



2019

# Financial Results

## Conference call and webcast

**Date:** Friday, February 21<sup>st</sup>, 2020, 11:30 am (UK/Portuguese time)

**Webcast:** [www.edp.com](http://www.edp.com)

Lisbon, February 20<sup>th</sup>, 2020

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## Important notice

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On 1-Jan-19, EDP adopted IFRS 16, which supersedes IAS 17 in what respects the regulation of operating leases. The new standard requires the recognition of lease commitments for the entire duration of contracts into the balance sheet liabilities as well as the recognition of a new asset "Right Of Use Asset" as counterparty. The adoption of IFRS 16 implied higher liabilities (€737m) and higher assets (€748m) on 1-Jan-19. In 2019, it resulted in higher EBITDA (€65m) and lower net profit (-€12m).

# Main highlights for the period

Key Operational Data	2019	2018	Δ %	Δ Abs.
<b>Installed capacity (MW)</b>	<b>26,681</b>	<b>27,177</b>	<b>-2%</b>	<b>-497</b>
Weight of Renewables (1)	73%	74%	-	-1p.p.
<b>Production (GWh)</b>	<b>66,670</b>	<b>71,963</b>	<b>-7%</b>	<b>-5,294</b>
Weight of Renewables (1)	66%	66%	-	0p.p.
<b>Customers supplied (thousand of contracts)</b>	<b>11,426</b>	<b>11,444</b>	<b>-0%</b>	<b>-18</b>
<b>Customers connected (thous.)</b>	<b>10,470</b>	<b>10,343</b>	<b>1%</b>	<b>+127</b>

Key Income Statement data (2) (€ million)	2019	2018	Δ %	Δ Abs.
Gross Profit	5,217	5,099	2%	+118
<b>EBITDA</b>	<b>3,706</b>	<b>3,317</b>	<b>12%</b>	<b>+388</b>
<b>EBIT</b>	<b>1,838</b>	<b>1,584</b>	<b>16%</b>	<b>+254</b>
Financial Results & Results JV/Assoc.	(645)	(543)	-19%	-101
Income taxes & CESE (3)	294	165	78%	+129
Non-controlling Interest	388	357	9%	+31
<b>Net Profit (EDP Equity holders)</b>	<b>512</b>	<b>519</b>	<b>-1%</b>	<b>-7</b>

Key Performance indicators (€ million)	2019	2018	Δ %	Δ Abs.
<b>Recurring EBITDA (4)</b>	<b>3,716</b>	<b>3,287</b>	<b>13%</b>	<b>+430</b>
Renewables	2,286	2,126	8%	+160
Networks	1,001	848	18%	+152
Clients solutions & EM	476	333	43%	+143
Other	(46)	(21)	-124%	-26
<b>Recurring net profit (4)</b>	<b>854</b>	<b>797</b>	<b>7%</b>	<b>+57</b>
<b>OPEX Performance</b>				
OPEX Iberia (€ million)	858	889	-4%	-32
Core OPEX/MW (€/MW) - Wind & Solar (5)	40.5	42.8	-5%	-2
OPEX Brazil (R\$ million) (5)	973	1,115	-13%	-142

Key Balance Sheet Data (€ million)	Dec-19	Dec-18	Δ %	Δ Abs.
Net debt	13,827	13,480	3%	+347
Adjusted net debt/EBITDA (x) (6)	3.6x	4.0x	-10%	-0.4x

**In 2019, EDP reinforced its strategic positioning as a leader in energy transition: in renewables**, EDP installed +0.9 GW of new wind and solar projects in the US, Europe and Brazil. Furthermore, since the beginning of 2019, EDP has secured 3.0 GW of new wind and solar projects through long-term contracts that are expected to start operations during our current strategic plan horizon (2019-2022). This represents 76% of the growth target for this period. Out of these projects, 1.0 GW were under construction as of December 2019. Regarding offshore wind, EDP installed the largest wind turbine ever installed on a floating platform and secured another long-term contract for 800 MW in a project to be built in Massachusetts, USA. Additionally, in January 2020, the terms for the 50/50 joint venture with Engie were agreed upon. **In electricity networks**, growth is concentrated in Brazil: i) in distribution, following previous years' significant investments, the recent regulatory revisions of EDP São Paulo and EDP Espírito Santo, resulted in an upward revision of our regulated asset base (+36%), reaching R\$5 bn (€1.1 bn); ii) in transmission, we reached c.40% of investment execution with the partial inauguration, in January 2020, of a second line with 203 km – Maranhão's line – 19 months ahead of schedule. **In energy supply**, the focus continues to be on our clients' satisfaction (-23% of complaints YoY, in Iberia), which prompted a stable number of electricity customers and an increase in new services provided, especially, maintenance of home appliance equipment within the residential segment, and energy efficiency within the corporate segment.

**The 13% growth in recurring EBITDA** benefited from good performance across all platforms. In renewables, wind and solar average installed capacity increased 1% to 10.9 GW. Moreover, the progress on execution of our asset rotation strategy as announced in March 2019, namely through the sale of a portfolio of wind farms in Europe and Brasil, yielded €0.3 bn gain. On the other hand, **hydro production** in Iberia fell 25% vs. 2018, standing 19% short of historical average in Portugal, as a result of weak hydro resources, which had a negative impact on EBITDA of nearly €0.2 bn. In **regulated networks**, growth stemmed mostly from Brazil, prompted by the impact from the recent regulatory revisions at our distribution concessions and expansion of transmission. In Iberia, our distribution networks benefited primarily from greater efficiency in operating expense, which decreased by 4%. In **Client solutions and energy management**, the Iberian supply segment was impacted by i) good results from our energy management activity and an adequate hedging policy in energy markets that more than compensated the deterioration of market conditions for coal-fired power plants; ii) in supply, the normalization of the market and regulatory environment compared to the extremely adverse context of 2018.

**The 7% growth in recurring net profit** reflects not only the 13% EBITDA expansion, but also the normalization of the effective tax rate and the an average cost of debt 10 bp higher YoY, at 3.9%, penalized by the higher cost of the €1 bn Green Hybrid bond issued in January 2019. The reported net profit was impacted by an €86m provision regarding Fridão hydro project, as well as by the €297m impairment in coal plants in Iberia (both before tax). Hence, the **conventional operations in Portugal** (including electricity distribution network, hydro and thermal generation, as well as energy supply), recorded at net loss of €98m in 2019 (vs. a loss of €18m in 2018), penalized by a continued adverse regulatory and fiscal context, which was worsened in 2019 by abnormally low hydro production.

As of December 2019, net debt stood at €13.8 bn, with an improvement in Adjusted Net Debt/EBITDA to 3.6x (vs. 4.0x in 2018). **Recurring organic cash flow grew 20% to €1.4 bn in 2019**, supported by global renewables strategy: the asset rotation option presented in our 2019-2022 strategic plan allowed for the gross investment in the development of new renewable assets and regulated networks to be offset by the sale of operating renewable assets (€1 bn gain in 2019). Furthermore, in December 2019, EDP reached an agreement for the sale of 6 hydro plants in Portugal (1.7 GW) for €2.2 bn with closing expected in second half of 2020. The disposal aims to fulfil the targets of portfolio optimization and improvement of risk profile, reflected in the strategic plan presented in March 2019.

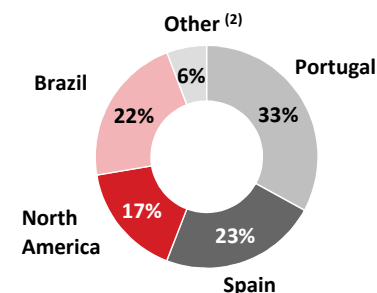
**The Executive Board of Directors will propose at the Annual Shareholders' Meeting (April 16<sup>th</sup>) the distribution of a dividend for the year of 2019 in the amount of €0.19 per share, which represents a payout of 81% on net recurring income.**

(1) Including Wind, Solar, Hydro and mini-hydro capacity; (2) Full P&L statement on page 24; (3) CESE: Extraordinary contribution from the energy sector; (4) Excluding one-off impacts as per page 3 (EBITDA) and page 4 (Net profit); (5) Adjusted for IFRS 16; (6) Net of regulatory receivables; Based on trailing 12 months recurring EBITDA and net debt excluding 50% of hybrid bond issues (including interest).

# EBITDA Breakdown

EBITDA (€ million)	2019	2018	Δ %	Δ Abs.	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	4Q YoY	
													Δ %	Δ Abs.
<b>Renewables</b>	<b>2,286</b>	<b>2,197</b>	<b>4%</b>	<b>+89</b>	<b>585</b>	<b>570</b>	<b>390</b>	<b>651</b>	<b>556</b>	<b>708</b>	<b>398</b>	<b>624</b>	<b>-4%</b>	<b>-27</b>
Wind & Solar	1,648	1,300	27%	+348	381	305	184	431	385	576	257	430	0%	-1
Hydro Iberia	465	624	-25%	-159	142	217	167	97	112	93	109	151	55%	+53
Hydro Brazil	173	273	-37%	-100	62	48	40	123	59	39	31	44	-64%	-79
<b>Networks</b>	<b>991</b>	<b>831</b>	<b>19%</b>	<b>+160</b>	<b>219</b>	<b>201</b>	<b>214</b>	<b>197</b>	<b>243</b>	<b>229</b>	<b>276</b>	<b>243</b>	<b>23%</b>	<b>+46</b>
Iberia	632	625	1%	+7	159	155	162	149	165	173	159	134	-10%	-15
Brazil	360	206	75%	+154	60	46	52	48	78	55	116	110	128%	+62
<b>Client solutions &amp; EM</b>	<b>474</b>	<b>312</b>	<b>52%</b>	<b>+162</b>	<b>85</b>	<b>82</b>	<b>71</b>	<b>74</b>	<b>116</b>	<b>92</b>	<b>76</b>	<b>191</b>	<b>159%</b>	<b>+117</b>
Iberia	336	137	145%	+199	45	32	14	46	84	59	44	149	222%	+103
Brazil	138	175	-21%	-37	41	49	57	27	32	33	32	42	52%	+14
<b>Other</b>	<b>(46)</b>	<b>(23)</b>	<b>-100%</b>	<b>-23</b>	<b>8</b>	<b>(22)</b>	<b>12</b>	<b>(21)</b>	<b>7</b>	<b>(42)</b>	<b>3</b>	<b>(13)</b>	<b>-35%</b>	<b>+7</b>
<b>Consolidated EBITDA</b>	<b>3,706</b>	<b>3,317</b>	<b>12%</b>	<b>+388</b>	<b>898</b>	<b>832</b>	<b>687</b>	<b>901</b>	<b>921</b>	<b>987</b>	<b>753</b>	<b>1,044</b>	<b>16%</b>	<b>+143</b>
- Adjustments (1)	(11)	31	-	-41	(18)	0	-	49	(0)	(0)	0	(11)	-122%	-59
<b>Recurring EBITDA</b>	<b>3,716</b>	<b>3,287</b>	<b>13%</b>	<b>+430</b>	<b>916</b>	<b>832</b>	<b>687</b>	<b>852</b>	<b>921</b>	<b>987</b>	<b>753</b>	<b>1,055</b>	<b>24%</b>	<b>+203</b>

EBITDA 2019



**EBITDA advanced 12% YoY, to €3,706m in 2019, with a positive contribution across all the platforms.** Our growth strategy of combining portfolio expansion (+€0.1 bn YoY) with asset rotation strategy (+€0.2 bn YoY) proved outstanding, surpassing the adverse weather effect on hydro production (nearly -€0.2 bn below normalized levels, mostly in Portugal) de-consolidation effects (-€0.1 Bn) and lower one-off contributions (-€41m YoY\*). EBITDA performance was also driven by: (i) in Brazil, positive impact from regulatory reviews and execution of transmission investments; (ii) In Iberia, outstanding energy management results in 4Q19 (+€133m QoQ). **Recurring EBITDA was up by 13%, to €3,716m in 2019.** ForEx impact, amounted to +€10m, as USD appreciation vs. Euro (+5%), was largely compensated by Brazilian real depreciation (-2%). The adoption of IFRS16 impacted EBITDA by +€65m (+€45m of which at EDPR level).

**RENEWABLES (61% of EBITDA, €2,286m in 2019)** – Excluding one-off effects (€71m in 2018 mainly backed by gains on mini-hydro disposals in Brazil), **recurring EBITDA grew by 8% (+€160m YoY)**, driven by higher volumes and realised prices in wind & solar (+€97m YoY) and the benefits from our organic growth and asset rotation strategy (+€72m YoY and +€204m YoY, respectively). Nevertheless, EBITDA performance in 2019 was affected by below-the-average hydro resources in Portugal (nearly -€0.2 bn below normalized levels) and by the the de-consolidation of the wind farms in Europe (-€65m YoY) and some mini-hydros in Portugal and Brazil (-€46m YoY).

**NETWORKS (26% of EBITDA, €991m in 2019) - EBITDA increased 19% YoY, prompted by Brazil (+€154m YoY)**, following: (i) **in distribution**, the positive outcome from regulatory reviews at both our concessions, resulting in regulated gross profit increases (+€31m) and on the update of the concessions assets' residual value (+€53m); (ii) ramp up of **transmission** activity (+€44m YoY on EBITDA), as the construction of our transmission lines progresses. In **Iberia**, EBITDA performance was mainly supported by a disciplined cost management, while gross profit evolution reflects Portugal's declining rate of return (-30 bp YoY, to 5.13%), in line with Portugal's 10-year bond yields during 2019 and the recognition of one-off provision (-€28m).

**CLIENT SOLUTIONS & ENERGY MANAGEMENT (13% OF EBITDA, €474m in 2019) - EBITDA rose by 52% YoY (+€162m YoY)**, following a strong Energy Management performance, particularly in the 4Q19, and the normalization of the market and regulatory context for supply in Iberia from particularly weak 2018 conditions (+€93m YoY). Thermal generation & energy management in Iberia (+75% YoY, to €248m), reflected a strong performance of our energy management business, which benefitted from the increasing volatility in energy markets in 4Q19, namely due to lower spot prices in the wake of higher hydro output and lower gas prices. **In Brazil**, last year's EBITDA was positively impacted by the downward revision of the contracted level of thermal plant availability. In 2019, energy management activity was penalized by lower liquidity in the wholesale market and lower margins.

(\*) *Non-recurring items: (i) +€31m in 2018, net impact of the sale of mini-hydro plants Brazil (+€82m), and 2H17's share of the impact from the difference between CMEC final adjustment recognised in Dec-17 and approved by the Government on May 3rd (-€18m), restructuring costs (-€34m); (ii) -€11m in 2019, including restructuring costs (-€13m), provision for the sharing of some gains with consumers (-€28m in electricity distributon in Portugal) and gain following the change in medical plan of employees in Brazil (+€30m).*

(1) Adjustments for one-off impacts, described above(\*); (2) Includes Poland, Romania, France, Belgium, Italy and UK.

# Profit & Loss Items below EBITDA

Profit & Loss Items below EBITDA (€ million)	2019	2018	Δ %	Δ Abs.	4Q18	1Q19	2Q19	3Q19	4Q19	4Q YoY	
										Δ %	Δ Abs.
<b>EBITDA</b>	<b>3,706</b>	<b>3,317</b>	<b>12%</b>	<b>+388</b>	<b>907</b>	<b>921</b>	<b>987</b>	<b>753</b>	<b>1,044</b>	<b>15%</b>	<b>+137</b>
Provisions	102	288	-65%	-186	5	4	1	92	4	-15%	-1
Amortisations and impairments	1,766	1,445	22%	+321	396	374	362	358	672	70%	+276
<b>EBIT</b>	<b>1,838</b>	<b>1,584</b>	<b>16%</b>	<b>+254</b>	<b>506</b>	<b>544</b>	<b>624</b>	<b>303</b>	<b>368</b>	<b>-27%</b>	<b>-138</b>
Net financial interest	(597)	(626)	5%	+28	(186)	(155)	(151)	(152)	(139)	-25%	+47
Capitalized financial costs	48	34	42%	+14	10	9	12	11	15	51%	+5
Unwinding of long term liabilities (1)	(204)	(177)	-15%	-27	(42)	(53)	(52)	(48)	(51)	21%	-9
Net foreign exchange differences and derivatives	(19)	(5)	-278%	-14	(13)	(6)	(11)	1	(3)	-80%	+10
Capital Gains/(Losses)	(3)	113	-	-116	94	-	(1)	(2)	0	-100%	-94
Other Financials	105	106	-1%	-1	26	19	18	15	53	105%	+27
<b>Financial Results</b>	<b>(670)</b>	<b>(554)</b>	<b>-21%</b>	<b>-116</b>	<b>(111)</b>	<b>(186)</b>	<b>(185)</b>	<b>(175)</b>	<b>(124)</b>	<b>12%</b>	<b>-14</b>
<b>Share of net profit in JVs/associates (Details page 27)</b>	<b>25</b>	<b>11</b>	<b>130%</b>	<b>+14</b>	<b>2</b>	<b>5</b>	<b>7</b>	<b>2</b>	<b>11</b>	<b>475%</b>	<b>+9</b>
<b>Pre-tax Profit</b>	<b>1,194</b>	<b>1,041</b>	<b>15%</b>	<b>+153</b>	<b>397</b>	<b>364</b>	<b>446</b>	<b>130</b>	<b>254</b>	<b>-36%</b>	<b>-143</b>
<b>Income Taxes</b>	<b>226</b>	<b>100</b>	<b>127%</b>	<b>+126</b>	<b>49</b>	<b>99</b>	<b>38</b>	<b>9</b>	<b>80</b>	<b>62%</b>	<b>+31</b>
<i>Effective Tax rate (%)</i>	<i>19%</i>	<i>10%</i>			<i>12%</i>	<i>27%</i>	<i>9%</i>	<i>7%</i>	<i>32%</i>		
<b>Extraordinary Contribution for the Energy Sector</b>	<b>68</b>	<b>65</b>	<b>5%</b>	<b>+3</b>	<b>0</b>	<b>67</b>	<b>(0)</b>	<b>1</b>	<b>1</b>	<b>171%</b>	<b>+1</b>
<b>Non-controlling Interests (Details page 27)</b>	<b>388</b>	<b>357</b>	<b>9%</b>	<b>+31</b>	<b>125</b>	<b>98</b>	<b>104</b>	<b>65</b>	<b>121</b>	<b>-3%</b>	<b>-4</b>
<b>Net Profit Attributable to EDP Shareholders</b>	<b>512</b>	<b>519</b>	<b>-1%</b>	<b>-7</b>	<b>222</b>	<b>100</b>	<b>305</b>	<b>55</b>	<b>51</b>	<b>-77%</b>	<b>-171</b>

In both 2019 and 2018, the amount of **provisions** includes one-off effects: (i) in 2019, €86m related to amounts invested on Fridão hydro project since concession awarding; (ii) in 2018, a €285m provision for CMEC innovative features.

