



## **EDP – ENERGIAS DE PORTUGAL, S.A.**

Public company (*sociedade aberta*)

Registered office: Avenida 24 de Julho n.º 12, 1249-300 Lisboa

Fully subscribed and paid-up share capital: € 3,656,537,715.00

Registered at the Commercial Registry Office of Lisbon under sole registration and tax payer number 500.697.256

**(Offeror)**

## **PROSPECTUS FOR**

### **GENERAL AND VOLUNTARY TENDER OFFER FOR THE ACQUISITION OF SHARES REPRESENTATIVE OF THE SHARE CAPITAL OF**

## **EDP RENOVÁVEIS, S.A.**

Registered office: Plaza de la Gesta 2, 33007 Oviedo, Spain

Share capital: € 4,361,540,810.00

Registered at the Asturias Commercial Registry, volume 3.671, book 177, page AS – 37.669

Tax no. A-74219304

**(Target Company)**

## **FINANCIAL INTERMEDIARIES**



**JULY 5, 2017**

*The following is a non-binding English translation of the Portuguese Prospectus that was registered with the Portuguese Securities Market Commission (Comissão do Mercado de Valores Mobiliários) on July 5, 2017 (the “Portuguese Prospectus”). The original Portuguese Prospectus, written in Portuguese, is the exclusive legally binding version and EDP – Energias de Portugal, S.A., Banco Comercial Português, S.A. and Banco Santander Totta, S.A. assume no liability for any of the statements or representations made in the English translation. In case of inconsistencies between the Portuguese Prospectus and the English text of the translation, the Portuguese text shall prevail.*

## DEFINITIONS

Except as otherwise required by the context, the terms used herein shall have the following meaning:

“ <b>Banks</b> ”	Millennium investment banking and Santander Totta, when referred to jointly;
“ <b>CAPEX</b> ”	Capital expenditures;
“ <b>Clearing and Settlement System</b> ”	and the clearing and settlement system managed by Interbolsa;
“ <b>CMVM</b> ”	Portuguese Securities Market Commission ( <i>Comissão do Mercado de Valores Mobiliários</i> );
“ <b>DTT</b> ”	Double Taxation Treaty;
“ <b>EBITDA</b> ”	Earnings before interest, taxes, depreciation and amortisation;
“ <b>EDP</b> ” or “ <b>Offeror</b> ”	EDP – Energias de Portugal, S.A., a public limited company ( <i>sociedade aberta</i> ), incorporated under the laws of the Portuguese Republic, having its registered office at Avenida 24 de Julho n.º 12, 1249-300 Lisboa, Portugal, with a fully subscribed and paid-up share capital of € 3,656,537,715.00 and registered at the Lisbon Commercial Registry under sole registration and tax payer number 500.697.256, including its Spanish branch, EDP – Energias de Portugal, Sociedade Anonima, Sucursal en España;
“ <b>EDP Group</b> ”	EDP and the companies that it controls, directly or indirectly;
“ <b>EDP Renováveis</b> ” or “ <b>Target Company</b> ” or “ <b>EDPR</b> ”	EDP Renováveis, S.A., a company incorporated under the laws of the Kingdom of Spain, having its registered office at Plaza de la Gesta 2, 33007 Oviedo, Spain, with a share capital of € 4,361,540,810.00, and registered at the Asturias Commercial Registry in volume 3.671, book 177, page AS – 37.669, with Tax no. A-74219304;
“ <b>ERSE</b> ”	the Energy Services Regulatory Authority ( <i>Entidade Reguladora dos Serviços Energéticos</i> );
“ <b>EUR</b> ”, “ <b>Euro</b> ” or “ <b>€</b> ”	the official currency of the European Union (EU) Member States that adopted the single currency under the Treaty on the Functioning of the European Union;

<b>“Euronext Lisbon by Euronext Lisbon”</b>	the regulated securities market in Portugal managed by Euronext Lisbon;
<b>“Euronext Lisbon”</b>	Euronext Lisbon – Sociedade Gestora de Mercados Regulamentados, S.A., a company incorporated under the laws of the Portuguese Republic, having its registered office at Avenida da Liberdade n.º 196, 1250-147 Lisboa, with a fully subscribed and paid-up share capital of € 8,500,000.00 and registered at the Lisbon Commercial Registry under sole registration and tax payer number 504.825.330;
<b>“Interbolsa”</b>	Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., having its registered office at Avenida da Boavista n.º 3433, 4100-138 Porto – Portugal, with a fully subscribed and paid-up share capital of € 5,500,000.00 and registered at the Oporto Commercial Registry under sole registration and tax payer number 502.962.275;
<b>“ISIN Code” or “ISIN”</b>	alphanumerical code of 12 characters which contains no information about the characteristics of the financial instruments but serves to identify bonds, commercial paper, shares, options, derivatives, futures and warrants;
<b>“Launch Announcement”</b>	the announcement of the launch of the Offer as defined in article 183-A of the Portuguese Securities Code;
<b>“Millennium investment banking”</b>	Banco Comercial Português, S.A., with registered office at Praça D. João I, Porto, with a fully subscribed and paid-up share capital of € 5,600,738,053.72 and registered at the Commercial Registry Office of Lisbon under sole registration and tax payer number 501.525.882, acting through its investment banking arm;
<b>“Notice of Special Regulated Market Session”</b>	the notice to be issued by Euronext Lisbon regarding the Special Regulated Market Session;
<b>“Offer” or “OPA”</b>	the general and voluntary tender offer envisaged in this Prospectus registered by CMVM under number 9215;
<b>“Preliminary Announcement”</b>	the preliminary announcement made by the Offeror regarding the decision to launch the Offer on March 27, 2017, as published on CMVM’s internet web site;
<b>“Preliminary Announcement Date”</b>	the date of publication of the Preliminary Announcement, 27 March 2017;

<b>“Prospectus”</b>	this prospectus pertaining to the Offer;
<b>“PSI 20”</b>	the PSI 20 Index in Portugal, which is an index weighted by the market value of the 20 largest companies with shares admitted to trading on the <i>Euronext Lisbon by Euronext Lisbon</i> regulated market (provided that the minimum free float and free float velocity limits of the shares are met, in accordance with the “PSI 20 Index Rule Book”; in the case where no 20 companies satisfy these criteria, the index will be reduced accordingly). Free float shares are used for calculating the index. The index was developed with a base of 3,000, as at 31 December 1992;
<b>“Santander Totta”</b>	Banco Santander Totta, S.A., with registered office at Rua Áurea, no. 88, 110-063, Lisboa, with a fully subscribed and paid-up share capital of € 1,256,723,284.00 and registered at the Commercial Registry Office of Lisbon under sole registration and tax payer number 500.844.321;
<b>“Portuguese Securities Code”</b>	<i>Código dos Valores Mobiliários</i> , approved by Decree-Law 486/99 of 13 November, as amended;
<b>“Shares” or “Shares”</b>	respectively, each one of, or the 872,308,162 (eight hundred and seventy-two million, three hundred and eight thousand, one hundred and sixty-two) ordinary, nominative, dematerialised shares with a nominal value of € 5.00 (five euros) each, representing 100% of the share capital of the Target Company;
<b>“Special Regulated Market Session”</b>	the <i>Euronext Lisbon by Euronext Lisbon</i> special regulated market session for determining and releasing the results of the Offer, which will be held on the first working day in Portugal after the end of the Offer period, i.e. on August 4, 2017, at a time to be stipulated in the Notice of Special Regulated Market Session to be published by Euronext Lisbon;
<b>“Undertaking to pay”</b>	the undertaking to pay the Offer consideration assumed by Banco Santander, S.A., pursuant to the provision of number 2 of article 177 of the Portuguese Securities Code, as described under section 2.5.

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## **0 WARNINGS/INTRODUCTION**

### **0.1 Summary of the Offer**

#### ***The Offeror***

The Offeror is EDP – Energias de Portugal, S.A., a public limited company incorporated under the laws of the Portuguese Republic, having its registered office at Avenida 24 de Julho n.º 12, 1249-300 Lisboa, Portugal, with a fully subscribed and paid-up share capital of € 3,656,537,715.00 and registered at the Lisbon Commercial Registry under sole registration and taxpayer number 500.697.256.

For more information on the Offeror, please refer to Chapter 3 – Information Concerning the Offeror, Equity Holdings and Agreements.

#### ***The Target Company***

The Target Company is EDP Renováveis, S.A., a company incorporated under the laws of the Kingdom of Spain, having its registered office at Plaza de la Gesta 2, 33007 Oviedo, Spain, with a share capital of € 4,361,540,810.00 and registered at the Asturias Commercial Registry, volume 3.671, book 177, page AS – 37.669 Tax no. A-74219304.

The Target Company is not a public company (*sociedade aberta*), within the terms and for the purposes of article 13 and article 27 of the Portuguese Securities Code, since it is a company which governing law is not Portuguese law.

#### ***The terms of the Offer***

The Offer is general and voluntary and envisages all the Shares issued and admitted to trading on the *Euronext Lisbon* by *Euronext Lisbon* regulated market which represent the share capital of the Target Company, with the exception of the shares held directly by the Offeror.

The Target Company has not issued any other securities which should have been object of the Offer, pursuant to the provision of number 1 of article 187 of the Portuguese Securities Code.

In accordance with public information made available in the consolidated financial statements concerning the financial year ending on 31 December 2016, the Target Company does not own any treasury shares.

The Offeror undertakes to acquire, on the terms and conditions established in this Prospectus and other Offer documents, all the Shares of the Target Company that are not held directly by the Offeror and which are the object of a valid acceptance of the Offer.

Taking into account the shares held directly by the Offeror, the securities encompassed by the Offer are 196,024,306 (one hundred and ninety-six million, twenty four thousand, three

hundred and six) Shares, representing approximately 22.47% (twenty-two point four seven percent) of the share capital of the Target Company.

On this date, to the best of the Offeror's knowledge, the latter is attributed with, directly and under the provision of number 1 of article 20 of the Portuguese Securities Code, voting rights relative to 676,367,131 (six hundred and seventy-six million, three hundred and sixty-seven thousand, one hundred and thirty-one) shares representing approximately 77.54% (seventy-seven point five four percent) of the share capital and voting rights of the Target Company.

In this regard, the Offeror is attributable with voting rights inherent to 676,283,856 (six hundred and seventy and six million, two hundred and eighty three thousand, eight hundred and fifty six) shares representative of approximately 77.53% (seventy seven point five three per cent) of the Target Company's share capital which it holds directly, as well as, pursuant to the introductory sentence of number 1 and sub-paragraphs d) and j) of number 1 of article 20 of the Portuguese Securities Code, voting rights relative to 83,275 (eighty three thousand, two hundred and seventy five) shares representative of approximately 0.01% (zero point zero one per cent) of the share capital of the Target Company held by members of the Offeror's corporate bodies and members of the corporate bodies of companies which are in a domain or group relationship with the Offeror.

Acceptance of the Offer is limited to Shares which, on the date of the transfer order and until the closing of the Offer, are fully paid up, with all inherent rights attached and free of any encumbrances, charges or liabilities, as well as any limitations or duties, notably regarding the respective economic and/or corporate rights and transferability, including when such a restriction on their transferability arises from blocking orders for the Shares on the relevant securities account ordered by the respective holder, pursuant to sub-paragraph a) of number 2 of article 72 of the Portuguese Securities Code.

Acceptance of the Offer by its addressees is subject to compliance with the relevant legal and regulatory requirements, including foreign law requirements, whenever the addressees of the Offer are subject to such foreign law.

The Offeror, regardless of the Offer results, wishes to reorganize the existing corporate relationship with the Target Company, which, alternatively or cumulatively, shall determine:

- a) the delisting of the shares of the Target Company from *Euronext Lisbon* by *Euronext Lisbon*, the regulated market managed by Euronext Lisbon;
- b) amendments to the Framework Agreement, entered into by and between the Offeror and the Target Company on 7 May, 2008;
- c) the consolidation and integration of the activities of the Offeror and of the Target Company through a cross border merger, in line with the trend in the energy sector.

One of the actions considered by the Offeror is the delisting of the shares of the Target Company from the regulated market *Euronext Lisbon* by *Euronext Lisbon*. In this regard, if the Offeror comes to hold, as a result of the Offer, more than 90% (ninety percent) of the voting

rights corresponding to the share capital of the Target Company, the Offeror considers the possibility to request Euronext Lisbon to delist of the shares of EDPR from the regulated market *Euronext Lisbon by Euronext Lisbon*.

In case the Offeror requests the delisting of the shares from the regulated market *Euronext Lisbon by Euronext Lisbon* the Offeror shall maintain a permanent purchase order of the Target Company's Shares at a price of € 6.75 (six euros and seventy five cents) per Share, for a maximum term of 3 to 6 months starting from the approval of the request to delist the Shares.

Another action to be considered by the Offeror is the possibility of executing a cross-border merger between the Offeror and the Target Company pursuant to the provision of articles 117.º-A *et sequitur* of the Portuguese Companies Code and articles 54 *et sequitur* of Ley 3/2009, of April 3, which transpose to the Portuguese and Spanish jurisdictions, respectively, Directive no. 2005/56/CE on cross-border mergers of limited liability companies. In case a cross-border merger occurs, the acquiring company shall be EDP and the absorbed company shall be EDP Renováveis, the latter which, as a consequence of said merger, shall cease to exist and consequently the shares representative of its share capital shall no longer be admitted to trading in the regulated market *Euronext Lisbon by Euronext Lisbon*.

In accordance with Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, Spanish Law, in particular *Real Decreto 1066/2007, de 27 de julio* (“**Real Decreto**”), shall be considered to be applicable in what concerns: (i) the exercise of a “squeeze-out right” by the Offeror in the acquisition of the remainder of the Shares of the Target Company that it does not own; and (ii) the exercise of a “sell-out right” by the holders of the remaining shares of the Target Company.

In this respect, the Offeror declares:

- a) its intention to exercise a right of squeeze-out pursuant to the provisions of the Real Decreto, in case it comes to hold: (i) at least 90% of the shares representative of the share capital of the Target Company; and (ii) at least 90% of the Shares encompassed by the Offer; and
- b) its intention to accept the exercise of the right of sell-out pursuant to the provisions of the Real Decreto by the holders of the remaining shares of the Target Company in case it comes to hold: (i) at least 90% of the shares representative of the share capital of the Target Company; and (ii) at least 90% of the Shares encompassed by the Offer.

### ***Market where the Shares are admitted to trading***

The Shares are admitted to trading on the *Euronext Lisbon by Euronext Lisbon* regulated market under the symbol “EDPR” and with ISIN Code ES0127797019.

## ***Consideration***

The consideration offered, payable in cash, is of € 6.80 (six euros and eighty cents) per Share (“Offered Consideration”), subject to deduction of any gross amounts which may be attributed to each Share, such as dividends, advance for account of profits or distribution of reserves, such deduction to be made from the moment in which the right to said amount has been detached from the Shares and provided such detachment occurs prior to the financial settlement of the Offer.

Considering that the shareholders of the Target Company have resolved, on April 6, 2017, the payment of a dividend in the amount of € 0.05 (five cents) per Share, which was made available for payment to the shareholders on 8 May, 2017 as well as what is set out in the last paragraph, the consideration to be effectively paid in cash by the Offeror to the Offer addressees is of € 6.75 (six euros and seventy five cents) per Share (“Consideration to be Paid”).

The Offer is not a mandatory tender offer, but the Offered Consideration of € 6.80 and the Consideration to be Paid of € 6.75 would comply with the criteria set out under the provision of number 1 of article 188 of the Portuguese Securities Code, should such criteria be applicable, since:

- a) neither the Offeror nor, to the Offeror’s best knowledge, the entities or persons that, vis-à-vis the former, are in any of the situations provided for in number 1 of article 20 of the Portuguese Securities Code, have acquired Shares in the six months immediately preceding the Preliminary Announcement Date at a price higher than the Offered Consideration (€ 6.80) or the Consideration to be Paid (€ 6.75); and
- b) the Consideration to be Paid (€ 6.75) and the Offered Consideration (€ 6.80) are both higher than the volume weighted average price of the Shares in the regulated market of *Euronext Lisbon* by *Euronext Lisbon* in the six months preceding the Preliminary Announcement Date, which is of € 6.15 (six euros and fifteen cents).

The result of the Offer will be determined at a Special Regulated Market Session which is expected will be held on August 4, 2017 i.e. the first working day after the end of the Offer period, at a time to be designated in the relevant Notice of Special Regulated Market Session to be published by Euronext Lisbon.

The Offer consideration shall be paid in cash, and it is anticipated that said consideration shall be made available to the Offer addressees which have accepted the Offer on the second business day after the date of the Special Regulated Market Session, held with the purpose of determining the Offer results.

## ***Condition for Offer to become effective***

The effectiveness of the Offer is not subject to the fulfilment of any condition.

## ***Assumptions for the launch of the Offer***

For the relevant purposes, notably of article 128 of the Portuguese Securities Code and in compliance with the terms set forth therein, the Preliminary Announcement and the Launch Announcement establish that the decision to launch the Offer was based on the assumption that, between the Preliminary Announcement Date and the closing date of the Offer, no material change occurred or shall occur in the national and international financial markets and the relevant financial institutions which has not been envisaged in the official scenarios released by the authorities of the countries in which the Target Company carries on its activities and which have a material negative impact on the Offer, exceeding the risks inherent to the same.

By launching the Offer, the Offeror is not waiving any rights, including the right to request CMVM to modify or revoke the Offer with regard to facts or acts that are not consistent with the assumptions contained in the Preliminary Announcement or the Launch Announcement, in particular, those acts or facts which effects or consequences have not yet fully transpired or were not fully known to the Offeror at the time the Preliminary Announcement was released.

## ***Offer period***

The Offer period will run from 8:30 (Lisbon time) on July 6, 2017 to 15:00 (Lisbon time) on August 3, 2017 and the relevant sell orders may be received up to the end of that period.

Pursuant to number 2 of article 183 of the Portuguese Securities Code, the CMVM, on its own initiative or at the Offeror's request, may extend the Offer period in the event of its revision, the launch of a competing bid, or when the protection of the offerees' interests justifies the extension.

The holders of Shares that wish to accept the Offer should transmit the sell orders directly to the financial intermediaries before which the securities registration and deposit accounts are held. Acceptance of the Offer by its addressees is subject to compliance with the relevant legal and regulatory requirements, including foreign law requirements, whenever the addressees of the Offer are subject to such foreign law.

The holders of Shares that have accepted the Offer may revoke their declaration of acceptance by means of a communication addressed to the financial intermediary that received the acceptance declaration:

- a) in general, at any time, up to three calendar days before the end of the Offer period, that is, until 15:00 (Lisbon time) on July 31, 2017;
- b) in the case of the launch of a competing bid, until the last day of the Offer period;
- c) in the case of suspension of the Offer by the CMVM, by the fifth calendar day after the end of the suspension.

*The Offeror, directly or through the financial advisers or agents which it may use to this effect,*

*will not acquire Shares, either on Euronext Lisbon by Euronext Lisbon or outside of such market, during the Offer period.*

## **0.2 Effects of registration**

The Offer was registered on the date hereof by the CMVM under registration number 9215.

Pursuant to numbers 6 and 7 of article 118 of the Portuguese Securities Code, “*registration of a public tender offer shall imply approval of the corresponding prospectus and be based on criteria of legality*” and “[a]pproval of the prospectus and registration do not involve any guarantee as to the contents of the information, the offeror’s, the issuer’s or the guarantor’s economic or financial situation, the feasibility of the offer or the quality of the securities.”.

The financial intermediaries entrusted to render services of assistance to the Offeror in the preparation, launching and execution of the Offer, on the terms and for the purposes of subparagraph b) of number 1 of article 113 and number 2 of article 337, both from the Portuguese Securities Code, are Millennium investment banking and Santander Totta.

