EDPR

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Chaired by Miguel Stilwell d' Andrade

Company Participants

- **Miguel Stilwell d'Andrade**, Chief Executive Officer
- **Rui Teixeira**, Chief Financial Officer
- **Miguel Viana**, Head of Investor Relations

Miguel Viana: Good afternoon, everyone. Thank you for attending EDPR's first quarter 2022 results conference call. We have here with us our CEO, Miguel Stilwell d'Andrade, and our CFO, Rui Teixeira will run you through the key highlights of the business plan execution and first quarter 2022 results.

We'll then move to Q&A in which we will be taking your questions and the call is expected to last one hour. I'll give you now the floor to our CEO, Miguel Stilwell d'Andrade.

Miguel Stilwell d'Andrade: Thank you, Miguel. Good afternoon, everyone. I hope you're all doing well. So, it's all great speak to you and then I think, in this quarter, we have a couple of interesting points to talk about. We'll do that over the next hour or so.

So, let's move into the presentation. First-off, by saying is that our first quarter numbers show the really strong growth in EBITDA. So up 46% to almost EUR400 million, very much supported by the expansion of our asset base with installed capacity increasing 13% year-on-year. So up 46% to almost EUR400 million, very much supported by the expansion of our asset base with installed capacity increasing 13% year on-year.

We had strong renewables resource, namely strong wind volumes in this quarter. So, 2% above the long-term average for our portfolio and April is also doing pretty well. So, I think, clearly, very positive that we are above -- we had a wind resource above the average.

Finally, we also saw a good improvement in the average selling price and that increased 12% year-on-year with some positive impact from the increase of the electricity market prices. Net profit increased 75% to EUR66 million, reflecting the strong EBITDA performance.

Focusing on the capacity additions. So, we have a total of 2.8 GW added in the last 12 months, EDPR is progressively ramping up the growth towards the 2025 target of 20 GW of additional capacity.

Regarding the execution of the strategic plan. So, we added 1.1 GW of project attracted and committed since the beginning of the year. And now we have a total of around 9.6 GW secured or committed capacity for the period until 2025. So that's cost already to the 50% of the 20 GW target that I just mentioned.

I think good execution on that side. As you know, there are a couple of PPAs that where we were renegotiating at the end of last year and most of that came through in the last couple of weeks. So that's that additional 1.1 GW that I just mentioned. So overall, solid ramp-up of growth and the good returns across all regions and technology.

On value, just a couple of comments here, so we completed the first asset rotation of 2022 in Poland, we'd announced that last year. We close it already. Strong multiple EUR2 billion per MW and about EUR2.3 billion of proceeds. So, we were expecting to have a total of EUR1.8 billion of proceeds already achieved in 2021 to 2022, and we have other transactions on the negotiation that we expect will bring us above EUR300 million of asset rotation gains this year.

We expect to close the Spanish portfolio also in this quarter, the second quarter. So, we'll have closed both the Polish and the Spanish in the second quarter.

On the excellence, so in terms of operational excellence, clearly recognizes as an enabler of the energy transition best-in-class regarding ESG performance. Have several achievements in this first quarter of 2022 and we'll talk about that later on in the presentation.

We move to Slide 6, and talking about renewables development for 22, 23. We're on track to deliver the renewable capacity addition of the 3.5 GW annual average in 22 to 23. We have 6 GW secured for the period that's 86% of the capacity additions targeted for these years.

I think, though, it is important to highlight that there are some short-term issues around the uncertainty on the current anti-circumvention investigation in the U.S. and also restrictions in the supply chain, namely in solar.

So that implies that the annual capacity additions are now expected to be in the 2 to 2.5 range in 2022 with the shift from 2022 to 23 of between 700 and 900 MW of capacity additions mostly in the U.S. linked the anti-circumvention investigation by the Department of Commerce and also partially as a result of the supply chain constraints, we reflect previously.

So, obviously, this uncertainty around the investigation is not helping, in terms of the taking the decision to -- for start of construction.

We're keeping the target for the 22-23 accumulated period as we expect to recover in 23 the lower capacity additions of 2022. And in terms of cash flow, we don't expect to have a material impact, since most of this capacity was scheduled to start operating in late 2022. And now, it starts operating in 2023.

Moving on to Slide 7, so I would like to highlight that there's been a strong focus by governments globally and particularly in Europe to reinforce energy independence and the concerns on reducing energy costs.

This represents a good opportunity for faster renewables growth, as a right answer to the current energy crisis. And I think, we're all very aware about what's going on in the world, in Europe, with the Ukraine invasion and everything.

And there are a couple of good reasons, I think, why we believe that the governments will be pushing for this even stronger now. Environmental reasons, obviously complying with the Paris agreement that was already something that everyone was aware of, but increasingly the issues around energy independence, the idea that 1 MWh produced with their own resources is 1 MWh

less of gas or coal or some other fuel -- fossil fuel that's not imported. And third, I say that the renewables provides predictable energy prices that you can lock in for the next 10, 20 or 30 years. So I think these three reasons, environmental, energy independence and predictable energy prices, are strong drivers for a more positive outlook for renewables.

And we've seen that then the several governments have been trying to approve were -- to implement various measures targeting to simplify and reduce the timing for the permitting of renewables. It has to do with, not only the environmental permitting, but interconnections more focused also on the development of storage and other technologies.

