fundação edp

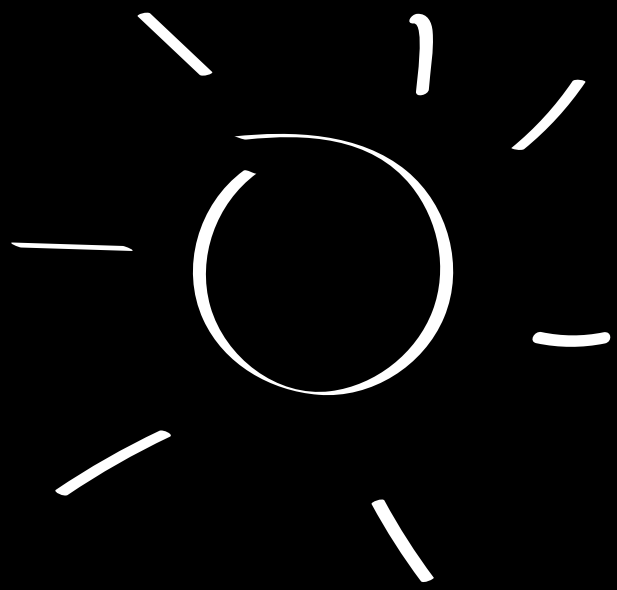
THE LIVING ENERGY BOOK

by edp

ANNUAL REPORT
2017

THE LIVING ENERGY BOOK

by edp



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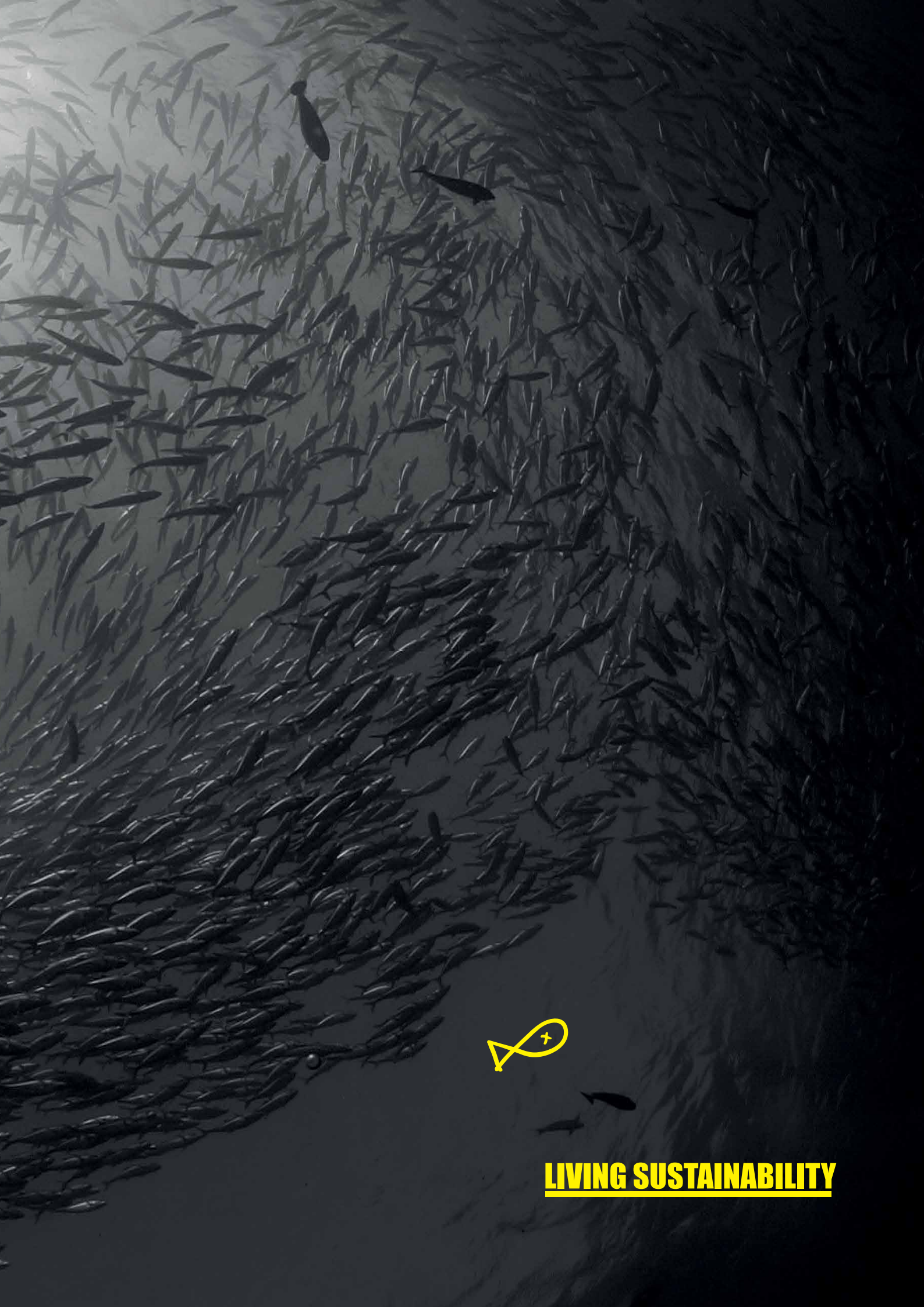

LIVING SUSTAINABILITY

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01 MACRO INDICATORS

NUMBER OF VISITORS TO THE POWER STATION & MAAT	375 thousand people
NUMBER OF EXHIBITIONS PRODUCED	19
CULTURAL PATRONAGE	850,144€
SOCIAL INVESTMENT	2,220,832€
EDP GROUP REGULAR GRANT	13,700,000€
INCOME FROM EDP FOUNDATION'S ACTIVITIES	1,165,909€

02 INSTITUTIONAL MESSAGE

In 2017, the EDP Foundation accomplished the objectives it had established, consolidating its activity in strategic action areas.

In Culture, the Foundation conceived and carried out 19 exhibitions that were viewed by more than 375 thousand people in the spaces at the Museum of Art, Architecture and Technology (MAAT). MAAT's activity generated more than 1600 news pieces in 2017, evidence of great interest among the national and international media. We also note that, in its first year of activity, MAAT received seven national and international awards, including *Best New Museum* attributed by the magazine Art Tribune, and the museum is on the shortlist for three other renowned international awards.

Still in this field, the EDP Foundation maintained an intense patronage activity, supporting institutions such as the Serralves Foundation, Casa da Música, Porto Municipal Gallery, Arpad Szenes - Vieira da Silva Foundation, Youth Symphony Orchestra and the National Ballet Company, among others; and we began to prepare the publication of a contemporary magazine for reflection, cultural critique, art and science, to be printed quarterly.

In Social Innovation, the focus remained on consolidated projects with real impact and reputational return. Therefore we maintained the 'EDP Solidarity' project, the greatest private social investment programme in Portugal, providing support in Healthcare, Education and Social Inclusion.

We continued to develop the 'EDP Foundation Public Art' project, whose purpose is to take contemporary art to low population regions and which involved artists like Manuel João Vieira, Vhils and Xana, engaging residents of small towns in Trás-os-Montes, Algarve and Alentejo.

We carried out another edition of the programme 'Solidarity Schools' which aims to drive a sense of citizenship among secondary school students – this project received applications from more than 350 schools across Portugal in 2017.

Finally, the EDP Foundation continues to fulfil its mission to protect, investigate and value the energy heritage, especially among the school community, striving to preserve the technological memory while raising awareness about energies of the future.

Furthermore, we note that, in 2017, the EDP Foundation inaugurated a new park, which is open to the public and joins the MAAT and Tejo Power Station buildings to create a space for culture and leisure, measuring more than 39 thousand square metres.

In order to implement all of these activities, the EDP Foundation continues to count on donations from the company and its shareholders, but also substantially reinforced its own revenue generation in 2017 which recorded a 250% increase compared with the previous year.

This growth in its own income, along with rigorous management and demanding cost containment, are the cornerstones that guarantee the EDP Foundation's financial sustainability, enabling it to keep performing the role it has taken on and which, throughout the years, has brought it great recognition in Portuguese society.

03 STATUTORY BODIES

GOVERNING BODIES

BOARD OF TRUSTEES

- Vasco Rocha Vieira (chairman)
- António Luís Guerra Nunes Mexia
- Dingming Zhang
- Miguel Stilwell de Andrade
- Miguel Nuno Simões Nunes Ferreira Setas

BOARD OF DIRECTORS

- António Luís Guerra Nunes Mexia (chairman)
- Nuno Maria Pestana de Almeida Alves
- Rui Miguel Coutinho Baptista
- José Manuel Pereira dos Santos
- Paulo Alexandre Pires de Campos Costa

EXECUTIVE BOARD

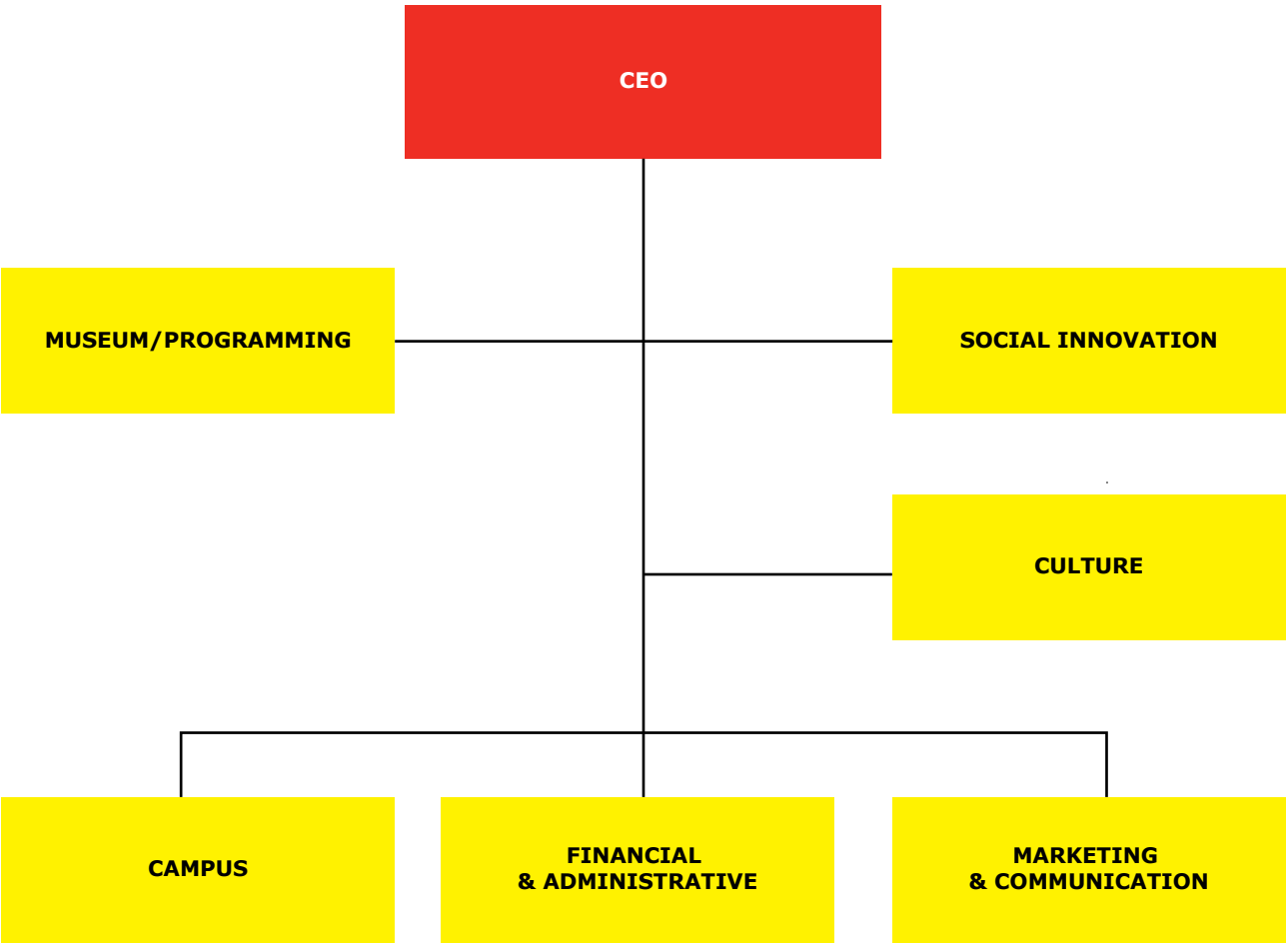
- Rui Miguel Coutinho Baptista (CEO)
- José Manuel Pereira dos Santos
- Maria Margarida Amado Pinto Correia Represas
- Pedro César Clara do Carmo Gadanho
- Catarina Copestake Cortez Pinto Seixas
- Eduardo Rosa Silva
- Sandro José Silva da Fonseca

SUPERVISORY BOARD

- Vítor Fernando da Conceição Gonçalves (chairman)
- Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira
- KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. (statutory auditor)

3.1 ORGANISATIONAL CHART

EDP FOUNDATION ORGANISATIONAL CHART*



* Situation as at 1 October 2017.

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04 MISSION & VALUES

MISSION

The EDP Foundation is a non-profit private institution with charitable status, founded by EDP – Energias de Portugal, S.A. in December 2004. As the Foundation of a cosmopolitan and socially responsible corporation, its mission is to help improve the quality of life of people, through social, cultural and scientific initiatives.

VALUES

RIGOUR
in execution & reporting

COMMITMENT
to the community

EFFICIENCY
in management

INNOVATION
in concepts & solutions

TRANSPARENCY
in every choice

LIVING HUMANITY

05 RECOGNITION

JANUARY

Readers of the magazine *Time Out Lisboa* voted and granted MAAT the *Prémio Novidade do Ano (Novelty of the Year Award)*.

The museum is on the list of the 40 finalists for the *European Union Prize for Contemporary Architecture* - Mies van der Rohe, out of a total of 355 candidates. Held every two years, this is one of the most important architecture awards in Europe.

FEBRUARY

The EDP Foundation Art Collection is recognised in Madrid with the Fundación ARCO award for Collecting, for "the creation of an enormously relevant Portuguese art collection, and for supporting the internationalisation of its country's art abroad."

MAAT receives the *Welcome to Portugal award*. Granted by LIDE Portugal - Grupo de Líderes Empresariais *(Business Leaders Group)*, this accolade distinguishes public and private initiatives that are relevant for tourism, which involve the local populations and have direct or indirect impact on the relationship with tourists.

APRIL

MAAT receives *The Design Prize 2017*. A distinction that celebrates "excellence on a global scale", awarded by the magazines *Designboom* and *Abitare*, sponsored by the municipality of Milan.

MAY

The *Marketeer* 2017 awards grant MAAT the prize for Art and Culture.

JULY

MAAT is selected as one of the finalists for *The World Architecture Festival Awards*.

AUGUST

MAAT wins *Best Museum Architecture of the Year* at the *Leading Culture Destination Awards*.

The German Design Council grants MAAT the *Architecture Best of Best Iconic Award 2017.*

SEPTEMBER

MAAT receives an honourable mention at the *Blueprint Awards for Architecture*, in the category Best Public-Use Project with Private Funding.

MAAT also wins an award for its innovative steel structure at The E*uropean Steel Design Awards*, becoming an eligible candidate after winning the *Portugal Steel Design Awards 2017*.
.

OCTOBER

MAAT is announced as a finalist for the *Surface Design Awards 2018*, which recognise "progressive and innovative design" on interior and exterior surfaces.

MAAT receives the *Excellence Distinction at the SIL Real Estate Awards 2017.*

NOVEMBER

The EDP Foundation wins a gold medal at the Prémios à *Eficácia da Comunicação (Effective Communication Awards)* for initiatives carried out to involve the community in the MAAT opening, which took place on 5 October 2016.

DECEMBER

MAAT is one of the 62 candidates chosen for the *Riba International Prize*, a distinction by the *Royal Institute of British Architects* to recognise buildings that are "transformative and demonstrate vision, innovative thinking, excellence of execution, and make a distinct contribution to their users and physical context".

MAAT is recognised with an honourable mention at the Prémio Valmor e Municipal de Arquitetura *(Valmor & Municipal Architecture Award)*, which recognises the best examples of architecture in the city of Lisbon
.

06 EDP FOUNDATION ACTIVITY

6.1 SOCIAL INVESTMENT

In 2017, the EDP Foundation granted financial support to 27 projects under the Programa EDP Solidária *(EDP Solidarity Programme)* which, with an annual grant of 2.1 million euros, is the largest line of private social investment in Portugal.

In the field of Social Inclusion, the Foundation selected 22 projects that aim to improve the quality of life and drive the integration of people who are physically and/or mentally disabled, victims of domestic violence and elderly people who are in a context of isolation, among other at risk social groups.

The Programa EDP Solidária Saúde *(EDP Solidarity Health Programme)* channelled its investment to five projects by the Serviço National de Saúde *(National Health Service)* that aim to implement and disseminate the Via Verde do Acidente Vascular Cerebral and Via Verde Coronária *(Fast Track service for Stroke and Heart Attack)*, which continue to be the principle causes of death in Portugal.

Altogether, the projects supported in 2017 by the Programa EDP Solidária (EDP Solidarity Programme) have the potential to directly benefit 400 thousand people.

Driving Social Inclusion, along with the local development of low population rural communities, is also the focus of the EDP Foundation Programa Arte Pública *(Public Arts Programme)*. Launched in 2016, the project promotes artistic interventions using a participative process that creates a dialogue between artists and communities, and which materialised as a local public art route. Implemented in the Algarve, Ribatejo, Alentejo, Médio Tejo and Trás-os-Montes, the number of locations involved grew from 33 to 40 in the last year. The project currently includes the participation of more than 35 artists – such as Manuel João Vieira, Vhils, Xana, Menau, Mariana a Miserável and Luís Silveirinha – who created the 79 interventions carried out to date in public spaces and EDP Distribuição transformer substations.

The Escolas Solidárias (Solidarity Schools) programme increased the number of schools and volunteering hours invested by students and teachers to resolve issues that affect their community, creating solutions in line with the Sustainable Development Goals defined by the UN. During the 2016/17 school year, more than 430 schools –, in every district in the country, including the Azores and Madeira –, participated in this civics programme that encourages middle and secondary school students to be proactive citizens. A movement that involved more than 39 thousand students and teachers, who offered more than 3.1 million hours of volunteer work.

