1H20 Results Presentation

Lisbon, September 4th, 2020

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1H20 Key Highlights

EBITDA: -3% YoY

- Recovery of hydro production in Iberia and good results in energy management
- Decline of electricity demand in all markets and Brazilian Real devaluation vs. Euro

€1,871m EBITDA

Recurring Net Profit: +8% YoY

- Avg cost of debt -70bps to 3.3% supported by more competitive refinancing costs
- Non recurring items (anticipated coal shutdowns, debt management): Reported Net Profit €315m (-22% YoY)

€509m Recurring Net Profit

Net debt: +2% YTD to €14.1Bn

- Recurring Organic Cash Flow of €1Bn (+51% YoY)
- Ramp-up of expansion investment (€0.8bn, of which 87% renewables)

3.7x Net Debt / EBITDA(1)

Significant strategic developments post 1H20

- Agreement for Viesgo acquisition (€2.7bn EV, electricity network & wind), €1bn Rights Issue (8.45% of share capital) closed in Aug-20
- Two asset rotations in renewables agreed in 3Q20, totaling €1.1Bn: 242 MW Spain (EV/MW of €2.1M), 563 MW US (EV/MW of US$2.1M)

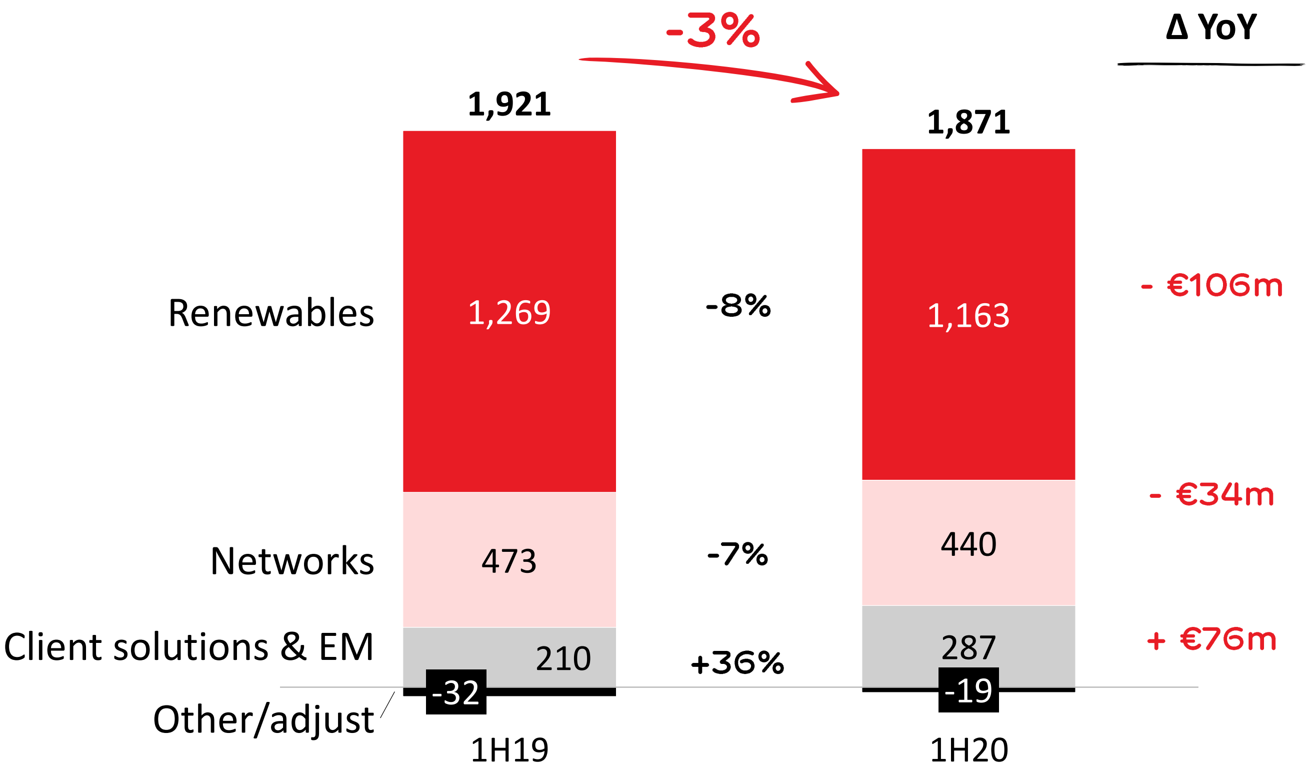
(1) Adjusted to reflect Regulatory Receivables and the temporary impact from tariff deficit sale

EBITDA supported by hydro normalisation in Iberia and good hedging results partially offset by weaker wind and lower asset rotation gains

EBITDA

€m; YoY growth, %

EBITDA flat YoY ex-forex (1)



- €106m:
  - -€172m Wind & Solar
  - +€99m Hydro Iberia
  - -€33m Hydro Brazil

Weaker wind resources (-9% vs. LT avg. in 1H20)
Avg. installed capacity -6% YoY (asset rotations in 2019)
Asset rotation gains -€74m YoY (€145m in 1H20, wind offshore)
Hydro production Iberia +83% (-4% vs. hist avg. in 1H20)

- €34m:
  - -€22m Iberia
  - -€12m Brazil

Regulated returns in Portugal and Spain lower YoY
BRL vs. Euro: -20% YoY
Brazil +12% in BRL (transmission growth, distrib. demand -8%)

+ €76m:
  - +€83m Iberia
  - -€6m Brazil

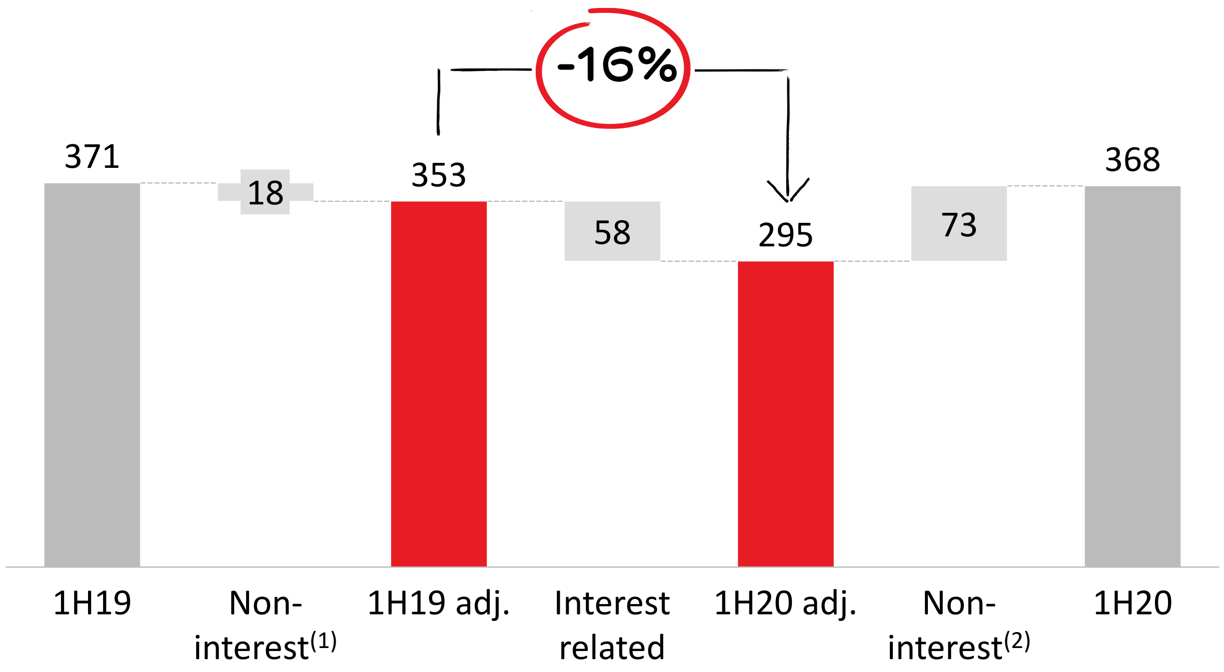
Energy management Iberia +€90m YoY
Client solutions Iberia -€7m YoY (energy demand -7%)

