



EDP TO SELL 2 CCGT PLANTS AND B2C SUPPLY BUSINESS IN SPAIN FOR €515 MILLION

Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP PL

Lisbon, May 18th, 2020: EDP - Energias de Portugal, S.A. ("EDP"), agreed to sell a portfolio of thermal assets and supply clients in Spain to Total. The disposed portfolio comprises:

- i. Two CCGTs power plants (Castejón I & III), with 843 MW of installed capacity located in Navarra, North of Spain;
- ii. The B2C energy supply business in Spain, which includes 1.2 million clients¹ in free market, and the 50% stake in our joint venture with CIDE for electricity supply in this segment (CHC Energia).

The agreed transaction value represents an Enterprise Value of €515 million (with equity value subject to customary adjustments up to the completion of the transaction). The transaction is expected to be completed in the second half 2020, following the fulfilment of the applicable corporate restructuring and regulatory conditions.

This transaction results from a proactive portfolio optimization strategy under execution by EDP, as defined in the 2019-2022 Strategic Plan, and framed within the reshaping of the Iberian Portfolio which aims at reducing exposure to thermal and merchant activities in Iberia. With this transaction EDP clearly surpasses its €2 billion disposals target in Iberia, while securing at the same time 65% of the €6 billion target of total expected disposal proceeds, (including asset rotations), providing the company added flexibility in managing the remaining execution of the plan.

This deal delivers significant value crystallization, highlighting once again the quality of the EDP portfolio, reinforces the low risk profile of EDP and the weight of regulated and LT contracted activities on EBITDA. The transaction is expected to be earnings enhancing on a recurrent base versus 2019-2022 Business Plan assumptions and with a positive impact on Net Debt/EBITDA of 0.1x.

Spain will continue to be a key market in EDP's portfolio, where the Group continues investing in renewables, electricity networks and energy supply and services. In supply, EDP keeps developing competitive offers in the B2B segment and is growing into new energy solutions, such as distributed generation and electric mobility services, in line with EDP's mission of leading the energy transition to create superior value.

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

EDP – Energias de Portugal, S.A.

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¹ Corresponds 2.5m contracts of which 0.9m electricity contracts, 0.8m gas contracts, 0.6m services contracts and 0.2m clients from 50% stake in CHC



Reshaping the Iberian Portfolio

Disposal of 2 CCGT plants and
B2C Supply Business in Spain

Lisbon, May 18th 2020



EDP continues delivering on targets of Strategic Update: sale of 843 MW of gas thermal assets and B2C supply business in Spain for €515m

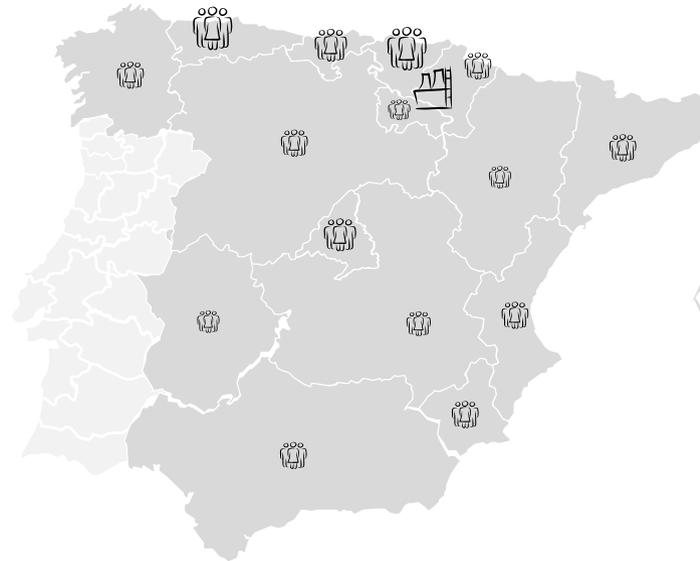


Transaction closing expected in 2H20 following regulatory authorizations and business carve out



B2C Supply Spain

- **#4** B2C Supplier in Spain ⁽¹⁾
- **1.2m** energy clients ⁽²⁾
- **2.1 TWh** electricity / **4.2 TWh** gas
- 50% equity stake in CHC ⁽³⁾



CCGT Castejón I & III

- **843 MW** installed capacity
- **COD: 2002 & 2008**
- **2.1 TWh** production

EBITDA:

