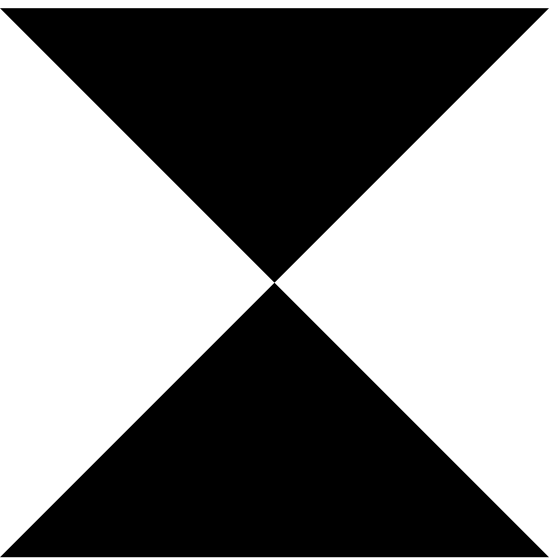
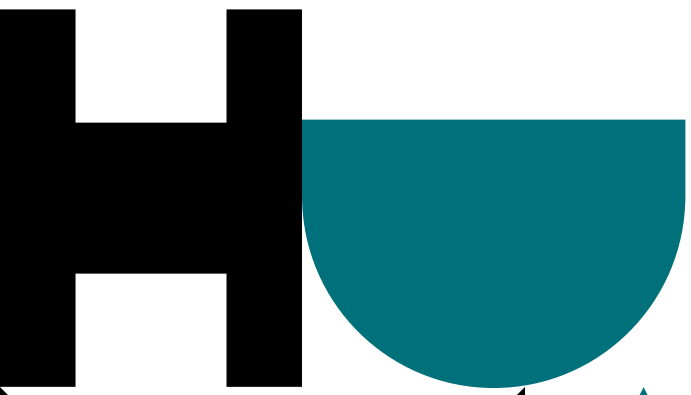


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**WE  
LOVE  
HUMANITY**



# 01 MACRO INDICATORS


NUMBER OF VISITORS

**327 THOUSAND**



SOCIAL INVESTMENT

**2,372,024€**



NUMBER OF EXHIBITIONS

**17**



EDP GROUP REGULAR GRANT

**13,700,000€**



CULTURAL PATRONAGE

**670,144€**



INCOME FROM EDP FOUNDATION ACTIVITIES

**1,814,994€**





# 02 INSTITUTIONAL MESSAGE

2018 was a year to implement and consolidate the strategic goals defined by the EDP Foundation.

We maintained our support to preserve the national energy heritage, as well as dissemination of the history of electricity in Portugal, especially among the school community.

We developed a quality programme with international ambition at the Museum of Art, Architecture and Technology – which attracted approximately 350 thousand visitors to our exhibitive spaces.

We published the first four editions of *Electra*, a magazine that promotes reflection and features contributions from renowned national and international personalities in the fields of Philosophy, Architecture, Contemporary Art and Urban Development, among others.

We maintained our cultural patronage policy, supporting leading institutions like the Serralves Foundation, Companhia Nacional de Bailado (*National Ballet Company*), Casa da Música, Arpad Szènes-Vieira da Silva Foundation, Galeria Municipal do Porto (*Porto Municipal Gallery*), Orquestra Sinfónica Juvenil (*Youth Symphony Orchestra*) and Museu Zero, among others, striving to establish bonds of collaboration and true partnership with all of them.

We continued our social investment policy through the EDP Solidária (*EDP Solidarity*) programme which, this year, focused on improving thermal comfort and minimising energy vulnerability among underprivileged publics, as well as other projects whose purpose was the social inclusion of those publics, namely through Culture.

We achieved the goal of creating a campus with two buildings (MAAT and Tejo Power Station) and a park open to the community – a space measuring more than 38 thousand square metres that reinforces the relationship between the city and the river. We also concluded a pedestrian bridge that brings visitors from the city centre to the top of MAAT.

The excellent results obtained in 2017 and now in 2018 substantiate the path we have taken, establishing us as a cultural foundation with social concerns.

A constant preoccupation with efficiency in the use of resources and robust growth in our own revenue – which increased from 89 thousand euros in 2015 to 1.8 million euros in 2018 –, are the basis of the EDP Foundation's sustainability and enable us to provide the public service we carry out in the fields of Culture, Preservation of Heritage, Healthcare, and Social Inclusion.

This investment made by the EDP Foundation in Society for over a decade is one of the features that distinguishes the group we belong to. We have always considered that, despite being a private foundation, our mission is to provide a genuine public service, addressing the needs of Society in areas that are crucial to its development.

This conviction has brought us here, fulfilling the premises that govern our institution as a foundation and honouring the fundamental support provided by EDP and its shareholders. And it is that same conviction that will guide us in the future.

Miguel Coutinho

CEO & Managing Director of the EDP Foundation



# 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)
- Vera de Morais Pinto Pereira Carneiro
- Rui Miguel Coutinho Baptista
- José Manuel Pereira dos Santos
- Paulo Alexandre Pires de Campos Costa

### EXECUTIVE BOARD

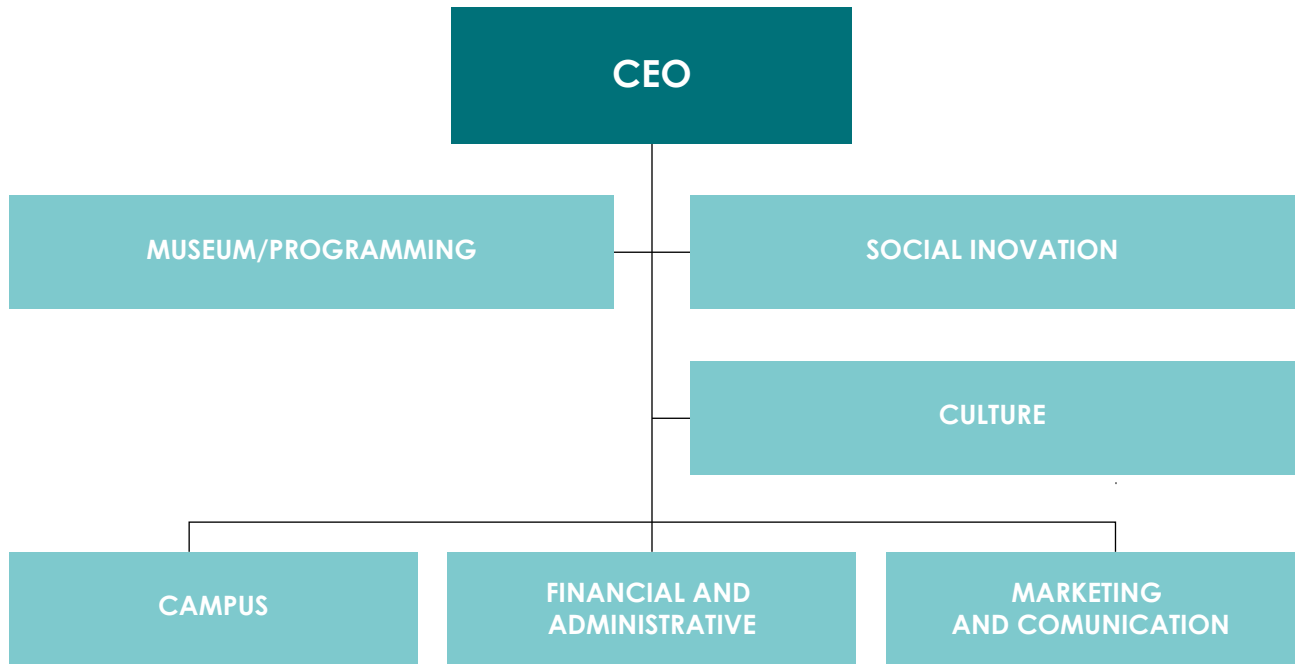
- Rui Miguel Coutinho Baptista (CEO)
- José Manuel Pereira dos Santos
- Maria Margarida Amado Pinto Correia Represas
- Pedro César Clara do Carmo Gadanho
- Catarina Copestake Cortez Pinto Seixas
- Eduardo Rosa Silva
- Sandro José Silva da Fonseca

### SUPERVISORY BOARD

- Vítor Fernandes 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 31 December 2018



# 04 **MISSION & VALUES**

## **MISSION**

The EDP Foundation is a private non-profit 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**

### **TRANSPARENCY**

(in every choice)

### **COMMITMENT**

to the community)

### **INNOVATION**

(in concepts & solutions)

### **EFFICIENCY**

(in management)

### **RIGOUR**

(in execution & reporting)



# WATER



**WE  
LOVE  
THE WATER**







# 05 RECOGNITION

## FEBRUARY

MAAT won two awards at the Surface Design Awards: the "Supreme" award, which distinguishes outstanding architectural projects; and the "Exterior" prize, granted to design projects that are progressive and use innovative surfaces. The Surface Design Awards are attributed during the Surface Design Show, an event that focuses on architecture and interior design materials, held every year in London.

## MARCH

The British architect Amanda Leveté was recognised with the AJ/AR Jane Drew Prize, an award that distinguishes professionals who, through their work and commitment to outstanding design, help bring recognition to the role of women in architecture. MAAT was one of the projects highlighted by Amanda Leveté in her acceptance speech. The architect referred to the museum as "a testament to the power of new public spaces", noting that MAAT has put "Lisbon on the map of contemporary art and architecture".

The Sociedade Portuguesa de Autores (*Portuguese Authors' Society*) attributed the award for "Best Visual Arts Exhibition" to the show by *Fernanda Fragateiro: from the archives, to the material, to construction*, presented at MAAT between 21 June and 18 September 2017.

## APRIL

MAAT was selected as one of the 62 projects worldwide to compete for the RIBA International Prize. This award is attributed by the Royal Institute of British Architects and, every two years, distinguishes a building considered an example of outstanding design and architectural ambition, and that provides a significant social impact.

At the Meios & Publicidades design awards, MAAT took the stage twice. The creative agency UMA Studio conquered one prize in the merchandising category for developing a product line for the museum shop, inspired by the building's exterior architecture. And the MAAT 2018 diary, whose creative concept was based on the use of photographs posted by the museum's Instagram followers, earned an honourable mention, attributed to the agency Silvadesigners.

## JULY

MAAT was nominated for two EMA Awards, granted by the European Museum Academy: the DASA Awards, which distinguish museums dedicated to innovative forms of education and mediation; and the Luigi Micheletti award, attributed to museums that focus on contemporary European history and its scientific, industrial and social legacy.

## DECEMBER

One more international distinction for Amanda Leveté. In December, the architect received the ARVHA International Prize, given by the Association for Research about City and Housing, in collaboration with the French Ministry of Culture. MAAT featured on the list of its most iconic projects.



# 06 EDP FOUNDATION ACTIVITY

## 6.1 MUSEUM

In 2018, the MAAT – Museum of Art, Architecture and Technology received a total of 327.180 visitors. This figure represents a daily average of 1055 visitors to the contemporary art exhibitions presented throughout the year and to the Central Electrical Circuit that spans the history of the Tejo Power Station. We underline an increase in the school public to 29.607 students and teachers –29% more than in the previous year –, notably among schools in the middle and secondary levels, in a total of 740 teaching establishments.

MAAT's programming was comprised of 16 exhibitions: 9 international and 7 national, which presented more than 1050 works by over 125 artists. *Eco-Visionários: Arte e Arquitetura após o Antropoceno (Eco-Visionaries: Art & Architecture after the Anthropocene)* was the most visited exhibition of the year, amounting to 120.660 admissions, between 11 April and 24 September 2018. This was a major international collective, which presented creative visions and critiques from more than 35 artists e architects on the environmental transformations that affect the planet. This exhibition was the first collaboration between MAAT and various European museums: LABoral (Spain), Bildmuseet (Sweden) and HeK (Switzerland). A reflection on the impact of climate change was also the central theme in the second most visited exhibition: *Um Imaginário Termodinâmico (A Thermodynamic Imaginary)*, a solo exhibition by the Argentinian artist Tomás Saraceno. This site-specific intervention, conceived for the Oval Gallery at MAAT, received more than 100 thousand visits between 21 March and 27 August. Within the same theme, we note another site-specific intervention presented at the Oval Gallery: *Over Flow*, by the Japanese artist Tadashi Kawamata, an immersive project that invites the visitor to experience a seascape following an imaginary environmental disaster. The exhibition opened to the public on 5 October and, until the end of the year, received more than 58 thousand visits, running until 1 April 2019.

The third most visited exhibition was *Pan African Unity Mural*, by the Portuguese artist Ângela Ferreira which, between 29 June and 8 October, received 63.617 visitors.

Two exhibitions resulting from international partnerships were also presented at the museum:

*A Língua Portuguesa em Nós (The Portuguese Language Within Us)*, a travelling exhibition by the Museu da Língua Portuguesa (Museum of Portuguese Language), in São Paulo (6 to 21 October); and *For a Brave New Brussels* (22 to 26 October), a Belgian coproduction by the Bozar Centre for Fine Arts and the platform Gluon, organised for the visit by the Belgian monarchs to Portugal.

The MAAT programming also included two exhibitions presented outside the museum, curated by the MAAT team. The Porto Municipal Gallery presented *Germinal. The Cabrita Reis Unit of the EDP Foundation Art Collection* (16 March to 20 May). This was the first time works from the Pedro Cabrita Reis Art Collection were presented after being acquired by the EDP Foundation in 2015, and it was later also presented at MAAT (28 June to 31 December). And, as part of the commemorations of 'Portugal in the USA Month', The Kreeger Museum, in Washington, presented the exhibition *Second Nature: Portuguese Contemporary Art from the EDP Foundation Art Collection* (12 June to 31 July), with works selected from the original exhibition *Segunda Natureza (Second Nature)*, presented at MAAT in 2016.