(1) FX Impact on EBITDA: -€64m (BRL), +€8m (USD)

Interest related costs -16%, with marginal cost of debt significantly below cost of maturing debt

Reported Net Financial Costs: 1H20 vs. 1H19

€m



Bonds issued

Green bonds

	Amount	Coupon	Maturity
Sep-19	€600 Mn	0.38%	2026
Jan-20 *(hybrid)*	€750 Mn	1.70%	2080
Apr-20	€750 Mn	1.63%	2027

2020/21 bond maturities

	Amount	Coupon
Jan-20	USD 583 Mn	4.13%
1Q20 *(hybrid)* (3)	€750 Mn	5.38%
Jun-20	€233 Mn	4.13%
Sep-20	€462 Mn	4.88%
Jan-21	€553 Mn	4.13%
Jan-21	USD 750 Mn	5.25%

Avg. cost of debt -70 bp 3.3%

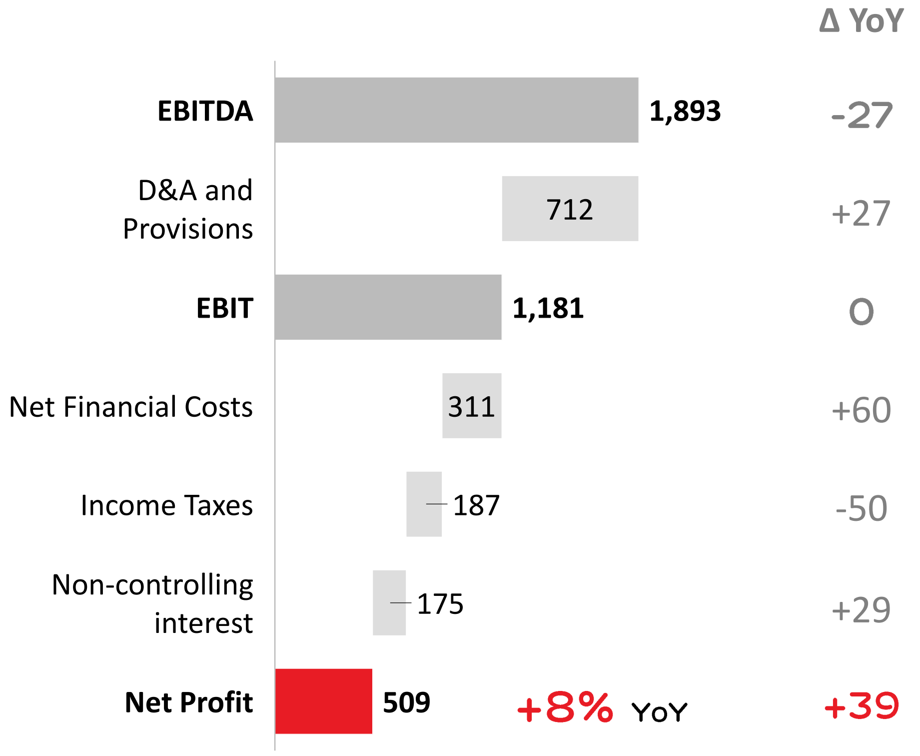
Proactive debt management over the past quarters with declining interest rates in Brazil over the past year

(1) Non-interest items in 1H19 includes: -€17m of net foreign exchange differences and -€1m capital gains | **(2)** Non-interest items in 1H20 are related with -€57m liability management cost to repurchase €750m hybrid bond with 5.4% coupon and -€16m net foreign exchange differences and derivatives | (3) Repurchased in 1Q20

Recurring net profit +8%, €194m one-offs in 1H20 due to anticipation of coal shutdown, hybrid-bond buyback and extraordinary energy tax

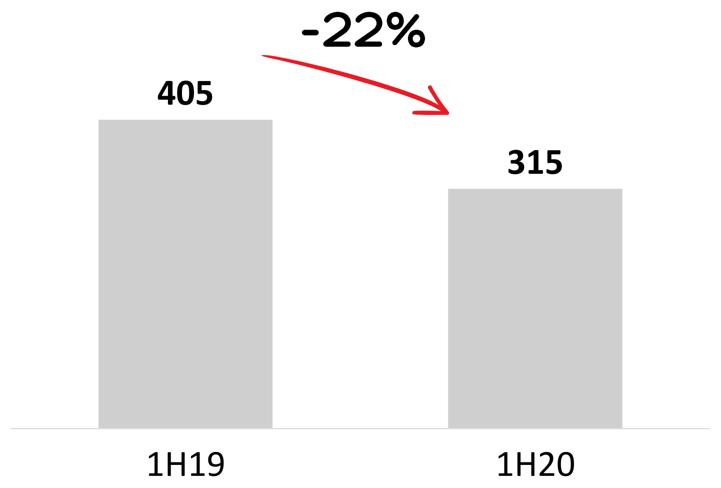
Recurring Net Profit 1H20

€m



Reported Net Profit

€m



Non-recurring items (1)

€m

	1H19	1H20
Non-recurring items	-65	-194
	-€65m *Extraordinary Energy Tax*	***-€61m*** *Extraordinary Energy Tax* ***-€89m*** *Coal impairments and provisions* ***-€45m*** *Hybrid bond buyback*

(1) at net profit level, net of taxes

Strategy Execution

Front-loaded execution of 2019-2022 strategy places us in a stronger position to navigate the current economic cycle

OUR STRATEGY	DELIVERY ON TRACK
Accelerated and focused growth	✓ 84% **of 7 GW** target additions in renewables for 2019-22 **with LT contracts** ✓ **R$3.8 Bn transmission investments in Brazil, 71% already executed** ✓ **Viesgo Acquisition:** Accelerated growth in networks and renewables in Iberia
Continuous portfolio optimization	✓ >55% of the **€4 Bn** target of asset rotation proceeds for 2019-2022 **already executed** ✓ €2.7bn **proceeds from disposals**, clearly above the €2bn target for 2019-22
Solid balance sheet and low-risk profile	✓ **€1bn rights issue** closed in Aug-20 reiterating financial deleverage commitments ✓ Portfolio reshuffling deals **reinforced low risk profile** (more regulated, less merchant)
Efficient and digitally enabled	✓ **Opex -3% YoY** in 1H20 (like-for-like), on track with strategic plan target ✓ **Accelerated digitalization** (new ways of working, fast tracking digitalization of processes)
Attractive shareholder remuneration	✓ Reinforced **sustainability of the dividend policy** (floor €0.19/share, 75%-85% payout) ✓ **Green positioning:** Renewables 80% in 1H20, coal -74% YoY, CO_2 emission factor -57% YoY

Successfully closed €1bn rights issue: Bringing together Viesgo acquisition and financial deleveraging commitments

€1bn Rights Issue

Previous Share Capital		New Shares		New Share Capital
3,656,537,715	+	309,143,297	=	3,965,681,012

