



1st Debentures Issue of EDP Transmissão Aliança SC

São Paulo, October 29, 2018 - EDP - Energias do Brasil S.A. (“EDP” or “Company”) (B3: ENBR3) announces to its shareholders and the market in general that it has concluded the public offering for distribution of 1,200,000 simple, debentures, not convertible into shares, issued by EDP Transmissão Aliança SC S.A. (“EDP Aliança”), to be of the unsecured type, with an additional personal guarantee, in a single series, with restricted placement efforts, with a nominal unit value of R\$1,000.00 (one thousand reais), on October 15, issuance date pursuant to CVM Instruction 476/2009, for the total amount of R\$ 1,200,000,000.00 (one billion and two hundred million reais) and expiring in 2028. The debentures enjoy incentives pursuant to Article 2, Law 12.431 of June 24, 2011, as amended and other applicable norms.

EDP Aliança, a partnership between EDP and Celesc Geração S.A. (“Celesc”) in the proportion of 90% EDP and 10% Celesc, is responsible for the development, construction and operation of lot 21 of the Transmission Auction 05/2016. On October 18, 2018, EDP Aliança received the Preliminary Environmental License 8965/2018 and awaits the approval of the Installation Licenses, request for which was filed on July 05, in order to begin work.

This issuance has a leverage of 99.8% of CAPEX, with a total term of 10 years and duration of 6.4 years. The issuance cost is IPCA+6.72% p.a. totaling a cost post-tax debt of IPCA + 3.34% p.a. to the shareholder. Compared with the return presented at the auction, the financing structure exceeds the upper band limit, resulting in significant gains in IRR and NPV.

With this operation, EDP underscores its strategy of diversifying sources of competitive finance with the aim of obtaining better returns for their projects and shareholders and mitigating of risks.

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