2019 | €38 Mn

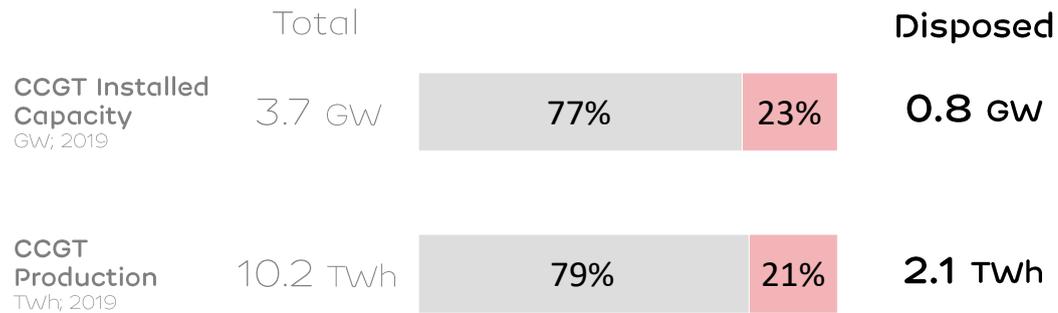
Avg 17-19 | €17 Mn

All figures as of 2019; (1) By # of supply points in free market; (2) Corresponds 2.5m contracts of which 0.9m electricity contracts, 0.8m gas contracts, 0.6m services contracts and 0.2m clients from 50% stake in CHC; (3) CHC, 50/50 joint ventures with CIDE, which has 0.4m clients.

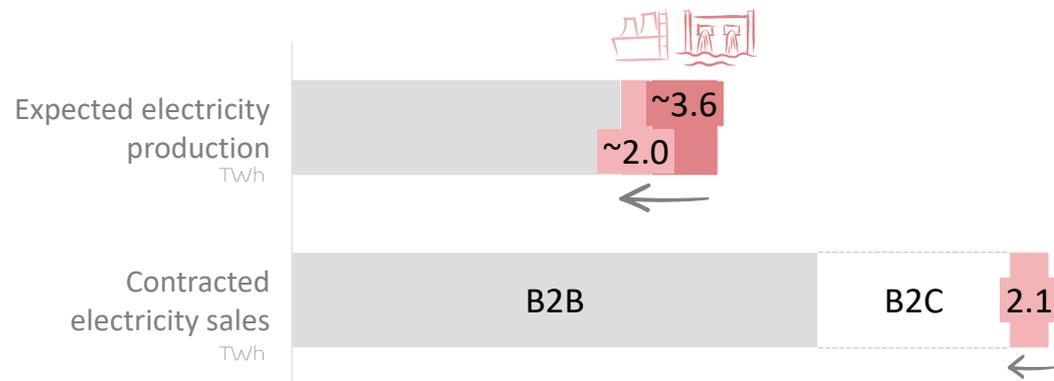
We are reducing merchant and thermal exposure in Iberia while maintaining our strong hedging and energy management capabilities as well as optionality in the new downstream segment



Reducing exposure to merchant and thermal in Iberia...



Maintain our strong hedging and energy management capabilities



Retain B2B and optionality in the new downstream segment

- ✓ Keep **B2B** business enabling to continue contracting substantial volumes of energy
- ✓ Growth in new energy solutions in **distributed solar**
- ✓ Growth in new energy solutions in the area of **e-mobility**

This disposal represents a partial value crystallization of our Client Solutions & EM segment in Spain at an attractive valuation multiple

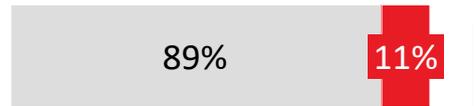


Weight of disposed portfolio in EBITDA Spain and Client Solutions & EM Iberia business

