



## Investors & Analysts` Briefing

Reuters: EDPR.LS  
Bloomberg: EDPR PL

### **EDPR announces a MoU with ENGIE, to create a 50:50 joint-venture for offshore wind**

**Madrid, May 21<sup>st</sup> 2019:** EDP Renováveis, S.A. ("EDPR") announces 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 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, EDPR 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 EDPR 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 five-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

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<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



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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.

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.

**EDP Renováveis, S.A.**

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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

DECARBONIZATION

DIGITALIZATION

DECENTRALIZATION



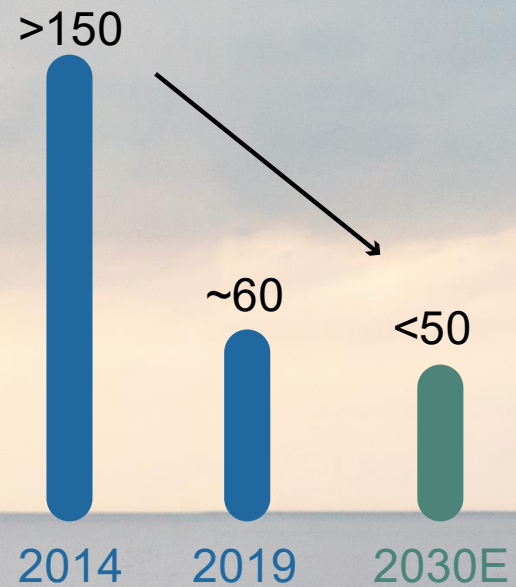
- ✓ Strong collaboration track-record since 2013 in offshore wind
- ✓ Offshore market potential significantly overlaps with companies' footprints



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

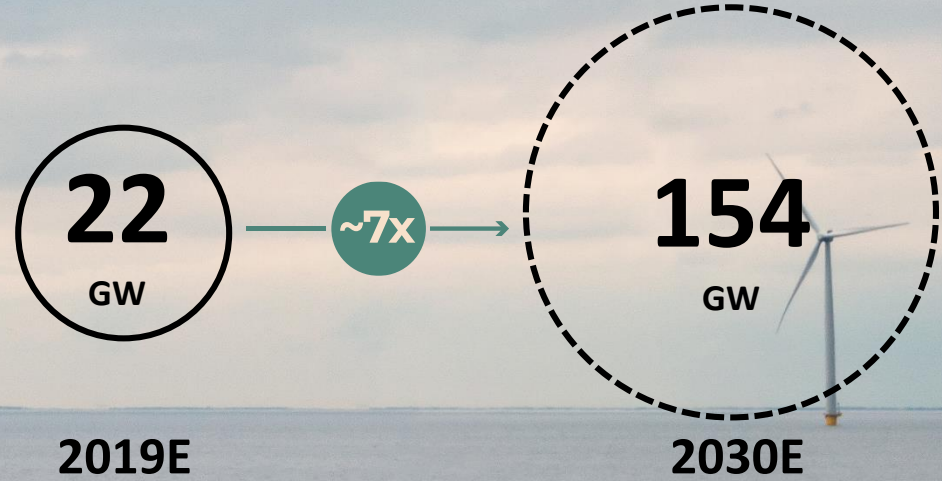
An increasingly mature and competitive technology...