8.45%
of EDP's Share Capital

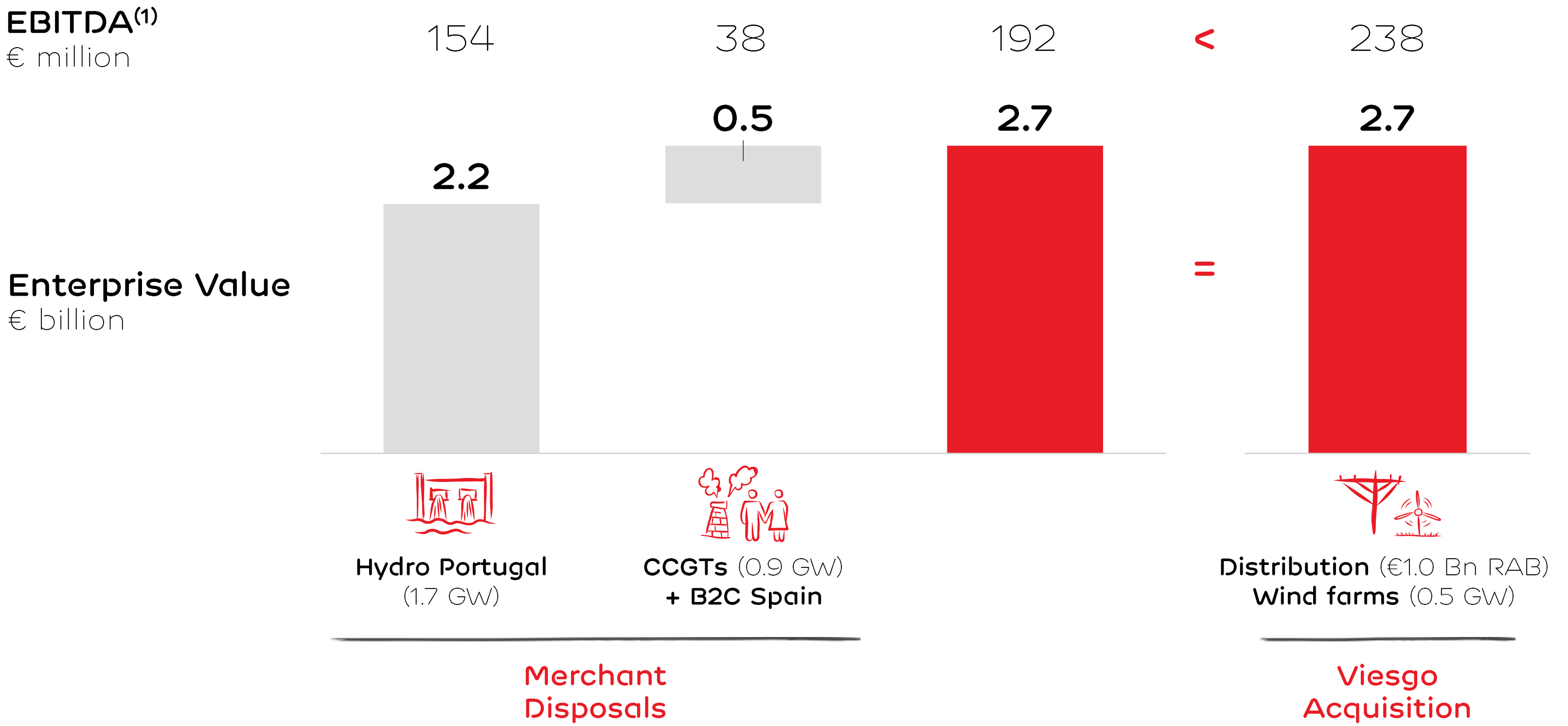
94%	26x	+3%
Subscribed through exercise of rights	Oversubscription remaining shares	TSR(1) EDP vs. SX6E since July 15th

Viesgo acquisition + capital increase are net earnings accretive
Maintaining flexibility to continued growth in energy transition

(1) Total Shareholder Return, Source: Bloomberg as of September 2nd.

Further progress in reshaping Iberian portfolio with three deals agreed and expected to close in 4Q20

Iberian portfolio reshaping deals
[€]



Next Steps

- **The financial closing of the 3 operations expected in 4Q20.**
  - All corporate restructuring procedures and regulatory approvals on track
  - For Viesgo, 100-day integration plan being prepared, kick-off after financial closing.

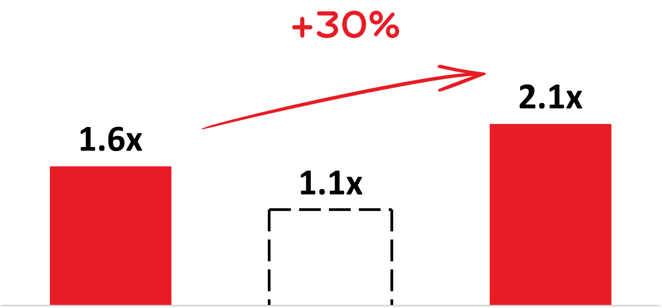
Reduction of merchant exposure and reinforcement of regulated profile at attractive valuation multiples

(1) Based on 2019 EBITDA except for Merchant Hydro which is based on 2018 figures. EBITDA of Viesgo excluding coal.

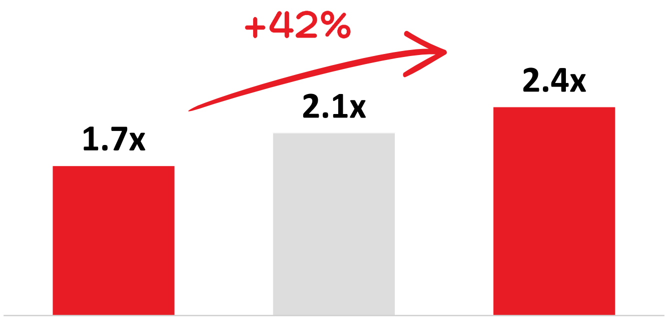
Asset rotation: improved EV/MW valuation supported by lower market yields and strong demand for long term contracted renewables

LT Contracted Renewables Assets: Recent transactions

[EV/MW in €m] Asset rotation | Viesgo renewables acquisition



[EV/MW at projects' COD in USDm]

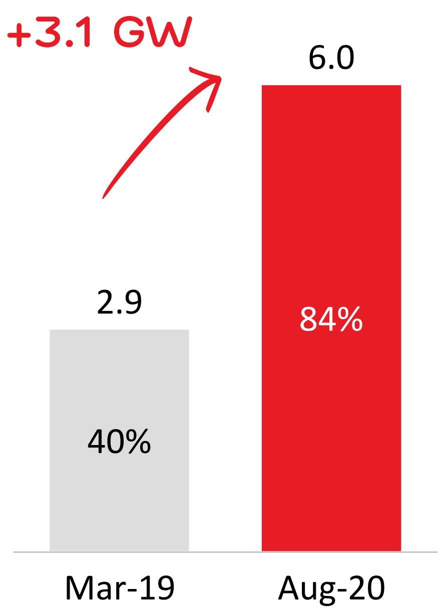


Announcement date	Apr 2019	Jul 2020	Aug 2020	Dec 2018 (only wind)	Sep 2020 (wind&solar)	Sep 2020 (only wind)
EV (100%)	€1.6bn	€565m	€507m	US$ 860m	US$ 845m	
Installed Capacity Gross MW; stake (%)	997 51%	511 100%	242 100%	499 80%	563 80%	363 80%
Avg age years	7	13	9	0	0-3	3
Country % of MW	39% 35% 19% 7%	84% 16%	100%	80% 20%	100%	100%

Build-out for renewables projects secured for 2019-22 increased from 40% to 84% of 7GW target for the period

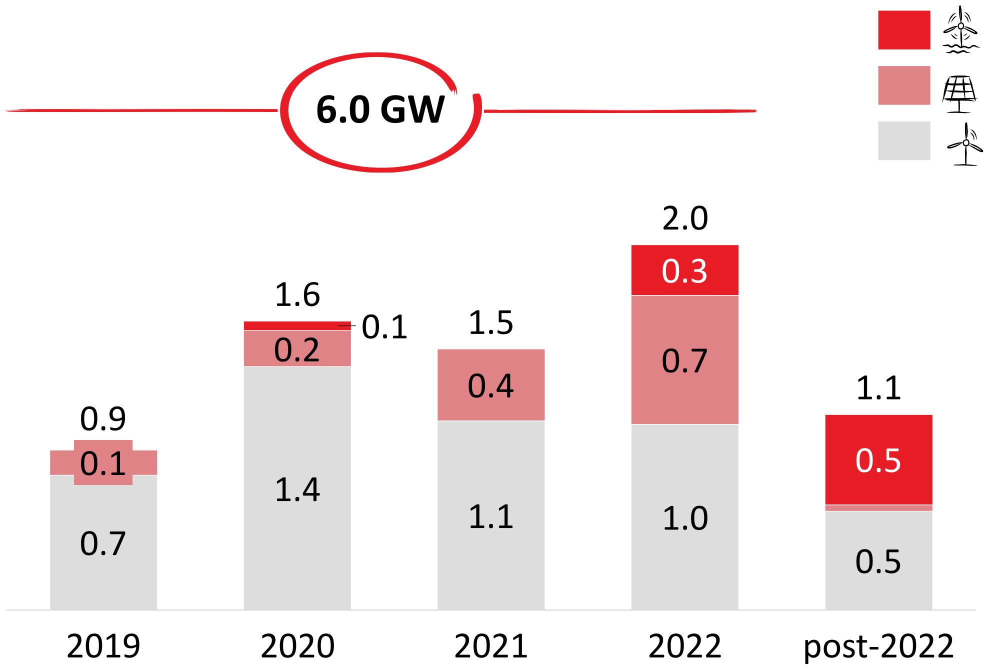
Renewables Capacity LT contracts secured for 19-22

