

Acquisition of Transmission Assets

Rio de Janeiro, December 17, 2018



Transaction Overview

Acquisition of 4 operating transmission assets in the total amount of R\$ 942.5 million

Addition of R\$ 130.1 million in the Company's RAP¹

Acquisition value²:
R\$ 942,537,000.00

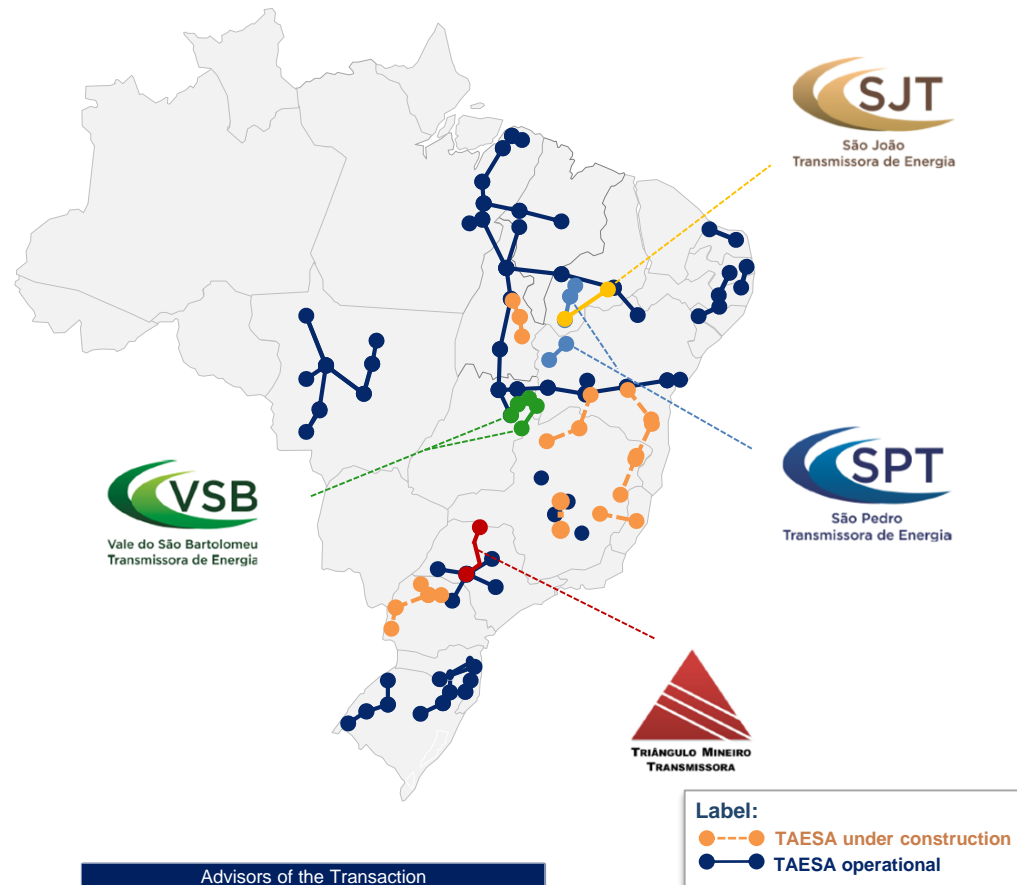
Leveraged purchase in the amount of R\$ 850 million, 107%-111,5% of CDI, 5 to 7-year term, bullet

Strategic assets with great geographic complementarity and synergies with TAESA's portfolio