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



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

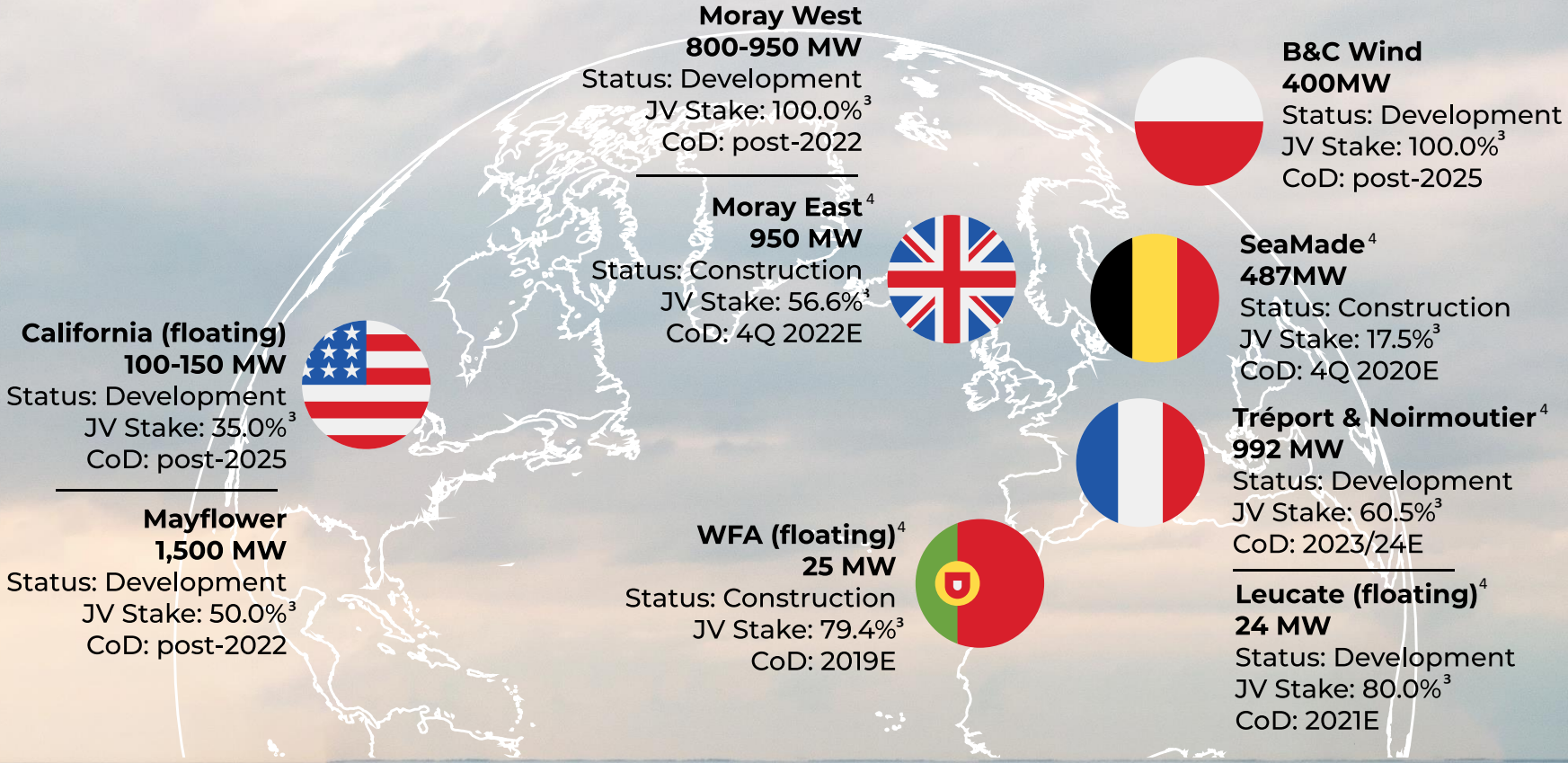
Offshore global installed capacity (GW)<sup>1</sup>



(1) Source: BloombergNEF



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



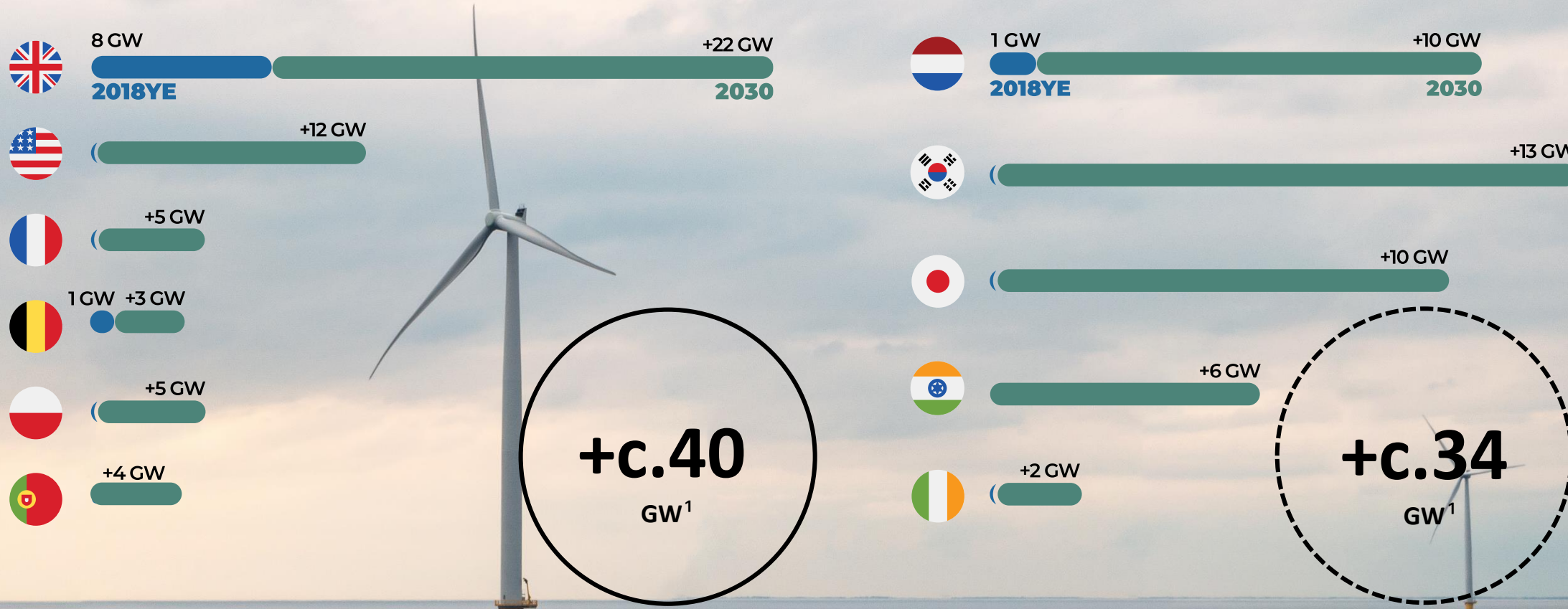
- ✓ Top-5 Offshore Player<sup>1</sup>
- ✓ 6 secured markets
- ✓ At least 5 new potential geographies identified