### **Forward-looking statements or references**

*This Prospectus includes forward-looking statements or references. All the statements contained herein – with the exception of those relating to historical facts, including namely those that concern the financial standing, income and profitability (including namely any financial or operational forecasts or predictions), corporate strategy, perspectives, management plans and objectives for future operations, and macroeconomic conditions in Portugal, Europe or elsewhere – are forward-looking statements. Some of these statements may be identified by words such as “anticipate”, “believe”, “estimate”, “expect”, “intend”, “predict”, “prognosis”, “plans”, “can”, “could” and “might” or similar terms. However, these terms are not the only one way pursuant to which forward-looking statements can be identified. These forward-looking statements or other forecasts contained herein concern known and unknown risks, uncertainties and other factors that could cause actual results or performance or conditions to differ materially from those that expressed in, or suggested by, the forward-looking statements. Consequently, the offerees should carefully consider these forward-looking statements, which relate only to the date of this Prospectus, before making any investment decision on the Offer. Various factors may cause future performance or results to differ materially from those that are expressed in, or suggested by, the forward-looking statements. Should any of these risks or uncertainties materialise or any of the assumptions prove to be incorrect, the future perspectives described or mentioned in this Prospectus might not come about, in whole or in part, and the actual result could differ materially from those described herein as anticipated, expected, forecast or estimated. These forward-looking statements refer only to the date of this Prospectus. Neither the Offeror nor the Banks, in their capacity as financial intermediaries, take on any obligation or undertaking to update or revise any forward-looking statement contained herein so as to reflect any change in their expectations arising from any changes in the facts, conditions or circumstances on which they are based, except to the extent that this is required by law.*

## CHAPTER 1 – PERSONS RESPONSIBLE FOR THE INFORMATION

### *Identification of those responsible for the information*

The form and content of this Prospectus obey the terms set forth in the Portuguese Securities Code, CMVM Regulation no. 3/2006, as amended, and the remaining applicable legislation. The persons and entities listed below are, pursuant to articles 149 and 150 of the Portuguese Securities Code, liable for the losses caused by any non-conformity of the Prospectus with article 135 of the Portuguese Securities Code, as at the date of its release, except where they prove they acted without fault.

- The Offeror: EDP – Energias de Portugal, S.A.
- The members of the Executive Board of Directors of the Offeror:
  - António Luís Guerra Nunes Mexia, Chairman
  - Nuno Maria Pestana de Almeida Alves, director
  - João Manuel Manso Neto, director
  - Antonio Fernando Melo Martins da Costa, director
  - João Manuel Veríssimo Marques da Cruz, director
  - Miguel Stilwell de Andrade, director
  - Miguel Nuno Simões Nunes Ferreira Setas, director
  - Rui Manuel Rodrigues Lopes Teixeira, director
- The financial intermediaries entrusted with providing assistance to the Offer:
  - Millennium investment banking
  - Santander Totta

Under number 2 of article 149 of the Portuguese Securities Code, fault is determined on the basis of high standards of professional diligence while, under number 3 of article 149 of the Portuguese Securities Code, the liability of the persons referred to above is ruled out if they prove that the offeree knew or should have known of the shortcoming in the contents of the Prospectus on the date the contractual declaration was made or at a time when revocation of the acceptance would still have been possible.

Under the provision of sub-paragraph a) of article 150 of the Portuguese Securities Code, the Offeror is liable, regardless of fault, in the event of liability of the members of its Executive Board of Directors or of Millennium investment banking or Santander Totta, the latter in their capacity as financial intermediaries responsible for providing assistance to the Offer.

*The information contained herein regarding the Target Company arises exclusively from or is based on publicly-available information. The Offeror and the Banks, the latter in their capacity as financial intermediaries, have no knowledge of any facts or circumstances that would point to any statement regarding the Target Company and/or any entity related to it contained in this Prospectus being untrue or materially misleading. In addition, the Offeror and the Banks, the latter in their capacity as financial intermediaries responsible for providing assistance to the*

*Offer, undertake no liability whatsoever for any breach by the Target Company and/or any entity related to it of the obligation to disclose any events that may have occurred, by virtue of which the information contained herein and which the Offeror and the Banks, the latter in their capacity as financial intermediaries, were based on, may be inaccurate or misleading.*

## CHAPTER 2 – DESCRIPTION OF THE OFFER

### 2.1 Amount and nature of the transaction

The Offer is general and voluntary.

The Offeror undertakes to acquire, on the terms and conditions established in this Prospectus and other Offer documents, all the Shares of the Target Company that are not held directly by the Offeror and which are the object of a valid acceptance of the Offer.

The Offer is only directed at Shares which, on the Offer closing date, are fully paid up, with all inherent rights attached and free of any encumbrances, charges or liabilities, as well as any limitations or duties, notably regarding the respective economic and/or corporate rights and transferability. The acceptance of the Offer by its addressees is subject to compliance with the relevant legal and regulatory requirements, including foreign law requirements, whenever the addressees of the Offer are subject to such foreign law.

On this date, to the best of the Offeror's knowledge, the latter is attributed with, directly and under the provision of number 1 of article 20 of the Portuguese Securities Code, voting rights relative to 676,367,131 (six hundred and seventy-six million, three hundred and sixty-seven thousand, one hundred and thirty-one) shares representing approximately 77.54% (seventy-seven point five four percent) of the share capital and voting rights of the Target Company.

In this regard, the Offeror is attributable with voting rights inherent to 676,283,856 (six hundred and seventy and six million, two hundred and eighty three thousand, eight hundred and fifty six) shares representative of approximately 77.53% (seventy seven point five three per cent) of the Target Company's share capital which it holds directly, as well as, pursuant to the introductory sentence of number 1 and sub-paragraphs d) and j) of number 1 of article 20 of the Portuguese Securities Code, voting rights relative to 83,275 (eighty three thousand, two hundred and seventy five) shares representative of approximately 0.01% (zero point zero one per cent) of the share capital of the Target Company held by members of the Offeror's corporate bodies and members of the corporate bodies of companies which are in a domain or group relationship with the Offeror.

Taking into account the shares held directly by the Offeror, the securities encompassed by the Offer are 196,024,306 (one hundred and ninety-six million, twenty four thousand, three hundred and six) Shares, representing approximately 22.47% (twenty-two point four seven percent) of the share capital of the Target Company.

*The availability of the Offer and its acceptance by entities or persons not resident in Portugal may be affected by the laws of the relevant jurisdiction. Any non-resident person in Portugal should seek information about the applicable legal requirements and comply with such requirements.*

The Target Company has not issued any other securities which should have been object of the Offer, pursuant to the provision of number 1 of article 187 of the Portuguese Securities Code.

The Offeror considers that it is not subject to the rules provided under article 187 of the Portuguese Securities Code regarding the launch of a subsequent mandatory tender offer, since the participation of the Offeror in the Target Company exceeded the threshold of 50% (fifty per cent) of the voting rights in the latter before the Target Company had its shares admitted to trading in the regulated market of *Euronext Lisbon* by *Euronext Lisbon*; on this date, the Offeror is still the direct holder of Shares and respective voting rights representative of approximately 77.53% (seventy seven point five three per cent) of the share capital of the Target Company.

## **2.2 Amount, nature and class of securities envisaged in the Offer**

The share capital of the Target Company is divided into 872,308,162 (eight hundred and seventy-two million, three hundred and eight thousand, one hundred and sixty-two) ordinary, nominative, dematerialised shares with a nominal value of € 5.00 (five euros) each, which are admitted to trading on the *Euronext Lisbon* by *Euronext Lisbon* regulated market under the symbol “EDPR” and ISIN Code ES0127797019.

In accordance with public information made available in the consolidated financial statements for the financial year ending on 31 December 2016, the Target Company does not own any treasury shares.

Taking into account the shares held directly by the Offeror, the securities encompassed by the Offer are 196,024,306 (one hundred and ninety-six million, twenty four thousand, three hundred and six) Shares, representing approximately 22.47% (twenty-two point four seven percent) of the share capital of the Target Company.

Acceptance of the Offer is limited to Shares which, on the date of the transfer order and until the closing of the Offer, are fully paid up, with all inherent rights attached and free of any encumbrances, charges or liabilities, as well as any limitations or duties, notably regarding the respective economic and/or corporate rights and transferability, including when such a restriction on their transferability arises from blocking orders for the Shares on the relevant securities account ordered by the respective holder, pursuant to sub-paragraph a) of number 2 of article 72 of the Portuguese Securities Code.

The Offeror undertakes to acquire all the Shares which are validly accepted in the Offer and which meet the terms and conditions established in this Prospectus.

## **2.3. Consideration and justification of consideration**

### ***Consideration***

The consideration offered, payable in cash, is of € 6.80 (six euros and eighty cents) per Share (“Offered Consideration”), subject to deduction of any gross amounts which may be attributed to each Share, such as dividends, advance for account of profits or distribution of reserves, such deduction to be made from the moment in which the right to said amount has

been detached from the Shares and provided such detachment occurs prior to the financial settlement of the Offer.

Considering that the shareholders of the Target Company have resolved, on April 6, 2017, the payment of a dividend in the amount of € 0.05 (five cents) per Share, which was made available for payment to the shareholders on 8 May, 2017 as well as what is set out in the last paragraph, the consideration to be effectively paid in cash by the Offeror to the Offer addressees is of € 6.75 (six euros and seventy five cents) per Share (“Consideration to be Paid”).

The Offer is not a mandatory tender offer, but the Offered Consideration of € 6.80 and the Consideration to be Paid of € 6.75 would comply with the criteria set out under the provision of number 1 of article 188 of the Portuguese Securities Code, should such criteria be applicable, since:

- a) neither the Offeror nor, to the Offeror’s best knowledge, the entities or persons that, vis-à-vis the former, are in any of the situations provided for in number 1 of article 20 of the Portuguese Securities Code, have acquired Shares in the six months immediately preceding the Preliminary Announcement Date at a price higher than the Offered Consideration (€ 6.80) or the Consideration to be Paid (€ 6.75); and
- b) the Offered Consideration (€ 6.80) or the Consideration to be Paid to the Offer addressees (€ 6.75) are both higher than the volume weighted average price of the Shares in the regulated market of *Euronext Lisbon by Euronext Lisbon* in the six months preceding the Preliminary Announcement Date, which is of € 6.15 (six euros and fifteen cents).

## ***Justification of the consideration offered***

### ***1. Historical performance of EDPR’s shares***

***The Consideration to be Paid and the Offered Consideration represent an attractive premium relative to the historical performance of EDPR’s shares on Euronext Lisbon by Euronext Lisbon prior to the Preliminary Announcement Date***

The Consideration to be Paid of € 6.75 represents a premium of 8.9% (eight point nine percent) in relation to the closing price of the Shares on the day before the Preliminary Announcement Date (€ 6.20, on 24 March, 2017) and the Offered Consideration of € 6.80 represents a premium of 9.7% relative to said closing price.

Relative to the volume weighted average price (“VWAP”) in the regulated market of *Euronext Lisbon by Euronext Lisbon* on the six month period preceding the Preliminary Announcement Date (€ 6.15), the Consideration to be Paid represents a premium of 9.8% (nine point eight percent) and the Offered Consideration represents a premium of 10.6% (ten point six percent).

**Table 1. Offered Consideration and Consideration to be Paid vs. historical performance of EDPR’s shares in different periods of analysis**

Market performance of the Shares (€/Share) <sup>(1)</sup>		Premium to Consideration to be Paid (%)	Premium to Offered Consideration (%)
Consideration to be Paid	6.75	-	-
Offered Consideration	6.80	-	-
Closing price 1 day before the Preliminary Announcement Date (24 March, 2017)	6.20	+8.9%	+9.7%
1M VWAP (28/02/2017 - 27/03/2017)	6.19	+9.1%	+9.9%
3M VWAP (28/12/2016 – 27/03/2017)	6.06	+11.3%	+12.1%
6M VWAP (28/09/2016 – 27/03/2017)	6.15	+9.8%	+10.6%
VWAP since IPO (04/06/2008 – 27/03/2017)	5.20	29.7%	+30.7%

Compared to the volume-weighted average price of EDPR Shares traded on the *Euronext Lisbon* by *Euronext Lisbon* since the Initial Public Offer (“IPO”) (€ 5.20) until the day before the Preliminary Announcement Date (24 March, 2017), the Consideration to be Paid represents a 29.7% (twenty nine point seven percent) premium, while the Offered Consideration represents a premium of 30.7% (thirty point seven percent).

Additionally, it should be noted that the closing price of the Shares was only above the Consideration to be Paid of € 6.75 per share only in 15.5% (thirteen point eight percent) of the trading sessions since the IPO until the day before the Preliminary Announcement Date (24 March, 2017) and was only above the Offered Consideration of € 6.80 per Share in 13.8% (thirteen point eight percent) of the trading sessions during the same period.

It should also be emphasized that EDPR’s Share price evolution since its IPO, in June 2008, until the day before the Preliminary Announcement Date (24 March, 2017) has clearly outperformed the evolution of PSI Index (-22.5% and -55.5%, for EDPR and PSI20, respectively).

Furthermore, if we consider the Consideration to be Paid as the reference value, EDPR’s variation relative to the IPO price is reduced from -22.5% to -15.6%, and if we consider as reference value the Offered Consideration, the latter is reduced from -22.5% to -15.0%, reinforcing the more favourable evolution of EDPR’s share price relative to the PSI20 index.

<sup>(1)</sup> Source: *Euronext Lisbon* by *Euronext Lisbon*. Prices not adjusted for dividends.

**Graph 1. EDPR's share's historical performance and PSI20 Index <sup>(2)</sup>**



## **2. Analysts' consensus target prices**

***The Consideration to be Paid and the Offered Consideration are within the interval of the target prices of equity analysts covering the stock, and compare well with the historical discount at which the stock has traded relative to the analysts' consensus target prices***

The average target price of investment banks' equity analysts whose research reports on EDPR were published or updated during the last 12 (twelve) months until the day before the Preliminary Announcement Date (March 24, 2017) is only 6.1% (six point one percent) higher than the Consideration to be Paid and 5.3% (five point three percent) higher than the Offered Consideration.

However, in the five years prior to the Preliminary Announcement Date the average premium of analysts' target prices relative to the price of EDPR was of 15.9% (fifteen point nine percent).

On the other hand, EDPR's target prices published by equity analysts in the last twelve months ranged between € 4.50 (four Euros and fifty cents) and € 8.30 (eight Euros and thirty cents), which clearly places both the Consideration to be Paid and the Offered Consideration within such interval.

<sup>(2)</sup> Source: Bloomberg. PSI20 series has been rebased on EDPR share price at the day of the IPO.

**Table 2. EDPR's equity analysts' target prices <sup>(3)</sup>**

<b>Analyst</b>	<b>Date</b>	<b>Recommendation</b>	<b>Target price /Share (€)</b>
BBVA <sup>(4)</sup>	23/03/17	Outperform	7.25
BIG	21/03/17	Buy	7.40
Grupo Santander <sup>(5)</sup>	20/03/17	Buy	7.80
Exane (BNP Paribas) <sup>(6)</sup>	20/03/17	Neutral	6.40
BPI <sup>(7)</sup>	16/03/17	Buy	8.15
Morgan Stanley <sup>(4)</sup>	14/03/17	Overweight	8.10
Intermoney <sup>(8)</sup>	08/03/17	Neutral	6.40
Haitong <sup>(9)</sup>	07/03/17	Buy	7.90
Kepler Cheuvreux <sup>(4)</sup>	01/03/17	Buy	7.70
Macquarie	01/03/17	Neutral	5.90
Natixis <sup>(4)</sup>	01/03/17	Neutral	6.90
Bryan Garnier & Cie <sup>(10)</sup>	01/03/17	Neutral	6.30
Bank of America <sup>(4)</sup>	01/03/17	Buy	7.70
Caixa BI <sup>(4)</sup>	28/02/17	Buy	7.60
Banco Sabadell <sup>(4)</sup>	27/02/17	Buy	8.20
Deutsche Bank <sup>(4)</sup>	27/02/17	Buy	7.60
Berenberg	07/02/17	Sell	4.50
HSBC	25/01/17	Buy	7.50
Société Générale <sup>(4)</sup>	19/01/17	Hold	6.30
UBS <sup>(4)</sup>	19/01/17	Buy	8.00
Goldman Sachs <sup>(11)</sup>	13/01/17	Neutral	6.00
J.P. Morgan	20/12/16	Overweight	6.70
Citi <sup>(12)</sup>	12/12/16	Neutral	6.50
RBC	03/11/16 s	Outperform	8.00
Axia Ventures <sup>(13)</sup>	02/11/16	Buy	8.30
<b>Minimum</b>			<b>4.50</b>

<sup>(3)</sup> Source: Bloomberg - research reports and updates by analysts published on the last 12 months until the day before the Preliminary Announcement Date.

<sup>(4)</sup> After the Preliminary Announcement Date, these analysts have reiterated their target price and recommendation.

<sup>(5)</sup> On 27/03/17, the target price was revised to € 7.70 and the recommendation remained unchanged.

<sup>(6)</sup> On 29/03/17, the target price was revised to € 6.80 and the recommendation remained unchanged.

<sup>(7)</sup> On 27/03/17, the target price was revised to € 8.00 and the recommendation remained unchanged. On 31/03/17, the stock was put "Under Review".

<sup>(8)</sup> On 18/04/17, the target price was revised to € 6.60 and the recommendation to "Reduce".

<sup>(9)</sup> On 30/03/17, the target price was revised to € 6.80 and the recommendation to "Neutral".

<sup>(10)</sup> On 30/03/17 the stock was placed under "Tender" and the target price remained unchanged.

<sup>(11)</sup> On 12/04/2017, the target price was revised to € 7.10 and the recommendation remained unchanged.

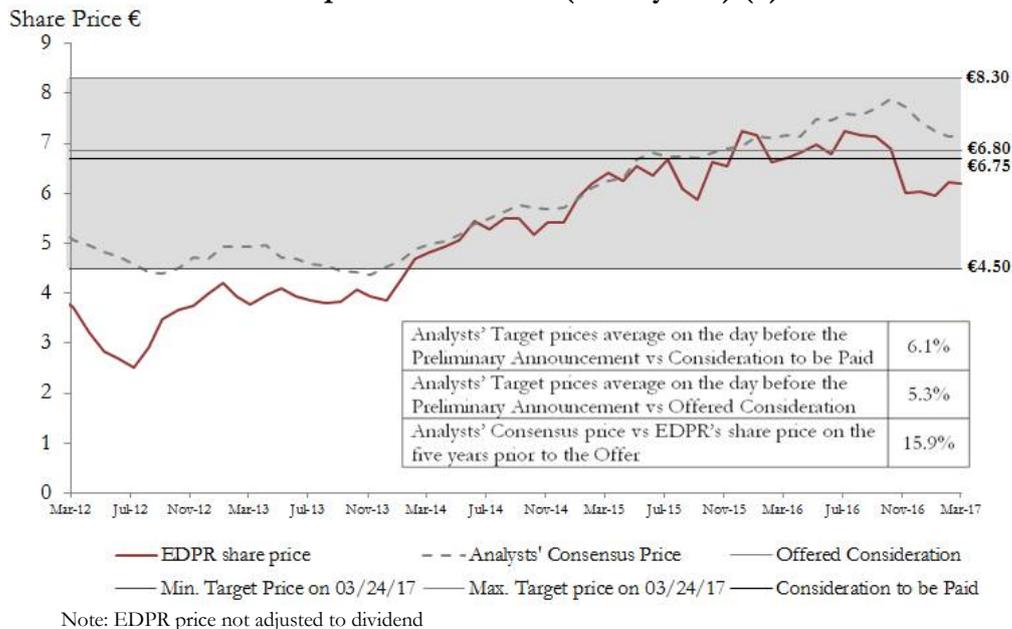
<sup>(12)</sup> On 31/03/17, the target price was revised to € 6.85 and the recommendation remained unchanged.

<sup>(13)</sup> On 05/05/17, the stock was put "Under Review".

Note: On 04/05/17, JB Capital Markets started covering EDPR, and attributed the latter with a target price of € 8,00.00 and a "Buy" recommendation.

Analyst	Date	Recommendation	Target price /Share (€)
Maximum			8.30
Average			7.16

**Graph 2. EDPR's share price evolution vs equity analysts' target prices consensus (last 5 years) <sup>(14)</sup>**



### 3. Comparable companies' trading multiples

***The Consideration to be Paid and the Offered Consideration value EDPR significantly above the average of current EV/EBITDA trading multiples of comparable listed companies***

The use of the EV/EBITDA multiple allows a normalized comparison of the cash flow generation capacity by companies which use different technologies or are found in different geographies with diverse regulatory regimes, being commonly used as a metric to compare trading companies in the same sector.

The Consideration to be Paid of € 6.75 implies an EV/EBITDA 2017 multiple of 8.68x, which represents a premium of 14.6% (fourteen point six percent) to the average implied multiples of 10 comparable listed companies on the day before the respective preliminary announcements. The Offered Consideration of € 6.80 implies an EV/EBITDA 2017 multiple of 8.71x which corresponds to a premium of 15.1% (fifteen point one percent) against said average.

<sup>(14)</sup> Source: Bloomberg.

