until 2022, with ~€300 Mn cumulative in 2019-22

2022 targets

Intelligent Power

Digital Business

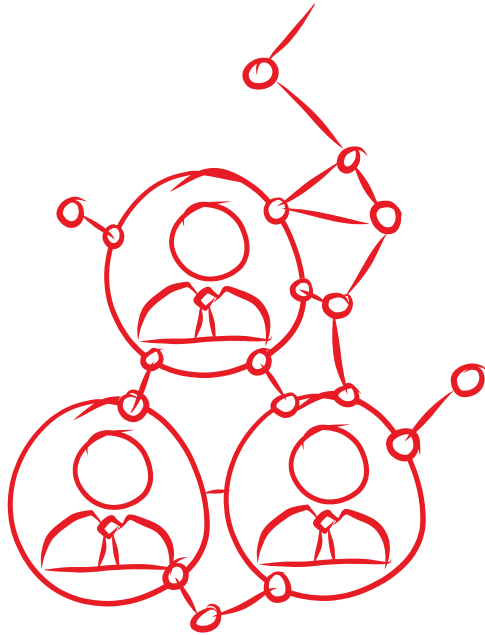
Digital Enablers

Customer	Assets & Operations	Enterprise	Data & Technology	Partnership ecosystem	People & Organization
60%	80%	95%	>85%	> 50	~100%
Selfcare ¹ interactions in the liberalized market	Predictive maintenance (conventional capacity in Iberia)	Digitalized processes	Systems in the cloud	Trusted digital partners	Digitally connected

>300 digital MVPs initiatives

Plan reflects ~€800 Mn in digital CAPEX² that will deliver efficiency and additional revenue gains

¹ Self-service tools such as chatbots, virtual assistants and IVR (Interactive Voice Response) natural voice | ² Already included in the CAPEX of the platforms



People and Organization

Agile way of working, flexible, and collaborative

- Embrace people on **digital** and **agile mindset**
- **Flexible** and **collaborative ways of working**

Talent prepared for change

- **Develop** and **retain critical talent**
- **Upskill leadership** for an increasingly digital and international context

Global and skilled workforce

- **Diverse and digital skills, upskilling current workforce**
- Cross BU's **work experiences** as key internal development tool

Highlights

>500

Agile experts
(across the business)

>4x

Top performers to critical
positions ratio

85%

Reskilled workforce
(target)

Attractive shareholder remuneration

We will deliver superior value to our shareholders



Distinctive green positioning...

Renewables portfolio

65%

Renewables share in EBITDA

Top-2

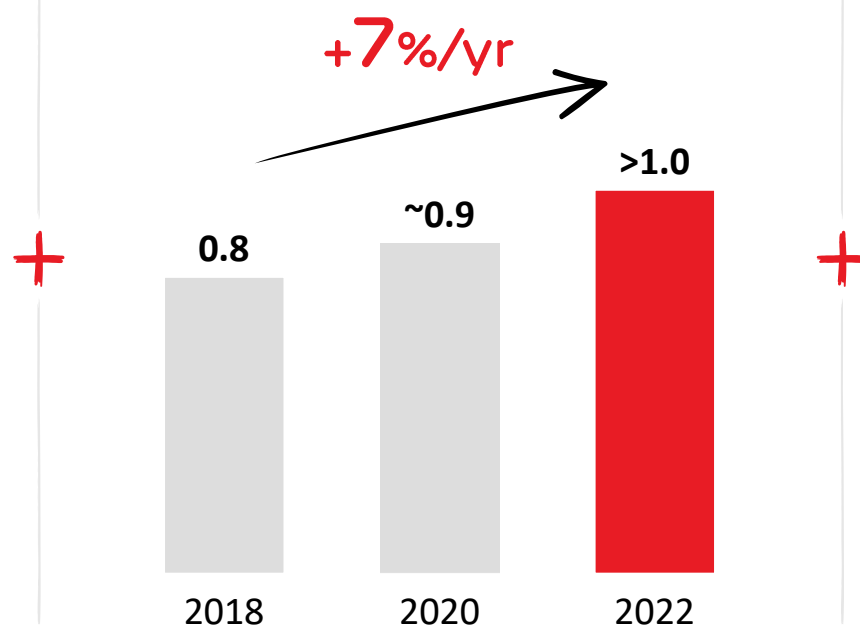
Among European utilities

>25 years

Average residual life of
renewables portfolio

... delivering strong earnings growth...

Recurring net income, € Bn



... and attractive dividend policy

€0.19/share

Dividend floor

75 - 85%

Target payout

**Sustainable EPS
growth to deliver
DPS increase**

Attractive total shareholder remuneration supported by distinctive value proposition



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Accelerated and focused growth



Continuous portfolio optimization



Solid balance sheet and low-risk profile



Efficient and digitally enabled



Attractive shareholder remuneration

OUR PLATFORMS



Renewables

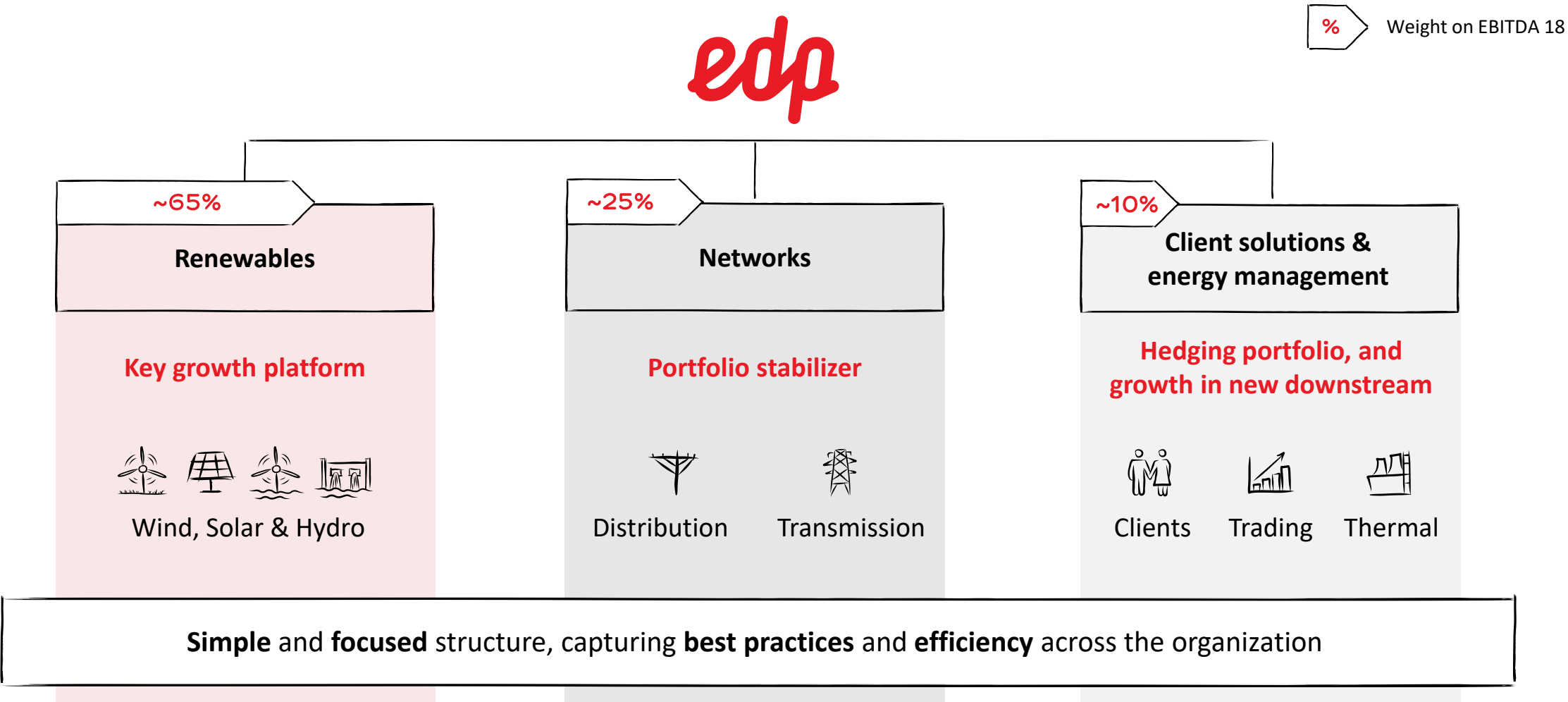


Networks



Client solutions &
energy management

Our platforms are fully aligned with the energy transition

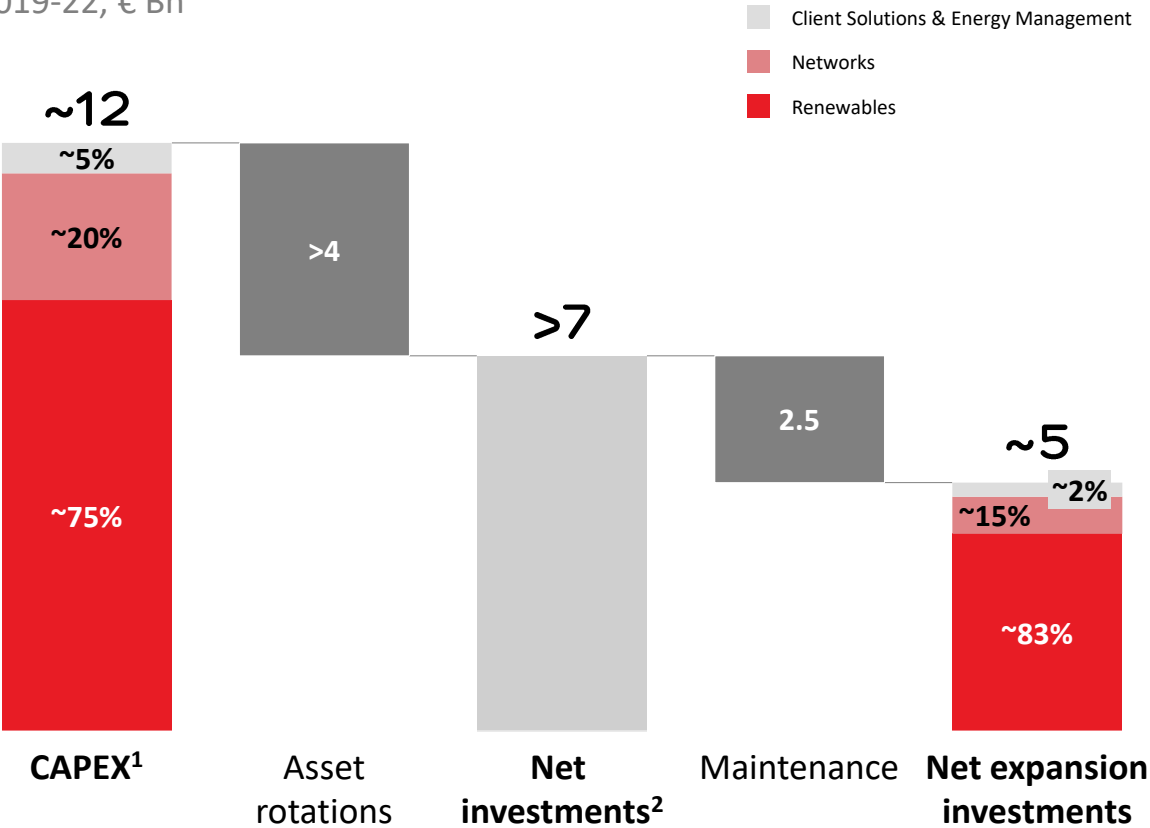


We are targeting a greener and lower-risk portfolio coupled with upfront value crystallization



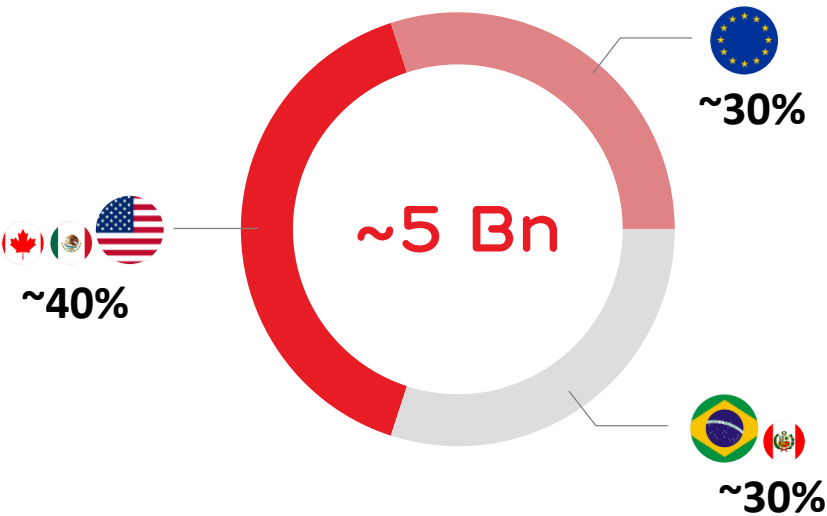
Investment with strong focus on renewables...

2019-22, € Bn



... growing mostly in North America and Europe

Expansion net investment by geography



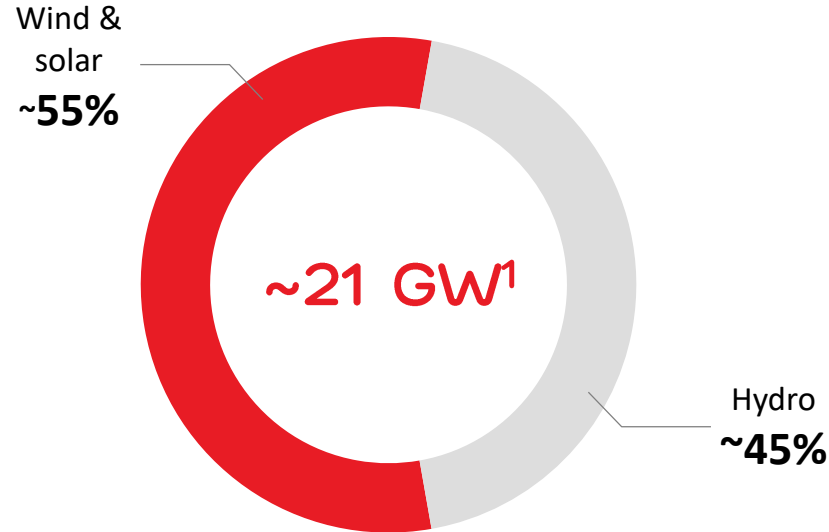
1 Includes financial investments | 2 Excludes disposals

We have a clear vision on the value of a diversified renewables platform



Superior renewables portfolio...