**The increase in amortisations and impairments** (+22% YoY) is mainly driven by €312m impairments in 2019 (€297m on coal plants in Iberia, following the deterioration of market conditions arising from the increase in CO<sub>2</sub> prices; €15m at EDPR), the adoption of the IFRS 16 on leases (+€53m in 2019) and net capacity additions.

**The evolution of Financial results** (-21% YoY, to -€670m in 2019) primarily reflects gains in 2018 on the sale of some stakes in our offshore wind projects in UK and France (+€87m) and in Bioelectrica (+€24m). **Net interest costs decreased 5% YoY**, to €597m in 2019, reflecting last year's one-off costs mostly related to early debt prepayment (€39m cost) and while unveiling in 4Q19 a €12m cost decline vs 3Q19: avg. cost of debt stood at 3.9% in 2019 (vs. 3.8% in 2018) following the combined impact of higher average weight of the more expensive USD and BRL denominated debt and issuance of €1 bn hybrid bond at a 4.5% yield in Jan-19. Moreover, it is worth mentioning the effect of the adoption of IFRS 16 (€34m higher cost of 'Unwinding'); higher capitalised financial costs, driven by investments in transmission (Brazil); and other financials, including 2018's badwill on the acquisition of Celesc (+€18m in 2018) and revaluation gain at our equity stake in Feedzai in 2019 (+€31m).

**Share of net profit in joint ventures and associates** increased €14m YoY to €25m in 2019, mainly reflecting higher contribution from our hydro plants and Celesc, both in Brazil (details on page 27).

**Income taxes** amounted to €226m (+€126m YoY), representing an effective tax rate of 19% in 2019, up from an abnormally low level in 2018.

**Non-controlling interests include €218m related to EDPR and €178m related to EDP Brasil.** The 9% YoY increase in 2019 is mainly justified by the increase in net profit of EDP Brasil and EDPR (details on page 27).

**Overall**, net profit remained broadly stable YoY, totalling €512m in 2019. Adjusted by one-off impacts(\*), **recurring net profit increased 7% YoY, to €854m in 2019**, as the asset rotation strategy and growth at networks in Brazil more than offset below-the-average hydro resources in 2019 and 2018's low effective tax rate.

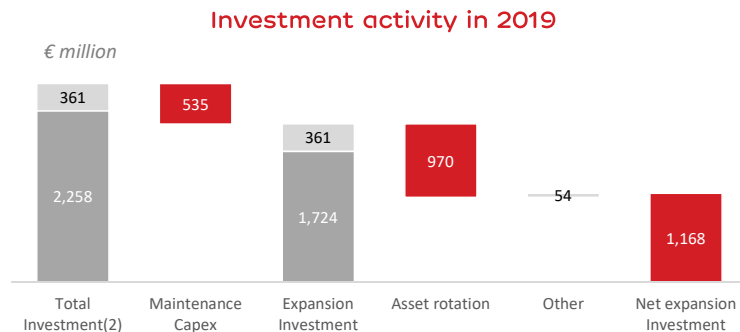
(\* ) *Non-recurring items impact at net profit level: (i) -€277m in 2018, including the regulatory impacts (-€208m), the impairments at coal plants in Iberia (-€21m), restructuring costs (-€21m), net gain on disposals (mini-hydros: +€40m; Bioelectrica: +€24m), debt prepayment fees and others (-€26m) and the extraordinary contribution for the energy sector (-€65m); (ii) -€342m in 2019, including the impairments (-€224m, mainly coal in Iberia), the provision for Fridão (-€59m), provision reversal at S Manoel and the gain on the revaluation of Feedzai (+€28m), one offs at EBITDA level (-€20m net of tax) and the extraordinary contribution for the energy sector (-€66m).*

(1) Includes unwinding of medium, long term liabilities (TEIs, IFRS-16, dismantling & decommissioning provision for generation assets, concessions) and interest on medical care and pension fund liabilities.

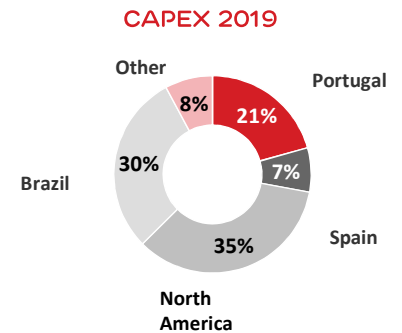
# Investment activity

Capex (€ million)	2019	2018	Δ %	Δ Abs.
<b>Expansion</b>	<b>1,724</b>	<b>1,394</b>	<b>24%</b>	<b>+329</b>
Renewables	1,121	1,309	-14%	-188
Networks	585	73	-	+512
Other	18	12	52%	+6
<b>Maintenance</b>	<b>535</b>	<b>637</b>	<b>-16%</b>	<b>-102</b>
Renewables	46	41	14%	+6
Networks	326	428	-24%	-102
Other	162	168	-4%	-6
<b>Consolidated Capex</b>	<b>2,258</b>	<b>2,031</b>	<b>11%</b>	<b>+227</b>

Net expansion investment (€ m)	2019	2018	Δ %	Δ Abs.
<b>Expansion Capex</b>	<b>1,724</b>	<b>1,394</b>	<b>24%</b>	<b>+329</b>
<b>Financial investments</b>	<b>361</b>	<b>210</b>	<b>71%</b>	<b>+150</b>
Renewables	336			
Networks	11			
Other	14			
<b>Financial divestments</b>	<b>(974)</b>	<b>(745)</b>	<b>-31%</b>	<b>-230</b>
Renewables	(970)			
Asset rotations	(970)			
Other	-			
Networks	-			
Other	(4)			
<b>Proceeds from TEI in US</b>	<b>(186)</b>	<b>(399)</b>	<b>53%</b>	<b>+213</b>
<b>Other (1)</b>	<b>244</b>	<b>(111)</b>	<b>-</b>	<b>+355</b>
<b>Net expansion investment</b>	<b>1,168</b>	<b>350</b>	<b>234%</b>	<b>+818</b>



1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
<b>283</b>	<b>217</b>	<b>505</b>	<b>389</b>	<b>257</b>	<b>299</b>	<b>351</b>	<b>816</b>
278	202	465	365	158	226	212	525
5	11	39	19	63	108	136	278
1	4	1	5	36	(34)	3	13
<b>85</b>	<b>144</b>	<b>163</b>	<b>245</b>	<b>87</b>	<b>182</b>	<b>105</b>	<b>161</b>
6	6	9	20	5	8	11	22
61	86	106	175	91	101	59	75
19	52	48	51	(9)	72	35	64
<b>368</b>	<b>362</b>	<b>668</b>	<b>634</b>	<b>344</b>	<b>481</b>	<b>456</b>	<b>977</b>



**Consolidated capex** amounted to €2,258m in 2019, 76% of which dedicated to expansion: 65% share in renewables, c35% share in Networks, with highlight to electricity transmission projects in Brazil.

**Financial investments** in 2019 (€361m) include: i) **In renewables**, amounts allocated to the build-out of wind onshore capacity in the U.S. and Canada (as committed under our Asset rotation deal in Dec-18), equity contributions to several offshore wind projects (UK, US, France and floating wind in Portugal) and on the construction of San Gaban hydro plant in Peru; ii) **In Networks**, the amount invested to increase our stake in Celesc, from 23% to 25.4%

**Maintenance capex** (€535m in 2019) was mostly dedicated to our regulated networks in Iberia and Brazil (60% of total), targeting a reduction of grid losses (Brazil) and the implementation of several digitalisation projects (Iberia).

**Expansion investments** (including financial investment) was focused in renewables globally and grids in Brazil:

**1) €1,457m in new renewable capacity (c70% of the total)** was distributed between North America (c70%), Europe (c25%) and Latam (c5%). (details on page 10).

**2) €596m in networks in Brazil**, dedicated to the roll out of transmission lines (€455m on construction works equivalent to 59% of capex program) and to grid expansion in distribution (€141m), which until 2018 was included in maintenance capex.

**Financial divestment** in 2019 is mainly impacted by €970m proceeds from asset rotation strategy: (i) €780m net proceeds from the sale of c51% stake in a 997 MW wind portfolio in Europe; and (ii) €190m proceeds associated with CAPEX incurred over 2019 with the full completion of Prairie Queen wind farm in US (disposal previously agreed in Dec-18).

**All in all, net expansion investments amounted to €1,168m in 2019.** The bulk of this (c55%) was dedicated to renewables, mainly wind in the US. Net expansion investments include €186m proceeds from new Tax Equity partnerships and +€244m effect mainly related to payments to fixed asset suppliers (mostly in wind), changes in consolidation perimeter and other.

(1) Includes Proceeds from Tax Equity Partnerships, Change in WC Fixed asset suppliers, Change in consolidation perimeter, reclassification of asset rotation gain and other; (2) Includes Capex and Financial investment.

# Cash Flow Statement

Consolidated Cash Flow (€ million)	2019	2018	Δ %	Δ Abs.
Profit before income tax and CESE	1,194	1,041	15%	+153
Changes in Working capital	(919)	129	-	-1,048
Income tax and CESE	(285)	(256)	-11%	-29
Adjustments(1)	2,544	2,220	15%	+324
<b>Net Cash from Operations</b>	<b>2,534</b>	<b>3,135</b>	<b>-19%</b>	<b>-600</b>
Asset rotation (Gains)/Losses	-313	-196	-60%	-117
<b>Net Cash from Operating Activities</b>	<b>2,221</b>	<b>2,938</b>	<b>-24%</b>	<b>-717</b>
<b>Net Cash from Investing Activities</b>	<b>(1,645)</b>	<b>(1,179)</b>	<b>-40%</b>	<b>-466</b>
<b>Net Cash from Financing Activities</b>	<b>(834)</b>	<b>(2,335)</b>	<b>64%</b>	<b>+1,501</b>
<b>Changes in Cash and Cash Equivalents</b>	<b>(258)</b>	<b>(576)</b>	<b>55%</b>	<b>+318</b>
Effect of exchange rate fluctuations	(2)	(21)	90%	+19

Change in Net Debt (€ million)	2019	2018	Δ %	Δ Abs.
<b>Recurring CF from Operations (2)</b>	<b>2,584</b>	<b>2,605</b>	<b>-1%</b>	<b>-21</b>
Recurring EBITDA	3,716	3,287	13%	+430
Change in operating working capital, taxes and other	(1,132)	(681)	-66%	-451
Maintenance capex (3)	(657)	(664)	1%	+7
Net interests paid	(549)	(565)	3%	+16
Payments to Institutional Partnerships US	(81)	(174)	53%	+93
Other	129	(13)	-	+142
<b>Recurring Organic Cash Flow</b>	<b>1,426</b>	<b>1,189</b>	<b>20%</b>	<b>+237</b>
<b>Net Expansion</b>	<b>(1,168)</b>	<b>(350)</b>	<b>-234%</b>	<b>-818</b>
Expansion capex	(1,724)	(1,394)	-24%	-329
Proceeds from asset rotations	970	422	130%	+548
Acquisition and disposals	(38)	(60)	36%	+22
Other net Financial Investm. (exc. Asset rotations)	(318)	172	-	-490
Proceeds from Institut. Partnerships in US	186	399	-53%	-213
Other	(244)	111	-	-355
<b>Change in Regulatory Receivables</b>	<b>(65)</b>	<b>602</b>	<b>-</b>	<b>-667</b>
<b>Dividends paid to EDP Shareholders</b>	<b>(691)</b>	<b>(691)</b>	<b>0%</b>	<b>-0</b>
<b>Effect of exchange rate fluctuations</b>	<b>(49)</b>	<b>(13)</b>	<b>-267%</b>	<b>-36</b>
<b>Other (including one-off adjustments)</b>	<b>200</b>	<b>(315)</b>	<b>-</b>	<b>+515</b>
<b>Decrease/(Increase) in Net Debt</b>	<b>(347)</b>	<b>422</b>	<b>-</b>	<b>-769</b>

Funds from Operations (€ million)	2019	2018	Δ %	Δ Abs.
<b>EBITDA</b>	<b>3,706</b>	<b>3,317</b>	<b>12%</b>	<b>+388</b>
Current income tax	(146)	(246)	41%	+100
Net financial interests	(597)	(626)	5%	+28
Net Income and dividends received from Associates	2	(15)	-	+18
FFO Adjustments	(317)	(194)	-63%	-123
<b>FFO - Funds From Operations</b>	<b>2,648</b>	<b>2,237</b>	<b>18%</b>	<b>+411</b>

**Recurring organic cash flow amounted to €1.4 Bn in 2019, translating the cash generated and available to fulfil EDP's key strategic pillars of sustainable growth, deleveraging and shareholder remuneration (dividends).** In 2019, Recurring organic cash flow rose by €0.2 Bn YoY (+20%), driven by higher gains with asset rotation transactions and lower payments to Tax Equity Partnerships.

**Maintenance capex** (including payables to fixed assets suppliers) amounted to €657m in the period, mostly related to the networks business and higher YoY payments to fixed asset suppliers (including the impact from the adoption of IFRS16).

The increase in 'Other' recurring organic cash flow items (+€142m YoY to €129m) is mainly justified by higher gains on asset rotation transactions to €313m.

**Net expansion investment activity amounted to €1.2 Bn in 2019**, c70% of which devoted to renewables and the bulk of the rest to transmission in Brazil. (details on page 5).

**Regulatory receivables** increased by €65m in 2019, mainly driven by Portugal, following new receivables arising from deviations between the system's real costs and ERSE's assumptions (details on page 7).

On 15-May-19, EDP paid its annual **dividend totalling €691m (€0.19/share)**, in line with the previous year.

**Effects of exchange rate fluctuations** resulted in a €49m increase on net financial debt in 2019, mainly justified by the appreciation of the USD vs. Euro (+2% YTD, to 1.12).

The caption **Other** includes +€0.5 Bn relative to the 50% equity content attributed by the credit rating agencies to the new €1 bn hybrid bond issued in Jan-19 and -€0.3 Bn one-off impacts in 2019, including an extraordinary contribution to employees' medical care services fund (-€0.17 Bn) and €0.17 Bn tax payment relative to 2018 deficit sales.

**Overall, net debt** increased by €0.3 Bn in 2019, to €13.8 Bn as of Dec-19, reflecting the pace of expansion activity focused in renewables and grids, while the cash in of proceeds from asset rotation deal in Brazil happened in Feb-20.

**Funds from operations (FFO) rose by 18% YoY, to €2,648m in 2019**, mainly impacted by higher EBITDA (details on page 3) and lower current income tax.

(1) Includes Amortisation and Impairments, Provisions, Financial Income and expenses, Other; (2) Excluding Regulatory Receivables; (3) Maintenance capex includes payables to fixed assets suppliers.

# Consolidated Financial Position

Assets (€ million)	Dec vs. Dec		
	Dec-19	Dec-18	Δ Abs.
Property, plant and equipment, net	19,676	22,708	-3,031
Right-of-use assets	829	-	+829
Intangible assets, net	4,224	4,737	-513
Goodwill	2,120	2,251	-132
Fin. investments & assets held for sale (details page 27)	3,525	1,088	+2,437
Tax assets, deferred and current	1,889	1,560	+329
Inventories	368	342	+26
Other assets, net	8,127	6,946	+1,181
Collateral deposits	61	193	-131
Cash and cash equivalents	1,543	1,803	-260
<b>Total Assets</b>	<b>42,362</b>	<b>41,627</b>	<b>+735</b>

Equity (€ million)	Dec-19	Dec-18	Δ Abs.
Equity attributable to equity holders of EDP	8,858	8,968	-110
Non-controlling Interest (Details on page 27)	3,774	3,932	-158
<b>Total Equity</b>	<b>12,632</b>	<b>12,900</b>	<b>-268</b>

Liabilities (€ million)	Dec-19	Dec-18	Δ Abs.
Financial debt, of wich:	16,571	16,085	+487
<i>Medium and long-term</i>	13,125	13,462	-338
<i>Short term</i>	3,447	2,623	+824
Employee benefits (detail below)	1,312	1,407	-96
Institutional partnership liability (US wind)	1,287	1,269	+18
Provisions	1,053	1,018	+34
Tax liabilities, deferred and current	1,121	1,238	-118
Deferred income from inst. partnerships	1,003	962	+41
Other liabilities, net	7,384	6,746	+637
<b>Total Liabilities</b>	<b>29,730</b>	<b>28,727</b>	<b>+1,003</b>

<b>Total Equity and Liabilities</b>	<b>42,362</b>	<b>41,627</b>	<b>+735</b>
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Employee Benefits (€ million)	Dec-19	Dec-18	Δ Abs.
<b>Employee Benefits (bef. Tax)</b>	<b>1,312</b>	<b>1,407</b>	<b>-96</b>
Pensions	631	759	-129
Medical care and other	681	648	+33
<b>Deferred tax on Employee benefits (-)</b>	<b>-404</b>	<b>-422</b>	<b>+18</b>
<b>Employee Benefits (Net of tax)</b>	<b>908</b>	<b>985</b>	<b>-78</b>

Regulatory Receivables (€ million)	Dec-19	Dec-18	Δ Abs.
<b>Regulatory Receivables</b>	<b>370</b>	<b>287</b>	<b>+82</b>
Portugal	366	216	+150
Brazil(1)	4	71	-67

<b>Change in Fair value (+)</b>	-	-	-
<b>Deferred tax on Regulat. Receivables (-)</b>	<b>-115</b>	<b>-68</b>	<b>-47</b>
<b>Regulatory Receivables (Net of tax)</b>	<b>255</b>	<b>219</b>	<b>+35</b>

Total amount of **property, plant & equipment and intangible assets** decreased €3.5 bn vs. Dec-18 to €23.9 bn as of Dec-19, mainly driven by the transfer of a portfolio of hydro assets in Portugal and others to 'Assets held for sale' (-€1.9 bn), the derecognition (-€1.2 bn) of wind assets in Europe and Brazil related with the Asset Rotation strategy, the transfer to 'Other assets, net' of €0.3 bn related with the Fridão Hydro plant and the impairment recognized in the coal plants in Iberia (-€0.3bn). Such effects were partly mitigated by: (i) the construction activity (+€1.3 bn); (ii) the net impact from the evolution of USD (+2%) and the BRL (-2%) against the EUR (+€0.1 bn). As of Dec-19, works in progress amounted to €1.9 bn (8% of total consolidated tangible and intangible assets): 77% at EDPR level, 3% at EDP Brasil level and the remaining 20% at Iberian level.