Assets with high operating quality and high margins

Newer concessions with revenues guaranteed until 2043 in category 3

Total extension of 1,227 Km

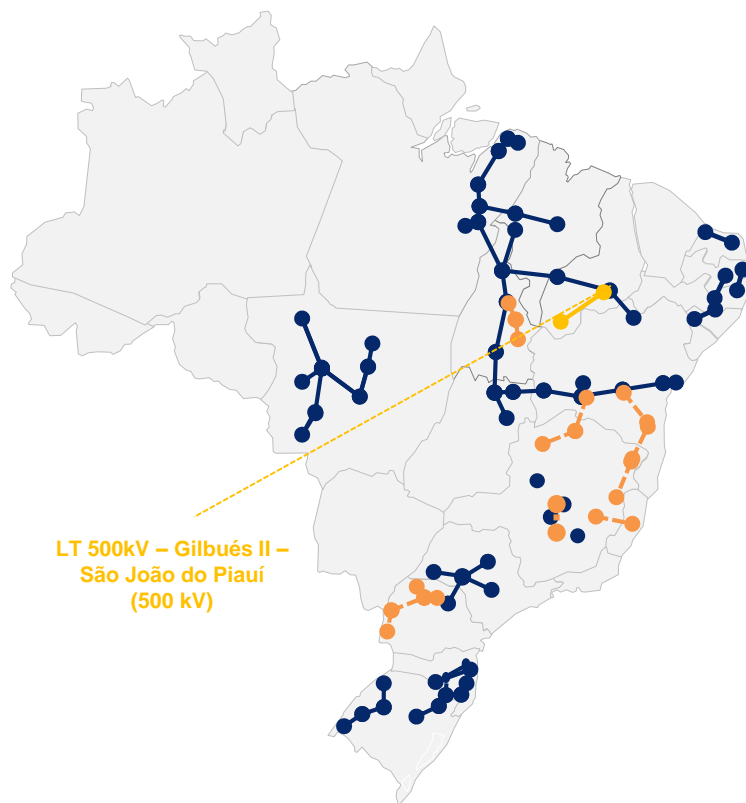


(1) RAP (Annual Permitted Revenues) amount referred to 2018-2019 cycle, including basic network and RBNi, considers only the stake acquired by Taesa.

(2) Base date: December 31, 2018

Summary of Assets

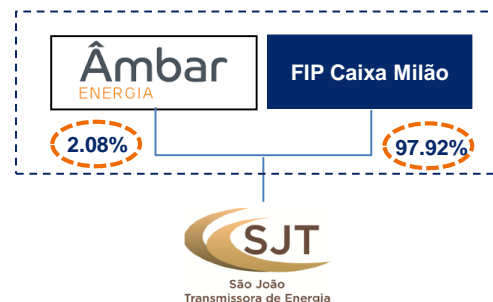
São João Transmissora de Energia S.A.



LT 500kV – Gilbués II –
São João do Piauí
(500 kV)

Label:

- TAESA under construction
- TAESA operational
- SJT - São João



Acquisition value¹:
R\$ 350,919,000.00

Stake acquired by Taesa: 100%

R\$ 47.1 million of RAP²

417 Km of extension

Net debt³: R\$ 144.1 million
Rate: 3,5% p.a. fixed (gr. debt: R\$ 160 mn, mat: Dec/23)

Location: State of Piauí

EBITDA Margin⁴: 90.0%
EBITDA⁴: R\$ 42.3 million

Lot A of Auction 001/2013

End of Concession: Aug 2043

Category 3 – IPCA

(1) Base date: December 31, 2018

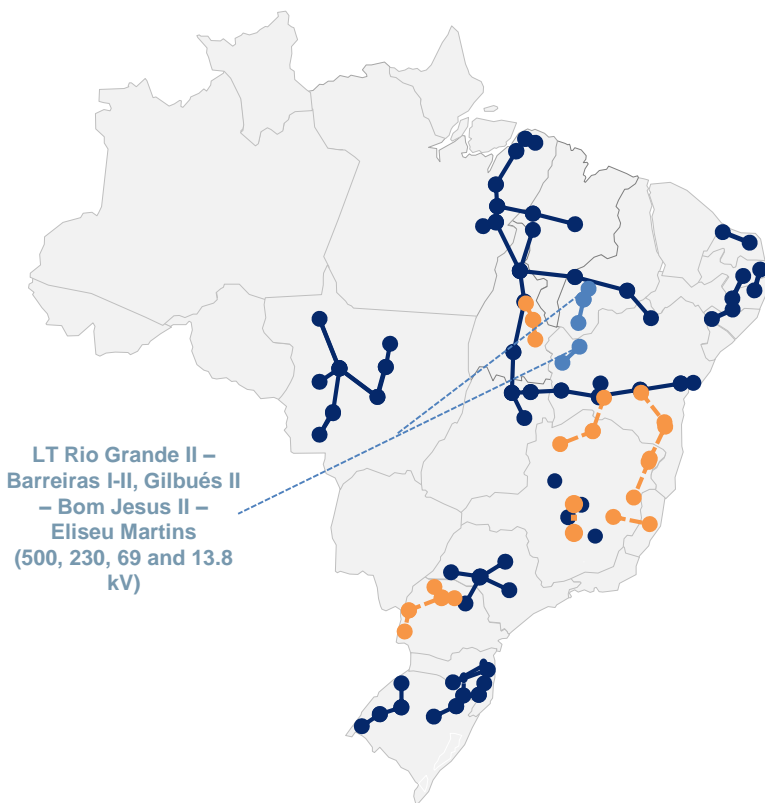
(2) RAP (Annual Permitted Revenues) amount referred to 2018-2019 cycle, including basic network and RBNI.