Installed Capacity, 2018



... positioned for growth with clear differentiated value

Wind & solar

- ✓ Distinctive development and operational capabilities
- ✓ Key growth platform for the future

Hydro

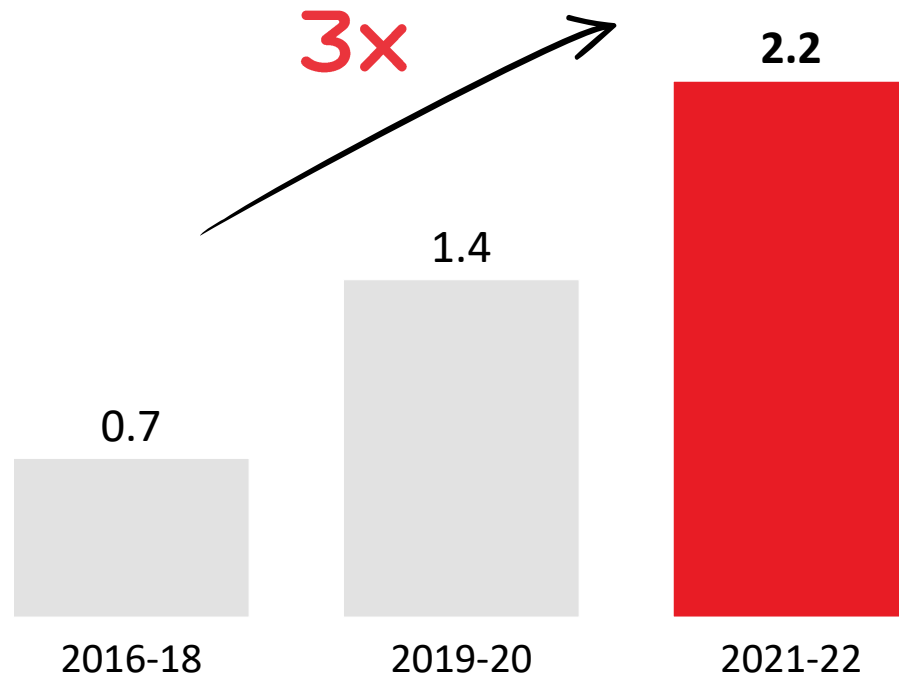
- ✓ High flexibility value (~3 GW pumped storage)
- ✓ Efficient and accessible
- ✓ Strong cash-flow generation
- ✓ Long-term value (33 years of residual life)

Technologically and geographically diversified portfolio with a unique green profile

¹ EBITDA + Equity GWs

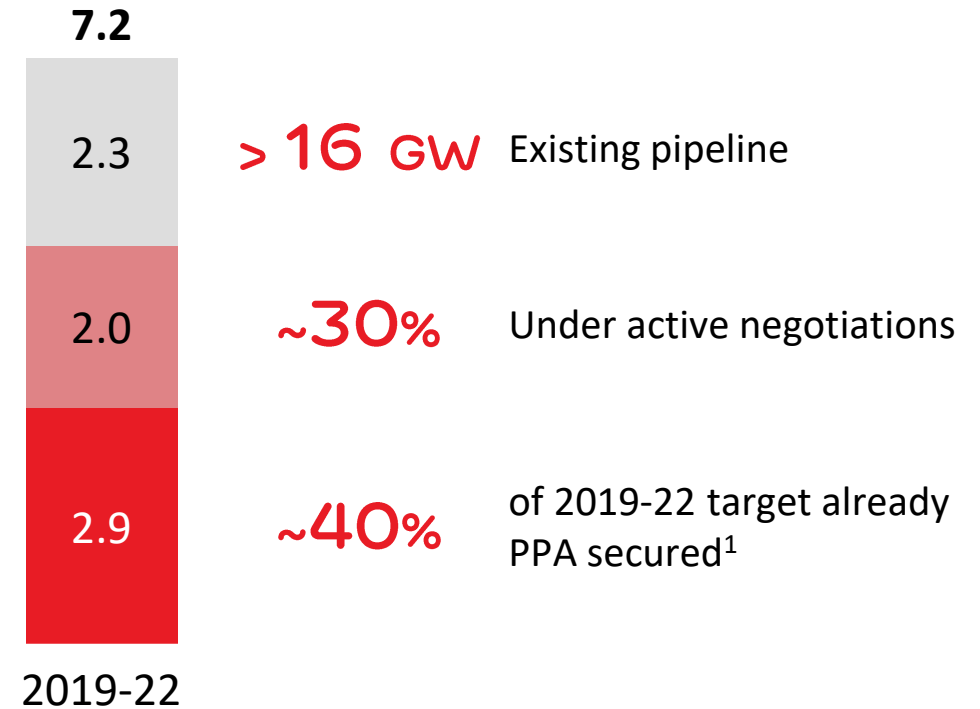
Step up growth in renewables...

Gross GW/year



...already with significant visibility

Additions, GW



¹ With additional 0.7 GW already secured for post 2022

	Our technologies	Installed capacity 2018	Additions 2019-22	
		GW ¹	GW ¹	Share
<p>Wind onshore</p>	<p>Key growth avenue, large pipeline</p> <ul style="list-style-type: none"> • Mature technology, growing market appetite • Top 5 global player, distinctive track record 	11.5	5.0-5.5	~70%
<p>Solar PV</p>	<p>Increasing relevance, strong visibility</p> <ul style="list-style-type: none"> • Sizeable opportunity, high market competitiveness • Capture market opportunity (400 MW already secured + ~400 MW under negotiation) 	0.1	1.5-2.0	~25%
<p>Wind offshore</p>	<p>Future growth investment, risk diversified</p> <ul style="list-style-type: none"> • Long-term growth opportunity being developed with medium term partial value crystallization • Leverage on wind onshore capabilities, partner to diversify risk 	4.4 GW gross under development in Joint Ventures	0.2-0.3 (2 GWs gross with COD until 2025)	~3%
<p>Hydro</p>	<p>Opportunistic growth, cash generator</p> <ul style="list-style-type: none"> • Mature technology, with unique flexibility capacity • Manage portfolio for efficiency and value capture 	9.3	0.1-0.2	~2%

Value and growth driven by distinctive development, PPA generation, O&M, and hedging capabilities

We will invest to capitalize on the different maturity stages of solar PV and wind offshore



Solar PV

- Already **cost competitive** in our key geographies
- **Increase competitiveness in US post 2020** (*PTC phase-out schedule*)
- **Leverage on client base** in Iberia and Brazil

Already secured



Pereira Barreto

205 MW (100%)

15-year PPA

COD: 1Q2022



Riverstart

200 MW (100%)

20-year PPA

COD: 2020-22

Additional initiatives



Upcoming auctions in PT (>1.5 GW)



Exploring **hybrid wind-solar** solutions



Wind offshore

- Developing technology **becoming cost competitive**
- Developed under **partnerships** to allow **de-risking**
- **Capability building** under **long-term** commitment (since 2010)

Under development



Moray East

950 MW (33.3%)

15-year CFD

COD: 1Q2022



Noirmoutier & Le Tréport

992 MW (29.5%)

20-year FiT

COD: 2023&24

Early stage



Mayflower

Up to 1,600 MW (50%)

Prepare for PPA



Moray West

Up to 800 MW (67%)

Prepare for auction

Relevant investment included in the plan, with clear growth coming post-2020 for solar and post-2022 for wind offshore

Our geographies

Installed capacity 2018

Additions 2019-22

Growth mainly in current markets

(US, Europe, Brazil)



- **Liquid market** with visibility over PTC/ITC
- **Diversified geographic footprint** (state level)

GW¹

5.8

GW¹

4.0-4.5

Share

~60%

Criteria for new market entry

(in Europe and LatAm)



- **Developed market** with **public support**
- **Growth to be driven by organized CfDs auctions and by corporate PPAs**

12.6

1.8-2.2

~25%



- **Strong fundamentals and market size**



- **Strong fundamentals** (e.g. wind resource)
- **Sizeable market**, growth picking up

2.6

0.9-1.2

~15%

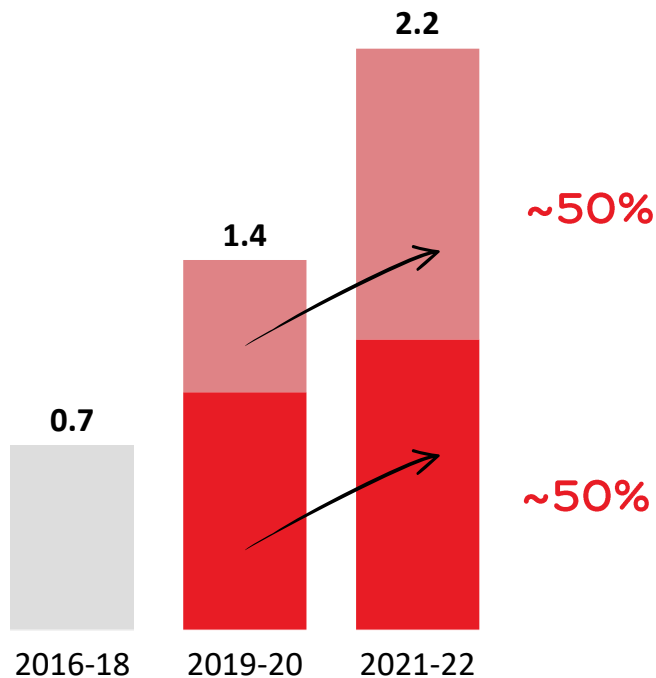
- **Stable market/regulatory context**

We will keep using asset rotation as a key complement to our strategy



Capture value from our unique capabilities in a balanced model...

Added capacity, GW/year



Asset rotation strategy¹

- Leverage on strong market appetite and liquidity
- NPV crystalized upfront
- Less capital intensive
- Retains industrial value add

Ownership strategy

- Long-term strategic value
- NPV payback over asset life
- Low-risk cash-flows

... already with proven results



Since 2012

Long-standing experience



>15

Asset rotation deals



€3.1 Bn

Asset rotation proceeds



200-400 bp

Historical IRR spread

Asset rotation allows EDP to leverage its unique capabilities and capture value of additional growth opportunities

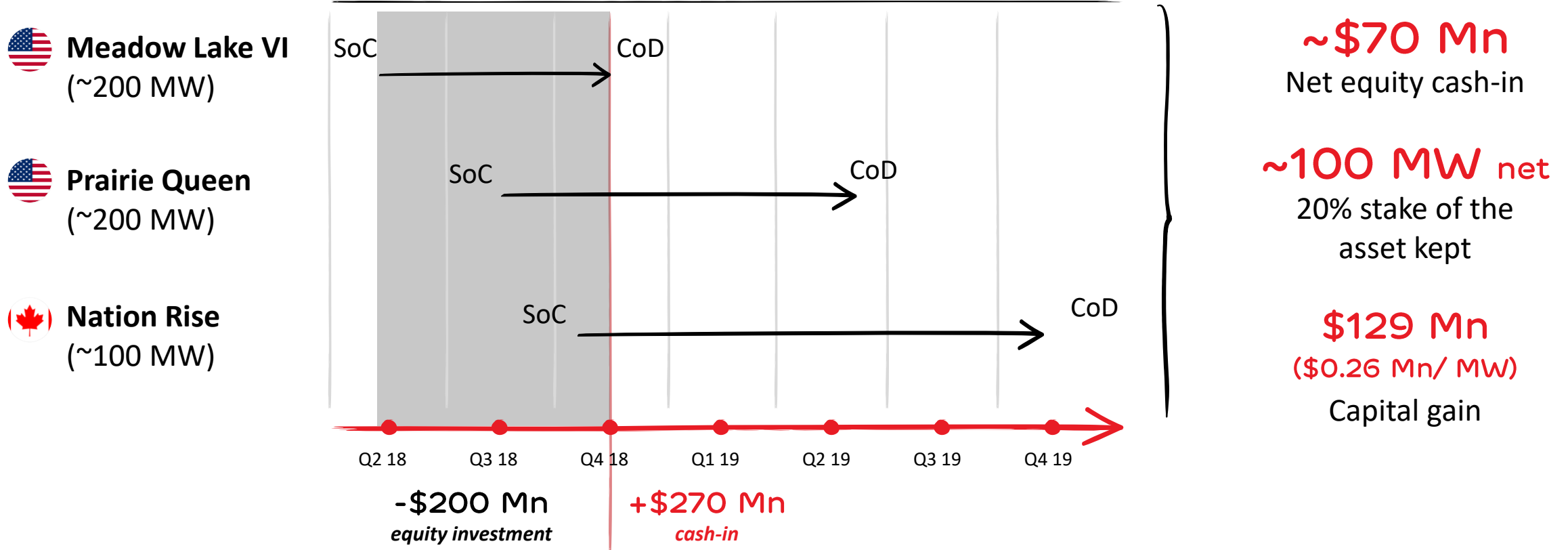
¹ Assumes 80% asset rotation, keeping 20% equity and asset value add (e.g. O&M)

We hold a distinctive asset rotation track record – EDPR North America 499 MW case study (December 2018)



CASE STUDY

Majority asset rotation (80% stake)



Sale before project completion allowing for fast time to cash (<1 year)

Renewables

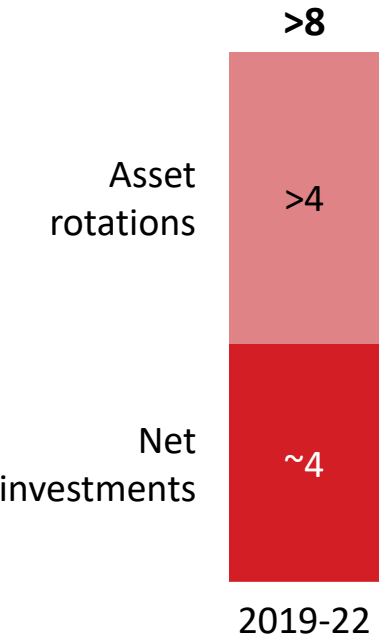
Key highlights



+xx Growth, 2019-22

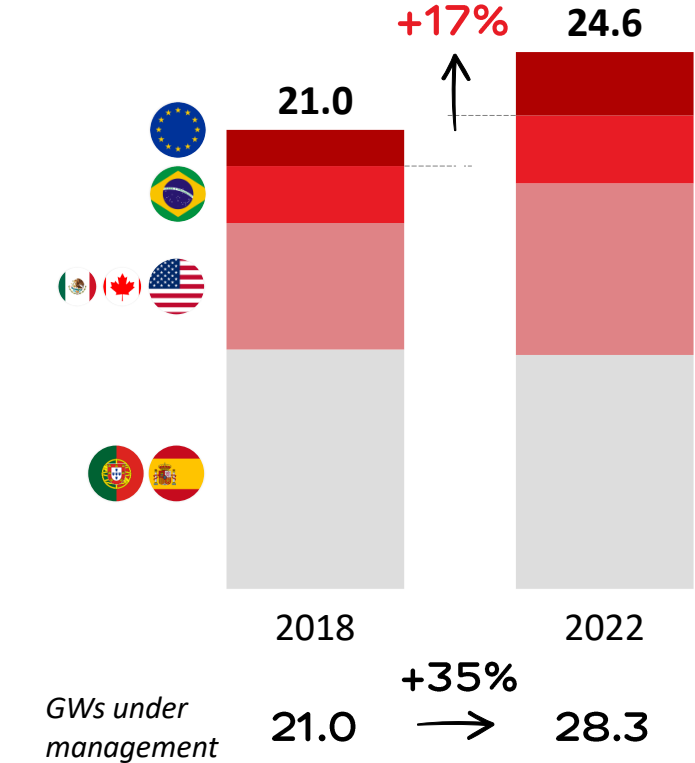
>€8 Bn investment plan, supported by >€4 Bn asset rotations

CAPEX, € Bn



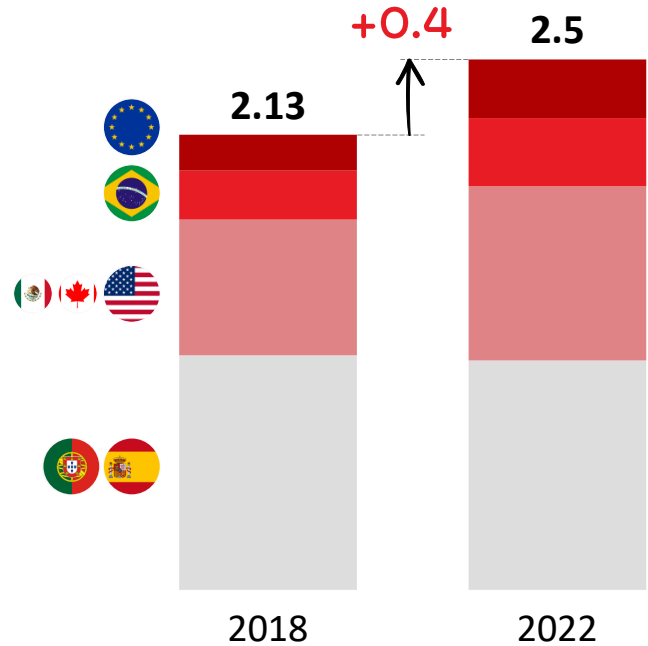
Capacity to increase 17% supported by wind and solar growth

Installed Capacity¹, GW



EBITDA to grow by 17%

EBITDA, € Bn²



Additional equity method earnings
Change 2018-22, € Bn

+0.1

¹ EBITDA + Equity GWs | ² Disposals included in proportion of EBITDA of each platform

We have a low-risk portfolio stabilizer with growth potential

Portfolio positioning

- **Stable and long term cash flow generation** funding future growth
- **Low risk profile** important for balance sheet
- Sizeable and **recurrent capital deployment**
- **Growth potential** to better **align networks** with the energy transition

Strategic positioning



- **Maximize value** through **grid modernization** and **efficiency gains**, supporting quality improvement
- **Monitoring the regulatory setting**
- **Analyze partial value crystallization**, leveraging on market appetite





- **Aim at superior execution** of existing projects and **continuous improvement of operations**
- **Open to consolidation** and **value accretive growth opportunities**

**Well-positioned to play a key role in the energy transition,
underpinned by an improving regulatory environment**

We have a strong asset base in Iberia, where operational efficiency will be key

Strong asset base...

