

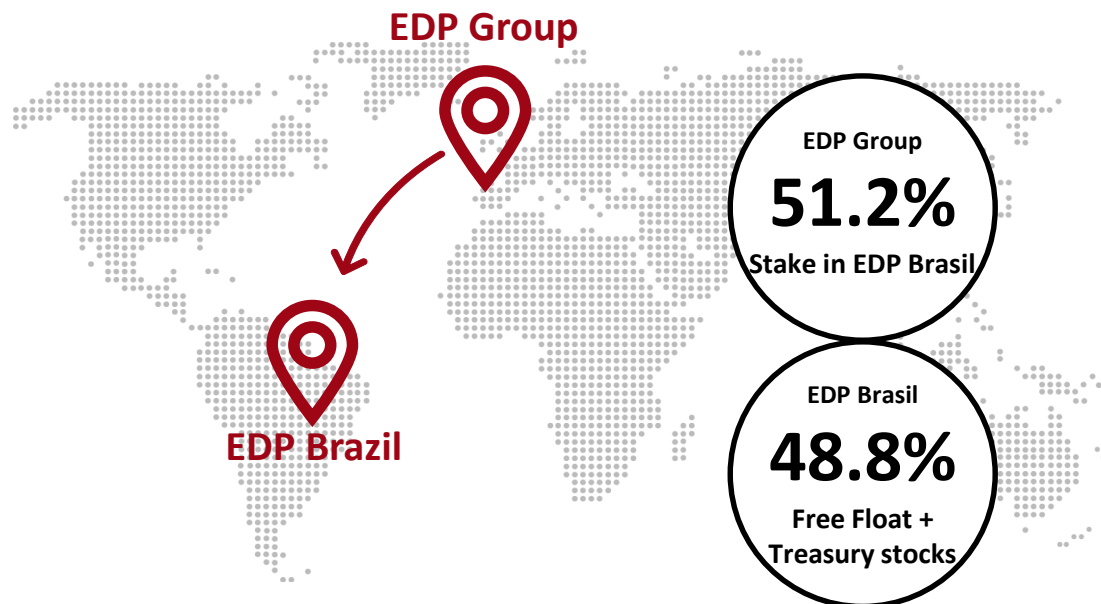


Institutional Presentation September 2020





For more than 20 years investing in the Brazilian energy sector

edp



EDP Group Vision² 2019-22

**Leading the
energy transition
to create
superior value**

-  Accelerated growth and focused
-  Continuous portfolio optimization
-  Solid balance sheet and low-risk profile
-  Efficient and digital
-  Attractive shareholder remuneration


2022

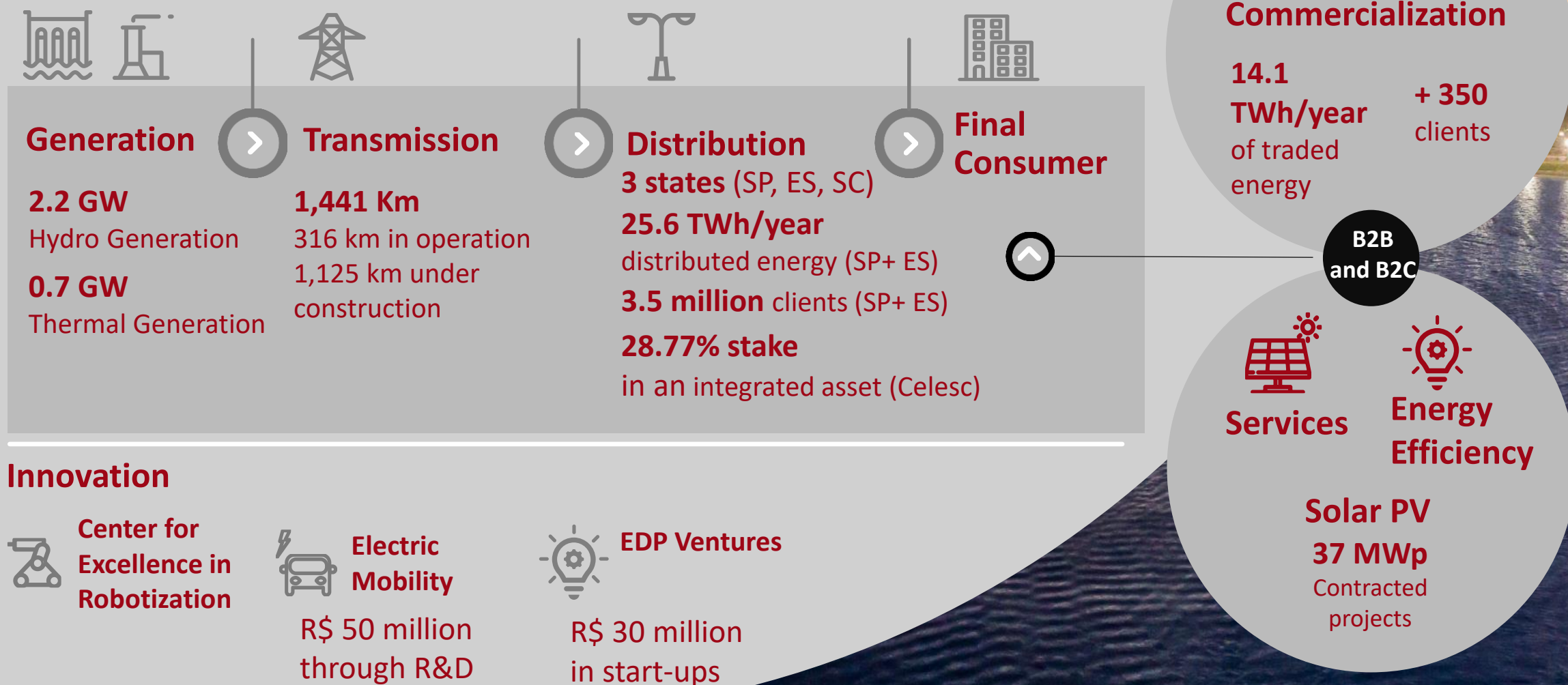
Market Cap¹
R\$ 11.3 bi



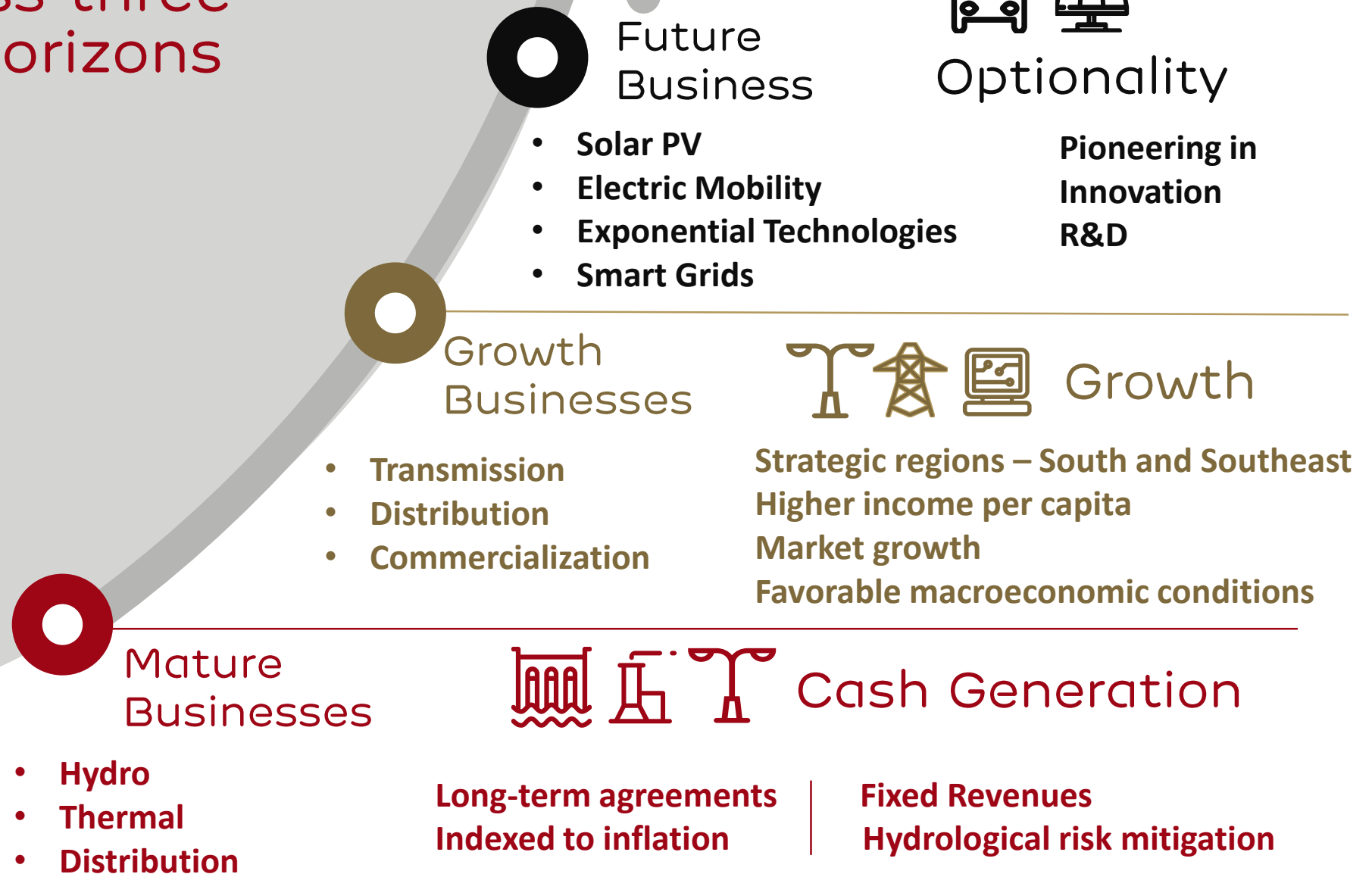
Market Cap
R\$ 3.0 bi


2005

Integrated value chain and diversified portfolio



Business portfolio and options across three investment horizons



Outstanding Execution along the entire Value Chain



Distribution

- Value added in the cycle
- Benchmark in asset management
- Benchmark in losses reduction



