1. Under Portuguese law, REN is not allowed to perform marketing or supply activities of natural gas
EDPG is a leading gas distribution company in Portugal …

Overview

- Gas distribution company providing services in the coastal region of Northern Portugal
- 40-year concession contract (ending in December 2047)
- Second-largest gas distribution concession in Portugal, initiated in 2008
- Fully-regulated business with a transparent and stable remuneration framework based on allowed revenue set by regulator ERSE for 3 year regulatory periods
  - Consistent with the regulatory framework for REN’s activities

Transaction perimeter

- EDP Gás SU, which operates as “last resort” gas supplier (CUR) to end-clients, is not included in the transaction perimeter as, under Portuguese law and the natural gas system unbundling, the TSO is not allowed to perform marketing or supply activities of natural gas

Concession area

EDPG’s operational and business team has a proven track record with deep knowledge and seasoned business skills

Source: EDPGD
... with the second-largest network in the country, and strong financial performance

EDPG - Key technical data (2016)

- Network length: 4,640 km
- Connection points: 339,012
- Distributed gas: 7,090 GWh

EDPG - Key financial data (2016)

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (M€)</td>
<td>48.5</td>
</tr>
<tr>
<td>Net Income (M€)</td>
<td>20.8</td>
</tr>
<tr>
<td>RAB (M€)</td>
<td>451.6</td>
</tr>
<tr>
<td>Capex (M€)</td>
<td>22.9</td>
</tr>
<tr>
<td>RoR (%)</td>
<td>7.85% (2015-2016)</td>
</tr>
<tr>
<td>REN RoR Gas Transportation%</td>
<td>-30bp presently</td>
</tr>
</tbody>
</table>

Source: EDP Gás, ERSE

1. The values presented are REN’s estimates (unaudited/not official) specifically for the purpose of the transaction – excludes EDPG SU which is outside the transaction perimeter.

Note: Key technical data, RAB, Capex and RoR figures for EDP Gás Distribuição.
EDPG presents a unique opportunity for natural gas infrastructure integration, while maintaining REN’s strong financial and credit profile.

1. **New growth opportunity**
   - EDPG has a strong growth potential within the gas distribution sector in Portugal
   - Opportunity to increase REN’s RAB by €452M (+13%)

2. **Low risk transaction**
   - Limited integration risk considering REN’s experience in integrating and managing regulated gas assets in Portugal
   - Regulatory remuneration framework similar to REN’s existing gas and electricity TSO activities
   - 40-year concession (ending 2047) aligned with the long-term maturity of REN’s concessions and supervised by the same Portuguese regulatory bodies

3. **Compelling valuation**
   - Acquired at 11.0x EV/EBITDA, below the 14.8x median multiple for similar market transactions¹, which is particularly significant considering this is an acquisition granting full control
   - Share Purchase Agreement helps protect REN against post-transaction risks
   - Opportunity for synergies over the long term, leveraging REN’s best-in-class industry expertise

4. **Funding plan preserves financial discipline**
   - Expected funding structure designed to maintain solid investment grade credit metrics
   - REN plans to maintain its current nominal dividend per share (0.171 €/sh)

5. **Improvement of stock liquidity**
   - Capital Increase is expected to expand Free Float and increase the market liquidity for REN’s shares

---

¹ Precedent transactions include Naturgas, Galp’s GGND and Madrileña Red de Gas
Source: Press releases, corporate presentations and REN
EDPG has significant growth potential within the gas distribution sector in Portugal, and will add value to REN’s existing business.

Significant growth potential:

- 21.7% of total households in Portugal (vs. 20.4% of Lisboagás¹)
- 26.4% of gas penetration rate (vs. 45.3% of Lisboagás¹)
- Concession region has colder weather compared to Portugal as whole, favouring higher energy demand

Connections points (‘000# of CPs)

Expected sustained RAB growth in the next 5 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Connections Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>301</td>
</tr>
<tr>
<td>2014</td>
<td>314</td>
</tr>
<tr>
<td>2015</td>
<td>326</td>
</tr>
<tr>
<td>2016</td>
<td>339</td>
</tr>
<tr>
<td>2021</td>
<td>413</td>
</tr>
</tbody>
</table>

EBITDA (M€)

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 REN</td>
<td>476</td>
</tr>
<tr>
<td>2016 REN and EDP Gás²</td>
<td>524.5</td>
</tr>
</tbody>
</table>