GW



Projects already secured

Build-out GW; Aug-20

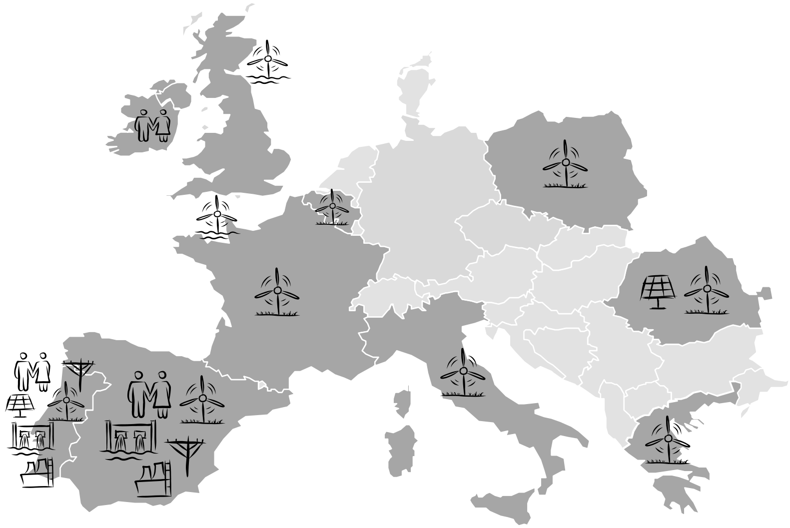


Unprecedent execution

- **Medium-term BP execution on track**
  - **<0.5 GW** projects expected to have potential COD delays in 2020, although without impact in projects' fundamentals
  - **+0.5 GW** from Viesgo renewables acquisition expected to be closed in 2H20
- **Ocean Winds Offshore**
  - JV with Engie formally established, with the majority of assets already transferred in Q2
  - Mayflower, Seamade and Wind Float Atlantic to be transferred in H2 2020

Green recovery: EDP is well-positioned to execute on additional value-creating opportunities

- **Extension of tax incentives (PTCs)** for new wind projects (100% for COD 2021-2022 and 60% for COD 2023-2024)
- **Ambitious renewables policy proposals** under discussion



- **Next Generation EU**: €750 Bn Fund of Next Generation, of which at least 30% contributing to climate targets
- **Renewables growth**: Wind onshore & solar additions **>340 GW** expected in EU27[1] in 2020-2030E
  - The **8** countries where EDPR is present are expected to represent **~55% of the above renewables additions**
- **Opportunities in networks and energy services in Iberia:** electrification, smart grids, distributed solar, e-mobility

(1) Source: National Energy and Climate Plans

Brazilian operations: COVID impact mitigated by supportive regulatory measures and proactive operational & financial management

Operations

Distribution

- Supportive measures by the regulator in this pandemic period, with the creation of the **Covid Account**

Hydro

- Aug-20: approval of **GSF legislation** by the Senate

Transmission

- Lot 11 (MA II, 203km) started operation in Aug-20, 71% of R$3.8 bn capex in 6 transmission lines, **full completion expected in 2021**
- **Strong competition** in **recent transmission auctions**

Financials

- **Macro environment:**
  - Significant BRL devaluation: EUR/BRL currently @ ~6.50
  - Interest rates at historical lows: Selic rate at 2.0%
- **EDP Brasil strong financial position:**
  - Financial liquidity of R$3.4bn
  - Net Debt/EBITDA 2.0x

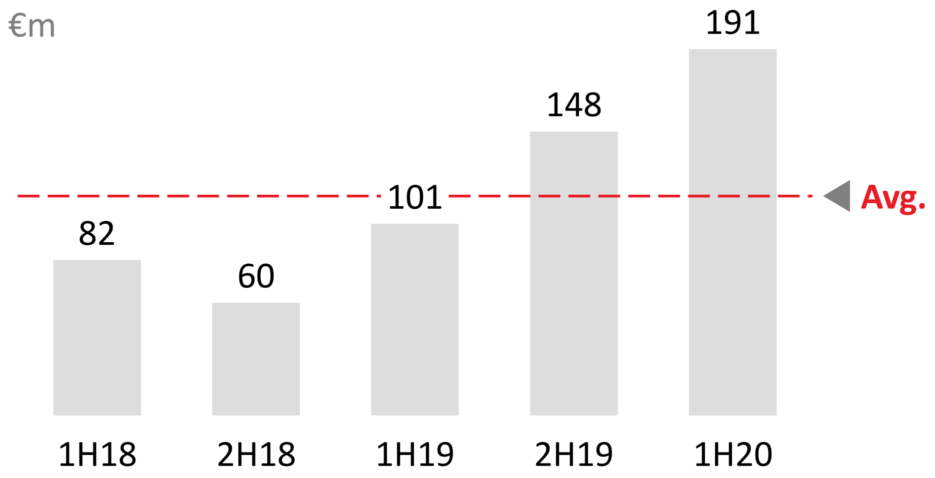
✓ **EDP Brasil new share buyback program:** up to 8.5% of free float over the next 18 months

✓ **Introduction of a dividend floor of R$1.00**, and a minimum pay-out of 50% of adjusted net profit

Low leverage, high financial liquidity and BRL depreciation support share buy-back program and improved dividend visibility

Iberian market: More moderate energy management results expected in 2H20 vs. 1H20; significant reduction of merchant exposure in 2021

EBITDA Energy Management & Thermal Iberia



- **Expected moderate energy management results in Iberia in 2H20** vs. the strong performance in 1H20, on hedging in energy markets seasonality and recent recovery of energy prices[1]
- 2H20 Energy Management & Thermal Iberia EBITDA is **expected to be below the average of the last 5 semesters**

Hedging position Iberian electricity market: 2021

- **Significant decline of merchant volumes exposure in 2021** following disposals in hydro (3.6TWh/year), CCGT (2TWh/year), B2C supply Spain (2TWh/year) and planned coal shutdowns in early 2021 (Sines and Soto 3)
- **~9 TWh expected hydro and nuclear production** closed at an avg. price of ~€45/MWh[2] (in line with forward prices)
- **~60% of CCGT expected production** closed at avg. mid single digit spread

(1) For 2H20, nearly all expected Hydro/nuclear production hedged at ~€55/MWh. Baseload price, excluding ancillary services. **(2)** Baseload price, excluding ancillary services.

EDP took proactive measures to mitigate the impact of the pandemic for our stakeholders, reinforcing our resilience

EDP took proactive measures with…

…Employees, with **>70% in remote working** right in early stages of the pandemic in our geographies

…Suppliers, by contributing to **maintain the value chain**, protecting employment and economic activities

…Clients, ensuring **continuity of supply** and easing payment schedules

…Community, with more than €11m donated to projects in most of our geographies

… While accelerating digitalisation and rethinking internal processes and ways of working, to capture efficiencies for the future

Maintained 2020 guidance, with proactive portfolio management, and renewables growth supporting medium term prospects

edp

Outlook for 2020: Earnings resilience…

Recurring EBITDA 2020E:

€3.6 bn

Recurring Net income 2020E:

€0.85 - €0.90 bn[(1)]

(single digit growth YoY despite material challenging context)

Main expected impacts YoY

- ↑ Renewables (asset rotation)
- ↑ Interest costs
- ↓ COVID – Brazil Forex/economic context and Iberian supply on lower demand

+

…supportive medium term prospects…

- ✓ Proactive asset's portfolio management
- ✓ Renewables growth
- ✓ Keeping a Low risk profile

