



## Investors & Analysts' Briefing

Reuters: EDP.LS  
Bloomberg: EDP PL

# EDP AND ENGIE JOIN FORCES TO CREATE A LEADING GLOBAL OFFSHORE WIND PLAYER

**Lisbon, May 21<sup>st</sup>, 2019:** António Mexia, EDP – Energias de Portugal, S.A. (“EDP”) CEO and Chairman of EDP Renováveis, S.A. (“EDPR”), and Isabelle Kocher, ENGIE CEO, announce today the signing of a strategic Memorandum of Understanding (MoU), to create a co-controlled 50/50 joint-venture (JV) in fixed and floating offshore wind. The new entity will be the exclusive vehicle of investment of EDP, through its 82.6% owned subsidiary, EDPR, and ENGIE for offshore wind opportunities worldwide and will become a global top-5 player in the field, bringing together the industrial expertise and development capacity of both companies.

Under the terms of the MoU, EDP and ENGIE, will combine their offshore wind assets and project pipeline in the newly-created JV, starting with a total of 1.5 GW<sup>1</sup> under construction and 4.0 GW<sup>2</sup> under development, with the target of reaching 5 to 7 GW<sup>3</sup> of projects in operation or construction and 5 to 10 GW<sup>3</sup> under advanced development by 2025.

For EDP and ENGIE, offshore wind energy is becoming an essential part of the global energy transition, leading to the market’s rapid growth and increased competitiveness. The companies believe that creating an entity with greater scale and a fully dedicated team, with global business development reach and strong power purchase agreement origination capabilities, will allow them to grow their asset base more rapidly and to operate more efficiently assuring a stable partnership.

The JV will primarily target markets in Europe, the United States and selected geographies in Asia, where most of the growth is expected to come from. The JV’s ambition is to be self-financed and the projects that will be developed will respect the investment criteria of both companies.

This ambitious alliance follows EDPR and ENGIE’s successful six-year cooperation as consortium partners in the Dieppe Le Tréport and Yeu Noirmoutier fixed offshore wind projects in France and Moray East and Moray West in the United Kingdom. EDPR and ENGIE are also partners in 2 floating offshore wind projects in France and Portugal and in the Dunkerque offshore wind tender currently ongoing in France.

### Investor Relations Department

Miguel Viana, Head of IR  
Sónia Pimpão  
Carolina Teixeira  
Andreia Severiano  
Pedro Gonçalves Santos

phone +351 21 001 2834  
fax +351 21 001 2899  
ir@edp.com

<sup>1</sup> Corresponding to 100% of projects capacity: Moray East (950 MW), Wind Float Atlantic (25 MW), SeaMade (487 MW)

<sup>2</sup> Corresponding to 100% of projects capacity: Moray West (800-950 MW), Tréport & Noirmoutier (992 MW), Leucate (24 MW), Mayflower (1,500 MW), B&C Wind (400 MW), California (100-150 MW)

<sup>3</sup> Corresponding to 100% of project capacity

Isabelle Kocher, ENGIE CEO, said: *“We are delighted to announce this strategic alliance in offshore wind with EDP that we have been partnering with since 2013. The offshore wind sector is set to grow very significantly by 2030. The creation of this JV will enable us to seize market opportunities while increasing our competitiveness on one of our key growth drivers, renewables. This agreement is also fully aligned with ENGIE’s zero-carbon transition strategy.”*

António Mexia, EDP CEO said: *“This agreement for wind offshore represents an important step in EDP’s renewables strategy. We are fully committed with the energy transition and a more sustainable future, as per the ambitious goals communicated in our strategic update. We are confident that this partnership will reinforce our distinctive position in renewables allowing us to accelerate our path in offshore wind, one of the key growth markets in the next decade.”*

The execution of the project is subject to the respective social, corporate, legal, regulatory and contractual approval processes. The JV is expected to be operational by the end of 2019.

For further information please consider the presentation attached.