2018	RAB	RoRAB
	€1.8 Bn <i>HV/MV²</i>	4.6% ¹
	€1.2 Bn <i>LV</i>	4.85% ¹
Maintenance investment to assure stable RAB		

... with focus on operational efficiency...

Continuous focus on efficiency	-3.6% ³ <i>Historical cumulative efficiency gains</i>
Increase smart meters penetration	>70% <i>Smart meters penetration in 2022</i>
Prepare grids for the energy transition	<i>Response to EVs and DG</i> <i>Advanced asset management</i>

... while monitoring the regulatory setting

- Current regulatory cycle in Portugal in place until 2020
- Ongoing analysis on LV tender process in Portugal – framework not yet defined
- Additional visibility over returns in Spain for the 2020-25 period
- Critical role of grids in the energy transition **requires sustainable regulatory framework to support it**

Mature and low risk assets

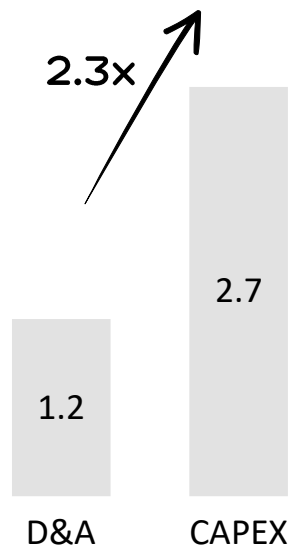
¹ Net of 0.85% CESE; ² Concession until 2044; ³ Controllable Cost/Client – Electricity Portugal – CAGR 2016-18

We are committed to superior execution of investments and continuous improvement of operations in Brazil

Distribution

Investment to improve service quality & losses

EDP São Paulo & EDP Espírito Santo
R\$ Bn, Cumulative 2019-22



+ R\$ 900 Mn
RAB¹ (delta 18-22)

8.1%
Return on RAB²
until 2023

Strong track record (last 3 years)

✓ **-23%**
reduction of non-technical
grid losses in low voltage
(below regulation target)

✓ **-4.6%**
reduction of grid
interruption time (DEC)

✓ **-10.5%**
OPEX/client reduction (in
real terms)

Transmission

Investment in 5 lines enhanced by superior execution

✓ **R\$3.1 Bn**
Investment

✓ **12-14%**
implicit ROE in auction bids

✓ **>2x NPV enhancement**

- Construction ahead of schedule
(1st line 20 months ahead)
- Funding optimization (~60% closed)

Keep selectively assessing future growth and open to value crystallization opportunities

¹ Doesn't include fully the inflation effect in the base, CAPEX and D&A of EDP SP | ² Real Post-tax

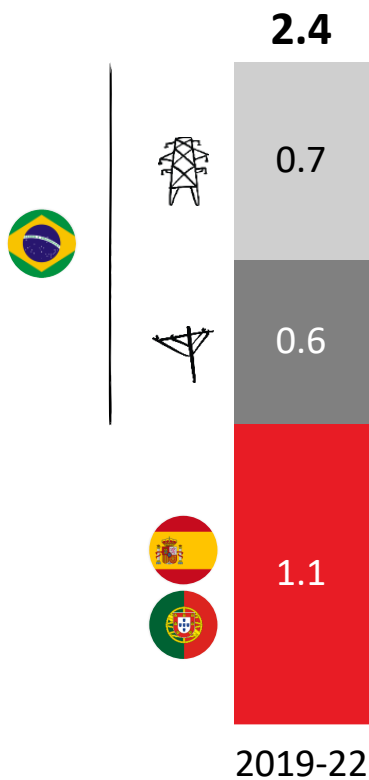
Key highlights



+xx Growth, 2019-22

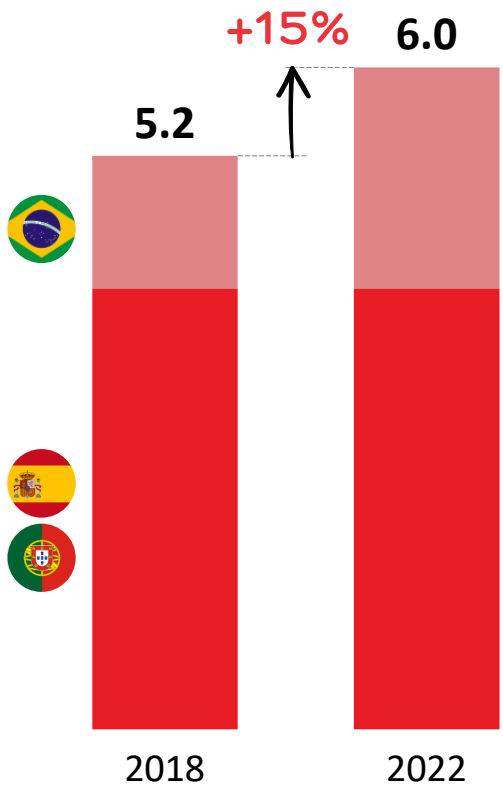
~€0.6 Bn annual CAPEX in Networks

CAPEX, € Bn



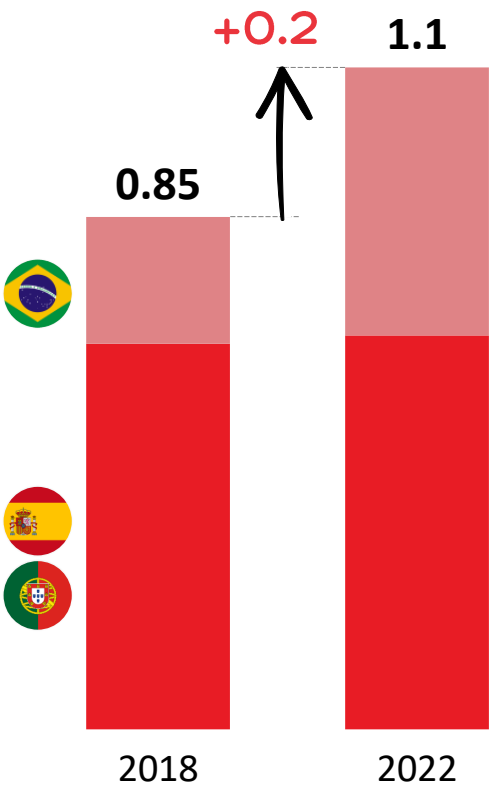
Regulated Asset Base to increase 15%

RAB¹, € Bn



EBITDA to grow driven by investments in Brazil

EBITDA, € Bn²



1 Includes 23.56% of CELESC and invested capital in Transmission in Brazil (RAB valuated under different economic model than distribution) | 2 Disposals included in proportion of EBITDA of each platform

Energy management

Ability to generate

- Manage **renewables intermittency**
- Thermal's firm capacity as **backup**

Ability to source

- **Origination** (e.g. corporate PPA/hedging)
- **Manage spot and forward energy markets**
(e.g. electricity, gas, coal, CO2)
- **Provide ancillary services**



CLIENTS
(B2B/B2C)

Ability to serve

- Supply electricity and gas
- Ensure **quality of service**
- Be **cost efficient**

Ability to innovate

- **Offer new energy services** (e.g. distributed solar, storage, energy efficiency, smart mobility)
- **Beyond-meter** anchored
- **Continuous innovation** mindset

Client solutions

Manage and hedge risk exposure to energy markets, while satisfying clients' growing needs

We have an active energy management strategy that supports value creation while allowing for risk mitigation

Active energy management model



Optimization from trading in several markets



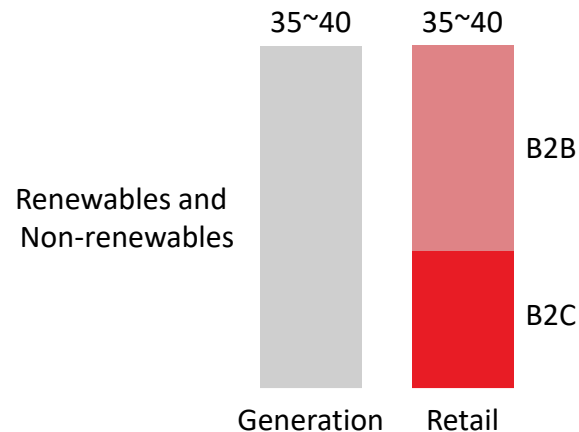
Balance of firm capacity and renewables participation in energy markets



Guarantee of contracted prices with PPA generation

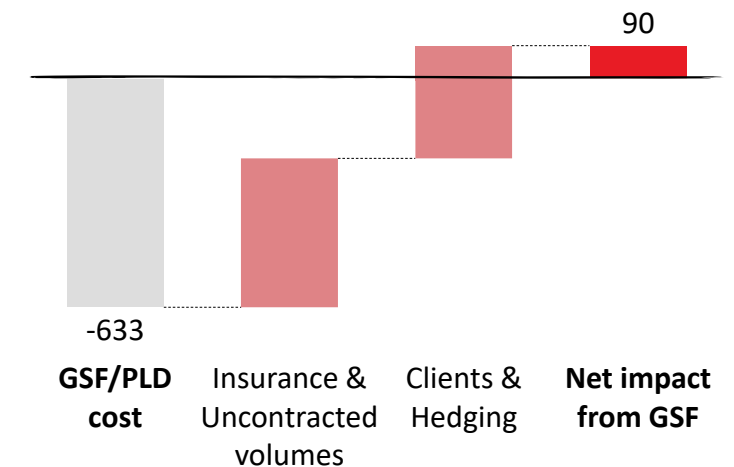
Our balanced portfolio allow us to mitigate risks

TWh, average 2019-22



- Portfolio balance allowing for natural hedge with customers
- Hydro pumping allowing for enhanced flexibility

R\$ Mn, annual average 2017-18



- Client portfolio and hedging allowing avoidance of risk impacts in Brazil

~10M client base...

clients, 2018



~5 Mn



~1 Mn



~3.5 Mn

... with improved operations and new solutions...



Focus on service quality to retain **high value clients**

2x Increase **service contracts penetration** in Portugal (to ~30%)



Digitalization to transform customer experience and reduce costs

+20pp Increase in clients using **selfcare** in B2C Portugal



Foster **new solutions cross-selling** (e.g. services, solar, e-mobility)

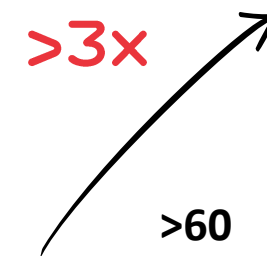


R\$ 150 Mn/yr Investment in **decentralized solar** in Brazil

... to enhance profitability

EBITDA¹, € Mn and margin %

0.5% 1.1% 1.7%



Avg 16-18 2020 2022

Manage client base to enhance value rather than market share, while promoting decentralization

¹ Iberia and Brazil – Brazil includes only liberalized clients and decentralized solar

Client solutions & energy management

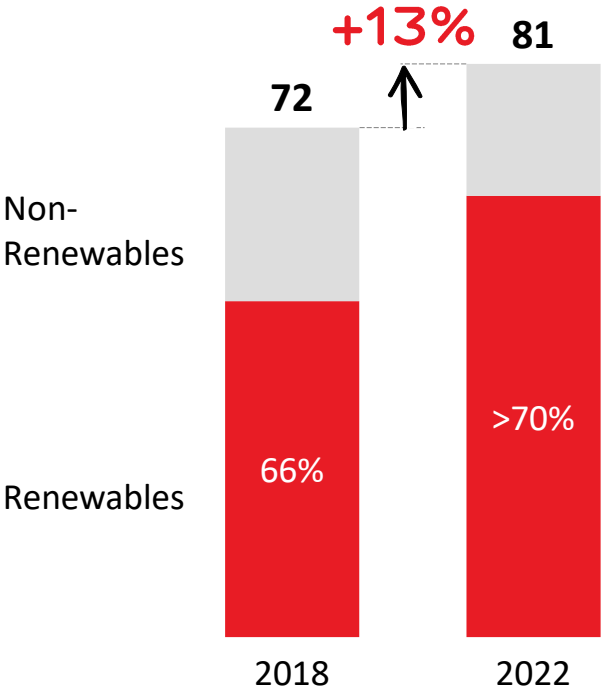
Key highlights



+XX Growth, 2019-22

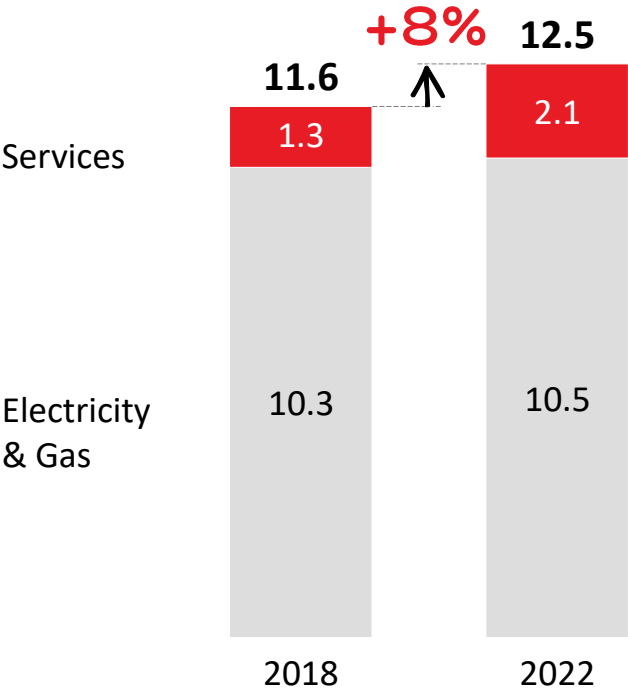
Strong increase of energy under management

TWh



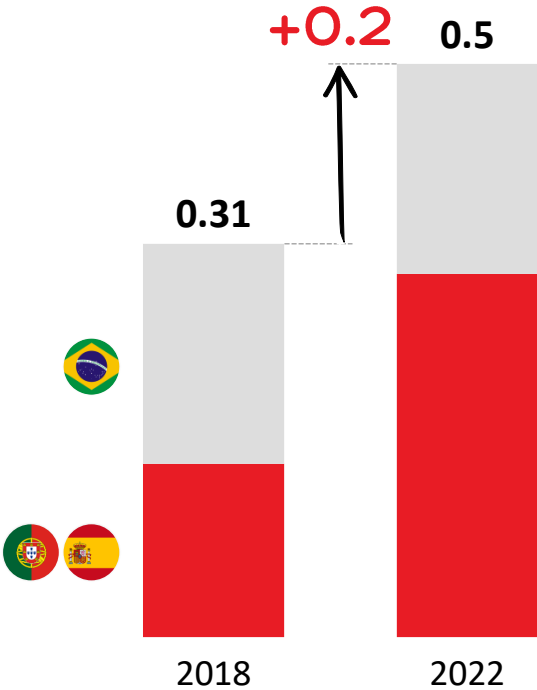
Growth driven from services contracts increase

of contracts, Mn



Significant EBITDA growth in Iberia

EBITDA, € Bn¹

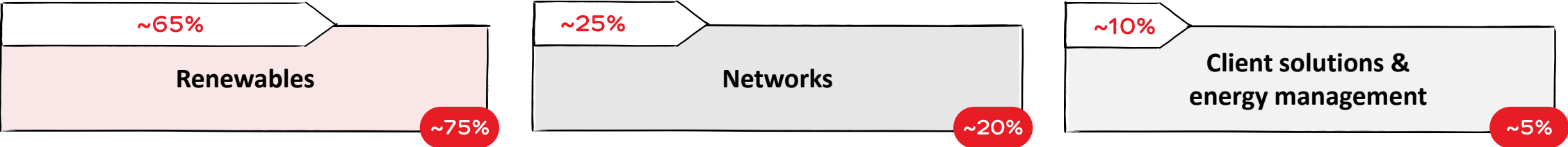


¹ Disposals included in proportion of EBITDA of each platform

Overview of our platforms - key highlights



% Weight on EBITDA 18 Share of Capex 2019-22 2018 2022



Installed capacity, GW

21.0 $\xrightarrow{+17\%}$ 24.6

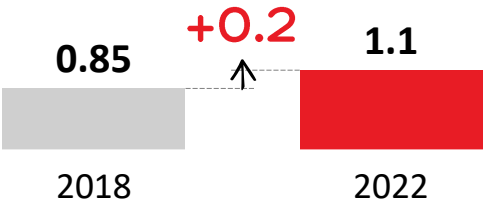
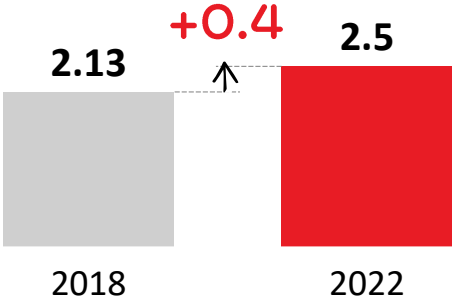
RAB, € Bn