In Amarante, Murça and Mirandela, more than two hundred children and teens received musical education under the Orquestra Energia *(Energy Orchestra)* project, which promotes the social inclusion of students in underprivileged and problematic social and economic contexts. Under the educational direction of Casa da Música, the purpose of each orchestra is to act as a driver for academic success and fight against truancy.

Targeting people and families at risk or in a situation of energy vulnerability by raising awareness and accompanying their energy cost management, as well as helping them manage their relationship with the different operators in the market, the Programa Precariedade Energética *(Energy Vulnerability Programme)* began operating in 2016, in partnership with Cáritas Portugal and Entrajuda. Implementing this project involved a network of more than a hundred organisations – IPSS, Food Banks, Diocesan Cáritas, etc. – that, in the field, conducted initiatives to raise awareness, educate and provide direct assistance to families where the need for support was identified.

The project Anatomia da Identidade *(Anatomy of Identity)* was implemented in the Trás-os-Montes and Alto Douro regions, in the Alfândega da Fé and Miranda do Douro municipalities. This is an initiative that uses community theatre to foster a local identity, as a factor to drive the community's development and unity. Two theatre groups were formed and two plays were performed, in a total of four sessions. The project Cuidar à Distância *(Caring from a Distance)* was concluded, which used Skype technology to minimise the elderly population's loneliness. The Crescer a Brincar

(Growing Up Playing) projects were maintained, which promote skills in primary schools in Alfândega da Fé and Torre de Moncorvo, as was the Pro-Bem *(Pro-Wellbeing)* project that, launched in 2016, aims to drive physical, emotional and social wellbeing among the elderly population.

And, through the EDP Foundation's channel on the crowdfunding platform PPL Portugal, five entities obtained the necessary funding for their social businesses to implement specific projects– Associação Pão a Pão *(Loaf by Loaf Association)*, Associação 1000 Rostos *(1000 Faces Association)*, the startup Petit Papão, the Association Ipsum Home and the cooperative charity Welcome Home.

Among a great deal of additional support provided – such as to Operação Nariz Vermelho *(Operation Red Nose)* and PAR *(Plataforma de Apoio aos Refugiados – Refugee Support Platform)*, for example – we highlight a set of social emergency measures that were implemented in the locations most affected by forest fires, in a joint venture with several companies in the EDP Group, coordinated by the EDP Foundation.

PROJECT	PARTNER	VALUE (€)	BENEFICIARIES
EDP SOLIDARITY PROGRAMME			
Social Inclusion			
Um Novo Lar para a Autonomia (A New Home for Autonomy)	APERCIM – Association for the Education & Rehabilitation of Mafra's Disabled Citizens	70,000	N.D.[1]
Adaptação, Capacitação e (IN)ergia(S) (IN) – Inclusão (S) – Social (Adaptation, Qualification & Energy - Social Inclusion)	APCVR – Vila Real Cerebral Palsy Association	60,000	N.D.[1]
Multiple Rehabilitation	ANEM – National Association for Multiple Sclerosis	55,000	N.D.[1]
CAID Services	CAID – Cooperative to Help Integrate the Disabled	45,000	N.D.[1]
O Trabalho Inclui (Inclusive Work)	Rainha D. Leonor Special Education Centre	40,000	N.D.[1]
Shelter	Vila Real Diocesan Cáritas	40,000	N.D.[1]
Social Inclusion to Improve the Quality of Life of the Visually Impaired	APEC - Association to Promote Education of the Blind	37,000	N.D.[1]
IN–Mouraria	GAT – Activist Group for HIV/AIDS Treatment	30,000	N.D.[1]
Verde Lima (Lime Green)	Associação Crescer em Confiança (Building Confidence Association)	30,000	N.D.[1]
VAI! – Valorizar, Aprender e Incluir (Value, Learn & Include!)	APCAS – Almada Seixal Cerebral Palsy Association	30,000	N.D.[1]
Accessible Hydroponic Greenhouse	Ribeirão Parish Social Centre	30,000	N.D.[1]
Fábrica de Rua (Street Factory)	Querer Ser – Associação para o Desenvolvimento Social (Wanting to Be - Association for Social Development)	30,000	N.D.[1]
Inclusive Educational Vegetable Garden	APPACDM – Portuguese Association of Parents & Friends of Mentally Disabled Portalegre Citizens	30,000	N.D.[1]
CADIR Early Intervention Program – Setúbal	CADIn – Neurodevelopment & Inclusion	25,000	N.D.[1]
CIANO DESIGN	ANARP – Associação Nova Aurora (New Dawn Association)	25,000	N.D.[1]
(Re)começo com sentido! (Meaningful Beginning)	Portuguese-German Charitable Association	25,000	N.D.[1]
Seniores Felizes (Happy Senior Citizens)	Santo André de Codessoso Charitable Association	25,000	N.D.[1]
Mil e Um Fios (1001 Threads)	Apojovi Association	25,000	N.D.[1]
Snoezelen room: "Entering a Magical World"	Ermesinde Marist Shelter	24,000	N.D.[1]
Handball – Citizens Deprived of Freedom: Detention Facilities & Education Centres	Portuguese Handball Federation	21,800	N.D.[1]
C+ Room	SCMPR – Santa Casa da Misericórdia of Peso da Régua	18,000	N.D.[1]
GiS – Mobile Health Unit	Plano i Association	13,250	N.D.[1]
Education			
Casa do Regalo	Global Platform for Syrian Students Association	12,000	N.D.[1]
Health			
Dar Tempo à Vida (Give Life Time)	Instituto Nacional de Emergência Médica (National Institute for Medical Emergency)	280,000	N.D.[1]
Melhoria da Via Verde Coronária da Cardiologia de Intervenção (Improving Fast Track for Interventional Cardiology)	Vila Nova de Gaia/Espinho Hospital Unit	200,000	N.D.[1]
Via Verde Coronária, uma Via Verde para a Vida (Coronary Fast Track, a Fast Track for Life)	Lisboa Central Hospital Unit	200,000	N.D.[1]

PROJECT	PARTNER	VALUE (€)	BENEFICIARIES
Interventional Cardiology Unit – Modernisation Project	Lisboa Norte Hospital Unit	200,000	N.D.[1]
"Consolidation of the Alentejo Angioplasty Network Refurbishment of Angiography Room"	Espírito Santo de Évora Hospital	165,000	N.D.[1]
Other Costs			
Application management	-	79,852	N.A.
Programme communication & launch	-	38,271	N.A.
EDP IDENTITY PROJECTS			
EDP Foundation Public Art	-	84,623	N.D.[1]
EDP Foundation Energy Orchestras	-	168,688	204
EDP Foundation Solidarity Schools	-	159,437	36,974
WORTHY INITIATIVES			
Adopte um Hospital (Adopt a Hospital)	Operação Nariz Vermelho (Operation Red Nose)	12,500	N.D.[1]
PAR – Refugee Support Platform	JRS Portugal	12,500	654
OTHER PROJECTS			
Pedrogão Grande	EDP Serviço Universal	3,333	35

[1] The beneficiaries will be calculated following project roll-out in 2018.

6.2 CULTURAL PATRONAGE

The EDP Foundation's activity in the cultural field includes a proactive cultural patronage policy, providing substantial support to leading institutions and projects, creating the conditions to ensure their scale, strength and continuity.

Therefore, in 2017, more than 1.1 million people attended artistic events, in several disciplines and different geographies, but with a common denominator: the EDP Foundation's patronage. That support represents an unequivocal desire to contribute to artistic undertakings of great quality in various parts of the country, in order to reach different audiences.

Support provided to major institutions like the Serralves Foundation, Casa da Música and National Ballet Company, is evidence of that objective.

The EDP Foundation is Exclusive Patron of an important exhibition hosted at the Serralves Foundation Museum of Contemporary Art. In 2017, that support was channelled to the exhibition "D'après Fibonacci e as coisas lá fora" *(D'après Fibonacci and the world out there)* which included paintings, drawings and sculptures by the Portuguese artist Jorge Pinheiro. The EDP Foundation is also patron of the Casa da Música Piano Cycle, which presented, in eight concerts, prominent international pianists, and on International Music Day, a project developed by Casa da Música's Educational Service, with concerts in public spaces throughout the city of Porto. We also note support provided to the Porto Municipal Gallery, involving three exhibitions in 2017, one of which organised by MAAT – "Quote/Unquote. Entre Apropriação e Diálogo" *(Quote/Unquote. Between Appropriation & Dialogue)*.

As Principal Patron of the Companhia Nacional de Bailado *(CNB-National Ballet Company)*, the EDP Foundation sponsored 53 performances and five charity recitals at the Camões Theatre in Lisbon, as well as a set of 25 workshops in Lisbon, Porto, Aveiro, Bragança, Évora, Azores, Vila Real, Torres Novas, Portalegre and Leiria, among other activities. The EDP Foundation is also Exclusive Patron of the CNB Tour, which in 2017 took 53 shows and presentations to 32 locations across Portugal, including the Azores and Madeira.

Among other worthy initiatives, we also mention the EDP Foundation's patronage and support provided to the Arpad Szenes – Vieira da Silva Foundation's programming, the Lisbon Architecture Triennale, the Fuso Video Art Festival, the project to inventory and catalogue the Professor Eduardo Lourenço collection and the Orquestra Sinfónica Juvenil *(Youth Symphony Orchestra)*, namely by granting scholarships to young musicians.

Outside the major urban centres, we also underline the support provided to the Almourol Contemporary Sculpture Park in Vila Nova da Barquinha, where the EDP Foundation is the artistic, scientific and technical consultant. Galeria do Parque *(Gallery in the Park)* is part of this project that, in 2017, presented three exhibitions curated by the EDP Foundation.

On an international scale, the year was marked by the EDP Foundation's contribution to Portugal's Official Representation at the 57th International Art Exhibition in Venice, which presented the project *Medida Incerta (Uncertain Measure)* by the artist José Pedro Croft.

PROJECT	PARTNER	VALUE (€)	BENEFICIARIES
CULTURAL PATRONAGE			
Companhia Nacional de Bailado (National Ballet Company)			
Principal Patron of the National Ballet Company	National Ballet Company/OPART	300,000	34,017
Exclusive Patron of the National Ballet Company	National Ballet Company/OPART	75,000	15,401
National Tour	-	435	N.A.
Casa da Música Foundation			
Exclusive Patron of the EDP Piano Cycle	Casa da Música Foundation	125,000	648,777
Patron of International Music Day	Casa da Música Foundation	20,000	1,815
Founding Patron & Exclusive Exhibition Patron	Serralves Foundation	100,000	147,349
Portugal's Official Representation at the 57th International Art Exhibition – Venice Biennale 2017	Directorate General for the Arts	70,000	16,110
Orquestra Sinfónica Juvenil (Youth Symphony Orchestra)			
Principal Patron of the Youth Symphony Orchestra	Portuguese Musical Circle	37,000	10,275
Scholarships for the Youth Symphony Orchestra	Portuguese Musical Circle	17,500	10
Other Costs	-	474	N.A.
Principal Programming Patron	Arpad Szenes – Vieira da Silva Foundation	42,000	19,329
Support to inventory & catalogue the Prof. Eduardo Lourenço Collection	National Culture Centre	25,000	N.A.
Patron of the UNESCO Arts Education Club	ASPREA – Association for Arts Education	8,000	343
New Year Concerts & São Vicente Organ Recitals	Althum	7,500	6,000
Cultural Cooperation Programme	Mário Soares Foundation	7,000	1
Support for the EDP Choir	EDP Choir	6,144	1,750
Fuso Video Art Festival	Horta Seca – Cultural Association	5,000	3,033
The Lisbon Consortium Programme	Universidade Católica Portuguesa	5,000	1
PUBLICATIONS			
Electra Magazine	-	14,704	N.A.

6.3 MUSEUM

The MAAT – Museum of Art, Architecture and Technology, inaugurated in October 2016, was fully opened do the public in March 2017.

Presenting a programme of 19 contemporary art exhibitions that filled every space in the new building as well as the rooms of the Power Station, the museum attracted 375 thousand visitors – 77% of which were Portuguese -, representing an increase compared with the 360 thousand visitors registered in 2016.

Utopia/Distopia Parte II, with 110 thousand visitors, was the exhibition that attracted the largest audience. Yo nunca he sido surrealista hasta el día de hoy by the Cuban artist Carlos Garaicoa, the collective Tensão & Conflito. Arte em Vídeo após 2008 *(Tension & Conflict. Art in Video after 2008)*, Shadow Soundings, by the North American Bill Fontana, and the sound installation Untitled *(Orchestral)* by João Onofre, were the next five exhibitions that recorded the greatest public.

The school public remains the most significant segment, namely in terms of the Power Station Circuit, which develops curricular contents adapted to different education levels, from pre-primary to university. More than 840 educational institutions, in a total of 23 thousand students and teachers, visited MAAT and the Power Station in 2017.

The motive to present proposals that target specific segments also resulted in the creation of an integrated programme of creative initiatives aimed for audiences with special education needs, namely people with mental illness or disability.

Throughout the year's activity, there were also three events that, although in different ways, reflected the EDP Foundation's vision: to acknowledge national talent – from established artists to supporting and disseminating emerging talent -, and democratise the access of broader audiences to relevant cultural events.

Therefore, we highlight two of the most relevant awards granted in the visual arts sphere in Portugal: the EDP Foundation Art Grand Prize, which distinguished the visual artist Artur Barrio; and the 12th edition of the EDP Foundation Prémio Novos Artists *(New Artists Award)*, which was attributed to six artists - Ana Cardoso, Bernardo Correia, João Gabriel, Ana Guedes, Igor Jesus and Claire de Santa Coloma, with this last candidate selected as the winner. We also underline the celebration of MAAT's first anniversary, with a free open day that featured a diversified programme.

On an international scale, MAAT continued to focus on partnerships that expand the museum's visibility abroad. MAAT handled the curatorship of the exhibition *RWSNK ECHO*, by the artist Nuno da Luz, in another edition of the Berlin Gallery Weekend and within the scope of a partnership with the Portuguese Embassy in the German capital.

MAAT was also one of the partner entities of the programme Artists' Film International 2017, one of the events that marked the opening of the 57th Venice Biennale, in May.

With the full opening of MAAT in March 2017, tickets began to be charged for admission to exhibitions presented at the new museum (like in the Power Station as of June 2016). Along with the paid admission model, and in order to democratise access to the museum, the proposal for the MAAT Membership Card was also consolidated, offering unlimited admission to exhibitions for a nominal annual fee.

PROGRAMME	ARTIST	VALUE (€)	VISITORS[1]
2017 PROGRAMME			
Dimensões Variáveis – Artistas e Arquitetura (Variable Dimensions – Artists & Architecture)		24,993	25,194
O que eu sou (What I am)		40,202	13,568
Dos Arquivos, à Matéria, à Construção (From Archives, to Material, to Construction)	Fernanda Fragateiro	72,604	26,607
EDP Foundation New Artists Award		109,411	31,473
Electronic Superhighway (1966-2016)		177,420	9,798
Untitled (Orchestral)	João Onofre	78,664	50,489
Artists' Film International		33,243	30,898
Arquivo e Democracia (Archive & Democracy)	José Maçãs de Carvalho	21,860	10,532
APQHOME – MAAT	Ana Pérez-Quiroga	51,897	23,664
On Exile	José Carlos Teixeira	23,337	4,524
Utopia/Distopia Parte II		270,672	109,993
Ordem e Progresso (Order & Progress)	Héctor Zamora	43,740	27,231
Yo nunca he sido surrealista hasta el día de hoy	Carlos Garaicoa	158,505	73,188
Secrets to Tell	Grada Kilomba	36,419	25,248
Tensão & Conflito: Arte em vídeo após 2008 (Tension & Conflict: Video Art after 2008)		87,346	63,070
Shadow Soundings	Bill Fontana	112,633	53,454
Quote/UnQuote. Entre Apropriação e Diálogo (Between Appropriation & Dialogue)		29,543	14,514
Branco e Azul | Bai Ming – Lisboa (White & Blue | Bai Ming – Lisbon)	Bai Ming	89,864	24,195
Bónus	Ana Jotta	25,020	403
2016 PROGRAMME		48,538	N.A.
PREPARATION 2018/2019 PROGRAMME		149,046	N.A.
OTHER INITIATIVES			
MAAT 2017 Inaugural Programme		79,473	3,166
Open Night MAAT		4,089	9,056
EDP Foundation Art Grand Prize 2016		50,284	N.A.
Berlin Gallery Weekend - RWSNK ECHO	Nuno da Luz	6,000	N.D.

[1] Number of visitors to each exhibition. The sum of these numbers does not represent the total number of visitors, since each person can visit several spaces.

6.4 ART COLLECTION

In 2017, the EDP Foundation Art Collection continued to grow through the acquisition of 32 works by 22 Portuguese artists from various disciplines of artistic creation. Among these are names like João Penalva, Miguel Palma, Rui Calçada Bastos, Isaque Pinheiro and Grada Kilomba. These acquisitions represented an investment of 197,095€.

At the same time, the EDP Foundation received a donation of five works of art by two artists - Carlos Lobo and João Gabriel –, worth 4,900€.

Throughout the year, six works were loaned, which were presented at two exhibitions in Portugal.

In 2017, the EDP Foundation Art Collection was recognised with the prestigious Award for Collecting attributed by the Fundación ARCO, for "the creation of an enormously relevant Portuguese art collection, and for supporting the internationalisation of its country's art abroad."

Under the partnerships established, two exhibitions were organised and coproduced with works from the Art Collection: with the Porto Municipal Gallery the exhibition 'Quote/UnQuote. Entre Apropriação e Diálogo' (Quote/ Unquote. Between Appropriation & Dialogue) with a presentation of more than 70 works; and with Corporate Art Collections the exhibition at Museu do Oriente 'O Olhar da Sibila – Corporalidade e Transfiguração' (Sibila's Gaze-Physicality & Transfiguration), a collective exhibition by various foundations where approximately 35 works from the Art Collection were presented.

