



EDP — ENERGIAS DE PORTUGAL, S.A.

(incorporated with limited liability in the Portuguese Republic)

EDP FINANCE B.V.

*(incorporated with limited liability in The Netherlands
and having its statutory seat in Amsterdam)*

€13,500,000,000

Programme for the Issuance of Debt Instruments

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 5 September 2018 as supplemented by the supplements dated 3 October 2018 and 8 October 2018 (as so supplemented, the "**Base Prospectus**") prepared by EDP — Energias de Portugal, S.A. ("**EDP**") and EDP Finance B.V. ("**EDP B.V.**") (together, the "**Issuers**") in connection with their Programme for the Issuance of Debt Instruments (the "**Programme**") for the issuance of up to €13,500,000,000 in aggregate principal amount of instruments (the "**Instruments**").

Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement has been approved by the Central Bank of Ireland (the "**CBI**"), as competent authority under Directive 2003/71/EC (as amended or superseded, the "**Prospectus Directive**"). The CBI only approves this supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This Supplement constitutes a 'supplement' for the purposes of Article 16 of the Prospectus Directive.

The purpose of this Supplement is to: (i) in respect of EDP, incorporate by reference in the Base Prospectus the audited consolidated annual financial statements of EDP for the financial year ended 31 December 2018 and the auditors' report thereon; (ii) in respect of EDP B.V., incorporate by reference in the Base Prospectus the audited annual financial statements of EDP B.V. for the financial year ended 31 December 2018 and the auditors' report thereon; and (iii) update the "Strategy of EDP" section in the Base Prospectus.

IMPORTANT NOTICES

Each of the Issuers accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between: (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement; and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail. Any websites referred to herein do not form part of the Base Prospectus.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Instruments issued under the Programme has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

AMENDMENTS OR ADDITIONS TO THE BASE PROSPECTUS

With effect from the date of this Supplement, the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described below.

A. Documents incorporated by reference

In respect of EDP, a copy of the audited consolidated annual financial statements of EDP for the financial year ended 31 December 2018 and the auditor's report thereon (the "**EDP 2018 Financial Statements**"), which appear on pages 237 – 410 and 431 – 441, respectively, of EDP's annual report for the year ended 31 December 2018, is incorporated by reference in and forms part of this Supplement.

In respect of EDP B.V., a copy of the audited annual financial statements of EDP B.V. for the financial year ended 31 December 2018 and the auditor's report thereon (the "**EDP B.V. 2018 Financial Statements**"), which appear on pages 8 – 32 and 34 – 42, respectively, of EDP B.V.'s annual report for the year ended 31 December 2018, is incorporated by reference in and forms part of this Supplement.

A copy of each of the EDP 2018 Financial Statements and EDP B.V. 2018 Financial Statements (together, the "**EDP Financial Statements**") has been filed with the CBI, and is also available at https://www.edp.com/sites/default/files/portal.com/documents/rc_2018_en_vcmvm_compress.pdf and https://www.edp.com/sites/default/files/portal.com/documents/2018_edp_finance_by_annual_report_and_audit_opinion_unsigned.pdf.

Any information contained in the EDP Financial Statements referred to above which is not incorporated by reference in this Supplement is either not relevant to investors or covered elsewhere in the Base Prospectus, as amended by this Supplement.

Copies of the information incorporated by reference in this Supplement as described above can be obtained from the registered office of each Issuer and from the specified office of the Paying Agent for the time being in London and in Lisbon.

B. Update of the no significant change statement

As a result of the incorporation by reference in this Supplement of the EDP Financial Statements, paragraph 7 of the "General Information" section on page 173 of the Base Prospectus shall be deleted and replaced as follows:

"There has been no significant change in the financial or trading position of EDP, EDP B.V. or the EDP Group since 31 December 2018, and there has been no material adverse change in the prospects of EDP, EDP B.V. or the EDP Group since 31 December 2018."