**Table 3. Comparable listed companies multiples vs multiples implied by the Consideration to be Paid and Offered Consideration <sup>(15)</sup>**

Comparable Companies	Country	Market Capitalization <sup>(16)</sup>	Enterprise Value <sup>(17)</sup>	EV/EBITDA <sup>(18)</sup>		
		€Millions	€Millions	2017E	2018E	2019E
Acciona	Spain	4,230	9,626	7.81x	7.47x	7.07x
Capital Stage	Germany	786	869	4.82x	4.74x	4.65x
Dong Energy	Denmark	14,973	16,427	7.16x	5.98x	6.35x
ERG	Italy	1,756	3,313	7.39x	7.58x	7.39x
Falck Renewables	Italy	320	918	6.87x	6.46x	5.75x
Nextera Energy Partners	USA	1.631	5,199	6.75x	5.62x	4.27x
NRG Yield	USA	2,865	8,150	10.06x	8.90x	7.74x
Pattern	USA	1,647	3,836	11.43x	9.56x	8.46x
Saeta Yield	Spain	666	1,910	8.06x	7.88x	7.40x
Terna Energy	Greece	300	677	5.35x	4.74x	n.a.
<b>Average of comparable listed companies' multiples</b>				<b>7.57x</b>	<b>6.89x</b>	<b>6.56x</b>
EDPR@ 6.75 per Share	Portugal	5,888	11,255	8.68x	8.08x	7.77x
<b>Premium (%)</b>				<b>14.6%</b>	<b>17.3%</b>	<b>18.4%</b>
EDPR @ 6.80 per Share	Portugal	5,932	11,299	8.71x	8.12x	7.80x
<b>Premium (%)</b>				<b>15.1%</b>	<b>17.7%</b>	<b>18.8%</b>

**Note: Only European and North American companies with focus on renewable energy, namely wind and solar, were considered.**

<sup>(15)</sup> Source: Bloomberg; EUR/USD = 1.08 e EUR/DKK = 7.44, on March, 24, 2017.

<sup>(16)</sup> Market Capitalization = closing price on the March 24, 2017 (x) total number of shares.

<sup>(17)</sup> Enterprise Value = Market Capitalization (+) Net Debt (+) Minority Interest (+) Other Adjustments.

<sup>(18)</sup> EBITDA estimates constructed as the average of EBITDA values published on Bloomberg by analysts 6 months prior to the Preliminary Announcement Date.

#### **4. Premia paid in public tender offers over comparable European companies**

***The implied premium in the Consideration to be Paid and the Offered Consideration is similar to the premium paid in the comparable precedent tender offers in the European renewable sector***

The most common analysis for comparing the attractiveness of offers considerable comparable, in particular when launched in different time periods, is that of the offered premium relative to the closing stock price on the day before the preliminary announcement.

Considering EDPR share's closing price on the day before the Preliminary Announcement Date (€ 6.20, on 24 March, 2017), the Consideration to be Paid represents a premium of 8.9% (eight point nine percent) and the Offered Consideration represents a premium of 9.7% (nine point seven percent) relative to said price; such premia are aligned or are even slightly higher than the average 7.6% (seven point six percent) premium paid in the recent comparable offers in the European renewables sector <sup>(19)</sup>.

Moreover, the attractiveness of both the Consideration to be Paid and the Offered consideration is reinforced by the following factors:

- a) EDP's offer is the only one, among the comparable offers, in which the consideration is offered exclusively and fully in cash.
- b) EDPR's historical liquidity level of 35.8% (thirty five point eight percent) is the lowest among the comparable companies (Enel Green Power, Iberdrola Renovables e EDF Energies Nouvelles) <sup>(20)</sup>, being significantly below the average of 100.9% (one hundred point nine percent).

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<sup>(19)</sup> The public tender offers considered for comparison were: (i) tender offer for 20.0% (twenty percent) of Iberdrola Renovables by Iberdrola (which already owned 80% at the time of the preliminary announcement) on March 8, 2011 (ii) tender offer for 46.7% (forty six point seven percent) of EDF Energies Nouvelles by EDF (which already owned 50.0% at the time of the preliminary announcement) on 8 April, 2011 and (iii) tender offer for 31.4% (thirty one point four percent) of Enel Green Power by Enel (which already owned 68.6% at the time of the preliminary announcement) on 18 November, 2015.

<sup>(20)</sup> Liquidity refers to the percentage of total number of shares traded during the last 6 months relative to the free-float (liquidity calculation methodology called *free float velocity*, similar to the one used by Euronext for the calculation of liquidity of the eligible stocks for the PSI20 Index).

**Table 4. Recent comparable Tender offers on the European renewables sector**

Announcement date ( <sup>21</sup> )	Target company	Acquirer	Type of consideration offered (shares vs. cash)	Consideration to be Paid and Offered Consideration premia vs. market price ( <sup>19</sup> )	EV/EBITDA ( <sup>22</sup> )	Liquidity ( <sup>20</sup> )
				1 day before the Preliminary Announcement Date		
08/03/11	Iberdrola Renovables	Iberdrola	Shares	11.8%	12.58x (in 2011)	131.4%
08/04/11	EDF Energies Nouvelles	EDF	Shares or Cash	9.2%	13.13x (in 2011)	56.5%
18/11/15	Enel Green Power	Enel	Shares	1.9%	10.47x (in 2015)	114.8%
<b>Average</b>				<b>7.6%</b>	<b>12.06x</b>	<b>100.9%</b>
27/03/17	EDP Renováveis	EDP	Cash	8.9% (@ €6.75 per Share)	9.61x	35.8%
				9.7% (€ 6.80 per Share)	9.65x	

### ***Non suitability of other methodologies in the Offer context***

#### *Use of implied Enterprise Value/MW multiple metric in comparable companies*

Pursuant to the analytical methodologies included in this section, the use of the Enterprise Value / MW multiple metric in comparable companies was not considered as a reference for the Offer, since this metric is heavily influenced by the technological mix of the underlying the assets being valued, depending significantly with the level of investment per MW on whether they are solar, hydro or wind assets and in function of the ability of cash flow generation associated to each geography's regulatory framework.

(<sup>21</sup>) Premia from comparable offers were calculated taking as reference the prices from the day before the respective announcements. Reference dates for the calculation of the offered considerations and premia of the comparable offers sourced from Thomson Reuters' database.

Note: please refer to Annex II of the prospectus for details on the calculation of the premia of the comparable offers relative to the Consideration to be Paid and Offered Consideration.

(<sup>22</sup>) EBITDA values were taken from the respective annual reports of the year prior to the respective Offers (except in the case of Enel where EBITDA of 2015 was considered, given the proximity between the Offer date and the end of the year)

Notwithstanding the foregoing, and for information purposes only, the Enterprise Value / MW multiples of listed companies considered to be comparable, on the day before the Preliminary Announcement date (March 24, 2017) may be found on Annex III.

On the other hand, and also for information purposes only, the multiple EV / MW for the comparable offers considered may be found on Annex III.

*References from minority equity participations' divestment transactions executed by EDPR*

The use of implied Enterprise Value/MW multiples paid on transactions for the divestment of minority equity participations executed by EDPR were not considered, in the sense that these transactions are not comparable with the Offer, for the following reasons:

- a) **Level of Control:** All minority transactions executed by EDPR have involved the acquisition of relevant equity participations (mostly 49%) by a single investor and the sharing of some corporate governance rights in the acquired company to that investor, including a principle of maximization of distribution of the cash flows which are generated. These transactions are not comparable to this Offer, in which all individual participations held by the addressees of the Offer are below 5%.
- b) **Characteristics of the Assets:** The global portfolio of EDPR, when compared with the assets included in minority transactions has differences, in particular: (i) the average age of the assets included in the minority transactions are of 4.5 years, while the average age of EDPR's portfolio is of 6.5 years; (ii) the regulatory and remuneration framework of the various geographies where the Target Company conducts its business.
- c) **Holding/Structure costs:** A transaction of a portfolio which contemplates only assets which are fully operational and generating cash flows, is not comparable with a corporate transaction, such as this Offer. The structure costs at the level of operational assets are lower than the structure costs of the EDPR group as a whole, which include costs with the top management team, business development, human resources, central planning services, control and accounting, information technology, research and development, among others.
- d) **Capital structure:** Given the greater predictability of cash flows generated by wind assets under which EDPR has sold minority participations, these transactions may have allowed a high associated financial leverage, implying a low Weighted Average Cost of Capital at the investor level, benefitting the assets' valuation.

Notwithstanding the above and for information purposes only, the Enterprise Value / MW multiples of these transactions are included in Annex III.

*Book value per EDPR share*

The use of book value was not considered as an analysis metric in this Offer, since this metric is not relevant in the context of the analysis of a company in the renewable energy sector

given that this indicator only reflects the historical accounting value of the company and not its market value.

Notwithstanding the above, and for information purposes only, the book value per EDPR share may be found in Annex III.

## **2.4. Means of payment of the consideration**

The result of the Offer will be determined at a Special Regulated Market Session which is expected will be held on August 4, 2017, i.e. the first working day after the end of the Offer period, at a time to be designated in the relevant Notice of Special Regulated Market Session to be published by Euronext Lisbon.

The Offer consideration shall be paid in cash, and it is anticipated that said consideration shall be made available to the Offer addressees which have accepted the Offer on the second business day after the date of the Special Regulated Market Session, meaning on August 8, 2017.

The physical and financial liquidation of the Offer shall occur pursuant to the Clearing and Settlement system set forth under the provision of Regulation no. 3/2007 of Interbolsa and in accordance with the notice relative to the Special Regulated Market Session regarding the Offer; it is anticipated that said settlement shall occur on August 8, 2017.

## **2.5. The undertaking to pay the Offer consideration**

In the context and pursuant to a financing agreement entered into by and between the Offeror and Banco Santander, S.A., as described in section 2.8.3 below, a cash commitment letter was issued pursuant to which the necessary funds to pay the total consideration offered have been secured, in the amount of € 1,323,164,065.50.

In case the Offeror does not deliver to the financial intermediary until two business days before the date of the financial settlement of the offer, the amount corresponding to the consideration due by the Offeror determined under the Special Regulated Market Session, Banco Santander, S.A. irrevocably and unconditionally commits before the Offer addressees to use the funds made available pursuant to said financing in the name and on behalf of the Offeror, to pay Santander Totta (in its capacity as financial intermediary entrusted with the financial liquidation of the Offer) the consideration due for the shares acquired pursuant to the Offer, until the maximum amount of € 1,323,164,065.50.

In case of breach of the obligation of payment of the Offer consideration mentioned above, Banco Santander, S.A., irrevocably commits, in the name and on behalf of the Offeror: (i) to pay the total amount of the Offer consideration, directly to Santander Totta, in the latter's capacity as financial intermediary entrusted with the financial liquidation of the Offer, on first demand of the latter, pursuant to a new liquidation of the Offer through the centralized settlement systems; and (ii) if the obligation referred in (i) above is breached and pursuant to the cash commitment letter, to deliver, directly and to any addressee which has accepted the Offer (and which presents a statement issued by the respective financial intermediary which

certifies the acceptance of the Offer and the number of shares sold by such accepting addressee), on first demand of the latter, the amount of the consideration not liquidated due to that addressee who has accepted the Offer by the sale of the respective shares identified in said statement (without the need to comply with any additional formalities), without being able to question the validity of such a request or oppose any defence mechanisms grounded on the reciprocal contractual relationships between Banco Santander, S.A, Santander Totta (in the latter's capacity as financial intermediary entrusted with the financial liquidation of the Offer) and the Offeror.

The Offeror shall bear the costs related with the issuance, by the financial intermediary, of the statements referred in the previous paragraph certifying the acceptance of Offer and the number of the shares sold by accepting addresses.

CMVM shall disclose to the market the undertakings assumed by Banco Santander, S.A. in relation to the Offer addressees in case the financial liquidation does not fully occur on the date envisaged herein.

The cash commitment letter is regulated by Portuguese law and any claims or disputes involving the Offer addressees, Banco Santander, S.A. and/or Santander Totta (in the latter's capacity as financial intermediary entrusted with the financial liquidation of the Offer) shall be settled by Portuguese courts.

The commitments and obligations of Banco Santander, S.A. and Santander Totta (in the latter's capacity as financial intermediary entrusted with the financial liquidation of the Offer) pursuant to the cash commitment letter, shall expire after 364 days counting from the date of its issuance, meaning, on July 4, 2018; without prejudice of its effectiveness expiring on the date of the financial liquidation of the Offer, as long as, in said date, the price due by the Offeror for the acquisition of the number of Shares object of valid acceptance under the Offer is paid in full by Santander Totta (in the latter's capacity as financial intermediary entrusted with the financial liquidation of the Offer), in the name and on behalf of the Offeror, in the terms described above.

## **2.6. Type of Offer**

The Offer is general and voluntary, with the Offeror undertaking, under the terms and conditions of this Prospectus and the other Offer documents, to acquire all the Shares which are not held directly by the Offeror and are subject to valid acceptance by the Offer addressees.

Taking into account the shares held directly by the Offeror, the securities encompassed by the Offer are 196,024,306 (one hundred and ninety-six million, twenty four thousand, three hundred and six) Shares, representing approximately 22.47% (twenty-two point four seven percent) of the share capital of the Target Company.

### **2.6.1 Condition for the Offer to be effective**

The effectiveness of the Offer is not subject to the fulfilment of any condition.

## **2.6.2 Assumptions for the launch of the Offer**

For the relevant purposes, notably of article 128 of the Portuguese Securities Code and in compliance with the terms set forth therein, the Preliminary Announcement and the Launch Announcement establish that the decision to launch the Offer was based on the assumption that, between the Preliminary Announcement Date and the closing date of the Offer, no material change occurred or shall occur in the national and international financial markets and the relevant financial institutions which has not been envisaged in the official scenarios released by the authorities of the countries in which the Target Company carries on its activities and which have a material negative impact on the Offer, exceeding the risks inherent to the same.

By launching the Offer, the Offeror is not waiving any rights, including the right to request CMVM to modify or revoke the Offer with regard to facts or acts that are not consistent with the assumptions contained in the Preliminary Announcement or the Launch Announcement, in particular, those acts or facts which effects or consequences have not yet fully transpired or were not fully known to the Offeror at the time the Preliminary Announcement was released.

Pursuant to article 128 of the Portuguese Securities Code, and subject to CMVM's approval, which must be requested within a reasonable period of time, the Offer may be modified or revoked, in case of unpredictable changes and substantial changes in the circumstances which, in a manner cognizable to the addressees, have grounded the decision to launch the Offer.

## **2.6.3 Costs of sale of the Shares in the Offer**

The Offer addressees shall bear all costs relative to the sale of the Shares, notably fees due for the execution of the transaction in the Special Regulated Market Session, brokerage fees and the taxes which are due pursuant to the seller's taxable status.

The aforementioned costs must be disclosed by the financial intermediary on the moment of delivery of the sale orders.

The financial intermediation price lists are available for viewing on the CMVM website ([www.cmvm.pt](http://www.cmvm.pt)).

## **2.6.4 Tax framework**

This section is a summary, for information purposes, of the tax provisions governing taxation of the income arising from holding and selling shares issued by a company resident in Spain, in force on the date of this Prospectus in Portugal. This summary does not include any consideration on the tax provisions in jurisdictions other than Portugal.

The described framework is general and is subject to changes at any time, with possible retroactive effects and further does not represent a full analysis of the potential tax effects of the decision to sell or hold the Shares. This summary is not a substitute for the offer addressees seeking legal or tax advice or consulting the relevant laws and regulations.

Any transitory provisions applicable to certain types of investors were not taken into consideration. Tax consequences arising from the holding and sale of the Shares may vary according to the provisions of the DTT considered to be applicable or to the particular characteristics of the investors.

Potential investors should consult their tax advisers with regards to the tax consequences, or others, in Portugal or elsewhere of the purchase, ownership or divestment of the Shares, including legal and tax consequences in foreign jurisdictions.

### ***Individuals resident for tax purposes in Portugal***

#### *Income derived from holding the Shares*

Income from securities paid or made available to the respective holders resident in the Portuguese territory, due by entities which are not domiciled in the Portuguese territory to which payment may be attributable, through entities which are mandated by debtors or holders or which act on behalf of one another, are subject to final withholding tax, at a rate of 28%.

Dividends made available to the holders of Shares are subject to Personal Income Tax taxation at a rate of 28%, without prejudice to the option to aggregate these amounts in the overall taxable income.

In case the option for aggregating the amounts in the overall taxable income is exercised, capital income obtained through such means shall be added for the purposes of determining the taxable income and subject to progressive rates which may reach 48%, accrued of an additional solidarity rate of 2.5% and 5%, which shall apply over taxable income exceeding € 80,000.00 and € 250,000.00, respectively. If the aggregation option is exercised, a surtax of up to 3.21% will be levied on the portion of the Personal Income Tax taxable income which exceeds the annual monthly minimum guaranteed salary.

The abovementioned income is subject to Personal Income Tax at a rate of 35% whenever they are paid or made available in accounts opened in the name and on behalf of one or more unidentified account holders, except when the ultimate beneficial owner is identified, case in which general provisions shall be applicable.

#### *Capital gains and losses realized on the onerous transfer of Shares*

The annual positive balance between taxable capital gains and capital losses deriving from the divestment of the Shares is subject to tax at the special rate of 28%, without prejudice to such gains and losses being aggregated at the option of the holders and taxed at progressive rates ranging up to 48%, plus an additional solidarity rate of 2.5% and 5% levied on taxable income in excess of € 80,000 and € 250,000, respectively. If the aggregation option is exercised, a surtax of up to 3.21% will be levied on the portion of the Personal Income Tax taxable income which exceeds the annual monthly minimum guaranteed salary.

To calculate the positive or negative balance between capital gains and capital losses, the losses verified when the counterparty in the transaction is subject in the country, territory or region in which it is domiciled, to a tax regime which is clearly more favourable, will not be taken into consideration, for the purposes of the provision of numbers 1 and 5 of article 63-D of the General Tax Law.

The acquisition value, given that the Shares are shares admitted to trading in a regulated market, is the cost proven by documents or, in its absence, the lowest quoted price for the Shares in the two years preceding the sale date, if a lower number is not declared. To the acquisition value of the Shares accrue the necessary and effectively incurred expenses relative to their acquisition and sale.

The acquisition value is corrected by applying a coefficient for such purpose approved by a ministerial order of the member of Government responsible for finance affairs whenever more than 24 months from the date of acquisition have transpired.

The realisation value is the market value of the Shares.

If a negative balance between capital gains and capital losses resulting from transactions executed in the same year is determined, said negative balance may be carried forward, to income of the same nature, in the five following years, as long as the option for aggregation is chosen.

### ***Individuals not resident in Portugal for tax purposes***

#### *Income derived from holding the Shares*

Income arising from holding the Shares by natural persons not resident in Portugal shall not, in principle, be subject to Personal Income Tax taxation, in the absence of a connection with Portugal.

#### *Capital gains and losses realized on the onerous transfer of Shares*

Capital gains realized by non-resident persons in Portugal with the sale of the Shares shall not, in principle, be subject to Personal Income Tax taxation, in the absence of a connection with Portugal. In any event, should said capital gains be subject to Personal Income Tax taxation in Portugal, a tax exemption could be applicable, except when (i) an individual is domiciled in a more favourable tax jurisdiction included in the list approved by Ministerial Ordinance no. 150/2004 of 13 February (as amended); or (ii) the assets of the company that is divesting its shares are made up, in over 50%, of real estate property located in Portugal. In addition, under the DTTs to which Portugal is a signatory, Portugal's power to tax such capital gains is usually limited, but the applicable DTT rules must be confirmed on a case-by-case basis.

***Legal persons resident in Portugal or permanent establishments situated in Portugal of non-resident entities to which the income resulting from the sale of the Shares are attributable***

*Income derived from holding the Shares*

Dividends are included in Corporate Income Tax taxable income, at a rate of 21%, or at a rate of 17% applicable to the first € 15,000.00 of tax base in the case of small and medium-sized companies. Municipal surcharge may accrue, at a variable rate of up to 1.5% of taxable income. A state surcharge is also applicable at a rate of 3% on the part of the taxable income exceeding € 1.5 million and up to € 7.5 million, at a rate of 5% on the part of taxable income exceeding € 7.5 million and up to € 35 million and at a rate of 7% on the part of taxable income exceeding € 35 million.