Transmission

- Economies of scope
- Distinctive management model
- Benchmark in execution



Generation

- Benchmark in operations
- Turnaround at Pecém
- Effective mitigation of the hydrological risk

Profitable contracted growth

Robust portfolio of growth options

Benchmark in efficiency and digital

Financial function as factor of value aggregation



Attractive return with controlled risk for the investor

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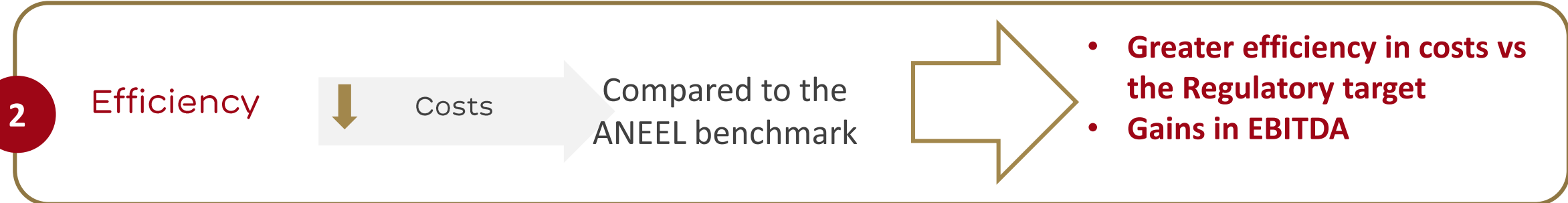
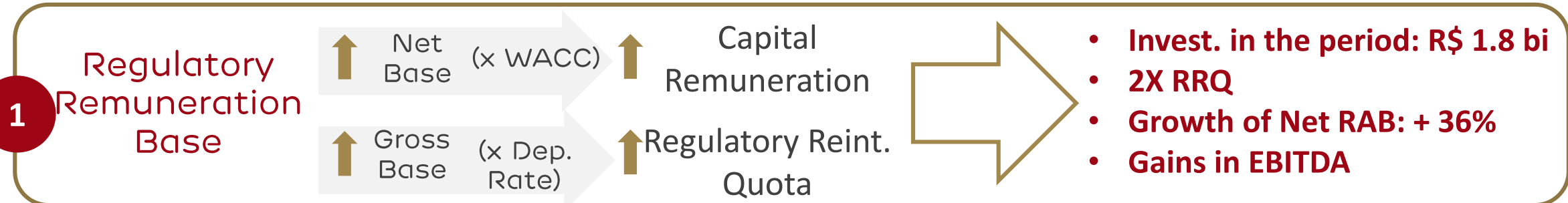
Financial function as factor of value aggregation



Attractive return with controlled risk for the investor

Value added in the tariff cycle

Improvement in all levers of value creation



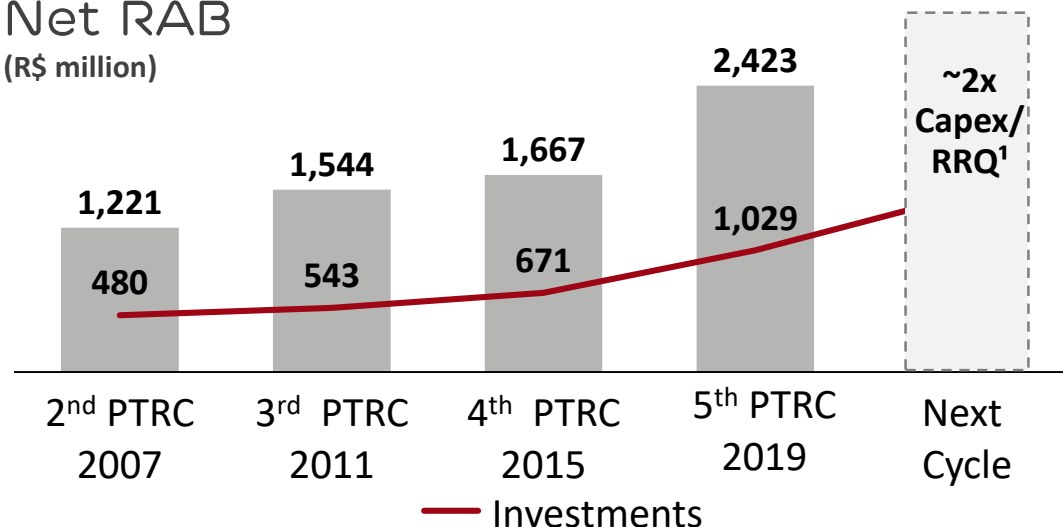
Growth of 30.7% in the Regulatory EBITDA (2015-2019)

Benchmark in asset management

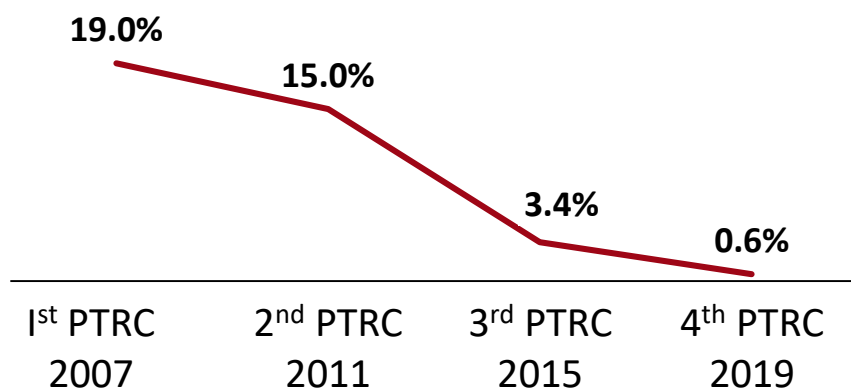
RAB growth and consistent reduction of regulatory haircut

EDP São Paulo

Net RAB
(R\$ million)

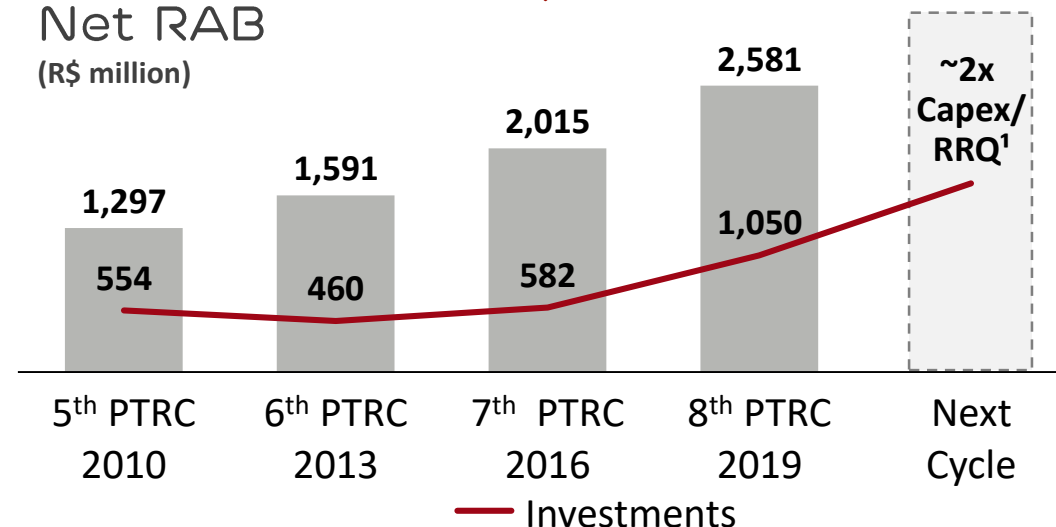


Evolution of regulatory haircut

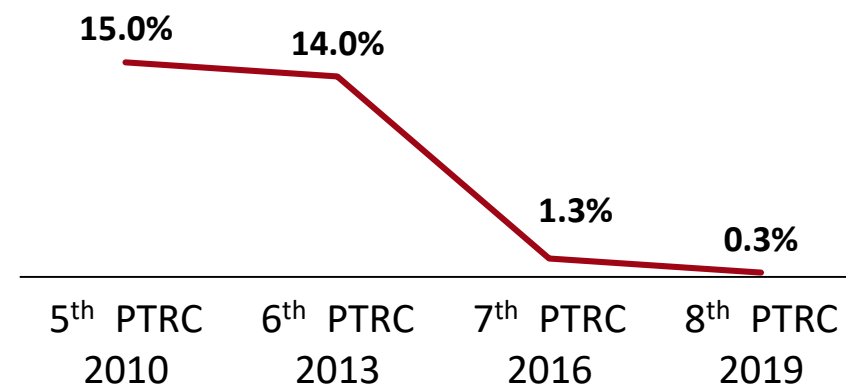


EDP Espírito Santo

Net RAB
(R\$ million)



Evolution of regulatory haircut

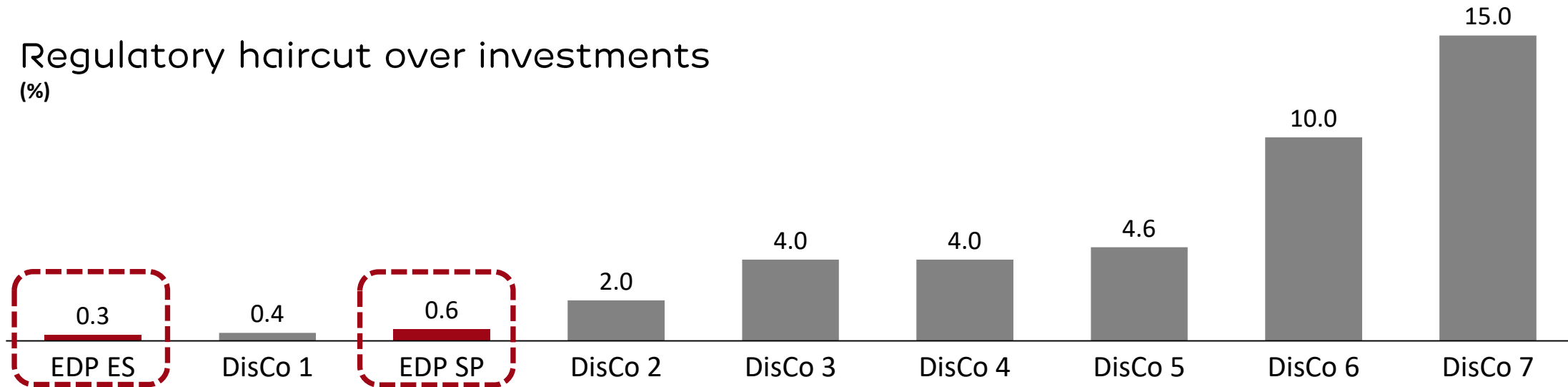


¹ Regulatory Reintegration Quota

Benchmark in asset management

Regulatory haircut benchmark in the last tariff cycle

Regulatory haircut over investments
(%)