WORKS OF ART ACQUIRED BY/DONATED TO THE EDP FOUNDATION IN 2017

DISCIPLINE	AUTHOR	TITLE
Painting (11)	José Almeida Pereira	Vanitas (according to Pieter Claesz)
	José Almeida Pereira	Olympia, Positivo e Negativo (Olympia, Positive & Negative - according to Manet)
	João Marçal	Frank (from the series Rainbow Valley)
	João Marçal	Marco (from the series Rainbow Valley)
	João Marçal	Hannelore (from the series Rainbow Valley)
	Gil Heitor Cortesão	Nocturno (Nocturnal)
	Carlos Roque	Voyager #9
	João Gabriel Pereira	Untitled
	João Gabriel Pereira	Untitled
	João Gabriel Pereira	Untitled
	João Gabriel Pereira	Untitled
Drawing (5)	Sara & André	Noites Brancas (White Nights - Podium)
	Sara & André	From the word 'Art' #5
	Ana Vidigal	Petit Rien Tropical
	Marco Pires	Untitled (West) #1
	Marco Pires	Untitled (West) #2
Sculpture & Installation (8)	Rui Calçada Bastos	Love Map, Walking Distance
	Isaque Pinheiro	Arte de arremesso/Diálogo com as paredes (Ejection Art / Dialogue with the walls)
	Tomaz Colaço	As Três Idades da Árvore - Alegoria da Prudência Universal (The Three Ages of Trees - Allegory of Universal Prudence)
	Manuel João Vieira	Self Portrait
	Miguel Palma	Electronic Human Scale
	Grada Kilomba	The Desire Project
	Maria Trabulo	Camouflage
	Ana Vidigal	Fazer Sala (Lounging)
Video (2)	Patrícia Almeida	Today, I am Just a Butterfly Sending You a Sentence
	Miguel Faro	Downhill

DISCIPLINE	AUTHOR	TITLE
	Carlos Lobo	Untitled [from the series Far Far East]
	Rui Calçada Bastos	Interruptions and Imperfections #7, Berlin, 2016
	João Penalva	Item nº 32, Sarkin Bequest
	João Penalva	Vase
	André Cepeda	Untitled, Porto
Photography (11)	André Cepeda	Untitled, Porto
	Carlos Mesquita	Havanna Utcai Lakótelep (Havana Street Estate) (from the series The Radiant City)
	São Trindade	Bad Liver and a Broken Heart
	Vasco Barata	Crevasse
	Vasco Barata	Spooky Action at a Distance #3
	Vasco Barata	Spooky Action at a Distance #7

ART COLLECTION LOANS - 2017

EXHIBITION TITLE	WORK
'Maria José Oliveira - 40 anos de trabalho' (40 Years' Work) // Sociedade Nacional de Belas Artes (Lisbon - National Society of Fine Arts) //15.05.2017 to 17.06.2017	4 works by Maria José Oliveira: 'Sistema Muscular' (2004 - Muscular System); 'Sem Título – O Centro' (Untitled - The Centre); 'Asa' (Wing); 'Sinais de Fogo' (2004 - Signs of Fire).
D'aprés Fibonacci e as coisas lá fora' (D'aprés Fibonacci and the world out there) // Serralves Museum (Porto) // 15.09.2017 to 07.01.2018	2 works by Jorge Pinheiro: 'Variazioni per Luigi Nono I' (1978); 'A Anton Webern' (1978)

THE YEAR IN IMAGES

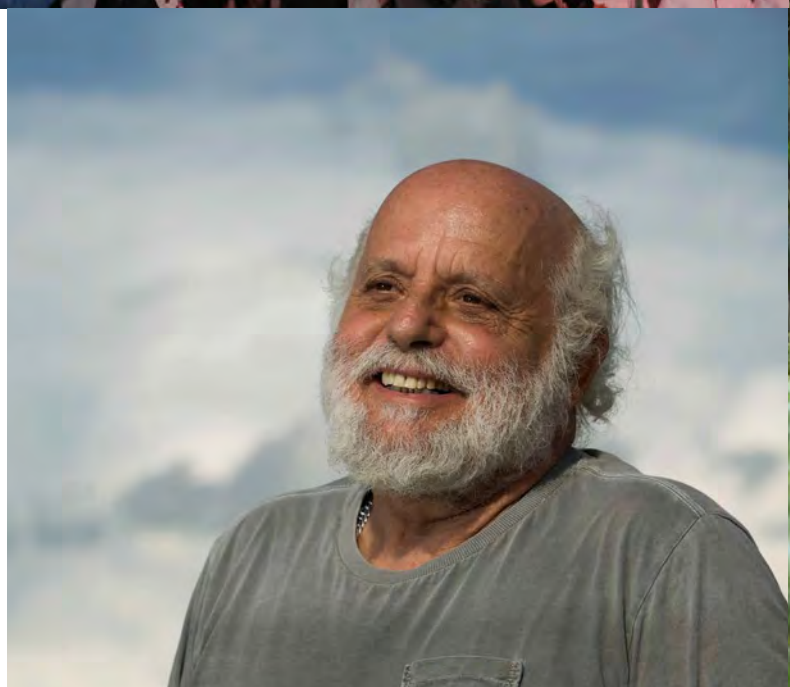
by edp

2.

The MAAT fully opened its rooms to the public on 21 March, at an event marked by outdoor performances and the inauguration of the exhibitions *Utopia/Distopia, Ordem e Progresso (Order & Progress)* and O que eu sou *(What I Am)*.
Photograph: Adelino Oliveira

1.

The visual artist Artur Barrio was honoured with the Grande Prémio Fundação EDP Arte *(EDP Foundation Art Grand Prize)*, in February.
Photograph: André Luiz Mello



3. 4.

The landscape project of the EDP Foundation campus was designed by the award winning Lebanese architect Vladimir Djurovic. Comprised of a park measuring 3100 m2, with approximately 30 thousand bushes and 250 trees, it connects the Power Station to MAAT.
Photographs: Gonçalo Rosa Silva

5.

Intervention by the artist Samina, at the EDP Distribuição transformer substation in Vila Nova da Marmeleira, in the Ribatejo region, within the scope of the project Arte Pública Fundação EDP *(EDP Foundation Public Art)*.
Photograph: Paulo Alexandrino

6.

More than 40 thousand students participated in the EDP Foundation Escolas Solidárias *(Solidarity Schools)* programme during the 2016/17 school year which, for the first time, was expanded to the Azores and Madeira.
Photograph: Paulo Alexandre Coelho

7.

The artist José Pedro Croft represented Portugal at the 57th Art Biennalein Venice, with the exhibition *Medida Incerta (Uncertain Measure)*. An international participation sponsored by the EDP Foundation.
Photograph: Daniel Malhão

8.

In February, the Fundación ARCO recognised the EDP Foundation Art Collection in Madrid.
Photograph: DR

9.

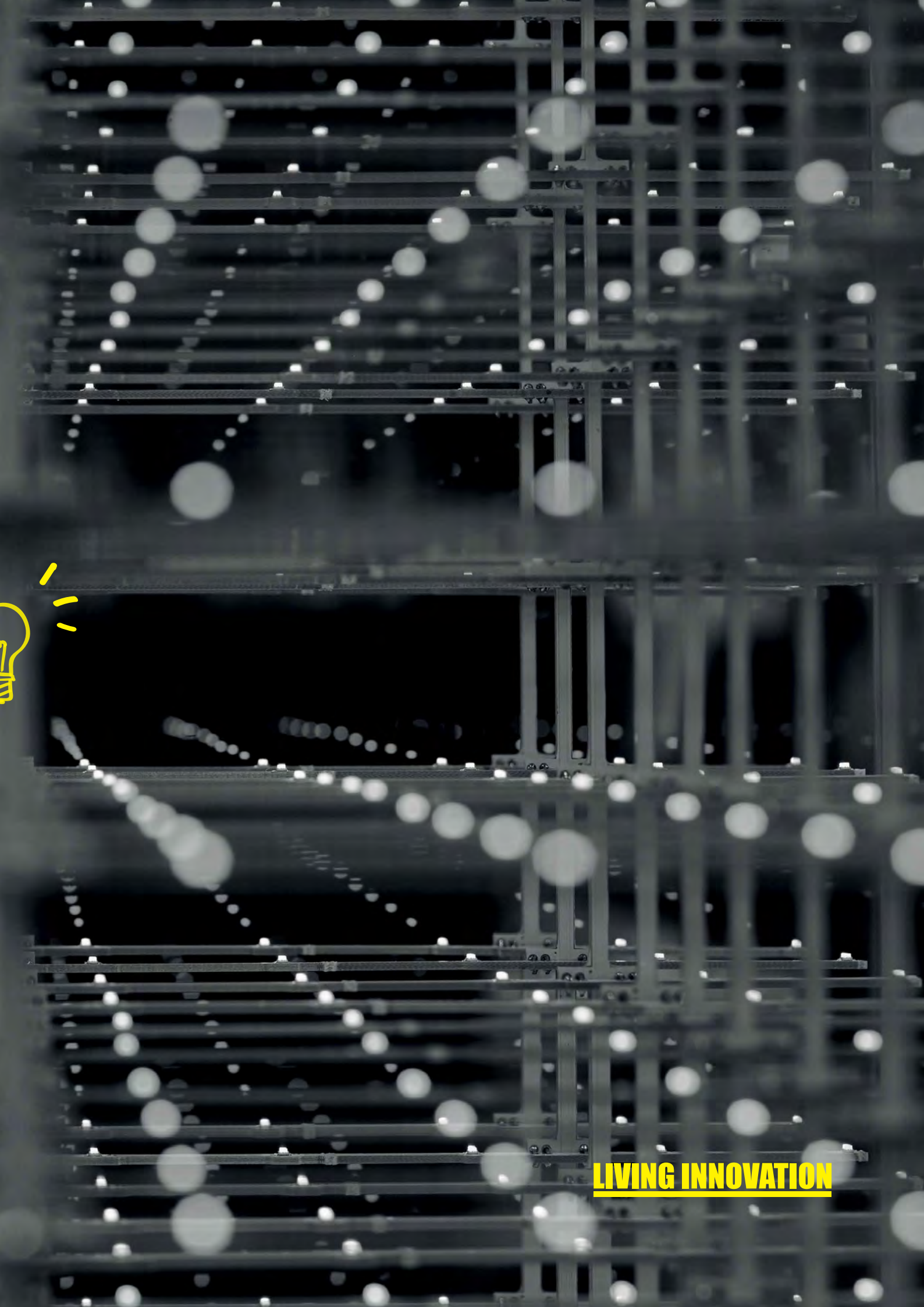
More than 100 young musicians performed at the Orquestra Energia Fundação EDP *(EDP Foundation Energy Orchestra)* concert, on 1 July 2017, at Casa da Música, in Porto.
Photograph: Rute Ferraz

10.

MAAT celebrated its first anniversary with an open day, featuring a vast programme. This took place on 5 October.
Photograph: Paulo Alexandre Coelho

11.

Claire de Santa Coloma was announced in September as the winner of the 12th edition of the EDP Foundation Prémio Novos Artistas *(New Artists Award)*.
Photograph: Pedro Pina



LIVING INNOVATION

07 ECONOMIC & FINANCIAL SITUATION

In 2017, the EDP Foundation's total revenue presented an increase of 8.6% compared with the previous year.

The EDP Group's Regular Grant, which comprised 89.0% of the total revenue (96.7% in 2016), remained unchanged, at a total of 13.7 million euros. This amount includes 7.2 million euros approved at the EDP Group Shareholders General Meeting, as well as contributions from EDP Produção and EDP Distribuição, of 3.5 million euros and 3.0 million euros, respectively.

The remaining revenue reached 11.0% of the total revenue (3.3% in 2016), resulting from the increase in income associated with the EDP Foundation's activities. Of these, the ticket office stands out, whose growth occurred after admission was charged following the full opening of MAAT – Museum of Art, Architecture and Technology in March 2017, as well as the launch of an external fundraising strategy to obtain support for specific exhibitions included in the Programme.

REVENUE	2017	2016	Δ %
EDP Group Regular Grant	13,700,000	13,700,000	0.0%
EDP Group Extraordinary Grant	112,500	0	-
Other Revenue	1,578,889	469,882	236.0%
Total	15,391,389	14,169,882	8.6%

The EDP Foundation's operating expenses increased 1.3% in 2017, reaching a total of 13.6 million euros.

The total number of employees was 50 people, the same as in 2016.

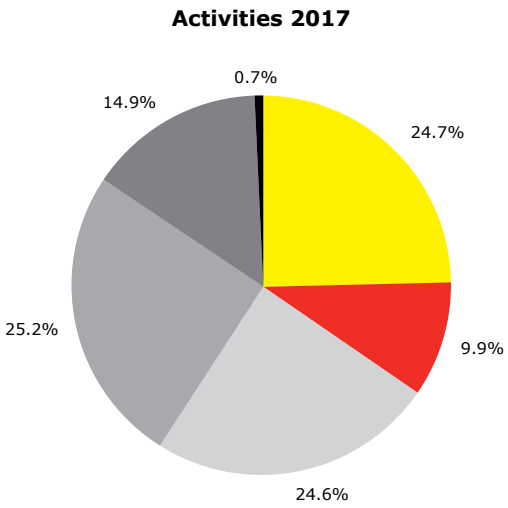
Overheads represented 9.8% of the total operating expenses and registered a 25.4% increase compared with the previous year, due to the full availability of the new building and the park, as well as the ensuing management and maintenance needs.

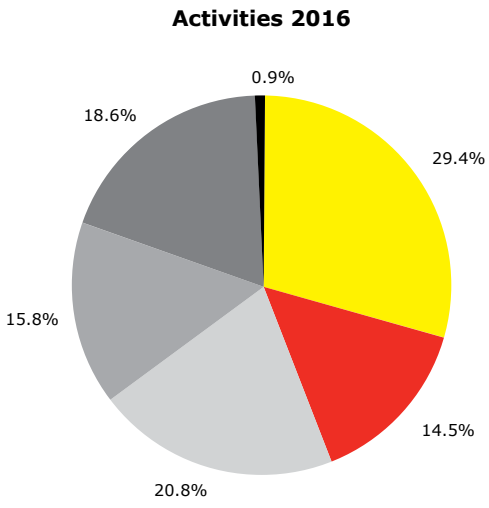
Business costs presented a slight decrease of 2.3% compared with 2016, resulting from an effort to increase efficiency and optimise management of budgets and resources in every field.

This effort and a significant increase in revenue from the EDP Foundation's activities enabled a positive net profit of one million and fifty thousand euros to be attained.

EXPENSES	2017	2016	Δ %
STRUCTURE	4,559,498	4,181,198	9.0%
Personnel Costs	3,226,661	3,117,977	3.5%
Overheads	1,332,838	1,063,222	25.4%
ACTIVITIES	9,000,610	9,211,417	-2.3%
Social Innovation	2,220,832	2,711,712	-18.1%
Culture	892,777	1,334,328	-33.1%
Museum/Programming[1]	2,211,820	1,912,192	15.7%
Campus[1]	2,267,284	1,452,973	56.0%
Communication	1,342,199	1,717,111	-21.8%
CEO's Office	65,699	83,101	-20.9%
Total	13,560,108	13,392,615	1.3%

[1] The variation in expenses associated with the Museum/Programming and the Campus were influenced by the transfer of Preservation, Museography and Documentation Centre activities from the first to the second during the 2017 year. In order to enable comparison of the expenses associated with this transfer, the values from 2016 were duly adjusted.





Social Innovation · Culture · Museum/Programming · Campus · Communication · CEO's Office