5.2 $\xrightarrow{+15\%}$ 6.0

services contracts, Mn

1.3 $\xrightarrow{+54\%}$ 2.1

EBITDA, € Bn¹



¹ Disposals included in proportion of EBITDA of each platform

We will deliver superior value



	2018	2020	2022		
EBITDA, € Bn Increased results with distinctive renewables profile	3.3	~3.7	>4.0	↑	CAGR +5%
Net income, € Bn Earnings acceleration	0.8	~0.9	>1.0	↑	CAGR +7%
Investments, € Bn Step-up investment plan with renewables focus	1.8/yr <i>(BP 2016-20 target)</i>	2.9/yr		↑	+60%
Net debt, € Bn Significant net debt reduction	13.5	~11.5		↓	~ €2 Bn net debt reduction
Net debt/ EBITDA, x Strong deleverage upfront	4.0	<3.2	<3.0	↓	-1.0x

We have a prudent financial policy

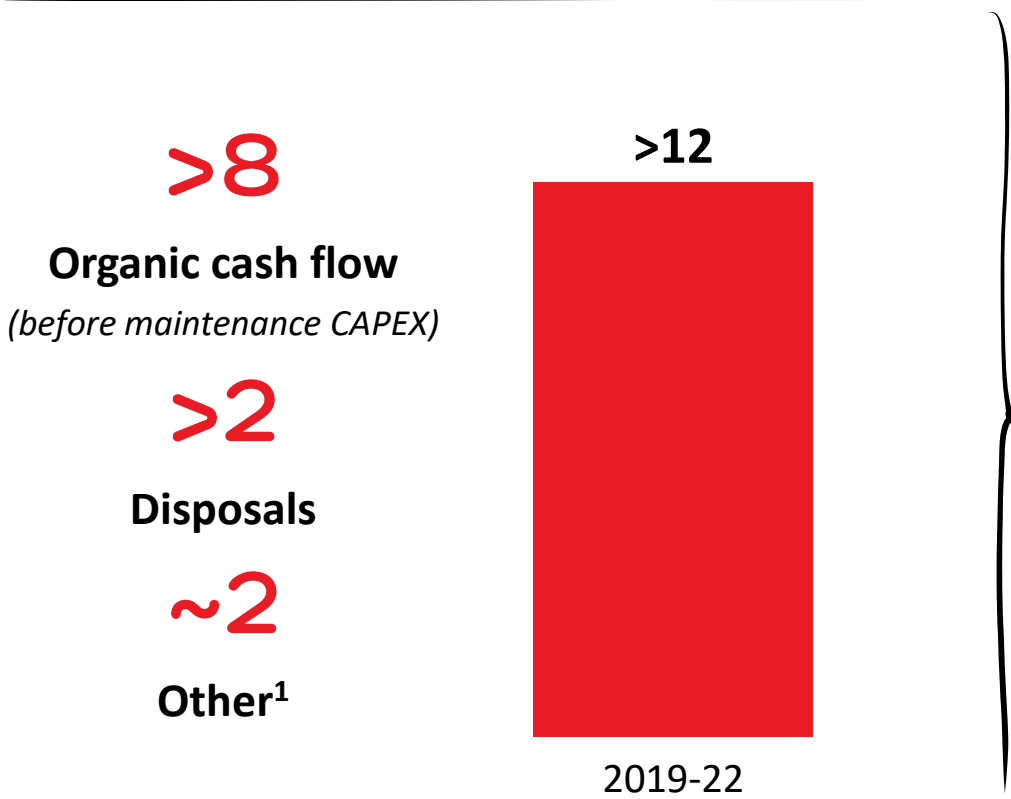


We will commit our funds to support attractive shareholder remuneration, deleverage and significant growth

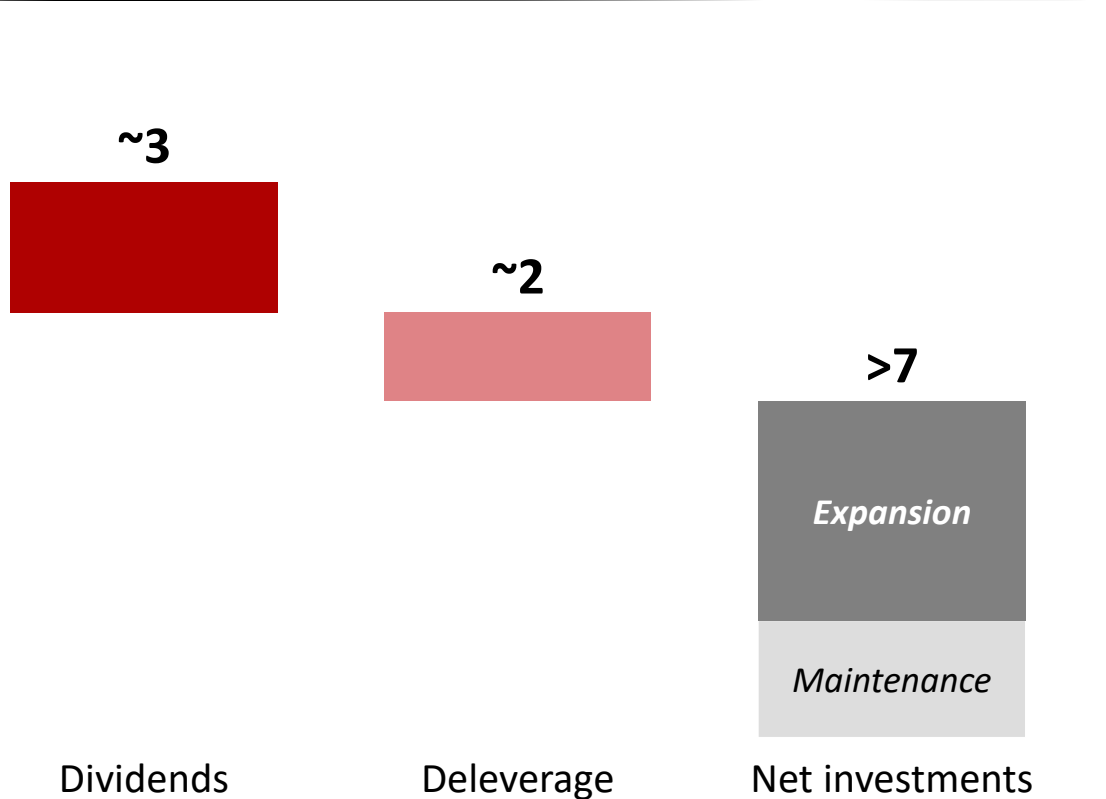


2019-22, € Bn

Sources of cash



Uses of cash



¹ Includes hybrid (equity content), TEI proceeds and change in regulatory receivables



*Leading the energy transition
to create superior value*



**Superior value delivery
to all stakeholders**



People



Planet



Communities



Clients



Shareholders

A green utility with...



Distinctive renewables portfolio



Stable networks



Clients in multiple geographies



Solid investment grade



Sustainable dividend policy





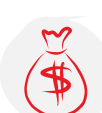
We will pursue growth under a sustainable business model

In 2022 we will achieve...



Our key targets



Our strategic axis	Key initiatives	Key figures
 Accelerated and focused growth	<ul style="list-style-type: none"> • Step-up growth in renewables with >7 GW gross additions • Leverage on asset rotation model as a key complement to our strategy • Deliver superior execution of transmission projects in Brazil 	<p>>€4 Bn EBITDA 2022 (>5% CAGR)</p> <p>~€12 Bn CAPEX 2019-22</p>
 Continuous portfolio optimization	<ul style="list-style-type: none"> • Recycle capital to accelerate growth in renewables • Reduce exposure to Iberia/merchant/thermal • Accelerate improvement of risk profile 	<p>>€4 Bn Asset rotations</p> <p>>€2 Bn disposals</p>
 Solid balance sheet and low-risk profile	<ul style="list-style-type: none"> • Commitment to solid investment grade • Reduce net debt by ~€2 Bn • ~90% CAPEX in regulated/LT contracted 	<p><3.0x Net Debt/EBITDA 2022</p> <p>>75% EBITDA regulated/LT contracted</p>
 Efficient and digitally enabled	<ul style="list-style-type: none"> • Reinforce efficiency/cost reduction programs • Implement digital transformation plan • Foster a more flexible and global organization 	<p>~€300 Mn cumulative OPEX savings</p> <p>-2% CAGR OPEX like-for-like</p>
 Attractive shareholder remuneration	<ul style="list-style-type: none"> • Distinctive green positioning • Sustainable EPS growth to deliver DPS increase • Dividend floor of €0.19 	<p>>€1 Bn Net Profit 2022 (~7% CAGR)</p> <p>75 - 85% Payout ratio, with 19 cents € floor</p>

Why we are well positioned to deliver



→ >7 GW growth in Renewables

- ~70% already secured or under active negotiation for 2019-22
- ~100% secured/ under active negotiation for 2019-20

→ >€4 Bn in asset rotation

- Solid track-record of asset rotations with €3.1 Bn proceeds since 2012
- Strong visibility for 2019 and prudent approach for 2020-22

→ >€2 Bn disposals

- High-quality asset base with strong market appetite and liquidity
- € 3.2 Bn value crystallization track record (2017-18)

→ Strong efficiency capture

- Annual savings target of BP2016-20 achieved 2 years ahead of schedule
- 4% OPEX reduction 2016-18 in Iberia (nominal) and Brazil (real terms)

→ Attractive shareholder remuneration

- ~€8 Bn in dividends since 2005, keeping a secure and growing floor
- Always shared growth with shareholders (DPS from 10 cents € in 2005 to 19 cents €)



Leading the energy transition to create superior value



We anticipated the sector

Renewables
generated electricity
share

20%
2005

>70%
2022



We have delivered superior value

TSR
(since 2005)

65%
*Eurostoxx
Utilities*

150%
EDP



We are uniquely positioned

Renewables EBITDA
share
(2018)

~30%
Peers

65%
EDP

A distinctive value proposition



Annex

STRATEGIC UPDATE
2019-22

Agenda



- 1 Market and macro assumptions
- 2 ESG
- 3 Corporate Governance
- 4 Financial policy
- 5 Assets highlights
- 6 Listed companies highlights

Agenda



- 1 Market and macro assumptions**
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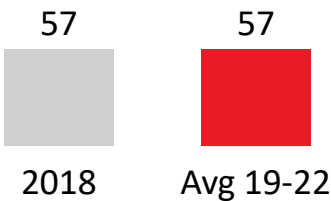
Main market and macro assumptions



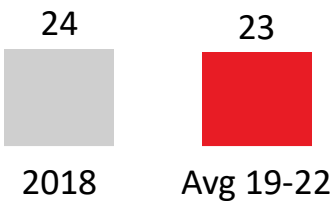
2018, Average 2019-22E¹



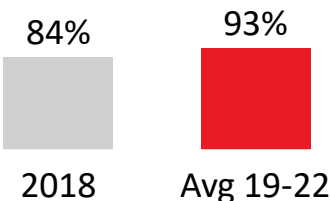
Pool Iberia. €/MWh



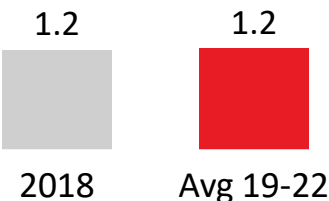
Natural Gas¹. €/MWh



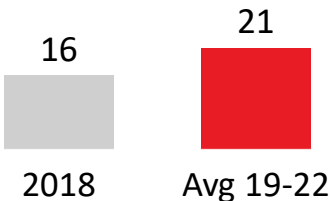
GSF (Brazil)



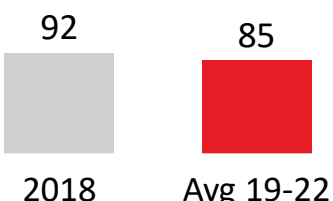
EUR/USD



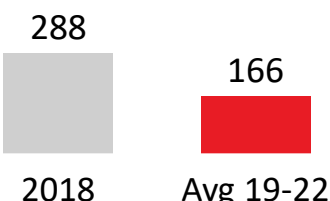
CO₂. €/ton



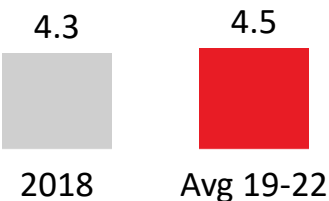
Coal². \$/ton



PLD (Brazil). BRL/MWh



EUR/BRL








Agenda



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We have a strong track record in sustainability



Index (# constituents)	Assessment Criteria	Score / Ranking	Year of inclusion
 Dow Jones Sustainability Indexes ~300	Calculates ESG performance following >20 criteria and >600 indicators	Ranked #2 of comparable peers	2008
 FTSE4Good ~950	Member of the FTSE Indices, evaluates ESG performance following 14 criteria	98 percentile	2010
 MSCI ~1250	Evaluates ESG performance following 37 key issues, excluding companies that violate international norms	AAA Rating	2012
 Euronext Vigeo Eiris ~125	Address ESG performance, following 38 criteria and >300 indicators	Ranked #1 of comparable peers	2012
 Member 2016/2017 STOXX ESG LEADERS INDICES ~400	Addresses ESG performance following 48 criteria	Ranked #3 of comparable peers	2015

Sustainability and Innovation: Renewables

EDP is actively involved in new technologies deployment





Wind offshore floating



23% equity stake in Principle Power (technology developer)

2 pre-commercial projects

 25 MW, COD 2019, 54.4% stake

 24 MW, COD 2021, 35% stake

Hybrid projects renewables + batteries



Cobadin wind farm, Romania

- 1.26 MW | 1.368 MWh battery
- Savings in balancing costs and ancillary services' revenues

Participation in several hybrid technologies RFPs in the US

New solar solutions



Floating solar

- 220 kWp of in Alto Rabagão dam (under operation)
- 4 MW in Alqueva dam (licensing)



Access to energy

- Stake in SolarWorks!, that sells decentralized solar energy solutions in Mozambique

Sustainability and Innovation: Networks

Key to enhance higher standards of efficiency and safety



Safety



Drones

- Preventing activities
- Improved remote monitoring



Climagrid

- Uses climate data to **prevent disturbances** in the distribution grid
- Climagrid allowed **EDP Brazil to improve 11 positions in ANEEL ranking** of efficiency

Digitalization



Smart meters

- From 38% installations in Iberia (2018) to 100% by 2030



Integrid (Smart grid)

- Pilot project about managing the grid with the integration of new technologies, namely distributed energy resources and DSM