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.**

London, May 21<sup>st</sup> 2019

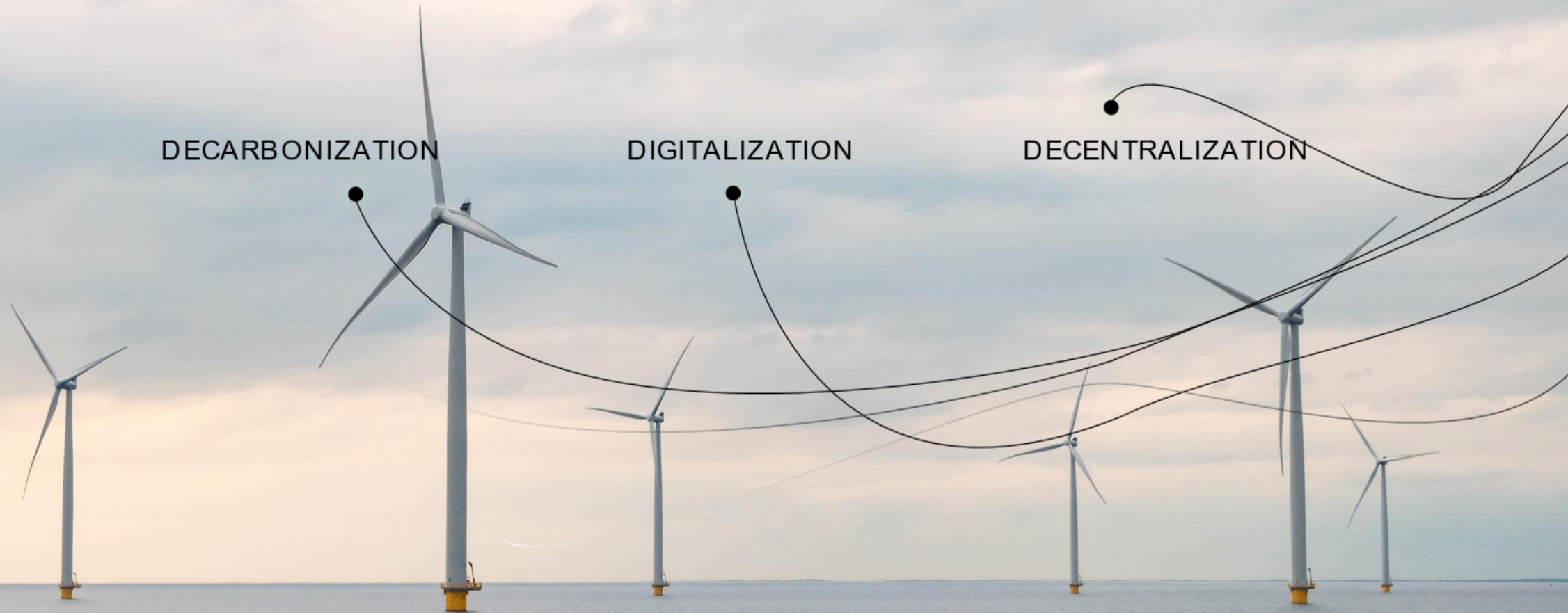


António Mexia  
EDP CEO

Isabelle Kocher  
ENGIE CEO

EDP and ENGIE share a common vision that renewables, in particular offshore wind, will play a key role in the global energy transition

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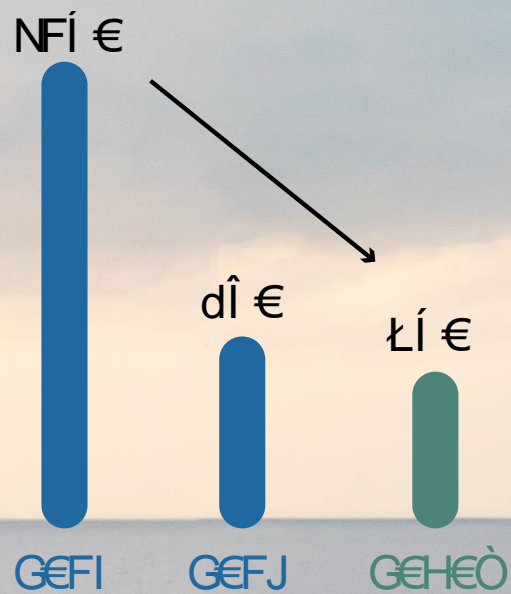
- ✓ Strong collaboration track-record since 2013 in offshore wind
- ✓ Offshore market potential significantly overlaps with companies' footprints