So, this is not going to have a material impact in the short-term capacity additions, but definitely, I think in terms of medium long-term growth prospects, it is definitely positive.

By date, over the last 15 months since our Capital Markets Day in February last year, we've increased by over 60%, approximately 3.6 GW that we've added in terms of secured capacity. And so, we moved from 6 GW to the current 9.6 GW of capacity.

So, this includes all the capacity that already has long-term contracts or capex committed, goods of 3 GW that are already operational, 2.4 GW that are already under construction. So, these 9.6 GW of capacity secured represent close to 50% that I mentioned earlier of our 20 GW target additions until 2025.

Note also, I think that this contracted growth continues to follow our investments criteria with the average IRR per WACC above 1.4 times, and that IRR spread over WACC of around 300 bps on average.

So as I mentioned, I think we took some time to close some of the additional PPAs, but to make sure that we were able to close them with the profitability targets and some of the investment targets that we look for.

We are definitely confident on the execution of the business plan 2025 targets and as I mentioned earlier, we see that positive trend on the renewables' medium-term prospects.

A couple of comments maybe just here in terms of the U.S., I mean clearly the renewables are critical for the national decarbonization targets in keeping energy costs in the control. So, we do have some expectation that government and legislation will contribute to promoting the renewables medium term.

And then, although, Europe and North America represents close to 80% of our capacity additions until 2025. We're also seeing good growth prospects in South America and APAC. And I mean, if you think about South American especially, the countries were in like Brazil, but also Colombia and Chile, I mean, there's incredibly competitive renewable resources with extremely high NCF, both wind and solar, fast-growing economy, strong demand, strong demand for electrification. So, we are seeing a lot of good opportunities there and we're also very excited about Asia-Pacific and together with the Sunseap transaction we think we are really positioning ourselves. Therefore, areas that have good energy demand, high dependence on fossil fuels but also this desire to move to more renewable sources. And so, we think that's untapped growth opportunities that we can take advantage.

We move to Slide 9 and talk about PPA pricing. So, this is something we've been mentioning, I mean it's been impacting our sector over the last 12 months. I mean Capex, inflation. I know we've discussed it; you've asked a lot of questions about this already probably for the last nine months or so. We have seen upward revisions of Capex cost in the renewable project, between 5% and 15%. It's been more material in solar than in wind and this has been translated into upward revisions of the PPA prices of between 10% and 15%. Obviously, for PPA prices that were under negotiation and for new PPA that were bidding for, so, making sure that we're preserving our rates of return on our investment criteria.

Permitting what was already committed, as we mentioned previously. So, I think that didn't have necessarily a PPA that was open. We already had a big part of that Capex already closed. But we don't think that this increase in PPA prices has impacted our competitiveness.

Clearly, we see that this is a sector-wide movement -- impact and so from an off-taker perspective, the PPA prices continue to be well below the alternatives, especially in the current context of the high gas and power prices. And I think that's very clear when we show that we are able to renegotiate the PPAs and come out with over 1 GW of long-term contracts now in the last couple of weeks after having renegotiated that.

We have another around 6 GW of PPAs under negotiation or shortlisted and we'll obviously also be participating in public auctions in all of our markets. So typically, for the CfDs or the PPAs that happen in many of the different countries.

We move to Slide 10, talking a little bit about our energy position, here EDPR's asset portfolio. I mean we have a high level of long-term contracted revenue that's always been a characteristic something we value because it really provides that stability to the portfolio. So, we have close to 93% of long-term contracted in 2022 for the good times and the bad, but at least it's been part of our philosophy of investment.

In any case that still does leave some, even though we have a high level of long-term contracted, we do have some exposure to the current market environment of higher prices, namely in Europe.

Going forward, as our hedges gradually roll over, we will be repricing our renewable generation more in line with the current market environment. So, the merchant's exposure as a percentage of total revenues should be on average around 17% in 2023 to 2025. And that was allow us to reach average selling prices above the assumptions that we had in the strategic plan.

We're also adjusting our hedging strategy fairly to increase exposure to the market on a more structural way and to avoid over-hedging in the case of low renewable resources and high merchant prices.

On the other hand, we are also seeing several cases of short-term government intervention in the energy markets. That's clearly the case in Spain of the gas clawback, and the negative impact on cash flow from the regulatory changes that were approved in the parliament in Spain.

We also seeing clawback taxes implemented in other European countries. For example, the one in Italy has a very limited impact in our talent portfolio. The clawback tax in Romania does have a more material impact in any case we think that it is, let's say, or we think the impact is going to be lower than perhaps what we would have thought a couple of weeks ago.

Overall, we expect a net positive short and medium-term impact from this gradual repricing of our renewable generation, even considering the negative short-term impact from government intervention in the electricity market. So obviously, some positives and negatives, but net-net, we expect it to be positive.

We move to Slide 11, just talking about the asset rotations. So, we are seeing still very strong demand for renewable assets. We continue to see high appetite from investors and we expect another solid year in terms of the asset rotation execution with gains above the business plan average target for the year, which in general was around EUR300 million.

We've already closed one of the three transactions, the Polish portfolio, I've mentioned of around 150 MW, it's closed at EUR2 million per MW. And as I mentioned, we expect to close the other Spanish portfolio still within this quarter.