In case the company resident in Portugal *(i)* holds, directly or indirectly, Shares representative of, at least, 10% of the share capital or voting rights in the entity which distributes dividends, *(ii)* is not subject to a fiscal transparency regime, and if the company which distributes the dividends *(a)* is subject and not exempt of Corporate Income Tax, gambling tax, of a tax mentioned in article of Directive 2011/96/EU of the Council, of 30 November, or of a tax of identical nature or similar to Corporate Income Tax and the applicable legal rate to the entity is not less than 60% of the Corporate Income Tax rate and *(b)* is not resident or domiciled in a country, territory or region subject to a tax regime clearly more favourable pursuant to Ministerial Order no. 150/2004, of 13 February, as successively amended, the dividends shall not contribute towards determining taxable income, as long as the Shares remain property of said company, uninterruptedly, for a period of one year.

Corporate Income Tax rate increases to 35% when the dividends are paid or made available in accounts opened in the name and on behalf of one or more unidentified account holders, except when the ultimate beneficial owner is identified, case in which general provisions shall be applicable.

*Capital gains and capital losses realized on the sale of Shares*

Capital gains and losses are included in the taxable income and are subject to Corporate Income Tax at a rate of 21%, or at a rate of 17% up to the first € 15,000 of taxable income in the case of small and medium-sized companies. A municipal surtax may accrue at a rate of up to 1.5%. The State surtax is also applicable at a rate of 3% on taxable income of between € 1.5 million and € 7.5 million, of 5% on taxable income between € 7.5 million and € 35 million, and of 7% on taxable income in excess of € 35 million.

In case the company resident in Portugal *(i)* holds directly or indirectly shares representative of, at least, 10% of the share capital or voting rights of a company; *(ii)* is not subject to a fiscal transparency regime; and *(iii)* has been the holder of shares in that company for a period of one year prior to the share transfer date, and in case the company which share capital is represented by the Shares sold *(a)* is subject and not exempt of Corporate Income Tax, gambling tax, of a tax mentioned in article of Directive 2011/96/EU of the Council, of 30

November, or of a tax of identical nature or similar to Corporate Income Tax and the applicable legal rate to the entity is not less than 60% of the Corporate Income Tax rate and (b) is not resident or domiciled in a country, territory or region subject to a tax regime clearly more favourable pursuant to Ministerial Order no. 150/2004, of 13 February, as successively amended, the dividends shall not contribute towards determining taxable income.

The acquisition value is corrected by applying a coefficient for the purpose approved by a ministerial order of the member of Government responsible for finance affairs whenever more than 2 years from the date of acquisition have transpired. To the acquisition value of the Shares accrue the expenses necessary and effectively incurred relative to the acquisition. The realization value is the market value of the Shares.

For the purposes of determining taxable income for the purposes of Corporate Income Tax, it is not possible to deduct the sums paid or owed, in whatever context, to natural or legal persons resident outside of the Portuguese territory and subject to a tax regime clearly more favourable to which numbers 1 and 5 of article 63-D of the General Tax Law allude to, or which payment is executed in financial institutions resident or domiciled in such jurisdictions, except if the tax payer proves that such costs correspond to transactions effectively entered into and are not abnormal in nature or involve exaggerated amounts.

For the purposes of determining taxable income for the purposes of Corporate Income Tax, capital losses and other losses regarding equity instruments are also not deductible, in the part of the value corresponding to profits distributed or to capital gains realized with the onerous transfer of equity participations of the same entity which have benefitted, in the same taxable period or in the four previous taxable periods, of a deduction for the purposes of eliminating international double economic taxation set out under article 51 of the Corporate Income Tax Code.

### ***Non-resident legal persons without permanent establishment who are attributable with income arising from holding the Shares***

#### *Income derived from holding the Shares*

Income derived from holding Shares by non-resident legal persons with no permanent establishment in Portugal is not subject to Corporate Income Tax taxation, in the absence of a connection with Portugal.

#### *Capital gains and capital losses realized on the sale of Shares*

Capital gains arising from the sale of the Shares by non-resident legal persons with no permanent establishment in Portugal are not, in principle, subject to Corporate Income Tax taxation, in the absence of a connection with Portugal. In any event, a capital gains tax exemption could be applicable, except where the seller (i) is over 25% held, directly or indirectly, by entities resident in Portugal and certain conditions are not complied with; or (ii) is resident in a country included in the list of tax havens approved by Ministerial Ordinance no. 150/2004, of 13 February (as amended).

## **2.7. Assistance**

Millennium investment banking and Santander Totta are the financial intermediaries responsible for providing assistance to the Offeror in the preparation, launch and execution of this Offer.

An agreement was entered into by the Offeror, Millennium investment banking and Santander Totta for the purposes of organizing and launching the Offer, under the terms and for the purposes of articles 113 and 337 of the Portuguese Securities Code.

This agreement reflects the undertakings of the Offeror and of the Banks, with regard to their actions within the scope of the Offer. The contract also contains information about the fees, expenses and operating procedures involved in the Offer.

## **2.8. Objectives of the acquisition**

### **2.8.1 Continuity or modification of the Target Company business activity, human resources and financial strategy of the Target Company and related entities after the Offer**

The focus in the electricity generation sector through renewable energy sources is one of the vital pillars of the business and growth strategy defined by the Offeror.

It has been precisely in that sector that, mainly through the Target Company, the Offeror committed most of its efforts in terms of investment, development and growth in the last years. During the last five years, 40% of the Offeror's CAPEX was invested in the Target Company, resulting in an increase of the percentage of the Offeror's EBITDA for which the Target Company contributed and that reached 31% of the Offeror's total EBITDA in 2016.

The Offeror believes that growth opportunities in the electricity generation sector through renewable sources will continue to arise in the future, notably considering the current market and competition framework in the sector and the latest trends, since:

- a) renewable energies are a competitive alternative for electricity generation in terms of cost and also increasingly efficient;
- b) it is necessary to meet demand requirements, in a context in which minimizing environmental impact is a concern and in accordance with the internationally agreed targets;
- c) a process of "electrification" of the economy is underway, resulting in, among other phenomena, an increased use of electricity in transportation and the development of infrastructure in emerging countries;
- d) ongoing strategies to reduce energy dependence in different countries are envisaged to be implemented, mainly supported on renewable-based technologies;

- e) there is increasing competitiveness among “players” operating in the renewable energies market, which, among other reasons, and in order to allow greater responsiveness to potential regulatory and/or market based uncertainties in some regions, have been promoting the consolidation or integration through various corporate actions.

Taking the above into account, the guidelines defined by the Offeror which led to the Offer were:

**i) Reinforce the Offeror’s presence in the electricity generation sector through renewable sources**

The Offeror intends to increase its exposure to the activity of electricity generation through renewable sources, with the purpose of benefitting in a larger scale of this sector’s expected growth. In this sense, the Offeror has been modifying its business portfolio, notably through the divestment of its gas distribution operations in the Iberian Peninsula and the reinforcement of its presence in electricity generation through renewable sources.

**ii) Build ground to increase the Offeror’s group of companies’ global efficiency**

With this Offer, the Offeror has the opportunity to develop measures in order to create conditions for future efficiency gains, notably by increasing the cooperation and/or integration of operations in markets where both the Offeror and the Target Company are present.

In this sense, the Offeror’s corporate group shall be in a better position and shall have increased flexibility to extract greater value from the activity of electricity generation through renewable sources.

In particular, the Offeror may be better positioned to quickly adjust to the long term tendencies of the electricity sector value chain, in particular in what concerns an increased integration process of the activity of electricity generation through renewable sources in the markets where the Offeror operates.

**iii) Simplify the “Equity Story” of the Offeror in the European capital markets**

The Offeror’s group of companies is currently present in the European capital markets through the admission to trading of the shares representative of the share capital of the Offeror and of the Target Company.

This double presence in the European capital markets does not currently offer significant advantages to the Offeror, since the trading of the shares of the Target Company has been characterized by reduced liquidity when compared with: (i) the liquidity currently provided by the market of the Offeror’s shares; and (ii) the liquidity of the shares of the target companies of recent comparable Tender offers on the European renewables sector in the 6 months prior to the date of respective announcements of those offers (set out in table 4 of chapter 2.3 of

this prospectus) due to the limited free-float and the fact that its majority shareholder has a very significant controlling equity participation.

In this context, the Offeror considers desirable to promote the simplification of its “Equity Story”, concentrating its presence in the capital markets exclusively through EDP’s stock.

The Target Company develops an activity exclusively related with the generation of electricity through renewable sources, in particular wind and solar energy. It holds a portfolio of assets distributed by several geographical markets, notably Portugal, Spain, France, United Kingdom (under development), Belgium, Italy, Poland, Romania, United States of America, Canada, Mexico and Brazil. In 2016 year end, its total installed capacity was 10.4 GW<sup>(23)</sup>, of which 50% are located in Europe, 48% in North America<sup>(24)</sup> and 2% in Brazil.

Since its incorporation, the Target Company has quickly reached a leadership position in the sector of generation of electricity through renewable sources worldwide. The strategic plan for the 2016-2020 horizon defines the following fundamental strategic pillars:

**a) Selective growth**

Prioritizing high quality investments in core markets, with a high level of visibility on project profitability, supported by long term power purchase agreements, and contemplating a reinforced focus on the mix of technologies in energy sources which are increasingly competitive, such as solar energy and offshore wind energy.

**b) Operational excellency**

Optimizing construction, operation and maintenance costs, supported by technical competence which guarantees maximization of electricity generation through assets under operation and always following a rigorous and demanding approach.

**c) Self-financing model and value creation**

Investment in profitable assets and projects, which generate robust cash flows, with high level of predictability and resilience, a process that is accompanied by a permanent analysis of asset rotation opportunities. This asset rotation model provides the required funding to support the growth strategy, and enables to capture/appropriate intrinsic value of certain assets.

It is the Offeror’s intention to continue prioritizing activities in the sector of electricity generation through renewable sources which, until today, has been developed within the Offeror’s group mainly through the Target Company.

The launching of this Offer is, in fact, a consequence of such intention by the Offeror.

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<sup>(23)</sup> Considering minority participations and assets to which the equity method applies.

<sup>(24)</sup> United States, Canada and Mexico.

In accordance with the abovementioned guidelines, the Offeror, regardless of the Offer results, wishes to reorganize the existing corporate relationship with the Target Company, which, alternatively or cumulatively, shall determine:

- a) the delisting of the shares of the Target Company from *Euronext Lisbon by Euronext Lisbon*, the regulated market managed by Euronext Lisbon;
- b) amendments to the Framework Agreement, entered into by and between the Offeror and the Target Company on 7 May, 2008;
- c) consolidation and integration of the activities of the Offeror and of the Target Company through a cross border merger, in line with the trend in the energy sector.

One of the actions considered by the Offeror is the delisting of the shares of the Target Company from the regulated market *Euronext Lisbon by Euronext Lisbon*. In this regard, if the Offeror comes to hold, as a result of the Offer, more than 90% (ninety percent) of the voting rights corresponding to the share capital of the Target Company, the Offeror considers the possibility to request Euronext Lisbon to delist of the shares of EDPR from the regulated market *Euronext Lisbon by Euronext Lisbon*.

In case the Offeror requests the delisting of the shares from the regulated market *Euronext Lisbon by Euronext Lisbon* the Offeror shall maintain a permanent purchase order of the Target Company's Shares at a price of € 6.75 (six euros and seventy five cents) per Share, for a maximum term of 3 to 6 months starting from the approval of the request to delist the Shares.

Another action to be considered by the Offeror is the possibility of executing a cross-border merger between the Offeror and the Target Company pursuant to the provision of articles 117.º-A *et sequitur* of the Portuguese Companies Code and articles 54 *et sequitur* of Ley 3/2009, of April 3, which transpose to the Portuguese and Spanish jurisdictions, respectively, Directive no. 2005/56/CE on cross-border mergers of limited liability companies.

In general terms, a cross-border merger entails the following steps:

- a) approval of a cross-border merger project by the management bodies of the companies involved, as well as the issuance of an opinion by the audit bodies of companies involved and their review by a chartered accountant;
- b) registration of the cross-border merger project before the entities responsible for commercial registration and creditors' opposition period within one month counting from the date of registration;
- c) following the end of the creditors' opposition period, the approval of the cross-border demerger by the shareholders of the companies involved. In this respect:
  - (i) Portuguese law, pursuant to the provisions of the Portuguese Companies Code, sets out that, to approve a cross-border demerger: (i) on first call, shareholders

holding shares representing at least one third of the share capital must be present at the general shareholders' meeting to resolve on the cross-border merger (no minimum quorum for the meeting to be held applies on second call), as well as, that, (ii) the majority necessary to approve the cross-border merger is of two thirds of the votes cast (whether the meeting is convened on first call or second call);

- (ii) Spanish law, pursuant to the provisions of the *Ley de las Sociedades de Capital*, sets out that, to approve a cross-border merger: (i) on first call, shareholders holding shares representing, at least, 50% of the share capital and, on second call, shareholders holding shares representing, at least, 25% of the share capital must be present at the general shareholders' meeting to resolve on the cross-border merger; and that (ii) the necessary majority to approve the cross-border merger is of 50% of the shares representative of the share capital (on second call, if 50% of the shareholders are not present or represented, the majority shall be of two thirds of the votes cast in the shareholders' meeting).

In case a cross-border merger occurs, the acquiring company shall be EDP and the absorbed company shall be EDP Renováveis, the latter which, as a consequence of said merger, shall cease to exist and consequently the shares representative of its share capital shall no longer be admitted to trading in the regulated market *Euronext Lisbon* by *Euronext Lisbon*.

In this context, the Offer enables the minority shareholders of the Target Company to benefit from an exceptional liquidity event, giving them the possibility of a total divestment in advantageous conditions, not only based on the attractive premium offered but also due to the reduced liquidity of the Target Company when compared with: (i) the liquidity currently provided by the market of the Offeror's shares; and (ii) the liquidity of the shares of the target companies of recent comparable Tender offers on the European renewables sector in the 6 months prior to the date of respective announcements of those offers (set out in table 4 of chapter 2.3 of this prospectus).

Since the Offer consideration is payable fully in cash, the Offer gives the freedom to its addressees, should they decide it, to subsequently allocate their proceeds to an investment in the Offeror; in this manner, the Offer addressees may continue to maintain their exposure, investment and focus on the future evolution of the electricity generation sector through renewable energy sources in a stock with greater liquidity, visibility, wider risk diversification and a historically higher dividend yield level.

Without prejudice to the above, the Offeror intends to keep the strategic guidelines defined by the Board of Directors of the Target Company in what concerns the generation of electricity through renewable sources and maintains, unequivocally, its confidence in the Board of Directors and respective management team.

The Offeror also wishes to state that it does not intend to modify the current human resources policy of the Target Company, which is in line with the current human resources policy of the Offeror, notably in what concerns the policy on worker mobility, and reiterates its trust and commitment with all employees of the Target Company.

## 2.8.2 Trading on the *Euronext Lisbon* by *Euronext Lisbon* regulated market and delisting

The Offeror intends to acquire in the Offer a number of Shares of the Target Company (with all the inherent rights and free of any onus, charges and liabilities, as well as of any restrictions or undertakings, in particular, with regard to the relevant ownership and corporate rights and/or the transferability of the same) which could represent up to 100% (one hundred percent) of the Target Company's share capital, with the exception of the shares of the Target Company held directly by the Offeror.

The Offeror, regardless of the Offer results, wishes to reorganize the existing corporate relationship with the Target Company.

One of the actions considered by the Offeror is the delisting of the shares of the Target Company from the regulated market *Euronext Lisbon* by *Euronext Lisbon*. In this regard, if the Offeror comes to hold, as a result of the Offer, more than 90% (ninety percent) of the voting rights corresponding to the share capital of the Target Company, the Offeror considers the possibility to request Euronext Lisbon to delist the shares of EDP-R from the regulated market *Euronext Lisbon* by *Euronext Lisbon*.

In case the Offeror requests the delisting of the shares from the regulated market *Euronext Lisbon* by *Euronext Lisbon* the Offeror shall maintain a permanent purchase order of the Target Company's Shares at a price of € 6.75 (six euros and seventy five cents) per Share, for a maximum term of 3 to 6 months starting from the approval of the request to delist the Shares.

On July 5, 2017, Euronext Lisbon has requested, via letter to CMVM, that the latter clarified "(...) *if, and under which terms:*

1. *EDP-R or EDP, in case it holds, following the Tender Offer, shares representative of over 90% of the voting rights corresponding to the share capital of EDP-R, a Spanish law company to which the regime of open companies (sociedades abiertas) does not apply, has the right to request the delisting, opposable to Euronext and the remaining holders of shares of EDP-R, as long as it guarantees that an exist mechanism which is materially equivalent to the protection granted to shareholders of open companies is granted.*
2. *Interests of the holders of the remaining shares in EDP-R which remain in the company after the tender Offer shall be adequately safeguarded by the commitment of EDP to maintain a permanent order to purchase the shares of this company in the regulated market managed by Euronext by a maximum period of between 3 to 6 months at the price of the Tender Offer, and if there are other pre-requisites intended to protect the interests of the market and of the investors which should be observed by EDP or by EDP-R.*
3. *CMVM, through the supervisory powers which it has at its disposal, shall verify compliance by EDP-R of the commitments assumed for the purposes of exercising its right to request the delisting."*

Following the request for clarifications presented by Euronext, on July 5, 2017, CMVM has conveyed, by letter, to Euronext Lisbon the following:

**“1. The right of EDP-R to request the delisting of its shares in the regulated market managed by Euronext Lisbon**

*EDP-R is a company governed by Spanish law with shares exclusively admitted to trading in a Portuguese regulated market, managed by Euronext. Due to the fact that it is a foreign law company it cannot be qualified as being an open company (sociedade aberta) and the regime for the loss of status of open company is not applicable to it.*

*Notwithstanding, the understanding is that a foreign issuer, for not being able to resort to the mechanism of loss of open company status, and exclusively due to that fact, following the Tender offer, shall have the right to request delisting of the shares admitted to trading in a regulated market, since it is not admissible that it assumes a perpetual contractual bond, and Euronext may only refuse if the delisting is capable of causing significant damages to investors' interests or to the ordinary functioning of the market – pursuant to the applicable legal and regulatory provisions, in particular articles 209 and number 1 of article 213 of the Securities Code (Cód.VM), as well as the harmonized market rules -, which CMVM understands does not occur in this case, if the proposal presented by EDP – Energias de Portugal, S.A. (“EDP”) grants shareholders of EDP-R a level of protection materially equivalent to the shareholders of an open company.*

**2. Pre-requisites for the adequate protection of the public interest, notably, for the protection of investors to be satisfied by EDP, controlling shareholder of EDP-R**

*Taking into account the proposal presented by EDP, it can be ascertained that the delisting request shall be dependent on the offeror having acquired more than 90% of the voting rights following a Tender Offer, and the latter shall be bound to, following the achievement of such result, to secure the payment of the same consideration for an additional period of 3 months to the shareholders which wish to part from the shares which are to be excluded from trading.*

*This commitment, assumed for the purposes of protecting investors and the ordinary functioning of the market, corresponds to the demands of the national rules on the subject which were considered sufficient to the adequate safekeeping of the public interests at stake in this case, expressly regulated, in which the delisting depends on the will of the issuers (or of its controlling shareholder). The verification of these pre-requisites allows for a claim to be made pursuant to which the public interest was safeguarded, while at the same time being deemed sufficient for such purpose.*

*The imposition of additional prerequisites relative to the ones foreseen to open companies shall correspond to an excess manifest and, for that reason, disproportional and unlawful, which would promote a discriminatory treatment for another European Union Member States relative to national issuers which are under identical material circumstances. Such a treatment would be incompatible with the principles of non-discrimination and freedom of establishment, set out under articles 18 and 49 of the Treaty for the Functioning of the European Union.*

*The identification of the conditions necessary such public interests must, for that reason, be found in the prerequisites that the legislator has deemed adequate and sufficient within the context of the mechanisms of voluntary delisting.*

### **3. Terms for the delisting of the shares of EDP-R**

*CMVM shall verify the compliance with the aforementioned pre-requisites for the delisting on the date of the conclusion of the Tender Offer and shall notify Euronext with the results of such verification, within the context of the request which will be presented to it by EDPR, concretely:*

- (i) achieving a percentage of over 90% of the voting rights following the Tender Offer, regardless of the final percentage to be reached by the offeror;*
- (ii) presenting an irrevocable purchase order for a period of not less than 3 months relative to the price offered under the Tender Offer;*
- (iii) EDP not having knowledge of any transactions by EDP, or the related entities mentioned pursuant to the provisions of number 1 of article 20 of the Securities Code, above the value of the consideration payable under the Tender Offer or of any other circumstance which may result in such consideration being deemed as not equitable.*

### **4. Conclusion**

*It is therefore concluded that, since there is unequivocal legitimacy for a foreign issuer to present a delisting request and since the pre-requisites for public interest are safe kept, notably in what concerns the adequate protection of investors (as long as such investors are conferred with a level of protection materially equivalent to those of shareholders of open companies), CMVM does not consider that any relevant motives exist for Euronext to not delist the shares representative of the share capital of EDP-R.”*

In that sense, Euronext Lisbon, once notified by CMVM as per item 3 of the response by CMVM set out above shall proceed to such delisting, if such is requested by the Target Company.