LIVING TECHNOLOGY

THE LIVING ENERGY BOOK

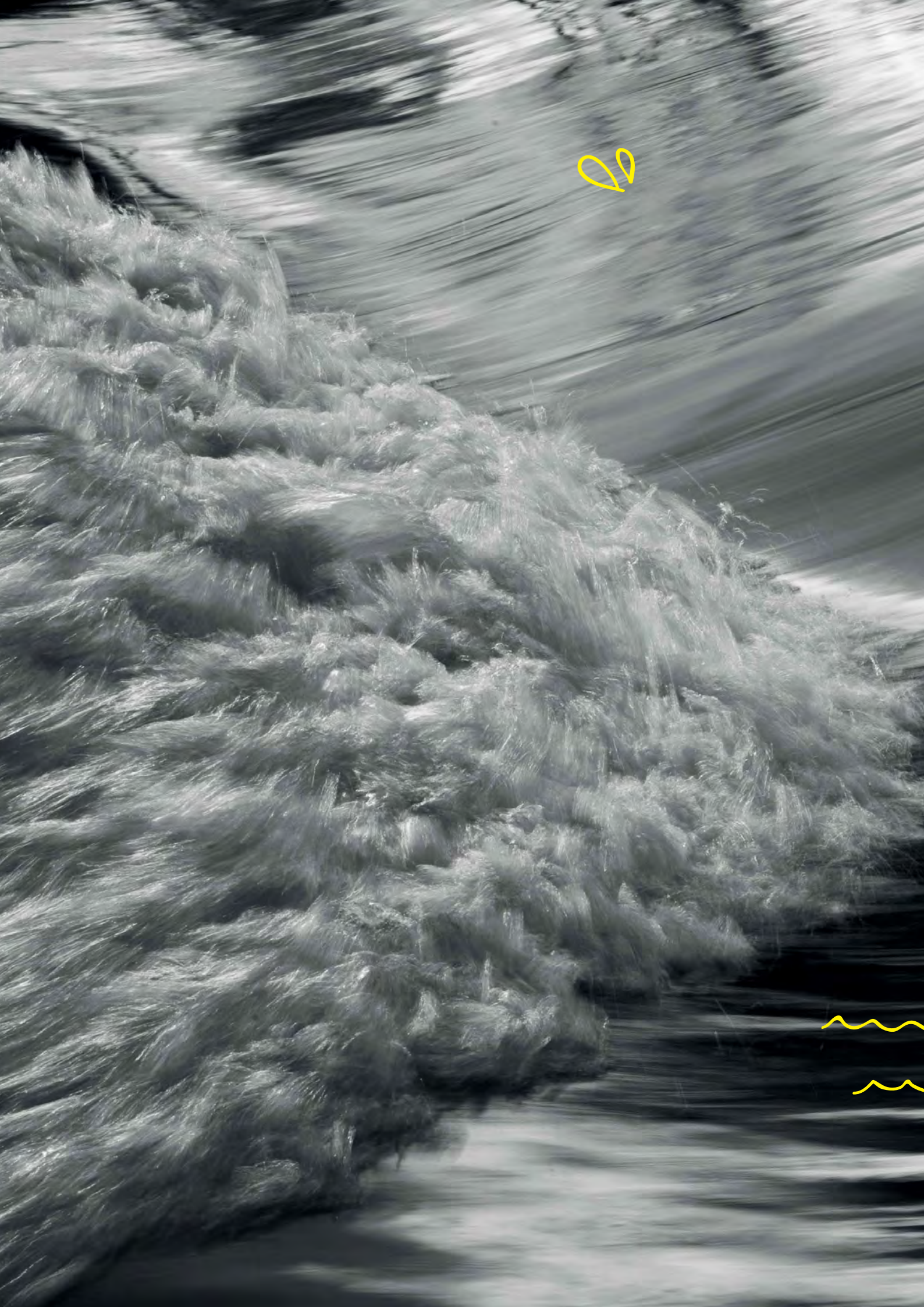
by edp

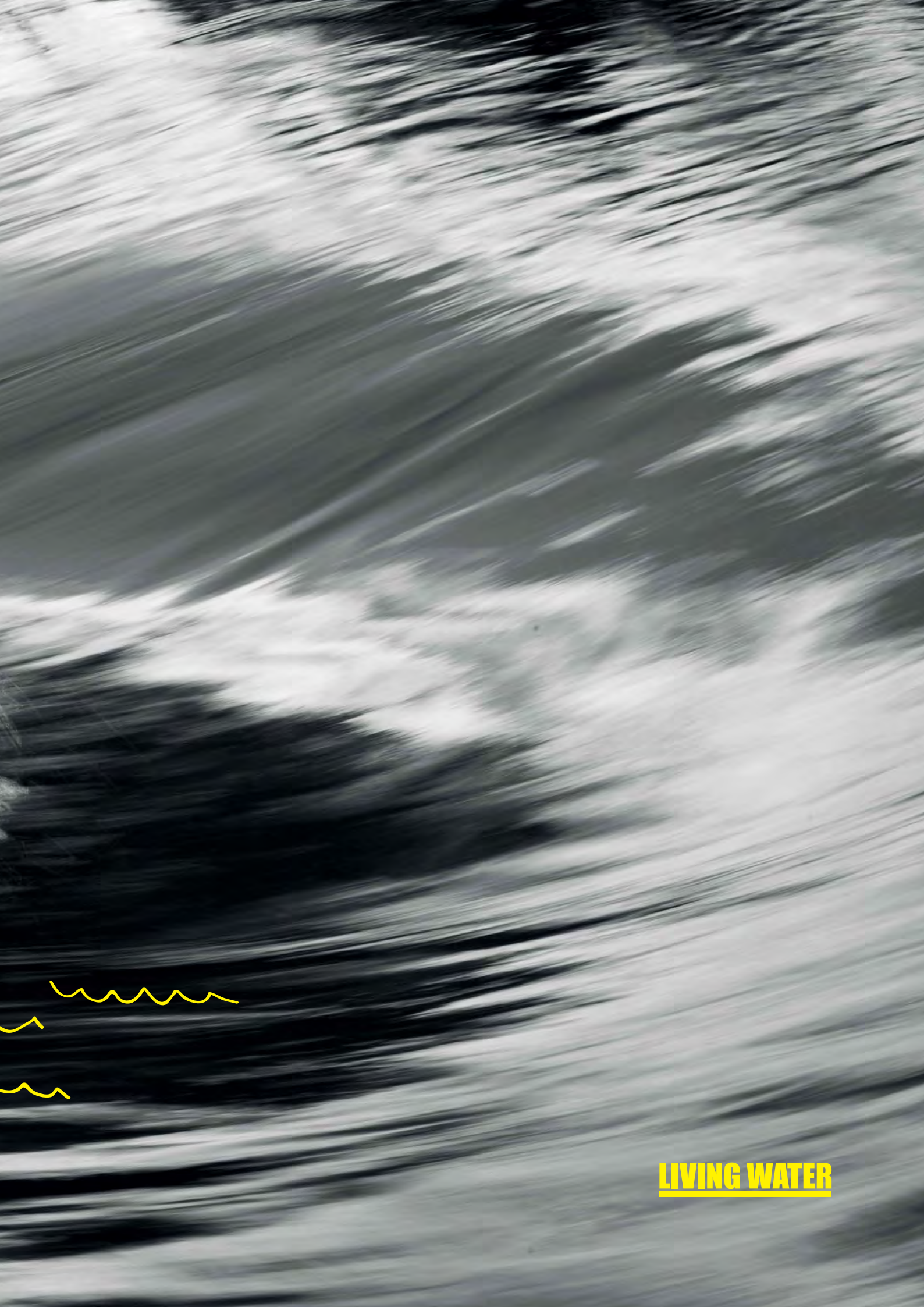
08 APPROPRIATION OF PROFITS

The EDP Foundation's Board of Directors proposes that the Net Profit of €1,050,019 be transferred to retained earnings.

From this item, the following should be placed in free reserves:

- The amount of €197,095, which represents the value of the works of art acquired in 2017;
- The amount of €1,000,000, to carry out preservation works in the Tejo Power Station building.





LIVING WATER

THE LIVING ENERGY BOOK

by edp

09 FINANCIAL REPORT

fundação edp

BALANCE SHEET AT 31 DECEMBER 2017 AND 2016

Unit: Euros

ITEMS	NOTES	DATES	
		31.Dec.2017	31.Dec.2016
ASSETS			
Non-current Assets			
Property, plant and equipment	7	59.285.485	49.271.920
Historic and cultural heritage assets	7	2.487.271	2.487.271
Other accounts receivable	11	6.000	3.000
Total Non-Current Assets		**61.778.756**	**51.762.191**
Current Assets			
Customers	9	106.718	159.047
Other accounts receivable	11	126.173	88.893
Allocated and unrealised endowment funds	12	12.221.438	1.466.956
Deferrals	13	6.443	3.713
Cash and bank deposits	6	5.965.624	15.509.620
Total Current Assets		**18.426.396**	**17.228.229**
Total Assets		**80.205.152**	**68.990.420**
ENDOWMENT FUNDS AND LIABILITIES			
Endowment Funds			
Funds	14	22.351.847	22.351.847
Reserves - Donations	15	826.216	712.861
Other reserves	15	3.165.941	2.865.954
Retained earnings	16	1.229.439	1.249.009
Other variations in endowment funds - investment subsidies	17	37.867.601	27.770.302
Net result for the year		1.050.019	270.664
Total Endowment Funds		**66.491.063**	**55.220.637**
LIABILITIES			
Non-current Liabilities			
Provisions	18	22.671	20.561
Liabilities for post-employment benefits	19	168.413	166.946
Other accounts payable	20	2.187.446	2.247.643
Total Non-current Liabilities		**2.378.530**	**2.435.150**
Current Liabilities			
Liabilities for post-employment benefits	19	28.757	21.224
Suppliers	21	3.278.011	2.868.375
Portuguese State and other public entities	10	175.031	341.884
Deferrals	13	885.950	910.770
Other accounts payable	20	6.967.810	7.192.380
Total Current Liabilities		**11.335.559**	**11.334.633**
Total Liabilities		**13.714.089**	**13.769.783**
Total Endowment Funds and Liabilities		**80.205.152**	**68.990.420**

Lisbon, 26 March 2018

CERTIFIED ACCOUNTANT N.º 7.630

The Board of Directors

INCOME STATEMENT
Financial year ended 31 December 2017 and 2016

Unit: Euros

CASH FLOW STATEMENT	Notes	YEARS	
		2017	2016
Sales and services rendered	22	852.023	248.741
Subsidies, gifts and operational bequests	23	13.812.500	13.700.000
Subsidies, donations and grants	30	(3.140.867)	(3.666.608)
External suppliers and services	24	(6.952.094)	(6.451.011)
Personnel costs and liabilities from post-employment benefits	25	(3.226.661)	(3.117.977)
Impairment in accounts receivable (losses/reversals)	26	328.313	(100.237)
Provisions (increases/reductions)	27	(2.110)	(20.561)
Other income and gains	28	348.404	221.357
Other expenses and losses	29	(401.704)	(70.595)
Profit before depreciation, financial expenses and taxes		**1.617.804**	**743.109**
Depreciation and amortisation expenses/reversals	31	(570.940)	(514.767)
Operating profit (before financial expenses and taxes)		**1.046.864**	**228.342**
Interest and similar income obtained	32	5.416	45.376
Interest and similar expenses incurred	33	(2.261)	(3.054)
Result before taxes		**1.050.019**	**270.664**
Corporate income tax for the year		-	-
Net result for the year	8	**1.050.019**	**270.664**

Lisbon, 26 March 2018

CERTIFIED ACCOUNTANT N.º 7.630

The Board of Directors

STATEMENT OF CHANGES IN THE ENDOWMENT FUNDS FOR THE YEAR 2016

Unit: Euros

DESCRIPTION		Endowment funds allocated to the grantors of the parent entity						Total of the Endowment Funds
		Funds	Reserves Donations	Other reserves	Retained Earnings	Other changes in endowment funds	Net profit for the year	
POSITION AT THE BEGINNING OF THE YEAR 2016	1	22.351.847	366.810	1.076.442	1.534.860	26.353.918	1.301.826	52.985.703
CHANGES IN THE YEAR								
Other changes recognised in the endowment funds		-	346.051	1.789.512	(285.851)	-	(1.301.826)	547.886
	2	-	346.051	1.789.512	(285.851)	-	(1.301.826)	547.886
NET PROFIT FOR THE YEAR	3						270.664	270.664
EXTENSIVE PROFIT	4=2+3	-	-	-	-	-	(1.031.162)	818.550
OPERATIONS WITH GRANTORS DURING THE YEAR								
Investment subsidies		-	-	-	-	1.416.384	-	1.416.384
	5	-	-	-	-	1.416.384	-	1.416.384
POSITION AT THE END OF THE YEAR 2016	6=1+2+3+5	22.351.847	712.861	2.865.954	1.249.009	27.770.302	270.664	55.220.637

STATEMENT OF CHANGES IN THE ENDOWMENT FUNDS FOR THE YEAR 2017

Unidade: Euros

DESCRIPTION		Endowment funds allocated to the grantors of the parent entity						Total of the Endowment Funds
		Funds	Reserves Donations	Other reserves	Retained Earnings	Other changes in endowment funds	Net profit for the year	
POSITION AT THE BEGINNING OF THE YEAR 2017	6	22.351.847	712.861	2.865.954	1.249.009	27.770.302	270.664	55.220.637
CHANGES IN THE YEAR								
Other changes recognised in the endowment funds		-	113.355	299.987	(19.570)	-	(270.664)	123.108
	7	-	113.355	299.987	(19.570)	-	(270.664)	123.108
NET PROFIT FOR THE YEAR	8						1.050.019	1.050.019
EXTENSIVE PROFIT	9=7+8	-	-	-	-	-	779.355	1.173.127
OPERATIONS WITH GRANTORS DURING THE YEAR								
Investment subsidies		-	-	-	-	10.097.299	-	10.097.299
	10	-	-	-	-	10.097.299	-	10.097.299
POSITION AT THE END OF THE YEAR 2017	11=6+7+8+10	22.351.847	826.216	3.165.941	1.229.439	37.867.601	1.050.019	66.491.063

Lisbon, 26 March 2018

CERTIFIED ACCOUNTANT N.º 7.630

The Board of Directors

fundação edp

CASH FLOW STATEMENT
Financial year ended 31 DECEMBER 2017 and 2016

Unit: Euros

ITEMS	Notes	Dec-2017	Dec-2016
Cash flows from operating activities			
Receipts from operating subsidies		13.812.500	13.700.000
Patronage provided		(3.298.518)	(4.067.037)
Receipts from clients and users		1.284.839	153.996
Payments to suppliers		(7.317.240)	(7.177.204)
Payments to staff		(3.191.509)	(3.108.353)
Other receipts / (payments) relating to operational activity		(988.156)	958.684
Cash flow from operating activities (1)		301.916	460.086
Cash flows from investment activities			
Receipts from:			
Interest and similar income		6.267	54.150
		6.267	54.150
Payments relating to:			
Property, plant & equipment		(9.832.721)	(18.801.180)
		(9.832.721)	(18.801.180)
Cash flow from investment activities (2)		(9.826.454)	(18.747.030)
Cash flows from financing activities			
Payments relating to:			
Interest and similar expenses		(19.458)	(7.790)
Cash flow from financing activities (3)		(19.458)	(7.790)
Change in cash and cash equivalents (1+2+3)		(9.543.996)	(18.294.734)
Effect of currency exchange differences		-	-
Cash and cash equivalents at the beginning of the period		15.509.620	33.804.354
Cash and cash equivalents at the end of the period (*)		5.965.624	15.509.620

(*) The breakdown of "Cash and cash equivalents" is presented in Note 6

Lisbon, 26 March 2018

CERTIFIED ACCOUNTANT N.º 7.630

The Board of Directors

1. Identification of the entity

Fundação EDP, Legal Entity No. 506917286, is a non-profit organisation, based in Lisbon, founded by EDP Energias de Portugal, S.A., on 13 December 2004, and which started operations in May 2005. It was recognised as a Foundation by administrative order 10 493/2005, of 12 October 2005, by the Ministry of the Interior.

By Prime-Ministerial order of 4 December 2009, published in the National Official Journal (Diário da República), Series II, No. 243, of 17 December 2009, the Foundation was declared a public interest entity under Decree Law 460/77, of 7 November.

In order to comply with article 6 (7) of the Preamble of the Regulatory Framework for Foundations, approved by Law 24/2012, of 9 July, the EDP Foundation requested confirmation of its public interest status, which was confirmed by administrative order 2652/2013 of 4 February, published in the National Official Journal (Diário da República), Series II, No. 35, of 19 February.

The EDP Foundation's general purpose is to promote, develop and support initiatives of a social, cultural, scientific, technological, educational, environmental and sports nature, as well as to defend EDP's heritage. The EDP Foundation's special purpose is to promote the study, preservation and dissemination of the cultural, scientific and technological heritage in Portugal associated with electric energy.

The EDP Foundation was created by its Founder, EDP - Energias de Portugal, S.A., with registered office at Avenida 24 de Julho, No. 12, in Lisbon, with an initial Capital Fund of 22.351.846,97 euros, constituted through a cash donation of 17.351.846,97 euros and a financial allocation of 5.000.000,00 euros. On the Balance Sheet date, the amount of the allocations had been paid in full.

2. Accounting reference for preparation of financial statements

2.1 Bases of presentation

The EDP Foundation's financial statements were prepared in accordance with the Unified Accounting System for Entities in the Non-Profit Sector (SNC-ESNL – Normalização Contabilística para as Entidades do Setor não Lucrativo), pursuant to the terms in Decree Law 36-A/2011, of 9 March, which is an integral part of the Unified Accounting System (SNC – Sistema de Normalização Contabilística), approved by Decree Law 158/2009 of 13 July, both as amended by Decree Law 98/2015, of 2 June. The SNC-ESNL is regulated by the following acts:

- Notice 8259/2015, of 29 July – Accounting and Financial Reporting Standards for Entities in the Non-Profit Sector (NCRF-ESNL – Norma Contabilística e de relato Financeiro para as Entidades do Setor Não Lucrativo);
- Ordinance 218/2015, of 23 July – Specific Account Codes for Entities in the Non-Profit Sector (CC-ESNL – Código de Contas específico para as Entidades do Setor Não Lucrativo);
- Ordinance 220/2015, of 24 July – Financial statement models applicable to Entities in the Non-profit Sector.

Notwithstanding the application of the NCRF-ESNL in all aspects concerning recognition, measurement and disclosure, whenever this standard does not respond to particular aspects directed at the Entity regarding accounting or financial reporting matters, or situations or shortcomings that are relevant to the provision of true and appropriate information, the Entity shall use, provided only to overcome the shortcoming, additionally and in the following order: (i) the Accounting and Financial Reporting Standards (NCRF), Interpretive Guidelines (NI–Normas Interpretativas) and Conceptual Structure of the Unified Accounting System (SNC), (ii) the International Accounting Standards (NIC–Normas Internacionais de Contabilidade) adopted under Regulation 1606/2002 of the European Parliament and of the Council, of 19 July, and (iii) the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the IASB.

The financial statements that include the balance statement, the statement of profits and losses by activity, the statement of changes in endowment funds, the cash flow statement and the appendix, were approved by the Institution's Board of Directors, on 26 March 2018, are recorded in euros and were prepared on a going concern basis and on the accrual basis, in which the items are recognised as assets, liabilities, endowment funds, income and costs when these satisfy the definitions and recognition criteria for those elements contained in the conceptual framework, in compliance with the qualitative characteristics of consistency of presentation, materiality and aggregation, compensation and comparability.

The accounting policies presented in note 3, were used in the financial statements for the year ended 31 December 2017 and in the comparative financial information presented in these financial statements for the year ended 31 December 2016.

2.2 No derrogations were made from the provisions in the SNC-ESNL.

The period beginning on 1 January 2016 was the period in which the Company applied the amendments introduced by Decree-Law 98/2015, of 2 June. The Institution applied the new accounting policies amended by Notice 8259/2015 without significant impact on the financial statements presented herein.

2.3 There are no accounts in the balance statement and in the income statement whose contents are not comparable with those from the previous year.

3. Key accounting policies

The key accounting policies applied in preparing the financial statements are as follows:

3.1 Measurement bases used in preparing the financial statements

The financial statements were prepared under the historic cost principle, based on the Institution's accounting records. Liabilities from defined benefit bonds are recognised at the present value of the bond net of the fund's assets.

Preparation of the financial statements in conformity with NCRF-ESNL requires the Board of Directors to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported value of assets, liabilities, income and expenses. The estimates and related assumptions are based on historic experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Issues involving a higher degree of judgment or complexity, or where the assumptions and estimates are considered significant, are presented in Note 3.3 - Critical accounting estimates and judgments in preparing the financial statements.

3.2 Other relevant accounting policies

a) Property, plant & equipment

Property, plant and equipment is at acquisition cost which includes the purchase price, duties, non-refundable purchase taxes and any costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the intended manner.

Subsequent costs are recognised as property, plant and equipment only when it is probable that future economic benefits will flow to the Institution.