(3) Net debt value, estimated as of December 31, 2018, considers the reserve account balance.

(4) Estimated Regulatory EBITDA for 2019.

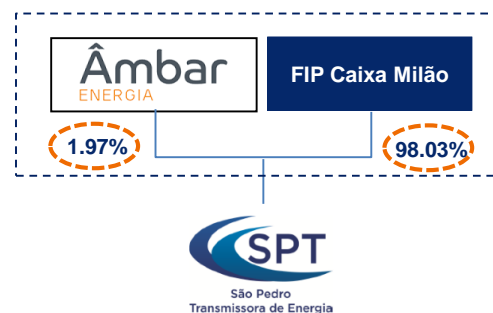
Summary of Assets

São Pedro Transmissora de Energia S.A.



Label:

- TAESA under construction
- TAESA operational
- SPT - São Pedro



Acquisition value¹:
R\$ 314,520,000.00

Stake acquired by Taesa: 100%

R\$ 43.7 million of RAP²

418 Km of extension

Net debt³: R\$ 107.0 million

Rates: 3,5% p.a. fixed (gr. debt: R\$ 124 mn, mat: Dec/23)
136% CDI (gr. debt: R\$ 8 mn, mat: Vov/25)

Location: States of Bahia and
Piauí

EBITDA Margin⁴: R\$ 82.6%
EBITDA⁴: R\$ 36.5 million

Lot C of Auction 002/2013

End of Concession: Oct 2043

Category 3 – IPCA

(1) Base date: December 31, 2018

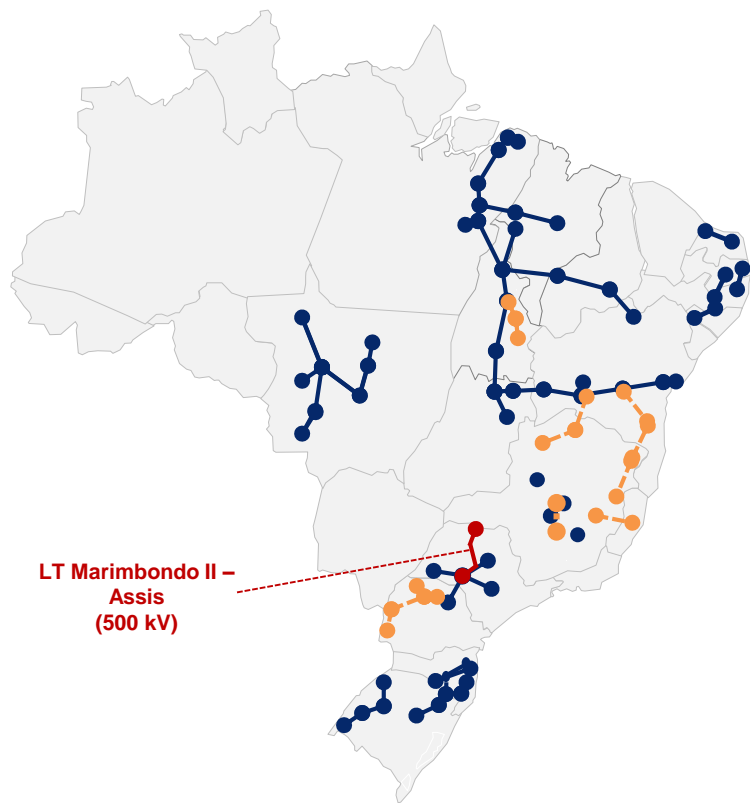
(2) RAP (Annual Permitted Revenues) amount referred to 2018-2019 cycle, including basic network and RBNI.

(3) Net debt value, estimated as of December 31, 2018, considers the reserve account balance.

(4) Estimated Regulatory EBITDA for 2019.

Summary of Assets

Triângulo Mineiro Transmissora S.A.