Apart from that, we've also kicked off earlier this year two additional transactions or asset rotations, one in Europe, one in South America and we have good indications on that both in terms of the demand for these assets and also in terms of the value of those assets.

So, all in all, completing the transactions that we've already signed, moving forward with the additional 2022 transactions. Overall, we expect to be above the EUR300 million in 2022, but below the 2021 numbers, which as you know were very high was almost double the EUR300 million. So, we'll be somewhere in between those.

Moving on to Slide 12 and before turning over to Rui. Just a quick word about Ocean Winds. I think Ocean Winds is actually doing really well. I mean it's continuing to grow. It's now got a portfolio of 11 GW versus 6.5 GW at the same period last year and all European projects are well protected against inflation, namely France and Poland.

We've been successful in also in recent tenders of the last couple of months this year. So, Caledonia, a very close to Moray East and Moray West but contiguous. So, 1 GW of seabed lease there.

We've also been granted the electricity business license for 870 MW in South Korea. The model is slightly different but basically if the award resembles the seabed lease and we've also been given exclusive rights to develop around 1.7 GW at the New York Bight seabed tender. So, I think a lot of positive news flow around ocean winds over these last couple of months.

As I mentioned, we now have a total portfolio of 1.5 GW of installed capacity, 2.6 GW under development projects with long-term revenues contracted and 7 GW of under-development projects with seabed and connection rights secured. So, clearly, Ocean Winds is becoming a reference in the offshore sector.

I'll pass it over to Rui to walk you through the 2021 results, and then I'll come back at the end for closing remarks. Thank you.

Rui Teixeira: Thank you, Miguel, and good afternoon to you all. So, now let's move into the first-quarter results. So, I'd say it's characterized by a strong financial result, and this is, of course, on the back of the solid performance on the -- on our base portfolio.

So, starting with the P&L, we achieved a EUR394 million EBITDA, this represents a 46% increase versus last year, and then our profit reached EUR66 million, and that's at EUR28 million above what we booked in the first quarter 2021.

We generated 9.2 TWh of clean energy, that's a 14% growth year-on-year and this is mainly due to the new capacity in operation and improve the removal resources. As I'll show in more detail in a while. EBITDA growth was driven by the impressive performance from the base portfolio. We have very strong financials in Europe due to high average prices, and as well as a strong performance in North America and this is mainly driven by a strong renewable resource.

On the other hand, financial cost increased EUR20 billion mainly due to the increase in debt associated with the execution of our growth Capex plan, which this quarter included the Sunseap acquisition. Some adverse forex impact, namely from stronger U.S. dollar, in the increase in average cost of debt from 2.8% in the first quarter 2021 to 3.2% in the first quarter 2022.

We had also an increase of depreciation, following the growth of installed capacity, some higher taxes and non-controlling interest given the improved profitability of operations, in which we have minority partners.

Just a quick note on the balance sheet, net debt increased to EUR4.2 billion that's an additional EUR400 million approximately, and tax equity increase to EUR1.5 billion approximately. So also increase less versus last year of about EUR600 million.

So, on Slide 15, to highlight the operational performance. So EDPR grew 2.8 GW of wind and solar year-on-year. This is the highest capacity ever installed by EDPR in a 12-months period and this demonstrates the ramp-up of the company's growth rate. By the end of the first quarter, we had 2.4 GW of capacity under construction and that's is -- that is 1.6 GW of wind onshore and approximately, 0.8 GW of solar capacity.

At the end of March, we have a portfolio of 14 GW, and this is after successfully completing approximately 1 GW of asset rotation deals. And this portfolio has a very balanced mix across North America with 50%, Europe by 43%, Brazil 6% and already APAC with a contribution of 3% to the 14 GW portfolio.

So, in the first quarter, we achieved the sound operational performance with 35% load factor. That's a 1 pp increase versus last year. And this reflects our renewables index which is 2% higher than the expected long-term average as we call the gross capacity factor.

In the back of this, other result, the electricity output increased 14% year-on-year. And of course, this benefits from the capacity additions and the higher renewable resource, which compared to a first quarter last year, where removal resources were 3% below the long-term average. As a result, we generated 9.2 TWh of clean energy in the first quarter, in this we have avoid close to 6 mt of CO_2 emissions.

If you move now to Slide 16 to look into the price line. So average selling price in the period was 12% higher year-on-year at EUR58 per MW hour. In Europe, the average price increased 15% to approximately EUR86 per MW hour and this is mainly due to the Italian and the Polish assets. And -- but this is partly offset by Spain on the back of the hedging structures that we have for the generation in Spain. In North America, average price increased 2% with higher merchant prices as well. Brazil, average price was 4% higher versus last year on the back of higher inflation.

So, all in all, revenues increased by 27%, totalling EUR569 million, again mainly due to the additional capacity so it's a EUR9 million year-on-year driven by the capacity. Higher renewable resource that is approximately EUR20 million year-on-year and the positive forex translation and others that are approximately EUR27 million year-on-year.

So now looking at the net profit on Slide 17. We took total EUR66 million. That's an increase of approximately 75% year-on-year. So, in total, EUR28 million more versus the first quarter 2021, of course, on the back of the performance on the topline, which has been very good.