The adoption of IFRS 16, on January 1<sup>st</sup> 2019, resulted in a €0.75 bn accounted as '**Right-of-use assets**'. Along with this, a liability of €0.74 bn was booked under 'Other liabilities, net'. The current amount of €0.8 bn is the result of the normal activity of the group.

The book value of **financial investments & assets held for sale net of liabilities** increased by €2.4 bn vs. Dec-18, mainly due to the recognition under the account "assets held for sale" of the abovementioned portfolio of hydro assets (+€1.9 bn) and the wind offshore assets under the scope of the strategic memorandum of understanding with Engie (+€0.2 bn). (More details on page 27).

**Tax assets net of liabilities, deferred and current** increased €0.4 bn vs. Dec-18 at €0.8 bn in Dec-19. **Other assets (net)** increased €1.2 bn vs. Dec-18 to €8.3 bn as of Dec-19, mainly supported by the development of transmission lines and execution of CAPEX in Networks and the abovementioned effect related with Fridão hydro plant.

**Equity book value attributable to EDP shareholders** decreased by €0.1 bn to €8.9 bn as of Dec-19, reflecting on one hand the positive effects of the net profit for the period and the Forex and on the other hand the payment of annual dividend. **Non-controlling interests** declined €0.16 bn largely reflecting the effect of the asset rotation deal completed in Jul-19.

**Pension fund, medical care and other employee benefit liabilities** fell by €0.1 bn vs. Dec-18, to €1.3 bn as of Dec-19 (**€0.9bn, net of tax**), reflecting the recurrent payment of pension and medical care expenses in 2019, the extraordinary contribution to the pension fund in Portugal (€142m).

**Institutional partnership liabilities** were flat vs Dec-18 at €1.3 bn, following the benefits appropriated by the tax equity partners during the period which offset a new institutional partnership secured and the USD appreciation against the EUR.

**Provisions** were broadly flat vs. Dec-18, at €1.1 Bn. This caption includes, among others, provisions for dismantling (€486m, +€5m YoY), of which €270m related with wind farms and a provision related with the amount invested on the Fridão hydro plant since the concession attribution (€86m).

**Other liabilities (net)** increased €0.6 bn vs Dec-19, includes the adoption of the IFRS-16 (+€0.76 bn) and the increase in equipment suppliers liabilities (+€0.2 bn), associated with the augmented development of expansion projects. These effects were mitigated by the deconsolidation of wind projects associated with the asset rotation transactions executed (-€0.4 bn)

**Net regulatory receivables** amounted to €370m as of Dec-19 (**€255m net of tax**). The evolution during 2019 is mainly justified by unanticipated deviations vs. ERSE's assumptions: i) lower amounts allocated to the electricity system regarding mitigation measures (+€212m); ii) special regime over-cost caused by lower realized prices and higher volumes (+€182m). In 2019, Portuguese electricity system debt amounted to €3.57 bn, including a €0.44 bn decrease in ex-ante debt and higher tariff deviations, due to be recovered in 1-2 years.

Also worth to note is EDP's full disposal of ex-ante deficit created in 2019: €1.1bn sold in 2Q19.

(1) Excluding the amount corresponding to the impact from the exclusion of ICMS from the calculation of PIS/COFINS from past years in our distribution companies (R\$1.8 Bn), since the receivable (recognized under current tax assets) is a pass-through to the tariff.

# Net Financial Debt

Net Financial Debt (€ million)	Dec-19	Dec-18	Δ %	Δ Abs.
<b>Nominal Financial Debt</b>	<b>16,222</b>	<b>15,766</b>	<b>3%</b>	<b>+456</b>
EDP S.A., EDP Finance BV and Other	13,618	13,228	3%	+390
EDP Renováveis	769	882	-13%	-113
EDP Brasil	1,835	1,656	11%	+179
Accrued Interest on Debt	288	258	12%	+30
Fair Value of Hedged Debt	61	61	1%	+1
Derivatives associated with Debt (2)	(135)	(116)	-16%	-19
Collateral deposits associated with Debt	(61)	(193)	68%	+131
Hybrid adjustment (50% equity content)	(906)	(391)	-132%	-515
<b>Total Financial Debt</b>	<b>15,469</b>	<b>15,385</b>	<b>1%</b>	<b>+84</b>
<b>Cash and cash equivalents</b>	<b>1,543</b>	<b>1,803</b>	<b>-14%</b>	<b>-260</b>
EDP S.A., EDP Finance BV and Other	377	922	-59%	-545
EDP Renováveis	582	386	51%	+196
EDP Brasil	584	496	18%	+89
<b>Financial assets at fair value through P&amp;L</b>	<b>99</b>	<b>102</b>	<b>-3%</b>	<b>-3</b>
<b>EDP Consolidated Net Debt</b>	<b>13,827</b>	<b>13,480</b>	<b>3%</b>	<b>+347</b>

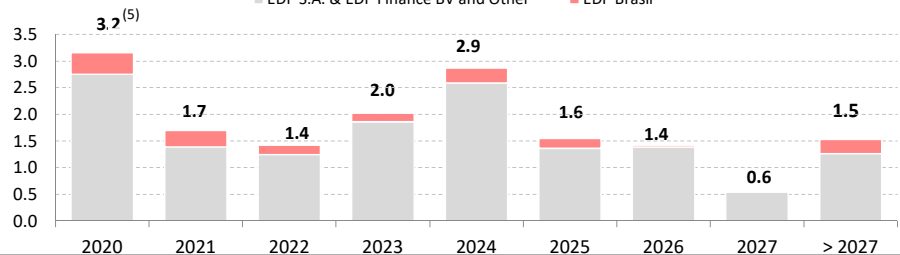
Credit Lines by Dec-19 (€ million)	Maximum Amount	Number of Counterparts	Available Amount	Maturity
Revolving Credit Facilities	75	1	75	Jul-21
Revolving Credit Facility	3,300	24	3,300	Oct-24
Revolving Credit Facility	2,240	17	1,790	Mar-25
Domestic Credit Lines	256	9	256	Renewable
Underwritten CP Programmes	50	1	50	2021
<b>Total Credit Lines</b>	<b>5,921</b>		<b>5,471</b>	

Credit Ratings	S&P	Moody's	Fitch
EDP SA & EDP Finance BV	BBB-/Stable/A-3	Baa3/Stable/P3	BBB-/Stable/F3
Last Rating Action	15/04/2019	03/04/2017	05/12/2018

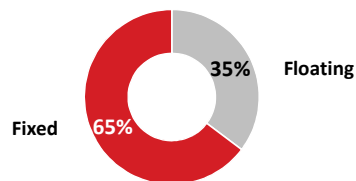
Key ratio	Dec-19	Dec-18
Net Debt / EBITDA adjust. for Reg. Receivables (4)	3.6x	4.0x

## Debt Maturity (€ billion) by Dec-19 (1)

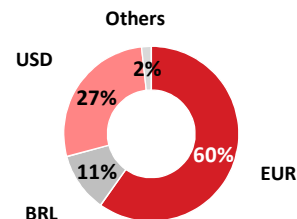
■ EDP S.A. & EDP Finance BV and Other ■ EDP Brasil



## Debt by Interest Rate Type (1) - Dec-19



## Debt by Currency (1) (3) - Dec-19



**EDP's financial debt** is mostly issued at holding level (EDP S.A. and EDP Finance B.V.), accounting for 84% of the Group's Nominal Financial Debt. Debt for the group is raised mostly through debt capital markets (83% in Dec19, +2% YoY), with the remaining through bank loans.

Maintaining access to diversified sources of funding and assuring refinancing needs, mostly through underwritten syndicated facilities, at least 12-24 months ahead continue to be part of the company's prudent financial strategy.

In April-19, S&P affirmed EDP's credit rating at "BBB-", with Stable outlook on the expectation of EDP successfully executing its strategy. The company's current credit rating under Moody's is "Baa3" with Stable outlook and under Fitch is "BBB-", with Stable outlook.

**Looking at 2019's major debt repayments and financing transactions:** In Jan-19, EDP extended €2,095m out of the €2,240m Revolving Credit Facility maturity until Mar-24 (except for €145m which matures in Mar-23) and issued €1,000m of subordinated green notes with a yield of 4.5% with maturity in 2079 (green hybrid); in Apr-19, EDP repaid at maturity the remainder € 501m of a €600m bond that carried a coupon of 2.625%;. In Sep-19, EDP issued a €600m green note with 7-year maturity and a record-low yield of 0.4%. Also, in Sep-19, EDP extended €3,295m out of the €3,300m Revolving Credit Facility until Oct-24 (except for €5m which matures in Oct-23). Lastly, in Oct-19 19 EDP repaid at maturity the remainder \$637m of a \$1,000m bond that carried a coupon of 4.9%.

**Refinancing needs for 2020** amount to €3.2 Bn including €2.2 Bn of bonds. Note that the increase in 2020 maturities over the past quarter is fully explained by an increase in outstanding ECP and by the repurchase of our 2015 €750m hybrid in 1Q2020: **as of Jan-2020**, EDP issued a new €750 million Green Hybrid with a coupon of 1.7%, first call date in Apr-25 and final maturity in 2080; together with the new issuance, EDP also launched a tender over the abovementioned 2015 hybrid (coupon of 5.375%), that had a success rate of 91% and will allow EDP to exercise the clean-up call in March over the remaining 9%. Additionally, in Jan-2020 a USD bond matured with a total outstanding value of \$583m and a coupon of 4.125%. For the remainder of 2020, there are two Euro bonds maturing in June and September with coupons of 4.125% and 4.875%, respectively, with a total outstanding amount of €695m. **In 2021 and 2022**, refinancing needs amount to approx. €3.1 Bn.

Total cash and available liquidity facilities amounted to €7.1 Bn by Dec-19, of which €5.5bn are credit facilities.

(1) Nominal Value incl. 100% of the hybrid bonds; (2) Derivatives designated for fair-value hedge of debt including accrued interest; (3) After FX-derivatives; (4) Based on trailing 12 months recurring EBITDA and net debt excl. 50% of hybrid bond issue (including interest); (5) Includes 100% (€750M) of the 2015 Hybrid bond



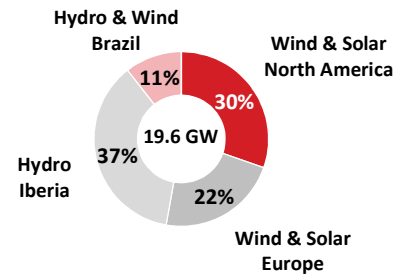


Business Segments

# Renewables: Asset base & Investment activity

Installed capacity (MW)	Dec-19	Δ YTD	Δ Abs.	YoY Additions	Reductions	Under Construc.
<b>EBITDA MW</b>	<b>19,597</b>	<b>-497</b>	<b>-497</b>	<b>+749</b>	<b>-1,239</b>	<b>+664</b>
<b>Wind &amp; Solar</b>	<b>10,812</b>	<b>-489</b>	<b>-489</b>	<b>+749</b>	<b>-1,239</b>	<b>+664</b>
US	5,714	382	+382	+581	-199	+409
Canada	30	-	-	-	-	+100
Mexico	200	-	-	-	-	-
<b>North America</b>	<b>5,944</b>	<b>+382</b>	<b>+382</b>	<b>+581</b>	<b>-199</b>	<b>+509</b>
Spain	1,974	-337	-337	+53	-390	+18
Portugal	1,164	-144	-144	+47	-191	+6
France	53	-368	-368	+19	-388	+63
Belgium	-	-71	-71	-	-71	+10
Poland	418	-	-	-	-	+58
Romania	521	-	-	-	-	-
Italy	271	+50	+50	+50	-	-
<b>Europe</b>	<b>4,401</b>	<b>-871</b>	<b>-871</b>	<b>+169</b>	<b>-1,040</b>	<b>+154</b>
<b>Brazil</b>	<b>467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Hydro</b>	<b>8,785</b>	<b>-8</b>	<b>-8</b>	<b>-</b>	<b>-</b>	<b>-</b>
Iberia	7,186	-8	-8	-	-	-
Brazil	1,599	-	-	-	-	-
<b>Equity MW</b>	<b>1,101</b>	<b>+191</b>	<b>+191</b>	<b>+139</b>	<b>+40</b>	<b>+408</b>
<b>Wind onshore &amp; Solar</b>	<b>550</b>	<b>+179</b>	<b>+179</b>	<b>+139</b>	<b>+40</b>	<b>-</b>
US	398	+179	+179	+139	+40	-
Spain	152	-	-	-	-	-
<b>Wind offshore</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>+330</b>
<b>Hydro</b>	<b>551</b>	<b>+12</b>	<b>+12</b>	<b>-</b>	<b>-</b>	<b>+78</b>
Latam	551	+12	+12	-	-	+78

Installed Capacity EBITDA MW - Dec-19



Assets' average life and residual life

(Years)

Hydro Iberia	31	35
Hydro Brazil	17	14
Wind & Solar Brazil	3	27
Wind & Solar Europe	10	20
Wind & Solar North America	7	23

Renewables capacity accounts **77%** of our total installed capacity, equivalent to **20.6 GW** (including Equity MW).

In 2019, we commissioned **888 MW** of wind and solar capacity (139 MW of which equity), the bulk of which in US (81%). On the other hand, as part of our asset rotation strategy, we completed, in July, the sale of our **c51% stake in 997 MW in operation in Europe** (388 MW in France, 348 MW in Spain, 191 MW in Portugal and 71 MW in Belgium), leading to the deconsolidation of the full EBITDA MW capacity.

As of today, we have **PPAs secured for 5.4 GW** (+3.0 GW vs Dec-18) to support installations in 2019-22, representing around **76% of our targeted global renewables capacity built-out plans**. To date, we secured PPAs in North America (2.8 GW), Europe (1.2 GW), LatAm (1.2 GW) and Offshore (0.2 GW).

As of Dec-19, our wind & solar capacity under construction totaled **994 MW**, including attributable capacity of 316 MW in Moray East (UK) and 14 MW Windplus floating project (Portugal), both offshore technologies as Equity MW.

In **North America**, we have currently **509 MW of wind farms under construction**, including Harvest Ridge I (200 MW) and Reloj del Sol (209 MW) that are expected to be commissioned in 2020 and Nation Rise (100 MW in Canada). The last one, we have already sold an 80% stake, though keeping the commitment to complete construction.

In **Europe**, we have 154 MW of wind onshore under construction of which 18 MW are wind repowering projects in Spain.

Our **hydro portfolio** comprises **7,186 MW in Iberia** (c. 40% of which pumping capacity) and 1,599 MW in Brazil. In LatAm, we own equity stakes on 3 hydro plants (Jari, Cachoeira-Caldeirão and S. Manoel, all in Brazil) and own a 50% share in a hydro plant under construction in Peru (San Gaban, 78 MW net).

Lastly, in 2019, we agreed on the **asset rotation of Babilonia wind farm** (137 MW) in operation in Brazil and the disposal of **1,689 MW of hydro plants in Portugal**. The deconsolidation of the full EBITDA MW capacity will follow the financial closing of these transactions (deal in Brazil on February 12<sup>th</sup> and Hydro disposal in Portugal expected in 2H20).

All in all, **net expansion investments amounted** to €621m in 2019, mainly due to proceeds from the asset rotation deals (+€780m equity proceeds from the deal in Europe and +€190m cash received relating to Prairie Queen). The **expansion investment** is mainly devoted to projects in North America (~70%) and Europe (~27%). **Financial investments of €318m** includes expenditures mostly in Prairie Queen, Nation Rise, San Gaban and wind offshore. Lastly, impact of €338m, mainly related to payments to **fixed asset suppliers** (largely in wind) and **changes in consolidation perimeter** (mostly related to the agreed asset rotation deals in Europe and Brazil).

Net expansion investment (€ million)	2019	2018	Δ %	Δ Abs.
<b>Expansion capex</b>	<b>1,121</b>	<b>1,310</b>	<b>-14%</b>	<b>-188</b>
North America	784	757	4%	+27
Europe	307	389	-21%	-82
Brazil & Other	31	164	-81%	-133
<b>Financial investment</b>	<b>318</b>			
Proceeds from TEI in US	186			
Proceeds from asset rotations	970			
Other (1)	338			
<b>Net expansion investment</b>	<b>621</b>			

Maintenance Capex (€ million)	2019	2018	Δ %	Δ Abs.
Iberia	39	35	12%	+4
Brazil	8	6	28%	+2
<b>Maintenance capex</b>	<b>46</b>	<b>41</b>	<b>14%</b>	<b>+6</b>

(1) Includes Change in WC Fixed asset suppliers and changes in consolidation perimeter. Excludes asset rotation gain.