Acquisition value¹:
R\$ 150,903,000.00

Stake acquired by Taesa: 51%

R\$ 20.6 million of RAP²

297 Km of extension

Net debt³: R\$ 54.7 million

Rates: 3,5% p.a. fixed (gr. debt: R\$ 53 mn, mat: Dec/23)
136% CDI (gr. debt: R\$ 9 mn, mat: Vov/25)

Location: States of Minas Gerais
and São Paulo

EBITDA Margin⁴: 86,0%
EBITDA⁴: R\$ 17.6 million

Lot D of Auction 007/2012

End of Concession: Aug 2043

Category 3 – IPCA

(1) Base date: December 31, 2018

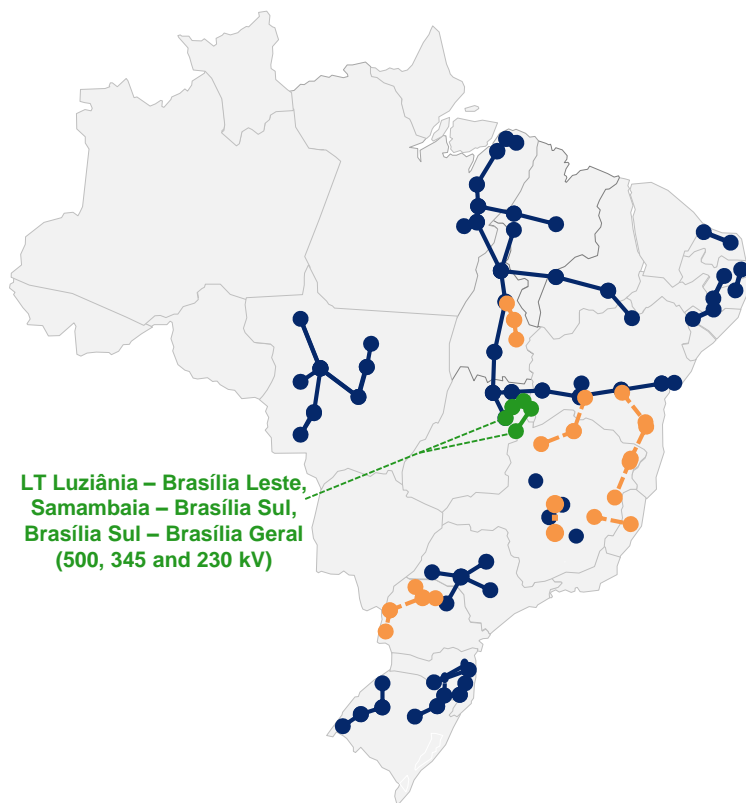
(2) RAP (Annual Permitted Revenues) amount referred to 2018-2019 cycle, including basic network and RBNl, considers only the stake acquired by Taesa.

(3) Net debt value, estimated as of December 31, 2018, considers the reserve account balance and is proportional to the stake acquired by Taesa.

(4) Estimated Regulatory EBITDA for 2019. Amount considers only the stake acquired by Taesa.

Summary of Assets

Vale do São Bartolomeu Transmissora de Energia S.A.



Label:

- TAESA under construction
- TAESA operational
- VSB - Vale do São Bartolomeu



Acquisition value¹:
R\$ 126,195,000.00

Stake acquired by Taesa: 51%

R\$ 18.7 million of RAP²

95 Km of extension

Net debt³: R\$ 57.0 million

Rate: 3,5% p.a. fixed (gr. debt: R\$ 60 mn, mat: Dec/23)

Location: Federal District and
State of Goiás

Margin EBITDA⁴: 81.4%
EBITDA⁴: R\$ 15.4 million

Lot B of Auction 002/2013

End of Concession: Oct 2043

Category 3 – IPCA

(1) Base date: December 31, 2018

(2) RAP (Annual Permitted Revenues) amount referred to 2018-2019 cycle, including basic network and RBNl, considers only the stake acquired by Taesa.

(3) Net debt value, estimated as of December 31, 2018, considers the reserve account balance and is proportional to the stake acquired by Taesa.

(4) Estimated Regulatory EBITDA for 2019. Amount considers only the stake acquired by Taesa.