PROGRAMME	ARTIST	VALUE (€)	VISITORS <sup>(1)</sup>
<b>PROGRAMME 2018</b>			
<i>Eco-Visionários – Arte e Arquitetura após o Antropoceno</i> ( <i>Eco-Visionaires: Art &amp; Architecture after the Anthropocene</i> )		251,684	120,660
<i>The Happy Show</i>	Stefan Sagmeister	135,494	22,691
<i>Um Imaginário Termodinâmico (A Thermodynamic Imaginary)</i>	Tomás Saraceno	133,060	100,585
<i>Over Flow</i>	Tadashi Kawamata	126,404	62,090
<i>A Língua Portuguesa em Nós</i> ( <i>The Portuguese Language Within Us</i> )		100,825	7,603
<i>Geminal – Cabrita Reis Unit of the EDP Foundation Art Collection</i>		93,958	42,313
<i>Haus Wittgenstein</i>		91,920	29,373
<i>Scenario in the Shade</i>	Jonah Freeman & Justin Lowe	85,233	29,373
<i>Linguistic Spill in the Boiler Hall</i>	Gary Hill	74,531	52,338
<i>Supergood   Dialogues with Ernesto de Sousa</i>		49,594	23,711
<i>Pan African Unity Mural</i>	Ângela Ferreira	43,725	63,617
<i>Linguistic Ground Zero</i>	João Louro	41,964	29,373
<i>A – Z</i>	Miguel Palma	38,770	42,891
<i>Bem-Vindos à Cidade do Medo (Welcome to the City of Fear)</i>	João Fonte Santa	23,493	14,984
<i>Vida e Trabalho: não como antes mas de novo (Life &amp; Work: not as before but again)</i>	Susana Mendes da Silva	23,444	15,624
<i>Elefante</i>	André Príncipe	20,505	10,821
<i>Artists' Film International 2018</i>		19,003	36,658
<b>PROGRAMME 2017</b>		<b>20,519</b>	<b>N.A.</b>
<b>PREPARATION 2019/2020 PROGRAMME</b>		<b>182,814</b>	<b>N.A.</b>
<b>OTHER INITIATIVES</b>			
<i>Exposição Second Nature: Portuguese Contemporary Art from the EDP Foundation Art Collection (The Kreeger Museum, Washington)</i>		87,282	4,000
<i>Conference Resonate</i>		56,904	238
<i>Fuso Video Art Festival</i>	Horta Seca – Cultural Association	5,000	2,960
<i>Berlin Gallery Weekend – Bound to the Earth</i>	Igor Jesus	2,364	130

<sup>(1)</sup> 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.



## 6.2 CULTURAL PATRONAGE

The support provided by the EDP Foundation to various institutions and projects with recognised merit enabled, throughout 2018, approximately one million people to participate in cultural manifestations of unequivocal quality that span various artistic disciplines.

In the visual arts field, the EDP Foundation renewed the support given to the Porto Municipal Gallery. Within the scope of a partnership initiated in 2015, the EDP Foundation is patron of the Gallery's programme, also ensuring curatorship of some exhibitive projects. Therefore, in a co-organisation between MAAT and the Porto Municipal Council, the exhibition *Germinal. The Cabrita Reis Unit of the EDP Foundation Art Collection* was presented to the public from 16 March to 20 May. This was the first major exhibition of the Pedro Cabrita Reis Collection, acquired by the EDP Foundation in 2015 and launching the Porto Municipal Gallery's 2018 programme, in a total of six exhibitions.

Also in Porto, the EDP Foundation maintained its support of the Serralves Foundation, adopting the role of exclusive patron of the exhibition *Álvaro Lapa: No tempo Todo (All Of Time)*, the most comprehensive retrospective of the body of work by this artist (Évora, 1939 — Porto, 2006) who won the EDP Foundation Art Grand Prize 2004. The exhibition was presented at the Serralves Museum between 8 February and 20 May.

We also note the Arpad Szenes-Vieira da Silva Foundation programme, where the EDP Foundation has been principal patron since 2011, sponsoring the temporary exhibitions and associated activities – guided tours, family workshops, conferences, etc. In 2018, five exhibitions were presented at this institution's museum, as well as three exhibitions at the Casa-Atelier Vieira da Silva, among several other initiatives.

In the field of Music, the EDP Foundation maintains an extensive patronage collaboration with the Casa da Música Foundation, sponsoring this institution's annual programme – which in 2018 produced 1601 events, with 272 concerts from its own programming and 151 concerts carried out in partnership with external promoters – and, in particular, to the EDP Piano Cycle which, in 2018, comprised nine high quality recitals, presenting pianists of renowned international merit and revealing new talent.

In this area we also highlight our sponsorship of the Orquestra Sinfónica Juvenil (*Youth Symphony Orchestra*), the only youth orchestra with a permanent training activity in Portugal. The EDP Foundation is patron of the Orchestra's programme and, through this, promotes an annual project that grants ten scholarships to train and professionalise young musicians with great artistic potential.

As the principal patron of Companhia Nacional de Bailado (CNB-*National Ballet Company*), the EDP Foundation supported 47 performances at Camões Theatre, as well as charity recitals (whose profits benefit social institutions), 11 workshops for the project to promote dance, and one conference.

PROJECT	PARTNER	VALUE (€)	BENEFICIARIES
<b>CULTURAL PATRONAGE</b>			
<b>Companhia Nacional de Bailado (National Ballet Company)</b>			
National Ballet Company (CNB) Programme	National Ballet Company/OPART	100,000	17,202
Other Costs		225	N.A.
<b>EDP Foundation Piano Cycle</b>	<b>Casa da Música Foundation</b>	<b>100,000</b>	<b>573,920</b>
<b>Exhibition Álvaro Lapa: No Tempo Todo (All of Time)</b>	<b>Serralves Foundation</b>	<b>100,000</b>	<b>182,500</b>
<b>ARCOlisboa 2018</b>			
ARCOlisboa 2018	IFEMA – Institución Ferial de Madrid	70,000	N.D.
Other Costs		11,448	N.A.
<b>Porto Municipal Gallery</b>	<b>Porto Municipal Council</b>	<b>75,000</b>	<b>108,462</b>
<b>Museu Zer0</b>	<b>Lusíada Cultural Institute</b>	<b>50,000</b>	<b>N.D.</b>
<b>Orquestra Sinfónica Juvenil (Youth Symphony Orchestra)</b>			
Activities Youth Symphony Orchestra	Portuguese Musical Circle	37,000	8,380
EDP Foundation Scholarships – Youth Symphony Orchestra	Portuguese Musical Circle	17,500	10
Other Costs		326	N.A.
<b>Arpad Szenes – Vieira da Silva Foundation Programme</b>	<b>Arpad Szenes – Vieira da Silva Foundation</b>	<b>42,000</b>	<b>20,180</b>
<b>Inventory &amp; cataloguing the Prof. Eduardo Lourenço Collection</b>	<b>National Culture Centre</b>	<b>25,000</b>	<b>N.A.</b>
<b>Évora África Festival</b>			
Évora África Festival	Casa Cadaval – Évora Classical Festival Association	20,000	26,257
Other Costs		2,322	N.A.
<b>UNESCO Arts Education Club</b>	<b>ASPREA – Association for Arts Education</b>	<b>8,000</b>	<b>2,050</b>
<b>New Year Concerts</b>	<b>Althum</b>	<b>7,500</b>	<b>3,550</b>
<b>Mário Soares Foundation – EDP Foundation Prize</b>	<b>Mário Soares Foundation</b>	<b>7,000</b>	<b>3</b>
<b>EDP Choir</b>	<b>EDP Choir</b>	<b>6,144</b>	<b>3,700</b>
<b>The Lisbon Consortium Programme</b>	<b>Universidade Católica Portuguesa</b>	<b>5,000</b>	<b>1</b>
<b>ELECTRA MAGAZINE</b>			
Executive Production & Editing		251,507	N.A.
Conference & Public Launch		38,222	N.A.

## 6.3 SOCIAL INNOVATION

In 2018, the Programa EDP Solidária (*EDP Solidarity Programme*) embraced the mission to support projects that help improve the thermal comfort of people in a vulnerable context, whether users or beneficiaries of social inclusion projects or institutions that provide healthcare services. The programme also focuses on mitigating situations at risk of energy vulnerability among underprivileged publics, sponsoring initiatives to raise awareness and educate those publics.

Therefore 23 projects were provided with support in the field of Social Inclusion and six projects in Healthcare, amounting to a total of 1.992.400 euros, a value that reflects the dimension of the Programa EDP Solidária as one of the principal private funding lines for social projects in Portugal. The support provided aims to implement thermal insulation works, and/or install or replace AVAC equipment, SHW systems (Sanitary Hot Water), and conduct initiatives to raise awareness and educate publics in energy literacy and best practices. We estimate these projects will directly benefit approximately 287 thousand people.

The EDP Foundation's Projeto Arte Pública (*Public Arts Project*) expanded its scope in 2018, implementing 13 new artistic interventions: nine in the Vila Nova da Barquinha council, under the project (in a total of 11 works in the Médio Tejo region, two of which to be executed in 2019); two in the Mogadouro council and two in Torre de Moncorvo, in Trás-os-Montes (in a total of 33 works concluded and also including the Alfândega da Fé and Miranda do Douro councils).

Targeting low density territories, the EDP Foundation Projeto Arte Pública uses art as a tool for Social Inclusion, driving these populations' access to and involvement in new cultural experiences. The project was created in 2015 and is already implemented in approximately 40 locations in the Algarve, Alentejo, Ribatejo, Médio Tejo and Trás-os-Montes, in a total of 80 works and more than 35 artists involved. Each of these units thereby created a public art route that aims to help drive local development. In order to maximise the visibility of each public art unit, the EDP Foundation publishes a tourist guide that is distributed locally and for free. In 2018, the Algarve, Alentejo and Ribatejo guides were published, presented at a press conference that took place at MAAT in January. The EDP Foundation Projeto Escolas Solidárias (*Solidarity Schools Project*) completed its 8th edition in the 2017/18 school year. 513 schools joined, involving more than 72 thousand students, teachers and other school agents, operating in every district in the country. Of these, one third are teaching institutions that participated in this initiative for the first time.

Targeting schools from middle to secondary school levels, the EDP Foundation Solidarity Schools Project encourages students and teachers to become involved in citizenship projects that address needs identified in the respective communities, based on the challenges set out in the UN Sustainable Development Goals. In the 2017/2018 school year, the Solidarity Schools developed and participated in 1847 projects, giving precedence to intervention in fields like education and literacy, health and mitigating situations of poverty/hunger. The 9th edition of this project was initiated in September and ran until June 2019.

The 2018/2019 school year also represents a new phase for the Orquestra Energia (*Energy Orchestra*), a social integration project for children and youths promoted by the EDP Foundation since 2010, in the Amarante, Murça and Mirandela councils. Through musical training, this initiative encourages school participation and performance. The project has received artistic and educational direction from Casa da Música since 2015, involving 221 students in 2017/2018.

As of the school year beginning in September 2018, the Ministry of Education took over the continuity and future execution of the Energy Orchestra project in the three councils, reinforcing the teaching teams. In that year, the EDP Foundation ensured the funding for Casa da Música to maintain the programme's artistic and educational direction.

PROJECT	PARTNER	VALUE (€)	BENEFICIARIES
<b>EDP SOLIDARITY PROGRAMME</b>			
<b>Social Inclusion</b>			
Conforto EDP – Edificar, Dinamizar e Potenciar o bem-estar ( <i>Comfort EDP - Building, Driving &amp; Maximising wellbeing</i> )	Juncal Parish Social Centre	70,000	N.D. <sup>(1)</sup>
Conforto + ( <i>Comfort +</i> )	Comunidade Vida e Paz ( <i>Life &amp; Peace Community</i> )	70,000	N.D. <sup>(1)</sup>
Envelhecer, dá prazer! ( <i>Growing old is fun!</i> )	Santa Casa da Misericórdia of Alcobaça – Alcobaça Retirement Home	65,000	N.D. <sup>(1)</sup>
Conforto & Qualidade ( <i>Comfort &amp; Quality</i> )	Portuguese Association of Parents & Friends of Mentally Disabled Lisbon Citizens	65,000	N.D. <sup>(1)</sup>
Reducing energy vulnerability, promoting literacy	ENTRAJUDA – Support for Charity Institutions	56,000	N.D. <sup>(1)</sup>
CONFORT+ ( <i>COMFORT +</i> )	Portuguese Red Cross Humanitarian Centre in Macieira de Rates	50,000	N.D. <sup>(1)</sup>
Crescer com a diferença – em linha com a energia ( <i>Growing up with difference - in line with energy</i> )	Padre Sebastião Esteves Social & Parish Centre	50,000	N.D. <sup>(1)</sup>
Ecoteen	Teatro Construção Association	50,000	N.D. <sup>(1)</sup>
Mais calor, mais vida ( <i>More heat, more life</i> )	Francisco de Assis Youth Community	45,000	N.D. <sup>(1)</sup>
Aquecimento do lar de forma sustentável ( <i>Heating homes in a sustainable manner</i> )	Portuguese Association of Parents & Friends of Mentally Disabled Coimbra Citizens	45,000	N.D. <sup>(1)</sup>
Uma janela para o mar ( <i>Window with an ocean view</i> )	Santa Casa da Misericórdia of Sines	40,000	N.D. <sup>(1)</sup>
Saúde Enérgica ( <i>Energy Health</i> )	Santa Casa da Misericórdia of Vila Velha de Ródão	40,000	N.D. <sup>(1)</sup>
Aquecer para melhor viver ( <i>Heating for better living</i> )	Ílhavo Council Charitable Centre	40,000	N.D. <sup>(1)</sup>
ReHabilitar ( <i>ReHabilitate</i> )	Braga Daycare Association – Novais e Sousa Centre	38,000	N.D. <sup>(1)</sup>
Inclusão da eficiência no Centro ( <i>Efficient inclusion in the centre</i> )	Nossa Senhora de Fátima Social Centre/Padre Carlos Susano Daycare Centre	33,000	N.D. <sup>(1)</sup>
Temporary Shelter	A Terra dos Homens	30,000	N.D. <sup>(1)</sup>
E RPI+eficiente ( <i>E RPI+efficient</i> )	Santa Casa da Misericórdia of Cinfães	30,000	N.D. <sup>(1)</sup>
Mais conforto, melhor mente ( <i>More comfort, better mind</i> )	Abrunheira Community Centre	25,000	N.D. <sup>(1)</sup>
Santiago Innovate Energy – educating for efficiency	Santa Casa da Misericórdia of Santiago do Cacém	25,000	N.D. <sup>(1)</sup>
Conforto e sustentabilidade para uma aldeia melhor... Ações e Sorrisos! ( <i>Comfort &amp; sustainability for a better village... Action &amp; Smiles!</i> )	Adeganha Sports, Recreation & Cultural Group	23,000	N.D. <sup>(1)</sup>
C AO-EFICIENTE ( <i>C AO-EFFICIENT</i> )	Fornos de Algodres Social, Cultural & Sports Association	20,000	N.D. <sup>(1)</sup>
Compromisso Energético ( <i>Energy Commitment</i> )	Algarve Association for Parents & Friends of Mentally Disabled Children	20,000	N.D. <sup>(1)</sup>
Fighting energy poverty among refugees in Portugal	Conselho Português para os Refugiados ( <i>Portuguese Refugee Council</i> )	13,900	N.D. <sup>(1)</sup>
<b>Health</b>			
Climatizar também ajuda a cuidar ( <i>Heating is also caring</i> )	Barreiro Montijo Hospital Unit	300,000	N.D. <sup>(1)</sup>
EDP Project – Hospital, Comfort Space	Médio Ave Hospital Unit	300,000	N.D. <sup>(1)</sup>
AVAC in assistance services & user attendance	Cova da Beira Hospital Unit	120,000	N.D. <sup>(1)</sup>
Improving climate conditions & user comfort	Francisco Gentil Lisbon Cancer Institute	120,000	N.D. <sup>(1)</sup>
Renovated the Sanitary Hot Water System at Hospital Amato Lusitano	Castelo Branco Local Healthcare Unit	110,000	N.D. <sup>(1)</sup>
More thermal comfort: surgery & orthopaedic units	Figueira da Foz District Hospital	98,500	N.D. <sup>(1)</sup>
<b>Overall Management</b>			
Management of Applications		41,280	N.A.
Programme Communication & Launch		34,914	N.A.
Ceremony		19,531	N.A.
<b>SOCIAL INNOVATION PROJECTS</b>			
EDP Foundation Solidarity Schools		173,519	72,467
EDP Foundation Public Art		75,514	4,679
EDP Foundation Energy Orchestras		40,975	221
<b>OTHER PROJECTS</b>			
Pedrogão Grande	EDP Serviço Universal	1,593	35 <sup>(2)</sup>

<sup>(1)</sup> The beneficiaries will be calculated following project roll-out in 2019.