# Offshore wind is a young yet mature technology with significant potential to be captured in coming years

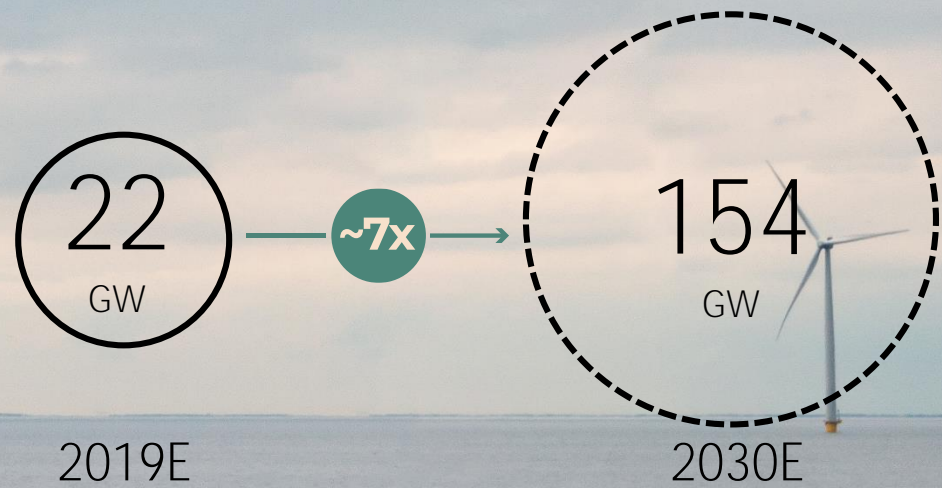
An increasingly mature and competitive technology...

LCOE Europe core offshore markets average (€/MWh)<sup>1</sup>



...significantly boosting projected growth with ~132 GW of new additions until 2030

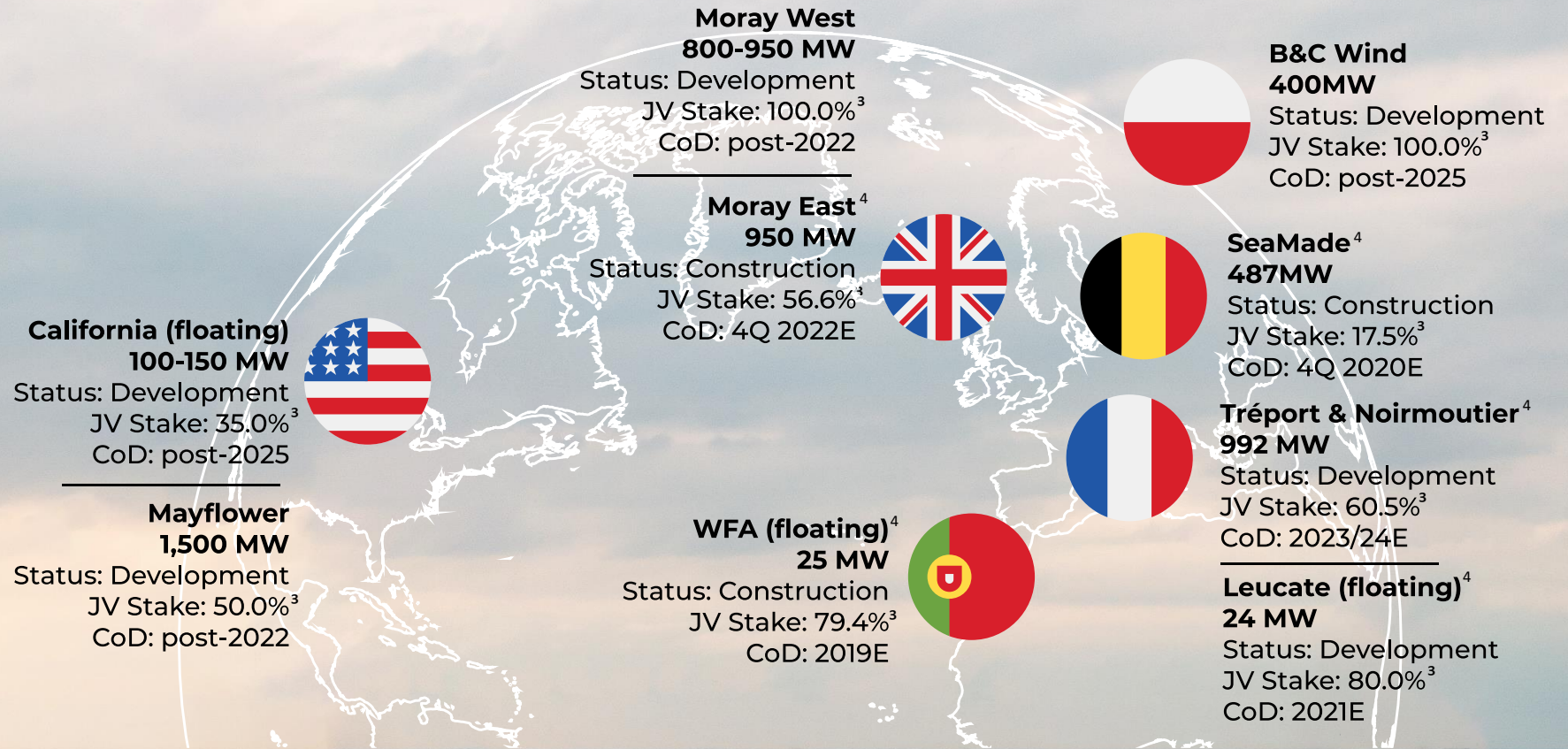
Offshore global installed capacity (GW)<sup>1</sup>