C. Update to the Strategy of EDP

The following text is to replace the section entitled "Strategy of EDP" on pages 78-80 of the Base Prospectus:

"STRATEGY OF EDP

In March 2019 EDP announced a new strategic update for 2019-2022. The strategic update contains a vision to lead energy transition and to create superior value for shareholders. The key elements of the strategy to deliver this vision are: (i) accelerated and focused growth; (ii) continuous portfolio optimisation; (iii) preserving a solid balance sheet and a low-risk business profile; (iv) improving efficiency and enabling digitalisation of the business; and (v) delivering attractive shareholder remuneration.

Additionally, EDP has also announced a re-organisation of its platforms, to become more aligned with the energy transition and to contribute to improve efficiency gains across the organisation due to a simpler and more focused structure. The new segments are: (i) renewables, including hydro, wind and solar assets across all geographies; (ii) networks, covering transmission in Brazil, distribution in Iberia and

Brazil; and (iii) client solutions and energy management, which comprise activities from suppliers, thermal generators and energy management.

Accelerated and focused growth

EDP intends to accelerate significantly the amount of annual investments, targeting €2.9 billion per year in the period 2019-2022, which represents a 60 per cent. increase with respect to the €1.8 billion per year announced in the previous "Capital Markets Day" for the period 2016-2020. The faster deployment of renewables capacity will be combined with majority-stake asset rotation transactions (targeted at over €4 billion in 2019-2022), so as to promote a less capital intensive growth model.

In line with EDP's strategy to reinforce its distinctive green positioning and low risk profile, nearly 90 per cent. of capital expenditure is devoted to regulated and long term activities. Moreover, the large majority of these investments will be applied in renewables (approximately 75 per cent.), followed by networks (approximately 20 per cent.) and clients solutions and energy management (approximately 5 per cent.). In geographical terms, approximately 40 per cent. of total investment will occur in North America, approximately 35 per cent. in Europe and the remaining approximately 25 per cent. in South America.

EDP was an early mover in renewables and has already a strong track record. Based on its assessment of wind generation figures published by the top wind market operators according to energy market data providers, EDP stands as one of the largest wind power operators worldwide with 11.7 GW of wind and solar power capacity installed as of December 2018 (0.4 GW of which equity consolidated capacity). This growth resulted not only from solid execution, but also from its competitive advantage in terms of the core competence of all the operational variables: availability, costs and load factor.

EDP currently owns 21 GW of renewable assets, of which 9.3 GW of hydro (in Iberia and Brazil) and 11.7 GW of wind and solar (mostly in Europe and the United States). EDP expects to add 7.2 GW of renewable capacity in the period 2019-2022, mostly focused on wind onshore and solar. EDP already has a significant visibility on these projects, since approximately 70 per cent. of the expected capacity additions is already either PPA secured or under active negotiations.

With regards to EDP's wind offshore portfolio, EDP has been developing projects under partnerships. EDP aims at diversifying risk exposure to this technology, developing projects and selling down to minority stakes as project developments advance. Of 4.4 GW gross capacity currently under development, EDP has a 33.3 per cent. stake in the Moray East Offshore Windfarm project in the United Kingdom and a 29.5 per cent. stake in Noirmoutiers and Le Tréport in France. For projects in the earlier stages of development, EDP has a 50 per cent. stake in the Moray West Offshore Windfarm project (800 MW) in the United Kingdom and a 67 per cent. stake in the Mayflower (up to 1.6 GW) in the United States.

Networks are key assets for EDP, as they provide stable and long term cash flow streams, working as a low-risk portfolio stabiliser. EDP is continuously seeking efficiency gains in networks' operations, while delivering superior quality of service. In parallel, grids are being modernised and digitalised, in order to respond to the challenges of the energy transition.

Another important driver of investment in networks is the growth in the transmission segment in Brazil. EDP was awarded with five transmission lines in Brazil, totalling nearly 1,300 km and representing an expected total investment of R\$3.1 billion. Transmission line "24", in Espírito Santo state started operations in December 2018 (20 months ahead of the regulatory schedule). The remaining four lines are under construction, with scheduled full completion up to 2022. Execution of these investments is progressing on track.