<sup>(2)</sup> The beneficiaries of this project were reported in the 2017 Annual Report.

## 6.4 ART COLLECTION

In 2018, the EDP Foundation Art Collection was compounded with 33 new works. 22 works were acquired from artists in different disciplines, like the sculpture *Central Tejo (Tejo Power Station)*, by Pedro Cabrita Reis – installed on a pier beside the river, outside the EDP Foundation campus – or two sculptures by Claire de Santa Coloma, winner of the 2017 edition of the EDP Foundation Prémio Novos Artistas (*New Artists Award*). 27 items of artistic documentation by various authors were also incorporated in the Art Collection.

These acquisitions represented an investment of € 199.679.

The EDP Foundation Art Collection also received donations from five artists – Tiago Duarte, Ângela Ferreira, Bill Fontana, Jorge Molder, Luís Lázaro Matos – in a total of 11 works worth €193.931.

Throughout the year, the EDP Foundation loaned 31 works by seven Portuguese artists, which were included in exhibitions in Portugal and abroad. Among these, the retrospective *Álvaro Lapa: no tempo todo (all of time)*, which featured at Serralves and had the EDP Foundation as exclusive patron; the collective *Talismans. Le désert entre nous n'est que du sable*, presented at the Fondation Calouste Gulbenkian in Paris, where we loaned two works by Leonor Antunes; and an exhibition at the Gwangju Biennale, in South Korea, which included five pieces by Ângela Ferreira.

In Washington, 38 works were presented, by 16 artists from different generations, as part of the scope of the exhibition *Second Nature: Portuguese Contemporary Art from the EDP Foundation Art Collection*, which ran between 12 June and 31 July.

And in Porto, within the scope of the partnership between the EDP Foundation and Porto Municipal Gallery, 60 works by 35 national artists were displayed at the exhibition *Germinal. The Cabrita Reis Unit in the EDP Foundation Art Collection*, which took place from 16 March to 20 May.

WORKS OF ART ACQUIRED BY/DONATED TO THE EDP FOUNDATION IN 2018		
DISCIPLINE	AUTHOR	TITLE
Drawing (4)	João Louro	<i>Little Boy (Prototype #1)</i>
	João Louro	<i>Little Boy (Prototype #2)</i>
	Luís Lázaro de Matos	<i>Notes on the Nomadic City of Camela #12</i>
	Luís Lázaro de Matos	<i>Notes on the Nomadic City of Camela #13</i>
Sculpture & Installation (11)	Claire de Santa Coloma	<i>Sem título</i>
	Claire de Santa Coloma	<i>Sem título</i>
	Ana Pérez-Quiroga	<i>APQhome #3 – Out of the Blue</i>
	Ana Pérez-Quiroga	<i>APQhome #10 – TO DO List</i>
	Ana Pérez-Quiroga	<i>APQhome #13 – L'Humour</i>
	Nuno da Luz	<i>Catavento (para Olivia Plender) (Weathervane (for Olivia Plender))</i>
	Nuno da Luz	<i>Untitled (for Eleanor Weber)</i>
	Nuno da Luz	<i>RWSNK ECHOS</i>
	Pedro Cabrita Reis	<i>Central Tejo (Tejo Power Station)</i>
	Ana Santos	<i>Sem título</i>
	Bill Fontana	<i>Shadow Soundings</i>
Video (6)	LealVeileby	<i>Domestic Heros</i>
	Diogo Evangelista	<i>The Sky Exists</i>
	Luciano Scherer / Maíra Flores	<i>Sem título</i>
	Tatiana Macedo	<i>1989</i>
	Paulo Mendes	<i>How Green was my Valley</i>
	Luís Lázaro de Matos	<i>The Nomadic City of Camela</i>
Photography (9)	Tatiana Macedo	<i>Orientalism and Reverse</i>
	Tatiana Macedo	<i>Orientalism and Reverse</i>
	Ângela Ferreira	<i>Compósitos (Indépendance Cha Cha) – Conjunto de 4 (Composites (Indépendance Cha Cha) - Set of 4)</i>
	Jorge Molder	<i>Cão(Dog)</i>
	Mónica de Miranda	<i>Cinema Karl Marx da série Cinema Karl Marx (Projeto Panorama) (from the Cinema Karl Marx series (Panorama Project))</i>
Teresa Braula Reis	<i>Sem título</i>	
Silkscreen printing (1)	Ana Pérez-Quiroga	<i>APQhome #2 – Wallpaper</i>
Books / Artistic documentation (29)	Nuno da luz	<i>The Forest is the School (For Pedro Neves Marques)</i>
	Tiago Duarte	<i>Word Documents</i>
	Tiago Duarte	<i>Talking Painting Doing</i>
	Alexandre Estrela/João Maria Gusmão/Pedro Paiva	<i>Lua Cão (Moon Dog)</i>
	Alice Geirinhas	<i>Take me now baby</i>
	Ângelo de Sousa	<i>Cadernos de Imagens (Books of Images)</i>
	André Guedes	<i>Ensaíos para Uma Antologia (Essays for an Anthology)</i>
	André Romão	<i>Perspex, Marble, Bone</i>
	Bruno Pacheco	<i>Draft (Red was the Tone)</i>
	Bruno Pacheco	<i>Mar e Campo em 3 Momentos (Sea &amp; Countryside in 3 Moments)</i>
	Carlos Nogueira	<i>Desenhos de Construção com Casa e Céu (Construction Drawings with House &amp; Sky)</i>
	Carlos Nogueira	<i>Nem o tempo passa. O peso das coisas. Leveza e claridade (Not even time passes. The weight of things. Lightness &amp; clarity)</i>
	Gonçalo Pena	<i>Unfinished Mandarin</i>
	Gonçalo Pena	<i>Monkey Trip</i>
	Gonçalo Pena	<i>Lo-fi Strata</i>
	Mattia Denise	<i>Duplo Vê - O Tautólogo (Double V - The Tautologist)</i>
	Nuno Henrique	<i>Senciente</i>
	Pedro Barateiro	<i>How to Make a Mask</i>
	Pedro Neves Marques	<i>Morrer na América (Dying in America)</i>
	Ramiro Guerreiro	<i>PRODUCTIVITY/Studio Rehearsals</i>
	Ricardo Nicolau	<i>Entrevista Perpétua (Perpetual Interview)</i>
	Ricardo Nicolau	<i>Ana (Ana Jotta)</i>
	Ricardo Nicolau	<i>Isabel (Isabel Carvalho)</i>
	Salomé Lamas	<i>Parafiction</i>
	Tatiana Macedo	<i>Orientalism and Reverse</i>
	Tatiana Macedo	<i>What is Unspoken</i>
	Von Calhau	<i>O Rato Retórico Ritualiza Rôto o Rutilo (The Rhetorical Rat Ritualises Rôto the Rutile)</i>
	André Ruivo	<i>Break Dance</i>
	André Ruivo	<i>Retratos (Portraits)</i>

ART COLLECTION LOANS - 2018	
EXHIBITION TITLE	WORK
<p>Álvaro Lapa: no tempo todo (all of time) Museu de Serralves 09.02.2018 &gt; 13.05.2018</p>	<p>ÁLVARO LAPA O Caderno de Freud (Freud's notebook), 1976 Assemblage on platex</p>
<p>Talismans. Le désert entre nous n'est que du sable Fondation Calouste Gulbenkian, Paris 07.03.2018 &gt; 01.07.2018</p>	<p>LEONOR ANTUNES Modo de usar (How to use) #7 2005 Wooden box, brass screws, brass, 2 plastic protractors, instructions manual</p>
	<p>LEONOR ANTUNES 1785/87/90 2010 Colour digital printing on canvas; sewn with leporello thread</p>
<p>'Manuel Rosa. Escultura 1984 a 2018' (Sculpture 1984 to 2018) Sociedade Nacional de Belas Artes (National Society of Fine Arts), Lisbon 08.06.2018 &gt; 21.07.2018</p>	<p>MANUEL ROSA Untitled, 1987 Limestone</p>
	<p>MANUEL ROSA Untitled, 1998 Glass &amp; mineral charcoal</p>
<p>"10 anos – a coleção" (10 years - the collection) Centro de Arte Contemporânea Graça Morais (Centre for Contemporary Art) Bragança 30.06.2018 &gt; 03.11.2018</p>	<p>EDGAR MARTINS Alto Rabagão Power Station: busbar shaft (seen from the engine room), 2011</p>
<p>12th Gwangju Biennale South Korea 07.09.2018 &gt; 11.11.2018</p>	<p>ÂNGELA FERREIRA Indépendance Cha Cha, 2014 Beech &amp; pine wood, MDF, plastic paint, iron, projection screens, 2 videos (colour, alternating sound, 5' 9", loop)</p>
	<p>ÂNGELA FERREIRA Composites (Indépendance Cha Cha), 2014 Graphite, photocopies &amp; digital printing on Fabriano paper (Set of 4 works)</p>
<p>Joana Vasconcelos: I Want to Break Free Musée d'Art Moderne et Contemporain, Strasbourg 05.10.2018 &gt; 17.02.2019</p>	<p>JOANA VASCONCELOS Flores do Meu Desejo (Flowers of my Desire) 1996 - 2010 Purple feather dusters, metallised &amp; thermo-lacquered iron, metallised &amp; thermo-lacquered wire mesh</p>
	<p>JOANA VASCONCELOS Strangers in the night 2000 Car lights, button-tufted nappa leather, painted iron, electric system, sound system Song performed by Frank Sinatra: Strangers in the Night (Bert Kaempfert, Charles Singleton, Eddie Snyder). Authorisation from Universal Music Portugal, S.A.</p>
	<p>JOANA VASCONCELOS Menú do dia (Today's specials) 2001 Fur coats, refrigerator doors, air fresheners, iron</p>
<p>"Ricardo Cruz-Filipe" Núcleo de Arte Contemporânea (Contemporary Art Unit), Tomar 13.11.2018 &gt; 31.03.2019</p>	<p>CRUZ-FILIFE F1 – Geiranger fjord, 'Troll's Path' July 2007 Digital printing mounted on aluminium</p>
	<p>CRUZ-FILIFE F2 – South of Ornes July 2007 Digital printing mounted on aluminium</p>
	<p>CRUZ-FILIFE F3 – South of Ornes July 2007 Digital printing mounted on aluminium</p>
	<p>CRUZ-FILIFE F4 – Travelling to Svartisen July 2007 Digital printing mounted on aluminium</p>
	<p>CRUZ-FILIFE F5 – Svartisen Glaciär July 2007 Digital printing mounted on aluminium</p>
	<p>CRUZ-FILIFE F6 – from the North Cape to Kirkenes July 2007 Digital printing mounted on aluminium</p>

## ART COLLECTION LOANS - 2018

"Ricardo Cruz-Filipe"  
 Núcleo de Arte Contemporânea  
 (Contemporary Art Unit), Tomar  
 13.11.2018 > 31.03.2019

CRUZ-FILIFE  
 F7 – Leaving Longyaerbyen  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F10 – Suspended figures at Spitzberg  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F11 – Krossfjorden  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F12 – On the way to Ny - Ålesund  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F13 – Mist on the way to Ny - Ålesund  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F14 – On the way to Ny-Ålesund  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F15 – Blomstrand Glaciar  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F16 – At Lofoten islands  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F17 – O brilho da luz (The glow of light)  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F18 – Azuis do Ártico (Arctic Blues)  
 July 2007  
 Digital printing mounted on aluminium

CRUZ-FILIFE  
 F19 – O adeus do Sol (The Sun's Goodbye)  
 July 2007  
 Digital printing mounted on aluminium



## 6.5 PUBLICATIONS

2018 was marked by the launch of the magazine *Electra*. Published by the EDP Foundation, this is an international magazine that focuses on every field of culture, giving precedence to cultural, social and political reflection and critique. *Electra* promotes thought and analysis, supported by international collaboration from leading figures in a wide range of areas like philosophy, history, literature, the arts and sciences. The magazine is published quarterly in Portuguese and English. The public launch of *Electra* was hosted at the Tejo Power Station on 17 March 2018, with a conference given by Boris Groys, a philosopher, arts critic and media theorist who was also interviewed in the magazine's first edition.

Four issues were published throughout the year. The main topic of the first edition of *Electra* was "A Nossa Época" (*Our Times*); the second was "Estupidez" (*Stupidity*); the third was "Turismo" (*Tourism*); and the fourth was "Jornalismo e os Media" (*Journalism & the Media*). Joshua Benton, Rosi Braidotti, Pedro Cabrita Reis, Rui Chafes, William Kentridge, Alexander Kluge, Yves Michaud, Eduardo Viveiros de Castro, Avital Ronell, Salvatore Settis, Yves Citton are just some of the approximately 75 authors who contributed to the magazine's pages in 2018.

Distributed nationally and internationally, *Electra* is sold at newsstands, bookshops and online, and is also available through subscriptions.