In accordance with Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 on takeover bids, Spanish Law, in particular *Real Decreto 1066/2007, de 27 de julio* (“**Real Decreto**”), shall be considered to be applicable in what concerns: *(i)* the exercise of a “squeeze-out right” by the Offeror in the acquisition of the remainder of the Shares of the Target Company that it does not own; and *(ii)* the exercise of a “sell-out right” by the holders of the remaining shares of the Target Company.

The exercise of the “squeeze-out right” by the Offeror, regulated pursuant to the provisions of the Real Decreto, allows the latter to compulsorily acquire the shares not sold pursuant to the Offer as long as, cumulatively, the following prerequisites are met:

- a) the Offeror holds at least 90% of the shares representative of the share capital of the Target Company and at least 90% of the shares encompassed by the Offer;

- b) the consideration of the compulsory acquisition of the Shares should be equal to the consideration offered in the public tender offer and the Offeror should provide the necessary guarantees to ensure the success of the compulsory acquisition.
- c) The Offeror should expressly declare in the public tender offer prospectus its intention to exercise the right for the compulsory acquisition if the prerequisites for such right to be exercised apply;
- d) the minimum term for the exercise of the “sell-out right” are three months.

In its turn, the exercise of the “sell-out right”, regulated pursuant to the provisions of the Real Decreto, allows for the holders of the remaining shares after the settlement of the Offer results, to compulsorily sell to the Offeror their Shares and is conditioned on the cumulative verification of the following prerequisites:

- a) the Offeror holds at least 90% of the shares representative of the share capital of the Target Company and at least 90% of the shares encompassed by the Offer;
- b) the consideration of the compulsory sale of the shares shall be equal to the consideration offered in the Offer;
- c) the minimum term for the exercise of the compulsory sale right is three months.

In this respect, the Offeror declares:

- a) its intention to exercise a right of squeeze-out pursuant to the provisions of the Real Decreto, in case it comes to hold: (i) at least 90% of the shares representative of the share capital of the Target Company; and (ii) at least 90% of the Shares encompassed by the Offer; and
- b) its intention to accept the exercise of the right of sell-out pursuant to the provisions of the Real Decreto by the holders of the remaining shares of the Target Company in case it comes to hold: (i) at least 90% of the shares representative of the share capital of the Target Company; and (ii) at least 90% of the Shares encompassed by the Offer.

In case a cross-border merger occurs, the acquiring company shall be EDP and the absorbed company shall be EDP Renováveis, the latter which, as a consequence of said merger, shall cease to exist and consequently the shares representative of its share capital shall no longer be admitted to trading in the regulated market *Euronext Lisbon* by *Euronext Lisbon*.

*The Offeror, directly or through the financial advisers or agents which it may use to this effect, will not acquire Shares, either on Euronext Lisbon by Euronext Lisbon or outside of such market, during the Offer period.*

### **2.8.3 Financing the Offer**

The maximum potential amount of funds necessary for the acquisition of the Shares is of € 1,323,164,065.50 (one thousand, three hundred and twenty three million, one hundred and sixty four thousand and sixty five euros and fifty cents).

The Offeror and Banco Santander, S.A. have entered into a financing agreement pursuant to which the funds necessary to pay the full consideration are ensured.

Financing shall expire within a maximum period of 364 days.

Additionally, the Offeror has liquidity in an amount higher than the maximum potential amount of funds necessary for the acquisition of the Shares, notably through a revolving credit facility, with a firm underwriting commitment, in a global amount of € 3,150,000,000.00, which on the date of this Prospectus is available in the amount of € 3,150,000,000.00, the Offeror being allowed to use the aforementioned funds to pay the Offer consideration.

#### **2.8.4 Impact of the success of the Offer on the Offeror's financial status**

On March 27, 2017, EDP has informed the market, pursuant to the provisions of article 17 of Regulation (EU) no. 596/2014 of the European Parliament and the Council and article 248 of the Portuguese Securities Code, of the reception and acceptance of a binding offer for the acquisition of Naturgas Energía Distribución, S.A. Pursuant to the aforementioned legal provisions, on 24 April, 2017, EDP has further informed the market that EDP and the consortium of investors made up of institutional investors have entered into a definitive agreement, pursuant to the formal binding offer which has been accepted, for the acquisition of 100% of the share capital of its subsidiary for the activities of gas distribution in Spain, Naturgas Energía Distribución, S.A. The financial proceeds resulting from this sale shall be partially allocated to the acquisition of shares of EDPR pursuant to the Offer, currently held by minority shareholders. Notwithstanding, the financing of the Offer is not dependent on the closing of the aforementioned transaction.

No provisions are currently set out in the financing agreements entered into by the Offeror and its subsidiaries which may be triggered as a result of the success of this Offer, for instance, early repayment clauses or rules regarding financial ratios which may be affected by the Offer.

#### **2.9. Declarations of acceptance**

The Offer period will run from 8:30 (Lisbon time) on July 6, 2017 to 15:00 (Lisbon time) on August 3, 2017 and the relevant sell orders may be received up to the end of that period.

Pursuant to number 2 of article 183 of the Portuguese Securities Code, the CMVM, on its own initiative or at the Offeror's request, may extend the Offer period in the event of its revision, the launch of a competing bid, or when the protection of the offerees' interests justifies the extension.

The holders of Shares that wish to accept the Offer should transmit the sell orders directly to the financial intermediaries before which the securities registration and deposit accounts are held. Acceptance of the Offer by its addressees is subject to compliance with the relevant legal and regulatory requirements, including foreign law requirements, whenever the addressees of the Offer are subject to such foreign law.

In accordance with the provision of article 126, number 3 of article 133 and number 6 of article 185-A of the Portuguese Securities Code, the holders of Shares that have accepted the Offer may revoke their declaration of acceptance by means of a communication addressed to the financial intermediary that received the acceptance declaration:

- a) in general, at any time, up to three calendar days before the end of the Offer period, that is, until 15:00 (Lisbon time) on July 31, 2017;
- b) in the case of the launch of a competing bid, until the last day of the Offer period;
- c) in case of suspension of the Offer by the CMVM, by the fifth calendar day after the end of the suspension.

The financial intermediaries should send to the Banks daily information about the acceptance and revocation orders received, indicating the respective overall amounts to the e-mail addresses [dtit.intershare@millenniumbcp.pt](mailto:dtit.intershare@millenniumbcp.pt) and [custodia\\_eventos@santander.pt](mailto:custodia_eventos@santander.pt).

The financial intermediaries that receive acceptance orders must communicate their clients' orders on a daily basis to Euronext Lisbon through the Tender Offers Central Services System, via the Centralisation Service, between 8:00 and 19:00, except on the last day of the Offer period when the period for transmission through the Tender Offers Central Services will be between 8:00 and 16:30.

## **2.10. Results of the Offer**

The result of the Offer will be determined at a Special Regulated Market Session which is expected will be held on August 4, 2017, i.e. the first working day after the end of the Offer period, at a time to be designated in the relevant Notice of Special Regulated Market Session to be published by Euronext Lisbon, which is the entity responsible for determining and disclosing the results of the Offer.

The result of the Offer will be published in the Euronext Lisbon Daily Bulletin and will be available on the CMVM website ([www.cmvm.pt](http://www.cmvm.pt)).

It is expected that the physical and financial settlement will take place on the second working day after the date of the Special Regulated Market Session, pursuant to the Settlement and Clearance System provided for in Interbolsa Regulation no. 3/2007 and in accordance with the Notice of the Special Regulated Market Session, and it is foreseen that this settlement will take place on August 8, 2017.

## **CHAPTER 3 – INFORMATION CONCERNING THE OFFEROR, EQUITY HOLDINGS AND AGREEMENTS**

### **3.1 Identification of the Offeror**

#### ***The Offeror***

The Offeror is EDP – Energias de Portugal, S.A., a public limited company incorporated under the laws of the Portuguese Republic, having its registered office at Avenida 24 de Julho n.º 12, 1249-300 Lisboa, Portugal, with a fully subscribed and paid-up share capital of € 3,656,537,715.00 and registered at the Lisbon Commercial Registry under sole registration and taxpayer number 500.697.256.

#### ***Organisation structure of the Offeror***

EDP was incorporated on 30 June 1976 for an undetermined period and was formerly known as EDP – Electricidade de Portugal, S.A.

EDP was originally incorporated as a state-owned company under Decree-Law 502/76, of 30 June as a result of the nationalisation and merger of the main Portuguese companies in the electricity sector of mainland Portugal. Subsequently, it was transformed into a limited liability company with capital held exclusively by the state, under Decree-Law 7/91, of 8 January, and Decree-Law 78-A/97, of 7 April.

Under number 1 of article 3 of the by-laws of EDP, EDP's scope is to promote, invigorate and manage, whether directly or indirectly, energy sector projects and activities, both national and international, with a view to enhancing and perfecting the performance of the companies in its group. On 17 June 1997, the shares representative of EDP's share capital were originally admitted to trading on the official Euronext Lisbon market of *Euronext Lisbon by Euronext Lisbon* (known at the time as the *Bolsa de Valores de Lisboa* (Lisbon Stock Exchange) and subsequently the subject of a multi-stage reprivatisation process.

EDP is governed by the general laws applicable to limited liability companies by shares, in particular, by the Companies Code and by its own by-laws, and there are no other specific laws or regulations that apply to its activity. As a securities issuer, it is also subject to the provisions of the Portuguese Securities Code, as well as to the national and European rules applicable to the sectors of activity in which it operates. Within this scope, the activities of the EDP Group are supervised and regulated by ERSE, the Directorate-General of Energy and Geology, and the ministry responsible for the energy sector, as well as the legislation and regulations in jurisdictions of the other geographies in which it develops its activities.

EDP is a vertically-integrated utilities company. Based on its own assessment of the information published about itself by other companies operating in the relevant sectors, EDP believes that it is the biggest producer and supplier of electricity in Portugal and the third-largest electricity producer on the Iberian Peninsula.

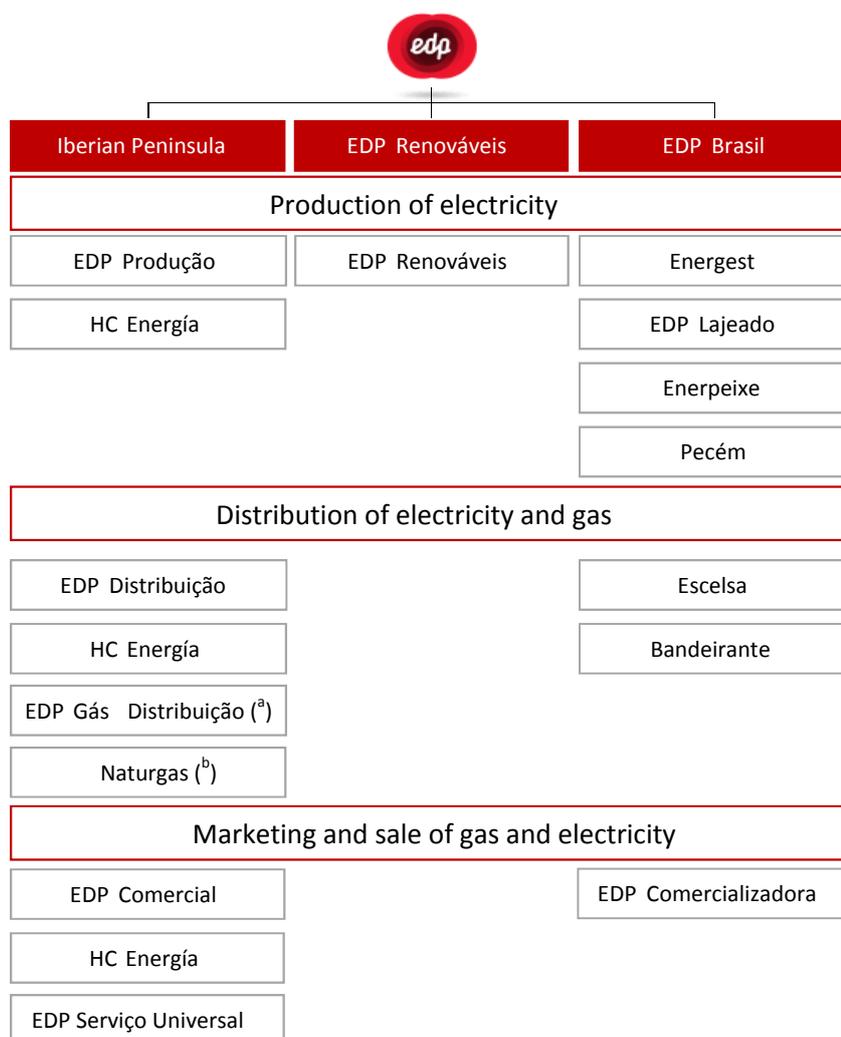
EDP believes it is one of the largest distributors of gas in the Iberian Peninsula. However, on March 27, 2017, EDP has informed the market, pursuant to the provisions of article 17 of Regulation (EU) no. 596/2014 of the European Parliament and the Council and article 248 of the Portuguese Securities Code, of the reception and acceptance of a binding offer for the acquisition of Naturgas Energía Distribución, S.A. Pursuant to the aforementioned legal provisions, on 24 April, 2017, EDP has further informed the market that EDP and the consortium of investors made up of institutional investors have entered into a definitive agreement, pursuant to the formal binding offer which has been accepted, for the acquisition of 100% of the share capital of its subsidiary for the activities of gas distribution in Spain, Naturgas Energía Distribución, S.A. Completion of the envisaged transaction is subject to the customary regulatory approvals and is estimated to occur at the end of the second quarter or at the beginning of the third quarter of 2017.

In addition, on April 7, 2017, EDP informed the market, pursuant to the provision of article 17 of Regulation (EU) no. 596/2014, of the Parliament and the Council and the provision of article 248 of the Portuguese Securities Code, that through its subsidiary EDP Iberia, S.L.U., it has reached an agreement with REN Gás, S.A. for the sale of 100% of EDP Gás S.G.P.S., S.A., which holds, indirectly through EDP Gás Distribuição, S.A., the concession for the distribution of gas in Northwestern Portugal, covering 29 municipalities in the districts of Porto, Braga and Viana do Castelo. The agreed transaction does not include any natural gas supply activities. In this sense, and pursuant to regulatory restrictions, the last resort natural gas supplier – EDP Gás, Serviço Universal, S.A. – shall be removed from the current perimeter of EDP Gás S.G.P.S., S.A. before completion of the transaction. The completion of the envisaged transaction shall be subject to customary legal and regulatory approvals.

Following completion of these transactions, EDP shall exit the natural gas distribution business in the Iberian Peninsula.

EDP has significant electricity and gas operations in Spain and, based on its own assessment of the wind energy generation figures published by first rate wind energy market operators according to energy market data suppliers, EDP believes that the EDP Group is one of the biggest wind energy operators in the world in terms of electricity generation, with renewable energy generating facilities on the Iberian peninsula, in the US, Brazil, Canada, France, Belgium, Italy, Poland and Romania, and is also currently developing wind farms in the UK and Mexico. It is also engaged in the generation, distribution and supply of electricity in Brazil and produces photovoltaic solar energy in the US, Romania and Portugal.

The short and simplified chart below shows how the Offeror is organised:



<sup>a</sup> ( ) As referred above, EDP is currently in the process of selling EDP Gás S.G.P.S., S.A. (notwithstanding that EDP Gás, Serviço Universal, S.A. is outside of the sale perimeter).

<sup>b</sup> ( ) As referred above, EDP is currently in the process of selling Naturgas Energía Distribución, S.A.

Historically, EDP's main activity has been the generation, distribution and supply of electricity in Portugal. Given the geographical proximity of Spain and the latter's regulatory framework, the Iberian Peninsula electricity market became the natural domestic market for EDP, making it the main focus of its energy business. As at the date of this Prospectus, the main EDP subsidiaries in Portugal include its electricity generating company EDP - Gestão da Produção de Energia, S.A. (formerly named CPPE - Companhia Portuguesa de Produção de Electricidade, S.A.), its electricity distribution company EDP Distribuição – Energia, S.A., and its two electricity supply companies EDP Serviço Universal, S.A. and EDP Comercial – Comercialização de Energia, S.A. In Spain, the main EDP subsidiary is Hidrocontábrico Energía, S.A.U., which commercially operates electricity-generating plants and sells electricity and gas, mainly in the Asturias (in Spain).

In the gas market, EDP has come to hold significant shareholdings in Portugal and Spain. In Portugal, through EDP Gas Iberia, S.L.U. - a subsidiary of Hidrocontábrico Energía, S.A.U. - it holds 100% (one hundred percent) of the natural gas distribution company in the north of

Portugal, EDP Gás Distribuição, S.A. (formerly named Portgás – Sociedade de Produção e Distribuição de Gás, S.A.). In Spain, EDP indirectly holds, through Hidrocantábrico Energía, S.A.U., 100% (one hundred percent) of Naturgas Energía Distribución, S.A.U., one of the biggest gas distribution companies in the Spanish market in terms of supply points, mainly in the Asturias and the Basque Country. The holding in this company has increased from 95% (ninety-five percent) to 100% (one hundred percent) after EDP (through a subsidiary) exercised its call option in July 2016 over the remaining equity participation held by Ente Vasco De La Energía in Naturgas Distribución, S.A.U.

However, as referred above, EDP is currently in the process of selling Naturgas Energía Distribución, S.A. and EDP Gás S.G.P.S., S.A. (notwithstanding that EDP Gás, Serviço Universal, S.A. is outside of the sale perimeter), and consequently is planning on exiting the natural gas distribution business in the Iberian Peninsula.

EDP's wind energy assets are held through EDP Renováveis. At present, EDP Renováveis operates 10.4 GW<sup>(25)</sup> of generating assets, encompassing onshore wind farms in Spain, Portugal, the US, Brazil, Canada, France, Belgium, Italy, Romania and Poland.

In Brazil, apart from generating wind energy, EDP has significant activities in the conventional generation and distribution of electricity in the states of São Paulo, Espírito Santo, Tocantins, Ceará and Mato Grosso do Sul, by way of its 51.1% (fifty-one point one percent) holding in EDP – Energias do Brasil, S.A., a company listed on the São Paulo Stock Exchange.

EDP - Energias do Brasil, S.A. holds the majority of EDP's investments in the Brazilian electricity sector. Its main distribution subsidiaries are Empresa Bandeirante de Energias, S.A. and Escelsa - Espírito Santo Centrais Elétricas, S.A. In what concerns generation activities, its main subsidiaries are Energest S.A., EDP Lajeado Energia, S.A., Enerpeixe, S.A., Porto do Pecém Geração de Energia S.A.; it also holds investments in Companhia Energética do Jari-Ceja, S.A., Empresa de Energia Cachoeira Caldeirão, S.A. and Energia São Manoel, S.A. As per supply activities, EDP – Energias do Brasil, S.A., holds EDP - Comercialização e Serviços de Energia, S.A. EDP – Energias do Brasil, S.A. holds 100% (one hundred percent) of each of these companies, with the exception of EDP Lajeado Energia, S.A., Enerpeixe, S.A., in which it holds 55.9% (fifty-five point nine percent) and 60% (sixty percent), respectively, Companhia Energética do Jari-Ceja, S.A. and Empresa de Energia Cachoeira Caldeirão, S.A., in which it holds 50% (fifty percent), and Empresa de Energia São Manoel, S.A., in which it holds 33.334% (thirty-three point three three four percent). In addition, EDP Lajeado Energia, S.A. has a holding of 73% (seventy-three percent) in Investco, S.A., which is the owner of the Lajeado (Tocantins) hydroelectric plant in Brazil.

### ***The main activities and main markets of the Offeror***

In recent years, EDP's business has been divided into five major segments, namely long-term contracted generation on the Iberian Peninsula, liberalised generation of electricity and supply of electricity and gas on the Iberian Peninsula, regulated electricity and gas networks on the

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<sup>(25)</sup> Considering minority participations and assets to which the equity method applies.