(1) Source: BloombergNEF



# The Parties benefit from a unique starting point and are well positioned to play a leading role in the offshore market



- ✓ Top-5 Offshore Player<sup>1</sup>
- ✓ 6 secured markets
- ✓ At least 5 new potential geographies identified

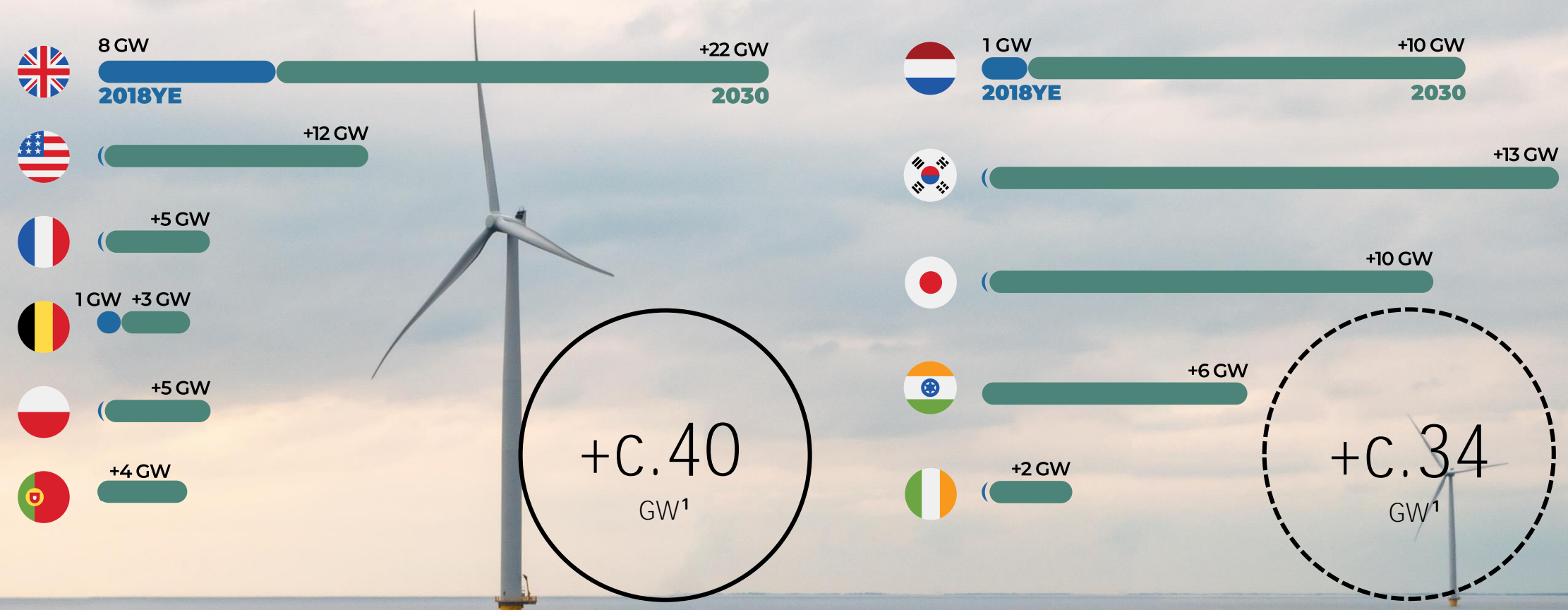
(1) Source: Market intelligence, includes awarded projects | (2) Considering 100% of projects | (3) Estimate at inception of the JV, after the different approvals will have been received

(4) Projects with tariffs/PPAs already awarded



# EDP and ENGIE's current markets show strong potential for offshore and there are also other promising markets already identified

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c.40GW of new offshore capacity to be deployed until 2030 in **current markets** where ENGIE or EDP are already present...