Within the scope of the MAAT programming, we note the edition of 15 publications, for national and international, individual and collective temporary exhibitions. Some examples of books/catalogues are *Germinal. The Cabrita Reis Unit in the EDP Foundation Art Collection* (the fourth volume of the series "Perspectivas" (*Perspectives*)), *Ângela Ferreira. Pan African Unity Mural* (the third in the series "MAAT | Project Room"), and *Eco-Visionaries. Art, Architecture, and New Media after the Anthropocene*. This final work was a project organised and coordinated by MAAT – to complement the exhibition carried out by four European museums: MAAT, Bildmuseet (Umeå, Sweden), HeK - House of Electronic Arts (Basel, Switzerland) and LABoral Centro de Arte y Creacion Industrial (Gijon, Spain) – with publication and international distribution handled by the German publisher Hatje Cantz.

Books published by the EDP Foundation are sold in the museum shop and several other locations, physical and online, through partnerships with specialised publishing and distribution entities – Orfeu Negro and Monade, for example –, in order to make the publications available to a wider public, as well as to help raise the visibility of the EDP Foundation and MAAT.

We also note publications offered to visitors for some temporary exhibitions, such as the Tomás Saraceno journal. *Um Imaginário Termodinâmico (A Thermodynamic Imaginary)*, with 12 thousand copies published.

In 2018, two editions of the journal *Fundação* were also published, edited in Portuguese and English, which disseminates the diverse range of the EDP Foundation's activities, and also highlights some moments in the MAAT programme. The journal is offered to the museum's visitors and is available in the spaces of partner institutions, such as Casa da Música, the National Ballet Company and Serralves Museum, among others.

## THE YEAR IN IMAGES

# THE YEAR IN



- 1 "Vila de Oleiros" is the title of an art piece by Alexandre Farto (aka Vhils) in Atalaia, a parish council in Vila Nova da Barquinha. It is one of the 80 artworks included in the EDP Foundation Public Art programme. **Alexander Silva**
- 2 "Central Tejo" is a sculpture by Pedro Cabrita Reis, installed within the EDP Foundation campus, on the riverfront. A sculpture in a public space, as a gift to the city of Lisbon. **Gonçalo Rosa Silva**
- 3 A public, pedestrian flyover which connects the museum to Av. da Índia and Rua da Junqueira, making the museum more accessible to visitors. **FG+SG**
- 4 *Eco-Visionaries: Art and Architecture After the Anthropocene* was the year's most visited exhibition. It was held at MAAT from 11 April to 24 September 2018. **Paulo Alexandre Coelho**
- 5 *Electra*, an international magazine of thought and critique, was launched in March. The launch gathered 300 people at Tejo Power Station, with a conference which included the presence of philosopher and art critic Boris Groys. **Miguel Baltazar**
- 6 The Municipal Gallery in Porto hosted *Germinal*. The Cabrita Reis Section in the EDP Foundation Art Collection (16 March to 20 May). This was the first exhibition with works from Pedro Cabrita Reis's Art Collection after they were acquired by the EDP Foundation in 2015. **Ricardo Castelo**

# MALES



4



5



6



# STAN

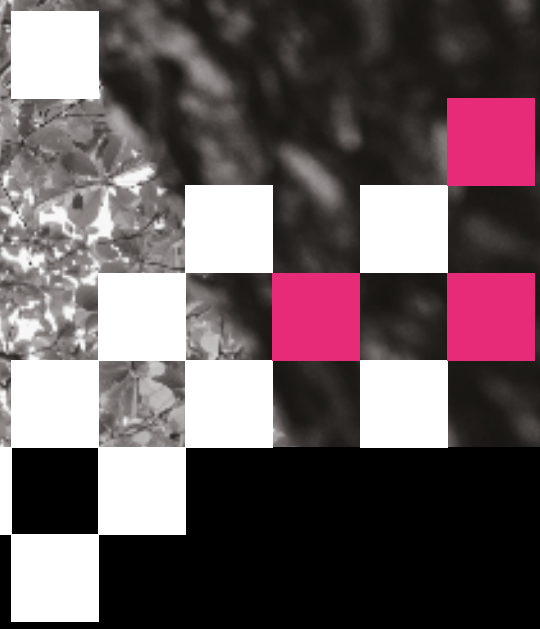




# BELLY



**WE  
LOVE  
SUSTAINABILITY**





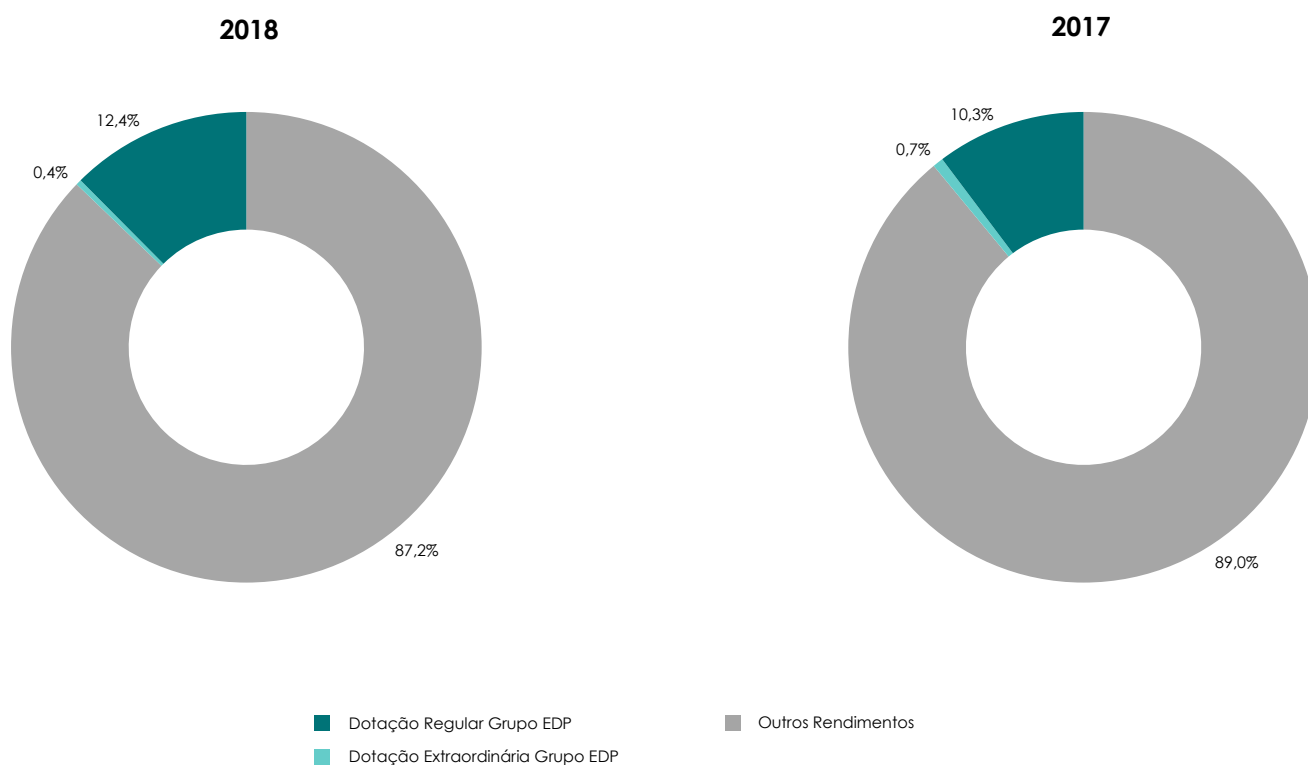
# 07 ECONOMIC & FINANCIAL SITUATION

In 2018, the EDP Foundation's revenue presented an increase of 2.1% compared with the previous year.

The EDP Group's Regular Grant, which comprised 87.2% of the total revenue (89.0% in 2017), 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 12.4% of the total revenue (11.0% in 2017), resulting from the increase in income associated with the EDP Foundation's activities. Of these, the ticket office stands out, whose growth occurred after the full opening of MAAT – Museum of Art, Architecture and Technology, in March 2017, as well as external fundraising to obtain support for specific exhibitions included in the Programme, a strategy launched in 2017.

REVENUE	2018	2017	Δ %
EDP Group Regular Grant	13,700,000	13,700,000	0.0%
EDP Group Extraordinary Grant	60,000	112,500	-46.7%
Other Revenue	1,955,227	1,578,889	23.8%
<b>TOTAL</b>	<b>15,715,227</b>	<b>15,391,389</b>	<b>2.1%</b>



The EDP Foundation's operating expenses remained unchanged between 2017 and 2018, reaching a total of 13.6 million euros.

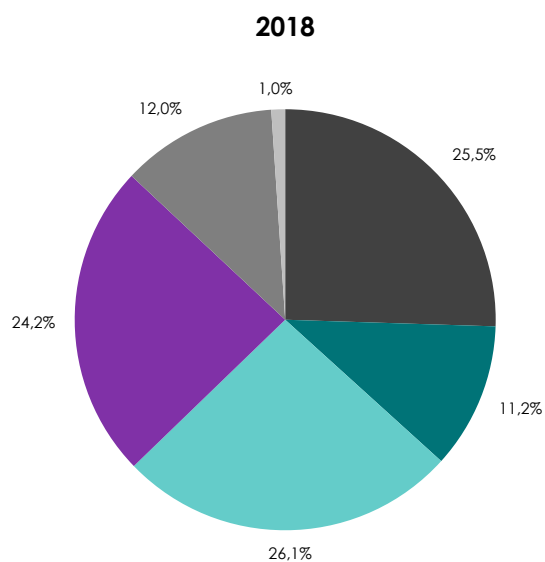
Personnel costs amounted to 3.0 million euros, -5.7% compared with 2017, as a result of a decrease in headcount to 46 employees (50 in 2017).

Overheads represented 8.9% of the total operating expenses and registered a 9.5% decrease compared with the previous year.

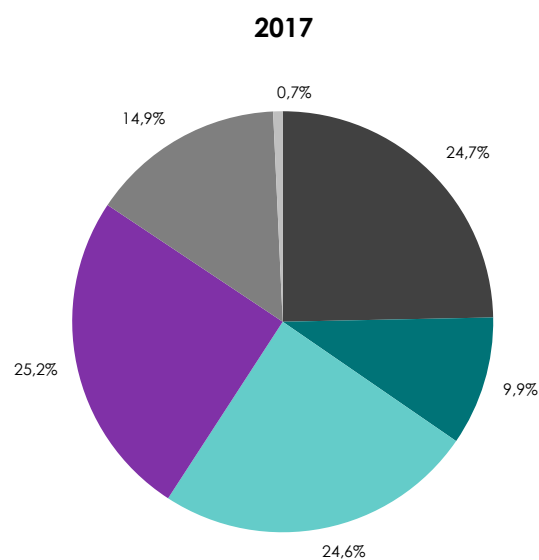
Business costs presented a slight increase of 3.4% compared with 2017, maintaining the effort to increase budget management efficiency in every field.

The increase in revenue from the EDP Foundation's internal activities, as well as rigorous resource management, enabled a positive net profit of 1.6 million euros.

EXPENSES	2018	2017	Δ %
<b>STRUCTURE</b>	<b>4,249,339</b>	<b>4,559,498</b>	<b>-6.8%</b>
Personnel Costs	3,043,074	3,226,661	-5.7%
Overheads	1,206,265	1,332,838	-9.5%
<b>ACTIVITIES</b>	<b>9,304,794</b>	<b>9,000,610</b>	<b>3.4%</b>
Social Investment	2,372,024	2,220,832	6.8%
Culture	1,042,886	892,777	16.8%
Museum/Programming	2,427,219	2,211,820	9.7%
Campus	2,251,048	2,267,284	-0.7%
Communication & Marketing	1,113,211	1,342,199	-17.1%
Institutional Relations	98,406	65,699	49.8%
<b>TOTAL</b>	<b>13,554,133</b>	<b>13,560,108</b>	<b>0.0%</b>



■ Investimento Social  
■ Cultura  
■ Museu/Programação



■ Campus  
■ Comunicação & Marketing  
■ Relações Institucionais











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INNOVATION**

**INNOVATION**

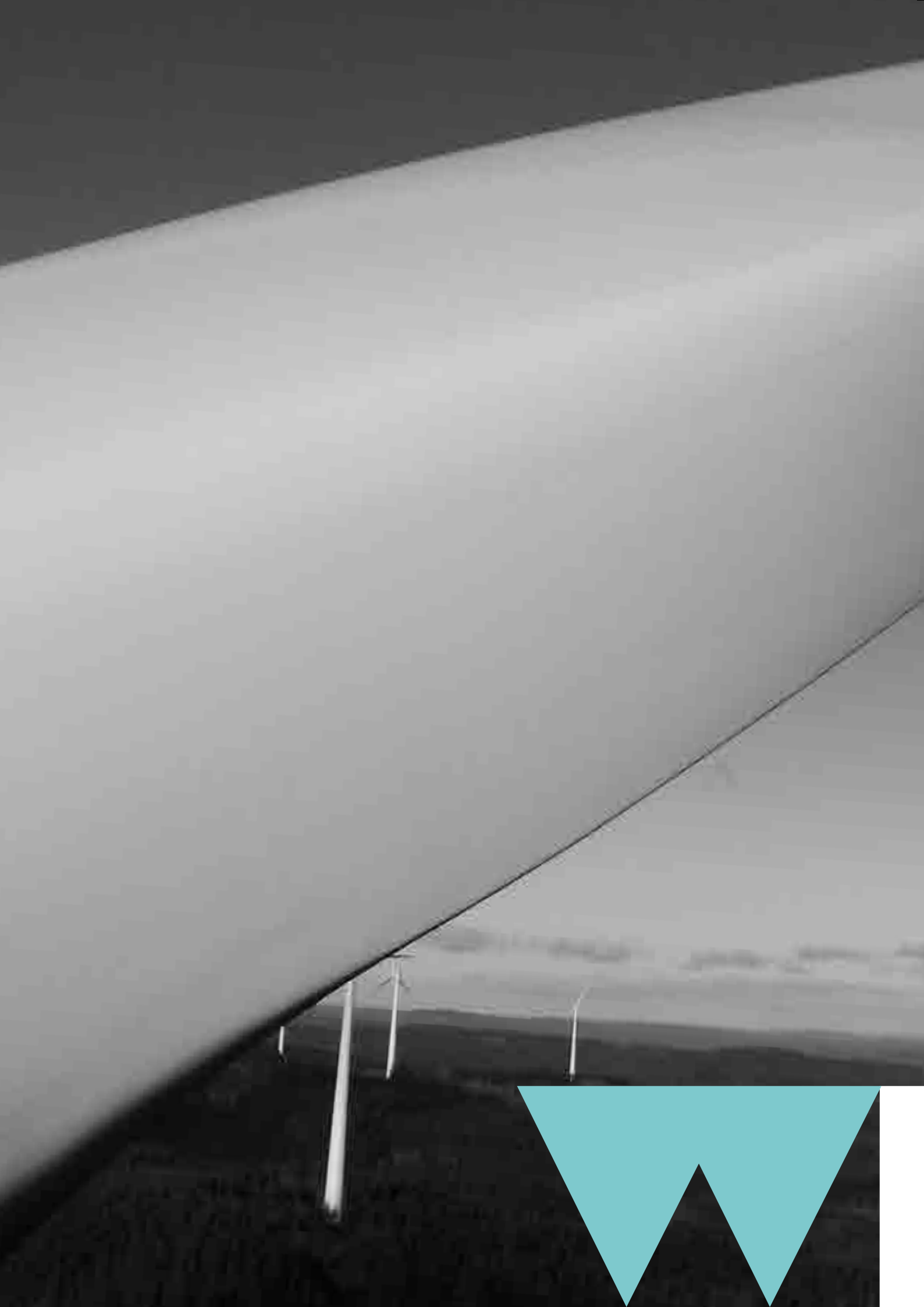


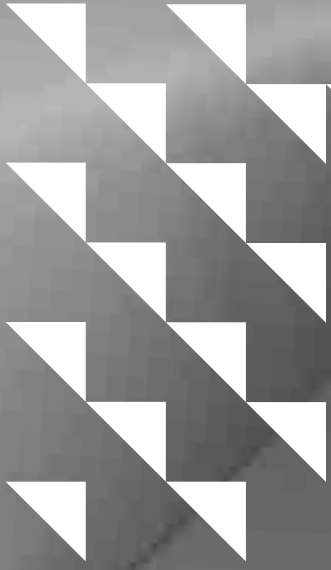
# 08 PROFIT APPROPRIATION

The EDP Foundation's Board of Directors proposes that the Net Profit of 1.607.829€ be transferred to Retained Earnings.