Iberian Peninsula, renewable energy generation through EDP Renováveis and, lastly, the business of EDP – Energias do Brasil, S.A. Different operational activities are therefore described in this sub-chapter and the following table analyses, per segment, quantification of EBITDA for the EDP Group in the year 2016:

<b>(millions of euros)</b>	<b>EBITDA 2016</b>
Long term contracted generation in the Iberian Peninsula	529
Liberalized activities in electricity generation and supply of electricity and gas in the Iberian Peninsula	536
Regulated networks of electricity and gas in the Iberian Peninsula	990
Renewable generation of EDP Renováveis	1.171
Business of EDP - Energias do Brasil, S.A.	593
Others	-60
<b>EDP Group (consolidated)</b>	<b>3.759</b>

### ***Generation of electricity on the Iberian Peninsula***

As the largest generator, distributor and supplier of electricity in Portugal in terms of GWh of electricity generated, distributed and sold, respectively, EDP currently holds a leading position in the Portuguese electricity market, according to the independent regulatory body ERSE. On 31 December, 2016, the EDP Group represented 54% (fifty-four percent) of the installed capacity in the Portuguese National Electricity System and 99% (ninety-nine percent) of the electricity distribution network on mainland Portugal.

Through its subsidiary Hidrocantábrico Energía, S.A.U., the EDP Group has a presence in the conventional generation of electricity in the Asturias, Navarra and Guadalajara regions of Spain.

### ***Distribution of electricity and natural gas on the Iberian Peninsula***

The EDP Group has been engaged in the activity of electricity and natural gas distribution through EDP Distribuição – Energia, S.A. and EDP Gás Distribuição, S.A. in Portugal and through Hidrocantábrico Energía, S.A.U. and Naturgas Energía Distribución, S.A. in Spain.

EDP Distribuição – Energia, S.A. is EDP's regulated electricity distribution company, operating under a public service concession. In its distribution activities, EDP Distribuição – Energia, S.A. carries out approximately 99% (ninety-nine percent) of the local electricity distribution in Portugal. At present, it works with upwards of 225,000 kilometres of network.

In Portugal, EDP has been operating in the natural gas distribution market through its indirect holding in EDP Gás Distribuição, S.A. which serves 29 municipalities in the northern coastal region of Portugal.

Hidrocantábrico Energía, S.A.U. has an electricity network infrastructure that covers the regions of the Asturias (which represents the vast majority of its network), Madrid, Valencia, Catalunya and Aragon, amounting to a total of 20,411 kilometres.

In Spain, EDP has been operating in the natural gas market through its holding in Naturgas Energía Distribución, S.A., owned through Hidrocantábrico Energía, S.A.U. Naturgas Energía Distribución, S.A.'s activities include the distribution of gas in three regions – the Basque

Country, the Asturias and Cantabria. It is one of the biggest gas distribution companies in Spain with 8,101 kilometres of network as at 31 December, 2016.

However, as referred above, EDP is currently in the process of selling Naturgas Energía Distribución, S.A. and EDP Gás S.G.P.S., S.A. (notwithstanding that EDP Gás, Serviço Universal, S.A. is outside of the sale perimeter), and consequently is planning on exiting the natural gas distribution business in the Iberian Peninsula.

### ***Supply of electricity and natural gas on the Iberian Peninsula***

In the activity of marketing and selling electricity and natural gas on the Iberian Peninsula, the EDP Group has a presence in the regulated and liberalised markets in both geographical regions. In Portugal, EDP markets and sells electricity and natural gas to customers in both the liberalised market through EDP Comercial – Comercialização de Energia, S.A. and EDP Gás.Com - Comércio de Gás Natural, S.A. and the regulated market through EDP Serviço Universal, S.A. and EDP Gás - Serviço Universal, S.A. In Spain, the marketing and selling in the liberalised market is carried out through Hidrocantábrico Energía, S.A.U. and Naturgas Energía Distribución, S.A., while customers of last resort are supplied by EDP Comercializadora Ultimo Recurso, S.A.

#### *Regulated market*

The total number of customers supplied by EDP Serviço Universal, S.A. fell 19% (nineteen percent) in 2016 in comparison to the same period the previous year and its market share (in terms of clients supplied) and the supply of electricity based on the public network was at 23% (twenty three per cent) at the end of 2016.

EDP Gás - Serviço Universal, S.A. is wholly owned by EDP Gás Distribuição, S.A. and is the seller of last resort for the north-western Portugal concession area, being responsible for the marketing and sale of natural gas in the regulated market. As at 31 December 2016, the latter had 51,233 customers and supplied 322 GWh.

In Spain, as a result of the electricity sector liberalisation process, since July 2009, low-voltage customers with 10 kW or less can receive electricity by entering into a contract with certain electricity sellers (known as *reference sellers*, which includes EDP – Comercializadora Ultimo Recurso, S.A.) at a rate determined by the Spanish government entitled “Voluntary price for Small Customers”. As at 31 December 2016, EDP Comercializadora Ultimo Recurso, S.A. had 227 thousand clients.

As regards the gas-selling activity, when retail gas tariffs ended in Spain in June 2008, EDP's efforts to change clients over from the regulated market to the liberalised market were effective (only a small percentage still remain in the last resort tariff system). Accordingly, the volume of gas supplied by EDP Comercializadora Ultimo Recurso, S.A. fell 18% (eighteen percent) in 2016 to 236 GWh.

#### *Liberalised market*

In Portugal, EDP Comercial – Comercialização de Energia, S.A. held onto its leadership in the liberalised markets, both in terms of the number of customers and the volume of

electricity sold despite a large rise in competition. At present, the company marketing strategy is divided into two main segments: one focused on companies and institutions (“B2B”) and the other involving residential customers and small companies (“B2C”).

As at 31 December 2016, the total number of electricity customers in the liberalised market supplied by Hidrocantábrico Energía, S.A.U. and by Naturgas Energía Distribución, S.A. was 840 thousand (not including the *comercializadores de referencia*).

## ***EDP Renováveis***

EDP Renováveis is a company with a prominent worldwide position in the renewable energy sector, with its income deriving primarily from wind energy generating activities. It develops, builds and commercially operates renewable energy assets in Europe (Portugal, Spain, France, Belgium, Poland, Romania, Italy and the UK), North America (US, Canada and Mexico) and Brazil.

### ***Activity framework***

As at 31 December 2016, EDP Renováveis was managing a portfolio of 10,408 MW<sup>(26)</sup>. The overall installed capacity of EDP Renováveis was divided between Europe (5,163 MW), North America (5,040 MW) and Brazil (204 MW), reflecting a total of 770 MW in new capacity added to its portfolio since 31 December 2015.

### ***EDP’s energy activity in Brazil***

#### ***Generation (excluding wind energy)***

As at 31 December 2016, the generating facilities of EDP – Energias do Brasil, S.A. excluding wind energy, had a total installed capacity of 2,466 MW. The hydro-electric plants located in the states of Espírito Santo, Mato Grosso do Sul, Tocantins, Santa Catarina, Rio Grande do Sul and Ceará represented 1,745MW of its capacity and the remaining 720 MW came from the thermal coal plant in Pecém.

#### ***Distribution and supply***

Electricity distribution services are provided to a market that is divided into captive customers, who acquire electricity supplied by the distributor and pay for their use of the network, and free customers, who choose a different electricity supplier and pay the distributor only for the use of the distribution network.

Distribution activities are currently carried on by two concessionaires, which supply 3.3 million customers in regions with a total population of approximately 8 million people, as at 31 December 2016:

Empresa Bandeirante de Energias, S.A. – supplies energy to approximately 1.8 million customers in 28 municipalities in the regions of Alto Tietê, Vale do Paraíba and Litoral Norte in the state of São Paulo, where approximately 4.5 million people live. The area has a large

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<sup>(26)</sup> Considering minority participations and assets to which the equity method applies.

concentration of companies in important economic sectors such as aviation, paper and cellulose generation.

Escelsa - Espírito Santo Centrais Eléctricas, S.A. – provide services to a population of approximately 3.3 million inhabitants in 70 of the 78 municipalities of the state of Espírito Santo, supplying electricity to approximately 1.5 million customers. The main economic activities of the region are metal-working, iron ore extraction and the generation of paper, oil and gas.

EDP - Comercialização e Serviços de Energia, S.A. is responsible for the activities of selling energy and the provision of services to the liberalised market, within and outside of the concession areas of the two distributors of EDP – Energias do Brasil, S.A. that operate in the regulated market.

### Other EDP activities

EDP also has financial interests in other assets, in particular, an indirect holding of 10.6% (ten point six percent) in Companhia de Electricidade de Macau - CEM, S.A., the essential utilities company which has been the sole concessionaire for the transport, distribution and supply of electricity in the Special Administrative Region of Macau since 1985.

### Members of the EDP company bodies

The simplified organisation chart below shows the various EDP company bodies, committees and boards:



The Chair of the Offeror’s General Meeting comprises the following members:

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Chairman: António Manuel de Carvalho Ferreira Vitorino

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Vice-Chairman: Rui Pedro Costa Melo Medeiros

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Secretary: Maria Teresa Isabel Pereira

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The Offeror's Pay Committee comprises the following members

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Chairman: Luís Miguel Nogueira Freire Cortes Martins

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Members: José Gonçalo Maury

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Jaime Amaral Anahory

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The Offeror's Executive Board of Directors comprises the following members:

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Chairman: António Luís Guerra Nunes Mexia

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Members: Nuno Maria Pestana de Almeida Alves

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João Manuel Manso Neto

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António Fernando Melo Martins da Costa

---

João Manuel Veríssimo Marques da Cruz

---

Miguel Stilwell de Andrade

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Miguel Nuno Simões Nunes Ferreira Setas

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Rui Manuel Rodrigues Lopes Teixeira

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The Offeror's General and Supervisory Board comprises the following members:

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Chairman China Three Gorges Corporation, represented by Eduardo de Almeida Catroga

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Vice-Chairman Luís Filipe Marques Amado (Independent)

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Members China Three Gorges New Energy Co. Ltd., represented by Ya Yang

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China International Water & Electric Corp., represented by Guojun Lu

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China Three Gorges (Europe), S.A. represented by Dingming Zhang

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China Three Gorges (Portugal), Sociedade Unipessoal, Lda. represented by Shengliang Wu

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DRAURSA, S.A., represented by Felipe Fernandez

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Fernando Maria Masaveu Herrero

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Banco Comercial Português S.A., represented by Nuno Manuel da Silva Amado

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Sonatrach, represented by Ferhat Ounoughi

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Senfora BV, represented by Mohamed Al Fahim

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António Sarmiento Gomes Mota (Independent)

---

Maria Celeste Ferreira Lopes Cardona (Independent)

---

Ilídio da Costa Leite de Pinho (Independent)

---

Jorge Avelino Braga de Macedo (Independent)

---

Vasco Joaquim Rocha Vieira (Independent)

---

Augusto Carlos Serra Ventura Mateus (Independent)

---

João Carlos Carvalho das Neves (Independent)

---

Alberto Joaquim Milheiro Barbosa (Independent)

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Maria del Carmen Ana Fernandez Rozado (Independent)

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António Manuel de Carvalho Ferreira Vitorino (Independent)

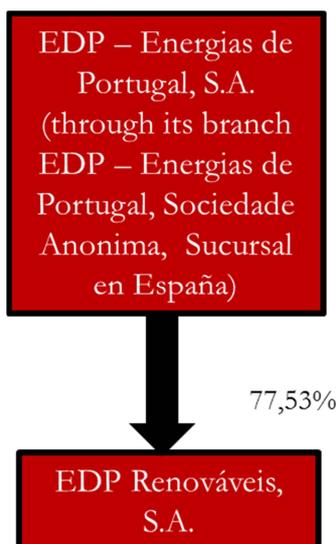
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The Offeror's Statutory Auditor is KPMG – Sociedade de Revisores Oficiais de Contas, S.A., represented by Vítor Manuel da Cunha Ribeirinho, Statutory Auditor no. 1081, who is responsible for providing guidance and directly carrying out the legal review of the EDP

Group accounts. KPMG – Sociedade de Revisores Oficiais de Contas, S.A. is registered before CMVM under no. 20161489 and registered with the Council of Statutory Auditors under no. 9093.

### 3.2 Breakdown of voting rights

The chart below illustrates the control chain of the Offeror’s holdings in the Target Company:



As of the date of this Prospectus, the companies that are, vis-à-vis the Offeror, in any of the circumstances provided for in number 1 of article 20 of the Portuguese Securities Code are the following:

### Companies in a control or group relationship with EDP

The list below shows the companies which are in a control or group relationship with EDP:

Group mother company and related activities:		Registered offices
Portugal:	EDP - Energias de Portugal, S.A. (Empresa-Matriz do Grupo EDP)	Lisboa
	CEO - Comp Energia Oceânica, S.A.	Póvoa do Varzim
	EDP Estudos e Consultoria, S.A.	Lisboa
	EDP Gás - SGPS, S.A.	Lisboa
	EDP Imobiliária e Participações, S.A.	Lisboa
	EDP Inovação, S.A.	Lisboa

	EDP Internacional, S.A.	Lisboa
	EDP IS – Investimentos e Serviços, Sociedade Unipessoal, Lda	Lisboa
	EDP Ventures, SGPS, S.A.	Lisboa
	ENAGÁS - SGPS, S.A.	Lisboa
	Labelec - Estudos, Desenvolvimento e Actividades Laboratoriais, S.A.	Sacavém
	Sávida - Medicina Apoiada, S.A.	Lisboa
	SCS - Serviços Complementares de Saúde, S.A.	Lisboa
Other countries:	EDP - Ásia Soluções Energéticas Limitada	Macau
	EDP Finance, B.V.	Amesterdão
	EDP International Investments and Services, S.L.	Oviedo
	EDP Servicios Financieros España, S.A.	Oviedo
	Energia RE - Sociedade Cativa de Resseguro	Luxemburgo
Electricity and gas business – Portugal:		
Electricity generation:	EDP - Gestão da Produção de Energia, S.A.	Lisboa
	EDP Small Hydro, S.A.	Lisboa
	Empresa Hidroeléctrica do Guadiana, S.A.	Lisboa
	Energín Azóia, S.A.	Lisboa
	FISIGEN - Empresa de Cogeração, S.A.	Lisboa
	Greenvouga - Soc. Gest. do Aproveit. Hidroel. de Ribeiradio-Ermida, S.A.	Lisboa
	O&M Serviços - Operação e Manutenção Industrial, S.A.	Mortágua
	Pebble Hydro - Consultoria, Invest. e Serv., Lda	Lisboa
	Tergen - Operação e Manutenção de Centrais Termoelectricas, S.A.	Carregado
Electricity distribution:		

	EDP Distribuição de Energia, S.A.	Lisboa
Electricity supply:	EDP MOP - Operação de Pontos de Carregamento de Mobilidade Eléctrica, S.A.	Lisboa
	EDP Comercial - Comercialização de Energia, S.A.	Lisboa
Gas distribution:	EDP Serviço Universal, S.A.	Lisboa
	EDP Gás Distribuição, S.A.	Porto
Gas supply:	EDP Gás Serviço Universal, S.A.	Porto
	EDP Gás GPL - Comércio de Gás de Petróleo Liquefeito, S.A.	Porto
Shared services:	EDP GÁS.Com - Comércio de Gás Natural, S.A.	Lisboa
	EDP Soluções Comerciais, S.A.	Lisboa
Other business:	EDP Valor - Gestão Integrada de Serviços, S.A.	Lisboa
	CNET - Centre for New Energy Technologies, S.A.	Sacavém
	EDP Mediadora, S.A.	Lisboa
	EDP Ventures - Sociedade de Capital de Risco, S.A.	Lisboa
	SGORME - SGO Rede Mobilidade Eléctrica, S.A.	Lisboa
Electricity and gas business - Spain:		
Electricity generation:	Hidroeléctrica Del Cantábrico, S.A. (Empresa-Matriz do Subgrupo HC Energia)	Oviedo

	Central Termica Ciclo Combinado Grupo 4, S.L.	Oviedo
	EDP Gas Iberia, S.L.	Bilbau
Electricity distribution:	Iberenergia, S.A.U	Oviedo
	Electra de Llobregat Energía, S.L.	Barcelona
Electricity supply:		
	EDP Comercializadora de Ultimo Recurso, S.A.	Oviedo
	EDP Empresa de Servicios Energeticos, S.L.	Oviedo
	EDP Energia Ibérica, S.A.	Oviedo
	EDP Energía, S.A.U.	Oviedo
	Hidrocantábrico Distribucion Eléctrica, S.A.U.	Oviedo
Gas distribution:		
	EDP España Distribución Gas, S.A.	Oviedo
	Naturgas Energia Distribución, S.A.U.	Bilbau
	Naturgas Suministro GLP, S.A.U	Bilbau
Gas supply:		
	EDP Comercializadora, S.A.	Bilbau
Shared services:		
	EDP Soluciones Comerciales, S.A.	Oviedo
Group mother company and related activities:	Electricity business - Brazil:	
	EDP Energias do Brasil, S.A. (Mother company of sub- group EDP Brazil)	São Paulo
Electricity generation:	EDP Transmissão, S.A.	São Paulo

	Costa Rica Energética, Ltda	São Paulo
	EDP Pequenas Centrais	
	Hidroelectricas, S.A.	São Paulo
	Energest, S.A.	São Paulo
	Enerpeixe, S.A.	São Paulo
	Investco, S.A.	Tocantins
	Lajeado Energia, S.A.	São Paulo
	Porto do Pecém Geração de	
	Energia, S.A.	Ceará
	Resende Engenharia e	
	Assessoria, Ltda	São Paulo
		Espírito
	Santa-Fé Energia, S.A.	Santo
Electricity distribution:		
	Bandeirante Energia, S.A.	São Paulo
	Escelsa - Espírito Santo	Espírito
	Centrais Eléctricas, S.A.	Santo
Electricity supply:		
	APS Soluções em Energia, S.	
	A.	Porto Alegre
	EDP - Comercialização e	
	Serviços de Energia, S.A.	São Paulo
Other activities:		
	EDP Grid Gestão de Redes	
	Inteligentes de Distribuição,	Espírito
	S.A.	Santo
	EDP Transmissão Aliança SC	Espírito
	S.A.	Santo
		Espírito
	EDP Transmissão MA I S.A.	Santo
		Espírito
	EDP Transmissão MA II S.A.	Santo
		Espírito
	EDP Transmissão SP-MG S.A.	Santo
	Renewable energy business:	
Group mother company and related activities:		
	EDP Renováveis, S.A. (Mother	
	company of sub-group EDP	
	Renováveis)	Oviedo
	EDP Renováveis Servicios	
	Financieros, S.L.	Oviedo

Geography / Platform Europe:	Spain:		
		EDP Renewables Europe, S.L. (Mother company of sub-group EDPR EU)	Oviedo
		Acampo Arias, S.L.	Zaragoza
		Aplicaciones Industriales de Energías Limpias, S.L.	Zaragoza
		Aprofitament D'Energies Renovables de la Terra Alta, S.A.	Barcelona
		Bon Vent de Corbera, S.L.	Barcelona
		Bon Vent de L'Ebre, S.L.	Barcelona
		Bon Vent de Vilalba, S.L.	Barcelona
		Compañía Eólica Campo de Borja, S.A.	Zaragoza
		Desarrollo Eólico Almarchal, S.A.U.	Cádiz
		Desarrollo Eólico Buenavista, S.A.U.	Cádiz
		Desarrollo Eólico de Corme, S.A.	La Coruña
		Desarrollo Eólico de Lugo, S.A.U.	Lugo
		Desarrollo Eólico de Tarifa, S.A.U.	Cádiz
		Desarrollo Eólico Dumbria, S.A.U.	La Coruña
		Desarrollo Eólico Rabosera, S.A.	Huesca
		Desarrollos Catalanes Del Viento, S.L.	Barcelona
		Desarrollos Eolicos de Galicia, S.A.	La Coruña
		Desarrollos Eólicos de Teruel, S.L.	Zaragoza
		EDP Renovables España, S.L.	Madrid
		EDP Renováveis Cantábria, S.L.	Madrid
		EDPR Participaciones, S.L.U.	Oviedo
		EDPR Yield Spain Services, S.L.U.	Madrid
		EDPR Yield, S.A.U.	Oviedo
		Energias Eólicas de la Manchuela, S.L.U.	Madrid
		Eólica Arlanzón, S.A.	Madrid
		Eólica Campollano, S.A.	Madrid

