



EDP sells EUR 641 million in securitization of electricity tariff deficit in Portugal

Investors & Analysts' Briefing

Reuters: EDP.LS
Bloomberg: EDP PL

Lisbon, June 12th 2018: 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. ("EDP") is providing the following information to the market:

EDP Serviço Universal, S.A. ("EDP SU"), the last resort supplier for the Portuguese electricity system, a company wholly owned by the EDP Group, agreed the assignment, by means of a true sale without recourse, to Tagus – Sociedade de Titularização de Créditos, S.A. ("Tagus"), of a portion of the 2018 Tariff Deficit, in the amount of EUR 641 million, and respective interest.

The 2018 Tariff Deficit resulted from the deferral, for the period of 5 years, of the recovery of the 2018 over costs (including the adjustments for 2016 and 2017) related to the acquisition of electricity from special regime generators.

Tagus will finance this transaction through the issuance of EUR 650 million of senior notes, of which 5% will be retained by EDP SU (to comply with EU and US risk retention rules), with a yield of 1.1%, coupon of 1.1% and an expected rating of A1/A-, attributed by Moody's and Fitch. The issuance of such debt instruments is subject to CMVM's asset code attribution and prospectus approval, and expected to be admitted to trading on NYSE Euronext Lisbon.

The transaction has been solely arranged by StormHarbour Securities LLP and joint lead managed by, Banco Santander Totta, S.A. and StormHarbour Securities LLP.

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