# Renewables: Financial performance

Income Statement (€ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>2,409</b>	<b>2,495</b>	<b>-3%</b>	<b>-86</b>
OPEX	547	586	-7%	-40
Other operating costs (net)	-424	-288	-47%	-135
<b>Net Operating Costs</b>	<b>123</b>	<b>298</b>	<b>-59%</b>	<b>-175</b>
<b>EBITDA</b>	<b>2,286</b>	<b>2,197</b>	<b>4%</b>	<b>+89</b>
Amortisation, impairments; Provision	898	979	-8%	-81
<b>EBIT</b>	<b>1,388</b>	<b>1,218</b>	<b>14%</b>	<b>+170</b>

**In 2019, EBITDA rose by 4% YoY to €2,286m**, mainly driven by higher volumes and prices (+€97m YoY) in the wind & solar business and by a favorable forex impact of +€22m. Moreover, the benefits from our portfolio expansion (+€72m on EBITDA) and asset rotation strategy (+€203m YoY) were mitigated by below-the-average hydro resources in Iberia (-€0.2 bn) and de-consolidation of assets sold (-€65m).

**Wind and solar EBITDA** increases to nearly €1,648m (+27% YoY) was driven by:

- net growth effect, including higher gain on both asset rotation deals (+€313m in 2019 vs €110m in 2018), de-consolidation of assets sold (-€65m YoY in 2H19) and portfolio expansion (+€72m YoY);
- stronger wind resources (+3 pp, although still 3% short of P50), average selling price of +3% YoY (backed by eastern Europe) and by the adoption of IFRS 16 (+€45m YoY). Finally, EBITDA performance also reflected the expiring of 10-year PTC incentive in US wind projects (-€33m YoY).

**The 29% YoY decline in hydro EBITDA** to €638m was mainly driven by extremely weak hydro resources in Iberia (trimming EBITDA by €0.2 Bn vs. normalized level) and the deconsolidation of mini hydro plants disposed on in 4Q18 in Portugal and Brazil (-€46m on EBITDA loss and +€82m of net gain in 2018).

**OPEX performance in renewables** (-7% YoY) reflected tight cost control and successful implementation of ongoing savings program, both in Iberia and Brazil. In wind and solar, **Core OPEX per average MW decreased to €40.5k** (-5% YoY), before IFRS 16 adjustment (+€45m YoY). Considering additional impacts (IFRS16, offshore and one-offs), Adjusted Core OPEX per average MW **is stable at 0% YoY** (ex-forex).

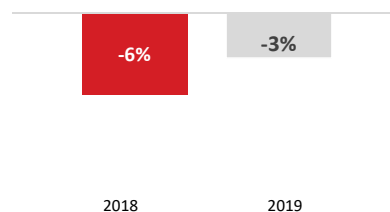
**Other operating costs (net)**, amounting to a **€424m** revenue in 2019, includes the gain of the asset rotation deals (+€313m in 2019) completed in July of 2019. In Iberia, lower generation taxes at €36m (vs. €51m in 2018), mainly due to the underlying lower production and lower PTC revenue (-\$15m YoY).

EBITDA (€ million)	2019	2018	Δ %	Δ Abs.
<b>Wind &amp; Solar</b>	<b>1,648</b>	<b>1,300</b>	<b>27%</b>	<b>+348</b>
North America	615	654	-6%	-40
Europe	914	653	40%	+261
Brazil & Other	120	-7	-	+127
<b>Hydro</b>	<b>638</b>	<b>897</b>	<b>-29%</b>	<b>-259</b>
Iberia	465	625	-26%	-160
Brazil	173	273	-37%	-100
<b>EBITDA</b>	<b>2,286</b>	<b>2,197</b>	<b>4%</b>	<b>+89</b>

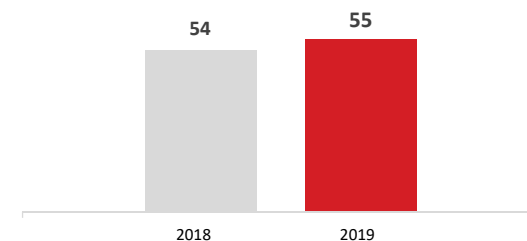
Output (GWh)	2019	2018	Δ %	Δ Abs.
<b>Wind &amp; Solar</b>	<b>30,041</b>	<b>28,359</b>	<b>6%</b>	<b>+1,682</b>
<b>Hydro</b>	<b>13,958</b>	<b>18,899</b>	<b>-26%</b>	<b>-4,941</b>
Iberia	9,830	13,305	-26%	-3,476
Brazil	4,129	5,594	-26%	-1,465
<b>Total output</b>	<b>43,999</b>	<b>47,258</b>	<b>-7%</b>	<b>-3,260</b>

Core OPEX/Average MW	2019	2018	Δ %	Δ Abs.
<b>Wind &amp; Solar</b>	<b>40.5</b>	<b>42.8</b>	<b>-5%</b>	<b>-2.3</b>
<b>Hydro</b>				
Iberia	11.8	23.6	-50%	-11.7
Brazil	13.7	13.9	-1%	-0.2

Wind portfolio resources 2019  
vs. LT average (P50)

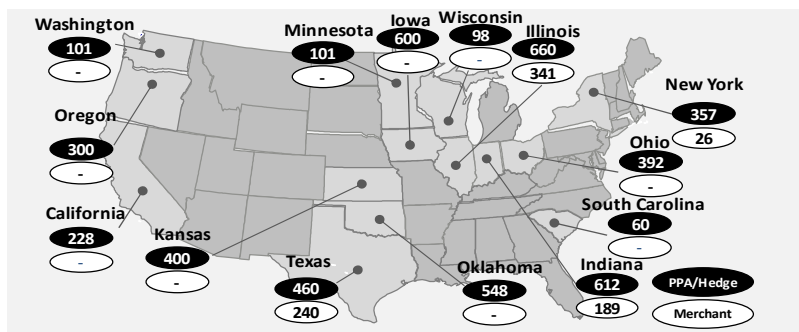


Wind & Solar Avg. Selling Price 2019  
vs. 2018 (€/MWh)



# Renewables in North America

USA: EBITDA MW by market - Dec-19



In North America, **installed capacity** (5,944 EBITDA MW) is **98% wind** while the remaining is **solar** (90 MW). Additionally, we own **equity stakes in other wind projects**, equivalent to **398 MW** (+82% YoY), following the commissioning of 199 MW Prairie Queen, in Aug-19 (20% equity stake) and acquisition of 50% of First Solar portfolio (139 MW net). In 2019, **87% of total installed capacity is PPA/Hedged contracted**.

**Electricity production increased** +5% YoY, mainly reflecting the growth of installed capacity (+7% YoY) and stable wind resources YoY (although 7% short of LT average). **Wind resources improvements** were YoY concentrated in the **Eastern region**, while **Central and West** had **poorer resources**.

**Gross profit rose to USD 729m** (+7% YoY) in 2019, mainly supported by the 5% **output growth**. **PTC Revenue & Other declined to USD 203m** (-7% YoY), mainly due to the combined effect from the **expiration of 10-year PTC fiscal incentives** in some wind projects (-USD 39m YoY) and **establishment of new partnerships** (+USD 21m YoY).

**EBITDA stood at USD 688m** (-8% YoY) in 2019, mainly justified by 2018's gain from the asset rotation of 80% stake from 499 MW of wind onshore capacity in the US and Canada (€109m gain booked in 4Q18).

Operating data	2019	2018	Δ %	Δ Abs.
<b>Installed capacity (MW EBITDA)</b>	<b>5,944</b>	<b>5,562</b>	<b>7%</b>	<b>+382</b>
US PPA/Hedge	4,917	4,539	8%	+378
US Merchant	797	793	0%	+3
Canada	30	30	0%	-
Mexico	200	200	0%	-
<b>Load Factor (%)</b>	<b>34%</b>	<b>34%</b>	<b>0%</b>	<b>0 p.p.</b>
US	34%	34%	-1%	0 p.p.
Canada	27%	27%	-2%	-1 p.p.
Mexico	42%	40%	4%	2 p.p.
<b>Electricity Output (GWh)</b>	<b>16,492</b>	<b>15,644</b>	<b>5%</b>	<b>+848</b>
US	15,696	14,873	6%	+823
Canada	70	71	-2%	-1
Mexico	726	700	4%	+26
<b>Avg. Selling Price (USD/MWh)</b>	<b>45</b>	<b>45</b>	<b>0%</b>	<b>-0</b>
US	44	44	0%	-0
Canada (\$CAD/MWh)	147	146	1%	+1
Mexico	65	64	1%	+1
<b>EUR/USD (Avg. of the period)</b>	<b>1.12</b>	<b>1.18</b>	<b>5%</b>	<b>-0.06</b>
Financial data (USD million)	2019	2018	Δ %	Δ Abs.
<b>Adjusted Gross Profit</b>	<b>932</b>	<b>901</b>	<b>3%</b>	<b>+31</b>
Gross Profit	729	682	7%	+46
PTC Revenues & Other	203	219	-7%	-15
<b>EBITDA</b>	<b>688</b>	<b>749</b>	<b>-8%</b>	<b>-61</b>
<b>EBIT</b>	<b>333</b>	<b>427</b>	<b>-22%</b>	<b>-94</b>
Equity stakes	2019	2018	Δ %	Δ Abs.
Equity MW	398	219	82%	+179
Share of net profit in JVs/associates	0	-2	84%	+2



- Sales can be agreed under PPAs (up to 20 years), through Hedges or Merchant prices;
- Green Certificates (Renewable Energy Credits, REC) subject to each state regulation;
- Tax Incentive:
  - i) PTC collected for 10-years since CoD (\$25/MWh in 2019);
  - ii) Wind farms beginning construction in 2009 and 2010 could opt for 30% cash grant in lieu of PTC.



- Feed-in Tariff (Ontario). Duration: 20-years;
- Renewable Energy Support Agreement (Alberta).



- Technological-neutral auctions (opened to all technologies) in which bidders offer a global package price for the 3 different products (capacity, electricity generation and green certificates);
- EDPR project: bilateral Electricity Supply Agreement under self-supply regime for a 25-year period.

NA Wind resources 2019 vs. LT average (P50)



2018 2019

# Renewables in Iberia

Operating data	2019	2018	Δ %	Δ Abs.
<b>Installed capacity (MW EBITDA)</b>	<b>10,324</b>	<b>10,813</b>	<b>-5%</b>	<b>-489</b>
<b>Wind &amp; Solar</b>	<b>3,139</b>	<b>3,620</b>	<b>-13%</b>	<b>-481</b>
Spain	1,974	2,312	-15%	-337
Portugal	1,164	1,309	-11%	-144
<b>Hydro</b>	<b>7,186</b>	<b>7,193</b>	<b>0%</b>	<b>-8</b>
<b>Load Factor (%)</b>				
<b>Wind &amp; Solar</b>				
Spain	28%	26%	8%	2 p.p.
Portugal	29%	27%	8%	2 p.p.
<b>Hydro</b>	<b>16%</b>	<b>21%</b>	<b>-26%</b>	<b>-5 p.p.</b>
<b>Electricity Output (GWh)</b>	<b>18,287</b>	<b>21,464</b>	<b>-15%</b>	<b>-3,177</b>
<b>Wind &amp; Solar</b>	<b>8,458</b>	<b>8,159</b>	<b>4%</b>	<b>+299</b>
Spain	5,298	5,164	3%	+134
Portugal	3,160	2,995	5%	+165
<b>Hydro</b>	<b>9,830</b>	<b>13,305</b>	<b>-26%</b>	<b>-3,476</b>
Net production	8,461	11,476	-26%	-3,015
Pumping	1,368	1,829	-25%	-461
<b>Avg. Selling Price (€/MWh)</b>				
<b>Wind &amp; Solar</b>				
Spain	71	72	-2%	-1
Portugal	89	91	-2%	-2
<b>Hydro</b>	<b>54</b>	<b>62</b>	<b>-14%</b>	<b>-9</b>

Financial data (€ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>1,239</b>	<b>1,417</b>	<b>-13%</b>	<b>-177</b>
Wind & Solar (1)	668	679	-2%	-11
Spain	384	372	3%	+12
Portugal	284	272	4%	+12
Hydro	572	738	-23%	-166
<b>EBITDA</b>	<b>1,201</b>	<b>1,114</b>	<b>8%</b>	<b>+87</b>
Wind & Solar (1)	736	489	50%	+247
Hydro	465	625	-26%	-160
<b>EBIT</b>	<b>768</b>	<b>644</b>	<b>19%</b>	<b>+125</b>
Wind & Solar (1)	574	327	76%	+247
Hydro	194	317	-39%	-123
<b>Equity stakes (€ million)</b>	<b>2019</b>	<b>2018</b>	<b>Δ %</b>	<b>Δ Abs.</b>
Installed capacity (Equity MW)	152	152	0%	-
Share of net profit in JVs/associates	3.7	4.5	-18%	-1

(1) Includes hedging adjustments

In Iberia, **installed capacity** (10.3 GW) is split between wind (~30%) and hydro (70%), following the deconsolidation of 348 MW in Spain and 191 MW in Portugal resulting from the sale of our c. 51% stake in an European wind portfolio of assets (Jul-19). In Dec-19 and as part of our disposal plan, we agreed to sell 6 hydro plants in Portugal (1.7 GW) for €2.2 bn. The closing is expected in 2H20.

In Iberia **wind & solar output** increased to 8.5 TWh (+4% YoY), experiencing a stronger wind resource and high load factors, despite the deconsolidation of capacity sold in Jul-19 (-539 MW YoY). Moreover, the average selling price decreased 2% YoY and as a result, gross profit amounted to €668m (-2% YoY).

**Hydro gross profit** was down to €572m (-23% YoY), mainly driven by weak hydro resources despite a strong recovery of this resource in the last quarter (+56% resource above historical average in 4Q19).

**Hydro resources in Portugal** were 19% below historical average (vs. +5% in 2018), resulting in a decline of 26% YoY in net production. In the 4Q19 there was a strong recovery of hydro resources in Iberia, allowing to store the levels of our reservoirs (+0.4 TWh above historical average) in Portugal.

The **average unit pumping margin** was above €15/MWh while **average selling price of hydro production** stood at €54/MWh (-14% YoY) being supported by hedging gains.

Regarding **one-off provisioning**: (i) in 2019, we booked an €86m provision for invested amounts on Fridão hydro plant project since concession attribution; (ii) in 3Q18, hydro's share in the €285m provision related to the alleged CMEC overcompensation.

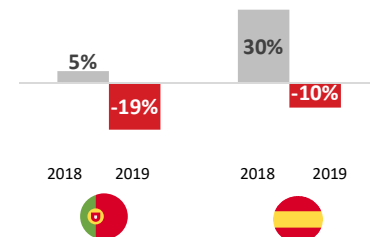


- Wind energy developed until 2015 receives pool price + premium / MW, if necessary, in order to achieve a target return of 7.4% for the 2016-2019 period;
- Premium calculation is based on standard assets (load factor, production and costs);
- Since 2016, all the new renewable capacity is allocated through competitive auctions.



- MWs from previous regime: Feed-in Tariff inversely correlated with load factor throughout the year. Tariff monthly inflation-updated, through the later of: 15y of operation or 2020, + 7 years (cap/floor system: €74/MWh - €98/MWh);
- ENEOP portfolio : price set in an international competitive tender for 15y (or the first 33 GWh/MW) + 7y (extension cap/floor system: €74/MWh - €98/MWh). First year tariff at c.€74/MWh, CPI monthly-updated;
- VENTINVEST portfolio: price defined in an international competitive tender and set for 20y (or the first 44 GWh/MW) of €66/MWh.

Hydro resources 2019  
vs. LT average P50



# Renewables in the Rest of Europe

Operating data	2019	2018	Δ %	Δ Abs.
<b>Installed capacity (MW EBITDA)</b>	<b>1,263</b>	<b>1,652</b>	<b>-24%</b>	<b>-389</b>
Romania	521	521	0%	-
Poland	418	418	0%	-
France	53	421	-87%	-368
Italy	271	221	22%	+50
Belgium	0	71	-	-71
<b>Load Factor (%)</b>	<b>26%</b>	<b>24%</b>	<b>10%</b>	<b>2 p.p.</b>
Romania	25%	23%	9%	2 p.p.
Poland	30%	25%	19%	5 p.p.
France	22%	23%	-4%	-1 p.p.
Italy	27%	27%	1%	0 p.p.
Belgium	22%	21%	6%	1 p.p.
<b>Electricity Output (GWh)</b>	<b>3,333</b>	<b>3,321</b>	<b>0%</b>	<b>+12</b>
Romania	1,151	1,059	9%	+92
Poland	1,098	919	19%	+179
France	465	829	-44%	-364
Italy	551	385	43%	+166
Belgium	68	129	-47%	-60
<b>Avg. Selling Price (€/MWh)</b>	<b>78</b>	<b>73</b>	<b>6%</b>	<b>+4</b>
Romania (RON/MWh)	323	255	27%	+68
Poland (PLN/MWh)	309	254	21%	+54
France	90	90	0%	-0
Italy	95	110	-14%	-15
Belgium	106	104	2%	+2
<b>ForEx rate - average in the period</b>				
EUR/PLN	4.30	4.26	-1%	+0.04
EUR/RON	4.75	4.65	-2%	+0.09

Financial data (€ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>267</b>	<b>246</b>	<b>9%</b>	<b>+21</b>
Romania	83	57	46%	+26
Poland	84	59	41%	+24
France & Belgium	49	87	-44%	-39
Italy	52	42	24%	+10
<b>EBITDA</b>	<b>221</b>	<b>169</b>	<b>31%</b>	<b>+53</b>
<b>EBIT</b>	<b>134</b>	<b>82</b>	<b>63%</b>	<b>+52</b>

**In the Rest of Europe** (ex-Iberia), installed capacity stands heavily focused in onshore wind (~1,203 MW) and 50 MW of solar capacity in Romania. Our average installed capacity decreased 389 MW, mostly due to the deconsolidation of our asset rotation strategy deal in Europe in Jul-19.

