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Agenda

I. Highlights of the year
II. 2017 Results
III. Business Plan Execution
IV. Conclusions
Highlights of the year
2017: Strong performance in record year...

**Quality assets**
- 97.8% availability vs 97.7% in 2016; benefitting from predictive maintenance and O&M strategy
- 31% load factor vs 30% in 2016
- 98% of long-term average (P50)
- Core Opex/Avg. MW -2% YoY
  -5% per MWh; O&M strategy and scale

**Selective and profitable growth**
- +600 MW installed YoY
  828 MW additional capacity already under construction
- 86% of 2020 target secured
  target +3.5 GW of additions in 2016-20
- Reported Net Profit €276m
  adj. net profit €226m (+36% YoY)

**Self-funding business**
- $507m of TEI funding secured
  €220m Net Debt & TEI decrease in 2017
- €247m from minority sales
  strategic partnership with CTG (PT assets)
- Cost of debt at 4.0%
  c.$2.8bn restructured & prepaid since 1Q16

93% of Revenues fixed for 2018\(^1\)
- €59.2/MWh avg. selling price, -2% YoY

€1,366m EBITDA (+17% YoY)
- adj. EBITDA +13% YoY

€1,114m RCF\(^2\) (+35% adj. YoY)
- from young assets exposed mostly to PPA/Fit

Dividend proposal of €0.06/share increasing 20% YoY

(implied payout of 29% taking into consideration the adjusted Net Income of 2016+2017)

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(1) Based on status at Dec-2017; (2) RCF stands for Retained Cash Flow
...and delivering above expectations

**2017 Snapshot: operational and cash generation achievements vs targets**

- **Avg. MW in Operation**: Benefitting from 2016 growth and 2017 earlier CODs in new capacity
  - 2017 Achieved: +9% YoY
  - 2017 Expected: +7-9% YoY

- **Load Factor**: Positive impact from new projects (+3%) & wind resource recovery (+2%)
  - 2017 Achieved: 31% +5% YoY
  - 2017 Expected: c.32%

- **Selling price**: Overall price stability backed by 96% of revenues fixed for 2017
  - 2017 Achieved: €59 per MWh
  - 2017 Expected: c.€58 per MWh

- **Opex per MW**: Keeping high efficiency levels; vs target -1% CAGR 15-20E
  - 2017 Achieved: -2% YoY
  - 2017 Expected: flat YoY

**EBITDA (€ million)**

- **2016**: 1,171
- **2017**: 1,366

**Strong EBITDA growth leading to a robust performance**

at Bottom-Line (adj. NI +36% YoY) and Cash-Flow generation (adj. RCF +35% YoY)
2017 Results
EDPR has reached a global portfolio of 11.0 GW of first-class assets with 7 average years old.

**Installed Capacity**
(EBITDA MW + Equity Consolidated)

- **Spain**: 22%
- **Portugal**: 11%
- **Rest of Europe**: 14%
- **Brazil**: 3%
- **North America**: 50%

**Average Installed Capacity increased +9% YoY**

**YoY Additions**
- **North America**: +600 MW
- **Brazil**: +127 MW
- **Rest of Europe**: +49 MW
- **Portugal**: +424 MW
- **Spain**: +480 MW

**Under Construction**
- **North America**: +137 MW
- **Brazil**: +127 MW
- **Rest of Europe**: +211 MW
- **Portugal**: +49 MW
- **Spain**: +480 MW

600 MW added YoY and 828 MW already under construction

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(1) Incl. equity consolidated: 152 MW in SP & 179 MW in the US
2017 load factor +1.4pp YoY due to new YoY additions in North America and Brazil

In 2017, EDPR reached a 31% load factor (+1pp YoY) reflecting capacity additions with higher load factors and the strong wind resource in the year (98% vs 96% of P50 in 2016)

(1) Technical Energy Availability (TEA)
EDPR produced 27.6 TWh of clean electricity (+13% YoY), avoiding 22 mt of CO₂ emissions. Geographical electricity output breakdown: 55% in North America, 42% in Europe and 3% in Brazil.
Average selling price at **€59.2/MWh**