Financial costs were up by EUR20 million. As I said before, this is mainly due to the increase in debt associated to the execution of our growth Capex plan including the Sunseap. Some adverse forex impact precluded from the dollar and because of that, as I mentioned, that went up to 3.3% in the first quarter, versus 2.8 last year.

Taxes, we had an effective tax rate of 19% as we study them and no capital gains were recorded in the first quarter. And the minorities increasing EUR29 million to EUR61 million on the back of this positive topline performance in a portfolio, where we have the minority partners.

On the net debt, on Slide 18 was at EUR4.2 billion so that versus December'21 the increase of EUR1.3 billion. This is of course, net of resulting of the acquisition of Sunseap, but also the higher Capex as the company keeps up ramping up its growth.

I think it's important to note that we keep a high weight of fixed rate debt. That's almost 90% of the total debt and we fund our investments in local currency. We -- and I mean, of course, this meets our risk management strategy to ensure that we keep assets and liability balance. And overall, the Euro and U.S. Dollar denominated debt represents more than 80% of our total debt.

The tax equity, as I mentioned, also before I mainly mostly flat over the quarter up to EUR1.5 billion, as compared to -- end of last year. In just before I hand over to Miguel for the final remarks, last but not least, on ESG think the year-on-year solution reflects an acceleration of the growth.

So, starting by the environmental performance, we give 100% of our Capex, fully aligned with Euro taxonomy as a Capex plan is completely focused on renewables. So, we avoided nearly 6 million, so in 5.7 billion to be precise, million tons of CO_2 emissions. And of course, we are, as such actively contributing to the global challenge of the net-zero. And we have improved our circularity recovery ratios up to 77%.

On the social dimension and of course, towards diversity goal, still keep on increasing the percentage of female employees. We increase it to 33% that's a 2% improvement versus last year.

Health and safety. We have an average of 1.3 work-related accidents per million-hour work. This reflects, of course, all the acceleration of growth and construction activities and also the size of the portfolio.

In -- from community standpoint in the first quarter, we invested over something close to EUR1 million -- less than 1 million which is a material evolution. So definitely also delivering on the ESG targets as well.

And now, Miguel just back to you for and closing remarks. Thank you.

Miguel Stilwell d'Andrade: Thank you, Rui. So just to finalize a couple of key messages on EDPR performance and the overall environment and outlook. First, reiterating, I think strong first quarter results, 2% above average renewable resource 12% increase in average selling price and all of that, resulting in the EBITDA around EUR400 million, net profit of around EUR66 million. So strong growth on both EBITDA and net profit.

6 GW total secured capacity for 22 and 23, representing 86% of our 22-23 growth target and with a ramp-up trend from 22 to 23. As I mentioned earlier, clearly, much -- a lot of projects moving from 22 to 23. Committed capacity reaching 9.6 GW with good returns and risk profile. It's approximately 50% of the business plan target, which was for 2025, as you know.

And note about the hedges. So, we expect that the gradual hedges roll out will have a positive impact on the average selling price over this period, 2023 to 2025. Word about Ocean Winds, operating capacity of 1.5 GW as of the first quarter and the total portfolio of 11 GW. So also growing very significantly versus a year ago, so versus the 6.5 we had a year ago.

Asset rotation appetite still very high, one transaction closed in April, that said another transaction we expect to be closed for this quarter and we have other deals on a negotiation which should allow us to get more than the EUR300 million gains expected for 2022. Overall growth continues strong and we are very well-positioned to capture it globally.

Now have leading platforms in all of the key growth regions and so I think that enables us to really focus on executing our plan and delivering on the targets for our strategic plan. But thank you once again for participating in the call, and we can move to Q&A. Thank you.

Operator: Thank you. So our first question comes from the line of Jorge Guimaraes from JB Capital. You're now unmuted. Please go ahead.

Jorge Guimaraes – JB Capital: Hi. Good afternoon, thank you very much for taking my questions. I have three if I may. Firstly, is it possible to give us a clear view about the number of MW you expect to rotate this year when you say that you're going to deliver more than EUR300 million of capital gains but less than EUR570 million? So, this would be the first one.

The second one, it's a clarification on the Capex evolution you mentioned plus 5% to plus 15 % year-on-year. I assume that this is for Capex for 2022. And what are the first indications about Capex for 2023 since I assume you are already closing projects for that date?

And the third one is you mentioned that you are going to delay or move one quarter to the other 0.7 to 0.8 GW of project in the US due to the tariff investigation. If this continues for longer and if the measures are still effectively implemented, what could be the impact in terms of costs going for on solar PV? Thank you very much.

Miguel Stilwell d'Andrade: Okay. Thank you, Jorge. So just a couple of comments on that. First of all, in terms of the MW to rotate this year, we're expecting in line really with what we had in the business plan. We're not expecting, if anything impacts even less because we're typically getting more premium, more value per MW than we needed. So, like we did last year, we ended up with much higher multiples than what we had in the business plan, we're expecting the same this year.

So let's say the total number of MW maybe we can get that later, but it will be -- let's say we're not selling more MW to get higher gains on the contrary because we're getting higher multiples, we're actually selling less MW to get the same gains.