**Output was stable at 3,333 GWh**, as the benefit from stronger wind resources (+2.5 pp vs LT Average) was offset by the de-consolidation of wind farms sold (388 MW in France and 71 MW in Belgium). Poland and Romania factored considerable high load factors being the main contributors to keep generation stable.

**Average selling price was 6% higher YoY**, reflecting a recovery in prices in Poland and Romania.

**As a result, EBITDA rose to €221m** (+31% YoY), following stronger wind resources, market price recovery in Eastern Europe, portfolio expansion and asset rotation gains.



- Wind assets (installed until 2013) receive 2 GC/MWh until 2017 and 1 GC/MWh after 2017 until completing 15 years. 1 out of the 2 GC earned until Mar-2017 can only be sold from Jan-2018 and until Dec-2025. Solar assets receive 6 GC/MWh for 15 years. 2 out of the 6 GC earned until Dec-2020 can only be sold after Jan-2021 and until Dec-2030. GC are tradable on market under a cap and floor system (cap €35 / floor €29.4); Wind assets (installed in 2013) receive 1.5 GC/MWh until 2017 and after 0.75 GC/MWh until completing 15 years; The GCs issued starting in Apr-2017 and the GCs postponed to trading from Jul-2013 will remain valid and may be traded until Mar-2032.



- Electricity price can be established through bilateral contracts; Wind receive 1 GC/MWh which can be traded in the market. Electric suppliers have a substitution fee for non compliance with GC obligation. From Sep-17 onwards, substitution fee is calculated as 125% of the avg market price of the GC from the previous year and capped at 300PLN.



- Feed-in tariff for 15 years: (i) €82/MWh up to 10th year, inflation updated; (ii) Years 11-15: €82/MWh @2,400 hours, decreasing to €28/MWh @3,600 hours, inflation updated; Wind farms under the RC 2016 scheme receive 15-yr CfD which strike price value similar to existing FIT fee plus a management premium.



- MW <2013 are (during 15 years) under a pool + premium scheme; MW >2013 were awarded a 20 years contract through competitive auctions. According with the auction scheme, the electricity produced by these wind farms is sold on the market with CfD.



- Market price plus green certificate (GC) system;
- Separate GC prices with cap and floor for Wallonia (€65/MWh-100/MWh);
- Option to negotiate long-term PPAs.

# Renewables in Brazil

Operating data	2019	2018	Δ %	Δ Abs.
<b>Installed capacity (MW EBITDA)</b>	<b>2,066</b>	<b>2,066</b>	<b>0%</b>	<b>-</b>
Wind	467	467	0%	-
Hydro	1,599	1,599	0%	-
<b>Load Factor (%)</b>				
Wind	43%	40%	6%	2 p.p.
Hydro	29%	40%	-26%	-10 p.p.
<b>Electricity Output (GWh)</b>	<b>5,886</b>	<b>6,829</b>	<b>-14%</b>	<b>-943</b>
Wind	1,757	1,235	42%	+522
Hydro	4,129	5,594	-26%	-1,465
<b>Hydro volume sold - Brazil (GWh)</b>	<b>10,952</b>	<b>8,502</b>	<b>29%</b>	<b>+2,450</b>
PPA contracted	10,568	7,403	43%	+3,165
Other	384	1,099	-65%	-715
<b>Hydro physical guarantee (GWh)</b>	<b>6,672</b>	<b>7,278</b>	<b>-8%</b>	<b>-606</b>
<b>Avg. Selling Price (R\$/MWh)</b>				
Wind	205	195	5%	+10
Hydro	170	186	-9%	-16
<b>ForEx rate - average in the period</b>				
EUR/BRL	4.41	4.31	-2%	+0.11

Financial data (R\$ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>1,187</b>	<b>1,174</b>	<b>1%</b>	<b>+13</b>
Wind	327	215	52%	+112
Hydro	859	959	-10%	-99
PPA contracted	1740	1182	47%	+558
GSF impact (net of hedging) & Other	-881	-224	-294%	-657
<b>EBITDA</b>	<b>1,387</b>	<b>994</b>	<b>40%</b>	<b>+393</b>
Wind	613	140	337%	+473
Hydro	774	854	-9%	-80
Lajeado	408	359	13%	+48
Peixe Angical	246	202	22%	+44
Other	120	292	-59%	-172
<b>EBIT</b>	<b>1,179</b>	<b>731</b>	<b>61%</b>	<b>+448</b>

Equity stakes (R\$ million)	2019	2018	Δ %	Δ Abs.
Installed capacity (Equity MW)	551	539	2%	+12
Share of net profit in JVs/associates	24	-23	-	+47

**Our renewable portfolio in Brazil encompasses 2.1 GW of consolidated installed capacity: 1,599 MW in hydro plants and 467 MW in wind farms.** Additionally, EDP owns **equity stakes in hydro plants, representing an attributable capacity of 551 MW.**

**Hydro output** decreased by 26% YoY, but this figure is affected by the sale of mini hydro plants in 2018 (EDP PCH, Santa Fé and Costa Rica).

The 10% YoY decline in **Hydro gross profit** (-R\$99m YoY) derives from the aforementioned de-consolidation of small hydro plants (-R\$123m). Excluding this, gross profit rose by +3% YoY. Hydro energy sold under PPA increased by 43% YoY, mainly due to the increased number of bilateral contracts, including short-term purchases of energy. In parallel, the average selling price of hydro decreased 9%, impacted by Peixe Angical, which output is entirely sold in the market (and thus, the decline in the selling price reflects lower PLD) and Energest which selling price of bilateral contracts in 2019 was lower than in 2018.

**EBITDA from hydro** declined by R\$80m, not only due to the 10% decline in gross profit as above mentioned, but also due to booked gains of R\$375m in the 2018 due to the sale of mini hydro plants.

**Wind output** grew by 42% YoY, mainly due to the commissioning of wind capacity in 4Q18 (137 MW), which also contributed to improve the average load factor. **Wind gross profit grew by +R\$112m**, reflecting new capacity added and higher selling price.

**EBITDA from wind** increased by +R\$473m, reflecting gross profit underlying performance and the asset rotation gain booked on the sale of Babilonia wind farm (+R\$377m).

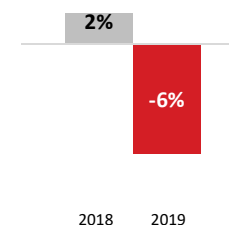
## Wind:

- Old installed capacity under a feed-in tariff program ("PROINFA")
- Since 2008, competitive auctions awarding 20-years PPAs

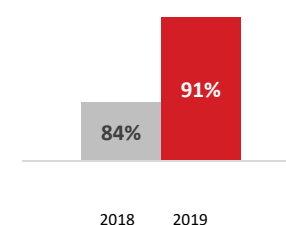
## Hydro:

- All the capacity has long term contracted remuneration regimes at the inception,
- Hydro plants are remunerated at an established PPA price and are obliged to deliver a certain amount of physical guarantee of energy.

## BR Wind resources 2019 vs. LT average



## BR GSF (1) 2019 Generating Scale Factor



(1) In Brazil, Generation Scale Factor (GSF), reflecting the total (real) generation, accounted as a proportion of the total volume of Physical Guarantee in the system (when has a strong volatility on quarterly basis).



# Networks: Financial performance

Income Statement (€ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>1,816</b>	<b>1,715</b>	<b>6%</b>	<b>+102</b>
OPEX	551	597	-8%	-46
Other operating costs (net)	274	286	-4%	-13
<b>Net Operating Costs</b>	<b>825</b>	<b>884</b>	<b>-7%</b>	<b>-59</b>
<b>EBITDA</b>	<b>991</b>	<b>831</b>	<b>19%</b>	<b>+160</b>
Amortisation, impairments; Provision	370	348	6%	+22
<b>EBIT</b>	<b>621</b>	<b>483</b>	<b>29%</b>	<b>+138</b>

OPEX & Capex performance	2019	2018	Δ %	Δ Abs.
<b>Controllable Costs (1)</b>				
Iberia (€ m)	362	383	-6%	-21
Brazil (R\$ m)	697	715	-3%	-19
<b>Controllable Costs</b>				
Iberia (€/Supply point)	52	56	-6%	-3
Brazil (R\$/Supply point))	198	207	-5%	-10
<b>Employees (#)</b>	<b>5,752</b>	<b>5,788</b>	<b>-1%</b>	<b>-36</b>
Iberia	3,459	3,602	-4%	-143
Brazil	2,293	2,186	5%	+107
<b>Capex (2) (Net of Subsidies) (€ million)</b>	<b>911</b>	<b>501</b>	<b>82%</b>	<b>+409</b>
Portugal	270	243	11%	+28
Spain	39	33	18%	+6
Brazil	601	225	-	+376
Distribution	147	152	-4%	-5
Transmission	455	73	-	+381
<b>Network ('000 Km) (3)</b>	<b>341</b>	<b>339</b>	<b>0%</b>	<b>+2</b>
Portugal	227	226	0%	+1
Spain	21	21	0%	+0
Brazil	93	92	1%	+1

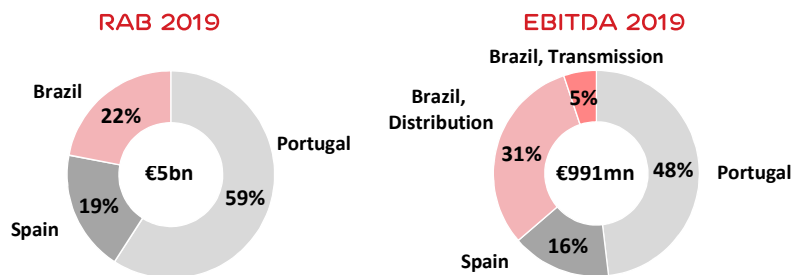
Our Networks segment includes activities of distribution of electricity, in Portugal, Spain and Brazil; electricity last resort supply activity in Portugal (LRS); and the new activity of transmission, in Brazil.

**The 19% YoY growth in 2019 EBITDA (to €991m, +€160m YoY) was prompted by Brazil,** namely: (i) In distribution, the positive outcome from regulatory reviews at both our concessions, resulting in tariff increases (+€31m) and the update of the concessions assets' residual value (+€53m); (ii) ramp up of transmission activity (+€44m on EBITDA), as the construction of our transmission lines progresses. **In Iberia,** EBITDA performance was mainly supported by the cost cutting trajectory and disciplined cost management, while gross profit evolution reflects Portugal's declining rate of return (-30 bp YoY, to 5.13%), in line with Portugal's 10-year bond yields; and the recognition of provisions for amounts deemed to be returned to the system (-€28m).

The overall impact of one-off impacts on EBITDA growth was immaterial: (i) **in 2019,** €28m provision for the amounts to return to the tariff, €31m gain related with a change in future liabilities arising from a change in health care services supplier, in Brazil, and restructuring costs (€12m) mainly in Portugal; (ii) **In 2018,** restructuring costs (€17m).

**OPEX improved by 8% YoY to €551m in 2019, including a net positive one-off impact of €19m. In Iberia,** controllable costs fell by 6% YoY, reflecting cost saving efforts and an increasing penetration of smart meters installed. **In Brazil,** OPEX was mostly impacted by a gain arising from a change in the medical plan (+€31m). It is also worth highlighting that despite the increase in headcount and annual inflation update in wages our tight cost control, insourcing and digital strategies yielded significant cost savings: controllable costs per customer decreased 5% YoY, in BRL (-7% in EUR terms).

**Capex in 2019 (€911m) includes** €513m dedicated to expansion, of which €455m related to the new transmission lines under construction in Brazil (Lot 11, 18 and 21, in Maranhão, São Paulo/Minas Gerais and Santa Catarina states, respectively) and €58m committed to develop the distribution network in Brazil. Maintenance capex is related to the distribution network: (i) in Iberia, it includes €40m invested in the installation of ~691k smart meters in Portugal during 2019; (ii) in Brazil, it includes investments targeting network improvements and reduction of losses.



(1) Supplies & services + Personnel costs; (2) Net of subsidies; (3) Relative to distribution.



# Networks in Iberia

## Electricity Distribution & LRS in Portugal

Income Statement (€ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>1,050</b>	<b>1,084</b>	<b>-3%</b>	<b>-34</b>
OPEX	334	355	-6%	-21
Concession fees	262	258	1%	+4
Other operating costs (net)	-23	-9	-	-15
<b>Net Operating Costs</b>	<b>573</b>	<b>604</b>	<b>-5%</b>	<b>-32</b>
<b>EBITDA</b>	<b>477</b>	<b>480</b>	<b>-1%</b>	<b>-2</b>
Amortisation, impairment; Provisions	267	254	5%	+13
<b>EBIT</b>	<b>210</b>	<b>226</b>	<b>-7%</b>	<b>-16</b>

Gross Profit Performance	2019	2018	Δ %	Δ Abs.
<b>Gross Profit (€ million)</b>	<b>1,050</b>	<b>1,084</b>	<b>-3%</b>	<b>-34</b>
Regulated	1,039	1,076	-3%	-37
Non-regulated	11	9	26%	+2
<b>Distribution Grid</b>				
<b>Regulated revenues (€ million)</b>	<b>1,007</b>	<b>1,039</b>	<b>-3%</b>	<b>-32</b>
Electricity distributed (GWh)	45,589	46,059	-1%	-469
Supply Points (th)	6,277	6,226	1%	+52
<b>Last Resort Supply</b>				
<b>Regulated revenues (€ million)</b>	<b>32</b>	<b>36</b>	<b>-13%</b>	<b>-5</b>
Customers supplied (th)	1,034	1,125	-8%	-91
Electricity sold (GWh)	2,658	3,016	-12%	-358

## Electricity Distribution in Spain

Income Statement (€ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>197</b>	<b>193</b>	<b>2%</b>	<b>+4</b>
OPEX	55	55	-1%	-1
Other operating costs (net)	-12	-7	-	-5
<b>Net Operating Costs</b>	<b>43</b>	<b>48</b>	<b>-12%</b>	<b>-6</b>
<b>EBITDA</b>	<b>155</b>	<b>145</b>	<b>7%</b>	<b>+10</b>
Amortisation, impairment; Provisions	36	31	14%	+4
<b>EBIT</b>	<b>119</b>	<b>113</b>	<b>5%</b>	<b>+6</b>
Gross Profit Performance	2019	2018	Δ %	Δ Abs.
<b>Gross Profit (€ million)</b>	<b>197</b>	<b>193</b>	<b>2%</b>	<b>+4</b>
Regulated	191	189	1%	+1
Non-regulated	7	3	92%	+3
Electricity Supply Points (th)	668	666	0%	+2
Electricity Distributed (GWh)	8,262	9,360	-12%	-1,099

## Electricity distribution and LRS in Portugal

In 2019, distribution allowed revenue, amounting to €1,007m, was impacted by: (i) one-off cost of €28m on account of past gains to be returned to the system during 2020; and (ii) lower than preliminarily set regulated revenues following weak demand and lower Portuguese government 10-year bond yields, which resulted in a rate of return on HV/MV assets of 5.13%, 29 bp below ERSE's assumption in 2019 tariffs.

**Electricity distributed in 2019** posted a 1% YoY decline, mostly due to an adverse temperature effect, with a particular impact on the residential segment. Supply points advanced by 1%.

In the **last resort electricity supply (LRS) activity**, gross profit declined €5m YoY, reflecting a lower number of customers (-91 thousand YoY), to a share of 16% of total electricity customers in Portugal.

**Net operating costs** were 5% lower YoY (-€32m), driven by tight cost control and continuing efforts of digitalization and processes streamlining. This cost performance is closely related to fewer clients' claims (-19% YoY), fewer clients switching between suppliers and higher share of telemetering: as of Dec-19 there were ~2.6m smart meters installed, of which ~70% were remotely operated. Other operating costs reflect the recovery of previous periods' revenues.

**Overall, EBITDA** was flat YoY as operational efficiencies and disciplined cost management largely mitigated the adverse effect from lower sovereign yields and electricity demand, along with one-off adjustments at both gross profit and OPEX levels (HR restructuring costs of €9m). The implementation of IFRS16 explains +€5m YoY on EBITDA.

On 16-Dec-2019, **ERSE released 2020 electricity tariffs**, setting a 0.4% average tariff decrease for normal low voltage (NLV) segment, applicable to clients in the regulated market (out of the Social Tariff). Accordingly, regulated revenues for 2020 were assumed at €1,029m in the electricity distribution and €32m in the last resort electricity supply. Electricity distribution regulated revenues preliminarily set assume a rate of return on HV/MV assets (RoRAB) of 5.13% (reflecting an underlying avg. 10-year Portuguese bond yields of 1.14%) and an expected electricity demand in Portugal of 46.3 TWh in 2019 (1.4% above 2019).

## Electricity distribution in Spain

**EBITDA from electricity distribution activity in Spain rose 7% (+€10m YoY), to €155m.**

It is worth noting that distributed electricity fell by 12% YoY, penalised by a strong decline of one large industrial consumer's production activity.