Day-to-day servicing or repair and maintenance costs are recognised as costs in the year in which they occur as they are incurred, on an accrual basis.

The EDP Foundation carries out impairment tests whenever events or circumstances may indicate that the book value of an asset exceeds its recoverable amount, and any difference is recognised in the income statement.

The recoverable amount is the higher between the asset's fair value less costs to sell and value in use, the latter being calculated by the best estimate of the asset's present and future activities for the entity.

Depreciation of property, plant and equipment is calculated using the straight-line method, after deducting its residual value, over the estimated useful life, as follows:

	Number of years
Land	99
Buildings and other constructions	50
Basic equipment	7 to 10
Transport equipment	4 to 7
Tools and utensils	4
Office equipment	3 to 10
Other property, plant & equipment	5

Land registered under concession contract for private use, as a finance lease, is amortised over the concession period of 99 years.

The useful life, depreciation method and residual value of the assets are reviewed annually. The effect of changes in these estimates is recognised in the income statement prospectively.

Gains or losses arising from write-downs or disposals are determined by the difference between the proceeds and the asset's book value, and are recognised as income or expenses during the year.

Works of art belonging to the EDP Foundation collection are stated in the books at cost of acquisition or donation, if granted free of charge.

Property, plant & equipment granted free of charge

Works of art granted free of charge, at the grant date, are measured as follows and in the order presented:
- Fair value;
- Value for which they are insured;
- Value for which they were recorded in the donator's books.

Donated works are recorded under property, plant and equipment against Reserves - Donations.

There are no donated works of art or other property, plant and equipment with temporary or permanent restrictions, whether regarding their use or their destination.

Historic and cultural heritage assets

Historic and cultural heritage assets include private assets classified as historic heritage, as per their respective property tax documents, namely the Electricity Museum land and building.

Historic and cultural heritage assets are not subject to depreciation under the NCRF - ESNL regulations.

b) Leases

The EDP Foundation classifies its lease transactions as finance leases or operating leases based on the content of the transaction rather than the form of its contract. A lease is classified as a finance lease if it transfers to the lessee substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer to the lessee substantially all the risks and rewards incidental to ownership.

Operating leases

Lease payments/income under operating lease contracts carried out by the EDP Foundation are recognised as expenses/income in the period to which they relate on a straight-line basis.

Finance leases

Finance leases are recognised at the lease start date, as assets and liabilities at the fair value of the leased property, or if lower, the present value of the minimum lease payments. The initial direct costs of the lessee are added to the amount recognised as an asset.

The minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The interest charges are recognised as costs over each lease period in order to produce a constant periodic rate of interest on the remaining balance of the liability.

c) Accounts receivable

Accounts receivable are initially recognised at fair value, and subsequently based on the amortised cost, and are presented in the balance sheet net of their associated impairment losses.

Impairment losses are recorded based on the regular assessment of the existence of objective evidence of impairment resulting from doubtful debts as of the balance sheet date. Impairment losses are recognised in the income statement, and are subsequently reversed through the income statement if the estimated losses decrease, at a later period.

d) Income tax for the year

The EDP Foundation's earnings for business carried out under its statutory purposes (to promote and support initiatives of a social, cultural, scientific, technological, educational, environmental and sports nature, as well as to defend the EDP's heritage), are included in the income tax exemption scheme, pursuant to article 11(1) of the respective Code.

The Ministry of Finance's administrative order 2456/2010, of 27 December, recognised the EDP Foundation as being exempt from income tax, with the following scope:

Category B - Corporate income derived from commercial and industrial activities developed in compliance with their statutory purposes;

Category E – Capital income, except that which is derived from any bearer securities, neither registered nor deposited, pursuant to the laws in force;

Category F – Income from property;

Category G – Increase in wealth.

This exemption is applicable from 17 December 2009, date on which the Prime Minister's administrative order was published in the National Official Journal (Diário da República), Series II, No. 243, recognising the foundation as a Public Interest Company, confirmed by administrative order 2652/2013 of 4 February 2013, published in the National Official Journal, Series II, No. 35, of 19 February.

e) Accounts payable

Debts payable are initially recognised at fair value, deducted of the costs attributable to the debt issue, and are subsequently measured at amortised cost (when the time value of money is materially relevant).

f) Cash and bank deposits

Cash and bank deposits include the cash in hand, bank deposits and short term highly liquid financial investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Other changes in endowment funds – Investment subsidies

Non-repayable subsidies relating to property, plant and equipment are initially recognised in Equity Funds and later recognised as income on a systematic basis as revenue over the periods required to match them with the related expenditure periods that they are intended to compensate. Subsidies are considered non-refundable where there is individual agreement granting the subsidy to the entity and where the conditions for the grant have been fulfilled and there is no doubt that the subsidies will be received.

Non-repayable investment subsidies were granted by the Founder and the nuclear power companies of the EDP Group to fund the construction of the EDP Foundation's Museum of Art, Architecture and Technology.

h) Provisions

Provisions are recognised when:

• The Institution has a present, legal or constructive obligation as a result of a past event;

• It is likely that an outflow of resources embodying economic benefits will be required to settle the obligation; and,

• It is possible to make a reliable estimate of the obligation.

Provisions are re-measured on an annual basis based on the best estimate of the settlement amount. The unwinding of the discount at the end of each balance sheet period is recognised as a financial expense.

i) Subsidies, donations and operating grants

Financial contributions granted by the founder and the EDP Group's nuclear power companies are intended to meet the expenses of the Foundation's activity. They are recorded under this heading in the year to which they relate, regardless of the date on which they were received.

j) Employee benefits

Pensions

The EDP Foundation assigns post-retirement benefits to its employees in the form of defined benefit plans and defined contribution plans, namely pension plans that assure retirement supplements for age, disability and survivorship and pensions for early retirement.

Defined benefit plans

The defined benefit plan is assured by (i) a closed pension fund managed by an external entity, in that it refers to the responsibilities for retirement benefits complementary to the Social Security System (namely retirement and early retirement), and (ii) by an additional specific provision recognised in the Balance Sheet. As a general rule, the benefits are determined and assigned through the combination of one or more factors, such as age, years of service and the relevant base salary (pensionable salary).

The Foundation's liabilities for retirement pensions are calculated annually, on the date of closing of accounts, by independent experts, individually for each plan, based on the Projected Unit Credit Method. The discount rate used in this calculation is determined based on market rates associated with bonds of companies with a high rating, and with a maturity similar to the date of the term of the plan's obligations.

The actuarial gains and losses arising from (i) the differences between the actuarial and financial assumptions used and the values actually verified and (ii) the changes in actuarial assumptions are recognised in reserves.

The increase in costs of past services arising from early retirement (retirement before the employee has reached the retirement age) or changes to the plan are recognised in the income statement when incurred.

The Foundation recognises the current service cost and past service costs in operating results in its income statement. Net interest on liabilities (assets) net of defined benefits is recognised as financial income.

The plan's assets follow the conditions for recognition established in IFRIC 14 - NCRF 18 and the minimum funding requirements established legally or contractually.

Defined contribution plans

The EDP Foundation also has defined contribution social benefit plans that are complementary to those granted by the Social Security systems, thus making a contribution to these plans each year, calculated according to the rules established in the plan. These contributions are comprised of a percentage in fixed and variable remuneration received by the employees included in the plan and are recorded in the accounting as costs in the year in which they are due.

Other benefits granted

Healthcare plans

The EDP Foundation grants benefits under which eligible employees and direct relatives benefit from favourable conditions in medical assistance and healthcare services, expressed through medical care that complements the National Health Service, which is guaranteed through infrastructures that are held and managed internally.

These healthcare plans are classified as future benefit plans.

The healthcare plan is assured by (i) a fund managed by an external entity established in December 2016 and (ii) by an additional specific provision recognised in the statement of financial position of the EDP Group companies.

The recognition and measurement of the responsibilities for the health care plans are identical to those mentioned above for the defined benefit pension plans.

Other

In addition, the EDP Group assigns other benefits, bearing the costs arising from liabilities from supplements for disability, death grant and survivorship pensions, life insurance, bonuses for seniority and retirement, discounts in electricity and gas prices, among others.

Details of the benefits included in each Plan for Portugal and Brazil can be consulted in the EDP Collective Labour Agreement, published in the Work and Employment Bulletin of 8 October 2014.

k) Recognition of expenses and income

Expenses and income are registered in the year to which they refer regardless of when paid or received, pursuant to the accrual-based accounting system. The differences between amounts paid and received and the corresponding revenue and costs are registered under Other assets or liabilities, depending on whether they are payable or receivable.

Granted donations responsibilities are recorded in the period in which EDP Foundation assumes the irrevocable commitment to assign the same.

l) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

When the outcome of a transaction involving the provision of services can be estimated reliably, the revenue associated with the provision of services shall be recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all of the following conditions are met:

- The amount of revenue can be measured reliably;
- It is likely that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction can be estimated reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue includes amounts invoiced on the sale of products or services rendered, net of value added tax, rebates and discounts. When the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount. This difference is recognised as interest revenue.

m) Expenses/Income from financing

Expenses/income from financing include interest paid for the loans obtained, the interest received from investments made before the loans are used (when this is the case), and similar income and expenses obtained and sustained with respect to the exchange differences associated with the loans.

Interest is recognised on the accrual basis using the amortised cost method.

Interest from financial investments and other income from investments are recognised in the income statement under other income and gains.

n) Transactions in foreign currency

Transactions in foreign currency are converted at the exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are converted into euros at the exchange rate at the balance sheet date. The exchange differences that result from this conversion are recognised in the income statement of the year in which they occur.

o) Events after the balance sheet date

The financial statements presented reflect the subsequent events that took place until 26 March 2018, date on which they were approved by the Board of Directors, as referred in Note 2.1.

The events that took place after the balance sheet date regarding conditions that existed at the balance sheet date are considered when preparing the financial statements.

Material events after the balance sheet date that do not lead to adjustments are disclosed in Note 37.

p) Reserves - Donations

Reserves – Donations represent a set of Works of Art offered by the authors following exhibitions carried out.

The donated works of art are valued at the fair value attributed by the artist, at the insurance value or at the value for which they are stated in the donor's books.

3.3 Key accounting estimates and judgements in preparing the financial statements

NCRF require that estimates and judgments be made in the decision process about certain accounting treatments, with impact on the value reported for all of the assets, liabilities, endowment funds, costs and income. The actual effects may differ from these estimates and judgments, namely regarding the effect of real costs and income.

The key accounting estimates and judgments used to apply the accounting principles used by the Foundation are discussed in this note in order to improve the understanding of how their application affects the Institution's reported results and disclosures. A more detailed description of the key accounting policies employed by the Institution is presented in Note 3.2 of the Appendix.

Considering that in many cases there are alternatives to the accounting treatment adopted by the Institution, the reported results could differ if a different treatment were chosen. The Board of Directors believes that the choices made are appropriate and that the financial statements present fairly, in all material respects, the Foundation's financial position and results.

Impairment in accounts receivable

Impairment losses pertaining to doubtful debts are based on the Foundation's assessment of the recoverable amounts, the date of default, debt write offs and other factors. Certain circumstances and facts may change the estimated impairment losses of doubtful debts based on the assumptions considered, including changes in the economic environment, trends in the sector, the client's credit risk and increases in the rate of defaults. Changes in these estimates may change the impairment test results and, consequently, affect the results reported.

Pensions and other employee benefits

The calculation of the liabilities for retirement pensions and other employee benefits requires the use of assumptions and estimates, including the use of actuarial projections, estimated profitability of the investments, discount and growth rates of pensions and salaries, as well as other factors that may have an impact on the costs and liabilities of the pension plans, healthcare plans and other benefits. Changes in these assumptions may have a material impact on the amounts calculated.

3.4 Key assumptions concerning the future

The EDP Foundation's Board of Directors did not identify any situations that may cause material adjustments to the carrying amounts of assets and liabilities during the following year or jeopardise the Institution's continuity.

3.5 Key sources of estimation uncertainty

The key sources of estimation uncertainty are detailed in Note 3.3.

4. Accounting policies, changes in accounting estimates and errors

4.1 Nature of the prior period material error and its impacts on the financial statements for those periods.

No prior period errors were identified.

4.2 Amount of the adjustment pertaining to the current period or periods before those presented, to the practicable extent.

No prior period errors were identified.

4.3 Reasons why applying the new accounting policy provides reliable and more relevant information, in the case of voluntary application.

Not applicable.

5. Financial risk management policies

Risk management

Due to its activity, the EDP Foundation is exposed to liquidity risk which may occur if the sources of financing, such as operating cash flows and cash flows obtained from loans, do not meet the financing needs, such as the cash outflows for operating activities, financing and investments.

The Foundation's main contractual obligations exposed to this type of risk pertain to the donations granted pursuant to the established protocols and for construction of the Museum of Art, Architecture and Technology.

The EDP Foundation manages its liquidity risk by obtaining donations and subsidies from the Founder (EDP, S.A.) and the nuclear power generation companies (EDP Distribuição, S.A. and EDP – Gestão da Produção de Energia, S.A.), which enable immediate access to liquidity needs.

6. Cash and bank deposits

The Cash Flow Statement is prepared using the direct method, which discloses gross cash receipts and payments from operating, investing and financing activities.

The institution classifies interest paid as financing activities and interest received as investing activities.

The heading **Cash and bank deposits** represents the following balances:

	Dec 2017	Dec 2016
Demand deposits		
CGD - Caixa Geral de Depósitos	172.493	129.054
NOVO BANCO, S.A.	60.531	249.417
MILLENNIUM BCP	1.982.336	50.578
BBVA	50.264	50.571
Time deposits		
MILLENNIUM BCP	3.700.000	15.030.000
	5.965.624	15.509.620

In 2017, the item Time deposits includes 4 short-term treasury investments, in the amounts of 1.800.000 euros, 1.000.000 euros, 500.000 euros and 400.000 euros, which bear interest at the rates of 0,03%, 0,06%, 0,02% and 0,04%, respectively, taken out with MILLENNIUM BCP bank.

In 2016, the item Time deposits includes 4 short-term treasury investments, in the amounts of 3.000.000 euros, 2.000.000 euros, 8.000.000 euros and 2.030.000 euros, which bear interest at the rates of 0,06%, 0,08%, 0,1% and 0,04%, respectively, taken out with MILLENNIUM BCP bank.

The maturity of these financial instruments is presented as follows:

	Dec 2017	Dec 2016
Investment in banking institutions		
Up to 3 months	3.700.000	15.030.000
	3.700.000	15.030.000

7. Property, plant & equipment and Historic and Cultural Heritage Assets

This item is analysed as follows:

	Dec 2017	Dec 2016
Gross amount:		
Historic and cultural heritage assets		
Tejo Power Station Land	1.553.003	1.553.003
Tejo Power Station Building	1.112.225	1.112.225
Other property, plant & equipment		
Land and natural resources	4.562.970	4.562.970
Buildings and other constructions	49.113.033	40.029.559
Basic equipment	183.066	183.066
Transport equipment	281.513	281.513
Office equipment	1.842.503	1.147.066
Works of art	5.915.618	5.713.622
Other property, plant & equipment	1.227.816	1.227.816
Property, plant & equipment under construction	1.298.767	87.999
	67.090.514	55.898.839
Accumulated depreciation and impairment		
Depreciation for the year	-1.178.110	-565.339
Accumulated depreciation in previous years	-4.139.648	-3.574.309
	-5.317.758	-4.139.648
Carrying amount	61.772.756	51.759.191

The movements in property, plant & equipment for the year 2017 are analysed as follows:

	Balance in Jan 2017	Additions	Divestments	Transfers Corrections	Balance in Dec 2017
Gross amount					
Historic and cultural heritage assets					
Tejo Power Station Land	1.553.003	-	-	-	1.553.003
Tejo Power Station Building	1.112.225	-	-	-	1.112.225
Other property, plant & equipment					
Land and natural resources	4.562.970	-	-	-	4.562.970
Buildings and other constructions	40.029.559	-	-	9.083.474	49.113.033
Basic equipment	183.066	-	-	-	183.066
Transport equipment	281.513	-	-	-	281.513
Office equipment	1.147.066	568.256	-50.013	177.194	1.842.503
Works of art	5.713.622	201.996	-	-	5.915.618
Other property, plant & equipment	1.227.816	-	-	-	1.227.816
Property, plant & equipment under construction	87.999	10.471.436	-	-9.260.668	1.298.767
	55.898.839	11.241.688	-50.013	-	67.090.514
Accumulated depreciation and impairment					
Tejo Power Station Land	-177.957	-	-	-	-177.957
Land and natural resources	-138.273	-	-	-	-138.273
Buildings and other constructions	-2.894.606	-921.920	-	-	-3.816.526
Basic equipment	-29.425	-17.415	-	-	-46.840
Transport equipment	-122.429	-58.486	-	-	-180.915
Office equipment	-489.838	-182.561	50.013	-	-622.386
Other property, plant & equipment	-287.120	-47.741	-	-	-334.861
	-4.139.648	-1.228.123	50.013	-	-5.317.758
Carrying amount	51.759.191				61.772.756

The item Historic and cultural assets includes private assets corresponding to the Tejo Power Station, and are classified as historic heritage pursuant to their respective property tax documents, namely the Electricity Museum land and building. With the transition to the SNC-ESNL regulation, as of the 2012 financial year, these assets are not subject to depreciation.

On 28 November 2013, as part of the construction and subsequent operation of the Museum of Art, Architecture and Technology, the EDP Foundation signed a contract with the Lisbon Municipal Council, through which it separated part of its constituent assets and sold two plots of land to the Lisbon Municipal Council for inclusion in the municipal public domain, with one of the plots sold being classified as an historic and cultural heritage asset. Simultaneously, a concession agreement was entered into with the Lisbon Municipal Council for the private use of the municipal public domain for 99 years, beginning on the date upon which the contract was signed.

For the sale of the land and buildings to the Lisbon Municipality, the EDP Foundation received 1.689.000 euros, generating a capital gain in the amount of 355.394 euros (see note 11), which will be deferred for the term of the concession for the private use of the municipal public domain, i.e. 99 years.

The concession for private use of the municipal public domain was recognised as a finance lease for accounting purposes, and the EDP Foundation recorded land property in its assets in the amount of 4.562.970 euros. Amortisation started in January 2014.