RAB (M€)

<table>
<thead>
<tr>
<th>Year</th>
<th>RAB (M€)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 REN</td>
<td>3,537</td>
</tr>
<tr>
<td>2016 REN and EDP Gás²</td>
<td>3,989</td>
</tr>
</tbody>
</table>

1. Lisbon metropolitan area concession
2. The values presented for EDP Gás are REN's estimates (unaudited/not official) specifically for the purpose of the transaction – excludes EDPG SU which is outside the transaction perimeter. The 2016 values of REN and EDP Gás do not include transaction costs or funding costs, do not represent any consolidation of accounts and are for illustration purposes only.

Source: EDPG, ERSE, REN, PDIRDGN
The transaction multiple is the lowest compared to recent similar market deals.

Additionally, the Share Purchase Agreement helps protect REN against post transaction risks.

### EV / EBITDA multiple

<table>
<thead>
<tr>
<th>Company</th>
<th>Multiple</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDP Gás¹</td>
<td>11.0x</td>
<td></td>
</tr>
<tr>
<td>Naturgas</td>
<td>15.7x</td>
<td>(March 2017)</td>
</tr>
<tr>
<td>Galp Gás Natural Distribuição</td>
<td>11.5x</td>
<td>(July 2016)</td>
</tr>
<tr>
<td>Madrileña Red de Gas</td>
<td>14.8x</td>
<td>(April 2015)</td>
</tr>
</tbody>
</table>

Median of comparable transactions 14.8x

Source: Press releases, corporate presentations and REN 1. 2016 values
The funding of the acquisition is secured

<table>
<thead>
<tr>
<th>Funding source</th>
<th>Key considerations</th>
<th>Timing</th>
</tr>
</thead>
</table>
| Capital Increase | - c. €250M of proceeds  
- The funding structure has been approved by the Board of Directors and consists of credit facilities and of a share capital increase  
- The share capital increase through a **rights issue** is to be approved by the Board of Directors following a delegation to be resolved by the General Shareholders Meeting (GSM) on May 11th 2017  
- **Expected to be fully underwritten** by Banco Santander, CaixaBI and J.P. Morgan pursuant to a definitive underwriting agreement and for which a **standby underwriting agreement**, subject to certain customary market conditions being met, has been executed  
- **Bridge loan** has been negotiated, and is expected, upon signing, to maintain existing liquidity  
- REN has **c.€1bn of available liquidity**, of which c.€0.8bn is available for over 2 years  
- **New debt to be raised** | - Subject to transaction closing (following pending legal and regulatory authorisations and GSM approval)  
- Expected to be before the end of Q3 2017  
- Shortly after the capital increase  
- Expected to be in Q3 or Q4 2017 |
| Debt Issue | | |
REN plans to maintain its dividend policy and credit profile

**Dividends per share (€)**

- 2015: 0.171
- 2016: 0.171
- 2017E: 0.171
- 2018E: 0.171

**Credit rating profile**

- **Fitch Ratings**: Investment grade
- **Moody’s**: Investment grade
- **Standard & Poor’s**: Investment grade

**REN plans to maintain the nominal dividend per share, year on year**

**REN credit metrics post transaction are expected to remain consistent with an Investment Grade rating**

Source: REN, rating agencies
Closing Remarks
Acquisition of EDP Gás: a strong strategic fit

- Unique opportunity for natural gas infrastructure integration
- Aligned with strategic framework, increasing REN’s RAB by 13% in a fully regulated sector with a stable regulatory framework
- Opportunity for long-term synergies, leveraging REN’s best-in-class industry expertise and deep knowledge of the domestic gas regulation framework
- Allows REN to benefit from an asset with significant growth potential within the gas distribution sector in Portugal
- Contributing to REN’s strong financial position through the steady and predictable cash flow generation profile of EDPGD
- EDP Gás’ underlying Enterprise Value of €532M corresponds to a EV/RAB multiple of 1.18x, and a EV/EBITDA multiple of 11.0x, which is lower than similar recent market transactions in the sector
- The acquisition funding is secured and is expected to ensure the maintenance by REN of its current nominal dividend distribution policy (0.171 €/sh) and investment grade credit metrics
- EDP Gás’ acquisition completion is subject to standard legal and regulatory approvals (expected in the next 2-3 months)
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