# Networks in Brazil

ForEx rate - average in the period	2019	2018	Δ %	Δ Abs.
EUR/BRL	4.41	4.31	-2%	0.11

Income Statement (R\$ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>2,498</b>	<b>1,870</b>	<b>34%</b>	<b>+629</b>
OPEX	664	767	-13%	-103
Other operating costs (net)	211	185	14%	+26
<b>Net Operating Costs</b>	<b>875</b>	<b>952</b>	<b>-8%</b>	<b>-77</b>
<b>EBITDA</b>	<b>1,624</b>	<b>917</b>	<b>77%</b>	<b>+706</b>
Amortisation, impairment; Provisions	282	256	10%	+27
<b>EBIT</b>	<b>1,341</b>	<b>661</b>	<b>103%</b>	<b>+680</b>

Distribution - Key drivers (R\$ million)	2019	2018	Δ %	Δ Abs.
<b>Customers Connected (th)</b>	<b>3,524</b>	<b>3,451</b>	<b>2.1%</b>	<b>+73</b>
EDP São Paulo	1,936	1,887	2.6%	+49
EDP Espírito Santo	1,588	1,564	1.5%	+24
<b>Electricity Distributed (GWh)</b>	<b>25,591</b>	<b>25,007</b>	<b>2.3%</b>	<b>+584</b>
Regulated customers	14,202	13,834	2.7%	+368
Customers in Free Market	11,389	11,173	1.9%	+216
<b>Electricity Sold (GWh)</b>	<b>14,143</b>	<b>13,769</b>	<b>2.7%</b>	<b>+375</b>
EDP São Paulo	7,980	7,934	0.6%	+46
EDP Espírito Santo	6,163	5,835	5.6%	+329
<b>Technical losses (% of electricity distributed)</b>				
EDP São Paulo	5.6%	5.6%	1.0%	0.1 p.p.
EDP Espírito Santo	7.9%	7.5%	4.4%	0.3 p.p.
<b>Gross Profit</b>	<b>2,253</b>	<b>1,832</b>	<b>23%</b>	<b>+420</b>
Regulated revenues	1,869	1,650	13%	+219
Other	384	182	110%	+201
<b>EBITDA</b>	<b>1,393</b>	<b>887</b>	<b>57%</b>	<b>+506</b>
EDP São Paulo	634	460	38%	+174
EDP Espírito Santo	759	427	78%	+332

Transmission - Key drivers (R\$ million)	2019	2018	Δ %	Δ Abs.
Gross Profit	246	37	-	+209
EBITDA	231	30	-	+201
EBIT	232	30	-	+202

Equity stakes (R\$ million)	2019	2018	Δ %	Δ Abs.
Share of net profit in JVs/associates	47	29	62%	+18

**Gross profit from distribution** activities increased by 23% **(+R\$420m)**, propelled by the regulatory review at our distribution companies, leading to **the recognition of higher asset base (+R\$234m)**, **the tariff update (+R\$136m)** and **+R\$39m YoY from higher volumes of electricity distributed (+2.3% YoY)**.

Gross profit from **transmission** reached R\$246m in 2019 **(+R\$209m YoY)**, following the commissioning of our first line in Dec-18 and the evolution of construction works in the remaining lines. In early Jan-2020, lot 11 was partially commissioned, 19 months ahead of the regulatory schedule, which will allow an anticipation of Regulated Revenues by R\$17m.

**OPEX** decreased 13% YoY, justified by a one-off change in social benefits related to a change in the provider of medical assistance, which resulted into a booked gain of R\$134m in EDP Espírito Santo. Excluding this one-off, OPEX would have increased 4%, reflecting the strategy of insourcing and digitalization of processes.

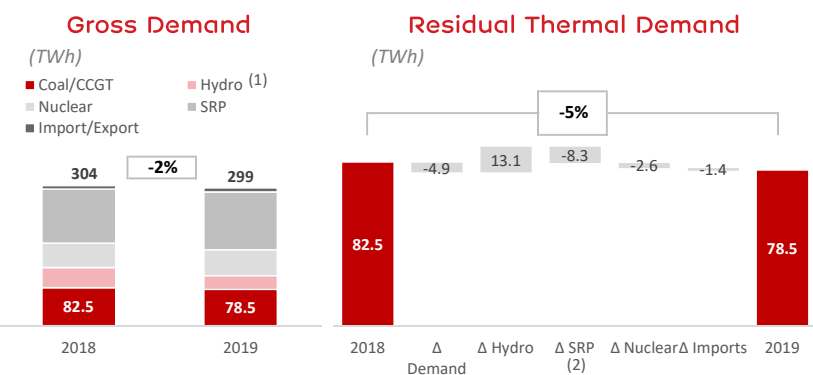
**Overall, reported EBITDA from networks activities rose 77% YoY (+R\$706m)**, backed by a strong performance of both our distribution and transmission activities.

Also to note that in Dec-19, EDP Brasil acquired 692k preferential shares of **Celesc**, which increased our stake in this company to 25.35%. Stronger results from Celesc, together with the successive increases in our stake since 2018, led to +62% YoY results from this equity stake.



- EDP operates both in distribution in and transmission businesses, through its subsidiary EDP Brasil
- EDP Brasil holds 100% of EDP São Paulo and EDP Espírito Santo. Furthermore, EDP Brasil owns a 25,35% stake in CELESC, which operates the concession of the distribution grid in Santa Catarina state.
- A new regulatory period began for EDP Espírito Santo in Aug-19 (renewed every 3 years) and for EDP São Paulo in Oct-19 (renewed every 4 years). The regulated WACC is currently defined at 8.09%
- EDP operates one transmission line (since Dec-18) and part of another line (since Jan-20), while developing 4 other transmission lines, including a new one, acquired in May-19.

# EDP in the Iberian market



Main Drivers (3)	2019	2018	Δ %	Δ Abs.
Electricity spot price (Spain), €/MWh	48	57	-17%	-10
Electricity final price (Spain), €/MWh (4)	53	63	-17%	-11
Iberian Electricity 1Y Fwd Price (€/MWh)	55	61	-10%	-6
CO2 allowances (EUA), €/ton	25	16	56%	+9
Coal (API2), USD/ton	61	92	-34%	-31
Mibgas, €/MWh	15	24	-36%	-9
Gas NBP, €/MWh	14	23	-41%	-10
Brent, USD/bbl	64	71	-9%	-7
EUR/USD (Avg. of the period)	1.12	1.18	5%	-0.06
Gas Demand in Iberia (TWh)	466	414	13%	+52

Income Statement (€ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>825</b>	<b>677</b>	<b>22%</b>	<b>+148</b>
OPEX	376	360	4%	+16
Other operating costs (net)	113	180	-37%	-66
<b>EBITDA</b>	<b>336</b>	<b>137</b>	<b>145%</b>	<b>+199</b>
<b>EBIT</b>	<b>-156</b>	<b>-170</b>	<b>8%</b>	<b>+14</b>

Key financial data breakdown (€ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>825</b>	<b>677</b>	<b>22%</b>	<b>+148</b>
Supply	353	273	29%	+79
Thermal & Energy Management	472	403	17%	+68
<b>EBITDA</b>	<b>336</b>	<b>137</b>	<b>145%</b>	<b>+199</b>
Supply	88	-5	-	+93
Thermal & Energy Management	248	142	75%	+106
<b>EBIT</b>	<b>-156</b>	<b>-170</b>	<b>8%</b>	<b>+14</b>
Supply	47	-44	-	+91
Thermal & Energy Management	-202	-126	-61%	-77

## Iberian electricity market context

During 2019, electricity demand in Iberia declined 2% YoY (-4.9 TWh). Residual thermal demand (RTD), i.e. coal and CCGT generation, decreased 5% YoY in 2019 (-4.0 TWh), reflecting: (i) +8.3 TWh YoY of renewables/cogeneration (SRP) output mainly driven by better wind resources and, to a lower extent, by solar; (ii) +2.6 TWh YoY of nuclear output; and (iii) a 1.4 TWh increase in net imports. On the opposite direction, hydro output (net of pumping) declined 13 TWh YoY in the wake of extremely weak hydro resources (19% and 10% below-the-average resources in Portugal and Spain in 2019, respectively; vs. 5% and 30% above-the-average in 2018, respectively). Coal output declined 66% YoY (-30 TWh), as lower gas prices and higher CO<sub>2</sub> costs prompted for a switch towards CCGT production (+72% YoY, +26 TWh).

Average electricity spot price declined 17% YoY, to ~€48/MWh in 2019 (~€41/MWh in 4Q19), fuelled by the decreasing trajectory of coal and gas prices (-34% YoY and -36% YoY respectively). Consequently, average electricity final price in Spain declined 17% YoY in 2019, to €53/MWh.

## EDP Performance

EBITDA increased +€199m YoY to €336m (€149m in 4Q19), propelled by: (i) strong performance of our thermal & energy management business mainly in 4Q19, due to our hedging results which more than offset the increase in avg. production costs of thermal plants in Iberia; (ii) normalisation of operating conditions in Supply business vs. a weak 2018; and (iii) lower generation taxes in Spain and clawback levy in Portugal following its suspension during 1Q19.

In 2019, the outlook for our coal plants deteriorated materially following: (i) worsening market conditions arising from the rise in CO<sub>2</sub> prices and decline in gas prices; (ii) stronger political will to anticipate the closure of coal capacity, namely in Portugal. As a result, EDP booked an impairment of €297m on its coal power plants in Iberia. As a result, EBIT was negative at -€156m in 2019. In 2018, EBIT figure was highly impacted by the thermal's share in the €285m provision related to the alleged overcompensation of the CMEC.

On energy management, it is worth noting that EDP keeps tracking market conditions to adapt its hedging strategy. For 2020, EDP already forward contracted spreads for over 90% of expected production, with hydro/nuclear production contracted at €55/MWh and average thermal spreads at high single digit.

- Our client solutions & energy management segment in Iberia incorporates our supply, thermal and energy management activities, encompassing 6.4 GW of thermal installed capacity, ~5.3m electricity clients and energy trading activities in Iberia.
- These businesses are the roots for the success of our integrated portfolio management, ensuring a responsive and competitive structure capable of offering clients diversified solutions and the necessary security of supply.

Sources: EDP, REN, REE; (1) Net of pumping; (2) Special Regime Production, namely wind, solar and cogeneration; (3) Average in the period; (4) Final price reflects spot price and system costs (capacity payment, ancillary services);

# Clients solutions & Energy management in Iberia

Supply - Key drivers and financials	2019	2018	Δ %	Δ Abs.
<b>Portfolio of Clients (th)</b>				
<b>Electricity</b>	<b>5,270</b>	<b>5,273</b>	<b>0%</b>	<b>-2</b>
Portugal	4,104	4,119	0%	-15
Spain	1,166	1,154	1%	+12
<b>Gas</b>	<b>1,562</b>	<b>1,555</b>	<b>0%</b>	<b>+7</b>
Portugal	659	659	0%	-1
Spain	903	895	1%	+8
<b>Dual fuel penetration rate (%)</b>	<b>30.4%</b>	<b>30.3%</b>	<b>0%</b>	<b>+0</b>
<b>Services to contracts ratio (%)</b>	<b>18.9%</b>	<b>18.0%</b>	<b>5%</b>	<b>+0</b>
<b>Volume of electricity sold (GWh)</b>	<b>30,358</b>	<b>30,669</b>	<b>-1%</b>	<b>-311</b>
Residential	12,889	13,216	-2%	-328
Business	17,469	17,452	0%	+16
<b>Volume of gas sold (GWh)</b>	<b>12,218</b>	<b>11,917</b>	<b>3%</b>	<b>+302</b>
Residential	6,470	6,730	-4%	-260
Business	5,748	5,186	11%	+562
<b>Gross Profit (€ million)</b>	<b>353</b>	<b>273</b>	<b>29%</b>	<b>+79</b>
<b>EBITDA (€ million)</b>	<b>88</b>	<b>-5</b>	<b>-</b>	<b>+93</b>
<b>Capex (€ million)</b>	<b>38</b>	<b>26</b>	<b>48%</b>	<b>+12</b>

## Supply Iberia

**Number of electricity clients in Portugal and Spain was broadly stable YoY**, as EDP maintains its focus on service quality and is leveraging on its customer portfolio to increase the share of wallet. In fact, the number of complaints per 1,000 contracts decreased 23% in 2019, the penetration rate of new services increased by 5% YoY to 18.9% in Dec-19, while the rate of dual fuel offer (electricity + gas) increased slightly to 30.4% in Dec-19 (vs. 30.3% in Dec-18).

**Electricity volumes sold in Iberia fell** by 1% YoY, while **gas volumes rose** by 3% YoY, reflecting the adverse impact of mild temperatures on residential consumption.

**EBITDA at our supply activities in Iberia** increased +€93m YoY to €88m (€16m in 4Q19), supported by the normalisation of regulatory conditions, following a particularly adverse 2018. **EBITDA** performance was highly impacted by gross profit evolution, coupled with a lower value of provisions for doubtful clients at EBITDA level.



- EDP's electricity clients portfolio in Iberia (~5.3m clients), has a significant weight of residential and SME clients, corresponding to ~42% of total consumption.

## Thermal generation & Energy management Iberia

**Production in 2019** decreased 10% YoY, due to the reduction in coal output (-49% YoY) leading to a 32 p.p. decrease in the load factor of our coal plants to 34% in 2019 (18% in 4Q19), which was partly mitigated by higher CCGT output. **Avg. thermal production cost** posted a 21% YoY rise (to €51/MWh in 2019), due to the increase in CO<sub>2</sub> prices.

The decline in thermal generation EBITDA, mostly due to lower volumes and margins was more than compensated by the strong performance of our energy management business, which benefitted from the decline in gas prices and our hedging policy based on forward contracting of thermal spreads. Our hedging policy benefitted from the increasing volatility in energy markets in 4Q19, namely due to stronger hydro volumes, lower spot prices and lower gas prices, enhancing energy management results. Note that generation taxes in Spain and clawback levy in Portugal (-€32m YoY), were suspended during the 1Q19.

Due to the aforementioned factors, **EBITDA from thermal generation & energy management in Iberia** increased 75% YoY to €248m in 2019 (€133m in 4Q19).

Thermal & EM - Drivers and financials	2019	2018	Δ %	Δ Abs.
<b>Generation Output (GWh)</b>	<b>18,826</b>	<b>20,853</b>	<b>-10%</b>	<b>-2,027</b>
CCGT	10,183	5,333	91%	+4,851
Coal	7,149	14,016	-49%	-6,867
Nuclear	1,223	1,196	2%	+28
Other	270	309	-12%	-38
<b>Load Factors (%)</b>				
CCGT	31%	16%	91%	+15p.p.
Coal	34%	66%	-49%	-32p.p.
Nuclear	90%	88%	2%	+2p.p.
<b>Generation Costs (€/MWh) (1)</b>	<b>51</b>	<b>42</b>	<b>21%</b>	<b>+9</b>
CCGT	57	59	-3%	-2
Coal	51	39	31%	+12
Nuclear	5	5	-4%	-0
<b>Gross Profit (€ million)</b>	<b>472</b>	<b>403</b>	<b>17%</b>	<b>+68</b>
<b>EBITDA (€ million)</b>	<b>248</b>	<b>142</b>	<b>75%</b>	<b>+106</b>
<b>Capex (€ million)</b>	<b>57</b>	<b>69</b>	<b>-18%</b>	<b>-13</b>



- Our thermal portfolio in Iberia encompasses 6.4 GW installed capacity, which plays an active role in ensuring the security of electricity supply: 59% in CCGT, 38% in coal, 2% in nuclear and 1% of cogeneration and waste.

(1) Includes fuel costs, CO<sub>2</sub> emission costs and hedging results.

# Clients solutions & Energy management in Brazil

Key drivers	2019	2018	Δ %	Δ Abs.
PLD	227	288	-21%	-61
GSF	91%	84%	8%	+7p.p.



\* Includes GSF, PLD and MRE

ForEx rate - average in the period	2019	2018	Δ %	Δ Abs.
EUR/BRL	4.41	4.31	-2%	+0.11

Income Statement (R\$ million)	2019	2018	Δ %	Δ Abs.
<b>Gross Profit</b>	<b>779</b>	<b>946</b>	<b>-18%</b>	<b>-166</b>
OPEX	159	175	-9%	-16
Other operating costs (net)	-1	-3	71%	+2
<b>EBITDA</b>	<b>628</b>	<b>775</b>	<b>-19%</b>	<b>-147</b>
<b>EBIT</b>	<b>428</b>	<b>605</b>	<b>-29%</b>	<b>-177</b>

Supply & EM - Key drivers and financials	2019	2018	Δ %	Δ Abs.
Electricity sales (GWh)	14,100	18,102	-22%	-4,002
<b>Gross Profit (R\$ million)</b>	<b>160</b>	<b>220</b>	<b>-27%</b>	<b>-60</b>
<b>EBITDA (R\$ million)</b>	<b>111</b>	<b>178</b>	<b>-38%</b>	<b>-67</b>
<b>EBIT (R\$ million)</b>	<b>103</b>	<b>173</b>	<b>-41%</b>	<b>-70</b>

Thermal - Key drivers and financials (1)	2019	2018	Δ %	Δ Abs.
Installed Capacity (MW)	720	720	0%	-
Electricity Sold (GWh)	8,291	4,834	72%	+3,457
PPA contracted	3,707	3,455	7%	+252
Other	4,584	1,379	232%	+3,205
Pecém Availability	95%	80%	19%	+15p.p.
<b>Gross Profit (R\$ million)</b>	<b>619</b>	<b>725</b>	<b>-15%</b>	<b>-106</b>
<b>EBITDA (R\$ million)</b>	<b>516</b>	<b>596</b>	<b>-13%</b>	<b>-80</b>
<b>EBIT (R\$ million)</b>	<b>325</b>	<b>432</b>	<b>-25%</b>	<b>-107</b>

(1) Values of individual accounts.

As part of our risk-controlled approach to its portfolio management, EDP follows a hedging strategy to mitigate the GSF/PLD risk, aiming at reducing the volatility of earnings. While this strategy resulted in significant gains in 2017-18, which compensated for the harsh effect of an extremely adverse energy context in Brazil on energy sales; results in 2019, given a more favorable context with higher GSF and lower PLD, resulted in a smoother evolution of energy sales combined with lower gains on our energy management strategy. Nevertheless, results from energy management in the 4Q19 improved significantly, due to our strategy of allocating physical guarantee to the second half of the year.