Storage



Battery in Medium Voltage grid

- **472 kW** | 360 kWh



Vehicle to grid

- Testing V2G chargers

Sustainability and Innovation: Customer solutions

Contributing to the energy transition and meeting customers' needs



Energy efficiency

B2B



Save to compete

- Energy efficiency plan for companies

B2C



Funciona

- Insurance for domestic appliances
- Almost 1 Mn clients in Iberia

Energy certification



Distributed solutions



Solar PV solutions

- Active presence in Portugal and Brazil
- Entering in Spain

Complementary services to solar PV



Battery



Re:dy

- Load management

E-mobility



EDP Wallbox

- Home charging solution
- Load management



E-Mobility energy supplier

- EDP card can be used in public charging stations



Charging Stations:

- Portugal: 349
- Spain: 110
- Brazil: 8 stations

Agenda



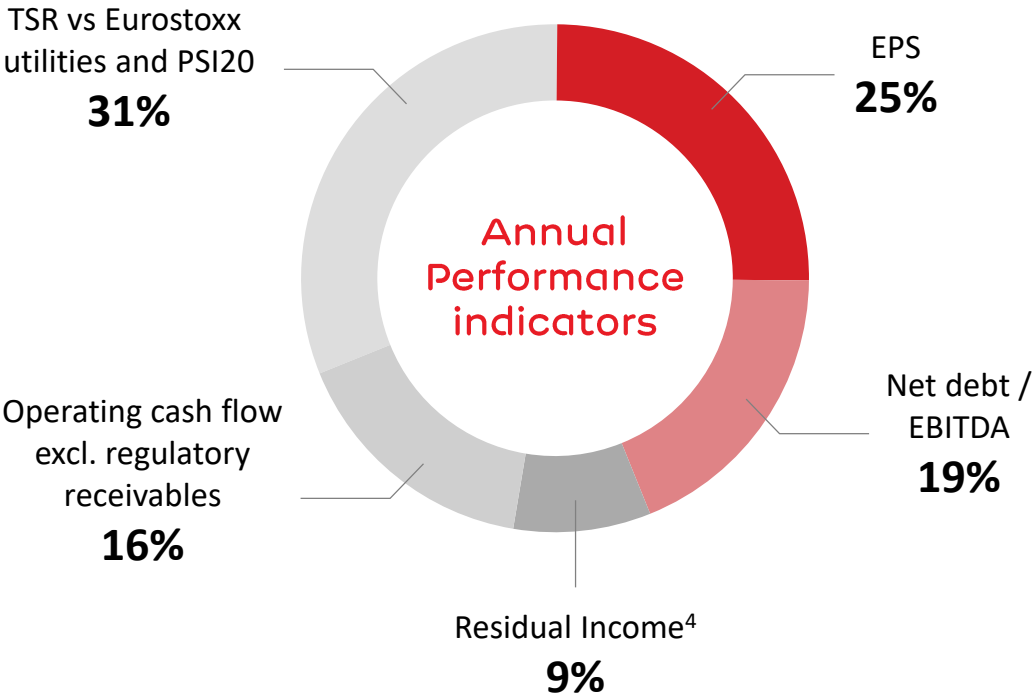
- 1 Market and macro assumptions
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Management targets are fully aligned with shareholder interests

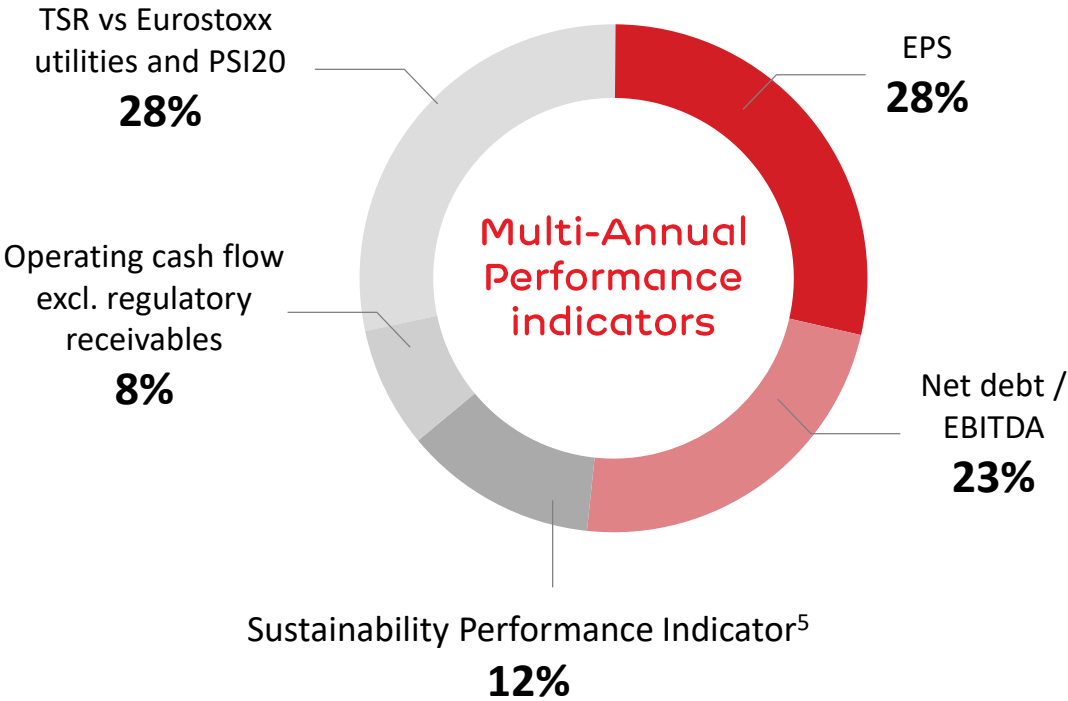


Performance indicators for Executive Board of Directors variable remuneration¹

Annual²



Multi-annual³

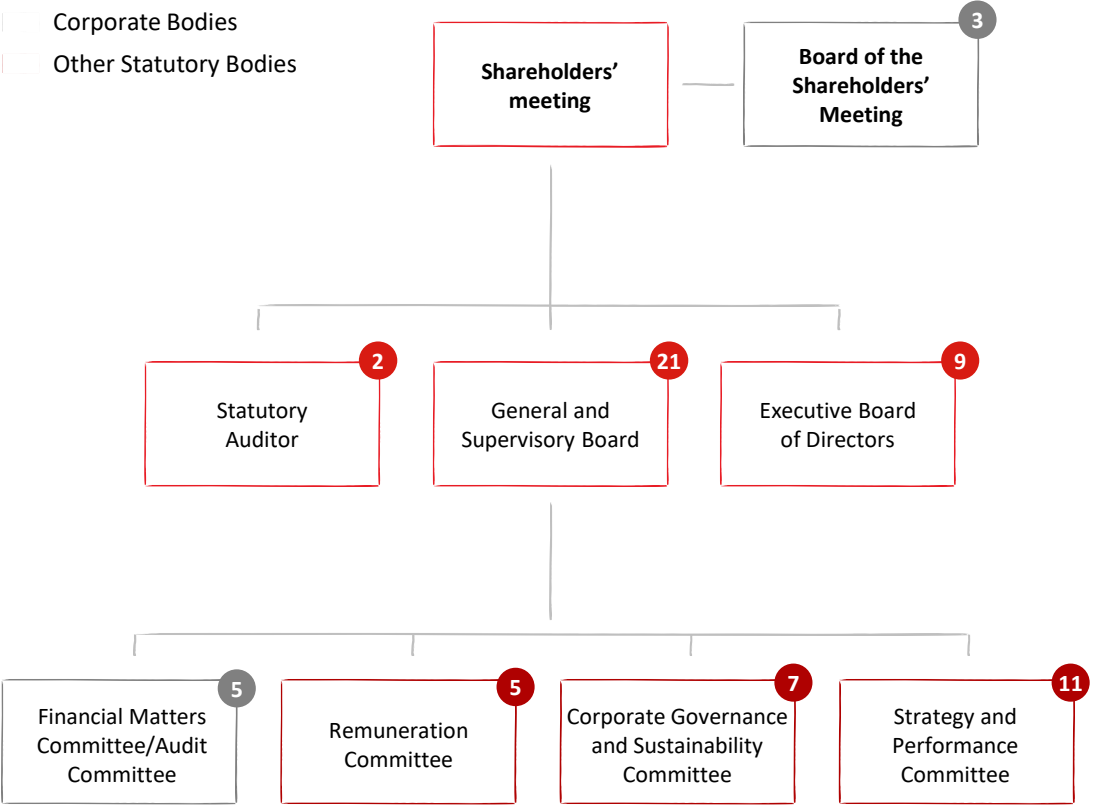


¹ Only considers quantitative component, which is worth 80% of total for annual performance and 65% of total for multi-annual performance indicators | ² Comparison with budget | ³ Comparison with Business Plan | ⁴ Residual Income: Comparison between the net income minus the product between EDP's cost of capital and its net worth, excluding non-controllable interest, and the amount previously defined in the annual budget approved by the General and Supervisory Board | ⁵ Sustainability Performance Indicator: This indicator evaluates EDP sustainability performance taking into account: absolute metrics' evolution over past periods, peer comparison and qualitative performance evaluation of the Remuneration Committee of the General and Supervisory Board

Corporate Governance: Dual Model

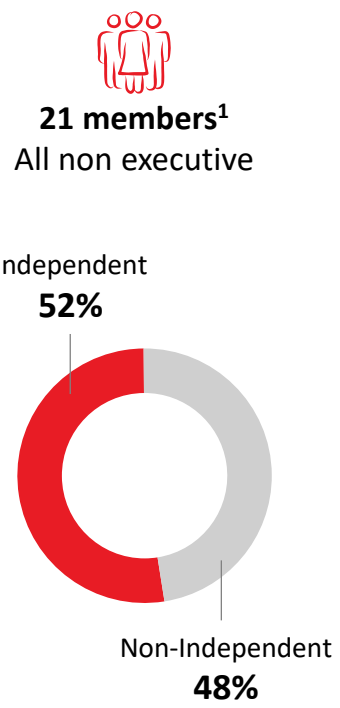


- Number of members
- Corporate Entities
- Corporate Bodies
- Other Statutory Bodies



General and Supervisory Board


Luís Amado
Chairman &
Independent member




11 meetings in 2018

¹ One of the members has tendered his resignation during 2018

Corporate Governance: EDP Executive Board of Directors



António Mexia
CEO



João Manso Neto



António Martins da Costa



João Marques da Cruz



Miguel Stilwell d'Andrade
CFO



Miguel Setas



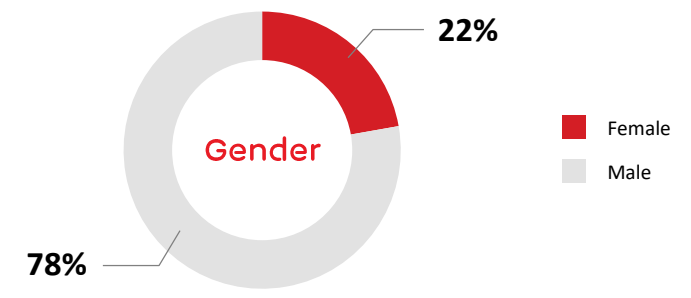
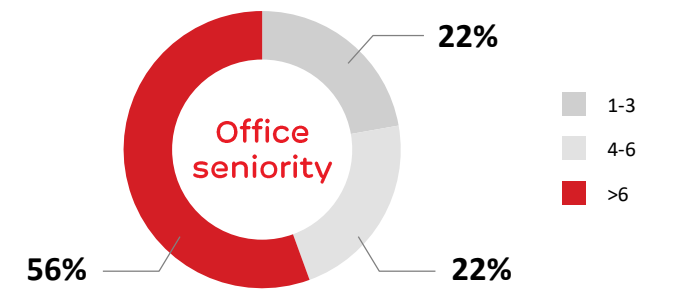
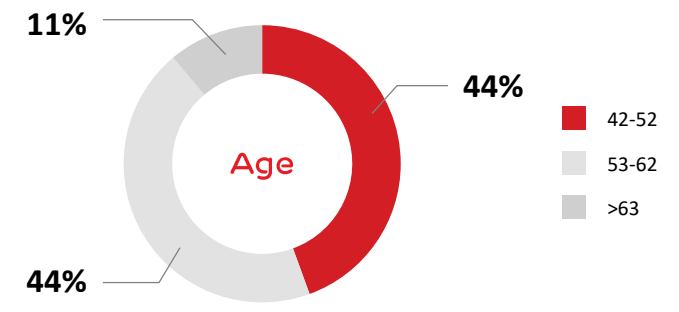
Rui Teixeira



Teresa Pereira



Vera Pinto Pereira

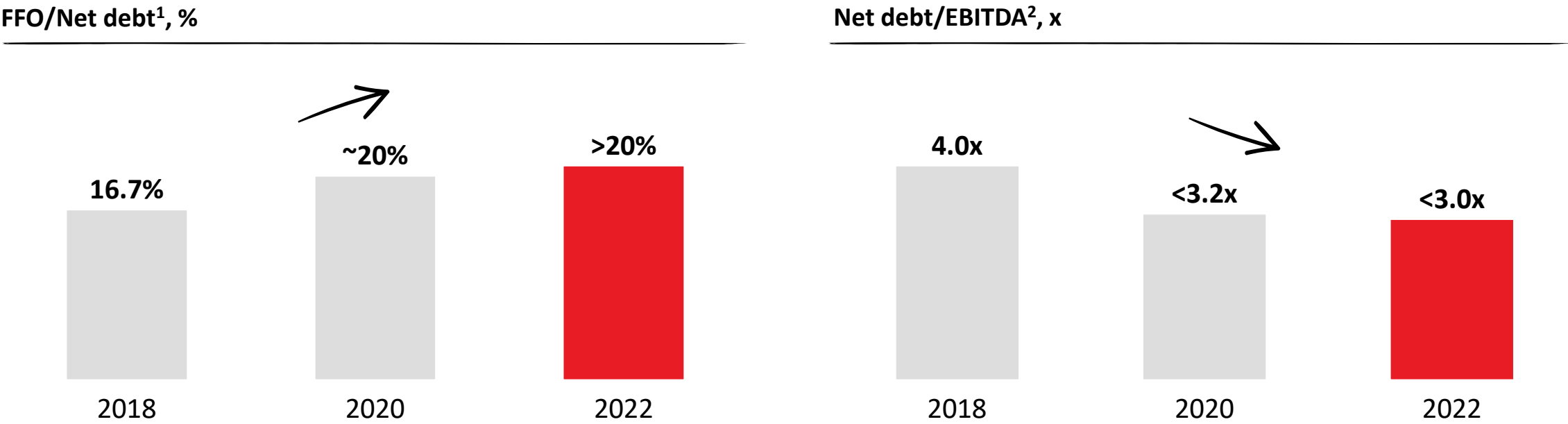


Agenda



- 1 Market and macro assumptions
- 2 ESG
- 3 Corporate Governance
- 4 Financial policy**
- 5 Assets highlights
- 6 Listed companies highlights

Commitment to solid investment grade, targeting BBB rating in 2019-22



✓ Strong Cash-flow generation ✓ Disposals ✓ ~€2 Bn net debt Reduction

 Includes impact of newly issued €1 Bn hybrid

Deleveraging prompted by cash flow generation and focused growth under less capital-intensive model

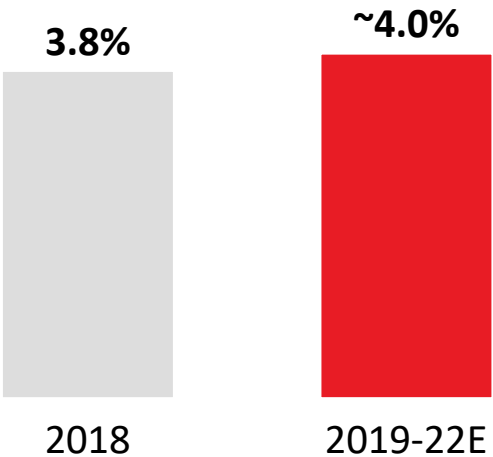
1 FFO = EBITDA Recurring (excluding one-offs) - 'Current income taxes' - 'Net financial Interests' +/- 'Net income and dividend received from associates' +/- 'Other WC adjustments'; Net Debt excludes Regulatory Receivables | 2 EBITDA Recurring (excluding one-offs), Net Debt excludes Regulatory Receivables