+

…with a sustainable dividend policy

€0.19/share

Dividend per share floor

75 - 85%

Target payout range

Sustainable EPS growth to deliver DPS increase

Leading the energy transition to create superior value for our stakeholders

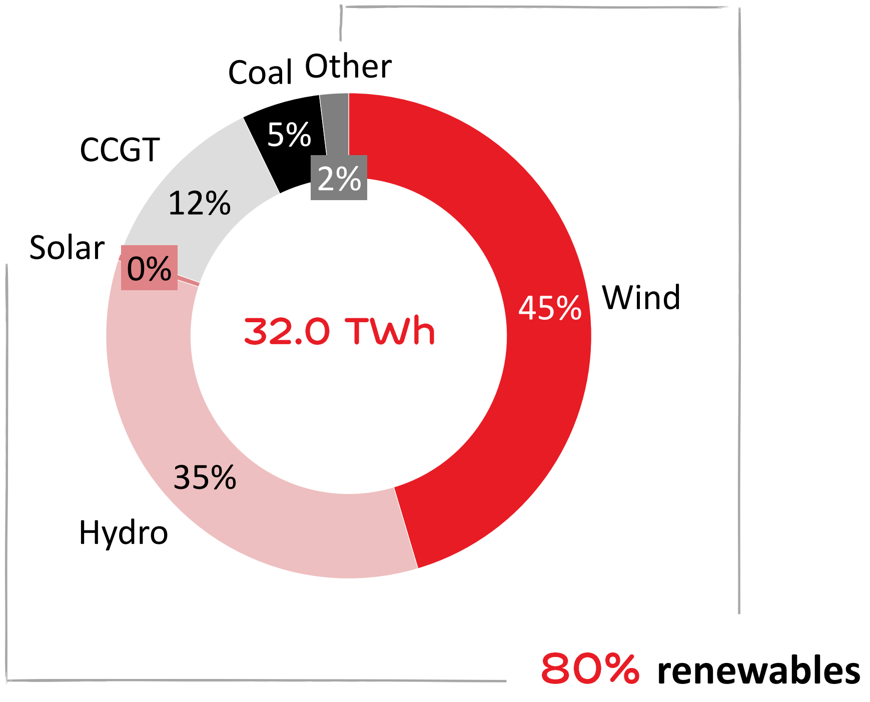
(1) Recurring Net Profit excludes exceptional and non-recurring items (including CESE) and excludes any potential NI coming from the Viesgo acquisition in 2020

Appendix

In 1H20, renewables represented 80% of our electricity generation, while capacity under construction doubled vs. Mar-20 to 2.0 GW

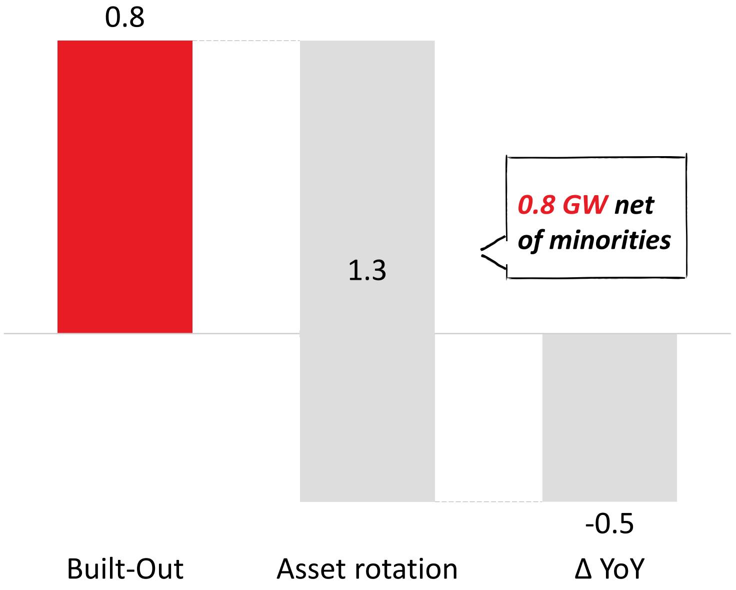
Electricity generation in 1H20

TWh



Wind capacity evolution YoY

GW; Jun-20



2.0 GW

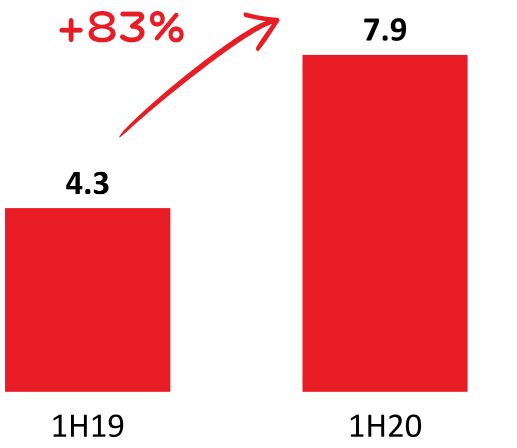
under construction
as of Jun-20

Continued growth in renewables development (+0.8 GW installed YoY; +2.0 GW under construction)

Strong recovery of hydro production in Iberia balancing lower wind production on asset rotation deals and weaker wind resource

EDP Hydro production in Iberia

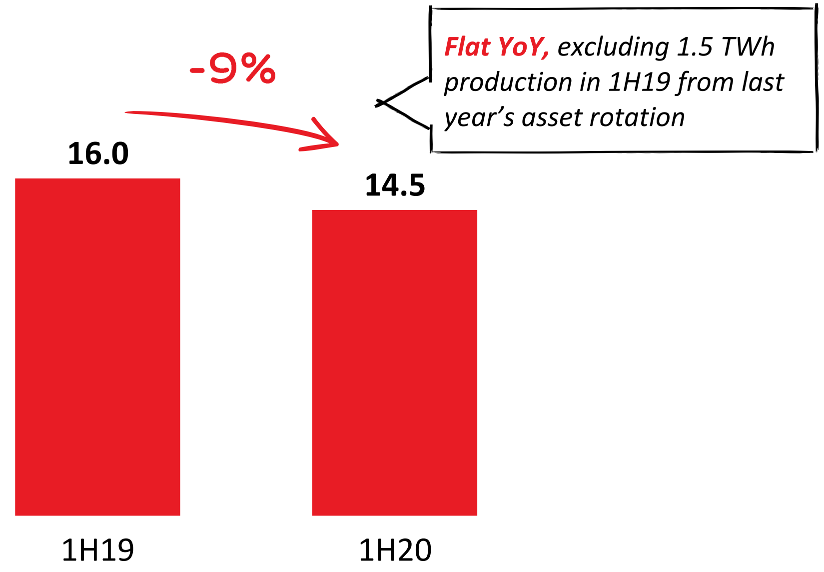
TWh



	1H19	1H20
Hydro resources vs. LT Avg.[1]	-44%	-4% ↑
Hydro reservoir EoP [1] (TWh)	2.0	2.3 ↑

EDP Wind production

TWh



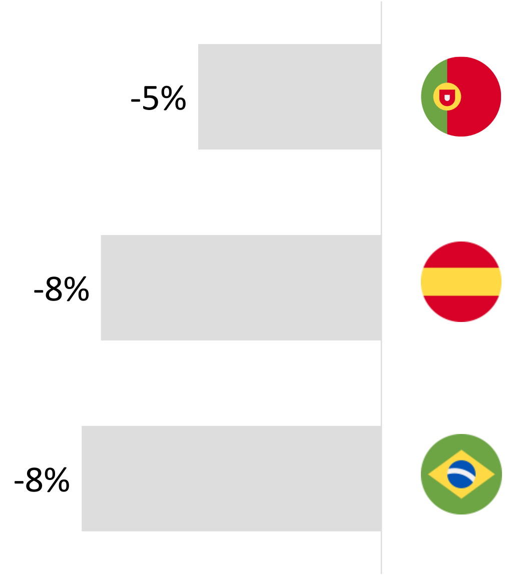
	1H19	1H20
Wind resources vs. LT Avg. (P50)	-4%	-9%

(1) Source: REN. Hydro resources reference from Portugal only.