At our Supply and energy management activities, EBITDA decreased R\$67m YoY, to R\$111m in 2019, despite a strong recovery in the 4Q (+R\$69m QoQ) due to results from hedging, as we were expecting higher PLD at the end of the year (which was confirmed) and thus we contracted previously energy at lower PLD. However, for the full year, lower results in this segment reflect weaker results from energy management, as described above, but also a 22% YoY reduction in volumes supplied due to low liquidity in the free market.

At our thermal generation plant, Pecém I, EBITDA YoY comparison (-13% or -R\$80m) is impacted by last year's positive effect from the downward revision of the regulatory level of availability of this plant to 83.75% (R\$106m positive impact on EBITDA 2018). Excluding this effect, EBITDA would have grown by 5% YoY, reflecting higher availability at 95%, lower O&M costs and inflation update of contracted revenues.



## Income Statements & Annex

# Income Statement by Business Segment

2019 (€ million)	Renewables	Networks	Clients solutions & Energy management	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	2,783	6,195	8,639	(3,284)	14,333
<b>Gross Profit</b>	<b>2,409</b>	<b>1,816</b>	<b>1,001</b>	<b>(9)</b>	<b>5,217</b>
Supplies and services	365	352	285	(104)	898
Personnel costs and employee benefits	182	200	129	110	620
Other operating costs (net)	(424)	274	113	31	(6)
<b>Operating costs</b>	<b>123</b>	<b>825</b>	<b>527</b>	<b>36</b>	<b>1,512</b>
<b>EBITDA</b>	<b>2,286</b>	<b>991</b>	<b>474</b>	<b>(46)</b>	<b>3,706</b>
Provisions	82	14	6	(0)	102
Amortisation and impairment (1)	816	356	539	55	1,766
<b>EBIT</b>	<b>1,388</b>	<b>621</b>	<b>(70)</b>	<b>(100)</b>	<b>1,838</b>

2018 (€ million)	Renewables	Networks	Clients solutions & Energy management	Corpor. Activ. & Adjustments	EDP Group
Revenues from energy sales and services and other	2,775	6,637	9,874	(4,008)	15,278
<b>Gross Profit</b>	<b>2,495</b>	<b>1,715</b>	<b>897</b>	<b>(7)</b>	<b>5,099</b>
Supplies and services	407	383	273	(106)	957
Personnel costs and employee benefits	179	214	133	126	652
Other operating costs (net)	(288)	286	179	(4)	174
<b>Operating costs</b>	<b>298</b>	<b>884</b>	<b>585</b>	<b>15</b>	<b>1,782</b>
<b>EBITDA</b>	<b>2,197</b>	<b>831</b>	<b>312</b>	<b>(23)</b>	<b>3,317</b>
Provisions	187	14	92	(5)	288
Amortisation and impairment (1)	791	334	264	56	1,445
<b>EBIT</b>	<b>1,218</b>	<b>483</b>	<b>(43)</b>	<b>(73)</b>	<b>1,584</b>

(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.

# Quarterly Income Statement

Quarterly P&L (€ million)	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	Δ YoY %	Δ QoQ %	2018	2019	Δ %
Revenues from energy sales and services and other	4,032	3,527	3,752	3,967	3,744	3,363	3,340	3,886	-2%	16%	15,278	14,333	-6%
Cost of energy sales and other	2,639	2,227	2,582	2,730	2,383	2,123	2,131	2,479	-9%	16%	10,179	9,116	-10%
<b>Gross Profit</b>	<b>1,393</b>	<b>1,299</b>	<b>1,170</b>	<b>1,237</b>	<b>1,361</b>	<b>1,240</b>	<b>1,209</b>	<b>1,407</b>	<b>14%</b>	<b>16%</b>	<b>5,099</b>	<b>5,217</b>	<b>2%</b>
Supplies and services	209	233	234	280	200	221	223	253	-9%	14%	957	898	-6%
Personnel costs and Employee Benefits	163	162	147	180	159	164	156	140	-22%	-10%	652	620	-5%
Other operating costs (net)	128	75	100	(130)	81	(133)	77	(31)	-76%	-140%	174	(6)	-
<b>Operating costs</b>	<b>501</b>	<b>470</b>	<b>482</b>	<b>330</b>	<b>439</b>	<b>253</b>	<b>456</b>	<b>363</b>	<b>10%</b>	<b>-20%</b>	<b>1,782</b>	<b>1,512</b>	<b>-15%</b>
<b>EBITDA</b>	<b>893</b>	<b>829</b>	<b>688</b>	<b>907</b>	<b>921</b>	<b>987</b>	<b>753</b>	<b>1,044</b>	<b>15%</b>	<b>39%</b>	<b>3,317</b>	<b>3,706</b>	<b>12%</b>
Provisions	(7)	4	286	5	4	1	92	4	-15%	-95%	288	102	-65%
Amortisation and impairment (1)	351	348	350	396	374	362	358	672	70%	88%	1,445	1,766	22%
<b>EBIT</b>	<b>549</b>	<b>477</b>	<b>53</b>	<b>506</b>	<b>544</b>	<b>624</b>	<b>303</b>	<b>368</b>	<b>-27%</b>	<b>21%</b>	<b>1,584</b>	<b>1,838</b>	<b>16%</b>
Financial Results	(127)	(150)	(166)	(111)	(186)	(185)	(175)	(124)	12%	-29%	(554)	(670)	-21%
Share of net profit in joint ventures and associates	1	2	6	2	5	7	2	11	475%	453%	11	25	130%
<b>Profit before income tax and CESE</b>	<b>423</b>	<b>330</b>	<b>(108)</b>	<b>397</b>	<b>364</b>	<b>446</b>	<b>130</b>	<b>254</b>	<b>-36%</b>	<b>95%</b>	<b>1,041</b>	<b>1,194</b>	<b>15%</b>
Income taxes	74	43	(67)	49	99	38	9	80	62%	805%	100	226	127%
Extraordinary contribution for the energy sector	66	(2)	1	0	67	(0)	1	1	171%	n.a.	65	68	5%
Net Profit for the period	282	289	(43)	347	198	408	120	173	-50%	44%	876	899	3%
<b>Attrib. to EDP Shareholders</b>	<b>166</b>	<b>214</b>	<b>(83)</b>	<b>222</b>	<b>100</b>	<b>305</b>	<b>55</b>	<b>51</b>	<b>-77%</b>	<b>-7%</b>	<b>519</b>	<b>512</b>	<b>-1%</b>
Attrib. to Non-controlling Interests	116	75	40	125	98	104	65	121	-3%	87%	357	388	9%

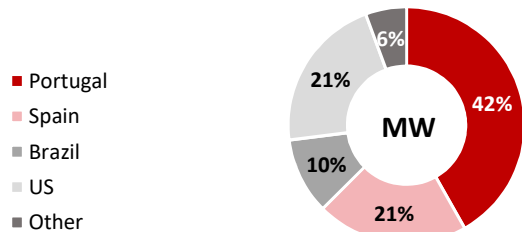
(1) Depreciation and amortisation expense net of compensation for depreciation and amortisation of subsidised assets.



# Generation Assets: Installed Capacity and Production

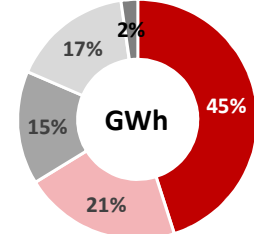
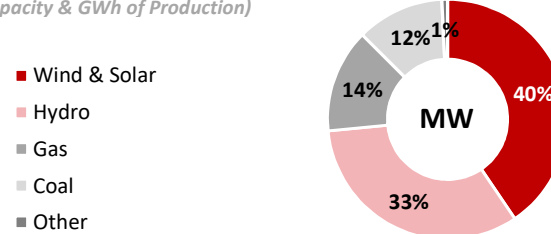
Technology	Installed Capacity - MW (1)				Electricity Generation (GWh)				Electricity Generation (GWh)							
	Dec-19	Dec-18	Δ MW	Δ %	2019	2018	Δ GWh	Δ %	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
<b>Wind</b>	<b>10,667</b>	<b>11,156</b>	<b>-489</b>	<b>-4%</b>	<b>29,768</b>	<b>28,133</b>	<b>+1,635</b>	<b>6%</b>	<b>8,719</b>	<b>6,620</b>	<b>5,145</b>	<b>7,648</b>	<b>8,356</b>	<b>7,661</b>	<b>5,651</b>	<b>8,100</b>
US	5,624	5,242	+382	7%	15,501	14,721	+780	5%	4,455	3,735	2,666	3,865	4,196	4,113	2,975	4,217
Portugal	1,160	1,304	-144	-11%	3,151	2,987	+164	5%	1,064	608	455	860	832	799	549	971
Spain	1,974	2,312	-337	-15%	5,298	5,164	+134	3%	1,766	1,101	894	1,404	1,621	1,388	893	1,397
Brazil	467	467	-	-	1,757	1,235	+522	42%	159	262	416	399	314	384	561	499
Rest of Europe (2)	1,212	1,601	-389	-24%	3,264	3,255	+9	0%	1,068	697	541	948	1,160	770	498	835
Rest of the World (3)	230	230	-	-	796	771	+25	3%	208	217	173	173	233	208	174	181
<b>Solar</b>	<b>145</b>	<b>145</b>	<b>-</b>	<b>-</b>	<b>273</b>	<b>226</b>	<b>+47</b>	<b>21%</b>	<b>43</b>	<b>69</b>	<b>70</b>	<b>44</b>	<b>55</b>	<b>85</b>	<b>85</b>	<b>48</b>
<b>Hydro</b>	<b>8,785</b>	<b>8,792</b>	<b>-8</b>	<b>-0%</b>	<b>14,096</b>	<b>19,296</b>	<b>-5,200</b>	<b>-27%</b>	<b>6,154</b>	<b>5,863</b>	<b>3,189</b>	<b>4,090</b>	<b>4,055</b>	<b>2,748</b>	<b>2,161</b>	<b>5,132</b>
<b>Portugal</b>	<b>6,759</b>	<b>6,767</b>	<b>-8</b>	<b>-0%</b>	<b>9,087</b>	<b>12,648</b>	<b>-3,561</b>	<b>-28%</b>	<b>3,790</b>	<b>4,172</b>	<b>2,249</b>	<b>2,437</b>	<b>2,395</b>	<b>1,523</b>	<b>1,539</b>	<b>3,629</b>
Pumping activity	2,806	2,806	-	-	-1,824	-2,438	+614	25%	-636	-329	-130	-1,343	-423	-414	-363	-624
Run of the river	2,408	2,408	-	-	4,099	6,161	-2,062	-33%	1,685	2,424	1,098	954	1,285	615	703	1,497
Reservoir	4,294	4,294	-	-	4,850	6,090	-1,240	-20%	1,940	1,605	1,120	1,425	1,067	880	827	2,076
Small-Hydro	57	65	-	-	138	397	-259	-65%	165	143	32	58	43	28	10	57
<b>Spain</b>	<b>426</b>	<b>426</b>	<b>-</b>	<b>-</b>	<b>880</b>	<b>1,054</b>	<b>-174</b>	<b>-16%</b>	<b>408</b>	<b>370</b>	<b>108</b>	<b>168</b>	<b>274</b>	<b>143</b>	<b>59</b>	<b>404</b>
<b>Brazil</b>	<b>1,599</b>	<b>1,599</b>	<b>-</b>	<b>-</b>	<b>4,129</b>	<b>5,594</b>	<b>-1,465</b>	<b>-26%</b>	<b>1,956</b>	<b>1,321</b>	<b>832</b>	<b>1,485</b>	<b>1,386</b>	<b>1,081</b>	<b>563</b>	<b>1,099</b>
<b>Gas/ CCGT</b>	<b>3,729</b>	<b>3,729</b>	<b>-</b>	<b>-</b>	<b>10,183</b>	<b>5,333</b>	<b>+4,851</b>	<b>91%</b>	<b>1,302</b>	<b>846</b>	<b>1,802</b>	<b>1,383</b>	<b>1,315</b>	<b>2,405</b>	<b>3,745</b>	<b>2,719</b>
Portugal	2,031	2,031	-	-	5,837	4,091	+1,746	43%	907	660	1,532	992	768	1,618	2,133	1,318
Spain	1,698	1,698	-	-	4,346	1,242	+3,104	250%	395	186	270	391	547	786	1,612	1,400
<b>Coal</b>	<b>3,150</b>	<b>3,150</b>	<b>-</b>	<b>-</b>	<b>10,856</b>	<b>17,471</b>	<b>-6,615</b>	<b>-38%</b>	<b>3,965</b>	<b>3,926</b>	<b>5,260</b>	<b>4,320</b>	<b>3,778</b>	<b>2,645</b>	<b>2,307</b>	<b>2,126</b>
Portugal	1,180	1,180	-	-	4,020	8,067	-4,047	-50%	1,734	1,635	2,431	2,267	1,934	1,221	512	353
Spain	1,250	1,250	-	-	3,129	5,948	-2,819	-47%	1,045	1,248	1,861	1,794	1,036	837	668	588
Brazil	720	720	-	-	3,707	3,455	+252	7%	1,186	1,043	968	258	807	587	1,127	1,185
<b>Nuclear - Trillo (15.5%)</b>	<b>156</b>	<b>156</b>	<b>-</b>	<b>-</b>	<b>1,223</b>	<b>1,196</b>	<b>+28</b>	<b>2%</b>	<b>331</b>	<b>187</b>	<b>337</b>	<b>340</b>	<b>332</b>	<b>220</b>	<b>337</b>	<b>335</b>
<b>Other</b>	<b>49</b>	<b>49</b>	<b>-</b>	<b>-</b>	<b>270</b>	<b>309</b>	<b>-38</b>	<b>-12%</b>	<b>84</b>	<b>82</b>	<b>73</b>	<b>70</b>	<b>82</b>	<b>79</b>	<b>64</b>	<b>46</b>
Portugal	24	24	-	-	163	182	-19	-10%	51	50	41	40	49	46	36	32
Spain	25	25	-	-	107	126	-19	-15%	32	32	32	30	32	33	28	14
<b>TOTAL</b>	<b>26,681</b>	<b>27,177</b>	<b>-497</b>	<b>-2%</b>	<b>66,670</b>	<b>71,963</b>	<b>-5,294</b>	<b>-7%</b>	<b>20,598</b>	<b>17,593</b>	<b>15,877</b>	<b>17,895</b>	<b>17,974</b>	<b>15,842</b>	<b>14,349</b>	<b>18,505</b>
Of Which:																
Portugal	11,159	11,311	-152	-1%	22,268	27,984	-5,717	-20%	7,548	7,127	6,711	6,598	5,981	5,210	4,772	6,305
Spain	5,529	5,866	-337	-6%	14,983	14,729	+254	2%	3,976	3,123	3,502	4,128	3,843	3,407	3,597	4,137
Brazil	2,787	2,787	-	-	9,593	10,285	-691	-7%	3,301	2,626	2,216	2,142	2,507	2,052	2,250	2,783
US	5,714	5,332	+382	7%	15,696	14,873	+823	6%	4,486	3,779	2,711	3,896	4,235	4,174	3,035	4,253

Installed capacity by Country as of Dec-19



Breakdown by Technology as of 2019

(MW Capacity & GWh of Production)



# Regulated Networks: Asset and Performance indicators

RAB (€ million)	Dec-19	Dec-18	Δ %	Δ Abs
<b>Portugal</b>	<b>2,974</b>	<b>2,996</b>	<b>-0.7%</b>	<b>-22</b>
High / Medium Voltage	1,816	1,832	-0.8%	-15
Low Voltage	1,157	1,164	-0.6%	-7
<b>Spain</b>	<b>950</b>	<b>950</b>	<b>0.0%</b>	<b>-</b>
<b>Brazil (R\$ million)</b>	<b>4,997</b>	<b>4,696</b>	<b>6.4%</b>	<b>+301</b>
EDP Espírito Santo	2,656	2,449	8.4%	+207
EDP São Paulo	2,341	2,247	4.2%	+95
<b>TOTAL</b>	<b>5,031</b>	<b>5,002</b>	<b>0.6%</b>	<b>+28</b>

Networks	Dec-19	Dec-18	Δ %	Δ Abs.
<b>Lenght of the networks (Km)</b>	<b>340,744</b>	<b>339,177</b>	<b>0.5%</b>	<b>+1,567</b>
Portugal	226,823	226,308	0.2%	+515
Spain	20,766	20,709	0.3%	+57
Brazil	93,155	92,160	1.1%	+995
<b>DTCs (thous.)</b>				
Portugal	23	19	18%	+3
Spain	7	7	0%	-
<b>Energy Box (th)</b>				
Portugal	2,578	1,923	34%	+655
Spain	666	644	3%	+22

Quality of service	2019	2018	Δ %	Δ Abs.
<b>Losses (% of electricity distributed)</b>			-	-
Portugal (1)	9.6%	9.6%	-0.6%	-0.1 p.p.
Spain	3.6%	3.4%	6.6%	0.2 p.p.
Brazil				
EDP São Paulo	8.1%	8.4%	-3.9%	-0.3 p.p.
Technical	5.6%	5.6%	1.0%	0.1 p.p.
Commercial	2.5%	2.8%	-13.3%	-0.4 p.p.
EDP Espírito Santo	12.5%	11.9%	4.3%	0.5 p.p.
Technical	7.9%	7.5%	4.4%	0.3 p.p.
Commercial	4.6%	4.4%	4.3%	0.2 p.p.
<b>Telemetering (%)</b>				
Portugal	73%	69%	6%	3.9 p.p.
Spain	100%	N.A	N.A	N.A.