In terms of the second comment, in terms of the Capex, so that increased 5% to 15% is versus what was, let's say, the base Capex and so we were negotiating PPAs on a certain basis for both wind and solar, mostly solar in this case. And what we saw was a significant Capex inflation mostly at the end of last year of around 5% to 15%. So it's not, let's say, the overall Capex numbers. It's more the Capex per project and that's what's then reflected in the PPA price. So, when we say the 5% to 15% increase, it's because we're then saying, let's say, per project, because then that's having an impact in terms of how much we're increasing the PPA to make up for that difference.

On the third question, so the 0.7 to 0.9 GW that we probably moved to 2023, the anti-circumvention, I mean, I'm not a lawyer, I don't have the specifics, but I believe that they have to have a final investment and final decision by August. And so, let's say that's our base case in terms of when that decision would be taken.

There is quite a lot of, let's say, pressure, but certainly a lot of movement from the industry in the U.S. to see if they can take the decision even earlier because obviously this is creating a lot of uncertainty not just for us, but for other players like NextEra and others. And obviously, we prefer not to take an investment decision until we know exactly the impact of that investigation. So, I'd say August is, let's say, the long stop date. I think the Department of Commerce has to issue its preliminary determination within 150 days. So, end of August of 2022, and so I think that's what is, what we're working at.

Having said that, there's a lot -- there's a big movement and a big push to actually get a determination before that so the industry can take a decision or start moving forward with the construction earlier. I mean, there's actually some comments by the solar industry which talk about perhaps half of the forecast of deployments in 2022 being delayed, I mean it's the Solar Energy Association, which talked about that delay and sort of -- and obviously they're pushing hard so that that decision can be anticipated to reduce that impact. Otherwise, as they say, you could lose half of the deployments in 22 as a result of that. I think that's pretty much it.

Operator: Our next question comes from the line of Alberto Gandolfi from Goldman Sachs. You are now unmuted. Please go ahead.

Alberto Gandolfi – Goldman Sachs: Thank you, and good afternoon. Thanks for answering my questions. I have three please. The first one, can I please have some comments on the first quarter Capex? How much of the organic Capex, excluding what you paid for acquisition, is actually a function of an upgrade versus your own business plan versus perhaps some projects that were delayed at the end of last year and maybe over flew in the first quarter? Because it seems to me the Capex is growing, I was just trying to separate the two effect.

The second question, just to be clear on Capex cost inflation. When you say 5% to 15%, you just commented on that, but just to be crystal clear, is it on existing projects you are developing for 22 to 23? Or is it 5% to 15% on marginal new MW that now you've just been awarded, you've just

contracted right now? And I guess the same on the 10% to 15% PPA increase. So, I assume this is on new projects, but just trying to see if on some of the existing projects, there's also some Capex cost inflation we should account for.

And the last question is on the Spanish pricing reform. What is your understanding of the reform? So the idea of having a cap at EUR40 growing to EUR50 MW hour. What do you think would be the impact for you? Do you expect EUR120, EUR150 MWh price and that's it? Or do you think potentially the gas clawback will be extended and would be also applied to forward sales. So how should we think about the merchant portion of your Spanish portfolio? Thank you so much.

Miguel Stilwell d'Andrade: Thank you, Alberto. Maybe just in terms of some clarifications and I'll pass it also Rui regarding the organic Capex. But on your second question, just to be crystal clear, so I'm talking about marginal new MW, and we've highlighted that in previous calls. So, for what was already under construction, what was already being built, that's all locked in, it's really for the marginal MW that there is this inflation. On the Capex side which also resulted in inflation on the PPA increase. So, it's the marginal. So for example for new PPAs that we are negotiating now, we're looking at the Capex, let's say, the latest estimates from the solar panel manufacturers and BOPs, etcetera, and that's where we're seeing that increase and that's what we're also reflecting in the PPA price.

In terms of the Spanish pricing reform, I think we could have a debate about an hour about this topic. I think, though the most important thing I can probably say is, it's still not clear and the full extent or the full impact given that not a lot of details have been released. Yet, let' talk about the EUR40 to EUR50 per MWh and the gas and what that obviously has an implication in terms of electricity price. In terms of the duration, also, there's talk about the 12 months which would take it to probably the end of first quarter, second quarter of 2023. I think, in terms of the impact on gas clawbacks could potentially be extended. I would say that the impact of the cap, we don't expect it to be, I mean, to really have an impact on us because typically, we are taking investment decisions on -- based on long-term PPAs and sort of auctions. And what is in the market is typically already hedged or certainly we weren't expecting prices above the EUR40 to EUR50 per MWh gas price, implicit in the electricity price of EUR100 to EUR150 thereabout. So, I'd say we don't expect to have a negative impact, basically bottom line. But listen, it's still early. I think there's a lot of details that still need to come out clearly in this. In something like this the devil is in the details and so I prefer to reserve more comments for probably a later stage.

Rui Teixeira: Hi, Alberto. It's Rui here. I mean regarding the first question. I would say, I mean it's definitely a mix and we definitely can follow up in more detail offline. But I think it's definitely a mix of some of the Capex, which is, still from late Q4 additions. That it's just materialized in the first quarter, and also from the 2.4 GW that we have in the construction. But I would say, I mean, it does reflect the ramp up in terms of growth, in terms of installations. So it's much more volume related. And of course, I mean, mix depending on what are the mix of geographies in projects that we're building, but it's fundamentally driven by the volume and mix from the business plan, but we can follow up in detail offline.