Eólica Curiscao Pumar, S.A.	Madrid
Eólica de Radona, S.L.	Madrid
Eólica del Alfoz, S.L.	Madrid
Eólica Don Quijote, S.L.	Albacete
Eólica Dulcinea, S.L.	Albacete
Eólica Fontesilva, S.L.	La Coruña
Eólica Garcimuñoz, S.L.	Madrid
Eólica Guadalteba, S.L.	Sevilla
Eólica La Brújula, S.A.	Madrid
Eólica La Janda, S.L.	Madrid
Eólica La Navica, S.L.	Madrid
Eólica Muxía, S.L.	La Coruña
Eólica Sierra de Avila, S.L.	Madrid
Iberia Aprovechamientos Eólicos, S.A.U.	Zaragoza
Investigación y Desarrollo de Energías Renovables, S.L.	León
Molino de Caragüeyes, S.L.	Zaragoza
NEO Energia Aragon, S.L.	Madrid
Parc Eólic de Coll de la Garganta, S.L.	Barcelona
Parc Eólic de Coll de Moro, S.L.	Barcelona
Parc Eòlic de Torre Madrina, S.L.	Barcelona
Parc Eòlic de Vilalba dels Arcs, S.L.	Barcelona
Parc Eòlic Serra Voltorera, S.L.	Barcelona
Parque Eólico Altos del Voltoya, S.A.	Madrid
Parque Eólico Belchite, S.L.	Zaragoza
Parque Eólico la Sotonera, S.L.	Zaragoza
Parque Eólico Los Cantales, S.L.U.	Zaragoza
Parque Eólico Santa Quiteria, S.L.	Huesca
Parques de Generación Eólica, S.L.	Burgos
Parques Eólicos del Cantábrico, S.A.	Oviedo
Renovables Castilla la Mancha, S.A.	Albacete
South África Wind & Solar Power, S.L.	Oviedo

Portugal:

EDP Renováveis Portugal, S.A.	Porto
EDP Renewables, SGPS, S.A.	Porto

EDPR PT - Parques Eólicos, S.A.	Porto
EDPR PT - Promoção e Operação, S.A.	Porto
EDPR Yield Portugal Services, Unip. Lda.	Porto
Eólica Alto da Teixeira, S.A.	Cinfães
Eólica da Alagoa, S.A.	Arcos de Valdevez
Eólica da Coutada, S.A.	Vila Pouca de Aguiar
Eólica da Lajeira, S.A.	Porto
Eólica da Serra das Alturas, S.A.	Boticas
Eólica da Serra das Beiras, S.A.	Arganil
Eólica da Terra do Mato, S.A.	Porto
Eólica de Montenegrelo, S.A.	Vila Pouca de Aguiar
Eólica do Alto da Lagoa, S.A.	Porto
Eólica do Alto do Mourisco, S.A.	Boticas
Eólica do Cachopo, S.A.	Porto
Eólica do Castelo, S.A.	Porto
Eólica do Espigão, S.A.	Miranda do Corvo
Eólica do Velão, S.A.	Porto
Eólica dos Altos dos Salgueiros-Guilhado, S.A.	Vila Pouca de Aguiar
Gravitangle - Fotovoltaica Unipessoal, Lda	Porto
Malhadizes - Energia Eólica, S.A	Porto
Parque Eólico da Serra do Oeste, S.A.	Porto
Parque Eólico de Torrinhelas, S.A.	Porto
Parque Eólico do Cabeço Norte, S.A.	Porto
Parque Eólico do Pinhal do Oeste, S.A.	Porto
Parque Eólico do Planalto, S.A.	Porto
Stirlingpower Unipessoal, Lda	Braga
France:	
EDP Renewables France, S.A.S.	Paris
Bourbriac II, S.A.S.	Paris
Centrale Eolienne Canet-Pont de Salars, S.A.S.	Paris

Centrale Eolienne Gueltas	
Noyal-Pontivy, S.A.S.	Paris
Centrale Eolienne Neo Truc	
L'Homme, S.A.S.	Paris
Centrale Eolienne Patay, S.A.S.	Paris
Centrale Eolienne Saint	
Barnabé, S.A.S.	Paris
Centrale Eolienne Segur, S.A.S.	Paris
EDPR France Holding, S.A.S.	Paris
EDPR Yield France Services,	
S.A.S.	Paris
Eolienne de Callengeville,	
S.A.S.	Paris
Eolienne de Saugueuse,	
S.A.R.L.	Paris
Eolienne D'Etalondes,	
S.A.R.L.	Paris
Monts de la Madeleine Energie,	
S.A.S.	Paris
Monts du Forez Energie,	
S.A.S.	Paris
Neo Plouvien, S.A.S.	Paris
Parc Éolien Champagne	
Berrichonne, S.A.R.L.	Paris
Parc Éolien de Boqueho-	
Pouagat, S.A.S.	Paris
Parc Éolien de Citernes, S.A.S.	Paris
Parc Éolien de Dammarie,	
S.A.R.L.	Paris
Parc Éolien de Flavin, S.A.S.	Paris
Parc Éolien de Francourville,	
S.A.S.	Paris
Parc Eolien de La Hetroye,	
S.A.S.	Paris
Parc Éolien de Louvières,	
S.A.S.	Paris
Parc Eolien de Mancheville,	
S.A.R.L.	Paris
Parc Eolien de Montagne	
Fayel, S.A.S.	Paris
Parc Éolien de Preuseville,	
S.A.R.L.	Paris
Parc Éolien de Prouville, S.A.S.	Paris
Parc Eolien de Roman,	
S.A.R.L.	Paris
Parc Éolien de Tarzy, S.A.R.L.	Paris
Parc Eolien de Varimpre,	
S.A.S.	Paris
Parc Eolien des Longs	
Champs, S.A.R.L.	Paris

	Parc Eolien des Vatines, S.A.S.	Paris
	Parc Eolien d'Escardes, S.A.S.	Paris
	Parc Eolien du Clos Bataille, S.A.S.	Paris
	SOCPE de la Mardelle, S.A.R.L.	Paris
	SOCPE de la Vallée du Moulin, S.A.R.L.	Paris
	SOCPE de Sauvageons, S.A.R.L.	Paris
	SOCPE des Quinze Mines, S.A.R.L.	Paris
	SOCPE Le Mee, S.A.R.L.	Paris
	SOCPE Petite Piece, S.A.R.L.	Paris
Poland:		
	EDP Renewables Polska, Sp. z o.o.	Varsóvia
	EDP Renewables Polska HoldCo, S.A.	Varsóvia
	EDP Renewables Polska OPCO, S.A.	Varsóvia
	Elektrownia Wiatrowa Kresy I, Sp. z o.o.	Varsóvia
	Farma Wiatrowa Starozreby, Sp. z o.o.	Varsóvia
	Korsze Wind Farm, Sp. z o.o.	Varsóvia
	Masovia Wind Farm I, Sp. z o.o.	Varsóvia
	Miramit Investments, Sp. z o.o.	Varsóvia
	Molen Wind II, Sp. z o.o.	Varsóvia
	Morska Farma Wiatrowa Gryf, Sp. z o.o.	Varsóvia
	Morska Farma Wiatrowa Neptun, Sp. z o.o.	Varsóvia
	Morska Farma Wiatrowa Pomorze, Sp. z o.o.	Varsóvia
	Radziejów Wind Farm, Sp. z o.o.	Varsóvia
	Relax Wind Park I, Sp. z o.o.	Varsóvia
	Relax Wind Park II, Sp. z o.o.	Varsóvia
	Relax Wind Park III, Sp. z o.o.	Varsóvia
	Relax Wind Park IV, Sp. z o.o.	Varsóvia
	Rowy - Karpacka Mala Energetyka, Sp. z o.o.	Varsóvia
Romania:		
	EDPR RO PV, S.r.l.	Bucarest
	Cernavoda Power, S.r.l.	Bucarest
	Cujmir Solar, S.r.l.	Bucarest

	Foton Delta, S.r.l.	Bucareste
	Foton Epsilon, S.r.l.	Bucareste
	Pestera Wind Farm, S.A.	Bucareste
	Potelu Solar, S.r.l.	Bucareste
	S.C. Ialomita Power, S.r.l.	Bucareste
	Sibioara Wind Farm, S.r.l.	Bucareste
	Studina Solar, S.r.l.	Bucareste
	Vanju Mare Solar, S.r.l.	Bucareste
	VS Wind Farm, S.A.	Bucareste
United Kingdom:		
	EDPR UK Limited	Cardiff
	MacColl Offshore Windfarm Limited	Cardiff
	Moray Offshore Renewable Power Limited	Cardiff
	Moray Offshore Renewables Limited	Cardiff
	Moray Offshore Windfarm (West) Limited	Cardiff
	Stevenson Offshore Windfarm Limited	Cardiff
	Telford Offshore Windfarm Limited	Cardiff
Italy:		
	EDP Renewables Italia Holding, S.r.l.	Milão
	EDP Renewables Italia, S.r.l.	Milão
	AW 2, S.r.l.	Milão
	Castellaneta Wind, S.r.l.	Milão
	Conza Energia, S.r.l.	Milão
	Laterza Wind, S.r.l.	Milão
	Lucus Power, S.r.l.	Melfi
	Parco Eolico Banzi, S.r.l.	Milão
	Pietragalla Eolico, S.r.l.	Milão
	Re Plus, S.R.L.	Milão
	San Mauro, S.r.l.	Milão
	Sarve, S.r.l.	Milão
	T Power, S.p.A.	Cesena
	TACA Wind, S.r.l.	Milão
	Tivano, S.r.l.	Milão
	Villa Castelli Wind, S.r.l.	Milão
	WinCap, S.r.l.	Milão
Other countries:		

Geography /  
Platform North  
America:

United States  
of America:

EDP Renewables Belgium, S.A.	Bruxelas
EDPR International Investments B.V.	Amesterdão Louvain-la- Neuve
Greenwind, S.A.	
EDP Renewables North America LLC (Mother company of sub-group USA)	Texas
17th Star Wind Farm LLC	Ohio
2007 Vento I LLC	Texas
2007 Vento II LLC	Texas
2008 Vento III LLC	Texas
2009 Vento IV LLC	Texas
2009 Vento V LLC	Texas
2009 Vento VI LLC	Texas
2010 Vento VII LLC	Texas
2010 Vento VIII LLC	Texas
2011 Vento IX LLC	Texas
2011 Vento X LLC	Texas
2014 Sol I LLC	Texas
2014 Vento XI LLC	Texas
2014 Vento XII LLC	Texas
2015 Vento XIII LLC	Texas
2015 Vento XIV LLC	Texas
2016 Vento XV LLC	Texas
2016 Vento XVI LLC	Texas
Alabama Ledge Wind Farm LLC	Nova Iorque
Antelope Ridge Wind Power Project LLC	Oregon
Arbuckle Mountain Wind Farm LLC	Oklahoma
Arkwright Summit Wind Farm LLC	Nova Iorque
Arlington Wind Power Project LLC	Oregon
Aroostook Wind Energy LLC	Maine
Ashford Wind Farm LLC	Nova Iorque
Athena-Weston Wind Power Project II LLC	Oregon

Athena-Weston Wind Power Project LLC	Oregon
AZ Solar LLC	Arizona
BC2 Maple Ridge Holdings LLC	Texas
BC2 Maple Ridge Wind LLC	Texas
Big River Wind Power Project LLC	Oregon
Black Prairie Wind Farm II LLC	Illinois
Black Prairie Wind Farm III LLC	Illinois
Black Prairie Wind Farm LLC	Illinois
Blackstone Wind Farm II LLC	Illinois
Blackstone Wind Farm III LLC	Illinois
Blackstone Wind Farm IV LLC	Illinois
Blackstone Wind Farm LLC	Illinois
Blackstone Wind Farm V LLC	Illinois
Blue Canyon Wind Power VII LLC	Illinois
Blue Canyon Windpower II LLC	Oklahoma
Blue Canyon Windpower III LLC	Illinois
Blue Canyon Windpower IV LLC	Illinois
Blue Canyon Windpower V LLC	Oklahoma
Blue Canyon Windpower VI LLC	Oklahoma
Blue Marmot I LLC	Texas
Blue Marmot II LLC	Texas
Blue Marmot III LLC	Texas
Blue Marmot IV LLC	Texas
Blue Marmot IX LLC	Texas
Blue Marmot V LLC	Texas
Blue Marmot VI LLC	Texas
Blue Marmot VII LLC	Texas
Blue Marmot VIII LLC	Texas
Blue Marmot X LLC	Texas
Blue Marmot XI LLC	Texas
Broadlands Wind Farm II LLC	Illinois
Broadlands Wind Farm III LLC	Illinois
Broadlands Wind Farm LLC	Illinois
Buffalo Bluff Wind Farm LLC	Wyoming

Chateaugay River Wind Farm LLC	Nova Iorque
Clinton County Wind Farm LLC	Texas
Cloud County Wind Farm LLC	Kansas
Cloud West Wind Project LLC	Kansas
Coos Curry Wind Power Project LLC	Oregon
Cropsey Ridge Wind Farm LLC	Illinois
Crossing Trails Wind, Power Project LLC	Colorado
Dairy Hills Wind Farm LLC	Texas
Diamond Power Partners LLC	Texas
East Klickitat Wind Power Project LLC	Washington
Eastern Nebraska Wind Farm LLC	Nebraska
EDPR Solar Ventures I LLC	Texas
EDPR Vento I Holding LLC	Texas
EDPR Vento IV Holding LLC	Texas
EDPR WF LLC	Texas
EDPR Wind Ventures X LLC	Texas
EDPR Wind Ventures XI LLC	Texas
EDPR Wind Ventures XII LLC	Texas
EDPR Wind Ventures XIII LLC	Texas
EDPR Wind Ventures XIV LLC	Texas
EDPR Wind Ventures XV LLC	Texas
EDPR Wind Ventures XVI LLC	Texas
Five-Spot LLC	Califórnia
Ford Wind Farm LLC	Illinois
Franklin Wind Farm LLC	Nova Iorque
Green Country Wind Farm LLC	Oklahoma
Green Power Offsets LLC	Texas
Gulf Coast Windpower Management Company LLC	Indiana
Headwaters Wind Farm II LLC	Texas
Headwaters Wind Farm LLC	Indiana
Hidalgo Wind Farm II LLC	Texas
Hidalgo Wind Farm LLC	Texas
High Prairie Wind Farm II LLC	Minnesota

High Trail Wind Farm LLC	Illinois
Horizon Wind Chocolate	
Bayou I LLC	Texas
Horizon Wind Energy Midwest IX LLC	Kansas
Horizon Wind Energy Northwest I LLC	Washington
Horizon Wind Energy Northwest IV LLC	Oregon
Horizon Wind Energy Northwest VII LLC	Washington
Horizon Wind Energy Northwest X LLC	Oregon
Horizon Wind Energy Northwest XI LLC	Oregon
Horizon Wind Energy Panhandle I LLC	Texas
Horizon Wind Energy Southwest I LLC	México
Horizon Wind Energy Southwest II LLC	Texas
Horizon Wind Energy Southwest III LLC	Texas
Horizon Wind Energy Southwest IV LLC	Texas
Horizon Wind Energy Valley I LLC	Texas
Horizon Wind MREC Iowa Partners LLC	Texas
Horizon Wind Ventures I LLC	Texas
Horizon Wind Ventures IB LLC	Texas
Horizon Wind Ventures IC LLC	Texas
Horizon Wind Ventures II LLC	Texas
Horizon Wind Ventures III LLC	Texas
Horizon Wind Ventures IX LLC	Texas
Horizon Wind Ventures VI LLC	Texas
Horizon Wind Ventures VII LLC	Texas
Horizon Wind Ventures VIII LLC	Texas
Horizon Wind, Freeport Windpower I LLC	Texas
Horizon Wyoming Transmission LLC	Wyoming

Horse Mountain Wind Farm LLC	Texas
Jericho Rise Wind Farm LLC	Nova Iorque
Juniper Wind Power Partners LLC	Oregon
Lexington Chenoa Wind Farm II LLC	Illinois
Lexington Chenoa Wind Farm III LLC	Illinois
Lexington Chenoa Wind Farm LLC	Illinois
Lone Valley Sollar Park I LLC	Califórnia
Lone Valley Sollar Park II LLC	Califórnia
Lost Lakes Wind Farm LLC	Iowa
Machias Wind Farm LLC	Nova Iorque
Madison Windpower LLC	Nova Iorque
Marble River LLC	Nova Iorque
Martinsdale Wind Farm LLC	Colorado
Meadow Lake Wind Farm II LLC	Indiana
Meadow Lake Wind Farm III LLC	Indiana
Meadow Lake Wind Farm IV LLC	Indiana
Meadow Lake Wind Farm LLC	Indiana
Meadow Lake Wind Farm V LLC	Indiana
Meadow Lake Wind Farm VI LLC	Texas
Meadow Lake Wind Farm VII LLC	Texas
Mesquite Wind LLC	Texas
Moran Wind Farm LLC	Texas
New Trail Wind Farm LLC	Illinois
North Slope Wind Farm LLC	Nova Iorque
Number Nine Wind Farm LLC	Maine
Old Trail Wind Farm LLC	Illinois
OPQ Property LLC	Illinois
Pacific Southwest Wind Farm LLC	Arizona
Paulding Wind Farm II LLC	Ohio
Paulding Wind Farm III LLC	Ohio
Paulding Wind Farm IV, L.L.C	Ohio
Paulding Wind Farm LLC	Ohio
Paulding Wind Farm V LLC	Texas
Peterson Power Partners LLC	Califórnia

Pioneer Prairie Wind Farm I LLC	Iowa
Post Oak Wind LLC	Texas
Quilt Block Wind Farm LLC	Wisconsin
Rail Splitter Wind Farm LLC	Illinois
Redbed Plains Windfarm LLC	Texas
Reloj del Sol Wind Farm LLC	Texas
Rio Blanco Wind Farm LLC	Texas
Rising Tree Wind Farm II LLC	California
Rising Tree Wind Farm III LLC	California
Rising Tree Wind Farm LLC	California
Riverstart Solar Park II LLC	Texas
Riverstart Solar Park LLC	Texas
Rolling Upland Wind Farm LLC	Nova Iorque
Rush County Wind Farm, L.L.C	Kansas
Saddleback Wind Power Project LLC	Washington
Sagebrush Power Partners LLC	Washington
Sardinia Windpower LLC	Nova Iorque
Signal Hill Wind Power Project LLC	Colorado
Simpson Ridge Wind Farm II LLC	Wyoming
Simpson Ridge Wind Farm III LLC	Wyoming
Simpson Ridge Wind Farm IV LLC	Wyoming
Simpson Ridge Wind Farm LLC	Wyoming
Simpson Ridge Wind Farm V LLC	Wyoming
Spruce Ridge Wind Farm LLC	Texas
Stinson Mills Wind Farm LLC	Colorado
Sustaining Power Solutions LLC	Texas
Telocaset Wind Power Partners LLC	Oregon
Tug Hill Windpower LLC	Nova Iorque
Tumbleweed Wind Power Project LLC	Colorado
Turtle Creek Wind Farm LLC	Iowa
Waverly Wind Farm II LLC	Texas
Waverly Wind Farm LLC	Kansas
Western Trail Wind Project I LLC	Kansas

	Wheatfield Holding LLC	Oregon
	Wheatfield Wind Power Project LLC	Oregon
	Whiskey Ridge Power Partners LLC	Washington
	Whistling Wind WI Energy Center LLC	Wisconsin
	Whitstone Wind Purchasing LLC	Illinois
	Wilson Creek Power Partners LLC	Nevada
	Wind Turbine Prometheus, L.P.	California
	WTP Management Company LLC	California
	Long Holow Wind Farm LLC	Delaware
	Castle Valley Wind Farm LLC	Delaware
	EDPR Wind Ventures XVII LLC	Delaware
	2017 Vento XVII LLC	Delaware
	White Stone Solar Park LLC	Delaware
	Riverstart Solar Park III LLC	Delaware
	Dry Creek Solar Park LLC	Delaware
	Riverstart Solar Park IV LLC	Delaware
	Riverstart Solar Park V LLC	Delaware
	Timber Road Solar Park LLC	Delaware
	Paulding Wind Farm VI LLC	Delaware
	Renville County Wind Farm LLC	Delaware
	EDPR CA Solar Park LLC	Delaware
	EDPR CA Solar Park II LLC	Delaware
	EDPR CA Solar Park III LLC	Delaware
	EDPR CA Solar Park IV LLC	Delaware
	EDPR CA Solar Park V LLC	Delaware
	EDPR CA Solar Park VI LLC	Delaware
	EDPR Solar Ventures II LLC	
	2017 Sol II LLC	
	Blue Harvest Solar Park LLC	
Canada:	EDP Renewables Canada, Ltd. (Empresa-Matriz de Subgrupo Canadá)	Ontário
	EDP Renewables Canada LP Holdings, Ltd.	Ontário
	EDP Renewables Sharp Hills Project GP, Ltd.	Alberta

	EDP Renewables Sharp Hills Project LP	Alberta
	Nation Rise Wind Farm GP, Inc.	Bristish Columbia
	Nation Rise Wind Farm LP	Ontário
	SBWFI GP, Inc.	Ontário
	South Branch Wind Farm II GP, Inc.	Bristish Columbia
	South Branch Wind Farm II GP, LP	Ontário
	South Dundas Wind Farm LP	Ontário
	<b>Mexico:</b>	
	EDPR Servicios de México, S. de R.L. de C.V.	Cidade do México
	Vientos de Coahuila, S.A. de C.V.	Cidade do México
<b>Geography / Platform South America:</b>		
	<b>Brazil:</b>	
	EDP Renovaveis Brasil, SA (Mother company of sub-group EDPR BR)	São Paulo
	Central Eólica Aventura I, S.A.	Natal
	Central Eólica Aventura II, S.A.	Natal
	Central Eólica Babilônia I, S.A.	Maracanaú
	Central Eólica Babilônia II, S.A.	Maracanaú
	Central Eólica Babilônia III, S.A.	Maracanaú
	Central Eólica Babilônia IV, S.A.	Maracanaú
	Central Eólica Babilônia V, S.A.	Maracanaú
	Central Eólica Baixa do Feijao I, S.A.	Natal
	Central Eólica Baixa do Feijao II, S.A.	Natal
	Central Eólica Baixa do Feijao III, S.A.	Natal
	Central Eólica Baixa do Feijao IV, S.A.	Natal
	Central Eólica Jau, S.A.	Natal
	Central Nacional de Energia Eólica, S.A.	Santa Catarina
	Elebras Projetos, Ltda	Agua Doce

Geography / Platform South Africa:		
	South Africa:	
	Dejann Trading and Investments Proprietary, Ltd	Cidade do Cabo
	EDP Renewables South Africa, Proprietary, Ltd	Cidade do Cabo
	Jouren Trading and Investments Pty, Ltd	Cidade do Cabo

***Other persons or entities in the situations provided for in number 1 of article 20 of the Portuguese Securities Code vis-à-vis the Offeror***

In addition to the above-mentioned companies, the members of the Offeror’s management and supervisory bodies (i.e. the Executive Board of Directors and the General and Supervisory Council) and the above-mentioned companies are also in the situation provided for in number 1 of article 20 of the Portuguese Securities Code.