Electricity demand showing signs of recovery in June and July following decline during lockdown period

Electricity demand 1H20: YoY change(4)

% YoY



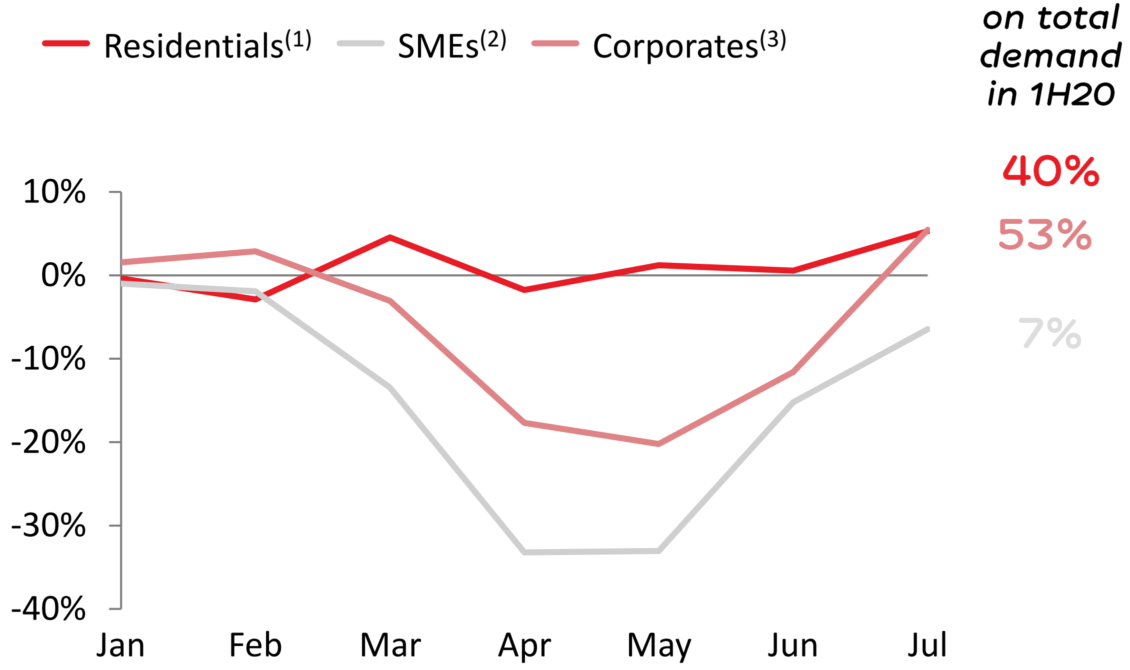
Higher weight of residential demand in consumption mix

Earlier start and more severe restrictions of lockdown

EDP SP and ES regions: impacted by temperature and reduction from a single large client in free market

Monthly changes in distributed energy in Portugal

% YoY

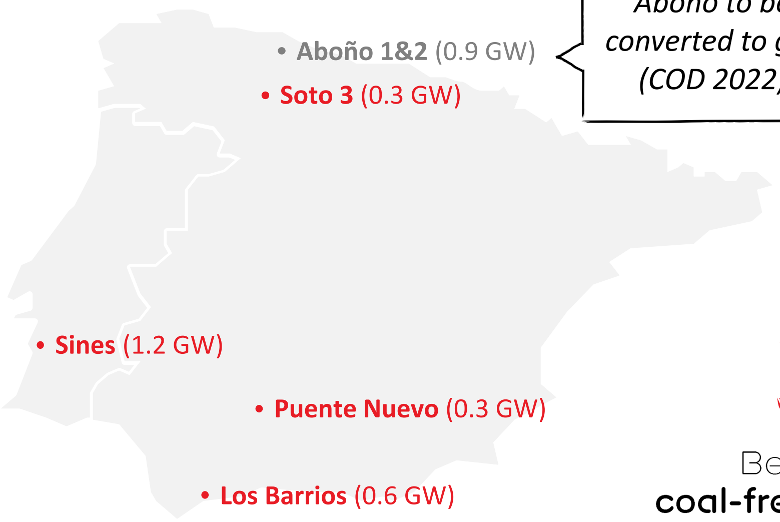


(1) Normal Low Voltage | (2) Special Low Voltage | (3) Medium and High Voltage | (4) Data from REN to Portugal, REE to Spain; Brazil corresponds only to EDP Distribution concession areas in São Paulo and Espirito Santo

Anticipating shutdown of coal plants in Iberia represents one-off cost of ~€130m in 1H20 (€89m net of taxes)

edp Coal sites in Iberia

Aboño to be converted to gas (COD 2022)



Legend:

- **Expected shutdown 2021**
- **Continue operating post-2021**

Become coal-free in Iberia well before 2030

1H20 Developments

Coal production in Iberia: -76% YoY in 1H20, with all coal plants off in 2Q20, except Aboño 2

+

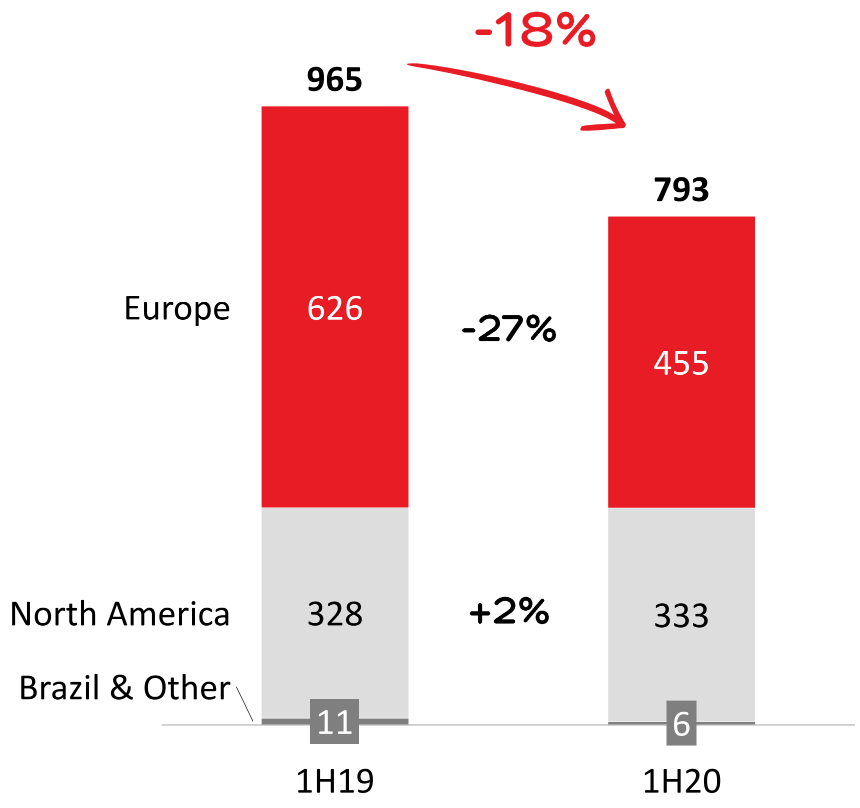
Energy transition projects under development.

- **Hydrogen:** Sines
- **Renewables:** Puento Nuevo and Los Barrios
- **Storage:** Soto 3

Accelerating decarbonization through renewables growth or the development of new technologies

Wind & Solar EBITDA -18% on weak wind resources, lower asset rotations gains and deconsolidation of assets rotated