Customers Connected (th)	Dec-19	Dec-18	Δ %	Δ Abs.
<b>Portugal</b>	<b>6,277</b>	<b>6,226</b>	<b>0.8%</b>	<b>+52</b>
Very High / High / Medium Voltage	25	25	1.2%	+0
Special Low Voltage	37	36	1.9%	+1
Low Voltage	6,215	6,164	0.8%	+51
<b>Spain</b>	<b>668</b>	<b>666</b>	<b>0.3%</b>	<b>+2</b>
High / Medium Voltage	1	1	0.3%	+0
Low Voltage	667	665	0.3%	+2
<b>Brazil</b>	<b>3,524</b>	<b>3,451</b>	<b>2.1%</b>	<b>+73</b>
EDP São Paulo	1,936	1,887	2.6%	+49
EDP Espírito Santo	1,588	1,564	1.5%	+24
<b>TOTAL</b>	<b>10,470</b>	<b>10,343</b>	<b>1.2%</b>	<b>+127</b>

Electricity Distributed (GWh)	2019	2018	Δ %	Δ GWh
<b>Portugal</b>	<b>45,589</b>	<b>46,059</b>	<b>-1.0%</b>	<b>-469</b>
Very High Voltage	2,344	2,366	-0.9%	-22
High / Medium Voltage	21,953	21,996	-0.2%	-43
Low Voltage	21,292	21,697	-1.9%	-405
<b>Spain</b>	<b>8,262</b>	<b>9,360</b>	<b>-11.7%</b>	<b>-1,099</b>
High / Medium Voltage	6,032	7,110	-15.2%	-1,078
Low Voltage	2,229	2,250	-0.9%	-21
<b>Brazil</b>	<b>25,591</b>	<b>25,007</b>	<b>2.3%</b>	<b>584</b>
Free Customers	11,389	11,173	1.9%	216
Industrial	1,719	1,890	-9.1%	-172
Residential, Commercial & Other	12,484	11,943	4.5%	540
<b>TOTAL</b>	<b>79,442</b>	<b>80,426</b>	<b>-1.2%</b>	<b>-984</b>

(1) Excludes Very High Voltage

# Financial investments, Non-controlling interests and Provisions

Financial investments & Assets for Sale	Attributable Installed Capacity - MW (1)				Share of profit (2) (€ million)				Book value (€ million)			
	Dec-19	Dec-18	Δ %	Δ MW	2019	2018	Δ %	Δ Abs.	Dec-19	Dec-18	Δ %	Δ Abs.
<b>EDP Renováveis</b>	<b>550</b>	<b>371</b>	<b>48%</b>	<b>+179</b>	<b>3</b>	<b>2</b>	<b>106%</b>	<b>+2</b>	<b>476</b>	<b>357</b>	<b>33%</b>	<b>+119</b>
Spain	152	152										
US	398	219										
Other	0	0										
<b>EDP Brasil</b>	<b>551</b>	<b>539</b>	<b>2%</b>	<b>+12</b>	<b>15</b>	<b>1</b>	<b>2136%</b>	<b>+15</b>	<b>465</b>	<b>456</b>	<b>2%</b>	<b>+9</b>
Renewables	551	539										
Networks												
<b>Iberia (Ex-wind) &amp; Other</b>	<b>10</b>	<b>10</b>	<b>0%</b>	<b>-</b>	<b>6</b>	<b>9</b>	<b>-27%</b>	<b>-2</b>	<b>328</b>	<b>264</b>	<b>24%</b>	<b>+64</b>
Generation	10	10										
Networks												
Other												
<b>Assets Held for Sale (net of liabilities)</b>									<b>2,177</b>	<b>11</b>	<b>-</b>	<b>+2,166</b>
<b>TOTAL</b>	<b>1,111</b>	<b>920</b>	<b>15%</b>	<b>+191</b>	<b>25</b>	<b>11</b>	<b>130%</b>	<b>+14</b>	<b>3,446</b>	<b>1,088</b>	<b>217%</b>	<b>+2,359</b>

Non-controlling interests	Attributable Installed Capacity - MW (1)				Share of profits (2) (€ million)				Book value (€ million)			
	Dec-19	Dec-18	Δ %	Δ MW	2019	2018	Δ %	Δ Abs.	Dec-19	Dec-18	Δ %	Δ Abs.
<b>EDP Renováveis</b>	<b>4,112</b>	<b>4,747</b>	<b>-13%</b>	<b>-636</b>	<b>218</b>	<b>210</b>	<b>4%</b>	<b>+8</b>	<b>2,547</b>	<b>2,739</b>	<b>-7%</b>	<b>-191</b>
At EDPR level:	<b>2,230</b>	<b>2,781</b>	<b>-20%</b>	<b>-551</b>	<b>148</b>	<b>159</b>	<b>-7%</b>	<b>-11</b>	<b>1,362</b>	<b>1,613</b>	<b>-16%</b>	<b>-252</b>
Iberia	589	851										
North America	1,210	1,210										
Rest of Europe	269	557										
Brazil	162	162										
<b>17.4% attributable to free-float of EDPR</b>	<b>1,881</b>	<b>1,966</b>	<b>-4%</b>	<b>-85</b>	<b>70</b>	<b>51</b>	<b>38%</b>	<b>+19</b>	<b>1,186</b>	<b>1,125</b>	<b>5%</b>	<b>+60</b>
<b>EDP Brasil</b>	<b>1,734</b>	<b>1,742</b>	<b>0%</b>	<b>-8</b>	<b>178</b>	<b>151</b>	<b>17%</b>	<b>+26</b>	<b>1,267</b>	<b>1,225</b>	<b>3%</b>	<b>+41</b>
At EDP Brasil level:	<b>598</b>	<b>606</b>	<b>-1%</b>	<b>-8</b>	<b>35</b>	<b>33</b>	<b>7%</b>	<b>+2</b>	<b>246</b>	<b>259</b>	<b>-5%</b>	<b>-13</b>
Hydro	598	606										
Other	0	0										
<b>49% attributable to free-float of EDP Brasil</b>	<b>1,137</b>	<b>1,137</b>	<b>0%</b>	<b>-</b>	<b>142</b>	<b>118</b>	<b>20%</b>	<b>+24</b>	<b>1,021</b>	<b>967</b>	<b>6%</b>	<b>+54</b>
<b>Iberia (Ex-wind) &amp; Other</b>	<b>119</b>	<b>118</b>	<b>0%</b>	<b>+0</b>	<b>-8</b>	<b>-4</b>	<b>101%</b>	<b>-4</b>	<b>-40</b>	<b>-32</b>	<b>26%</b>	<b>-8</b>
<b>TOTAL</b>	<b>5,965</b>	<b>6,501</b>	<b>-8%</b>	<b>-536</b>	<b>388</b>	<b>357</b>	<b>9%</b>	<b>+31</b>	<b>3,774</b>	<b>3,932</b>	<b>-4%</b>	<b>-158</b>

Provisions (Net of tax)	Employees benefits (€ million)			
	Dec-19	Dec-18	Δ %	Δ Abs.
EDP Renováveis	0	0	-49%	-0
EDP Brasil	134	115	16%	+19
Iberia (Ex-wind) & Other	774	870	-11%	-96
<b>TOTAL</b>	<b>908</b>	<b>985</b>	<b>-8%</b>	<b>-78</b>

(1) MW attributable to associated companies & JVs and non-controlling interests; (2) Share of profit in JVs & associates and from non-controlling interests; assets held for sale not included;

# Sustainability performance

Environmental Metrics	2019	2018	Δ %
Renewable installed capacity (%)	73%	74%	-1%
ISO 14001 certification (%)	96%	96%	0%
<b>Emissions</b>			
Specific CO <sub>2</sub> emissions (g/kWh) (1)	216	257	-16%
GHG Emission Scope 1 (ktCO <sub>2eq</sub> ) (2)	14,363	18,429	-22%
Stationary combustion	14,338	18,404	-22%
SF6 Emissions	9.27	10.35	-10%
Company fleet	15.17	15.17	0%
Natural gas consumption	0.04	0.19	-79%
GHG Emission Scope 2 (ktCO <sub>2eq</sub> ) (2)	846	602	41%
Electricity consumption in office buildings	0.80	1.83	-56%
Electricity losses	824	577	43%
Renewable plants self-consumption	21	23	-6%
NOx emissions (kt)	10.80	14.26	-24%
SO <sub>2</sub> emissions (kt)	16.31	21.25	-23%
Particulate matter emissions (kt)	1.66	2.05	-19%

Natural Resources	2019	2018	Δ %
Primary Energy Consumption (Tj) (3)	184,903	221,634	-17%
Waste sent to final disposal (t)	229,441	349,329	-34%
Specific fresh water consumption (m <sup>3</sup> /GW) (4)	254	257	-1%

Environmental Matters (€ th)	2019	2018	Δ %
Investments	88,317	68,987	28%
Expenses	265,880	195,495	36%
Environmental Fees and Penalties (€ th)	4	3	18%

Sustainable Mobility	2019	2018	Δ %
Light-duty fleet electrification (%)	9.0%	7.5%	20%
Electric charging points (#)	772	385	101%
Customers with electric mobility solutions (#)	10,100	5,546	82%

Social Metrics	2019	2018	Δ %
<b>Employment</b>			
Employees (#)	11,660	11,631	0%
Female employees (%)	25%	25%	1%
Turnover (%)	10.51%	10.32%	2%

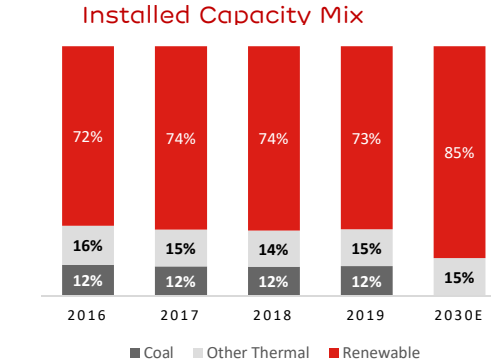
Training	2019	2018	Δ %
Total hours of training (h)	400,448	398,394	1%
Employees with training (%)	97%	100%	-2%
Direct training investment (€ th)	3,756	4,043	-7%

Health and Safety	2019	2018	Δ %
Accidents EDP (5)	29	29	0%
Accidents Contractors (5)	82	106	-23%
Fatal Accidents EDP	0	2	-100%
Fatal Accidents Contractors	2	5	-60%
Frequency rate EDP	1.50	1.36	11%
Frequency rate Contractors	1.84	2.50	-26%

Economic Metrics	2019	2018	Δ %
Economic Value Generated (€ million)	15,438	16,308	-5%
Distributed	13,214	14,471	-9%
Accumulated	2,224	1,837	21%

Low carbon economy	2019	2018	Δ %
EBITDA in Renewables (%)	62%	66%	-6%
CAPEX in Renewables (%)	51%	66%	-23%

New market opportunities	2019	2018	Δ %
Smart meters in Iberian Peninsula (%)	48%	38%	25%
Energy Services Revenues / Turnover (%)	7%	9%	-22%
Energy Efficiency Services Revenues (€ th)	169,391	151,468	12%



Ratings	Range	2019 *	Ranking **
SAM ESG Ratings (DJSI)	[0-100]	90	1 <sup>a</sup>
FTSE Russel (FTSE4Good)	[0-5]	4.7	Top 5
VigeoEiris (Euronext Vigeo)	[0-100]	68	1 <sup>a</sup>
ISS-Oekom (GCI)	[D <sup>-</sup> -A <sup>+</sup> ]	B-	n.a.
Sustainalytics (STOXX ESG)***	[100-0]	22.1	13 <sup>a</sup>
MSCI Reserch (MSCI ESG)	[CCC-AAA]	AAA	n.a.
CDP	[D <sup>-</sup> -A]	A-	n.a.
Ethisphere	Y/N	Yes	n.a.

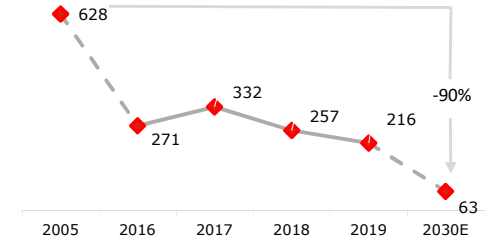
\* Ratings are independent and, therefore, should not be compared. The above rankings were assessed in 2018, except for SAM and Sustainalytics, which refers to 2019.

\*\* Comparable Peers. Regarding SAM and VIGEOEiris exclude the companies that manage transmission grids.

\*\*\* Sustainalytics' ESG risk rating provides a quantitative measure of unmanaged ESG risk and distinguishes between five levels of risk: negligible, low, medium, high and severe. The rating scale goes from 0-100, where 100 is the most severe.

Detailed information can be found at: [www.edp.com>Sustainability>Economic Dimension>Sustainable Investment>ESG Indexes](http://www.edp.com>Sustainability>Economic Dimension>Sustainable Investment>ESG Indexes)

Specific CO<sub>2</sub> Emissions (g/kWh)



## Sustainable Development Goals (SDG)



EDP is committed to ensuring that its activity contributes actively to 9 of the 17 United Nations SDG to be achieved by 2030.

(1) The stationary emissions do not include those produced by the burning of ArcelorMittal steel gases in EDP's power plant in Spain.

(2) Scope 2 emissions according with GHG Protocol based location methodology.

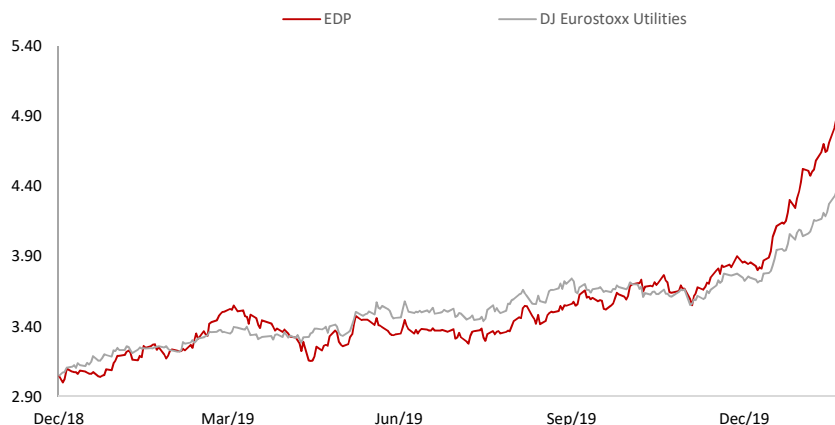
(3) Including vehicle fleet.

(4) The series was revised in according to GRI 303 update.

(5) Accidents leading to an absence of one more calendar day and fatalities.

# Share performance

## EDP Stock Performance on Euronext Lisbon



## EDP's Main Events

- 23-Jan:** EDP prices € 1,000 Million subordinated green notes
- 01-Feb:** EDPR signs a Build & Transfer agreement for 102 MW wind farm project in the US
- 12-Feb:** EDPR secures a 104 MW PPA for a new wind farm in the US
- 12-Mar:** Strategic Update
- 15-Apr:** S&P affirms EDP at "BBB-" with stable outlook
- 23-Apr:** EDP announces €0.8bn asset rotation deal for wind farms in Europe
- 24-Apr:** EDP's Annual General Shareholders' Meeting
- 26-Apr:** Payment of dividends of the year 2018 at May 15th
- 13-May:** EDP sells Portuguese tariff deficit for €0.6 billion
- 21-May:** EDP and Engie join forces to create a leading global offshore wind player
- 25-Jun:** EDP agrees to sell €470 million in securitization of Portuguese tariff deficit
- 08-Jul:** EDP secures PPA for 126 MW in Brazil
- 29-Jul:** EDP announced R\$1.2 billion asset rotation transaction for wind farm in Brazil
- 30 Jul:** EDP concludes €808M asset rotation deal for wind farms in Europe
- 6-Aug:** ANEEL approves regulatory terms at EDP Espírito Santo for 2019-2022
- 7-Aug:** EDP secures a new PPA for Sonrisa Solar project with storage system in the US
- 30-Aug:** EDP awarded with 142 MW of solar energy in Portugal
- 10-Sep:** EDP issues a €600 million 7-year green bond
- 19-Sep:** Competition Authority's decision on alleged abuse of dominance position
- 30-Sep:** EDP successfully established new Institutional partnership Structure for 405 MW in the US
- 30-Sep:** EDP secures a new PPA for 100 MW in Mexico
- 16-Oct:** ERSE announces proposal for electricity tariffs in 2020
- 22-Oct:** ANEEL approves regulatory terms at EDP São Paulo for 2019-2023
- 23-Oct:** EDP enters the Colombian wind energy market with two 15-year PPA contracts awarded
- 24-Oct:** EDP build and transfer of 302 MW wind farm project in the US
- 25-Oct:** EDP secures a 200 MW PPA for a new solar project
- 29-Oct:** EDP expands its US solar base securing 50% stake in a portfolio of projects of 278 MW
- 30-Oct:** EDP joint venture proposal wins Massachusetts offshore wind contract
- 31-Oct:** CNIC notifies decrease of qualified shareholding in EDP
- 28-Nov:** EDP secured a PPA for new wind farm in Brazil
- 19-Dec:** EDP agrees to sell 6 hydro plants in Portugal for €2.2 billion
- 19-Dec:** Lower competitiveness of coal plants leads to extraordinary cost of €0.3 Bn in 2019
- 19-Dec:** EDP was awarded a long-term CfD for 307 MW of wind at polish energy auction

## EDP Stock Market Performance

	YTD <sup>1</sup>	52W 19/02/2020	2019
<b>EDP Share Price (Euronext Lisbon - €)</b>			
Close	4.926	4.926	3.864
Max	4.987	4.987	3.918
Min	3.785	3.089	2.986
Average	4.318	3.606	3.432

## EDP's Liquidity in Euronext Lisbon

Turnover (€ million)	1,324	6,778	6,018
Average Daily Turnover (€ million)	38	26	24
Traded Volume (million shares)	307	1,880	1,753
Avg. Daily Volume (million shares)	8.76	7.34	6.88

## EDP Share Data (million)

	2019	2018	Δ %
Number of shares Issued	3,656.5	3,656.5	-
Treasury stock	21.4	21.8	-2%

## Investor Relations Department

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(1) 1/Jan/2020 to 19/Feb/2020