Operator: Our next question comes from Javier Garrido from JP Morgan. You're now unmuted. Please go ahead.

Javier Garrido – JP Morgan: Yes. Good afternoon. I would like to follow up, if I may, on the circumvention proofing in the U.S. Because what happens is if the investigation finds that circumvention has actually occurred, the duties that are being discussed are 50% to 250% are very significant. So, what could that mean for the industry and EDPR? I mean, there are going to be total stoppage in capacity additions for over the next few years in US solar.

And the second question would be on your capacity secured for 22 and 23. You have secured now 6 GW out of the 7 GW, that would come to an average of 3.5. And are you in time to have the leasing in 1 GW, or should we assume that such capacity could only come in 24-25.

Then the third question would be on Spain. I wonder if you have the number that what would have been the price achieved in Spain if you have had average load factors? Because I assume that part of the hit comes from being over contracted into the overload factors.

And final question, if I may, what is the estimated impact on EDPR on the -- from the change in the regulated renewables in Spain, the decision of the Spanish government to bring forward the date of the calculation of the prices and the subsequent formulas.

Thank you.

Miguel Stilwell d'Andrade: Thanks, Javier. Okay. So, on the different topics. On the anti-circumvention, so what happens, but I think if the decision was that there would be some issue, we would obviously have to go back to the off takers and either renegotiate or pull the project, I mean drop the PPA and really negotiate new ones or renegotiate with the current ones. So, I think that's why we are being slightly more prudent here in the sense of just holding on for a couple of months, we think it's worth. Let's say holding back, making sure that we have full visibility on this before moving forward with the start of construction.

So, I'd say that what happens is that we go, and we renegotiate based on the, let's say, on whatever tariffs are finally determined. I mean, the tariffs --so two decisions. One is whether or not this is the Department of Commerce thinks that this has any validity and that, let's say, I think the consensus is that it won't go ahead in any case. But still, let's say we've seen weirder things happen.

But the second thing is what would be the rate that would be applied. So, I mean, obviously could be high rates, but it could also be much lower and to be honest, we've also heard that in some scenarios it could be lower rates, which would be manageable. So, we just prefer to hold off a little bit, get that additional visibility so we can really move forward. As I say, we're not in the business of just doing MW for the sake of doing MW, okay. So, we want to do MW, but make sure that we have good profitable MW and we're getting the investment returns and profile that we like.

And so, for that, we need to just be comfortable with whatever the decision that is coming out of them. Hopefully will be sooner rather than later. So, before August, certainly we're pushing for it, the whole sector is pushing for it.

In terms of your second question, so as you say we have 6 out of the 7. We're still working towards reaching the 7 plus in this time period. So, we have -- we certainly are not assuming - certainly not as now, that we're moving this to 24, 25. So, I think there's still time to still fit in a couple of more project for 2023, difficult in 22, but certainly for 23, we still think there's space to close that gap.

On the third question, I don't have the specific numbers and I'll pass it over to Rui, maybe he's already has that.

On the fourth one, I would just say that we consider that it's generally positive. It's something that would be reflected probably in the future quarters and months. We're not providing, let's say numbers on that. But generally, I would say it's positive, all things considered. In any case, I'll pass it over also to Rui on the load factors.

Rui Teixeira: Hi, Javier. So, I mean, we had a lower production in Spain of around 140 GWh versus what we expect in terms of long-term average. This meant that we have about an impact of around EUR30 - 31 million, less revenues because of debt and given that we had those hedges in place. So, I think this basically addresses your, I mean, your question. So, it's about -- you can consider around EUR31 million impact in revenues.

Operator: Our next question comes from the line of Arthur Sitbon from Morgan Stanley. You're now unmuted. Please go ahead.

Arthur Sitbon – Morgan Stanley: Hello. Yes, thank you for taking my questions. I have two.

The first one is on the impact from intervention in Romania. You mentioned that material short term negative impact. I was wondering if you could quantify that on EBITDA by any chance.

And my second question is that well, basically, we're seeing some of those main equipment suppliers, the renewable equipment suppliers having quite a tough time at the moment. I was wondering if you could share or at least give us a rough idea of the breakdown of your equipment supplier mix both in solar and onshore wind? Thank you.

Miguel Stilwell d'Andrade: Hi, Arthur. So, in terms of the intervention in Romania which is basically a clawback tax above a certain level, I think EUR150 million. I'd say that the impact is expected to be probably mid double-digit pre-tax million euros EBITDA, so pre-tax, if you want.

And I mean we have been able to mitigate the big part of that impact. Initially, we thought it would be higher than that. But as I said, it's currently worth estimating it at mid double-digit. Part of that's already been recognized in the first quarter. And another part will be recognized over the last -- next couple of months. But so, this mid double-digit part of that is already in the numbers of the first quarter and the other -- the rest will be over the next couple of months.

In relation to the second question, I think I'll probably will pass it over Rui, but I think we'll probably need to get back to you with more specifics, not sure we have the numbers here with us.

Rui Teixeira: I mean, yes, we can follow up offline in terms of more detail, but just to give you a sense. In terms of wind onshore, we naturally keep working with Vestas, GE, Siemens Gamesa and Nordex. So, the main OEM players. And solar and the solar modules, we have been working with LONGI, with Trina and also discussing, but we can follow up in more detail, I mean, sort of the allocation.