**3.3 The Offeror’s voting rights and holdings in the Target Company’s capital**

On this date, to the best of the Offeror’s knowledge, the latter is attributed with, directly and under the provision of number 1 of article 20 of the Portuguese Securities Code, voting rights relative to 676,367,131 (six hundred and seventy-six million, three hundred and sixty-seven thousand, one hundred and thirty-one) shares representing approximately 77.54% (seventy-seven point five four percent) of the share capital and voting rights of the Target Company.

In this regard, the Offeror is attributable with voting rights inherent to 676,283,856 (six hundred and seventy and six million, two hundred and eighty three thousand, eight hundred and fifty six) shares representative of approximately 77.53% (seventy seven point five three per cent) of the Target Company’s share capital which it holds directly, as well as, pursuant to the introductory sentence of number 1 and sub-paragraphs d) and j) of number 1 of article 20 of the Portuguese Securities Code, voting rights relative to 83,275 (eighty three thousand, two hundred and seventy five) shares representative of around 0.01% (zero point zero one per cent) of the share capital of the Target Company held by members of the Offeror’s corporate bodies and members of the corporate bodies of companies which are in a domain or group relationship with the Offeror.

As at the date of this Prospectus, neither the Offeror nor, to the best of the Offeror’s knowledge, the people which are, in relation to the Offeror in one of the situations set out under number 1 of article 20 of the Portuguese Securities Code, have executed transactions regarding the Shares in the past 6 months.

### **3.4 The Target Company's voting rights and holdings in the capital of the Offeror**

The Target Company holds no voting rights or shares whatsoever in the Offeror's share capital.

### **3.5 Shareholders' agreements**

The Offeror has not entered into any shareholders' agreements which have a material impact on the Target Company, nor, to the best of its knowledge, have any of the companies which are, vis-à-vis the Offeror, in one of the situations provided for in number 1 of article 20 of the Portuguese Securities Code.

The Offeror has not entered into any contract or agreement in respect of the Shares, nor, to the best of its knowledge, have any of the companies which are, vis-à-vis the Offeror, in one of the situations provided for in number 1 of article 20 of the Portuguese Securities Code.

### **3.6 Agreements entered into with the members of the company bodies of the Target Company**

Regarding the Offer, no agreements were entered into by the Offeror or any of the entities mentioned in number 1 of article 20 of the Portuguese Securities Code with the members of the company bodies of the Target Company, nor were any special advantages stipulated in favour of these members in relation to the Offer.

Nevertheless, Messrs. António Luís Guerra Nunes Mexia, Nuno Maria Pestana de Almeida Alves and João Manuel Manso Neto are members of the Offeror's Executive Board of Directors and members of the management board of the Target Company simultaneously. In this respect, the Offeror and Target Company entered into an Executive Management Services Agreement whereby the Target Company pays the Offeror a price for the services provided by these directors.

Mr. João Manso Neto, member of the Target Company's board of directors, has entered into an employment agreement with EDP Estudos e Consultoria, S.A., which is currently suspended.

Messrs. João Paulo Nogueira Costeira and Miguel Dias Amaro, both members of the board of directors of the Target Company, have entered into:

- a) employment agreements with EDP Estudos e Consultoria, S.A., which are suspended;
- b) employment agreements, currently in force, with the Offeror, through its branch EDP – Energias de Portugal, S.A., Sociedade Anonima, Sucursal en España.

Mr. Miguel Dias Amaro has also entered into an agreement with EDP Renováveis, S.A. to formalize its executive functions, pursuant to the provision of article 249 of *Ley de las*

*Sociedades de Capital*, as amended by *Ley n.º 31/2014*, of 3 December.

Mr. Gabriel Alonso Imaz, member of the board of directors of the Target Company, has entered into an employment agreement with EDP Renewables North America.

Professor Manuel Menéndez Menéndez, member of the board of directors of the Target Company, has entered into a rendering of services agreement with Offeror, through its branch EDP – Energias de Portugal, Sociedade Anonima, Sucursal en España.

### **3.7 Market relations representative**

The Offeror's representative for market relations is Mr. Nuno Maria Pestana de Almeida Alves, member of the Offeror's Board of Directors.

For the purposes of these duties, the address, telephone number, fax number and e-mail address of the market relations representative are as follows:

E-mail: [ir@edp.pt](mailto:ir@edp.pt)

Address: Av. 24 de Julho n.º 12, 1249-300 Lisboa - Portugal

Telephone: +351 21 001 28 34

Fax: +351 21 001 28 99

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## CHAPTER 4 – ADDITIONAL INFORMATION

- 1 The Preliminary Announcement was released on the CMVM website at [www.cmvm.pt](http://www.cmvm.pt) on 27 March 2017.
- 2 The report of the Target Company's Board of Directors on the opportunity and merits of the Offer was made public on 26 April, 2017 and may be consulted on the CMVM website ([www.cmvm.pt](http://www.cmvm.pt)).
- 3 The Launch Announcement was made public on the date hereof and may be consulted on the CMVM website ([www.cmvm.pt](http://www.cmvm.pt)).
- 4 The Prospectus may be consulted, free of charge, at the following locations:
  - at the Offeror's registered office;
  - on the Offeror's website ([www.edp.pt](http://www.edp.pt));
  - at the registered offices of the Banks, in their capacity as financial intermediary, at Praça D. João I, 28, in Porto (registered office of Millennium investment banking) and at Rua Áurea, no. 88, 1100-063 Lisboa (registered office of Santander Totta);
  - at the official CMVM website ([www.cmvm.pt](http://www.cmvm.pt)).
- 5 Although the Target Company is subject to rules equivalent to those of article 182-A of the Portuguese Securities Code, there are no provisions in its by-laws that would embody the situations set out under article 182-A of the Portuguese Securities Code.
- 6 Pursuant to sub-paragraph n) of number 1 of article 138 of the Portuguese Securities Code, the contracts to be entered into by the Offeror and the holders of the Shares who accept the Offer are governed by Portuguese law and the Portuguese courts have jurisdiction to settle any disputes arising therefrom.

*This Prospectus is not a recommendation from the Offeror or the Banks, in their capacity as financial intermediaries, or an invitation to sell the Shares to the Offeror or to the Banks, in their capacity as financial intermediaries. This Prospectus does not constitute an analysis of the quality of the Offer or a recommendation for the sale of the Shares by the shareholders. Any decision to sell must be based on the information contained herein taken as a whole and made after an assessment of the economic and financial situation of the Target Company and of the Offeror and any other information regarding the Target Company and the Offeror. No decision to sell should be made without a prior analysis of the Prospectus as a whole by the shareholders and their advisers, even if the relevant information is included in the Prospectus by means of a referral to other documents.*

*The information contained herein regarding the Target Company arises exclusively from or is based on publicly-available information. The Offeror and the Banks, the latter in their capacity as financial intermediaries, have no knowledge of any facts or circumstances that would point to any statement regarding the Target Company and/or any entity related to it included in this*

*Prospectus being untrue or materially misleading. In addition, the Offeror and the Banks, the latter in their capacity as financial intermediaries responsible for providing assistance to the Offer, undertake no liability whatsoever for any breach by the Target Company and/or any entity related to it of the obligation to disclose any events that may have occurred, by virtue of which the information contained herein and which the Offeror and the Banks, the latter in their capacity as financial intermediaries, were based on, may be inaccurate or misleading.*

*The Offeror confirms that, when information was obtained before third parties, such information has been rigorously reproduced and that, as far as the Offeror is aware and as far as the latter may confirm based on documents published by third parties, no facts which omission may result in the information becoming less rigorous or misleading were omitted.*

## Annex I – Net debt, minority interest and other adjustments calculation details

**Table 5. EBITDA estimates used for the calculation of comparable listed companies multiples**

Average of EBITDA estimates published by analysts in the 6 months prior to the Preliminary Announcement Date (millions, local currency)				
Company	Currency	2017	2018	2019
EDPR (EDPR PL Equity)	EUR	1,297	1,392	1,449
Acciona (ANA SM Equity)	EUR	1,233	1,288	1,362
Capital Stage (CAP GR Equity)	EUR	181	183	187
Dong Energy (DENERG DC Equity)	DKK	17,067	20,445	19,237
ERG (ERG IM Equity)	EUR	448	437	448
Falck Renewables (FKR IM Equity)	EUR	134	142	160
NextEra Energy Partners (NEP US Equity)	USD	835	1,002	1,320
NRG Yield (NYLD/A US Equity)	USD	878	992	1,141
Pattern Energy (PEGI US Equity)	USD	363	435	491
Saeta Yield (SAY SM Equity)	EUR	237	242	258
Terna Energy (TENERGY GA Equity)	USD	127	143	n.a.

**Source: Bloomberg**

**Table 6. Detail of *Enterprise Value* components**

Values in local Currency	Closing price on 03/24/2017 (share) <sup>(27)</sup>	Number of shares (millions) <sup>(28)</sup>	Market Capitalization (millions) <sup>(30)</sup>	Net debt (millions) <sup>(30)</sup>	Minority interest (millions) <sup>(30)</sup>	Other Adjustments (millions) <sup>(30)</sup>	<i>Enterprise Value</i> (millions)
EDPR	6.75 <sup>(29)</sup>	872,3	5,888	2,399	1,448	1,520 <sup>(31)</sup>	11,255
	6.80 <sup>(30)</sup>	872,3	5,932	2,399	1,448	1,520 <sup>(31)</sup>	11,299
Acciona	73.87	57.3	4,230	3,834	266	1,296 <sup>(32)</sup>	9,626
Capital Stage	6.21	126.5	786	61	23	n.a.	869
Dong Energy	265.00	420.4	111,401	5,672	5,146	n.a.	122,219
ERG	11.68	150.3	1,756	1,557	n.a.	n.a.	3,313
Falck Renewables	1.10	291	320	562	36	n.a.	918
Nextera Energy Partners	32.58	54.2	1,767	3,439	426	n.a.	5,632
NRG Yield	See note <sup>(33)</sup>	See note <sup>(35)</sup>	3,103	5,412	313	n.a.	8,828
Pattern	20.41	87.4	1,784	1,480	891	n.a.	4,155
Saeta Yield	8.17	81.6	666	1,244	n.a.	n.a.	1,910
Terna Energies	2.74	109.3	300	372	6	n.a.	677

<sup>(27)</sup> Source: Bloomberg.

<sup>(28)</sup> Information relative to the number of shares, net debt, minority interest and other adjustments was obtained from the following sources: (i) EDPR: EDPR Roadshow Presentation March 2017, Page 55 and Annual Report 2016 page 141 (regarding the Net Debt taken into consideration, it was deducted from the total amount of € 2,755 thousand, € 356 thousand relative to debt associated to new construction works); (ii) Acciona: Annual Report 2016, Pages 44, 77 and 191; (iii) Capital Stage: Annual Report 2016, Pages 6, 70, 117 and 133; (iv) Dong Energy: Annual Report 2016, Pages 27 and 132; (v) ERG: Annual Report 2016, Page 92; (vi) Falck Renewables: Results Presentation 2016, Page 12 and Annual Report 2016, page 64 and 70; (vii) NextEra Energy Partners: Annual Report 31/12/2016, “Financial Statements” and 10K February 2017, Page 1; (viii) NRG Yield: 10K February 2017, Pages 1 and 64; (ix) Pattern: Bloomberg, *press release*; (x) Saeta Yield: Results Report 2016: Pages 3 and 7; (xi) Terna Energies: Annual Report 2016, pages 5,6 and 7.

<sup>(29)</sup> Consideration to be Paid.

<sup>(30)</sup> Offered Consideration.

<sup>(31)</sup> *Institutional Partnerships*.

<sup>(32)</sup> Preferred stock.

<sup>(33)</sup> NRG Yield: 34,586 thousand of shares A on the market whose price on 24/03/2017 was 16.67 USD; approximately 42,739 thousand of shares B whose price on 24/03/2017 was 17.11 USD; approximately 62.79 thousand of class C shares whose price on 24/03/2017 was 16.95USD and approximately 42,739 thousands of shares D whose price on 24/03/2017 was 17.11 USD.

## Annex II – Comparable Offers’ Details

Table 7. Comparable offer Details

Announcement date <sup>(21)</sup>	Target company	Offeror	Offered consideration (Euros) <sup>(34)</sup>	Price one Day before the Preliminary Offer Announcement (Euros) <sup>(35)</sup>
08/03/11	Iberdrola Renovables	Iberdrola	3.03	2.71
08/04/11	EDF Energies Nouvelles	EDF	40.00	36.64
18/11/15	Enel Green Power	Enel	2.05	2.01
27/03/17	EDP Renováveis	EDP	6.75 <sup>(36)</sup>	6.20
27/03/17	EDP Renováveis	EDP	6.80 <sup>(37)</sup>	6.20

<sup>(34)</sup> Source: *Thomson Reuters*, for the comparable offers.

<sup>(35)</sup> Source: Bloomberg.

<sup>(36)</sup> Consideration to be Paid.

<sup>(37)</sup> Offered Consideration.

## Annex III – Other methodologies

Table 8. EV/MW multiples of listed comparable companies

Companies	EV / MW Multiple <sup>(38)</sup>
Acciona	1.31x
Capital Stage	0.71x
Dong Energy	1.25x
ERG	1.21x
Falck Renewables	1.12x
Nextera Energy Partners	1.86x
NRG Yield	1.17x
Pattern	1.23x
Saeta Yield	2.42x
Terna Energies	0.92x
EDPR @ €6,75 / Acção	1,08x
EDPR @ €6,80 / Acção	1,09x

<sup>(38)</sup> For *Enterprise Value* the numbers are those set out in Table 6 of Annex II above. On the other hand, the MW figures were obtained from the following sources: (i) EDPR: EDPR March 2017 Roadshow Presentation, Pages 2 and 5; (ii) Acciona: Annual Report 2016, Page 15; (iii) Capital Stage: Corporate Presentation, 2017, Page 10; (iv) Dong Energy: Annual Report 2016, Page 7 and <http://www.dongenergy.com/en/our-business/bioenergy-thermal-power/where-we-operate>, when installed capacity is displayed in MJ/s, this was converted into MW considering 1MW=MJ/s; (v) ERG: Annual Report 2016, Pages 14 and 43; (vi) Falck Renewables: Results Presentation 2016, Page 8; (vii) NextEra Energy Partners: Asset Breakdown of 31/12/2016; (viii) NRG Yield: NDR Presentation, March 2015, Page 19, which presents MW values referring to December 2016; (ix) Pattern: corporate internet website, Operations - Facilities; (x) Saeta Yield: Report on results (*informe de resultados*) 2016, Page 3; (xi) Terna Energies: corporate internet website, “Activities”.

**Table 9. EV/MW multiples of comparable offers**

Preliminary Announcement date	Target company	Offeror	EV / MW Multiple <sup>(39)</sup>
08/03/11	Iberdrola Renovables	Iberdrola	1.43x
08/04/11	EDF Energies Nouvelles	EDF	1.92x
18/11/15	Enel Green Power	Enel	1.83x
27/03/17	EDPR	EDP	1,08x (@ €6,75 / Share)
			1,09x (@ €6,80 / Share)

**Table 10. Enterprise Value / MW implied multiples paid on the transactions for the divestment of minority equity stakes executed by EDPR <sup>(40)</sup>**

Transaction date	Geography	Buyer	Currency	Acquired share (%)	Installed capacity (MWs)	EV / MW Multiple
Nov-12	U.S.A.	Borealis Infrastructure	USD	49%	599	1.3x
Jun-13	Portugal	CTG	EUR	49%	644	1.6x
Sep-13	U.S.A.	Fiera Axium Infrastruture	USD	49%	97	1.0x
Oct-13	France	Axpo	EUR	49%	100	1.3x
Aug-14	U.S.A.	Fiera Axium Infrastruture	USD	36%	1101	1.5x
Oct-14	France	EFG Hermes	EUR	49%	270	1.3x
Nov-14	Canada	Northleaf Capital Partners	CAD	49%	30	3.3x
Dec-14	Brazil	CTG	EUR	49%	321	1.5x
Nov-15	U.S.A.	Fiera Axium Infrastruture	USD	34%	1002	1.7x
Dec-15	Italy and Poland	CTG	EUR	49%	598	1.7x
Apr-16	Belgium,	EFG Hermes	EUR	49%	664	1.7x

<sup>(39)</sup> MW figures were obtained from the following sources: (i) Iberdrola Renovables: Report on results for the first quarter of 2011, Page 5; (ii) EDF Energies Nouvelles: 2010 Annual Report, Page 152; (iii) Enel Green Power: Report on results for the fourth quarter of 2015, Page 3; (iv) EDPR Investor presentation of March 2016.

<sup>(40)</sup> Source: Notices to the market issued by EDPR relative to the transactions available at [www.cmvm.pt](http://www.cmvm.pt) and EDPR Investor Presentation, of September 2015, Page 19.

	France, Spain and Portugal					
Feb-17	Portugal	CTG	EUR	49%	422	1.7x
Average <sup>(41)</sup>						1,5x

**Table 11. Book value per EDPR share evolution <sup>(42)</sup>**

	Average of last 5 years (2012- 2016)	2016-12-31 <sup>(43)</sup>
Book value per EDPR's share (closing annual values, EUR)	6.64	7.02
EDPR's share closing price (closing annual values, EUR)	5.31	6.04
EDPR's share closing price relative to its book value (%)	-20.08%	-14.04%

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<sup>(41)</sup> Weighted average in EUR taking into account installed capacity and respective equity participation acquired and taking into account exchange rate EUR/USD of 1.2814 in 06/11/12, of 1.3268 in 10/09/13, of 1.3259 in 20/08/14 and of 1.061 in 26/11/2015 and the exchange rate EUR/CAD of 1.4176 in 20/11/14.

<sup>(42)</sup> Source: Bloomberg.

<sup>(43)</sup> On 31 March, 2017, the book value per EDPR share was € 7.10.