2019

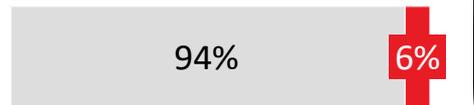
Disposed Portfolio

EBITDA CSEM Iberia €336m
€million; 2019



€38m EBITDA₁₉

EBITDA Spain €653m
€million; 2019

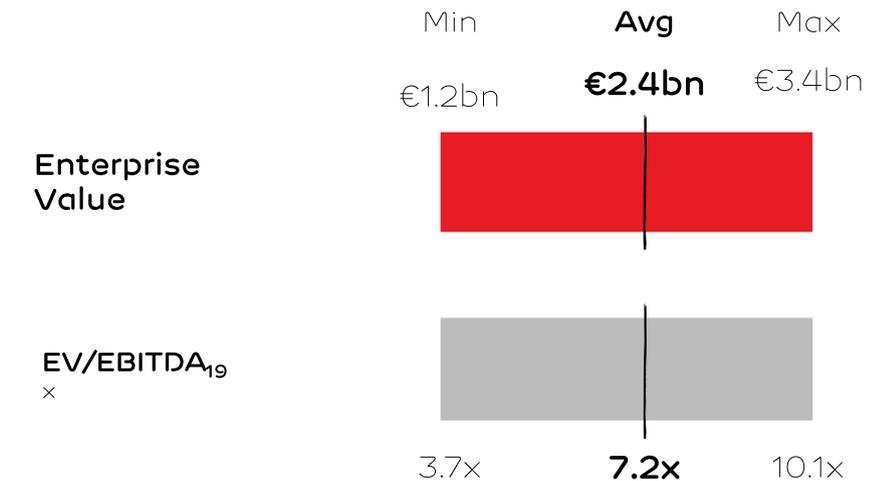


€17m Avg EBITDA₁₇₋₁₉

Transaction EV **€515m**

EDP's consensus Sum of the Parts valuation Client Solutions & EM Iberia business

12 analysts ⁽¹⁾



(1) Includes the enterprise values attributed to CSEM Iberia by the following analysts that disclose this detail: AllianceBernstein, Bank of America Merrill Lynch, Caixa Bank BPI, Credit Suisse, Goldman Sachs, JB Capital, JP Morgan, Kepler Cheuvreux, Morgan Stanley, RBC, Santander and Société Générale.

Spain will continue to be a key market in EDP's portfolio, representing 17% of EDP's EBITDA



Renewables

- 2.0 GW wind (#3 player), 0.4 GW hydro
 - ✓ 130 MW wind & solar under development (LT contracted)



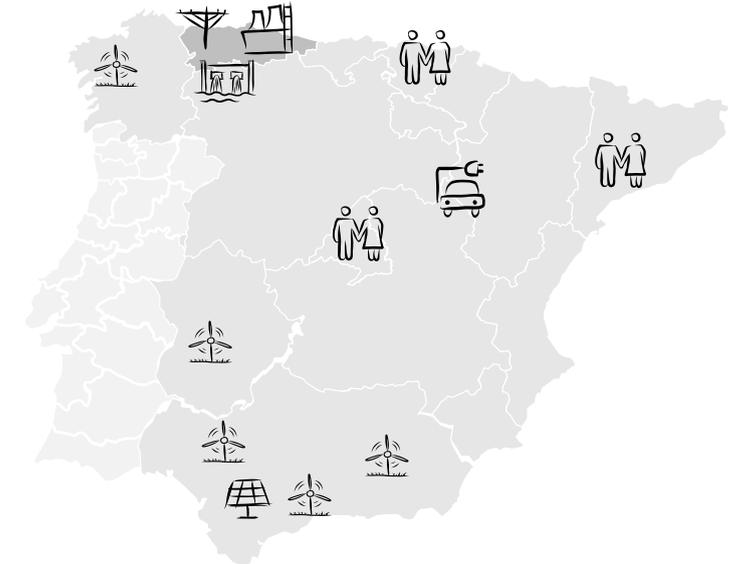
Networks

- ~€1.0 Bn of RAB
- 9.4 TWh electricity distributed
- >21,000 km of grid



Clients Solutions & EM

- B2B supply: 10TWh of electricity, 4TWh of gas
 - ✓ Growth in distributed solar and e-mobility
- 0.9 GW gas plants, 1.25 GW coal, 0.16 GW nuclear
 - ✓ 0.7 GW of coal to be shutdown by 2022
 - ✓ Coal-to-gas conversion project at Aboño 1



Integrated utility presence
with an increasing green
positioning

A large, modern house with a prominent glass sunroom, illuminated at dusk, surrounded by trees. The house features a mix of dark grey siding, wood paneling, and large glass windows. The sunroom on the right is a two-story structure with a dark frame and large glass panels, revealing a dining area with red chairs. The main house has a gabled roof with a metal finish and a large glass wall on the second floor. The interior lights are on, creating a warm glow. The house is set on a green lawn with many trees in the background.

edp

*Leading the energy transition
to create superior value*