Main initiatives



- Careful evaluation of investments concluded
- Consistency of technical, regulatory and accounting basis
- Previous inspection of Fixed Assets in Service (AIS)
- Training of business teams
- Harnessing of electrical assets

Outstanding Execution along the entire Value Chain



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- Benchmark in execution



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Profitable contracted growth

Robust portfolio of growth options

Benchmark in efficiency and digital

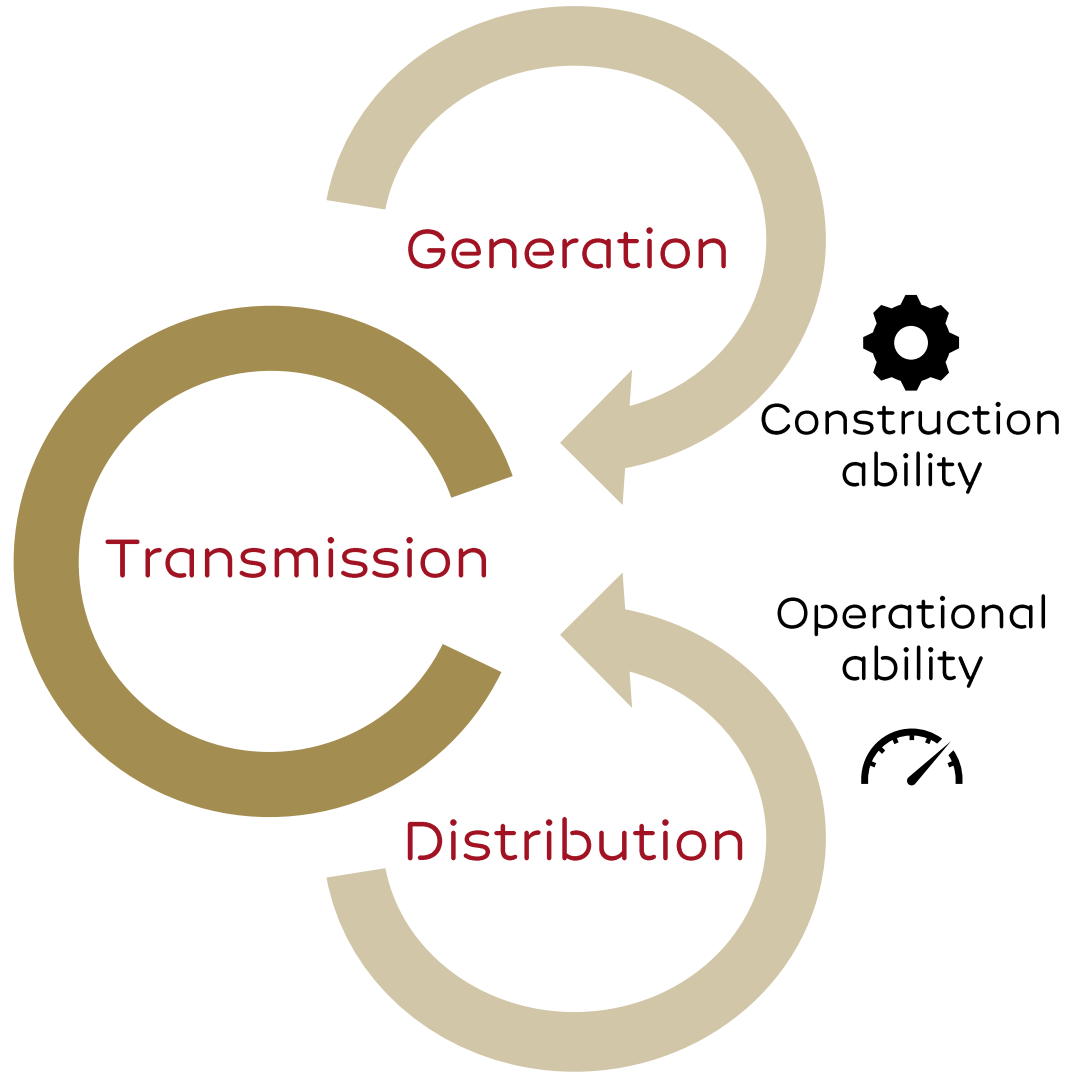
Financial function as factor of value aggregation



Attractive return with controlled risk for the investor

Economies of scope

Transmission portfolio



Lot 24



Espírito Santo ✓



113 Km and 1 substation



Operational start-up: Dec/18

Lot 11



Maranhão ✓



203 Km and 1 substation



Operational start-up: Aug/20

Lot 7



Maranhão



123 Km and 1 substation



Under construction (69%)

Lot 18



São Paulo - Minas Gerais



375 Km



Under construction (65%)

Lot 21



Santa Catarina*



484.5 Km and 1 substation



Under construction (73%)

Lot Q



Santa Catarina/Rio Grande do Sul



142 Km and 2 substations



Under construction (16%)

Outstanding Execution along the entire Value Chain



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Profitable contracted growth