EBITDA - Wind & Solar
€m; YoY growth, %

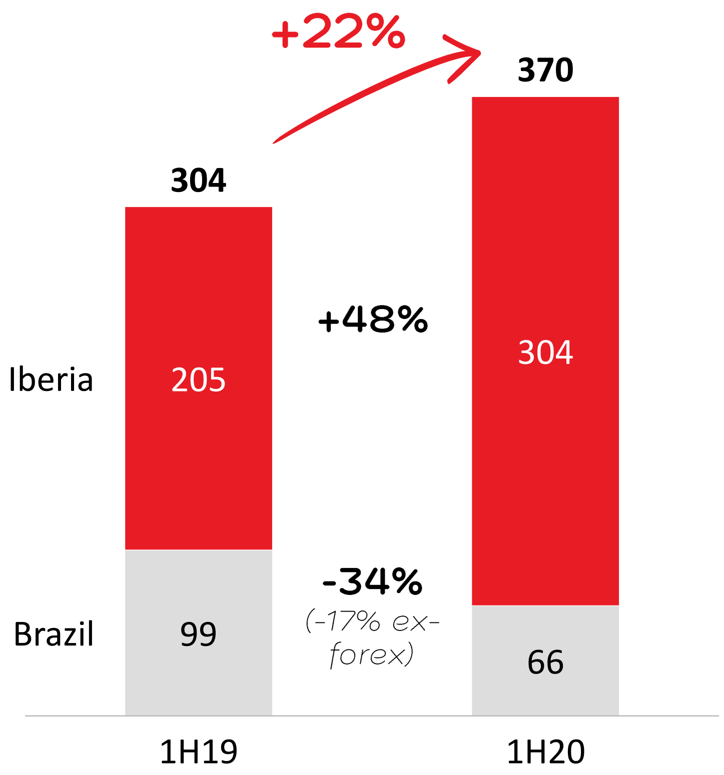


	1H19	1H20	YoY
Avg. Installed Capacity[(1)], GW	11.3	10.6	-6%
Production vs. LT Avg. (P50), %	-4%	-9%	-5 p.p.
Electricity Production, TWh	16.2	14.7	-9%
Avg. selling price, €/MWh	56.2	55.0	-2%
Asset rotation gains, €m	219	145	-34%

(1) Considers capacity at EBITDA level

Hydro EBITDA up by 22%, prompted by the recovery of hydro resources in Iberia and hedging strategy mitigating lower selling price

EBITDA - Hydro
€m; YoY growth, %



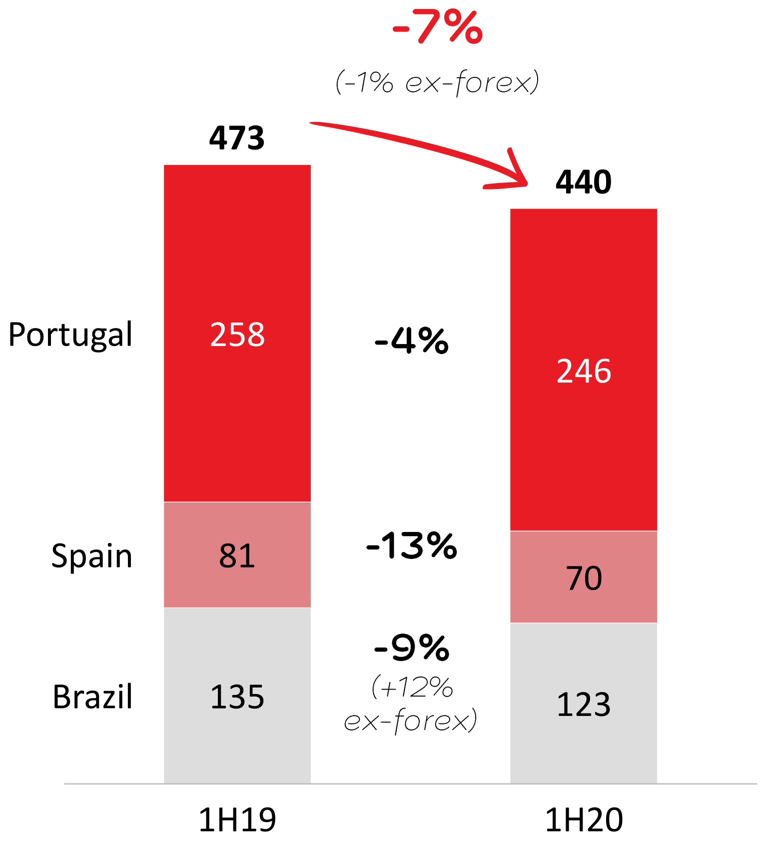
	1H19	1H20	YoY
Hydro production[1], TWh	4.3	7.9	+83%
Avg selling price[2], €/MWh	63	36	-42%

	1H19	1H20	YoY
PLD, R$/MWh	211	132	-38%
GSF	121%	97%	-24 p.p.

(1) Excludes small hydro plants | **(2)** Does not consider results from hedging

Regulated Networks EBITDA -7%, driven by BRL devaluation and in Iberia lower RoRAB and some positive adjustments booked in 1H19

EBITDA - Networks
€m; YoY growth, %



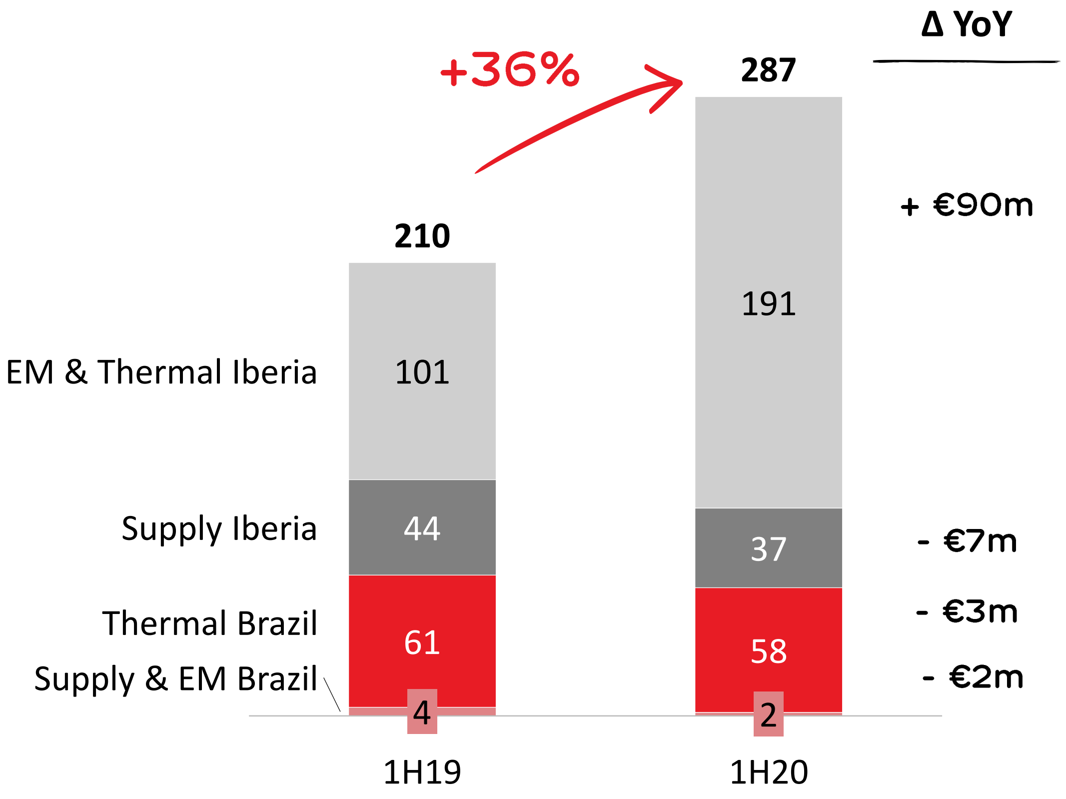
	1H19	1H20	YoY
Return on RAB Portugal[1], %	5.26%	4.86%	-40 p.p.
RAB Iberia[2], €m	3,924	3,681	-6%
Opex Iberia, €m	193	188	-2%

	1H19	1H20	YoY
Transmission EBITDA, R$m	79	177	+125%
Distribution EBITDA, R$m	508	483	-5%
Electricity distributed, TWh	12.9	11.9	-8%

(1) RoRAB of HV/MV | **(2)** Accounting RAB as of June; Considers RAB of €775m for Spain (post-lesividad) according to court decisions and assuming for it the scenario resulting from considering a residual life similar to that proposed by the CNMC for the company in its last report on the remuneration proposal dated late 2018. However, this value should not be considered final until the complete process of executing the sentence has finished

Client Solutions & Energy Management EBITDA +36%, benefiting from successful hedging strategy in Iberia in 1H20

EBITDA – Client Solutions & Energy Management
€m; YoY growth, %



- **Good results on energy management in Iberia** supported by **anticipated contracting** in energy prices, thermal spreads and optimization of portfolio in a **volatile energy market's environment**
- **Coal production -76% YoY** (avg. load factor 11%)
- **B2B supply volumes Iberia -14% YoY**, negative impact from re-sale of previously purchased volumes at low pool prices