In the segment of client solutions and energy management, EDP is focused on active portfolio management, allowing for natural hedge of generation with customers and also between renewables and thermal assets. Additionally, EDP seeks to enhance value for its approximately 10 million clients by improving quality of service and providing new solutions that meet clients' needs, while contributing to the energy transition. EDP's strategy consists in managing client base to enhance value rather than market share, while promoting decentralisation.

Continuous portfolio optimisation

EDP is continuously considering portfolio optimisation strategies that create sustained value creation, in a way that enhances acceleration of growth and improvement of portfolio balancing towards low-risk profile and geographical diversification.

In parallel with the accelerated investment plan above mentioned, EDP intends to adjust its asset portfolio, having planned to obtain more than €6 billion in proceeds from:

- (i) asset rotations of majority stakes, generating €4 billion, which allows full upfront value crystallisation and capital recycling to accelerate growth in renewables. In 2018, EDP has executed its first asset rotation of majority stake (80 per cent.) in a 499 MW wind farm in the United States with significant gains;
- (ii) disposals of stakes mainly in Iberia, generating €2 billion, aiming to reduce exposure to merchant risk and/or thermal energy sources.

Preserving a Solid Balance Sheet and a Low Risk Business Profile

A key element of EDP's strategy is to maintain a strong financial profile while delivering growth targets. EDP's financial deleveraging efforts aim to reinforce the visibility of free cash flow generation over the medium term, supported by strict financial criteria underlying investments decision, ensuring timely execution of projects and a risk-controlled growth strategy.

EDP aims to reduce leverage in the period 2018-2022, supported by strong cash flow generation. This reduction of leverage, together with increased operating results, is expected to lead to an improvement in financial indicators.

This deleveraging strategy is reinforced by a low-risk operating profile. EDP seeks to maintain diversification in terms of markets and regulatory environments while also keeping a relatively low exposure to market volatility.

EDP has a high share of activities in its portfolio that are either long-term contracted or regulated, thus such revenues are dependent on the outcome of regulatory decisions by governments and other authorities. As a result, EDP is in regular contact with regulatory authorities in order to ensure an accurate and appropriate regulatory treatment, including regarding the level of returns EDP receives on capital employed.

Some of EDP's operations are exposed to liberalised energy markets, which are subject to fluctuations in energy demand, supply and prices both in EDP's core markets and in other related international markets. In order to reduce its exposure to these sources of volatility, EDP operates an integrated generation and supply model and maintains a hedging strategy that allows it to secure pricing for a significant portion of its fuel needs and electricity and gas sales in the liberalised markets for between 12 and 18 months.

Furthermore, EDP has focused its investments on geographies with low political and regulatory risk, namely Europe and the United States.

Improving efficiency and greater digitalisation of business

EDP recognises the importance of regularly executing new initiatives to improve the efficiency of its operations and is committed to implementing its operational expenditures efficiency programme.

EDP aims to reach cumulative savings of €300 million for the period 2019-2022. The savings are expected to result primarily from implementing OPEX efficiency programs (including zero based budgeting), maintaining generational replacement ratio and from the strong investment in digitalisation,

which aims to increase asset intelligence (for example, the installation of smart meters) and operational and process efficiency (for example, advanced analytics and predictive maintenance).

Delivering attractive shareholder remuneration

EDP is committed to delivering attractive returns through a predictable and sustainable dividend policy based on a target payout ratio of 75 to 85 per cent., with a dividend floor at €0.19 per share, thus allowing for future increases in the dividend per share in line with sustainable earnings per share growth.

Furthermore, EDP is pursuing growth under a sustainable business model for the long-term, that aims to deliver superior value to all stakeholders. In this way, EDP has already committed with sustainability targets for 2030, focused on a clear green positioning and anticipating the challenges of the energy transition."