Robust portfolio of growth options

Benchmark in efficiency and digital

Financial function as factor of value aggregation

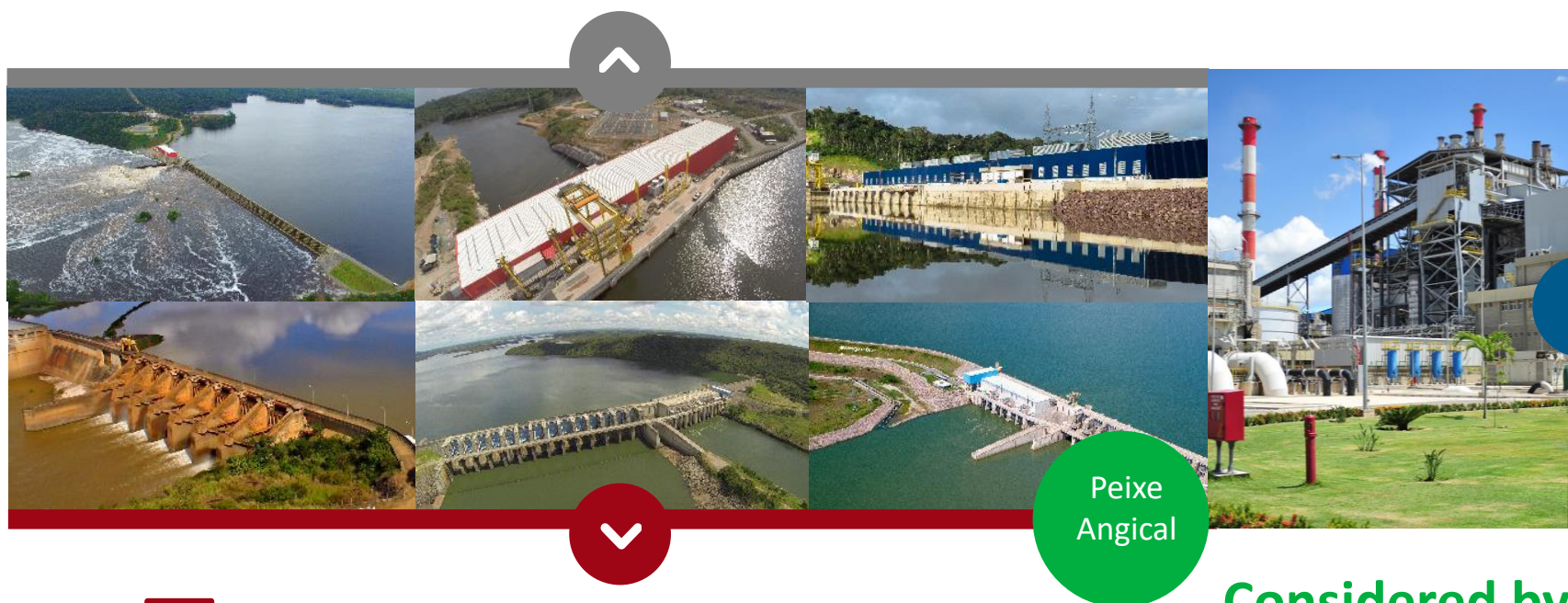


Attractive return with controlled risk for the investor

Benchmark in operation

Consistent results across all portfolio assets

3 projects delivered ahead of schedule



Turnaround
at Pecém



3 HPPs among the 15 best
in Brazil¹ (out of 144)

Considered by
ANEEL the best
plant in Brazil

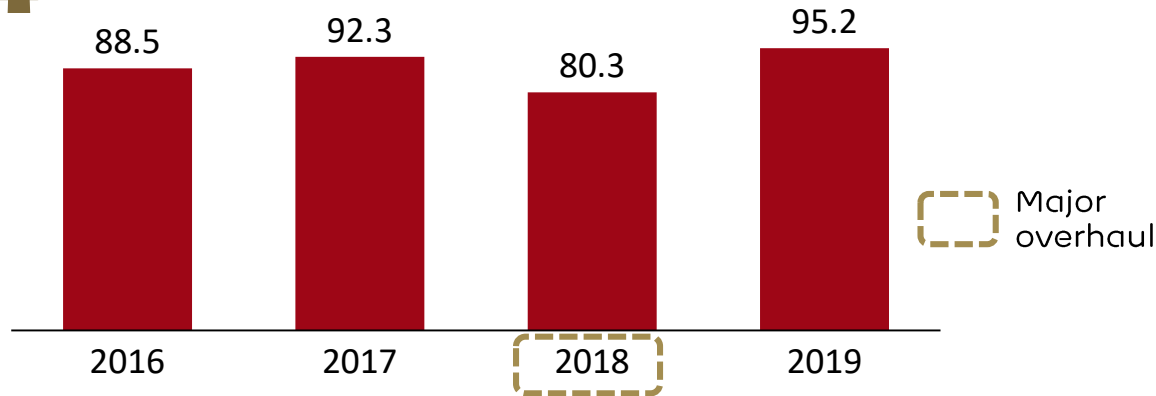


Turnaround at Pecém

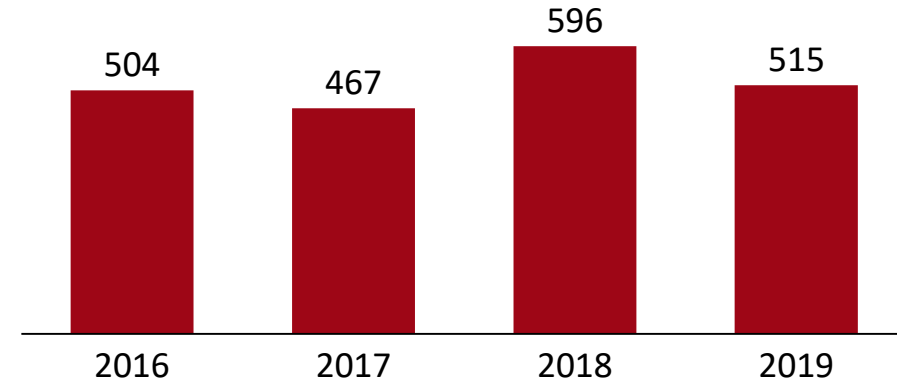
Operational efficiency and recurring results



Uptime (%)



EBITDA (R\$ million)



Main initiatives:



- FID revision from 90.14% to 83.75%
- Plant deleveraging allowing the anticipation of tax benefit
- Hydrological risk exposure management
- Failure rate reduction for benchmark levels



Recurring EBITDA of ~R\$ 500 million

Outstanding Execution along the entire Value Chain



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Generation

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Profitable contracted growth

Robust portfolio of growth options

Benchmark in efficiency and digital

Financial function as factor of value aggregation

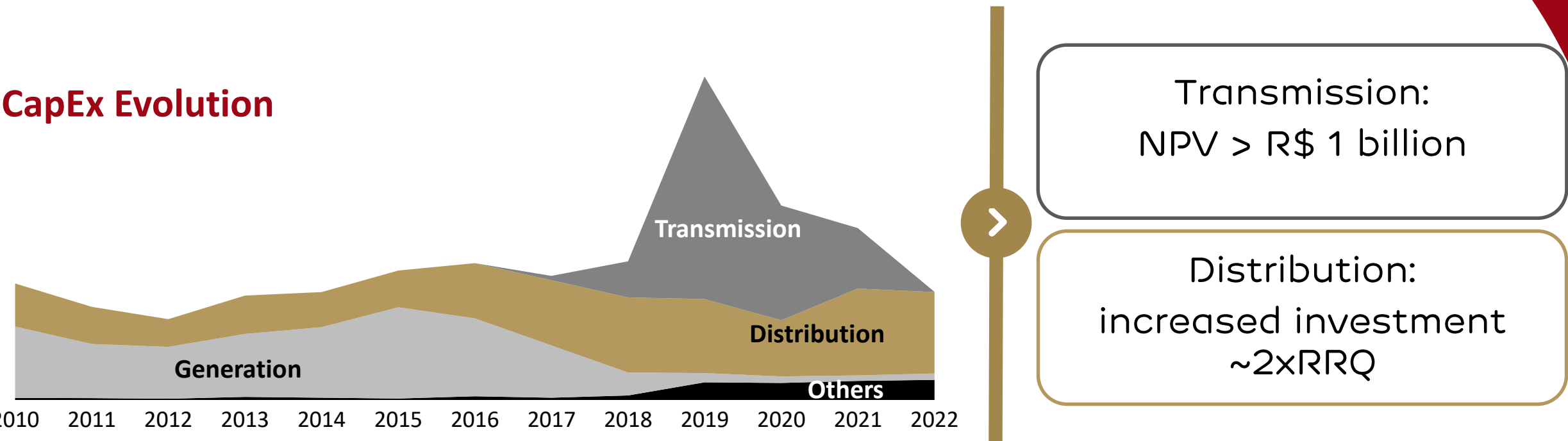


Attractive return with controlled risk for the investor

Profitable contracted growth

Capital allocation in Networks with distinctive returns

CapEx Evolution

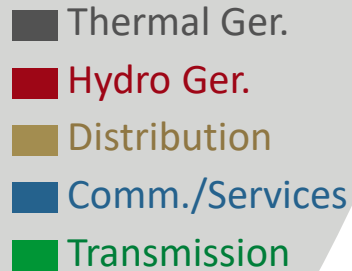
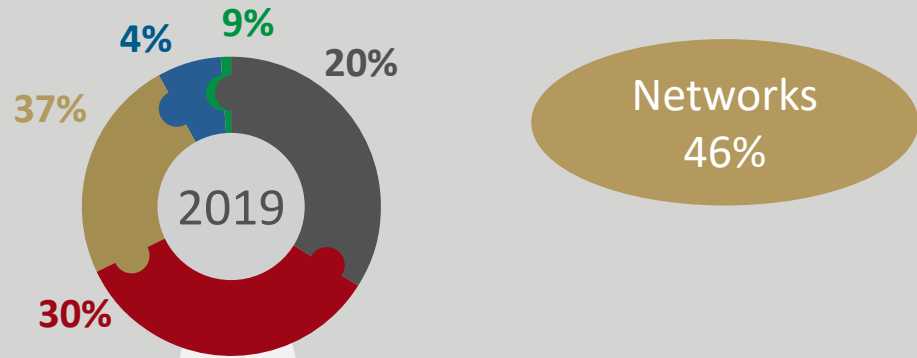


Growth strategy with value creation

¹ Source Bloomberg, Adjusted for Component A Offsetting Account – CVA and Book Value

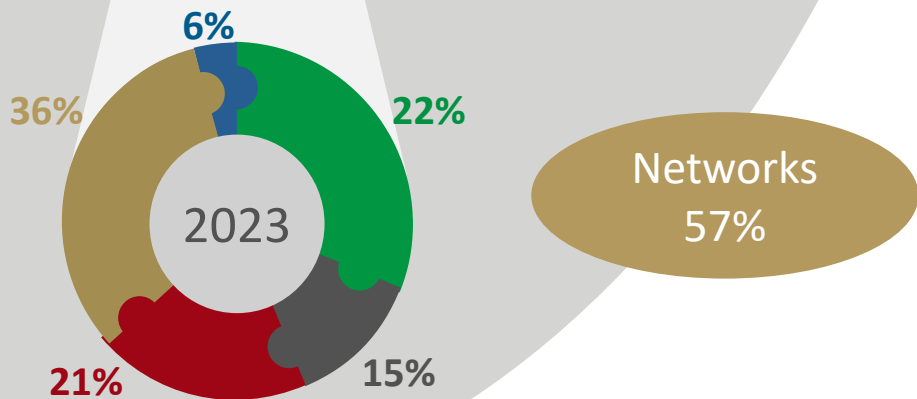
Profitable contracted growth

Network investment ensuring double-digit growth



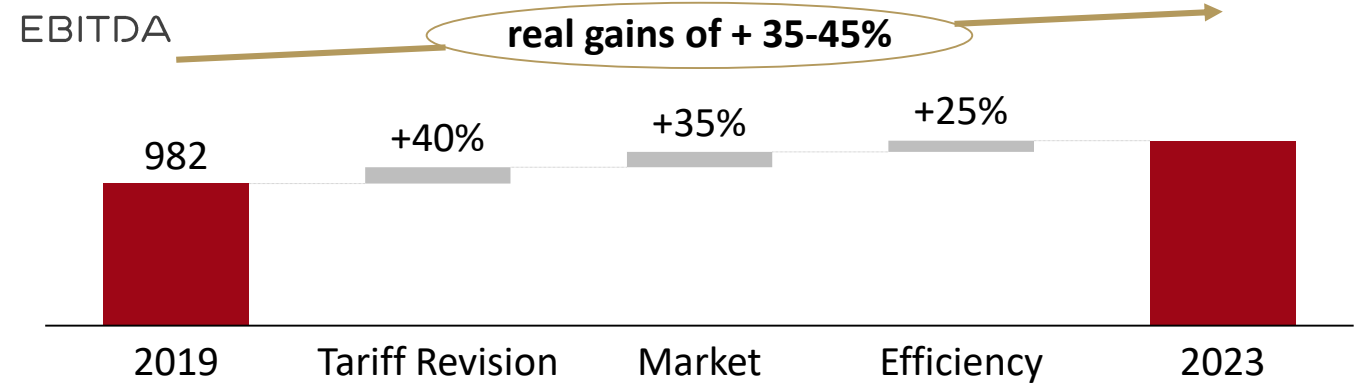
EBITDA

CAGR¹ 2019-23: $\approx 10-12\%$

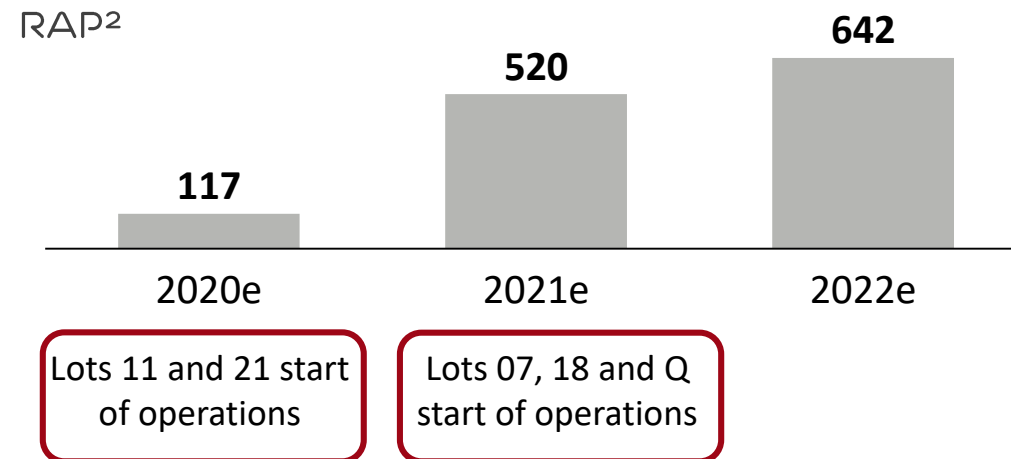


¹ Nominal CAGR / ² Real RAP 12/31/2019

Distribution



Transmission



Outstanding Execution along the entire Value Chain



Distribution

- Value added in the cycle
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- Benchmark in losses reduction