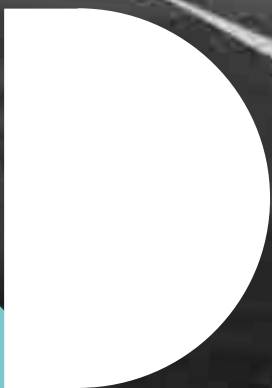
From this item, the following should be placed in Free Reserves:

- The amount of 199.679€, which represents the value of the works of art acquired in 2018;
- The amount of 1.000.000€, to carry out works on the restaurant infrastructure and conclude the MAAT park.





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THE WIND**







# **09** **FINANCIAL REPORT**

**BALANCE SHEET AT 31 DECEMBER 2018 AND 2017**

Unit: Euros

ITEMS	NOTES	DATES	
		31.Dec.2018	31.Dec.2017
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	7	59.884.548	59.285.485
Historic and cultural heritage assets	7	2.487.271	2.487.271
Other accounts receivable and non-current assets	11	6.000	6.000
<b>Total Non-Current Assets</b>		<b>62.377.819</b>	<b>61.778.756</b>
<b>Current Assets</b>			
Customers	9	69.201	106.718
Other accounts receivable	11	71.993	126.173
Allocated and unrealised endowment funds	12	12.221.438	12.221.438
Deferrals	13	16.510	6.443
Cash and bank deposits	6	4.855.643	5.965.624
<b>Total Current Assets</b>		<b>17.234.785</b>	<b>18.426.396</b>
<b>Total Assets</b>		<b>79.612.604</b>	<b>80.205.152</b>
<b>ENDOWMENT FUNDS AND LIABILITIES</b>			
<b>Endowment Funds</b>			
Funds	14	22.351.847	22.351.847
Reserves - Donations	15	1.070.147	826.216
Other reserves	15	4.363.036	3.165.941
Retained earnings	16	1.053.363	1.229.439
Other variations in endowment funds - investment subsidies	17	36.976.336	37.867.601
Net result for the year		1.607.829	1.050.019
<b>Total Endowment Funds</b>		<b>67.422.558</b>	<b>66.491.063</b>
<b>LIABILITIES</b>			
<b>Non-current Liabilities</b>			
Provisions	18	21.636	22.671
Liabilities for post-employment benefits	19	229.391	168.413
Other accounts payable	20	2.126.802	2.187.446
<b>Total Non-current Liabilities</b>		<b>2.377.829</b>	<b>2.378.530</b>
<b>Current Liabilities</b>			
Liabilities for post-employment benefits	19	8.779	28.757
Suppliers	21	3.510.892	3.278.011
Portuguese State and other public entities	10	170.299	175.031
Deferrals	13	861.129	885.950
Other accounts payable	20	5.261.118	6.967.810
<b>Total Current Liabilities</b>		<b>9.812.217</b>	<b>11.335.559</b>
<b>Total Liabilities</b>		<b>12.190.046</b>	<b>13.714.089</b>
<b>Total Endowment Funds and Liabilities</b>		<b>79.612.604</b>	<b>80.205.152</b>

 Lisbon, April 15<sup>th</sup> 2019  
 CERTIFIED ACCOUNTANT N.º 7.630

The Board of Directors

**INCOME STATEMENT**
**Financial year ended 31 December 2018 and 2017**

Unit: Euros

CASH FLOW STATEMENT	Notes	YEARS	
		2018	2017
Sales and services rendered	22	1.037.745	852.023
Subsidies, gifts and operational bequests	23	13.760.000	13.812.500
Subsidies, donations and grants	30	(3.006.771)	(3.140.867)
External suppliers and services	24	(7.245.306)	(6.952.094)
Personnel costs and liabilities from post-employment benefits	25	(3.043.074)	(3.226.661)
Impairment in accounts receivable (losses/reversals)	26	(110.228)	328.313
Provisions (increases/reductions)	27	1.036	(2.110)
Other income and gains	28	917.619	348.404
Other expenses and losses	29	(93.939)	(401.704)
<b>Profit before depreciation, financial expenses and taxes</b>		<b>2.217.082</b>	<b>1.617.804</b>
Depreciation and amortisation expenses/reversals	31	(608.555)	(570.940)
Operating profit (before financial expenses and taxes)		<b>1.608.527</b>	<b>1.046.864</b>
Interest and similar income obtained	32	483	5.416
Interest and similar expenses incurred	33	(1.181)	(2.261)
<b>Result before taxes</b>		<b>1.607.829</b>	<b>1.050.019</b>
Corporate income tax for the year		-	-
<b>Net result for the year</b>	8	<b>1.607.829</b>	<b>1.050.019</b>

 Lisbon, April 15th 2019  
 CERTIFIED ACCOUNTANT N.º 7.630

The Board of Directors

**STATEMENT OF CHANGES IN THE ENDOWMENT FUNDS FOR THE YEAR 2017**

Unit: Euros

DESCRIPTION	Endowment funds allocated to the grantors						Total of the Endowment Funds	
	Funds	Reserves Donations	Other reserves	Retained Earnings	Other changes in endowment funds	Net profit for the year		
<b>POSITION AT THE BEGINNING OF THE YEAR 2017</b>	1	22.351.847	712.861	2.865.954	1.249.009	27.770.302	270.664	55.220.637
<b>CHANGES IN THE YEAR</b>								
Other changes recognised in the endowment funds		-	113.355	299.987	(19.570)	-	(270.664)	123.108
	2	-	113.355	299.987	(19.570)	-	(270.664)	123.108
<b>NET PROFIT FOR THE YEAR</b>	3						1.050.019	1.050.019
<b>EXTENSIVE PROFIT</b>	4=2+3	-	-	-	-	-	779.355	1.173.127
<b>OPERATIONS WITH GRANTORS DURING THE YEAR</b>								
Investment subsidies		-	-	-	-	10.097.299	-	10.097.299
	5	-	-	-	-	10.097.299	-	10.097.299
<b>POSITION AT THE END OF THE YEAR 2017</b>	6=1+2+3+5	22.351.847	826.216	3.165.941	1.229.439	37.867.601	1.050.019	66.491.063

**STATEMENT OF CHANGES IN THE ENDOWMENT FUNDS FOR THE YEAR 2018**

Unit: Euros

DESCRIPTION	Endowment funds allocated to the grantors						Total of the Endowment Funds	
	Funds	Reserves Donations	Other reserves	Retained Earnings	Other changes in endowment funds	Net profit for the year		
<b>POSITION AT THE BEGINNING OF THE YEAR 2018</b>	6	22.351.847	826.216	3.165.941	1.229.439	37.867.601	1.050.019	66.491.063
<b>CHANGES IN THE YEAR</b>								
Other changes recognised in the endowment funds		-	243.931	1.197.095	(176.076)	-	(1.050.019)	214.931
	7	-	243.931	1.197.095	(176.076)	-	(1.050.019)	214.931
<b>NET PROFIT FOR THE YEAR</b>	8						1.607.829	1.607.829
<b>EXTENSIVE PROFIT</b>	9=7+8	-	-	-	-	-	557.810	1.822.760
<b>OPERATIONS WITH GRANTORS DURING THE YEAR</b>								
Investment subsidies		-	-	-	-	(891.265)	-	(891.265)
	10	-	-	-	-	(891.265)	-	(891.265)
<b>POSITION AT THE END OF THE YEAR 2018</b>	11=6+7+8+10	22.351.847	1.070.147	4.363.036	1.053.363	36.976.336	1.607.829	67.422.558

**CASH FLOW STATEMENT**  
**Financial year ended 31 DECEMBER 2018 and 2017**

ITEMS	Notes	2018	2017
Unit: Euros			
<b>Cash flows from operating activities</b>			
Receipts from operating subsidies		13.760.000	13.812.500
Patronage provided		(3.234.388)	(3.298.518)
Receipts from clients and users		1.818.151	1.284.839
Payments to suppliers		(6.999.968)	(7.317.240)
Payments to staff		(3.091.816)	(3.191.509)
Other receipts / (payments) relating to operational activity		45.409	(988.156)
<b>Cash flow from operating activities (1)</b>		<u>2.297.388</u>	<u>301.916</u>
<b>Cash flows from investment activities</b>			
Receipts from:			
Interest and similar income		650	6.267
		<u>650</u>	<u>6.267</u>
Payments relating to:			
Property, plant & equipment		(3.356.373)	(9.832.721)
		<u>(3.356.373)</u>	<u>(9.832.721)</u>
<b>Cash flow from investment activities (2)</b>		<u>(3.355.723)</u>	<u>(9.826.454)</u>
<b>Cash flows from financing activities</b>			
Payments relating to:			
Interest and similar expenses		(51.646)	(19.458)
<b>Cash flow from financing activities (3)</b>		<u>(51.646)</u>	<u>(19.458)</u>
<b>Change in cash and cash equivalents (1+2+3)</b>		<u>(1.109.981)</u>	<u>(9.543.996)</u>
Cash and cash equivalents at the beginning of the period		5.965.624	15.509.620
<b>Cash and cash equivalents at the end of the period (*)</b>		<u>4.855.643</u>	<u>5.965.624</u>

(\*) See detail of decomposition of the item "Cash & cash equivalents" in Note 6 of the Financial Statements

Lisbon, April 15th 2019  
 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 No. 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 April 15<sup>th</sup> 2019, 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 2018 and in the comparative financial information presented in these financial statements for the year ended 31 December 2017.

### 2.2 No derogations 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 registered 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 likely 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 divestments 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**

Property, plant and equipment granted free of charge, at the grant date, is measured as follows and in the order presented:

- Fair value;
- Value for which they are insured;
- Value for which they were recorded in the donor's books.

Property, plant and equipment granted free of charge is 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 value of that 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 and death grant 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 EDP Foundation's Balance Sheet.

Recognition and measurement of liabilities for the healthcare 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 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.

The Foundation's liabilities for donations granted are registered in the year in which the EDP Foundation undertakes the irrevocable commitment to grant them.

#### 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 is 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 April 15<sup>th</sup> 2019, 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 and equipment, offered by the authors and entities, following exhibitions carried out and partnership protocols entered into.

The donated works of art and equipment are valued at the fair value attributed by the artist or entity, 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 was 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

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:

	<u>Dec 2018</u>	<u>Dec 2017</u>
<b>Demand deposits</b>		
CGD - Caixa Geral de Depósitos	123.768	172.493
NOVO BANCO, S.A.	58.507	60.531
MILLENNIUM BCP	3.523.258	1.982.336
BBVA	50.110	50.264
<b>Time deposits</b>		
MILLENNIUM BCP	1.100.000	3.700.000
	<u>4.855.643</u>	<u>5.965.624</u>

In 2018, the item Time deposits regards a short-term treasury investment in the amount of 1.100.000 euros, which bears interest at the rate of 0,01%, taken out with MILLENNIUM BCP bank.

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.

The maturity of these financial instruments is presented as follows:

	<u>Dec 2018</u>	<u>Dec 2017</u>
<b>Investment in banking institutions</b>		
Up to 3 months	1.100.000	3.700.000
	<u>1.100.000</u>	<u>3.700.000</u>

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

This item is analysed as follows:

	<u>Dec 2018</u>	<u>Dec 2017</u>
<b>Gross amount:</b>		
<b>Historic and cultural heritage assets</b>		
Tejo Power Station Land	1.553.003	1.553.003
Tejo Power Station Building	1.112.225	1.112.225
<b>Other property, plant &amp; equipment</b>		
Land and natural resources	4.562.970	4.562.970
Buildings and other constructions	49.632.707	49.113.033
Basic equipment	204.960	183.066
Transport equipment	296.391	281.513
Office equipment	2.193.902	1.842.503
Works of art	6.309.229	5.915.618
Other property, plant & equipment	1.227.816	1.227.816
Property, plant & equipment under construction	2.047.118	1.298.767
	<u>69.140.322</u>	<u>67.090.514</u>

<b>Accumulated depreciation and impairment</b>		
Depreciation for the year	-1.450.745	-1.178.110
Accumulated depreciation in previous years	<u>-5.317.758</u>	<u>-4.139.648</u>
	<u>-6.768.503</u>	<u>-5.317.758</u>
<b>Carrying amount</b>	<u><u>62.371.819</u></u>	<u><u>61.772.756</u></u>

The movements in property, plant & equipment for the year 2018 are analysed as follows:

	Balance in Jan 2018	Additions	Divestments	Transfers Corrections	Balance in Dec 2018
<b>Gross amount:</b>					
<b>Historic and cultural heritage assets</b>					
Tejo Power Station Land	1.553.003	-	-	-	1.553.003
Tejo Power Station Building	1.112.225	-	-	-	1.112.225
<b>Other property, plant &amp; equipment</b>					
Land and natural resources	4.562.970	-	-	-	4.562.970
Buildings and other constructions	49.113.033	158.659	-	361.015	49.632.707
Basic equipment	183.066	21.894	-	-	204.960
Transport equipment	281.513	61.870	(46.992)	-	296.391
Office equipment	1.842.503	309.911	(4.784)	46.272	2.193.902
Works of art	5.915.618	393.611	-	-	6.309.229
Other property, plant & equipment	1.227.816	-	-	-	1.227.816
Property, plant & equipment under construction	1.298.767	1.155.638	-	(407.287)	2.047.118
	<u>67.090.514</u>	<u>2.101.583</u>	<u>(51.776)</u>	<u>-</u>	<u>69.140.322</u>
<b>Accumulated depreciation and impairment</b>					
Tejo Power Station Land	(177.957)	-	-	-	(177.957)
Land and natural resources	(138.273)	-	-	-	(138.273)
Buildings and other constructions	(3.816.526)	(1.153.675)	-	-	(4.970.201)
Basic equipment	(46.840)	(19.142)	-	-	(65.982)
Transport equipment	(180.915)	(48.087)	44.290	-	(184.712)
Office equipment	(622.386)	(231.672)	4.784	-	(849.274)
Other property, plant & equipment	(334.861)	(47.243)	-	-	(382.104)
	<u>(5.317.758)</u>	<u>(1.499.819)</u>	<u>49.074</u>	<u>-</u>	<u>(6.768.503)</u>
<b>Carrying amount</b>	<u><u>61.772.756</u></u>				<u><u>62.371.819</u></u>

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 said agreement 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 13), which is being deferred and recognised in the income statement 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's historic heritage was previously authorised by order of the Secretary of State for the Presidency of the Council of Ministers, on 22 February 2013.