The separation and subsequent sale of the plot belonging to the EDP Foundation was previously authorised by order of the Secretary of State for the Presidency of the Council of Ministers, on 22 February 2013.

The item Buildings and other constructions recorded an increase of 9.083.474 euros, and the item Other property, plant and equipment also increased by 177.194 euros, due to works still taking place in the Museum of Art, Architecture and Technology during the year 2017.

The item Office equipment registered an increase of 745.451 euros from the acquisition of several administrative and technological equipments and the passage for exploration of the EDP Foundation and Museum of Art, Architecture and Technology websites.

The amount under the item property, plant and equipment under construction recorded a significant decrease, due to the EDP Foundation's Museum of Art, Architecture and Technology, passing from intangible assets in progress to fixed assets. As at December 31 2017, the property, plant and equipment caption in progress refers mainly to the ongoing work at the Museum of Art, Architecture and Technology.

As at 31 December 2017 and 31 December 2016, the value of the property, plant and equipment financed by finance leases is presented as follows:

	Dec 2017			Dec 2016		
	Gross carrying amount	Depreciation / Impairment	Net carrying amount	Gross carrying amount	Depreciation / Impairment	Net carrying amount
Land	4 562 970	- 184 362	4 378 608	4 562 970	- 138 272	4 424 698
Transport equipment	203 149	- 112 640	90 509	283 108	- 66 748	203 149
	4 766 119	- 297 002	4 469 117	4 846 078	- 205 020	4 627 847

Total future minimum payments from current contracts are presented as follows:

a) Land

At 31 December 2017, loan capital was more than 2.166.258 euros, to be paid in annual instalments of 23.045 euros, updated annually using the official coefficient for residential rents (note 20).

	Payments		
	< 1 year	>1 year & <5 years	> 5 years
Land	25 631	102 524	2 038 103
	25 631	102 524	2 038 103

b) Transport equipment (note 20)

	Dec 2017			Dec 2016		
	Capital in debt	Interest on debt	Outstanding rents	Capital in debt	Interest on debt	Outstanding rents
Less than one year	46 979	1 211	48 190	51 913	2 276	54 189
Between one and five years	46 819	525	47 344	93 803	1 788	95 591
	93 798	1 736	95 534	145 716	4 064	149 780

8. Income tax

The EDP Foundation's activities to support cultural, recreational and sports initiatives are exempt from income tax under article 11 of the respective Code. Furthermore, under the provisions of paragraphs 3 and 4 of article 54 of the income tax Code, grants and increases in wealth obtained free of charge and used to carry out the statutory purposes, are also exempt from income tax.

The Sub-directorate General of Taxes administrative order 6960/2011 (by sub-delegation), of 27 December 2010, recognised the EDP Foundation as being exempt from income tax, under article 10 (1.c.) of the Income Tax Code, from 17 December 2009, the date on which the Prime Minister's administrative order was published in the National Official Journal (Diário da República), Series II, No. 243, recognising the EDP Foundation as a Public Interest Company.

In order to comply with article 6 (7) of the Preamble of the Regulatory Framework for Foundations, approved by Law 24/2012, of 9 July, the EDP Foundation requested confirmation of its public interest status, which was confirmed by administrative order 2652/2013 of 4 February, published in the National Official Journal (Diário da República), Series II, No. 35, of 19 February.

9. Customers

The item **Customers** is analysed as follows:

	Dec 2017	Dec 2016
Gross carrying amount:		
Customer accounts		
General (i):	2.439.634	2.819.811
	2.439.634	2.819.811
Accumulated impairment		
Impairment losses for the year	327.848	-100.237
Impairment losses in previous years	-2.660.764	-2.560.527
	-2.332.916	-2.660.764
Net carrying amount:	106.718	159.047

(i) The amount regards the EDP Foundation's participation in the Access to Energy project in Cabiri Village, in Angola, in partnership with EIH – Energia Inovação Holding, S.A., a company based in Angola. This debt is fully provided for, given its doubtful nature. However, procedures remain in place to try and settle the outstanding debt. Of the net amount receivable from customers, the amount of 23.108 regards the use of space in the Electricity Museum for events (2016: 144.047 euros), 36.900 euros regards sponsorship received from BMW Portugal, LDA. within the scope of the partnership protocol and 79.016 euros received from China Tree Gorges as support for the EDP Foundation's cultural activities.

The movement in impairment losses is analysed as follows:

	Balance in Jan 2017	Increases	Reversals	Balance in Dec 2017
Impairment losses				
General customers	2.660.764	-	- 327 848	2.332.916
	2.660.764	-	-327.848	2.332.916

The amount entered in the item Impairment losses regards accounts receivable for the Access to Energy project in Cabiri Village, Angola. The movement recorded during 2017 is the result of exchange rate updating of the debt amount.

10. State and other public entities

The item **State and other public entities** is analysed as follows:

	Dec 2017	Dec 2016
State and other public entities		
- Withheld income tax	40.104	47.056
- Social Security Contributions	51.290	50.044
- Value added tax (VAT)	83.636	244.784
- Stamp duty	1	-
	175.031	341.884

11. Other accounts receivable

The item **Other accounts receivable** is analysed as follows:

	Dec 2017	Dec 2016
Other accounts and assets receivable - non current		
Over-financing of pension fund	6.000	3.000
	6.000	3.000

	Dec 2017	Dec 2016
Other accounts receivable - current		
Gross carrying amount:		
Amounts receivable from personnel	21.384	29.580
Amounts receivable from EDP Group (i)	56.960	42.388
Other	47.829	17.390
	126.173	89.358
Accumulated impairment:		
Impairment losses for the year	465	-
Impairment losses in previous years	-465	-465
	-	-465
Net carrying amount:	126.173	88.893

(i) This heading includes, among others, debtors for the provision of other goods and services, with the following details:

- Amount of 15.069 euros regarding lease of premises and 33.623 euros accrued for training sustained by EDP S.A.;

- Amount of 5.956 euros regarding employee discount rate sustained by EDP Comercial, S.A.;

- Amount of 5.516 euros regarding medical assistance sustained by Sãvida;

- Amount of 11.032 euros regarding amount receivable from EDP Distribuição, S.A. concerning the transfer of liabilities for employee benefits.

12. Allocated and unrealised endowment funds

The item **allocated and unrealised endowment funds** is analysed as follows:

	Dec 2017	Dec 2016
Allocated and unrealised endowment funds		
Founder (EDP S.A.)	6.732.671	710.161
EDP Produção S.A.	2.613.522	355.081
EDP Distribuição S.A.	2.875.245	401.714
	12.221.438	1.466.956

The item Allocated and unrealised endowment funds regards the remaining value foreseen under contract for conclusion of the construction of MAAT and which will be received during the year 2018.

13. Deferrals

The item **Deferrals** is analysed as follows:

	Dec 2017	Dec 2016
Deferrals - Assets		
Expenses to be recognised		
Insurance	6.443	3.713
	6.443	3.713
Deferrals - Liabilities		
Income to be recognised		
Other income to be recognised (i)	885.950	910.770
	885.950	910.770

(i) The amount recorded in the item Other income to be recognised is detailed as follows:

- surplus value resulting from the sale in 2013 of land for the construction of the Museum of Art, Architecture and Technology to the Lisbon Municipality, in the amount of 341.035 euros (2016: 344.624 euros);

- payment received from EDP Distribuição for operation of the right of use and enjoyment of the plot of land on which the Tejo Power Substation is located and the electrical distribution networks assigned to the National Medium and High Voltage Power Distribution Network (RND), in the amount of 544.915 euros. These amounts will be recognised in the income statement according to the useful life (note 7).

14. Funds

The EDP Foundation was created by its Founder, EDP - Energias de Portugal, S.A., with an initial Endowment Fund of 22.351.847 euros, constituted through cash allocation in the amount of 17.351.847 euros and a financial allocation of 5.000.000 euros. At the balance sheet date, the amount of the allocations had been paid in full.

In accordance with the Institution's statutes, the Foundation's assets are comprised essentially of goods donated or conceded by the Founder or third parties.

This item is detailed as follows:

	Dec 2017	Dec 2016
Fund - Initial Donation	22.351.847	22.351.847
	22.351.847	22.351.847

15. Reserves

The item **Reserves** is analysed as follows:

	Dec 2017	Dec 2016
Free reserves	3.165.941	2.865.954
Reserves - Donations	826.216	712.861
	3.992.157	3.578.815

The item Free reserves represents the amount invested by the EDP Foundation in works of art each year.

The item Reserves – Donations included in the Foundation's endowment funds represents a set of Works of Art offered by the authors following exhibitions carried out at the Electricity Museum and donations received within the scope of the partnership agreement with Samsung. The amount of the donations for the year 2017 amounted to 133.355 euros.

As of 1 January 2012, donated works of art are valued at the fair value attributed by the artist, at the insurance value or the value for which they are stated in the donator's books.

It is the EDP Foundation's intention to keep these works in its collection, on exhibit, and not to sell them to third parties.

The movement in the item Reserves during the year 2017 is analysed as follows:

	Balance in Jan 2017	Increases	Decreases	Balance in Dec 2017
Free reserves	2.865.954	299.987	-	3.165.941
Reserves - Donations	712.861	113.355	-	826.216
	3.578.815	413.342	-	3.992.157

The increase in Reserves – Donations refers to works donated by the artists Carlos Lobo, Ilda David,Vik Muniz and João Gabriel Pereira, among others. This increase is also due to the partnership entered into with Samsung, which foresaw the receipt of various electronic appliances.

16. Retained earnings

The item **Retained earnings** is analysed as follows:

	Dec 2017	Dec 2016
Retained earnings	1.229.439	1.249.009
	1.229.439	1.249.009

The increase in Free Reserves relates to the application of the 2016 net income, in the amount of 299.987 euros, referring to the works of art acquired in 2016, according to act no. 1 of the Board of Trustees.

The negative variation of retained earnings in the amount of 19.570 euros results from the inclusion of net income for the period ended 31 December 2016 in the amount of 270.664 euros, net from the constitution of Free reserves in the amount of 299.987 euros (note 15) and from actuarial gains in the amount of 9.753 euros (note 19).

17. Other changes in endowment funds - investment subsidies

The item **Other changes in endowment funds - investment subsidies** is analysed as follows:

		Dec 2017	Dec 2016
Investment subsidies			
Founder (EDP S.A.)		19.733.873	13.711.362
EDP Produção S.A.		8.880.616	6.622.176
EDP Distribuição S.A.		9.960.867	7.487.336
		38.575.356	27.820.874
Compensation for depreciation			
Investment subsidies depreciation	(note 31)	-707.755	-50.572
		37.867.601	27.770.302

The EDP Foundation recorded in the year 2017, the amount of 10.754.482 euros (2016: 1.466.956 euros), in subsidies for the investment received and unrealised under the contract established between the Founder EDP, S.A., the nuclear power companies of the EDP Group (EDP Produção, S.A. and EDP Distribuição, S.A.) and the EDP Foundation in order to finance the construction of the Museum of Art, Architecture and Technology.

The item Compensation for depreciation regards amortisation of the subsidy granted to the EDP Foundation for construction of the MAAT, by the companies EDP S.A., EDP Produção S.A. and EDP Distribuição S.A., pursuant to the terms of the applicable accounting policy.

18. Provisions

The item **Provisions** is analysed as follows:

	Dec 2017	Dec 2016
Provisions	22.671	20.561
	22.671	20.561

19. Liabilities for post-employment benefits

The item **Liabilities for post-employment benefits** is analysed as follows:

	Dec 2017	Dec 2016
Provisions for liabilities and social benefits	63.440	64.440
Provisions for liabilities for healthcare and other benefits	133.730	123.730
	197.170	188.170

This item is detailed as follows:

	Dec 2017	Dec 2016
Non-current	168.413	166 946
Current	28.757	21.224
	197.170	188.170

The movement in **Provision for liabilities and social benefits** is analysed as follows:

	Dec 2017	Dec 2016
Balance at the beginning of the year	64.440	554 461
Endowment for the year	7.000	22 979
Transfers between Group companies	-	-341.440
Actuarial (gains) / losses	-11.000	- 165 560
Surplus / (Deficit) Financing of Fund (note 11)	3.000	-6.000
Balance at the end of the year	63.440	64.440

The decomposition of **Actuarial gains and losses - Pensions** is analysed as follows:

	Dec 2017	Dec 2016
Actuarial gains and losses - Pensions		
Actuarial gains and losses due to:		
- experience adjustments	41.000	-265.560
- changes in the financial and demographic actuarial assumptions	-	-5.000
Actuarial gains and losses from return on assets	-52.000	105.000
	-11.000	-165.560

The movement in **Provision for liabilities for healthcare and other benefits** is analysed as follows:

	Dec 2017	Dec 2016
Balance at the beginning of the year	123 730	462 168
Endowment for the year	16 571	25 186
Transfers between Group companies	182	- 316 767
Actuarial (gains) / losses	1 247	- 36 276
Contributions to the Fund	- 8 000	- 10 581
Balance at the end of the year	133.730	123.730

The movement in **Actuarial gains and losses – Medical procedures and other** is analysed as follows:

	Dec 2017	Dec 2016
Actuarial gains and losses - Medical procedures and other		
Actuarial gains and losses resulting from:		
- experience adjustments	5 247	- 24 610
- changes in the financial and demographic actuarial assumptions	-1.000	- 11 666
- actuarial gains and losses from the return of assets	-3.000	-
	1.247	-36.276

The average weighted life of liabilities for defined benefits is 11 years.

As at December 2016, following implementation of the decision to make financing of the EDP Group's Post-Employment Healthcare Benefits Plan and the Death Benefits Plan autonomous, the first contribution was carried out in line with the financing plan approved by the Supervisory Authority for Insurance and Pension Funds (ASF - Autoridade de Supervisão de Seguros e Fundo de Pensões). In 2017, the company made contributions in the total amount of 8 thousand euros, as defined in the financing plan.

Employee benefit plans

The company grants its employers, either in the form of defined benefit plans or defined contribution plans, some post-employment benefits, namely plans that pay complementary retirement pensions due to age, disability and survivorship, as well as early retirement pensions. In some cases, medical care is also provided during the retirement and early retirement period, through mechanisms that complement the National Health Service.

We present below the existing plans, with a brief description of their characteristics as well as their financial and economic data:

I. Pension Plans - Type of Defined Benefit

In Portugal, EDP Group companies resulting from the EDP de-merger that took place in 1994 have a social benefit plan partially financed through a closed Pension Fund and complemented by a specific provision. The Pension Fund is managed by an external entity, and its asset management is also outsourced to the fund's external asset management entities, and is adequately provided through a specific provision.

This Pension Fund includes liabilities for pension supplements for retirement due to age. Pre-retirement liabilities are not covered by the fund's assets and are adequately provided through a specific provision. In pension plans in Portugal, and pursuant to Pension Fund Regulations, the surplus value of the fund's assets, under certain conditions, may be returned to the company. As at 31 December 2016, the surplus value recognised as an asset in the EDP Foundation amounts to 6.000 euros (see note 11).

As at 31 December 2017 and 2016, the number of participants covered by pension plans and similar retirement pension obligations, was as follows:

	2017	2016
Number of participants		
Retirees and Pensioners	-	-
Staff in active employment	3	3
	3	3

When calculating the liabilities associated with the pension plans and similar pension obligations in the company, the following financial and actuarial assumptions were used:

	2017	2016
Assumptions		
Discount rate	1,70%	1,70%
Wage growth rate	1,60% until 2019 // 1,85% as of 2020	1,50% until 2019 // 1,80% as of 2020
Pension growth rate	1,60%	1,30%
Social Security salary revaluation rate	2018 - 1,00% // After 2018 - 1,50%	2017 - 0,80% // After 2017 - 1,20%
Inflation rate	1,60%	1,30%
Mortality table	Born< 1950 -- TV99/01 (+1) // Born>= 1950 -- TV99/01	Born< 1950 -- TV99/01 (+1) // Born>= 1950 -- TV99/01
Disability table	50%EKV 80	50%EKV 80
% eligible employees expected to join early retirement	(a)	(a)

(a) 45% of the eligible population (employees who are in a position for early retirement according to the Collective Labour Agreement: 37 years of service and aged at least 61 years, or 40 years of service at any age).

The company's liabilities with retirement pensions and the respective coverage, as at 31 December 2017 and 2016, are analysed as follows:

	Dec 2017	Dec 2016
Provision for Pension Plans		
Liabilities at the end of the year	159.000	110.000
Fund Assets at the end of the year	-101.560	-48.560
Surplus / (Deficit) Financing of Fund	6.000	3.000
	63.440	64.440

The evolution of the present value of the pension bond and the fair value of the Fund's associated assets, is analysed as follows:

	Dec 2017	Dec 2016	Dec 2015
Provision for Pension Plans			
Liabilities at the end of the year	159.000	110.000	696.000
Fund Assets at the end of the year	-101.560	-48.560	-150.539
Surplus / (Deficit) Financing of Fund	6.000	3.000	9.000
Provision for Pension Plans	63.440	64.440	554.461

Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) for the EDP Foundation's Pension Plan are presented as follows:

	Dec 2017	Dec 2016
Experience adjustments for the Plan's liabilities	41.000	(265.560)
Experience adjustments for the Plan's assets	(52.000)	105.000

As at 31 December 2017 and 2016, liabilities for past services associated with these pension plans were as follows:

	Dec 2017	Dec 2016
Evolution of Liabilities		
Liabilities at the beginning of the year	110.000	696.000
Current service costs	6.000	13.238
Net interest on pension plan liabilities	2.000	12.762
Actuarial (gains) / losses	41.000	(270.560)
Transfer between Group companies	-	(341.440)
Liabilities at the end of the year	159.000	110.000

The net cost components recognised in the year with these plans are as follows:

	Dec 2017	Dec 2016
Cost in the period		
Current service costs (note 25)	6.000	13.238
Operational component	6.000	13.238
Net interest on pension plan net liabilities (note 32)	1.000	9.741
Financial component	1.000	9.741
Net cost in the period	7.000	22.979

The evolution of the Pension Fund assets was as follows:

	Dec 2017	Dec 2016
Pension Funds		
Fair value of the assets at the beginning of the year	48.560	150.539
Net interest on pension plan assets	1.000	3.021
Actuarial gains / losses	52.000	(105.000)
Asset value at the end of the year	101.560	48.560

As at 31 December 2017 and 2016, the composition verified in the fund's portfolio for pensions is analysed as follows:

	Asset allocation by nature					
	Liquidity %	Bonds %	Shares %	Property %	Other %	Total %
31 December 2017	0,50%	36,36%	37,77%	18,44%	6,93%	100,00%
31 December 2016	2,17%	43,80%	35,55%	9,69%	8,79%	100,00%

The composition verified in the fund's portfolio for medical care and death grants in Portugal is analysed as follows:

	Asset allocation by nature					
	Liquidity %	Bonds %	Shares %	Property %	Other %	Total %
31 December 2017	0,50%	36,36%	37,77%	18,44%	6,93%	100,00%
31 December 2016	2,17%	43,80%	35,55%	9,69%	8,79%	100,00%

Assumptions relating to the discount rates

The discount rates used for the pension plan were selected based on an analysis of the rates of return, available at that date, of the high quality corporate bonds. The bonds selected presented a maturity and rating that were considered appropriate, taking into account the amount and period of occurrence of the monetary flows associated with the benefit payments to employees.