Transmission

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Profitable contracted growth

Robust portfolio of growth options

Benchmark in efficiency and digital

Financial function as factor of value aggregation



Attractive return with controlled risk for the investor

Robust portfolio of growth options

Inorganic growth options

Distribution

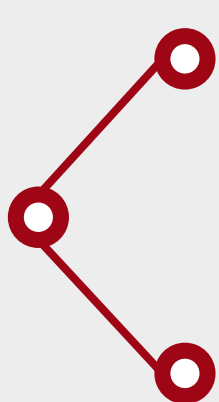


**Acquisition
of Assets**



- Quality of concessions
- Business environment
- Scale gains

Transmission



**Upcoming
Auctions**

**Secondary
Market**



- Environmental risk
- Property risk
- Business environment
- Technical complexity

Auction Dec/20
Estimated Capex of R\$ 7.4 billion¹

¹ Estimated amounts based on the Ten-Year Plan 2020 published by EPE

Robust portfolio of growth options

Energy efficiency: nationwide footprint

Business Models

TURN-KEY

BOT¹

PERFORMANCE

1.4 MWp **28 MWp** **+31 MWp**

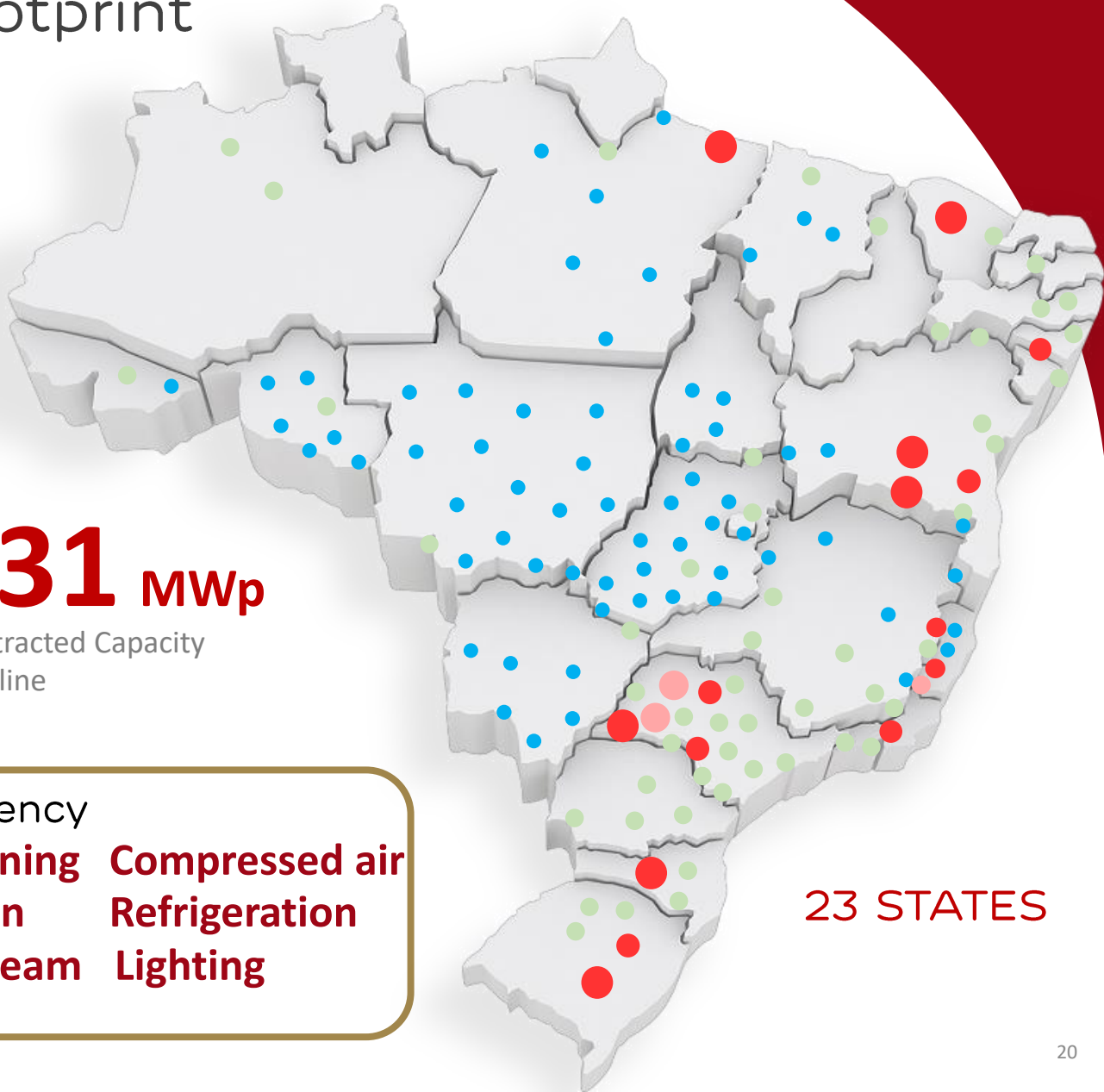
Installed Capacity
in 2018

Current Installed Capacity

Contracted Capacity
Pipeline

Air Conditioning **Compressed air**
Cogeneration **Refrigeration**
Industrial Steam **Lighting**

Energy Intelligence
Smart Monitoring
Automation and Control
Consumption Management
Analytics

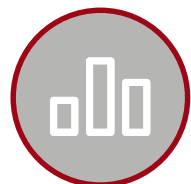


23 STATES

¹ Build, Operate, Transfer

Robust portfolio of growth options

E-mobility: pioneering positioning in Brazil



Mobility platforms and operations

- Digital mobility
- Shared mobility
- Delivery service
- Public transport operations



Infrastructure services

Infrastructure management
& integration services



Infrastructure/ Energy Supply

Public
B2C and B2B infrastructure
solutions



Brazil could potentially achieve 12TWh power
consumption by 2030¹
(equivalent to a market of R\$ 4.6 billion)



Robust portfolio of growth options

E-mobility: R\$ 50 million in R&D

✓ SP-RJ electric corridor

- **6 charging stations** between São Paulo and Rio de Janeiro, inaugurated in 2018



✓ Ultra fast charger network

Electrification of the São Paulo state

- Installation of **30 ultra fast charging stations** on the main highways of the state
- **Largest network of ultrafast chargers** for electric vehicles in South America

✗ E-lounges – Airports

- **Installation of 2 e-Lounges** with recharge infrastructure for shared mobility operators

✗ Electric Bus Fleet

- Implementation of a **project with 1 electric bus** in operation with Águia Branca for intercity and charter routes

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Profitable contracted growth