Active management of interest rate and ForEx risks



EDP Average Cost of Debt, %

- ✓ Fixed Rate above 55%
- ✓ Forecast considers forward curves



Debt Cost	
2018	
	2.4%
	4.5%
	9.2%
Other	5.7%

Debt Mix ¹	
2018	2019-22
58%	↓
28%	↗
10%	↗
4%	↔

Net Investments
2019-22

Maintaining Net Investment hedge policy through funding in same currency of investments

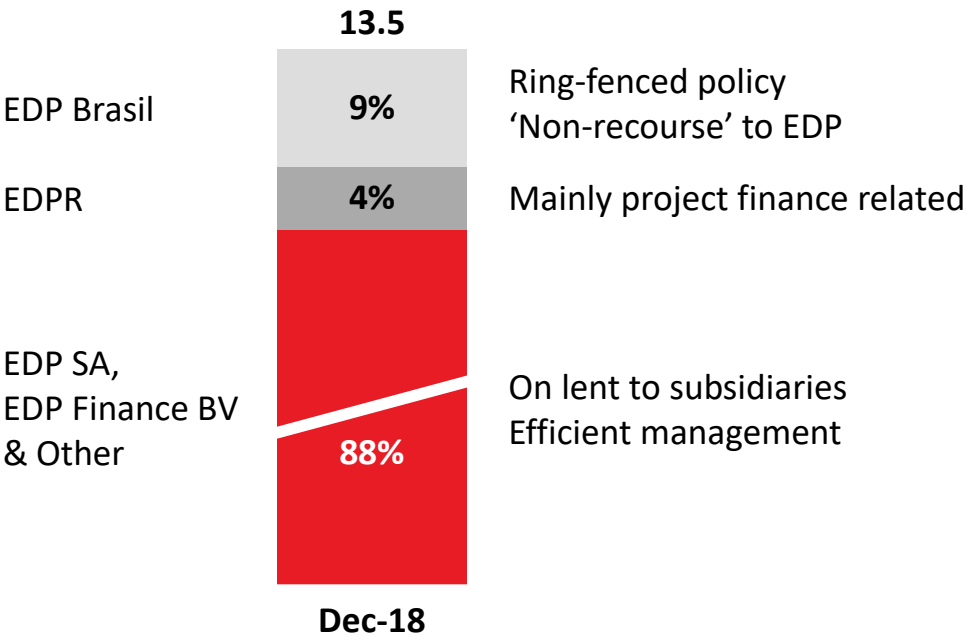
Average cost of debt at ~4.0% despite increasing weight of USD/BRL debt

Funding primarily raised at Holding level, enhancing efficient debt management



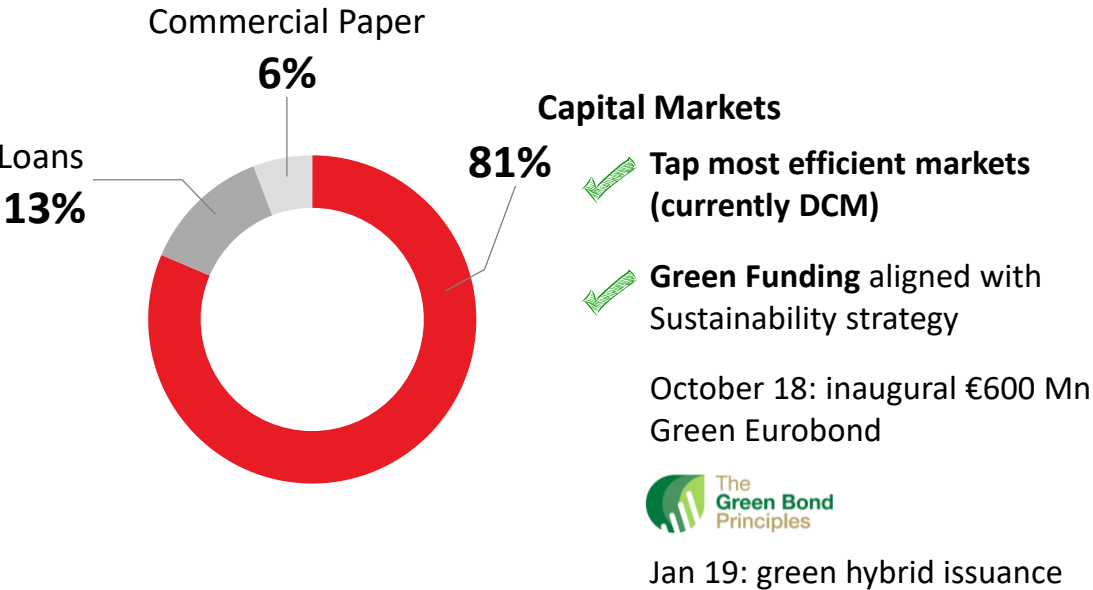
EDP Consolidated net debt position in Dec-18

€ Bn



Sources of debt funding

December 2018, %



Funding needs primarily raised at Holding level (~80%) through diversified sources of funding

Agenda



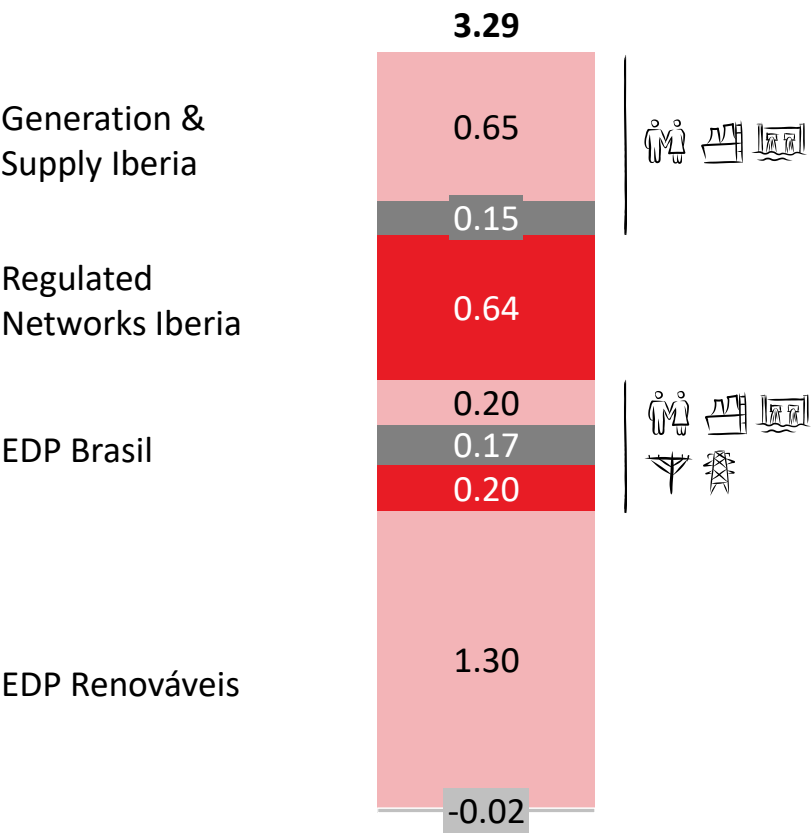
- 1 Market and macro assumptions
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EBITDA 2018: Previous segments and new platforms



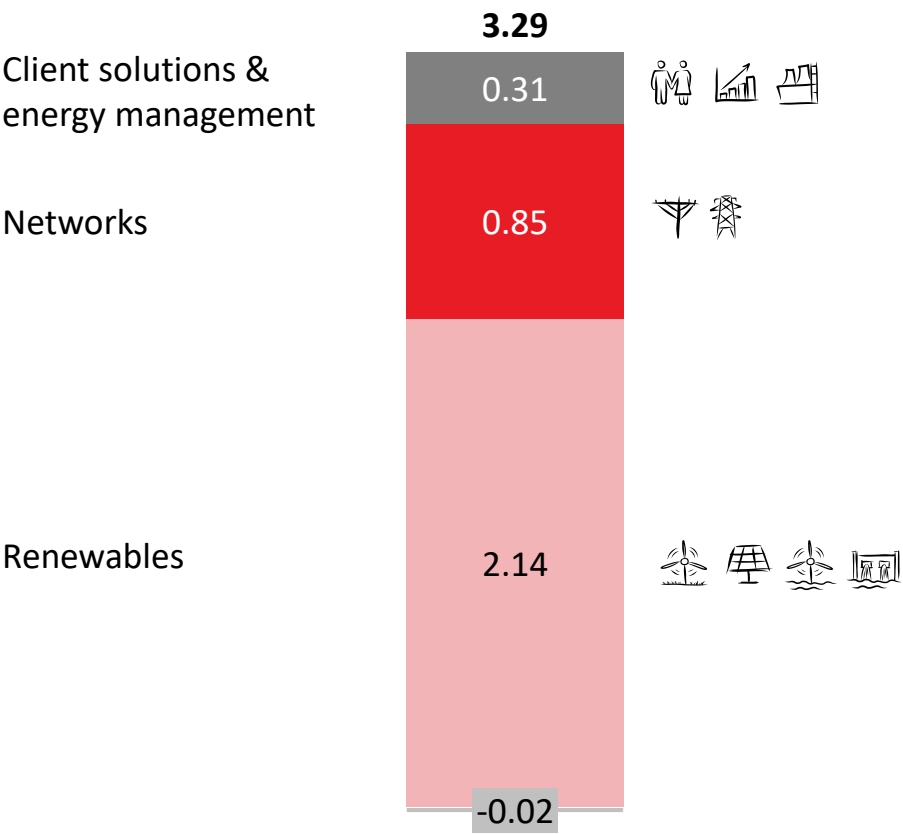
Previous segments

Recurring EBITDA 2018, € Bn



New platforms

Recurring EBITDA 2018, € Bn



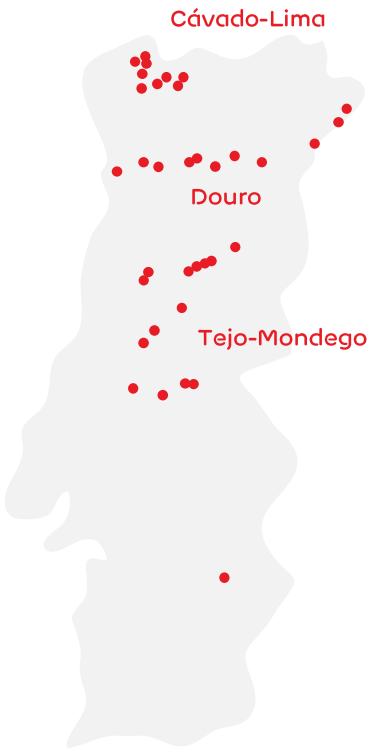
NOTE: Segmental reporting adjustments for 2018 figures on a preliminary base, non-audited
STRATEGIC UPDATE



Hydro: 7.2 GW of capacity in Iberia, of which 4.3 GW with reservoir, 2.8 GW pumping



Hydro plants in Iberia¹

Hydro plants in Portugal



		Installed capacity		Net generation ¹ TWh	Avg. concession maturity
		MW	%		
 Portugal	Total	6,767	94%	10.7	2054
	Reservoir	4,294	60%		
	Of which pumping	2,806	21%		
	Run-of-River ²	2,472	34%		
 Spain	Total	426	6%	0.8	2051
Total Iberia		7,193		11.5	

Reservoir: provides flexibility, increasingly important in high renewables penetration markets

Pumping: provides flexibility and storage, benefiting from peak / off peak arbitrage

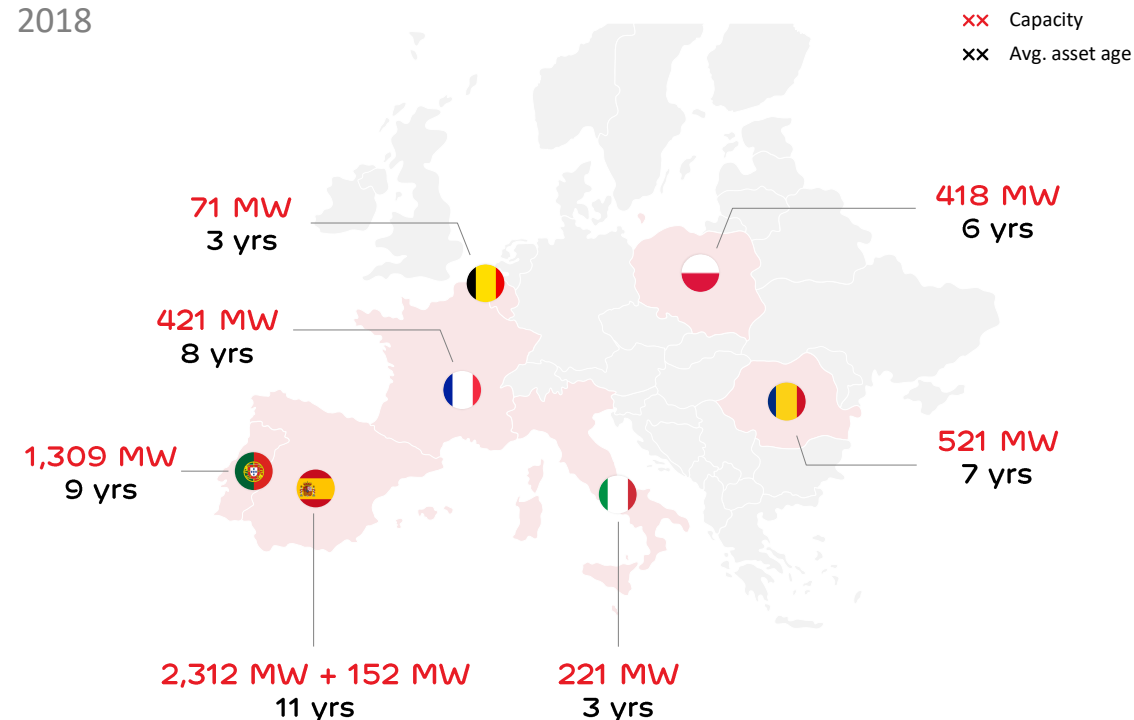
¹ In an average hydro year. Excludes Special Regime Generation in Portugal | ² Includes small-hydro