Operator: Our next question comes from Jenny Ping at Citi. You're now unmuted. Please go ahead.

Jenny Ping – citi: Hi. Thanks very much. Two questions from me, please. Firstly, just going back to the 12% that you talked about in terms of increase in average selling price, my understanding is that there was an exceptional boost from Moray East where you haven't contacted the ramp-up period and that's effectively skewed some of the numbers. Would you be able to give what that number would be if you axe out effectively this one off as Moray East then rolls onto the CfD contract.

And then, secondly, just going back to the OEMs previous question, let me ask that in a slightly different angle. Obviously, all of these OEMs are in some form of financial trouble whether it's Vesta or GE, or Siemens Gamesa. Are you seeing them actually coming to you to renegotiate or -- sorry, negotiate contracts going in forward, not the existing contract but looking forward on how they can pass through additional risks to you, whether it's input cost or any other factors? Or are you or do you have any confidence whether you can sort of pass on any additional margins that they would like to make going forward to ultimately through to your PPAs? Because I understand it's one thing passing through the rising input cost and that you can explain quite easily, but to pass on margin to somebody else could potentially make to your end consumers through the PPA, that's presumably going to be more difficult. Thank you.

Miguel Stilwell d'Andrade: Hi. So, on the first one. Moray East is not included in that plus 12% selling price because it comes in through Ocean Winds as an equity method. It's not incorporated as part of the consolidated numbers or sort of let's say on the -- it was not fully consolidated, so it's not in the numbers that we're presenting when we do those comparisons. So it would not impact, let's say independently of how long Moray continues working in the market. It's not going to have an impact on that selling price.

On the second question, listen, I think it's in everyone's interest that we have a healthy ecosystem across the whole value chain, and that means that everyone needs to be making money. I mean, at the end of the day this is a business for everybody and so it's normal that not only ourselves, but also the OEMs should have not only be covering their variable cost, but also be making some profits. I mean, that's what we have no interest in them losing money, because then they will not be sustainable in the medium long term. This is a question of pricing and clearly there is -- it's not that they're coming to us to renegotiate. I think for new PPAs or for new Capex estimates they are providing their best estimates and obviously it's a competitive market. So, we will go with whoever is most competitive.

But I assume that they're passing through, let's say the pricing that they think is adequate given all the context. That's what we're then using to price our PPAs. We're not looking at whether it's

coming necessarily just from commodity price inflation or whether it's coming from margin. I mean, we're not -- let's say it's not transparent to that extent. So, we are reflecting the Capex estimates that they give or the cost that they give us independently of the source of why that's rising.

What I think is important to note and I mentioned it earlier, but I think it really is important. I mean, renewables was already incredibly competitive before this energy crisis. I think now the impact is, I mean, it's just much more competitive. When you have wholesale prices at 200 -- 150, EUR200 per MWh. And we're discussing whether an increase in PPAs from 52 -- or sorry, from 30 to 35 or 35 to 40. I mean, it's still incredibly competitive and certainly much lower than sort of the gas prices and wholesale prices. So, I think clients have been quite perceptive to looking through that and just incorporate in whatever is the right PPA price to develop the project and so that's what we're seeing.

I think we just need to be careful is when there are market dislocations that's happened over the last six months, that's why we did take some time out to renegotiate it because we were hit by a dislocation. But once it's stabilized whether it's higher or lower then it makes it easier to then proceed with the PPA negotiations. Hopefully that helped to answer the question.

Operator: Our next question comes from Olly Jeffrey at Deutsche Bank. You're now unmuted. Please go ahead.

Olly Jeffrey – Deutsche Bank: Thanks, and good afternoon, everybody. I have three questions for me, please. The first one, just to go on the capital gains guidance. It's the second year in a row now where you guys achieved very already good prices on a per MW basis. If you were redrawing your business plan today, do you think given that you had key to good prices, that gives you more confidence that these high prices could be sustained …

Miguel Stilwell d'Andrade: Hello. So we lost the connection, I think. Hello.

Operator: I think we've lost him unfortunately; I think he's dropped out. And so, I'll just put through the next question which -- or would you like to continue answering what he's already asked?

Miguel Stilwell d'Andrade: Perhaps, he' s dropped off, maybe we'll come back to that when he's back on.

Operator: Okay. So, the next question comes from the line of Manuel Palomo from BNP Paribas. You're now unmuted. Please go ahead.

Manuel Palomo – Exane BNP: Hi. Thanks for taking my question. The first one is again on asset rotation. You give a guidance of above 0.3 million -- sorry, 0.3 billion euro for the period. However, looking at the first transaction, this Polish transaction on the multiple, I mean, I see that the number

of MW needed to reach that EUR 0.3 billion it's going to be I think much lower. I think at the strategy update, you mentioned that you could be targeting between 1.4 and 1.5 GW. And looking at these selling multiples, either you will need to include much lower amount of MW or the most recent signed deals, maybe draw a much lower unitary gain. Any color on this will be helpful.

And also, if it is the case of multiples remaining healthy, if you are already considering selling less MW speaking to a similar total amount of net MW given that you're going to have lower installations in the year 2022.