Robust portfolio of growth options

Benchmark in efficiency and digital

Financial function as factor of value aggregation

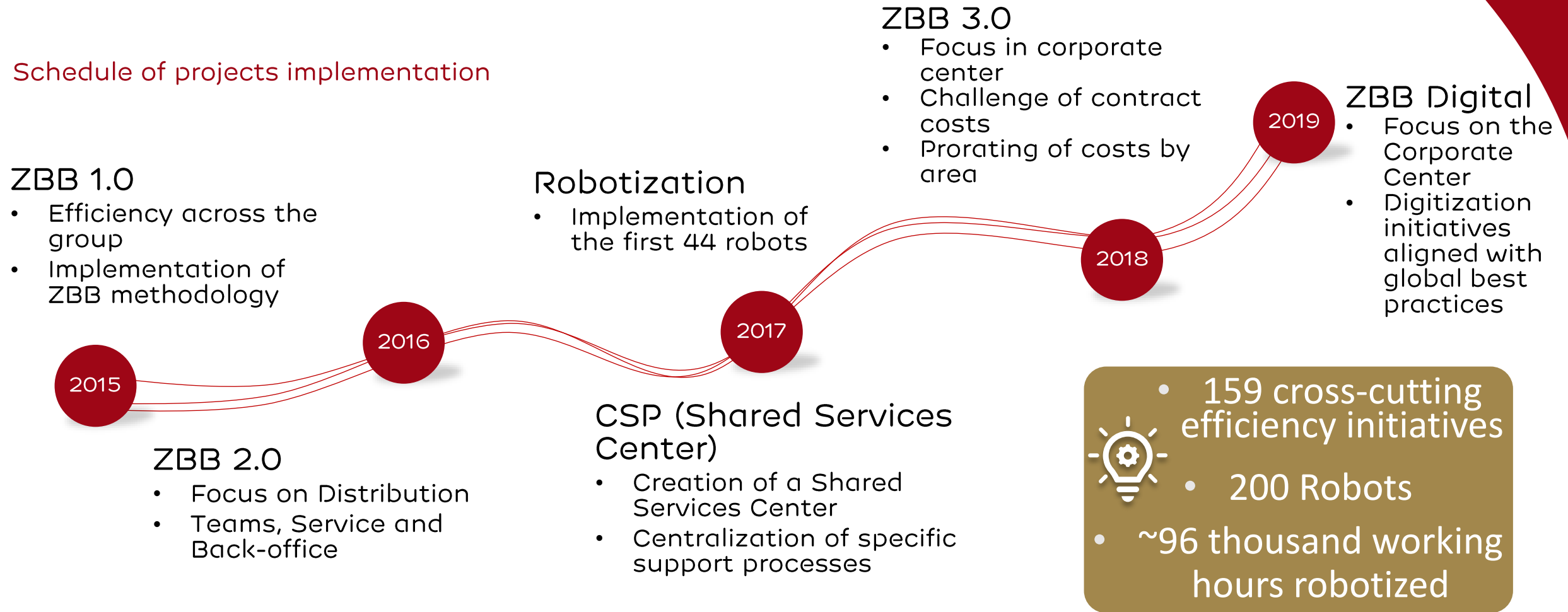


Attractive return with controlled risk for the investor

Benchmark in efficiency and digital

Four ZBB cycles since 2015

Schedule of projects implementation

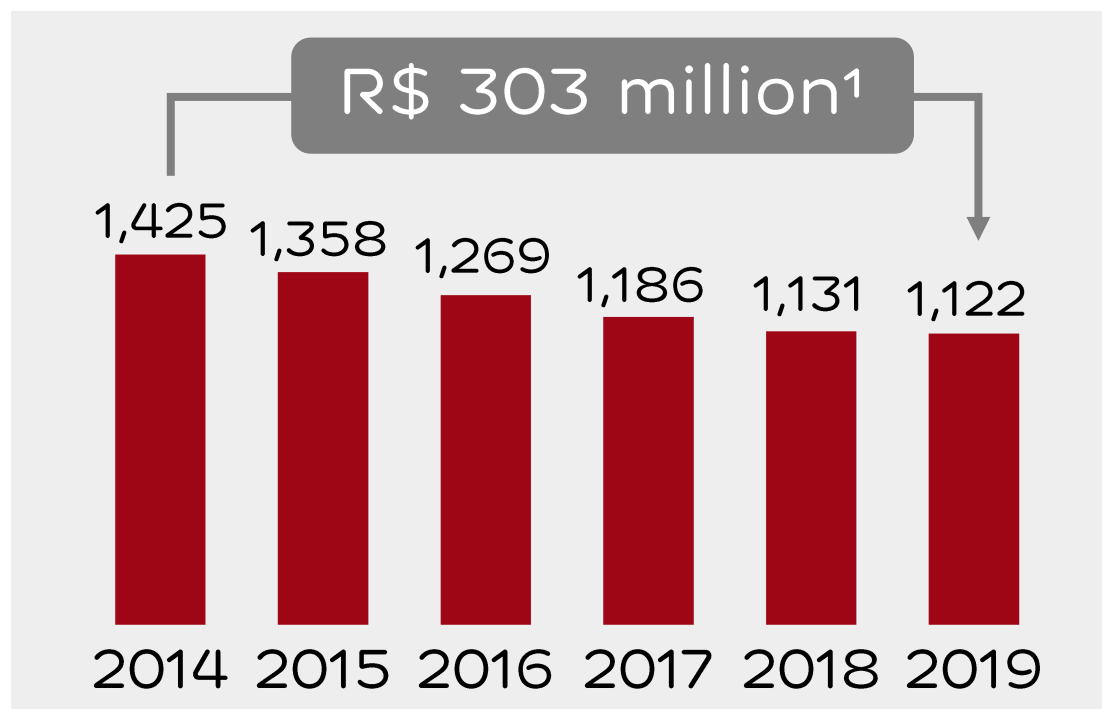


New efficiency cycle anchored in digitalization (Digital ZBB)

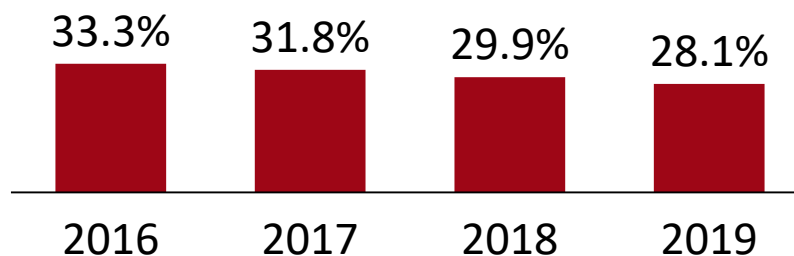
Benchmark in efficiency and digital

Movement that allowed relevant and transversal gains

Main benefits
achieved
(PMTO R\$ million)



PMTO²/Gross Margin
Consolidated



Growth for
2014-2019
period below
accumulated
inflation,
with a gain
of 21.3%

¹ Gains in efficiency 2019 vs 2014 vis a vis growth in inflation for the period. Disregarding Ipueiras, Cachoeira, APS and Pantanal. Regarding Pecém 100% (Pro-forma)

² OPEX disregards VNR report from the tariff revision processes

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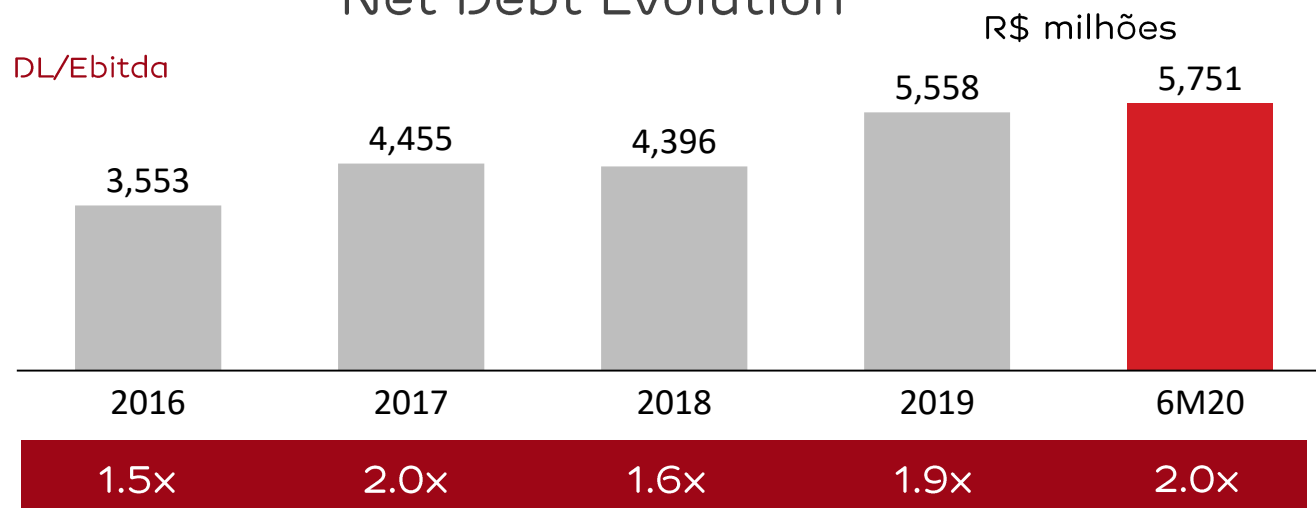


Attractive return with controlled risk for the investor

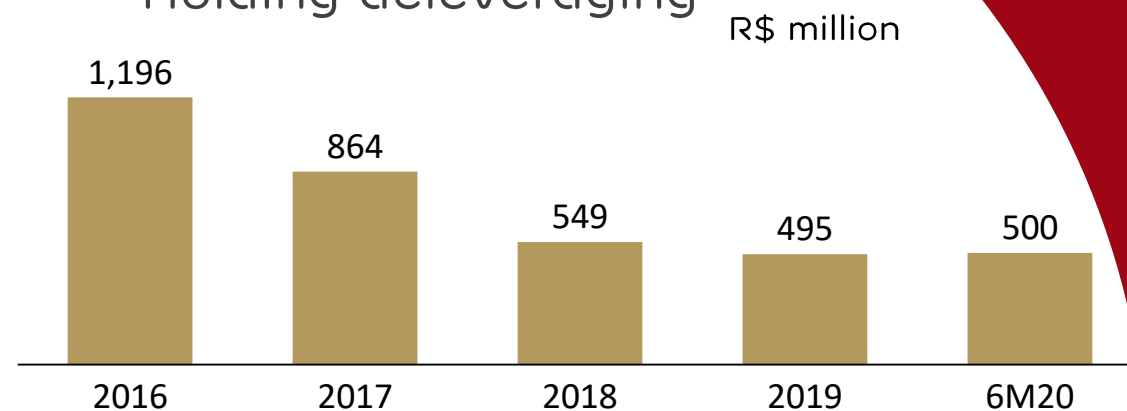
Financial function as factor of value aggregation