Wind & Solar Europe: 5.4 GW of installed capacity in seven countries










Wind & Solar installed capacity

2018



 **5,272 MW** (EBITDA capacity) + **152 MW** (Equity capacity)
9 yrs (Avg age)

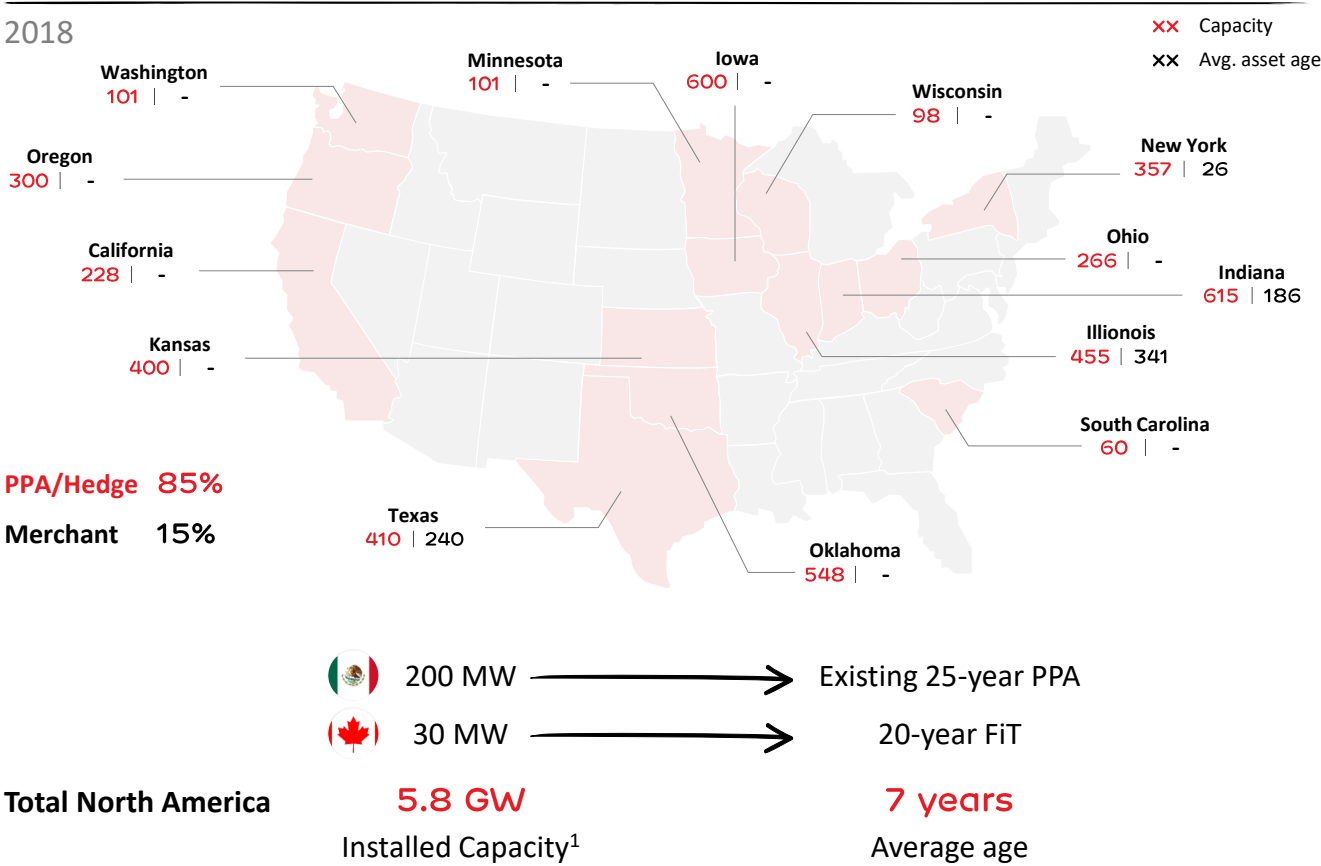
Remuneration frameworks for wind onshore

- | | |
|--|--|
|  Spain | <ul style="list-style-type: none">Before 2016: Pool price and a premium per MW, if necessary, in order to achieve a target returnPost 2016: New capacity allocated through competitive auctions |
|  Portugal | <ul style="list-style-type: none">FiT CPI updated (the later of 2020 or 15 year; +7yrs extension)ENEOP: FiT for 15+7 yearsVENTINVEST: FiT 20 years |
|  Romania | <ul style="list-style-type: none">Market price + Green Certificate (GC) for 15 years |
|  France | <ul style="list-style-type: none">FiT/ CfD for 15/20 yrs |
|  Poland | <ul style="list-style-type: none">Wind receives 1 GC/MWh + market priceIndexed CfD for 15yrs |
|  Italy | <ul style="list-style-type: none">COD < 2013: Pool + premium scheme for 15 yearsCOD > 2013: 20 years contract award through competitive auctions |
|  Belgium | <ul style="list-style-type: none">Market price + green certificate |

Wind & Solar North America: 5.8 GW of capacity in the US, Mexico and Canada



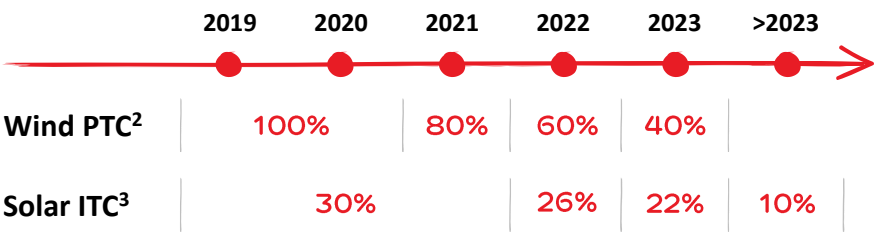
Wind & Solar installed capacity



Remuneration framework for wind onshore in the US

- Sales can be agreed under **PPAs**, **hedged** in forward markets or **merchant prices**
- **Green certificates** (Renewable Energy Credits, REC) subject to each state regulation
- **Tax incentive**
 - **Production Tax Credits (PTC)** US\$24/MWh in 2018, collected for 10-years since COD
 - **Investment Tax Credits (ITC)** % of CAPEX

Tax incentives phase-out schedule in the US by year of commissioning (COD)



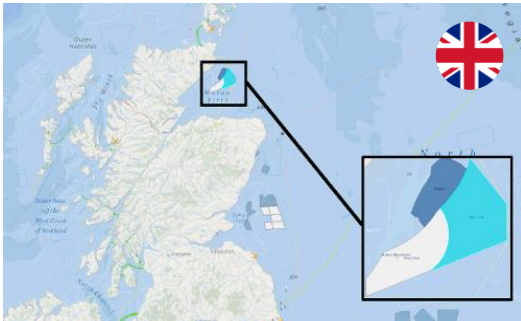
¹ EBITDA + Equity capacity (Only EBITDA capacity represented in the map) | ² 2 % of PTC | ³ 3 % of CAPEX
STRATEGIC UPDATE

Wind offshore strategy based on assets development and operation through JV's to diversify risks



Wind offshore projects with CFD/FiT secured

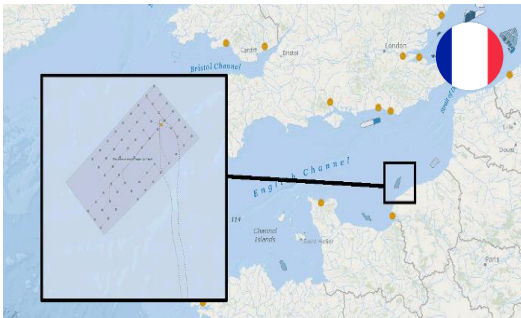
Moray East



950 MW – 100 x Vestas 9.5 MW

- Stake: 33.3%
- 15-year CfD
- FID and project finance in 4Q18
- COD: 1Q2022

Noirmoutier & Le Tréport



992 MW – 124 x Siemens 8MW

- Stake: 29.5%
- 20-year Feed-in Tariff
- FID in 2020E
- COD: 2023&24E

Projects in early stage of development



Mayflower (50% Stake) up to 1,600 MW

- Massachusetts Block 0521 with lease area awarded in Dec-18 (\$135 Mn) – JV with Shell



Moray West (67% Stake): up to 800 MW

- JV with Engie and synergies with Moray East

Regions with potential interest for new projects

- Northern Europe (Baltic and North Sea)
- US East Coast
- Northeast Asia

Renewables LatAm: EDP is set to rank in the TOP 3 wind players in Brazil



EDP portfolio 2018



Hydro



2.1 GW

Installed Capacity¹

19 yr

Average Concession Term

82%

LT contracted

Wind onshore



0.5 GW

Installed Capacity¹

3 yr

Average Age

100%

LT contracted

Hydro Growth Projects


 **Peru:** 50% stake in 0.2 GW hydro (under construction)

EDP's Hydro plants in Brazil

2018

Asset	EDP's stake	Installed capacity, MW	Avg. PPA maturity	Concession Maturity
Lajeado	73%	903	2032	2033
Peixe Angical	60%	499	2021	2036
Mascarenhas	100%	198	2025	2025
EBITDA Consolidated		1,600		
Cachoeira Caldeirão	50%	219	2044	2048
Jari	50%	393	2044	2044
São Manoel	33.3%	700	2045	2049
Total		2,139¹		

Wind & Solar Growth

 **Brazil:** 0.8 GW secured for 2020-24

 **Colombia:** Pipeline of projects under development



¹ EBITDA + Equity GW consolidated capacity

Networks Iberia: 55 TWh of electricity distributed in Iberia, with superior quality of service



Networks portfolio in Iberia

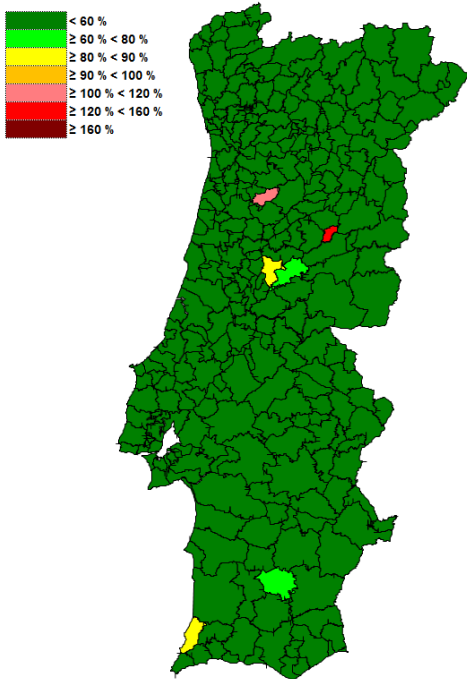
2018

			Iberia
Electricity Distributed TWh	46.1	9.4	55.4
Supply points Thousand	6,226	666	6,892
Network Thousand km	226	21	247
Regulated Asset Base, € Bn	3.0	1.0	4.0

Electricity distribution in Portugal

Quality service¹

2017



High/Medium Voltage

- Country-level concession up to 2044
- RAB €1.8 Bn
- RoRAB² 5.4% (2018)

Low Voltage

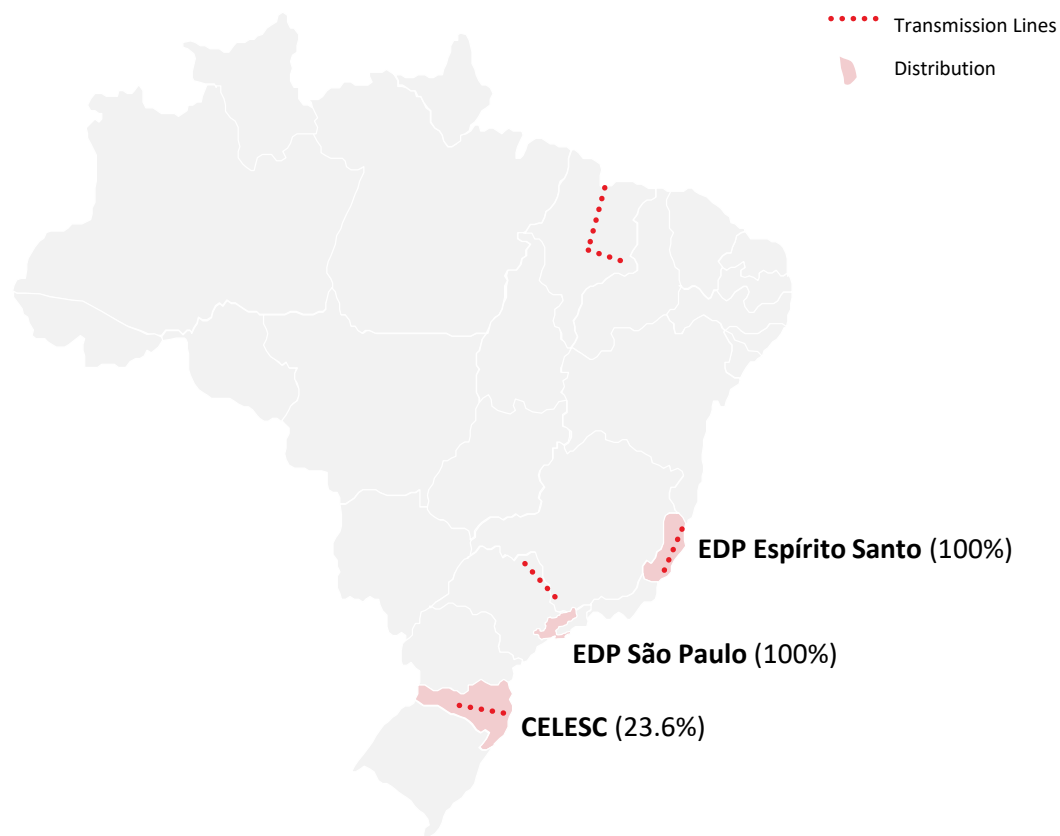
- 278 concessions, 92% of them expiring in 2021-22
- RAB €1.2 Bn
- RoRAB² 5.7% (2018)

¹ Provisory data; TIEPI MV, % of the reference value defined in the Quality Service Regulation | ² Nominal pre-tax, before CESE

Networks Brazil: Growth driven by the stable regulatory environment and transmission opportunities



Networks geographical footprint



Distribution assets¹

Distribution Subsidiary	EDP's stake	Net RAB, R\$ Mn	Next regulatory review ²	Concession Term	Supply points, Th	Distributed Energy, TWh
EDP Espírito Santo	100%	2,015	Aug-19	2025	1,887	15.2
EDP São Paulo	100%	1,667	Oct-19	2028	1,564	9.8
EBITDA consolidated		3,682			3,451	25.0
CELESC	24%	3,007	Aug-21	2045	2,976	23.8
Total		6,689			6,427	48.8

Transmission assets

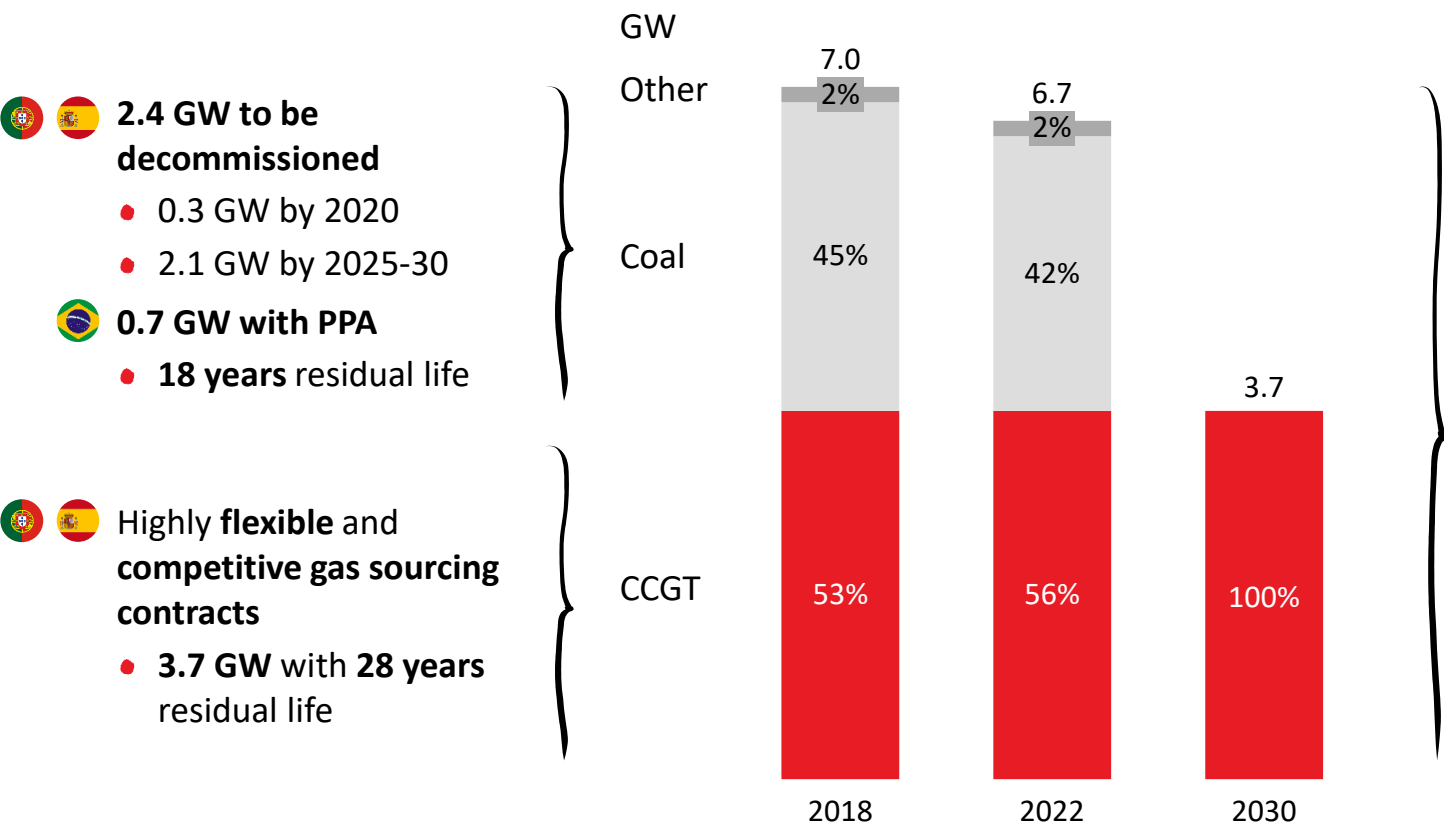
Lots ³	Km	Reg. Revenues, R\$ Mn	CAPEX, R\$ Mn	COD ⁴
ES - Lot 24	113	21	114	Dec-18
SC - Lot 21	485	172	1,121	Sep-20
MA I - Lot 7	121	66	388	Apr-21
MA II - Lot 11	203	30	184	Aug-20
SP-MG Lot 18	375	205	1,290	Mar-21
Total	1,297	494	3,097	

¹ Data for EDP São Paulo and EDP Espírito Santo refers to 2018, while CELESC data refers to 2017 | ² RoRAB of 8.1% already defined | ³ Lot 24 from the 2nd phase of the tender nº 013/2015 and the remaining lots are from tender nº05/2016 | ⁴ Refers to expected COD, which is sooner than the tender's bid

Gradual coal decommissioning, with remaining thermal portfolio being managed for value



Thermal portfolio to be gradually reduced...