(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

INSTALLED CAPACITY



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

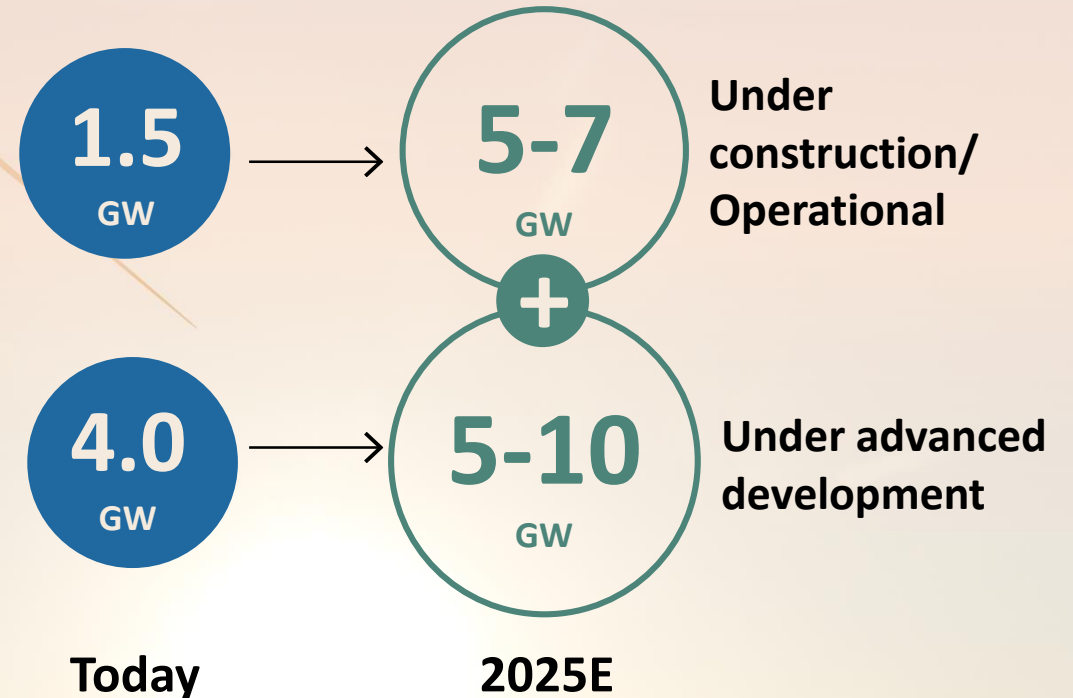
(1) Source: BloombergNEF and WindEurope

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

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

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

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



(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...

Energy management and offtake

Project management

Business development

Energy and risk assessment

Procurement

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

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>

**edp ENGIE**  
*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












*edp* ENGIE

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                |
|---------------------------------|---|-------------------|------------|---|---------------------|-------------------|-----------------------|
| COMMON PROJECTS                 | 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         |
|                                 | <b>Total ownership with tariffs/PPAs (net MW)</b> |                   |            |   |                     | <b>631 MW</b>     | <b>631 MW</b>         |
| <b>Total ownership (net MW)</b> |   |                   |            |   | <b>2352-2470 MW</b> | <b>895-945 MW</b> | <b>3247 - 3397 MW</b> |

(1) Projects with tariffs/PPAs already awarded



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