Capital structure efficiency optimizing the result

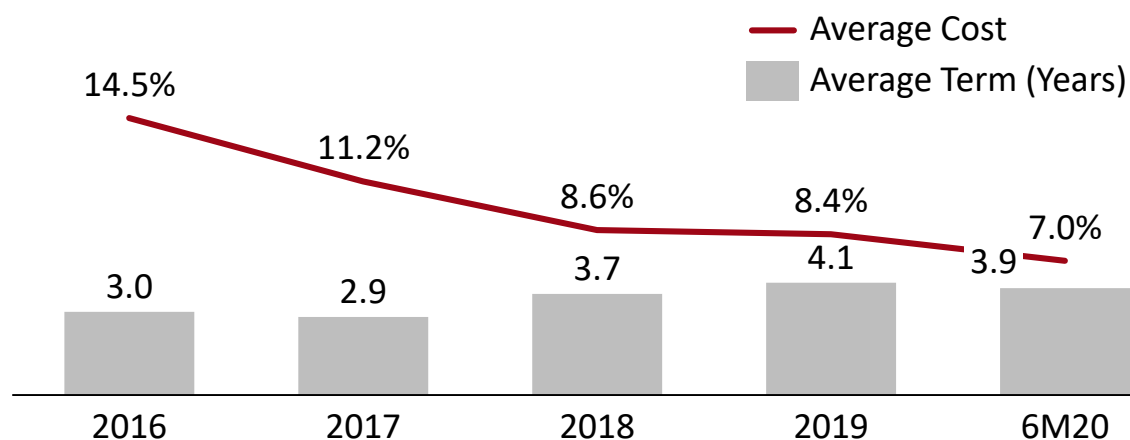
Net Debt Evolution



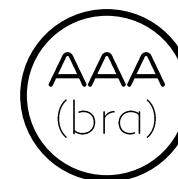
Holding deleveraging



Indicators Evolution



Fitch Begins Rating Coverage for EDP BR
Stable Outlook



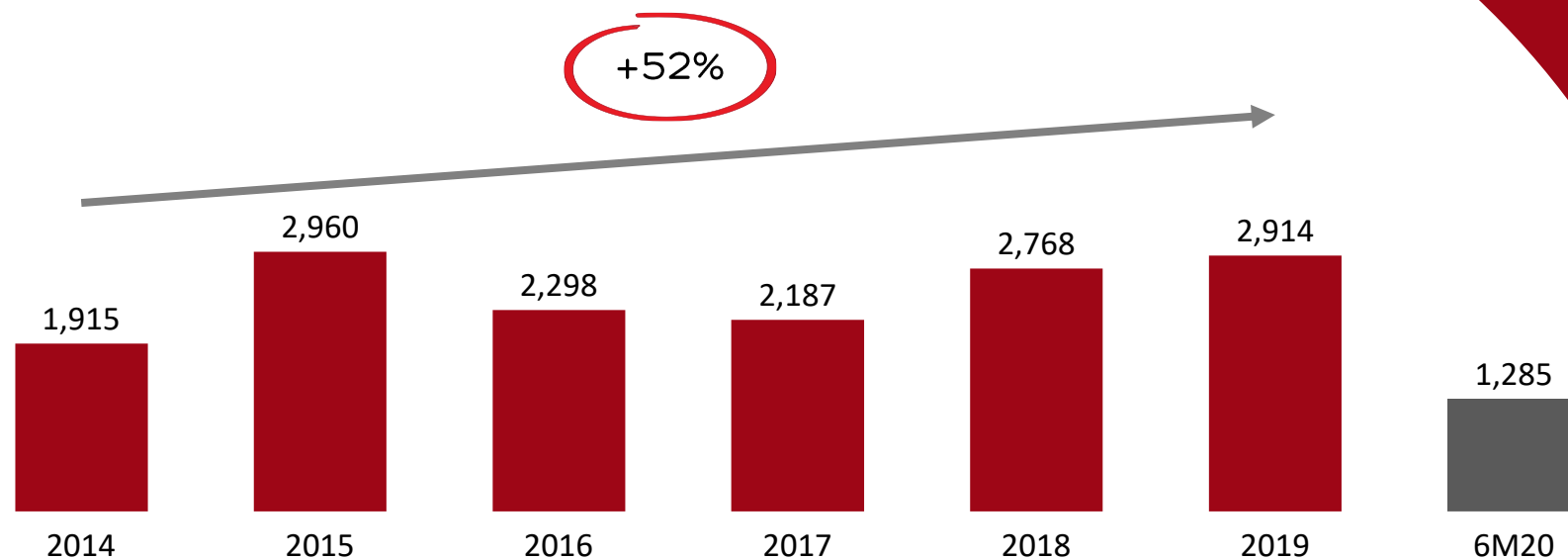
- 75% of issues¹ without guarantees in Distribution and Generation
- Prepayment² of high cost debts, including IDB in Pecém

¹ Debt issuances via capital markets; ² Pre-payment of APS' debt with BNDES

Ebitda e Net Earnings

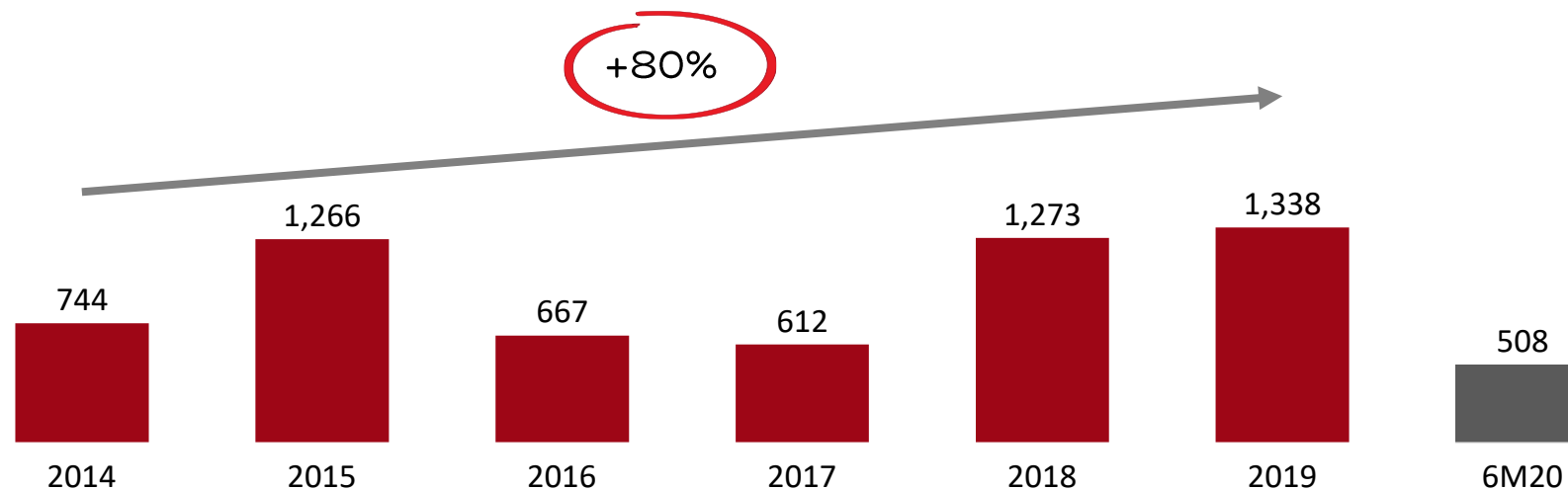
EBITDA

R\$ million



Net Earnings

R\$ million



Dividends

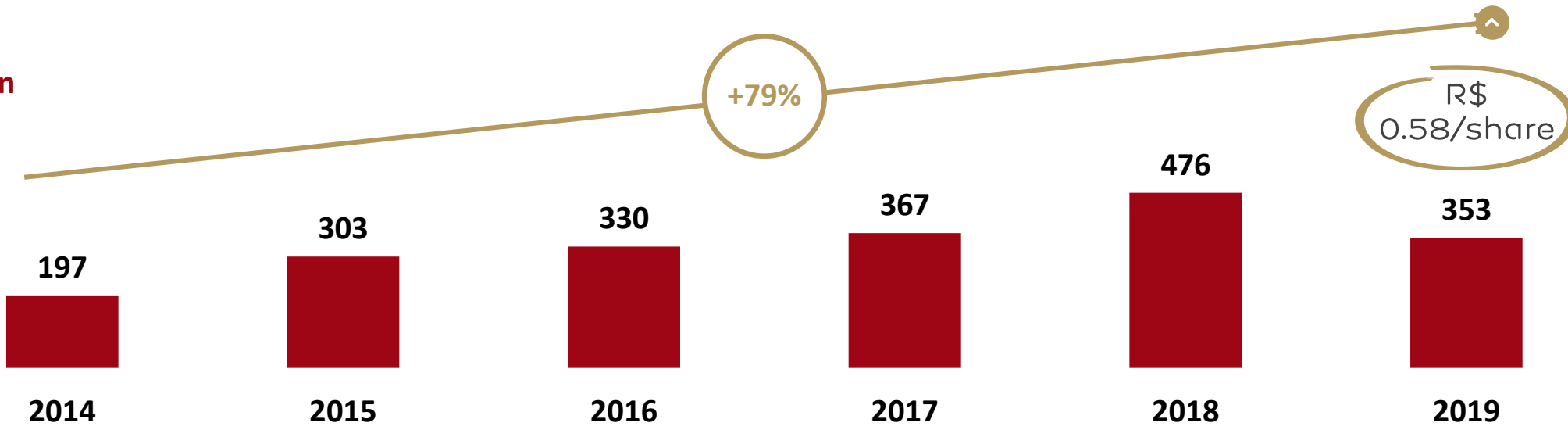
Dividend Policy

Payment of IOE¹ + dividends

Management Commitment:
Minimum payment of 50% of adjusted net income²

Dividend Distribution

R\$ million



Dividend Yield:

4.6%

5.3%

4.0%

4.4%

5.3%

2.6%

Closing Price³ (R\$):

8.97

12.04

13.40

14.00

14.75

22.10

Dividends Policy adjusted to clarify the value creation to shareholder

1

Capital discipline

Investment Strategy

- Disciplined investing: mín. **1.4x IRR/WACC**;
- GRID Growth;
- Investments in solar energy;
- Energy transition leadership.

Business CAPEX

- Reinforce CAPEX in distribution companies. Remuneration Base at **1.5x-2.0x the Reintegration Quota**;
- Active bidding in Transmission Auctions.

Cash Flow Profile

- Strong **low-volatility** cash generation profile, anchored in **regulated markets** and **long-term contracts**.