The increase of 361.015 euros in the item Buildings and other constructions, pertains to the entry into operation of works that were still underway in the Museum of Art, Architecture and Technology in 2018.

The item Office equipment recorded an increase of 356.183 euros due to the purchase of assorted administrative and technologic equipment and the entry into operation of the websites for the EDP Foundation and MAAT admissions management.

There was a substantial increase in the item Property, plant & equipment under construction, in the amount of 1.155.638, due to works carried out on the EDP Foundation's Museum of Art, Architecture and Technology and renovation of the CCTV system. As at 31 December 2018, the item Property, plant & equipment under construction essentially refers to works still underway on the EDP Foundation's Museum of Art, Architecture and Technology.

As at 31 December 2018 and 31 December 2017, the value of the property, plant and equipment financed by finance leases is presented as follows:

	Dec 2018			Dec 2017		
	Gross carrying amount	Depreciation / Impairment	Net carrying amount	Gross carrying amount	Depreciation / Impairment	Net carrying amount
Land	4.562.970	-230.453	4.332.517	4.562.970	-184.362	4.378.608
Transport equipment	296.391	-184.713	111.678	203.149	-112.640	90.509
	<u>4.859.361</u>	<u>-415.166</u>	<u>4.444.195</u>	<u>4.766.119</u>	<u>-297.002</u>	<u>4.469.117</u>

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

**a) Land**

At 31 December 2018, loan capital amounted to 2.140.269 euros, to be paid in annual instalments of 23.045 euros, updated yearly using the official coefficient for residential rents (note 20).

	Payments		
	< 1 year	>1 year & <5 years	> 5 years
Land	25.990	103.960	2.010.319
	<u>25.990</u>	<u>103.960</u>	<u>2.010.319</u>

**b) Transport equipment (note 20)**

	Dec 2018			Dec 2017		
	Capital in debt	Interest on debt	Outstanding rents	Capital in debt	Interest on debt	Outstanding rents
Less than one year	33.140	447	33.588	46.979	1.211	48.190
Between one and five years	12.523	75	12.598	46.819	525	47.344
	<u>45.663</u>	<u>522</u>	<u>46.186</u>	<u>93.797</u>	<u>1.736</u>	<u>95.534</u>

**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 2018	Dec 2017
<b>Gross carrying amount:</b>		
<b>Customer accounts</b>		
General (i):	2.512.345	2.439.634
	<u>2.512.345</u>	<u>2.439.634</u>
<b>Accumulated impairment</b>		
Impairment losses for the year	(110.228)	327.848
Impairment losses in previous years	(2.332.916)	(2.660.764)
	<u>(2.443.144)</u>	<u>(2.332.916)</u>
<b>Net carrying amount:</b>	<u>69.201</u>	<u>106.718</u>

(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 53.849 euros regards the use of space in the Electricity Museum for events (2017: 23.108 euros) and 18.804 euros for national and international distribution of the magazine Electra, namely 3.218 copies.

The movement in impairment losses is analysed as follows:

	Balance in Jan 2018	Increases	Reversals	Balance in Dec 2018
<b>Impairment losses</b>				
General customers	2.332.916	-	110.228	2.443.144
	<u>2.332.916</u>	<u>-</u>	<u>110.228</u>	<u>2.443.144</u>

The amount entered in the item Impairment losses essentially regards accounts receivable for the Access to Energy project in Cabiri Village, Angola. The movement recorded during 2018 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 2018	Dec 2017
<b>State and other public entities:</b>		
- Withheld income tax	46.267	40.104
- Social Security Contributions	49.787	51.290
- Value added tax (VAT)	74.245	83.636
- Stamp duty	-	1
	<u>170.299</u>	<u>175.031</u>

**11. Other accounts receivable**

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

	Dec 2018	Dec 2017
<b>Other accounts and assets receivable - non current</b>		
Over-financing of pension fund	6.000	6.000
	<u>6.000</u>	<u>6.000</u>
<b>Other accounts receivable - current</b>		
<b>Gross carrying amount:</b>		
Amounts receivable from personnel	13.124	21.384
Amounts receivable from the Group (i)	41.345	56.960
Other (ii)	17.524	47.829
	<u>71.993</u>	<u>126.173</u>
<b>Accumulated impairment:</b>		
Impairment losses for the year	-	465
Impairment losses in previous years	-	(465)
	<u>-</u>	<u>-</u>
<b>Net carrying amount:</b>	<u>71.993</u>	<u>126.173</u>

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

- Amount of 5.240 euros regarding lease of premises sustained by EDP S.A.;
- Amount of 180 euros regarding adjustments concerning fixed communications and 103.881 euros regarding holiday camps sustained by EDP Valor, S.A.;
- Amount of 661 euros regarding medical assistance sustained by Sávila.

(ii) This item essentially includes advances to suppliers and revenue received by the MAAT ticket office.

## 12. Allocated and unrealised endowment funds

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

	Dec 2018	Dec 2017
<b>Allocated and unrealised endowment funds</b>		
Fundador (EDP S.A.)	6.732.671	6.732.671
EDP Produção S.A.	2.613.522	2.613.522
EDP Distribuição S.A.	2.875.245	2.875.245
	<u>12.221.438</u>	<u>12.221.438</u>

The item Allocated and unrealised endowment funds regards the remaining value foreseen under the 1st contract for conclusion of the construction of MAAT and in the addendum to the Pluriannual contract signed in November 2017, which is expected to be received during the year 2019.

## 13. Deferrals

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

	Dec 2018	Dec 2017
<b>Deferrals - Assets</b>		
<b>Expenses to be recognised</b>		
Insurance	16.510	6.443
	<u>16.510</u>	<u>6.443</u>
<b>Deferrals - Liabilities</b>		
<b>Income to be recognised</b>		
Other income to be recognised (i)	861.129	885.950
	<u>861.129</u>	<u>885.950</u>

(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 337.445 euros (2017: 341.035 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 523.685 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 2018	Dec 2017
Fund - Initial Donation	22.351.847	22.351.847
	<u>22.351.847</u>	<u>22.351.847</u>

## 15. Reserves

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

	Dec 2018	Dec 2017
Free reserves	4.363.036	3.165.941
Reserves - Donations	1.070.147	826.216
	<u>5.433.183</u>	<u>3.992.157</u>

The item Free reserves represents the amount invested by the EDP Foundation in works of art each year and the creation of a reserve for preservation works on the Tejo Power Station.

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 2018 amounted to 243.931 euros (2017: 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 donor'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 increase in Free reserves refers to profit appropriation in 2017, the amount of 197.095 euros regarding works of art acquired in 2017 and 1.000.000 euros pertaining to the need for preservation works on the Tejo Power Station pursuant to Minutes n.º 3 of the Board of Directors, as of March 26<sup>th</sup> 2018.

The movement in the item Reserves during the year 2018 is analysed as follows:

	Balance in Jan 2018	Increases	Decreases	Balance in Dec 2018
Free reserves	3.165.941	1.197.095	-	4.363.036
Reserves - Donations	826.216	243.931	-	1.070.147
	<u>3.992.157</u>	<u>1.441.026</u>	<u>-</u>	<u>5.433.183</u>

The increase in Reserves – Donations refers to works donated by the artists Bill Fontana, Luis Lázaro de Matos and Tiago Duarte, 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:

	<u>Dec 2018</u>	<u>Dec 2017</u>
Retained earnings	1.053.363	1.229.439
	<u>1.053.363</u>	<u>1.229.439</u>

The negative variation of retained earnings in the amount of 176.076 euros results from the inclusion of net income for the period ended 31 December 2017 in the amount of 1.050.019 euros, net of the appropriation for free reserves in the amount of 1.197.095 (note 15) and the entry of actuarial gains/losses in the amount of 29.000 euros (note 19).

#### 17. Other changes in endowment funds - investment subsidies

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

	<u>Dec 2018</u>	<u>Dec 2017</u>
<b>Investment subsidies</b>		
Founder (EDP S.A.)	19.733.873	19.733.873
EDP Produção S.A.	8.880.616	8.880.616
EDP Distribuição S.A.	9.960.867	9.960.867
	<u>38.575.356</u>	<u>38.575.356</u>
<b>Compensation for depreciation</b>		
Investment subsidies depreciation (note 31)	-1.599.020	-707.755
	<u>36.976.336</u>	<u>37.867.601</u>

In 2018 there was no change in the values registered in 2017. The EDP Foundation recorded in the year 2017, the amount of 10.754.482 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:

	<u>Dec 2018</u>	<u>Dec 2017</u>
Provisions	21.636	22.671
	<u>21.636</u>	<u>22.671</u>

#### 19. Liabilities for post-employment benefits

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

	<u>Dec 2018</u>	<u>Dec 2017</u>
Provisions for liabilities and social benefits	108.440	63.440
Provisions for liabilities for healthcare and other benefits	129.730	133.730
	<u>238.170</u>	<u>197.170</u>

This item is detailed as follows:

	<u>Dec 2018</u>	<u>Dec 2017</u>
Non-current	229.391	168.413
Current	8.779	28.757
	<u>238.170</u>	<u>197.170</u>

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

	<u>Dec 2018</u>	<u>Dec 2017</u>
<b>Balance at the beginning of the year</b>	63.440	64.440
Endowment for the year	9.000	7.000
Actuarial (gains) / losses	36.000	-11.000
Surplus / (Deficit) Financing of Fund (note 11)	-	3.000
<b>Balance at the end of the year</b>	<u>108.440</u>	<u>63.440</u>

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

	<u>Dec 2018</u>	<u>Dec 2017</u>
<b>Actuarial gains and losses - Pensions</b>		
Actuarial gains and losses due to:		
- experience adjustments	40.000	41.000
- changes in the financial and demographic actuarial assumptions	-18.000	-
Actuarial gains and losses from return on assets	14.000	-52.000
	<u>36.000</u>	<u>-11.000</u>



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

	Dec 2018	Dec 2017
<b>Balance at the beginning of the year</b>	133.730	123.730
Endowment for the year	16.000	16.571
Transfers between Group companies	-	182
Actuarial (gains) / losses	-17.000	1.247
Contributions to the Fund	-3.000	-8.000
<b>Balance at the end of the year</b>	<b>129.730</b>	<b>133.730</b>

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

	Dec 2018	Dec 2017
<b>Actuarial gains and losses - Medical procedures and other</b>		
Actuarial gains and losses resulting from:		
- experience adjustments	-11.000	5.247
- changes in the financial and demographic actuarial assumptions	-7.000	-1.000
- actuarial gains and losses from return on assets	1.000	-3.000
	<b>-17.000</b>	<b>1.247</b>

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 2018, the Institution made contributions in the total amount of 3 thousand euros, as defined in the financing plan.

#### Employee benefit plans

The Institution 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 2018, the surplus value recognised as an asset in the EDP Foundation amounts to 6.000 euros (see note 11).

As at 31 December 2018 and 2017, the number of participants covered by pension plans and similar retirement pension obligations, was as follows:

	2018	2017
Number of participants		
Retirees and Pensioners	-	-
Staff in active employment	3	3
	<b>3</b>	<b>3</b>

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

Assumptions	2018	2017
Discount rate	1,75%	1,70%
	1,50% until 2020 // 1,75% as of 2021	1,60% until 2019 // 1,85% as of 2020
Wage growth rate	1,50%	1,60%
Pension growth rate	2019 - 1,40% // After 2019 - 1,50%	2018 - 1,00% // After 2018 - 1,50%
Social Security salary revaluation rate	1,50%	1,60%
Inflation rate	Born< 1950 -- TV99/01 (+1) // Born>= 1950 -- TV99/01	Born< 1950 -- TV99/01 (+1) // Born.>= 1950 -- TV99/01
Mortality table	50%EKV 80	50%EKV 80
Disability table		
% 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 2018 and 2017, are analysed as follows:

	Dec 2018	Dec 2017
<b>Provision for Pension Plans</b>		
Liabilities at the end of the year	192.000	159.000
Fund Assets at the end of the year	-89.560	-101.560
Surplus / (Deficit) Financing of Fund	<b>6.000</b>	<b>6.000</b>
	<b>108.440</b>	<b>63.440</b>

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 2018	Dec 2017	Dec 2016
<b>Provision for Pension Plans</b>			
Liabilities at the end of the year	192.000	159.000	110.000
Fund Assets at the end of the year	-89.560	-101.560	-48.560
Surplus / (Deficit) Financing of Fund	6.000	6.000	3.000
<b>Provision for Pension Plans</b>	<b>108.440</b>	<b>63.440</b>	<b>64.440</b>

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 2018	Dec 2017
Experience adjustments for the Plan's liabilities	22.000	41.000
Experience adjustments for the Plan's assets	14.000	(52.000)

As at 31 December 2018 and 2017, liabilities for past services associated with these pension plans were as follows:

	Dec 2018	Dec 2017
<b>Evolution of Liabilities</b>		
Liabilities at the beginning of the year	159.000	110.000
Current service costs	8.000	6.000
Net interest on pension plan liabilities	3.000	2.000
Actuarial (gains) / losses	22.000	41.000
Transfer between Group companies	-	-
<b>Liabilities at the end of the year</b>	<b>192.000</b>	<b>159.000</b>

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

	Dec 2018	Dec 2017
<b>Cost in the period</b>		
Current service costs (note 25)	8.000	6.000
<b>Operational component</b>	<b>8.000</b>	<b>6.000</b>
Net interest on pension plan net liabilities (note 29)	1.000	1.000
<b>Financial component</b>	<b>1.000</b>	<b>1.000</b>
<b>Net cost in the period</b>	<b>9.000</b>	<b>7.000</b>

The evolution of the Pension Fund assets was as follows:

	Dec 2018	Dec 2017
<b>Pension Funds</b>		
Fair value of the assets at the beginning of the year	101.560	48.560
Net interest on pension plan assets	2.000	1.000
Actuarial gains / losses	(14.000)	52.000
<b>Asset value at the end of the year</b>	<b>89.560</b>	<b>101.560</b>

As at 31 December 2018 and 2017, the composition verified in the fund's portfolio for pensions is analysed as follows:

	Asset allocation by nature					Total %
	Liquidity %	Bonds %	Shares %	Property %	Other %	
31 December 2018	-0,50%	40,35%	34,81%	17,72%	7,62%	100,00%
31 December 2017	0,50%	36,36%	37,77%	18,44%	6,93%	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					Total %
	Liquidity %	Bonds %	Shares %	Property %	Other %	
31 December 2018	-0,50%	40,35%	34,81%	17,72%	7,62%	100,00%
31 December 2017	0,50%	36,36%	37,77%	18,44%	6,93%	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 2018 was negative at -2,45% (2017: positive at 8,97%).