Sound performance on operating costs across all platforms

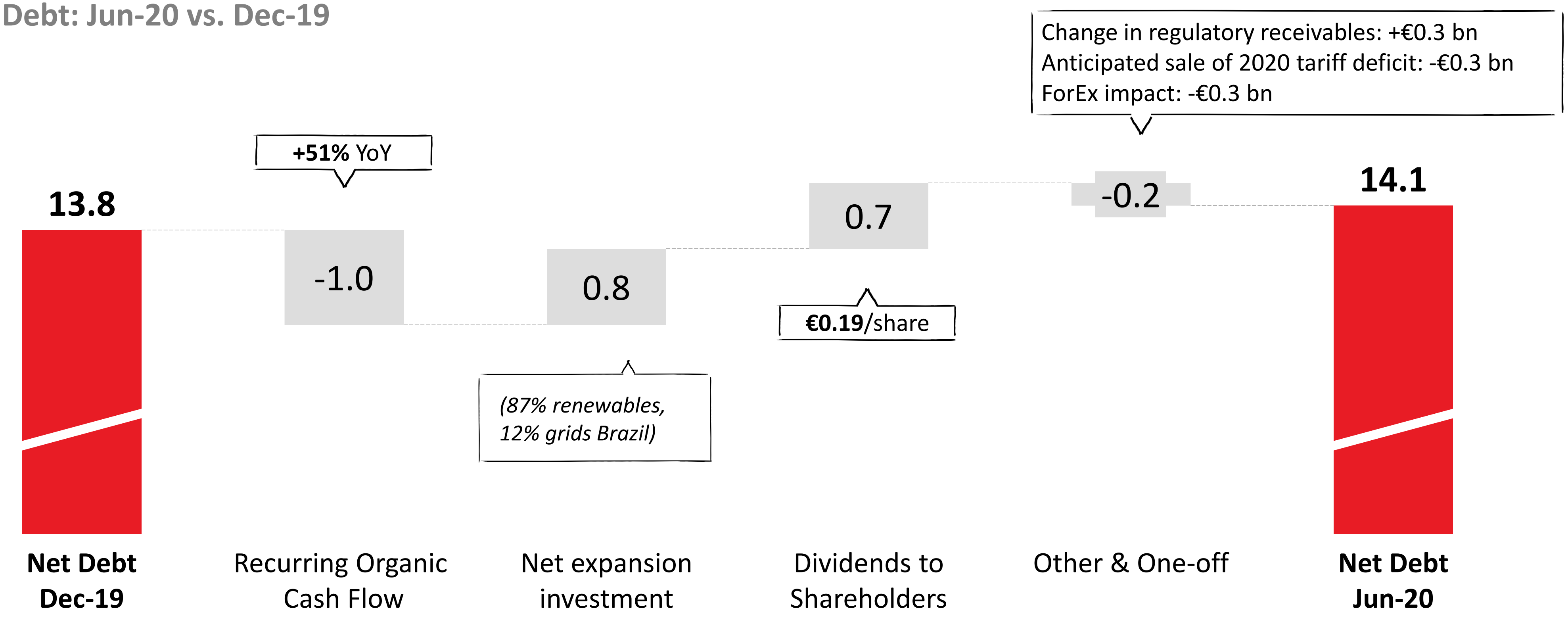
xx% Weight on Opex

Operations	Indicator	YoY Change	Main drivers
Iberia 56%	Opex(1)	-3%	• -2% avg. Headcount vs. Jun-19
EDP Brasil 14%	Opex(1) excl. growth and forex	-4%	• Avg. inflation: +3.0%(2)
EDPR 30%	Adj. Core Opex/MW(3)	+3%	• Strong activity expansion with 2.0 GW EBITDA under construction
edp (1)	Opex ex-forex	0%	
	Opex like-for-like (excl. growth)	-3%	

(1) Operating Costs Cash Recurring: Opex excluding caps, one-offs and forex impact. 2019: Caps (+€68m); 2020: Caps (+€72m), one-offs (-€7m), forex (+€23m); | **(2)** Avg. IPCA 1H20 | **(3)** Core Opex adjusted by asset rotation, offshore costs (mainly cross-charged to projects' SPVs) and FX

Financial Leverage: Net debt +2% YTD with Recurring Organic Cash Flow increasing 51% and +€0.7bn expansion capex mostly renewables

Change in Net Debt: Jun-20 vs. Dec-19
€ bn



Net debt / EBITDA(1)	3.6x	3.7x

(1) Based on net debt excluding regulatory receivables and impact of sale of tariff deficit, and recurring EBITDA of the last 12 months. Do not include €0.85 bn related with Leasings' debt accounted as Other Liabilities (IFRS 16 impact)

Financial liquidity of €6.4 bn in Jun-20 covering refinancing needs beyond 2022

Financial liquidity as of Jun-20

€ bn

Cash & Equivalents: €1.5 bn

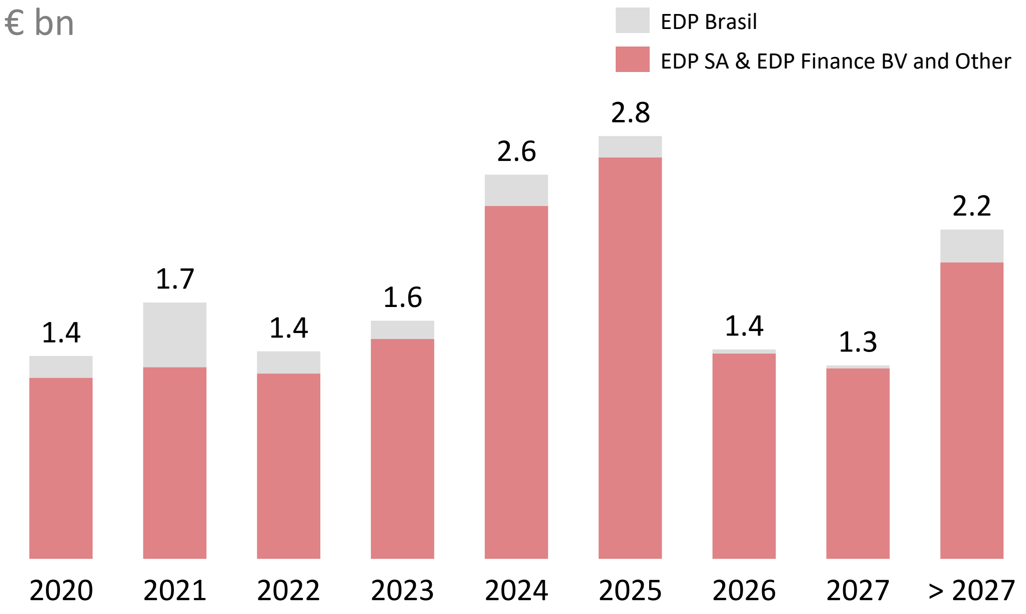
Available Credit Lines: €4.9 bn

Of which:
- ***>90%** due in 2024/25*
- ***>25** counterparties*

Total Liquidity €6.4 bn

EDP consolidated debt maturity profile as of Jun-20

€ bn



2020 main deals

1Q20: €0.75 bn hybrid replacement (new issue + buy back)

Mar 9th: €0.8 bn tariff deficit sale

Apr 7th: €0.75 bn green bond issuance

Jul 14th: €0.3 bn tariff deficit sale

IR Contacts

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Next Events

- Sep 7th: BBVA Iberian Conference
- Sep 8th: Utilities Reverse Roadshow
- Sep 10th: Exane Utilities BNP Paribas
- Sep 11th: Kepler Cheuvreux Autumn Conf.
- Sep 16th-17th: XVII CaixaBank BPI Conference
- Sep 22nd: BBVA Iberian Conference
- Sep 23rd-24th: Morgan Stanley Clean Energy Summit
- Sep 24th: Bernstein Strategic Decisions Conference
- Oct 7th: JP Morgan Hydro Pumping Virtual Conference
- Oct 8th: Commerzbank Digital Utility Conference