... while managed for value



One of the most competitive portfolios in Iberia with a continuous focus in efficiency



Natural hedging with renewable sources (CCGTs expected to be essential for the next decades) and with clients



Open to value crystallization opportunities

Agenda



- 1 Market and macro assumptions
- 2 ESG
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Robust performance track-record

Double-Digit Growth

- R\$ 19.7 Bn gross revenues in 2018
- R\$ 3.1 Bn CAPEX in transmission
- 2.3x regulatory depreciation CAPEX in distribution
- New business development in southern state of Brazil (23.6% of Celesc)
- New Services and Solar Distributed Generation

Distinctive Execution

- Pecém TPP turnaround
- Delivery of 3 HPPs on-time and on-cost
- DisCos losses below regulatory target
- Transmission lines ahead of schedule

De-risking

- Energy risk
- Legal / regulatory risk
- Environmental risk
- Construction risk

Discipline

- Capital recycling
- 2.5x Net Debt / EBITDA
- Debt costs reduction
- Zero Based Budgeting

Driven by Technology

- Digital transformation
- Robotic processes automation and analytics
- Smart Grids
- Start-ups acceleration

Attractive investment outlook

- Focus on transmission, distribution and energy services

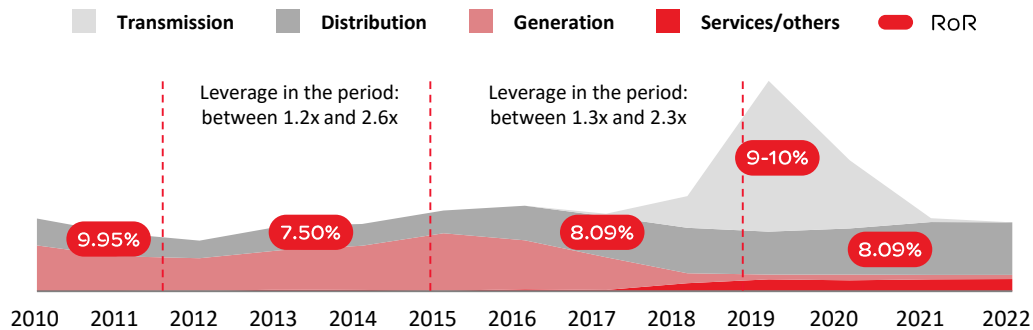
EBITDA CAGR of
~10-12%
2018-22

Efficient and diversified capital allocation leading to a more balanced portfolio



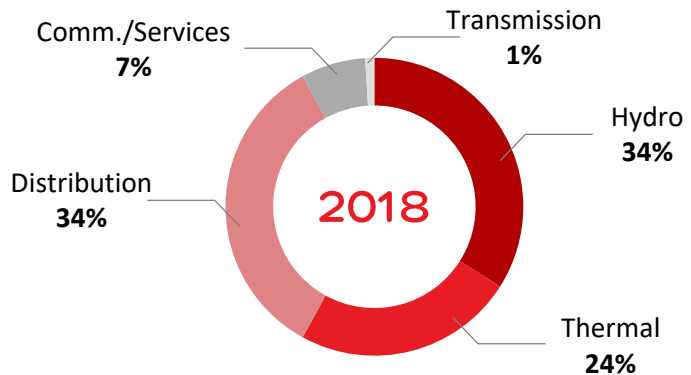
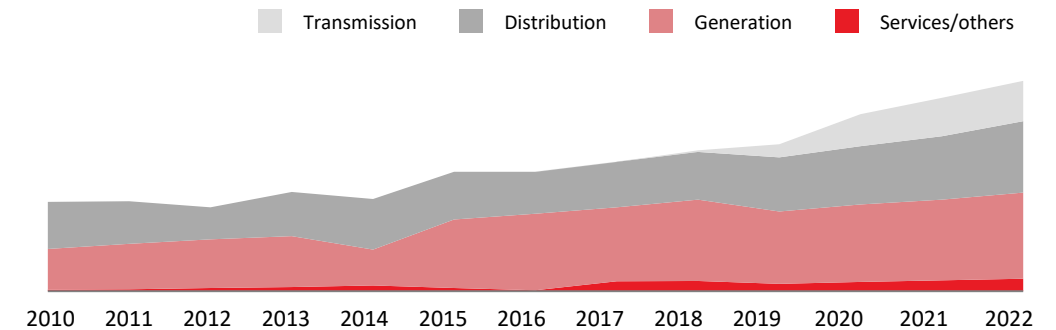
CAPEX

CAGR 2010-18: ~5%

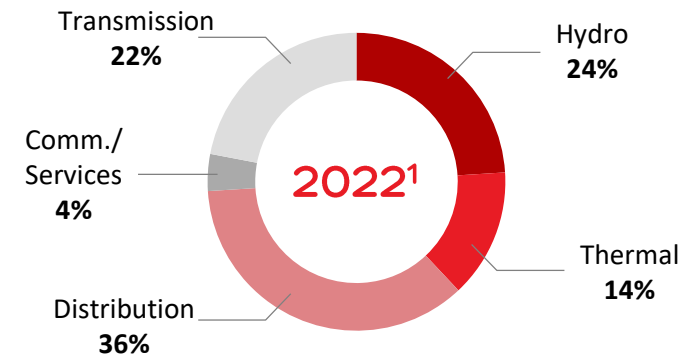


EBITDA¹

CAGR 2018-22: ~10-12%



EBITDA CAGR
~10-12%



¹ EBITDA 2015 adjusted for the gain in Pecém and 2018 for the gain of the PCHs sale

In a sector with an increased competitiveness and improved outlook, EDPR has defined a new strategic plan until 2022...



Successful execution across its **3 strategic pillars for 2016-20** and defining continuity for 2019-22

Execution: **Selective growth** (4 GW secured); **Self-funding** (€1.1bn asset rotations cashed-in); **Operational excellence** (-2% CAGR Core Opex/MW) 

Selective growth¹

2019-22

Solid value creation, investing in quality projects with predictable cash-flow stream...

~ 7 GW cumulative build-out of which 40% already secured

Geographical diversified
60% NA; 20% EU; 20% BR & New

Technological diversified
70% wind onshore; 25% solar; 5% wind offshore

Self-funding

2019-22

...enhanced by selling assets' stakes, crystalizing value and accelerate value creation...

> €8.0 Bn of investments
financed by asset rotation & assets' cash flow

> €4.0 Bn of asset rotation proceeds
ongoing strategy to generate extra-value

€4.0 Bn of net investments
fully financed by assets' CF generation

Operational excellence

2019-22

...and supported by distinctive core competences & unique know-how

33% load factor in 2022
from additions of competitive projects

>97.5% availability
technical expertise to maximise output

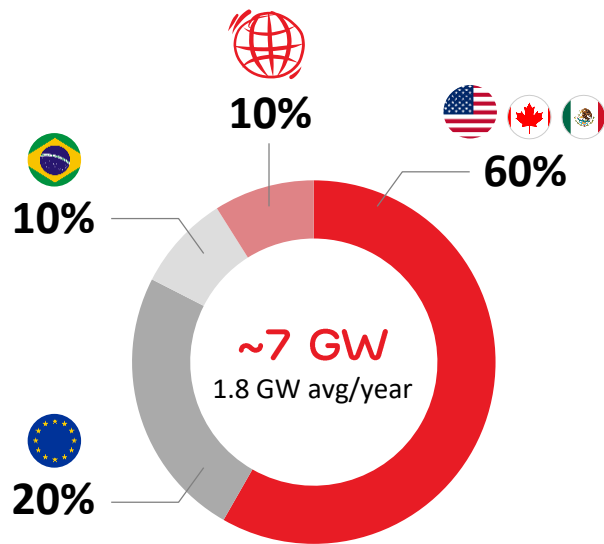
Core OPEX/MW -1% CAGR 18-22¹
from efficiency O&M strategy

...complemented by an expanded growth and asset rotation model, designed to unlock EDPR's full capabilities

¹ Core OPEX defined as Supplies & Services and Personnel Costs

Selective growth: unlocking EDPR development competences with 7 GW cumulative build-out for 2019-22

Capacity build-out by region¹, GW



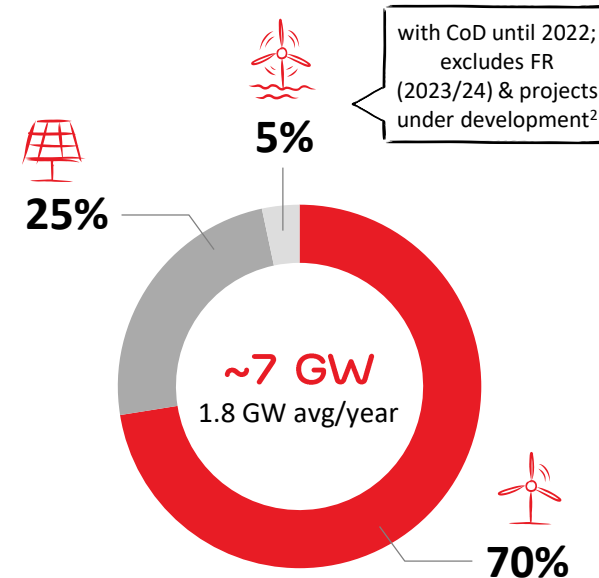
of which 40% already secured through PPAs or tariffs awarded

North America
Driven by RPS, C&I and coal/nuclear retirements, EDPR has already secured 1.5 GW all with LT contracts

Europe
Supported by governance & PPA appetite, EDPR has already secured 0.5 GW wind onshore & 0.3 GW wind offshore

Brazil & Other
BR: auctions/PPAs & stable regulation (EDPR has 0.6 GW secured); Other: being analysed

Capacity build-out by technology, GW



projects with long-term visibility & low risk profile

Wind onshore
A competitive technology, in which EDPR has competitive advantage and know-how

Solar PV
Increasing competitiveness, and relevance in EDPR technological mix pos-2020

Wind offshore
Backed by technological progress, EDPR developing projects in partnerships

Asset rotation strategy: sale of majority stakes (~50% of 7 GW) set to generate >€4bn of proceeds³

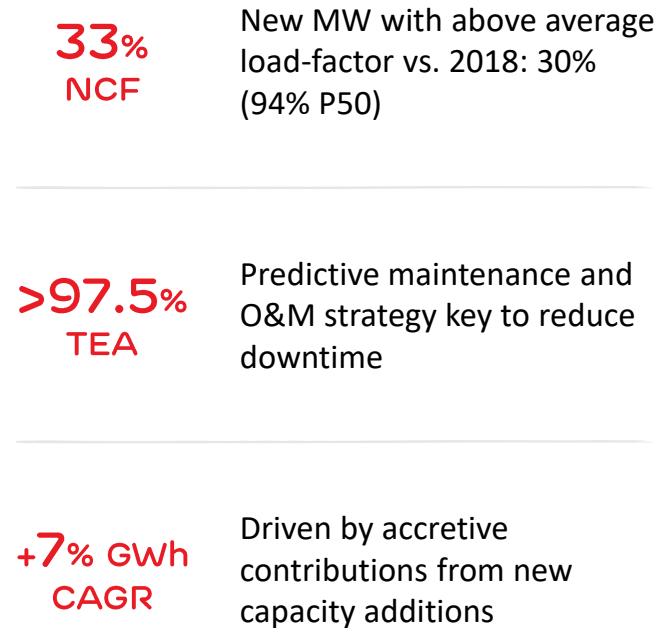
¹ Wind offshore until 2022 accounted under Europe | ² Includes UK (Moray East; 33% of 950 MW); Floating FR (35% 24 MW); Floating PT (54% of 25 MW); excludes FR (30% of 992 MW) and projects under development (US Mayflower and UK Moray West)

³ Equity and debt

Operational excellence: EDPR core competences and unique know-how set to maximize efficiency



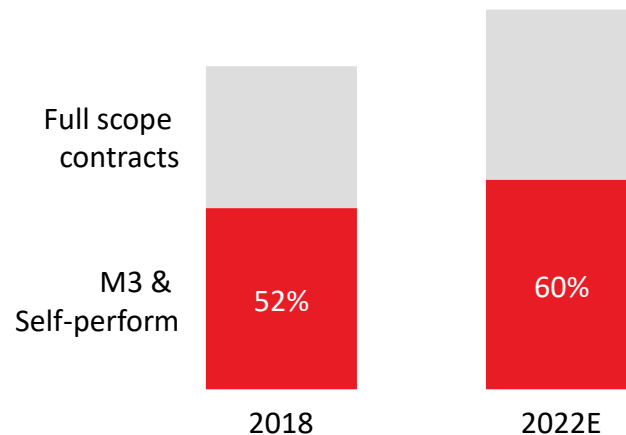
Wind assessment know-how to maximize asset value...



... and highly experienced teams delivering unique O&M strategy...

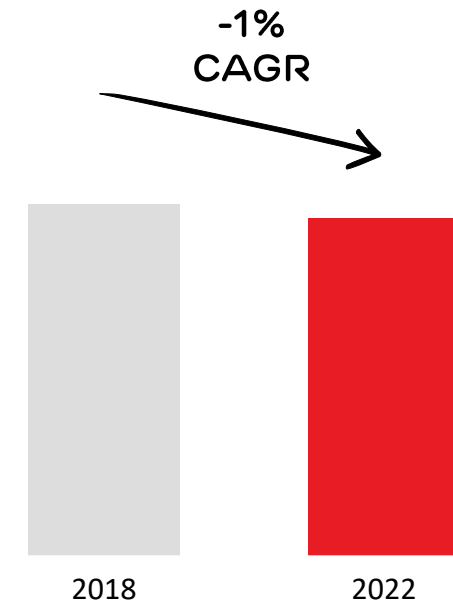
O&M contract breakdown (avg MW;%)

Optimizing O&M activities by increasing internalization at the end of initial contract warranty



... set to maximize efficiency and optimize costs

Core OPEX/ avg. MW



In addition of saving programs, several initiatives in place to drive increased efficiency

EDPR business model set to deliver predictable and solid growth targets...



Capacity build-out

GW



New capacity being technological & geographical diversified

2019-22

~7 GW
(~50% to own)

Excellence in operations

TWh



From MW to own with output propelled by superior load-factor & availability

2018-22

+7% CAGR
TWh

Less capital intensive

Asset rotation



Generating extra value without increasing capital employed

2019-22

>€4 Bn
proceeds

Excel at operational results

EBITDA



From capacity additions, operating efficiency and asset rotation strategy

2018-22

+6 %
CAGR

Unlocking bottom-line

Net Profit



From growth, controlled cost of debt and solid balance sheet

2018-22

+11 %
CAGR

...positioning to successfully lead a sector with increased worldwide relevance

edp