#### II. Pension Plans - Type of Defined Contribution

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

The EDP Foundation has a defined benefit Medical Care and Death Grant 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 Institution 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:

	2018	2017
<b>Assumptions</b>		
Discount rate	1,75%	1,70%
Annual growth rate of medical care costs	1,50%	1,80%
Administrative expenses estimated per beneficiary per year (in Euros)	209 €/year (b)	306 €/year (b)
	Born<1950 --	Born<1950 --
	TV99/01 (+1) //	TV99/01 (+1) //
Mortality table	Born>=1950 --	Born>=1950 --
	TV99/01	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) 10% reduction for 2020, 2,3% reduction for 2021 and an increase after that date.

As at 31 December 2018 and 2017, the number of participants covered by medical care plans and other benefits was as follows:

	2018	2017
Number of participants		
Retirees and Pensioners	-	-
Staff in active employment	32	31
	<u>32</u>	<u>31</u>

The company's liabilities for medical care and other benefits, and respective coverage, are analysed as follows:

	Dec 2018	Dec 2017
<b>Provision for Medical Care and other Benefits</b>		
Liabilities at the end of the year	154.311	155.311
Fund Assets at the end of the year	(24.581)	(21.581)
<b>Provision value at the end of the year</b>	<u>129.730</u>	<u>133.730</u>

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

	Dec 2018	Dec 2017	Dec 2016
<b>Provision for Medical Care and other Benefits</b>			
Liabilities at the end of the year	154.311	155.311	134.311
Fund Assets at the end of the year	(24.581)	(21.581)	(10.581)
	<u>129.730</u>	<u>133.730</u>	<u>123.730</u>

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 2018	Dec 2017
Experience adjustments for the Plan's liabilities	-11.000	5.000

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

	Dec 2018	Dec 2017
<b>Evolution of Liabilities</b>		
Liabilities at the beginning of the year	155.311	134.311
Current service costs	9.000	13.571
Net interest on net liabilities with medical care plan and other benefits	3.000	3.000
Actuarial (gains) / losses	(13.000)	4.247
Transfer between Group companies	-	182
<b>Liabilities at the end of the year</b>	<u>154.311</u>	<u>155.311</u>

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

	Dec 2018	Dec 2017
Current service cost (note 25)	9.000	13.571
<b>Operational component</b>	<u>9.000</u>	<u>13.571</u>
Net interest on net liabilities with the medical care plan and other benefits (note 29)	3.000	3.000
<b>Financial component</b>	<u>3.000</u>	<u>3.000</u>
<b>Net cost for the year</b>	<u>12.000</u>	<u>16.571</u>

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

	Dec 2018	Dec 2017
<b>Funds</b>		
Asset value at the beginning of the year	21.581	10.581
Contributions to the Fund	3.000	8.000
Actuarial gains / (Losses)	-	3.000
Asset value at the end of the year	<u>24.581</u>	<u>21.581</u>

## 20. Other accounts payable

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

	Dec 2018	Dec 2017
<b>Other accounts payable - Non-current</b>		
Funding obtained (i)	12.523	46.819
Creditors - Amounts payable - Finance lease land (ii)	<u>2.114.279</u>	<u>2.140.627</u>
	<u>2.126.802</u>	<u>2.187.446</u>
<b>Other accounts payable - Current</b>		
Funding obtained (i)	33.140	46.979
Investment suppliers (iii)	-	1.469.838
Payables from accrued expenses (iv)	4.513.073	4.673.390
Holiday pay, holiday subsidy and other employee expenses	649.306	718.969
Creditors for provision of other goods and services (vi)	-	30.261
Creditors - Amounts payable - Finance lease land (ii)	25.990	25.631
Other creditors (vii)	<u>39.609</u>	<u>2.742</u>
	<u>5.261.118</u>	<u>6.967.810</u>

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

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

(iii) In 2018, all amounts payable to suppliers of fixed assets for the construction of the EDP Foundation's Museum of Art, Architecture and Technology were settled;

(iv) The item Payables from accrued expenses includes, among others, the accrual of donations granted by the EDP Foundation in the amount of 4.182.438 euros (2017: 4.539.008 euros) and the accrual of services rendered not yet invoiced by third parties, in the amount of 330.636 euros (2017: 134.382 euros);

(v) The item Holiday pay, holiday subsidy and other employee expenses includes the discount from accrued liabilities from holiday pay and holiday subsidies, in the amount of 393.055 euros (2017: 427.060 euros) and the accrual of variable payments for 2018 to be paid in 2019, in the amount of 251.523 euros (2017: 308.518 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 2018 - no transfer occurred;

(vii) This item refers predominantly to the amount paid to the Casa da Música Foundation, for consulting provided to the Orquestra Energia FEDP (EDPF Energy Orchestra) 2018/2019.

## 21. Suppliers

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

	Dec 2018	Dec 2017
<b>Suppliers c/c</b>		
General (i)	1.647.693	1.558.060
Other related parties (ii)	1.106.258	1.032.847
Invoices received and pending (iii)	<u>756.941</u>	<u>687.104</u>
	<u>3.510.892</u>	<u>3.278.011</u>

(i) The item Suppliers c/c - General includes the amount of 91.984 euros for construction works on the Museum of Art, Architecture and Technology, 325.001 euros for advertising services, 127.531 euros for surveillance services and 246.000 euros regarding a donation granted to the Lisbon Municipal Council to hire an architect for the regeneration of the "Pavilhão Azul" (Blue Pavilion), 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, 10.000 euros (2017: 5.000 euros) for management services regarding the construction contract of the Museum of Art, Architecture and Technology by EDP Imobiliária, 68.647 euros (2017: 81.807 euros) for the services provided by EDP Valor, 11.561 for the services provided by EDP, S.A. and 67.764 for power supply (2017: 45.376 euros) purchased from EDP Comercial, S.A. 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 82.632 euros (2017: 152.500 euros) in donations granted, to be paid during the year 2019, 618.219 euros (2017: 309.135 euros) for external supplies and services, and 56.090 euros for suppliers of fixed assets.

## 22. Sales and services rendered

**Sales and services rendered** are analysed as follows:

	Dec 2018	Dec 2017
<b>Services provided</b>		
Provision of services (i)	-	369
Revenue from ticket and shop sales	<u>1.037.745</u>	<u>851.654</u>
	<u>1.037.745</u>	<u>852.023</u>

(i) As at 31 December 2017, the amount recorded under Provision of Services regards invoices for MAAT diaries to offer clients carried out by EDP Comercial.

(ii) The variation recorded in the item revenue from ticket and shop sales is essentially due to the ticket office and shop's revenue following 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 2018	Dec 2017
<b>Grants from the founder</b>		
EDP - Energias de Portugal, S.A.	7.260.000	7.312.500
<b>Grants from other entities</b>		
EDP Gestão da Produção de Energia, S.A.	3.510.000	3.510.000
EDP Distribuição - Energia, S.A.	2.990.000	2.990.000
	<b>13.760.000</b>	<b>13.812.500</b>

### 24. External supplies and services

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

	Dec 2018	Dec 2017
<b>Supplies and services :</b>		
Promotion and dissemination of events (i)	2.257.037	1.959.019
Specialised work (ii)	987.502	1.027.826
Fees (iii)	526.506	455.057
Maintenance, conservation and repairs to the premises	1.128.737	1.231.817
Cleaning, surveillance and gardening	1.136.080	1.114.963
Other services (iv)	1.209.444	1.163.412
	<b>7.245.306</b>	<b>6.952.094</b>

External supplies and services pertain to the production costs of exhibitions, publications, promotion and dissemination 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 2018 amounted to 2.257.037 euros (2017: 1.959.019 euros), pertains to costs incurred to carry out a range of initiatives, especially the following:

Exhibition *Eco-Visionaries: Art & Architecture after the Anthropocene*  
Magazine *Electra*  
Exhibition *A Thermodynamic Imaginary* by Tomás Saraceno  
Exhibition *Hello, Robot. Design between Human and Machine*  
Exhibition *The Happy Show* by Stefan Sagmeister  
Exhibition *Over Flow* by Tadashi Kawamata  
Exhibition *A Língua Portuguesa em Nós (The Portuguese Language Within Us)*  
EDP Foundation Solidary Schools  
Exhibition *Scenario in the Shade* by Jonah Freeman & Justin Lowe  
EDP Solidarity Programme  
Exhibition *Haus Wittgenstein*  
Exhibition *Supergood | Dialogues with Ernesto de Sousa*  
Exhibition *Germinal. The Cabrita Reis Unit in the EDP Foundation Art Collection*  
Exhibition *Linguistic Spill in the Boiler Hall* by Gary Hill  
Exhibition *Linguistic Ground Zero* by João Louro  
Conference *Resonate*  
Exhibition *Pan African Unity Mural* by Ângela Ferreira  
EDP Foundation Journal  
Exhibition *Artists' Film International 2018*  
Exhibition *A - Z* by Miguel Palma  
Exhibition *The Architecture of Life. Environments, Sculptures, Paintings and Films* by Carlos Bunga  
Exhibition *Elefante (Elephant)* by André Príncipe  
Exhibition *Bem-Vindos à Cidade do Medo (Welcome to the City of Fear)* by João Fonte Santa  
Exhibition *Vida e Trabalho: não como antes mas de novo (Life & Work: not as before but again)* by Susana Mendes da Silva  
EDP Foundation Public Art

(ii) The item Specialised works includes accounting, taxes, treasury, third party management, human resources development, administrative and fleet management services (EDP Valor), totalling 247.993 euros (2017: 310.550 euros) and license management, legal and IT systems services (EDP SA), in the amount of 187.699 euros (2017: 172.008 euros). This item also includes an energy audit in the amount of 44.325 euros provided by EDP Comercial, S.A. During the year 2018, legal services were provided in the amount of 89.562 euros and consulting in the amount of 422.936 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 143.591 euros in travel and accommodation expenses (2017: 101.115 euros), 21.971 euros for insurance premiums (2017: 29.739 euros), 38.895 euros in training expenses (2017: 44.510 euros), 40.991 euros in communication costs (2017: 45.318 euros), 453.073 euros in electricity costs (2017: 447.925 euros) and 99.018 euros in catering expenses (2017: 89.261 euros).

### 25. Personnel costs & Responsibilities for post employment benefits

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

	Dec 2018	Dec 2017
<b>Personnel costs:</b>		
Remuneration of board members	24.500	24.500
Remuneration of staff	2.015.863	2.166.385
Charges on remuneration	464.556	486.744
Bonuses	280.529	314.359
Other costs	50.034	29.586
	<b>2.835.482</b>	<b>3.021.574</b>

**Responsibilities for post-employment benefits:**

Pension plans	76.317	73.508
Medical plans and other benefits	3.000	13.571
Other	128.275	118.008
	207.592	205.087
	<u>3.043.074</u>	<u>3.226.661</u>

Pension plan costs: include 8.000 euros (2017: 6.000 euros) regarding defined benefit plans (note 19) and 68.317 euros (2017: 67.508 euros) regarding defined contribution plans. The costs with medical care and other benefits, in the amount of 3.000 euros (2017: 13.571 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 2018 and 2017 was as follows:

	<u>Dec 2018</u>	<u>Dec 2017</u>
Average number of employees	46	50

In the year ended 31 December 2018, the EDP Foundation recognised under Payables from accrued expenses the amount of 393.055 euros (2017: 427.060 euros) regarding outstanding holiday pay and holiday subsidy charges, whose payment is only due in the following year (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 Vítor Manuel da Cunha Ribeirinho representing KPMG & Associados – Statutory Auditor.

On 14 May 2018, the Board of Trustees deliberated on the resignation of Nuno Maria Pestana de Almeida Alves as member of the Board of Directors of EDP Foundation. As a result of the resignation, the Board of Trustees decided to replace him, electing Vera de Morais Pinto Pereira Carneiro for the position, to complete the current mandate 2017/2019.

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 Repesas, 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 2018 year (note 34).

**26. Impairment in accounts receivable (losses/reversals)**

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

	<u>Dec 2018</u>	<u>Dec 2017</u>
<b>Losses</b>		
General customers	110.228	-
Other accounts receivable	-	30.017
<b>Reversals</b>		
General customers (i)	-	-327.848
Other accounts receivable	-	-30.482
	<u>110.228</u>	<u>-328.313</u>

(i) The amount of 110.228 euros recorded in Losses - General customers essentially 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 2018.

**27. Provisions**

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

	<u>Dec 2018</u>	<u>Dec 2017</u>
Appropriation of provision (note 18)	52	2.275
Reversal of provision (note 18)	(1.088)	(165)
	<u>(1.036)</u>	<u>2.110</u>

**28. Other income**

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

	<u>Dec 2018</u>	<u>Dec 2017</u>
<b>Other income</b>		
Revenue from rental of space	215.072	116.742
Sponsorships	535.155	172.116
Other revenue (i)	167.392	59.546
	<u>917.619</u>	<u>348.404</u>

(i) The item Other income records, at 31 December 2018, among others, the amount of 110.367 euros (2017: 446 euros) regarding exchange differences. This item also includes 3.590 euros (2017: 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 (2017: 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 535.155 euros in sponsorship received from MSFT, A.T. Kearney, Novabase, Roff, Deloitte, EIT Services and the Brazilian Embassy.