And the second question is a bit on the weight of the different geographies. The U.S. was in the last many years the key market for EDPR and I appreciate they've increased diversification to also have Latin America and others. But my question is, would the weight of the U.S. will remain the same or any type of hurdles such as this regulatory uncertainty in the U.S. could modify the initial expected weight of the U.S. in the future growth of EDPR? And in that case, if other geographies could be enough in order to compensate a drop in the U.S. installations? Thank you.

Miguel Stilwell d'Andrade: Hi, Manuel. So, I think in relation to your first question that mentioned, we will be above the EUR300 million gains, but not reaching the level of 2021. So, 2021 we showed EUR530 million of asset rotation. Our expectation as of today is that we will be below that number for 2022, but above what was in the business plan, okay, so somewhere in between.

I think we are getting healthy multiples as you mentioned, and we will continue to do that. And as I mentioned not just in the other transactions or the Spanish portfolio which we expect to close this quarter, but also on the other two that we're seeing already, non-binding offers which are pretty healthy or very healthy as well. So, I think that's definitely a good trend.

Will we sell less MW? I think, I've said it before but we are very much our focused on the balance sheet and on the proceeds necessary to, let's say, to be able to continue to finance our growth while keeping the healthy balance sheet. So, the BBB, and that's really what drives say the volume of asset rotations that we do. If you can do it with less MW, then we'll do it with less MW. I mean -- we're not going to sell, sell more, unless we then find a way because we want to then grow more, then we'll think about it. But we're not going to do more MW just to get more proceeds just for the sake of it. So, I think that hopefully helps answer the first part.

In relation to the second question, I mean, it's a great question, and really I'm glad you asked it because it gives me opportunity to talk about the value of our diversification and geographic diversification because it really shows that sometimes some markets slow down for some unexpected reason, anti-circumvention in this case, but generally the U.S. has, the last couple of months, has had some uncertainty around it, which we expect to be transitory to be very clear. But in the meantime, we see a lot of growth in other markets. So, we see Europe clearly ramping up in terms of their ambitions, we've seen Germany, we've seen many other countries, so really increasing the level of ambition. We see Asia Pacific, we see LatAm. So, I think that allows us to really go on managing our portfolio and maintaining a relatively high level of growth and build out. And some market is a little bit slower. Maybe it's a good opportunity in another market and we'll take advantage of that.

So, going forward, long-term, we expect the U.S. to continue to be the main markets, as a standalone market. So, the U.S. clearly has a huge opportunity there, it all has had, and we believe will continue to have. We're currently going through a slump in 2022, but it doesn't change our medium long-term outlook on the U.S. But we will be -- let's say, because we are in other markets, we will be able to invest in other markets sort of and ride out this slightly slower year for the U.S. But as I say, 2023 for the U.S. looks good, 24 and 25, already beginning to see good projects coming up. So, I don't think it's changing our structural long-term view of the U.S.

Miguel Viana: Thank you, Miguel. I see we lost Olly, so maybe we will follow up with Olly on private and then see if we can go to final remarks by our CEO, okay? Please Miguel, just if you want to go to your final remarks. Okay.

Miguel Stilwell d'Andrade: Well, I think just in terms of quick final comments. So, I think it was a good quarter. The last couple of quarters, we've had some band wind an particularly when you look at last year, this time last year we were talking about the polar vortex in Texas and we were talking about very low wind capacity in the U.S. in general. And clearly this year it's different. We are looking at a much higher renewable energy resource in most geographies excluding perhaps Spain. That obviously translates into better numbers both EBITDA and net profit. We've talked a little bit about some of the impacts on the net profit line in terms of the financials, but overall, I think pretty strong numbers.

I'd say that the 9.6 GW is a good number. We really accelerated over the last couple of months and we talked about that and I think showing this jump of the 1.1 GW just in the last couple of months and the overall almost 50% of the business plan target, I think that gives us good reason for confidence. I think the fact that we are looking at the higher energy prices and seeing opportunities there as the hedges roll off, that will be an upside. And I think, even some of the recent changes of the regulation in some different countries, net-net will be positive. So, we'll talk about that for sure over the next couple of quarters.

Ocean Winds, I think very positive over this quarter quite frankly. I mean, Scotland, New York Bight, South Korea, continued to work on. Just recently, I was in Poland and sort of seeing some of the opportunities there. So, I think that's also giving us good reason to believe Ocean Winds is really doing well and have great opportunities to continue to grow. I mean, Moray East is a great example. We built Moray East pretty much on budget before time and it's obviously having -- creating a lot of value just in these months.

Overall growth, I said it but I'm going to reiterate it because I really believe it. We were very focused on the growth in renewables because it's a good business on one hand primarily, but also because it was very much aligned with our ESG targets and meeting the Paris agreement, doing the energy transition, but now things like energy independence and just a predictability of renewables. The fact that you can lock in these 10, 20, 30 year prices that are fixed. We're seeing a lot of say, the government's really reacting to these issues and really moving it up on the agenda. There are short-term challenges, for sure, the regulatory uncertainty in the U.S., licensing, permitting, having access to the interconnection, that those continue to be challenges, but that's part of the business.

Otherwise, it'd be too easy. But I do believe that certainly medium, long-term just continues to be -- we continue to see very strong growth prospects going forward.

So, we'll be back in the next couple of months to talk about how the business is doing, but I'm sure we'll have good news to tell you. Thank you.

Operator: Thank you for joining today's call. You may now disconnect your lines.