The real rate of return of the pension fund's assets in 2017 was positive at 8,97% (2016: positive at 2,02%).

II. Pension Plans - Type of Defined Contibution

As a signatory to the EDP Group's Collective Labour Agreement, the EDP Foundation has social benefit plans that are complementary to those granted by the Social Welfare System to company employees, on a Defined Contribution basis, thereby making a contribution to these plans each year, calculated according to the rules established in each case.

III. Liability plans for medical care and other benefits – Defined Benefit Type

In Portugal, companies resulting from the de-merger that took place in 1994 have a defined benefit Medical Care Plan, partially financed through a closed pension fund and supplemented by a specific provision. Regarding the remaining defined benefit plans, the liabilities are fully financed through an accounting provision. Furthermore, the EDP Group assigns other benefits, bearing the costs arising from liabilities for supplements to disability, death grant and survivorship pensions, life insurance, bonuses for seniority and retirement, discounts in electricity and gas prices, among others.

The actuarial assumptions used to calculate the liabilities for medical care and other benefits are presented as follows:

	2017	2016
Assumptions		
Discount rate	1,70%	1,70%
Annual growth rate of medical care costs	1,80%	2,50%
Administrative expenses estimated per beneficiary per year (in Euros)	306 €/year	242 €/year
Mortality table	Born<1950 -- TV99/01 (+1) // Born>=1950 -- TV99/01	Born<1950 -- TV99/01 (+1) // Born>=1950 -- TV99/01
Disability table	50% EKV 80	50% EKV 80
% eligible employees expected to join early retirement	a)	a)

(a) 45% of the eligible population (employees who are in a position for early retirement according to the Collective Labour Agreement: 37 years of service and aged at least 61 years, or 40 years of service at any age).

(b) 8% reduction in the next 2 years and increase of 1,6% from that date on.

As at 31 December 2017 and 2016, the number of participants covered by medical care plans and other benefits was as follows:

	2017	2016
Number of participants		
Retirees and Pensioners	-	-
Staff in active employment	31	28
	31	28

Liabilities for medical care and other benefits are presented as follows:

	Dec 2017	Dec 2016
Provision for Medical Care and other Benefits		
Liabilities at the end of the year	155.311	134.311
Fund Assets at the end of the year	(21.581)	(10.581)
Provision at the end of the year	133.730	123.730

The evolution of the present value of bonds for medical care and other benefits is analysed as follows:

	Dec 2017	Dec 2016	Dec 2015
Provision for Medical Care and other Benefits			
Liabilities at the end of the year	155.311	134.311	462.168
Fund Assets at the end of the year	(21.581)	(10.581)	-
	133.730	123.730	462.168

Experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) for the EDP Foundation's liabilities with medical care and other benefits are presented as follows:

	Dec 2017	Dec 2016
Experience adjustments for the Plan's liabilities	5 000	24 610

The evolution of liabilities for past services associated with the medical care plan and other benefits is analysed as follows:

	Dec 2017	Dec 2016
Evolution of Liabilities		
Liabilities at the beginning of the year	134.311	462.168
Current service costs	13.571	16.138
Net interest on net liabilities with medical care plan and other benefits	3.000	9.048
Actuarial (gains) / losses	4.247	(36.276)
Transfer between Group companies	182	(316.767)
Liabilities at the end of the year	155.311	134.311

The net cost components recognised in the year with these medical care plans and other benefits are as follows:

	Dec 2017	Dec 2016
Current service cost (note 25)	13.571	16.138
Operational component	13.571	16.138
Net interest on net liabilities with the medical care plan and other benefits (note 32)	3.000	9.048
Financial component	3.000	9.048
Net cost for the year	16.571	25.186

The evolution of Fund assets of Medical Care Plans and Death Grants was as follows:

	Dec 2017	Dec 2016
Funds		
Asset value at the beginning of the year	10.581	-
Contributions to the Fund	8.000	10.581
Actuarial gains / (Losses)	3.000	-
Asset value at the end of the year	21.581	10.581

20. Other accounts payable

The item **Other accounts payable** is analysed as follows:

	Dec 2017	Dec 2016
Other accounts payable - Non-current		
Funding obtained (i)	46.819	93.803
Creditors - Amounts payable - Finance lease land (ii)	2.140.627	2.153.840
	2.187.446	2.247.643
Other accounts payable - Current		
Funding obtained (i)	46.979	51.913
Investment suppliers (iii)	1.469.838	721.130
Payables from accrued expenses (iv)	4.673.390	5.024.835
Holiday pay, holiday subsidy and other employee expenses	718.969	696.308
Creditors for provision of other goods and services (vi)	30.261	661.997
Creditors - Amounts payable - Finance lease land (ii)	25.631	25.605
Other creditors	2.742	10.592
	6.967.810	7.192.380

(i) Amount obtained in the Financing item pertains to finance lease - transport equipment liabilities (see note 7);

(ii) This item pertains entirely to the outstanding rents for the concession of private use of the municipal public domain (see note 7);

(iii) This item pertains primarily to amounts payable to suppliers of fixed assets for the construction of the EDP Foundation's Museum of Art, Architecture and Technology;

(iv) The item Payables from accrued expenses includes, among others, the accrual of donations granted by the EDP Foundation in the amount of 4.539.008 euros (2016: 4.200.692 euros) and the accrual of services rendered not yet invoiced by third parties, in the amount of 134.382 euros (2016: 551.485 euros);

(v) Accrual of holiday pay and holiday subsidy in the amount of 427.060 euros (2016: 409.486 euros) and the accrual of variable payments for 2016 to be paid in 2017, in the amount of 308.518 euros (2016: 305.578 euros);

(vi) This item pertains to the amounts payable to companies in the EDP Group, regarding the transfer of liabilities for retirement pensions and other employee benefits transferred from the EDP Foundation, as at 31 December 2017, presenting the following details:

EDP Produção	10.185 euros
EDP Distribuição	20.076 euros

21. Suppliers

The item **Suppliers** is analysed as follows:

	Dec 2017	Dec 2016
Suppliers c/c		
General (i)	1.558.060	854.174
Other related parties (ii)	1.032.847	1.108.195
Invoices received and pending (iii)	687.104	906.006
	3.278.011	2.868.375

(i) The item Suppliers c/c - General includes the amount of 466.942 euros for construction works on the Museum of Art, Architecture and Technology, 220.000 euros for advertising services and 189.610 euros for surveillance services, among other amounts for travel and accommodation, graphic services, and maintenance and conservation services;

(ii) The item Suppliers current – Other related parties includes, among others, 5.000 euros (2016: 10.000 euros) for management services regarding the construction contract of the Museum of Art, Architecture and Technology by EDP Imobiliária, 81.807 euros (2016: euros) for the services provided by EDP Valor, 1.302 euros (2016: 3.844 euros) for medical relief aid provided by Sãvida, 45.376 euros for power supply purchased from EDP Comercial, SA. and 986.735 euros (2016: 986.735 euros) for materials supplied and services rendered in 2012 by EDP Serviços, S.A., merged in 2014 into EDP Comercial, for the Cabiri Solar Village project;

(iii) The item Suppliers - Invoices received and pending includes the amount of 152.500 euros (2016: 153.500 euros) in donations granted, to be paid during the year 2018, 309.135 euros in external suppliers and services and 42.030 euros in fixes assets suppliers.

22. Sales and services rendered

Sales and services rendered are analysed as follows:

	Dec 2017	Dec 2016
Services provided		
Provision of services (i)	369	3.690
Revenue from ticket and book sales	851.654	245.051
	852.023	248.741

(i) As at 31 December 2016, the amount recorded under Provision of Services regards invoices for MAAT diaries to offer clients carried out by EDP Comercial.

(ii) The evolution in revenue from ticket and book sales is mainly due to the charging of entry after the full opening of MAAT in March 2017.

23. Grants, gifts and operational bequests

For the year, the following income was recognised as operating subsidies:

	Dec 2017	Dec 2016
Grants from the founder		
EDP - Energias de Portugal, S.A.	7.312.500	7.200.000
Grants from other entities		
EDP Gestão da Produção de Energia, S.A.	3.510.000	3.600.000
EDP Distribuição - Energia, S.A.	2.990.000	2.900.000
	13.812.500	13.700.000

24. External supplies and services

The item **External supplies and services** is analysed as follows:

	Dec 2017	Dec 2016
Supplies and services :		
Promotion and dissemination of events (i)	1.959.019	2.490.142
Specialised work (ii)	1.027.826	916.503
Fees (iii)	455.057	425.251
Maintenance, conservation and repairs to the premises	1.231.817	925.772
Cleaning, surveillance and gardening	1.114.963	679.705
Other services (iv)	1.163.412	1.013.638
	6.952.094	6.451.011

External supplies and services pertain to the production costs of exhibitions, publications, promotion and dissemination of events, maintenance and operation of the Museum, as well as costs associated with the patronage activity.

(i) The item Promotion and dissemination of events, that at 31 December 2017 amounted to 1.959.019 euros (2016: 2.490.142 euros), pertains to costs incurred to carry out a range of actions, especially the following:

Exhibition Utopia/Distopia
Exhibition Yo Nunca He Sido Surrealista Hasta El Día De Hoy by Carlos Garaicoa
Exhibition Electronic Superhighway (1966 – 2016)
Exhibition Shadow Soundings by Bill Fontana
Exhibition Branco e Azul | Bai Ming - Lisboa (*White & Blue | Bai Ming - Lisbon)*
Exhibition Um Imaginário Termodinâmico (*A Thermodynamic Imaginary)* by Tomás Saraceno
EDP Foundation Newsletter
EDP Foundation Solidarity Schools
Exhibition Dos Arquivos, à Matéria, à Construção (*From Archives, to Material, to Construction*) by Fernanda Fragateiro
Exhibition APQHOME - MAAT by Ana Pérez-Quiroga
Exhibition Tensão & Conflito: Arte em Vídeo após 2008 (*Tension & Conflict: Video Art after 2008*)
Exhibition Hello Robot
Book *Lumen* by Pedro Cabrita Reis
EDP Foundation Public Art
EDP Solidarity Programme
Exhibition O Que Eu Sou (*What I Am*)
Exhibition EDP Foundation New Artists Award
Exhibition Secrets to Tell by Grada Kilomba
Exhibition Untitled (Orchestral) by João Onofre
Exhibition Ordem e Progresso (*Order & Progress*) by Héctor Zamora
Exhibition Quote/UnQuote - Entre Apropriação e Diálogo (*Between Appropriation & Dialogue*)
Exhibition On Exile by José Carlos Teixeira
Exhibition Artists' Film International
Exhibition Supergood – Dialogues with Ernesto de Sousa
Exhibition The Happy Show by Stefan Sagmeister
Exhibition Dimensões Variáveis: Artistas e Arquitetura (*Variable Dimensions – Artists & Architecture*)
Exhibition Arquivo e Democracia (*Archive & Democracy*) by José Maçãs de Carvalho
Electra Magazine

(ii) The item Specialised works includes accounting, taxes, treasury, third party management, human resources development, administrative and fleet management services (EDP Valor), totalling 310.550 euros (2016: 219.912 euros) and license management, legal and IT systems services (EDP SA), in the amount of 172.008 euros (2016: 154.640 euros). This item also includes the development and implementation of the "Solidarity Schools" project for the 2017/2018 school year, in the amount of 91.194 euros, management of the EDP Foundation's social networks, press monitoring and support provided to communication projects in the amount of 120.216 euros, management support provided to the EDP Solidarity Programmes, in various dimensions – Social Inclusion, Education and Health in the amount of 79.852 euros, educational and artistic management services rendered to the EDP Foundation Energy Orchestras (Amarante, Mirandela and Murça) in the amount of 46.975 euros and services involving accompaniment of the social projects in the Trás-os-Montes and Alto Douro region in the amount of 20.264 euros.

(iii) In order to address its growing activities, whenever necessary, the EDP Foundation uses consulting services for specific tasks, as well as the services of juries and commissioners for the prizes and exhibitions associated with its activities in the Visual Arts, and for the MAAT studies and documentation centre. The costs incurred during the year are recorded under Fees.

(iv) The item Other services includes, among others, the amount of 101.115 euros in travel and accommodation expenses (2016: 156.777 euros), 29.739 euros for insurance premiums (2016: 38.942 euros), 44.510 euros in training expenses (2016: 77.592 euros), 45.318 euros in communication costs (2016: 67.023 euros), 447.925 euros in electricity costs (2016: 267.342 euros) and 89.261 euros in catering expenses (2016: 99.403 euros).

25. Personnel costs and responsabilities for post-employment benefits

The item **Personnel costs** is analysed as follows:

	Dec 2017	Dec 2016
Personnel costs:		
Remuneration of board members	24.500	41.446
Remuneration of staff	2.166.385	2.127.608
Charges on remuneration	486.744	458.651
Bonuses	314.359	294.159
Other costs	29.586	20.401
	3.021.574	2.942.265
Responsabilities for post-employment benefits:		
Pension plans	73.508	73.608
Medical plans and other benefits	13.571	16.138
Other	118.008	85.966
	205.087	175.712
	3.226.661	3.117.977

Pension plan costs: include 6.000 euros (2016: 13.238 euros) regarding defined benefits plans (see note 19) and 67.508 euros (2016: 60.370 euros) regarding defined contribution plans. The costs with medical care and other benefits, in the amount of 13.571 euros (31 December 2016: 16.138 euros) regard the sum allocated for the year, net of reductions in the period.

The average number of employees in the years ended 31 December 2017and 2016 was as follows:

	Dec 2017	Dec 2016
Average number of employees	50	50

In the year ended 31 December 2017, the EDP Foundation recognised under Payables the amount of 427.060 euros (2016: 409.486 euros) regarding outstanding holiday pay and holiday subsidy charges, whose payment is only due in the following year (see note 20).

Regarding the Board of Directors

In compliance with article 11 (2) of the Statutes of the EDP Foundation, on 24 February 2017 António Luís Guerra Nunes Mexia was appointed by the Executive Board of Directors (EBD) of EDP - Energias de Portugal, S.A. (EDP), after consultation with the General Supervisory Board (GSB) of EDP, as Chairman of the Board of Directors of the EDP Foundation and Rui Miguel Coutinho Baptista was appointed as CEO of the EDP Foundation, both for the three-year period of 2017-2019.

On 2 March 2017, the GSB appointed the members of the Board of Trustees, namely António Luís Guerra Nunes Mexia, Vasco Rocha Vieira, Dingming Zhang, Miguel Stilwell de Andrade and Miguel Nuno Simões Nunes Ferreira Setas (all non-remunerated). During the same meeting, the GSB unanimously appointed Vasco Rocha Vieira to the position of Chairman of the Board of Trustees.

On 3 May 2017, the members of the Board of Directors and Supervisory Board were deliberated. The Board of Directors is comprised of António Luís Guerra Nunes Mexia, Nuno Maria Pestana de Almeida Alves, Rui Miguel Coutinho Baptista, José Manuel Pereira dos Santos and Paulo Alexandre Pires Campos Costa for the term in progress (three-year period 2017-2019) (all non-remunerated). The Supervisory Board is comprised of Vítor Fernandes da Conceição Gonçalves, Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira and Vitor Manuel da Cunha Ribeirinho representing KPMG & Associados – Statutory Auditor.

Regarding the Executive Board

On 25 May 2017, the Board of Directors of the EDP Foundation appointed José Manuel Pereira dos Santos, Maria Margarida Amado Pinto Correia Represas, Pedro César Clara do Carmo Gadanho, Catarina Copestake Cortez Pinto Seixas, Eduardo Rosa Silva and Sandro José Silva da Fonseca to the positions of members of the Executive Board for the term in progress (three-year period 2017-2019) (all non-remunerated).

Only the chairman of the Supervisory Board is a remunerated position, receiving the amount of 24.500 euros during the 2017 year.

26. Impairment in accounts receivable (losses/reversals)

The item **Impairment in accounts receivable** is analysed as follows:

	Dec 2017	Dec 2016
Losses		
General customers	-	100.237
Other accounts receivable	30.017	-
Reversals		
General customers (i)	-327.848	-
Other accounts receivable	-30.482	-
	-328.313	100.237

(i) The amount of 327.848 euros recorded in Reversals - General customers regards adjustment of the exchange rate of the debt of EIH – Energia Inovação Holding, S.A. which was fully provided for as at 31 December 2017.

27. Provisions

The item **Provisions** is analysed as follows:

	Dec 2017	Dec 2016
Appropriation of provision (note 18)	2.275	20.561
Reversal of provision (note 18)	-165	-
	2.110	20.561

28. Other income

The item **Other income** is analysed as follows:

	Dec 2017	Dec 2016
Other income		
Revenue from rental of space	116.742	56.464
Other revenue (i)	231.662	164.893
	348.404	221.357

(i) The item Other income records, at 31 December 2017, among others, the amount of 446 euros regarding exchange differences. This item also includes 3.590 euros regarding the amortisation of the deferred surplus value of the land sold to the Lisbon Municipality in 2013 for construction of the Museum of Art, Architecture and Technology; and 21.230 euros for amortisation of the deferred income pertaining to use of the Tejo Power electrical Substation and electric networks, deferred in 2014 for a period of 30 years. Also considered are 172.116 euros in sponsorship received from BMW Portugal, A.T. Kearney and China Tree Gorges.