2

Return to shareholders



Minimum Dividend of R\$ 1.00 per share after 2020 with Payout target greater than 50% of Adjusted Net Income¹



Payment of additional dividends or share repurchase with non-invested cash flow generated;

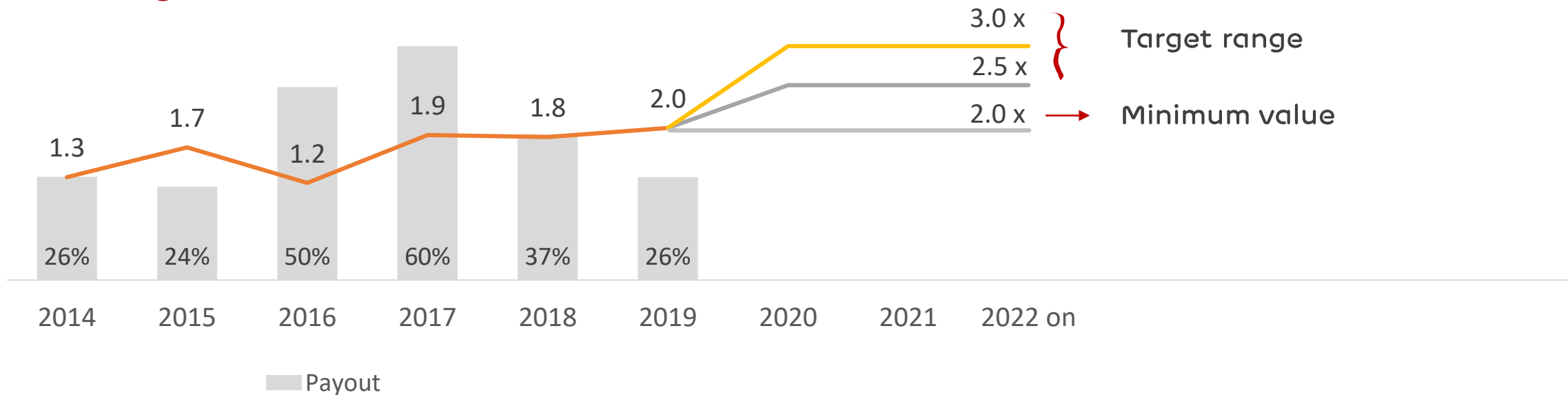


Leverage - ND/Adjusted EBITDA²
TARGET: 2.5x to 3.0x and
Minimum: 2.0x.

*

...ensuring leverage within stable and sustainable value...

Leverage (ND/EBITDA Ratio)



Increasead leverage creates shareholder value

... added by a Buyback program

Purpose

Maximize shareholder value generation, given the high levels of profitability obtained with the current share price range

Execution Period

Eighteen (18) months from August 28, 2020.

Maximum number of shares to be repurchased

24,863,880 shares

New Dividends Policy



R\$ 1.00 per share guaranteed



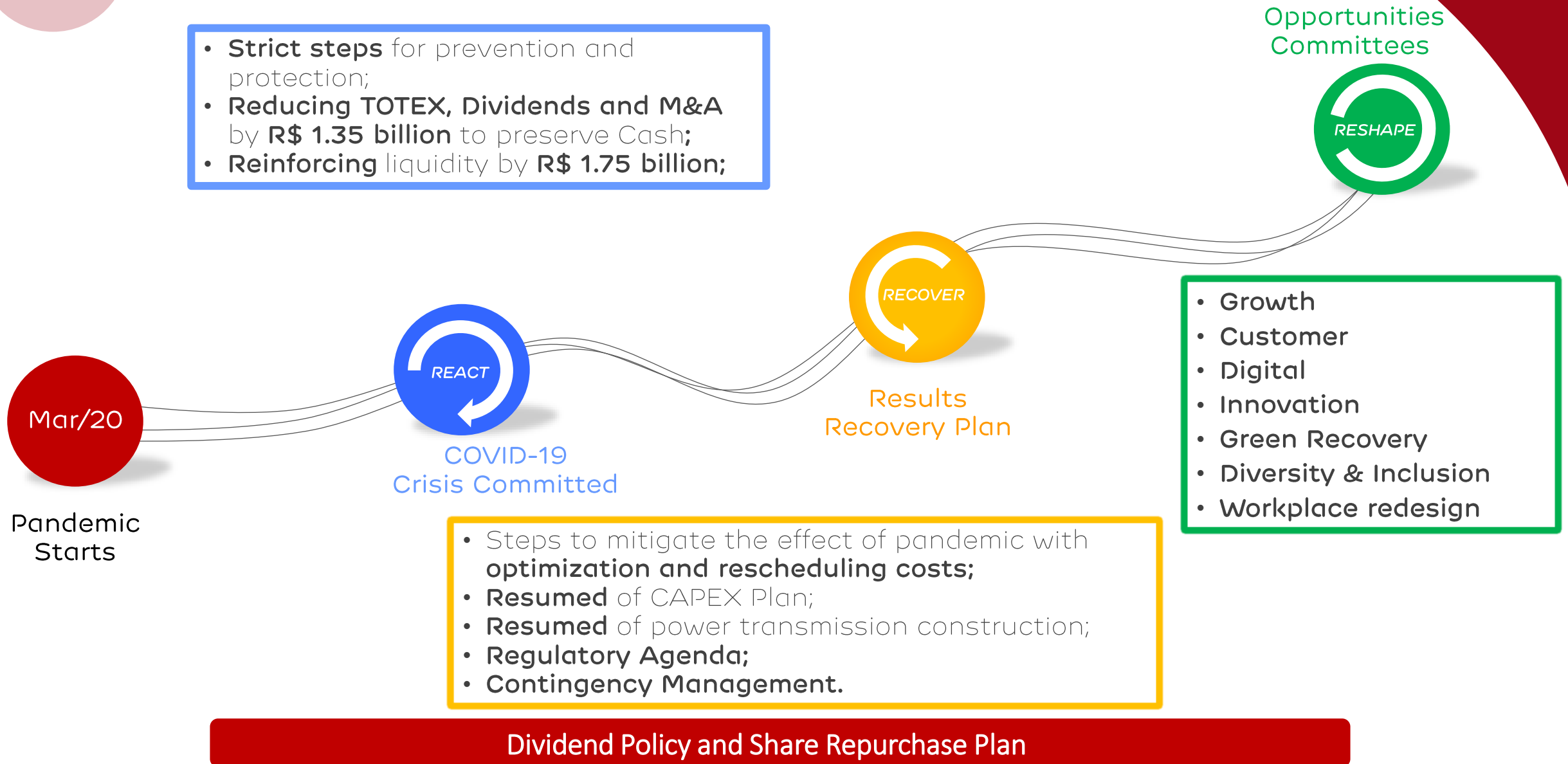
Improved EPS



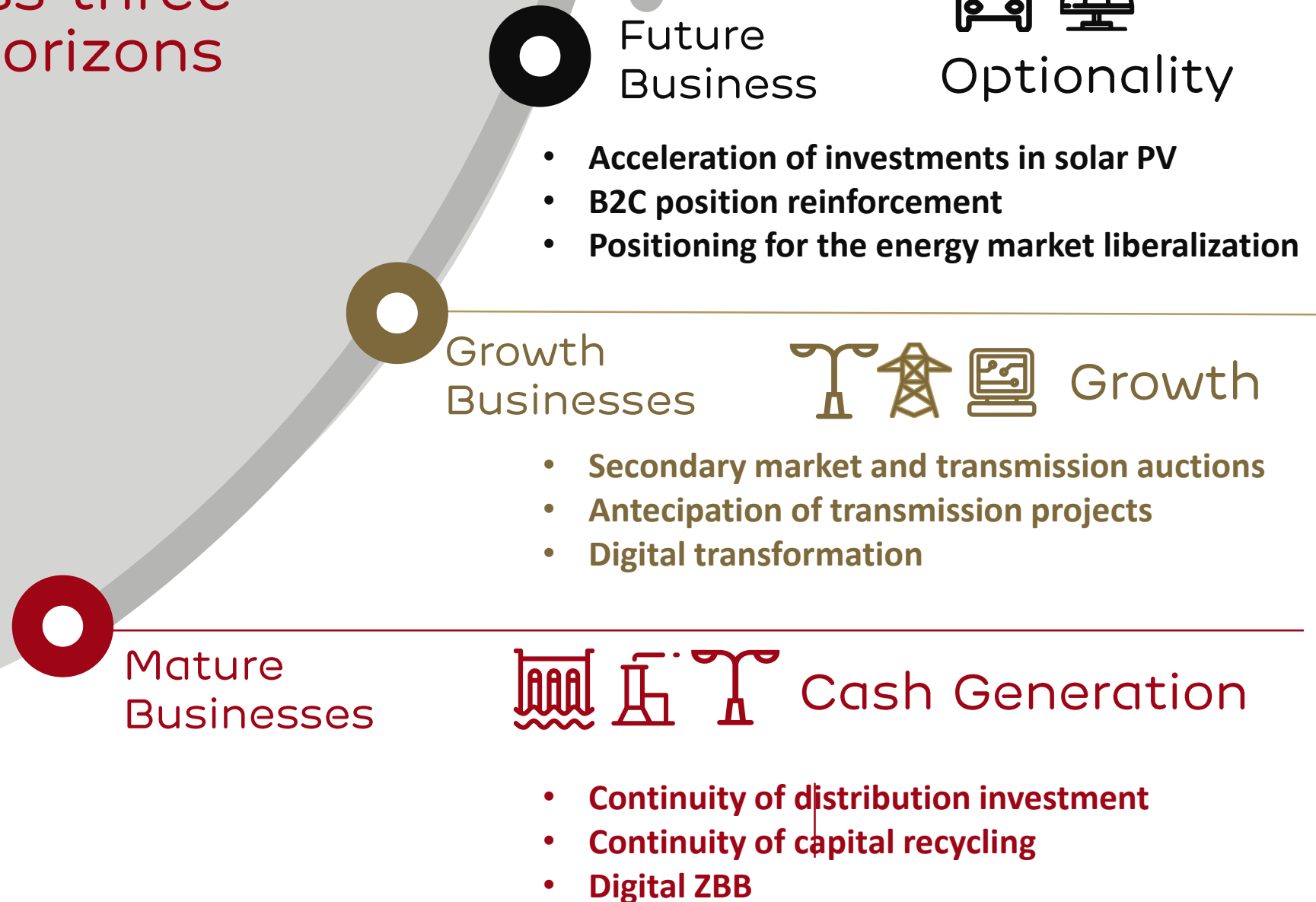
Repurchase of up to 8.5% of free float

Share Repurchase Program

Given the Pandemic situation, EDP defined 3 restructuring phases React, Recover e Reshape



Business portfolio and options across three investment horizons





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