### EDPR Price Evolution

<table>
<thead>
<tr>
<th>Region</th>
<th>2017</th>
<th>Δ% YoY (^1)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>€81.0</td>
<td>-1%</td>
<td>Higher realized prices in ES, PT and in IT (+1%, +2% and +4% YoY) offset by RoE; PL -17% YoY due to GC price/ regulation change</td>
</tr>
<tr>
<td>US</td>
<td>$46.4</td>
<td>-</td>
<td>US (-1%): different mix profile Canada (+2%): from fx, flat in CAD New capacity in Mexico @$63.0</td>
</tr>
<tr>
<td>Brazil</td>
<td>R$288.8</td>
<td>+34%</td>
<td>Driven by a temporary PPA unwinding at Baixas do Feijão wind farm (120 MW)</td>
</tr>
</tbody>
</table>

**Average selling price totalled €59.2/MWh (-2% YoY), on the back of lower selling prices in Europe (-1% YoY) partially offset by stable prices in North America and higher average selling prices in Brazil (+34% YoY)**

(1) Evolution calculated in local currency
Revenues increased 11% YoY to €1,827m (+€176m YoY), mainly due to higher MW in operation (+€166m YoY), strong wind resource along with a net positive impact from individual country price evolution.

**Main drivers for Revenues performance**

- **Quality assets: +9% Avg. MW YoY**
  - High availability: 97.8%
  - Capacity additions: +€166m YoY

- **Higher output: +13% YoY**
  - Higher load factor (31% vs 30% 2016)
  - with new MW (+9% Avg. MW YoY)

- **Lower average selling price: -2% YoY**
  - Positive impact in revenues (+€27m YoY) on the back of individual country price evolution

**Revenues (€ million)**

- **2016**: 1,651
- **2017**: 1,827

Revenues increased 11% YoY (+€176m YoY), mainly due to higher MW in operation (+€166m YoY), strong wind resource along with a positive impact from individual country price evolution.
Opex (excludes Other Operating Income)  
(€ million)

Core OPEX per Avg. MW down 2% YoY on the back of EDPR O&M strategy and cost control

Core Opex increasing YoY on the back of higher installed capacity. Core Opex per average MW decreased 2% YoY, reflecting control over costs and O&M initiatives.
Delivering EBITDA of €1,366m increasing 17% YoY: Top line growth + higher efficiency

Reported EBITDA totaled €1,366m (+17% YoY) benefitting from positive evolution of the top line (+11% YoY) along with higher Other operating income (+77% YoY)

(1) Includes hedges from Spain, Rest of Europe and US
Reported Net profit totalled €276m, while Adj. Net Profit increased 36% to €226m

### 2017 EBITDA to Net Profit

(€ million)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (€m)</th>
<th>Change in Δ€m YoY</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>1,366</td>
<td></td>
</tr>
<tr>
<td>D&amp;A</td>
<td>563</td>
<td>+€44m</td>
</tr>
<tr>
<td>EBIT</td>
<td>803</td>
<td>+€239m</td>
</tr>
<tr>
<td>Financial Results (1)</td>
<td>299</td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>48</td>
<td></td>
</tr>
<tr>
<td>Minorities</td>
<td>180</td>
<td></td>
</tr>
<tr>
<td>Net Profit</td>
<td>276</td>
<td>+€220m</td>
</tr>
</tbody>
</table>

### Change in Δ€m YoY

- **Positive top line evolution with higher Other operating income**: +€195m
- **Change in depreciation schedule from 25 to 30 years despite higher capacity YoY and impairments**: +€44m
- **As a result of top-line performance and lower D&A costs**: +€239m
- **Lower cost of debt after negotiations (EDP & others)**: +€54m
- **Effective Tax Rate mainly impacted by US tax reform**: -€10m
- **Strategic partnership and Asset Rotation program along with D&A policy from 25 to 30 years**: -€61m
- **Adjusted Net Profit totalled €226m (+36% YoY)**: +€220m

(1) Includes Share of profit of associates
Sound Cash Flow generation with RCF increasing to €1,114m (+35% YoY on a recurrent basis)

2017: Retained Cash Flow (RCF) (€ million)

- EBITDA: 1,366
- LT receivables & cash adjustments: +17%
- Current income taxes: +154
- Interests, TEI, fees & derivatives: (46)
- Dividends & interests to Minorities: (268)
- RCF: 1,114