## 29. Other expenses

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

	Dec 2018	Dec 2017
<b>Other expenses</b>		
Taxes (i)	24.277	33.090
Other (ii)	69.662	368.614
	<b>93.939</b>	<b>401.704</b>

(i) The item Taxes includes 10.420 euros in VAT paid (2017: 12.140 euros), 11.950 euros in fees and licenses (2017: 13.229 euros), with the remaining amount for stamp duty and single road tax.

(ii) The item Other records at 31 December 2018, among others, 5.058 euros (2017: 5.092 euros) in levies, 2.702 euros (2017: 1.396 euros) on rebates for cars under leasing contracts, 1.356 euros (2017: 3.204 euros) in fines, 50.465 euros (2017: 17.198 euros) for banking services, 4.000 euros (2017: 4.000 euros) in financial costs regarding the financial discount for the pension plan, medical care plan and other benefits (note 19), 5.463 euros (2017: 12.590 euros) in other financial costs and 617 euros in exchange differences associated with suppliers.

## 30. Subsidies, Donations and Grants

In order to fulfil its social and cultural patronage plan, in 2018 the EDP Foundation granted 3.006.771 euros (2017: 3.140.867 euros) in donations.

The donations granted are detailed as follows:

SOCIAL INVESTMENT		2018
PROJECT	ENTITY	
<b>EDP Solidarity Programme 2018</b>		
<b>Social Inclusion</b>		
Conforto EDP – Edificar, Dinamizar e Potenciar o bem-estar (Comfort EDP - Building, Driving & Maximising wellbeing)	Juncal Parish Social Centre	70.000
Conforto + (Comfort +)	Comunidade Vida e Paz (Life & Peace Community)	70.000
Envelhecer, dá prazer! (Growing old is fun!)	Santa Casa da Misericórdia de Alcobaça – Alcobaça Retirement Home	65.000
Conforto & Qualidade (Comfort & Quality)	Portuguese Association of Parents & Friends of Mentally Disabled Lisbon Citizens	65.000
Reducing energy vulnerability, promoting literacy	ENTRAJUDA – Support for Charity Institutions	56.000
CONFORT+ (COMFORT +)	Portuguese Red Cross Humanitarian Centre in Macieira de Rates	50.000
Crescer com a diferença – em linha com a energia (Growing up with difference - in line with energy)	Padre Sebastião Esteves Social & Parish Centre	50.000
Ecoteen	Teatro Construção Association	50.000
Mais calor, mais vida (More heat, more life)	Francisco de Assis Youth Community	45.000
Aquecimento do lar de forma sustentável (Heating homes in a sustainable manner)	Portuguese Association of Parents & Friends of Mentally Disabled Coimbra Citizens	45.000
Uma janela para o mar (Window with an ocean view)	Santa Casa da Misericórdia of Sines	40.000
Saúde Energética (Energy Health)	Santa Casa da Misericórdia of Vila Velha de Ródão	40.000
Aquecer para melhor viver (Heating for better living)	Ílhavo Council Charitable Centre	40.000
ReHabilitar (ReHabilitate)	Braga Daycare Association – Novais e Sousa Centre	38.000
Inclusão da eficiência no centro (Efficient inclusion in the centre)	Nossa Senhora de Fátima Social Centre/Padre Carlos Susano Daycare Centre	33.000
Temporary Shelter	A Terra dos Homens	30.000
ERPI+eficiente (ERPI+efficient)	Santa Casa da Misericórdia of Cinfães	30.000
Mais conforto, melhor mente (More comfort, better mind)	Abrunheira Community Centre	25.000
Santiago Innovate Energy – educating for efficiency	Santa Casa da Misericórdia of Santiago do Cacém	25.000
Conforto e sustentabilidade para uma aldeia melhor... Ações e Sorrisos! (Comfort & sustainability for a better village... Action & Smiles!)	Adeganha Sports, Recreation & Cultural Group	23.000
CAO-EFICIENTE (CAO-EFFICIENT)	Fornos de Algodres Social, Cultural & Sports Association	20.000
Compromisso Energético (Energy Commitment)	Algarve Association for Parents & Friends of Mentally Disabled Children	20.000
Fighting energy poverty among refugees in Portugal	Conselho Português para os Refugiados (Portuguese Refugee Council)	13.900
<b>Health</b>		
Climatizar também ajuda a cuidar (Heating is also caring)	Barreiro Montijo Hospital Unit	300.000
EDP Project – Hospital, Comfort Space	Médio Ave Hospital Unit	300.000
AVAC in assistance services & user attendance	Cova da Beira Hospital Unit	120.000
Improving climate conditions & user comfort	Francisco Gentil Lisbon Cancer Institute	120.000
Renovated the Sanitary Hot Water System at Hospital Amato Lusitano	Castelo Branco Local Healthcare Unit	110.000
More thermal comfort: surgery & orthopaedic units	Figueira da Foz District Hospital	98.500
<b>Social Innovation Projects</b>		
<b>EDP Foundation Public Art</b>		
Fund'Arte – Aldeias Criativas (Creative Villages)	Produções Fixe	35.000
<b>Other</b>		
Pedrogão Grande	EDP Serviço Universal	1.593
		<b>TOTAL</b>
		<b>2.028.993</b>



PROJECT	ENTITY	2018
<b>CULTURE</b>		
Principal Patron of Companhia Nacional de Bailado (National Ballet Company)	Companhia Nacional de Bailado/OPART (National Ballet Company)	100.000
Exclusive Patron of EDP Piano Cycle	Casa da Música Foundation	100.000
Exclusive Exhibition Patron	Serralves Foundation	100.000
Patron of Porto Municipal Gallery	Porto Municipal Council	75.000
ARCO	IFEMA – Institución Ferial de Madrid	70.000
Museu Zer0 (Zer0 Museum)	Lusiada Culture Insitute	50.000
Principal Programming Patron	Arpad Szenes – Vieira da Silva Foundation	42.000
Principal Patron of Orquestra Sinfónica Juvenil (Youth Symphony Orchestra)	Círculo Musical Português (Portuguese Musical Circle)	37.000
Support to inventory & catalogue the Prof. Eduardo Lourenço Collection	Círculo Musical Português (Portuguese Musical Circle)	25.000
Évora África Festival	Casa Cadaval – Évora Classical Festival Association	20.000
EDP Foundation Scholarships – Youth Symphony Orchestra	Círculo Musical Português (Portuguese Musical Circle)	17.500
Patron of Unesco Arts Education Club	ASPREA – Association for Arts Education	8.000
New Year Concerts	Althum	7.500
Mário Soares Foundation – EDP Foundation Prize	Mário Soares Foundation	7.000
Support for hiring the conductor	EDP Choir	6.144
The Lisbon Consortium Programme	Universidade Católica Portuguesa	5.000
<b>TOTAL</b>		<b>670.144</b>
<b>MUSEUM/PROGRAMMING</b>		
Supported refurbishment of Pavilhão Azul (Blue Pavilion)	Lisbon Municipal Council	246.000
PEMAAT – Youth Foundation Trainee Programme – 23rd & 24th Editions	Fundação da Juventude (Youth Foundation)	234.000
Fuso Video Art Festival	Horta Seca – Cultural Association	5.000
Supported production of the book by Philippe Rahm	Philippe Rahm	1.000
<b>TOTAL</b>		<b>486.000</b>
<b>CAMPUS</b>		
Supported museum process of Museu da Levada de Tomar	Tomar Municipal Council	10.578
<b>TOTAL</b>		<b>10.578</b>
<b>COMMUNICATION</b>		
Prémios Tripla (Tripla Awards)	ESCS – Escola Superior de Comunicação Social	6.500
<b>TOTAL</b>		<b>6.500</b>
<b>CEO'S OFFICE</b>		
Volunteering at Hospital de Santa Maria	Association for Friends of Hospital de Santa Maria	5.000
Supported improvement of waiting rooms at IPO Lisbon	Francisco Gentil Lisbon Cancer Institute	3.759
<b>TOTAL</b>		<b>8.759</b>
<b>Cancellation of donations to projects from previous years</b>		<b>-204.203</b>
<b>TOTAL</b>		<b>3.006.771</b>

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 2018	Dec 2017
<b>Expenses</b>		
Property, plant and equipment (note 7)	1.499.819	1.228.123
	<b>1.499.819</b>	<b>1.228.123</b>
<b>Compensation of depreciation</b>		
Amortisation of investment subsidy (i)	(891.264)	(657.183)
	<b>608.555</b>	<b>570.940</b>

(i) In 2018, 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 2018	Dec 2017
Interest income (i)	483	5.416
	<u>483</u>	<u>5.416</u>

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

### 33. Interest and similar expenses

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

	Dec 2018	Dec 2017
Interest expenses (i)	1.181	2.261
	<u>1.181</u>	<u>2.261</u>

(i) As at 31 December 2018, the item Interest expenses records interest on finance lease contracts in the amount of 1.181 euros (2017: 2.261 euros).

### 34. Disclosure of related parties

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

	Dec 2018	Dec 2017
Supervisory Board/Board of Directors	24.500	24.500
Statutory Auditor	9.400	9.400
	<u>33.900</u>	<u>33.900</u>

Transactions between related parties in 2018 are as follows:

	Expenses	Income	
	Expenses	Sales and services rendered	Operating subventions
<b>Founder</b>			
EDP Energias de Portugal, S.A.	263.180	38.410	7.260.000
<b>Other related parties</b>			
EDP Produção, S.A.	-	5.900	3.510.000
CNET, S.A.	-	2.330	-
EDP Distribuição, S.A.	-	159	2.990.000
EDP Serviço Universal, S.A.	4.926	-	-
EDP Comercial, S.A.	468.830	970	-
EDPR PT - Promoção e Operação, S.A.	-	159	-
Labelec, S.A.	3.448	-	-
Sávida, S.A.	8.814	-	-
EDP Valor, S.A.	260.091	147	-
EDP Soluções Comerciais, S.A.	-	2.120	-
EDP Inovação, S.A.	-	14.930	-
	<u>1.009.289</u>	<u>65.125</u>	<u>13.760.000</u>

Transactions between related parties in 2017 are as follows:

	Gastos	Rendimentos	
	Gastos	Vendas e serviços prestados	Subsídios à exploração
<b>Founder</b>			
EDP Energias de Portugal, S.A.	254.807	47.934	7.312.500
<b>Other related parties</b>			
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	-
Sávida, S.A.	7.442	-	-
EDP Valor, S.A.	328.427	-	-
	<u>1.085.998</u>	<u>60.685</u>	<u>13.812.500</u>

The balances with related parties in 2018 are as follows:

	Assets		Liabilities	
	Clients	Other accounts receivable	Suppliers	Other accounts payable
<b>Founder</b>				
EDP Energias de Portugal, S.A.	4.808	6.738.143	11.561	9.084
<b>Other related parties</b>				
EDP Produção, S.A.	-	2.613.522	8.340	-
EDP Distribuição, S.A.	-	2.875.265	18.336	-
EDP Serviço Universal, S.A.	-	-	1.052	-
EDP Comercial, S.A.	-	-	1.054.499	17.249
EDP Imobiliária, S.A.	-	-	10.000	720
Labelec, S.A.	-	-	2.470	511
Sávida, S.A.	-	459	-	-
EDP Valor, S.A.	-	104.061	139.115	84.931
EDP Soluções Comerciais, S.A.	-	700	-	-
EDP Estudos e Consultoria, S.A.	-	-	-	-
EDP Inovação, S.A.	655	-	-	-
	<u>5.463</u>	<u>12.332.150</u>	<u>1.245.373</u>	<u>112.495</u>

The balances with related parties in 2017 are as follows:

	Assets		Liabilities	
	Clients	Other accounts receivable	Suppliers	Other accounts payable
<b>Founder</b>				
EDP Energias de Portugal, S.A.	2.025	6.781.362	(50.980)	2.089
<b>Other related parties</b>				
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	-
Sávida, 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)	-	-
	<u>2.025</u>	<u>12.278.397</u>	<u>1.063.614</u>	<u>30.856</u>

### 35. Contingent Liabilities

Contingent liabilities whose probability of loss is rated as possible, do not require the creation 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 remote as a result of procedural developments in 2018.

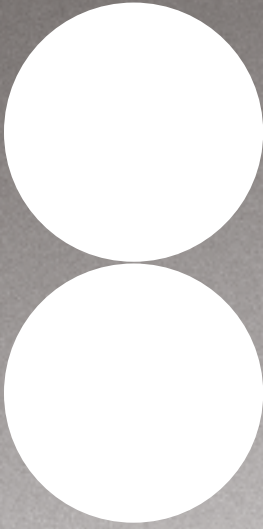
### 36. Commitments

As at 31 December 2018, the commitments undertaken by the EDP Foundation to its suppliers regarding construction of the Museum of Art, Architecture and Technology amount to 66.612 euros. 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.





**ON A CLEAR**







**WE  
LOVE  
THE SUN**

**DAY YOU CAN SEE FOREVER**





# **REPORT CERTIFICATIONS & STATEMENTS**

## **REPORT AND OPINION OF THE SUPERVISORY BOARD**

To the members of the board of  
**EDP Foundation**

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 2018.

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, May 2nd 2019

Vítor Fernando da Conceição Gonçalves  
Chairman

Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira  
Trustee

KPMG  
represented by  
Vítor Manuel da Cunha Ribeirinho (Statutory Auditor n.º 1081)



KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A.  
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## STATUTORY AUDITORS' 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 2018 (showing a total of 79,612,604 euros and total endowment funds of 67,422,556 euros, including a net result for the year of 1,607,829 euros), and the income statement, statement of changes in endowment funds and cash flow statement for the year then ended, and the accompanying notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view, 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 Financeiro de Normalização Contabilística").

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "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 other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

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 in accordance with the Norma Contabilística e de Relato Financeiro para Entidades do Sector Não Lucrativo adopted in Portugal through the Portuguese Accounting Standards System;
- the preparation of the management report in accordance with applicable laws and regulations;
- designing and maintaining 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 principles appropriate in the circumstances; and,
- assessing the Entity's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity's ability to continue as a going concern.

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 an auditors' report that includes 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 of users taken 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. 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 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 Financeiro 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 auditors' 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 auditors' 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 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 Financeiro de Normalização Contabilística"); and,



- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

Our responsibility also includes the verification that the information contained in the management report is consistent with the financial statements.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **On the Management Report**

Pursuant to the applicable legal requirements, it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited financial statements and, having regard to our knowledge and assessment of the Entity, we have not identified any material misstatements.

Lisbon, 2 May 2019

### SIGNED ON THE ORIGINAL

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



# CONTACTS

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fundação *edp*

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