...with significant upside potential to be captured in **new markets** where the Parties intend to develop their presence

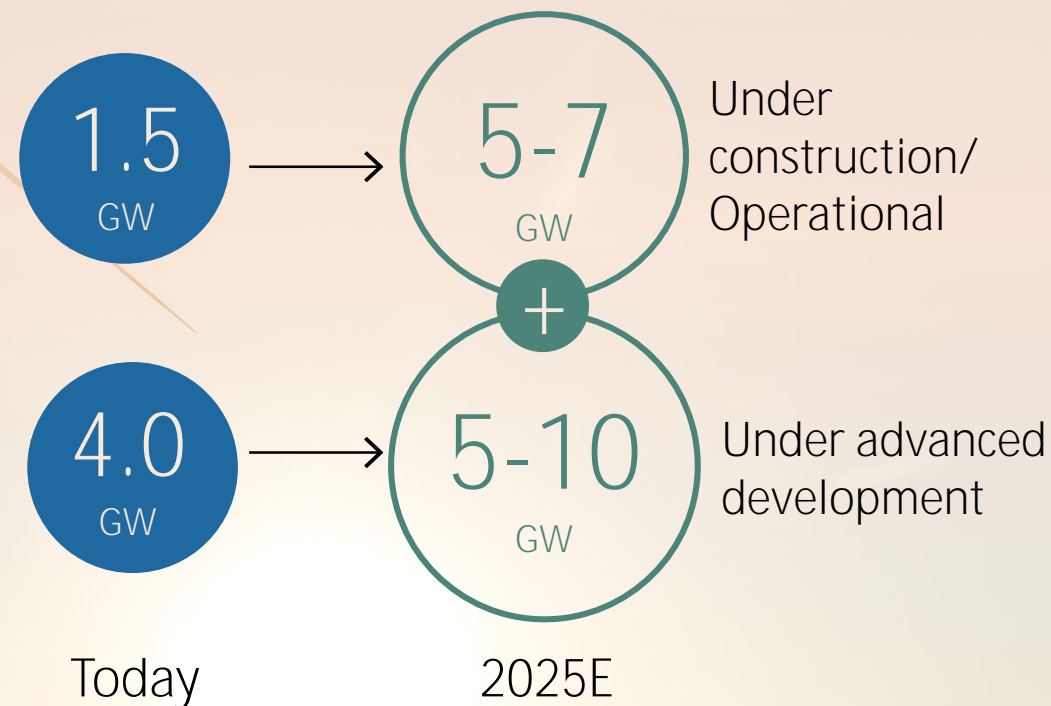
(1) Source: BloombergNEF and WindEurope

# The JV will have a clear investment framework and ambitious growth targets

50:50 exclusive JV with joint-control and selective investment criteria...

...supporting very ambitious growth targets (gross GWs<sup>1</sup>)

- Sound market fundamentals
- Stable regulatory frameworks
- Contracted NPV (i.e. cash-flows visibility)
- Compliance with target risk return profile
- Maximize projects self-financing



(1) Estimate at inception of the JV, after the different approvals will have been received



# Together, the Parties combine their complementary competences to enhance a leadership position in the offshore wind market

Combination of the right set of skills in renewables and a successful track record...

...and a 50:50 control structure with the right governance

- Energy management and offtake
- Project management
- Business development
- Energy and risk assessment
- Procurement

- CEO, COO and Chairman: 3-year mandates
- Initial CEO proposed by EDPR and COO & Chairman by ENGIE
- At the end of the mandate, ENGIE will propose new CEO and EDPR will propose new COO and Chairman



Dedicated team and joint-operations expected to be fully implemented by the end of 2019<sup>1</sup>

## *Key success factors*










- ✓ Large scale of operations
- ✓ Global reach and agility of business development teams
- ✓ PPA origination capabilities and energy management

(1) After the different approvals will have been received



Creating a global offshore leader

# Initial assets and projects to be contributed by the Parties to the Joint-Venture

PROJECT NAME	TYPE	CAPACITY	COUNTRY	EDPR	ENGIE	STATUS
Moray East <sup>1</sup>	Offshore-Fixed	950 MW		33.3%	23.3%	U/Construction
Moray West	Offshore-Fixed	800-950 MW		67.0%	33.0%	U/Development
Tréport & Noirmoutier <sup>1</sup>	Offshore-Fixed	992 MW		29.5%	31.0%	U/Development
Wind Float Atlantic <sup>1</sup>	Offshore-Floating	25 MW		54.4%	25.0%	U/Construction
Leucate <sup>1</sup>	Offshore-Floating	24 MW		35.0%	45.0%	U/Development
SeaMade <sup>1</sup>	Offshore-Fixed	487 MW		-	17.5%	U/Construction
Mayflower	Offshore-Fixed	1.500 MW		50.0%	-	U/Development
B&C Wind	Offshore-Fixed	400 MW		100.0%	-	U/Development
California	Offshore-Floating	100-150 MW		35.0%	-	U/Development
Total ownership with tariffs/PPAs (net MW)				631 MW	631 MW	1262 MW
Total ownership (net MW)				2352-2470 MW	895-945 MW	3247 - 3397 MW

(1) Projects with tariffs/PPAs already awarded



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