Quality assets delivering cash-flow generation mostly from PPA and Feed-in Tariffs

Lower interests costs from €2.8bn restructured/prepaid since 1Q16 with cost of debt at 4.0% (flat YoY)

RCF of €1,114m (+60% YoY) if adjusted by non-recurrent events (€168m); RCF +35% YoY

Retained Cash Flow 2017 strong performance capturing assets’ cash generation capabilities

(1) RCF +35% YoY increase if adjusted by non-recurrent events; RCF is net cash-flow generated by operations and available to re-invest, distribute and pay debt principal
Net Debt and Tax Equity decreased by €220m, with assets’ cash generation and investments

2017 from RCF to Debt and TEI variance (€ million)

+60% +247
1,114
(1,022)

(44)
(75)
220

2017 Debt and TEI Breakdown (%)

<table>
<thead>
<tr>
<th>Currency</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Debt €3.2bn</td>
<td>61%</td>
</tr>
<tr>
<td>TEI €1.2bn</td>
<td>9%</td>
</tr>
<tr>
<td>Other &amp; TEI loans with EDP 50%</td>
<td>30%</td>
</tr>
</tbody>
</table>

RCF | Asset Rotation & CTG | Cash Invest. | Dividends to EDP Shareholders | Forex & Other | Net Debt and TEI (reduction) |
--- | --- | --- | --- | --- | --- |
1 | 1,114 | +247 | (1,022) | (44) | (75) |

(1) Cash investments include Capex, Net financial investments and Changes in working capital related with PPE suppliers and Government Grants
Business Plan Execution
Selective growth: strong visibility backed by value accretive projects

2016-20: 86% of the 3.5 GW target already secured

GW build/secured
....... Target (avg. MW/year)

Secured MW

Post 2020: projects already secured

UK:
• 950 MW (EDPR@77%)
• FID 2018E
• COD 2022E

France:
• 992 MW (EDPR@43%)
• FID 2020E
• COD 2023/24E

A-6 Auction (in Dec-17):
• 219 MW
• PPA for 20-years
• COD 2022/23E

Offshore new platform

Brazil

Growth execution on track and new offshore platform to support additional growth opportunities
Operating excellence: maximizing revenues and minimizing costs

Delivering strong operating metrics...

- Availability 2017: 97.8%
- Load factor 2017: 31%
- 2015: 29%
- 2020 target: 33%
- 2016-20 target: 97.5%

...while performing ahead of expectations on efficiency

Core Opex/Avg. MW
(€k; % CAGR)

- 2015: 45.1
- 2017: 42.1
- 2020: 30%

% of insourcing:
- 30%
- 41%
- 50%

Distinctive O&M strategy leads to competitive advantage through operational excellence.
**Self-funding business: cash-flow raised to fully support future growth in ongoing quality projects**

**Quality assets delivering strong cash-flow generation**

Retained Cash-Flow (€bn)

- 2016: 0.7
- 2017: 0.9 (Impacted by non-recurrent higher realized benefits (€168m))
- 2020 target: 1.1

**Top class sponsor with the ability to close value accretive transactions**

**Tax Equity**

EDPR closed the first tax equity transactions post US tax reform:
- 2017 portfolio: 363 MW of wind + 60 MW of solar
- $507m cashed-in

**AR and sale of minority stakes**

49% minority stake in Portuguese assets was sold to CTG:
- 422 MW of wind
- €247m cashed-in (implied EV for 100% of €0.7bn)

**Sell-down**

First stake sell-down executed in the UK offshore project:
- 23% stake sold to Engie
- £21m cashed-in

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**Flexible Asset Rotation/Sell-Down strategy to choose between the sell of minority or majority stakes in order to maximize equity returns case by case**
Conclusions
Solid capacity growth (+600 MW YoY) together with positive evolution of load factor: +13% YoY output growth

Selling prices at €59/MWh (due to generation mix) but above expected evolution, backed by hedging strategy

O&M initiatives and cost control continue to drive higher efficiency, with Core Opex/MW -2% YoY

Robust 2017 performance with Net Profit at €276m (+36% adj. YoY) and RCF at €1.1bn (+35% adj. YoY)

BP16-20 execution well on track & generating growth opportunities post-2020 in onshore & offshore and solar
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