29. Other expenses

The item **Other expenses** is analysed as follows:

	Dec 2017	Dec 2016
Other expenses		
Taxes (i)	33.090	33.036
Other (ii)	368.614	37.559
	401.704	70.595

(i) The item Taxes includes 12.140 euros in VAT paid (2016: 12.957 euros), 13.229 euros in fees and licenses (2016: 16.377 euros), with the remaining amount for stamp duty and single road tax.

(ii) The item Other records at 31 December 2017, among others, 5.092 euros in levies, 1.396 euros on rebates for cars under leasing contracts, 3.204 euros in fines, 17.198 euros for banking services, 4.000 euros in financial costs regarding the financial discount for the pension plan, medical care plan and other benefits (note 19), 12.590 euros in other financial costs, and 320.180 euros in clients exchange rate adjustments.

30. Subsidies, Donations and Grants

In order to fulfil its social and cultural patronage plan, in 2017 the EDP Foundation granted 3.140.867 euros (2016: 3.895.773 euros) in donations.

The donations granted are detailed as follows:

PROJECT	ENTITY	2017
SOCIAL INNOVATION		
EDP Solidarity Programme 2017		
Social Inclusion		
Um Novo Lar para a Autonomia (A New Home for Autonomy)	APERCIM – Association for the Education & Rehabilitation of Mafra's Disabled Citizens	70.000
Adaptação, Capacitação e (IN)ergia(S) (IN) – Inclusão (S) – Social (Adaptation, Qualification & Energy - Social Inclusion)	APCVR – Vila Real Cerebral Palsy Association	60.000
Multiple Rehabilitation	ANEM – National Association for Multiple Sclerosis	55.000
CAID Services	CAID – Cooperative to Help Integrate the Disabled	45.000
O Trabalho Inclui (Inclusive Work)	Rainha D. Leonor Special Education Centre	40.000
Social Shelter	Vila Real Diocesan Cáritas	40.000
Social Inclusion to Improve the Quality of Life of the Visually Impaired	Association to Promote Education of the Blind	37.000
IN–Mouraria	GAT – Activist Group for HIV/AIDS Treatment	30.000
Verde Lima (Lime Green)	Associação Crescer em Confiança (Building Confidence Association)	30.000
VAI! – Valorizar, Aprender e Incluir (Value, Learn & Include!)	APCAS – Almada Seixal Cerebral Palsy Association	30.000
Accessible Hydroponic Greenhouse	Ribeirão Parish Social Centre	30.000
Fábrica de Rua (Street Factory)	Querer Ser – Associação para o Desenvolvimento Social (Wanting to Be - Association for Social Development)	30.000
Inclusive Educational Vegetable Garden	APPACDM – Portuguese Association of Parents & Friends of Mentally Disabled Portalegre Citizens	30.000
CADIR Early Intervention Program – Setúbal	CADIn – Neurodevelopment & Inclusion	25.000
CIANO DESIGN	ANARP – Associação Nova Aurora (New Dawn Association)	25.000
(Re)começo com sentido! (Meaningful Beginning)	Portuguese-German Charitable Association	25.000
Seniores Felizes (Happy Senior Citizens)	Santo André de Codessoso Charitable Association	25.000
Mil e Um Fios (1001 Threads)	Apojovi Association	25.000
Snoezelen room: "Entering a Magical World"	Ermesinde Marist Shelter	24.000
Handball – Citizens Deprived of Freedom: Detention Facilities & Education Centres	Portuguese Handball Federation	21.800
C+ Room	SCMPR – Santa Casa da Misericórdia of Peso da Régua	18.000
GiS – Mobile Health Unit	Plano i Association	13.250
Education		
Casa do Regalo	Global Platform for Syrian Students	12.000
Health		
Dar Tempo à Vida (Give Life Time)	Instituto Nacional de Emergência Médica (National Institute for Medical Emergency)	280.000
Melhoria da Via Verde Coronária da Cardiologia de Intervanção (Improving Fast Track for Interventional Cardiology)	Vila Nova de Gaia/Espinho Hospital Unit	200.000
Via Verde Coronária, uma Via Verde para a Vida (Coronary Fast Track, a Fast Track for Life)	Lisboa Central Hospital Unit	200.000
Interventional Cardiology Unit – Modernisation Project	Lisboa Norte Hospital Unit	200.000
Consolidation of the Alentejo Angioplasty Network Refurbishment of Angiography Room	Espírito Santo de Évora Hospital	165.000
EDP Identity Projects		
Art and Culture		
EDP Foundation Public Art		
Voltagem	Rede Inducar	20.000
EnergizArte	Braga City Council	15.000
Education		
EDP Foundation Energy Orchestras		
EDP Foundation Energy Orchestra Amarante	Amarante Cultural Center	30.000
EDP Foundation Energy Orchestra Mirandela	Artemir	30.000
EDP Foundation Energy Orchestra Murça	Artemir	30.000
Initiatives of Meritorious Interest		
Adopte um Hospital (Adopt a Hospital)	Operação Nariz Vermelho (Operation Red Nose)	12.500
PAR – Refugee Support Platform	JRS Portugal	12.500
Others		
Pedrogão Grande	EDP Serviço Universal	3.333
	TOTAL	**1.939.383**

PROJECT	ENTITY	2017
	CULTURE	
Principal Patron of the National Ballet Company	National Ballet Company/OPART	300.000
Exclusive Patron of the EDP Piano Cycle	Casa da Música Foundation	125.000
Exclusive Exhibition Patron	Serralves Foundation	100.000
Exclusive Patron of the National Ballet Company National Tour	National Ballet Company/OPART	75.000
Portugal's Official Representation at the 57th International Art Exhibition – Venice Biennale 2017	Directorate General for the Arts	70.000
Principal Programming Patron	Arpad Szenes – Vieira da Silva Foundation	42.000
Principal Patron of the Youth Symphony Orchestra	Portuguese Musical Circle	37.000
Support to inventory & catalogue the Prof. Eduardo Lourenço Collection	National Culture Centre	25.000
Patron of International Music Day	Casa da Música Foundation	20.000
Scholarships for the Youth Symphony Orchestra	National Culture Centre	17.500
Patron of the UNESCO Arts Education Club	ASPREA – Association for Arts Education	8.000
New Year Concerts & São Vicente Organ Recitals	Althum	7.500
Mário Soares Foundation – EDP Foundation Prize	Mário Soares Foundation	7.000
Support for the EDP Choir	EDP Choir	6.144
Fuso Video Art Festival	Horta Seca – Cultural Association	5.000
The Lisbon Consortium Programme	Universidade Católica Portuguesa	5.000
	TOTAL	**850.144**

PROJECT	ENTITY	2017
	MUSEU/PROGRAMAÇÃO	
PEMAAT – Youth Foundation Internship Program – 21st and 22nd Editions	Fundação da Juventude (Youth Foundation)	315.340
EDP Foundation Art Grand Prize	Artur Barrio	50.000
EDP Foundation New Artists Award	Claire de Santa Coloma	20.000
	TOTAL	385.340

PROJECT	ENTITY	2017
	COMUNICAÇÃO	
ARCO Lisboa 2017	IFEMA – Feria de Madrid	92.250
Prémios Tripla (Tripla Awards)	ESCS – Escola Superior de Comunicação Social	7.000
EDP Foundation Public Art – Instagramers Event	Alfândega da Fé City Council	1.000
	TOTAL	100.250

Cancellation of donations to projects from previous years	**-142.632**
Other Corrections	**8.382**
TOTAL	**3.140.867**

The number of volunteer personnel, volunteers and beneficiaries of the diverse initiatives carried out by the EDP Foundation in the various locations where EDP operates, are mentioned in the EDP Foundation's management report.

31. Depreciation and amortisation expenses/reversals

The item **Depreciation and amortisation expenses/reversals** is analysed as follows:

	Dec 2017	Dec 2016
Expenses		
Property, plant and equipment (note 7)	1.228.123	565.339
	1.228.123	565.339
Compensation of depreciation		
Amortisation of investment subsidy (i)	-657.183	-50.572
	570.940	514.767

(i) In 2017, the item Compensation of depreciation regards the amortisation of the subsidy granted to the EDP Foundation for construction of the MAAT, by the companies EDP S.A., EDP Produção S.A. and EDP Distribuição S.A. (note 17).

32. Interest and similar income

The item **Interest and similar income** is analysed as follows:

	Dec 2017	Dec 2016
Interest income (i)	5.416	45.376
	5.416	45.376

(i) The item Interest income regards interest from short-term investments (see note 6).

33. Interest and similar expenses

The item **Interest and similar expenses** is analysed as follows:

	Dec 2017	Dec 2016
Interest expenses (i)	2.261	3.054
	2.261	3.054

(i) As at 31 December 2017, the item Interest expenses records interest on finance lease contracts in the amount of 2.261 euros (2016: 3.054 euros).

34. Disclosure of related parties

Remuneration of the governing bodies for the year is summarised as follows:

	Dec 2017	Dec 2016
Supervisory Board/Board of Directors	24.500	41.446
Statutory Auditor	9.400	9.400
	33.900	50.846

As at 31 December 2017, the amount disclosed regards remuneration of the Chairman of the Supervisory Board.

Transactions between related parties in 2017 are as follows:

	Expenses	Income	
Founder	ESS's	Sales and services rendered	Operating subventions
EDP Energias de Portugal, S.A.	254.807	47.934	7.312.500
Other related parties			
EDP Produção, S.A.	8.438	3.402	3.510.000
EDP Distribuição, S.A.	10.706	967	2.990.000
EDP Soluções Comerciais, S.A.	-	1.027	-
EDP Comercial, S.A.	476.178	369	-
EDP Inovação, S.A.	-	6.986	-
Sãvida, S.A.	7.442	-	-
EDP Valor, S.A.	328.427	-	-
	1.085.998	60.685	13.812.500

Transactions between related parties in 2016 are as follows:

	Expenses	Income	
Founder	**ESS's**	**Sales and services rendered**	**Operating subventions**
EDP Energias de Portugal, S.A.	292 302	17.440	7.200.000
Other related parties			
EDP Produção, S.A.	-	-	3.600.000
EDP Distribuição, S.A.	-	-	2.900.000
EDP Soluções Comerciais, S.A.	-217	999	-
EDP Serviço Universal, S.A.	41.199	-	-
EDP Comercial, S.A.	242.064	3.690	-
EDP Inovação, S.A.	-	635	-
Sãvida, S.A.	15.376	-	-
EDP Valor, S.A.	230.919	-	-
	821.643	22.764	13.700.000

The balances with related parties in 2017 are as follows:

	Assets		Liabilities	
Founder	**Clients**	**Other accounts receivable**	**Suppliers**	**Other accounts payable**
EDP Energias de Portugal, S.A.	2.025	6.781.362	-50.980	2.089
Other related parties				
EDP Produção, S.A.	-	2.613.542	10.185	-
EDP Distribuição, S.A.	-	2.886.297	-29.124	19.744
EDP Serviço Universal, S.A.	-	-	9.527	8.581
EDP Comercial, S.A.	-	-5.956	1.035.897	-
Sãvida, S.A.	-	4.768	1.302	-
EDP Imobiliária, S.A.	-	-1.383	5.000	-
EDP Valor, S.A.	-	-120	81.807	442
EDP Soluções Comerciais, S.A.	-	40	-	-
EDP Estudos e Consultoria, S.A.	-	300	-	-
EDP Inovação, S.A.	-	-453	-	-
	2.025	12.278.397	1.063.614	30.856

The balances with related parties in 2016 are as follows:

	Assets		Liabilities	
Founder	**Clients**	**Other accounts receivable**	**Suppliers**	**Other accounts payable**
EDP Energias de Portugal, S.A.	9.191	752.914	75 805	25.777
Other related parties				
EDP Produção, S.A.	-	355.080	17.107	266.718
EDP Distribuição, S.A.	-	401.734	-23.994	374.384
EDP Serviço Universal, S.A.	-	-	-	7.816
EDP Comercial, S.A.	4.539	-	1.018.261	2.413
Sãvida, S.A.	-	-329	3.844	-
EDP Imobiliária, S.A.	-	-	10.000	3.358
EDP Valor, S.A.	-	147	7.172	187.153
EDP Estudos e Consultoria, S.A.	-	300	-	-
EDP Inovação, S.A.	-	-	-	453
	13.730	1.509.846	1.108.195	868.072

35. Contingent Liabilities

Contingent liabilities whose probability of loss is rated as possible do not require the recording of provisions and are reassessed periodically. The EDP Foundation is party to a court case filed by a third party claiming compensation in the amount of 200.000 euros for which conversion has been requested. The risk of loss associated with this litigation is rated as possible.

36. Commitments

The commitments undertaken by the EDP Foundation to its suppliers regarding the construction of the Museum of Art, Architecture and Technology amount to 20.907.048 euros at 31 December 2017. These commitments are fully covered by the patronage protocol signed by the EDP Foundation, its founder and the Group's nuclear companies, whereby the latter shall bear all of the costs of the work.

37. Events after the balance sheet date

After the balance sheet date no events have occurred that might give rise to adjustments or require disclosure in the institution's financial statements.

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REPORT CERTIFICATIONS & STATEMENTS

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STATUTORY AUDITOR'S REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail.)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of **Fundação EDP** (the Entity), which comprise the balance sheet as at 31 December 2017 (showing total assets of 80,205,152 euros and total equity fund of 66,491,063 euros, including a profit for the year of 1,050,019 euros), the income statement, the statement of changes in equity funds and the statement of cash flows for the year then ended, and the accompanying notes to the financial statements that include a summary of the significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the Accounting and Financial Reporting Standard for Non Profit Entities adopted in Portugal through the Portuguese Accounting Standards System ("Norma Contabilística e de Relato Financeiro para Entidades do Sector Não Lucrativo adotada em Portugal através do Sistema de Normalização Contabilística").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and further technical and ethical standards and guidelines issued by the Portuguese Institute of Statutory Auditors ("Ordem dos Revisores Oficiais de Contas"). Our responsibilities under those standards are further described under "Auditor's responsibilities for the audit of the financial statements" section below. We are independent of the Entity in accordance with the law and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants of the Portuguese Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and the Supervisory Body for the financial statements

Management is responsible for:

- the preparation of financial statements that give a true and fair view of financial position, the financial performance and the cash flows of the Entity, in accordance with the Accounting and Financial Reporting Standard for Non Profit Entities adopted in Portugal through the Portuguese Accounting Standards System ("Norma Contabilística e de Relato Financeiro para Entidades do Sector Não Lucrativo adotada em Portugal através do Sistema de Normalização Contabilística");

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Capital Social: 3.916.000 Euros - Pessoa Colectiva Nº PT 502 161 078 - Inscrito na O.R.O.C. Nº 189 - Inscrito na C.M.V.M. Nº 20161489
Matriculada na Conservatória do registo Comercial de Lisboa sob o Nº PT 502 161 078

- the preparation of the management report in accordance with the applicable legal and regulatory requirements;
- the implementation and maintenance of an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error;
- the adoption of accounting policies and criteria adequate to the circumstances; and,
- the assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, matters that may cast significant doubt on the going concern of the operations.

The supervisory body is responsible for overseeing the Entity's financial reporting process.

Auditor´s responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements whether due to fraud or error, and to issue a report comprising our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit and we also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in accordance with the Accounting and Financial Reporting Standard for Non Profit Entities adopted in Portugal through the Portuguese Accounting Standards System ("Norma Contabilística e de Relato Financeiro para Entidades do Sector Não Lucrativo adotada em Portugal através do Sistema de Normalização Contabilística");
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, in accordance with the Accounting and Financial Reporting Standard for Non Profit Entities adopted in Portugal through the Portuguese Accounting Standards System ("Norma Contabilística e de Relato Financeiro para Entidades do Sector Não Lucrativo adotada em Portugal através do Sistema de Normalização Contabilística"); and,
- communicate with those charged with governance, among other matters, the scope and planned timing of the audit, and significant audit findings including any significant deficiency in internal control identified during our audit.

Our responsibility also includes the verification of the consistency of the information included in the management report with the financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the management report

We are of the opinion that the management report has been prepared in accordance with the applicable legal and regulatory requirements, the information contained therein is consistent with the audited financial statements and, taking into account the knowledge and assessment of the Entity, we have not identified material inaccuracies.

Lisbon, 28 March 2018

SIGNED ON THE ORIGINAL

KPMG & Associados
Sociedade de Revisores Oficiais de Contas, S.A. (n.º 189)
represented by
Vitor Manuel da Cunha Ribeirinho (ROC n.º 1081)

REPORT AND OPINION OF THE SUPERVISORY BOARD

TO THE MEMBERS OF THE BOARD OF
FUNDAÇÃO EDP

Pursuant to the provisions in the EDP Foundation's statutes, as the Supervisory Board of the EDP Foundation, it is our duty to present the Report of our supervisory activity, as well as our Opinion on the Annual Report and Accounts presented by the Foundation's Board of Directors, relating to the year ended 31 December 2017.

Through contacts that took place between this Supervisory Board and the EDP Foundation's Board of Directors or its representatives, as well as clarifications and diverse information collected from the relevant services, we gathered information regarding the Foundation's activity and management of the business developed during the year.

We proceeded to verify the financial information produced throughout the year, carrying out the analyses we deemed appropriate. We confirmed the suitability of the accounting policies and valuation criteria used. We verified the compliance with the Law and the Foundation's statutes.

After closing the accounts, we assessed the Management Report, Balance Sheet, Income statement, Statement of changes in the endowment funds and the Cash flow statement for the period ended on that date, and the corresponding Appendices to the financial statements which, aside from satisfying the legal provisions applicable, reasonably express the activity developed during this year and the foreseeable evolution of the EDP Foundation's business.

We assessed the Certification of Accounts, issued by the Statutory Auditor, whose content garnered our agreement.

As a result of the work carried out, it is our Opinion that the aforementioned Annual Report and financial statements presented by the Board of Directors should be approved.

Furthermore, we wish to express to the Board of Directors and the EDP Foundation's services our appreciation for the collaboration they rendered us.

Lisbon, 28 March 2018

VFCG
Chairman

MTPCRF
Trustee

KPMG
represented by
VMCR (Statutory Auditor Nº. 1081)

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