Acquisition Price and Preceding Conditions

Acquisition Price / Price Adjustment

Base Acquisition Price	R\$ 942,537,000.00 for all 4 (four) SPEs, based on the balance sheet estimated as of December 31, 2018
Indexation of Base Acquisition Price	100% of CDI from December 31, 2018 until the closing date
Price Adjustment	Expected positive or negative price adjustment at the closing resulting from the variation between the net debt and the working capital from December 31, 2018, until the closing date. After the closing, additional adjustment is expected to support potential differences between the used balanced sheet and the balance sheet verified by TAESA.

The closing and consummation of the Acquisition are subject to preceding conditions, including the following:

Closing¹ / Preceding Conditions

Regulatory Authorizations	<ul style="list-style-type: none"> • ANEEL and CADE
Preference Right	<ul style="list-style-type: none"> • Waiver of preemptive rights by Furnas at TMT. • Waiver of preemptive rights by Furnas and CELG at VSB.
Fulfillment of the obligations set forth in the Leniency Agreement	<ul style="list-style-type: none"> • Confirmation of fulfillment of the obligations set forth in the Leniency Agreement signed by J&F Investimentos S.A. and the Sellers, including the commitment that no indemnifying or sanctioning measures be proposed against the purchaser.
Approval of the transaction at TAESA's General Meeting	<ul style="list-style-type: none"> • Approval at the Company's General Meeting, pursuant to article 256 of the Brazilian Corporation Law.
No Adverse Material Effect	<p>No effect that:</p> <ul style="list-style-type: none"> (i) generate material adverse change in the assets or in the financial condition of the Companies; and/or (ii) entail Sellers or Guarantor's inability to honor their contractual obligations; and/or (iii) entail change re. illicit facts on sellers or companies or rescission of the Leniency Agreement; and/or (iv) entail non-compliance with the MPF re. Commitment not to propose indemnifying measures against the Buyer.

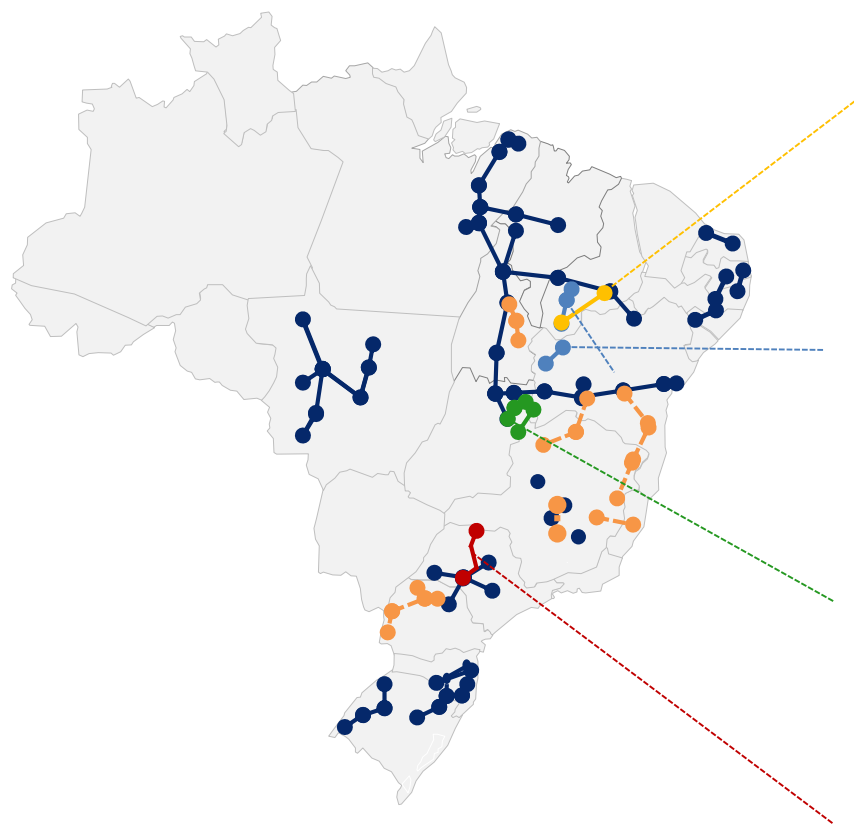
(1) The preceding conditions must be analyzed separately for each asset and individual closing can be done as conditions are met.

Relevant Benefits to TAESA

- 1** Quality operating assets close to TAESA's lines
- 2** Operational synergies mainly in G&A and O&M managing
- 3** Leveraged Purchase (R\$ 850 million, 107% - 111,5% CDI, 5 to 7 year-term, bullet) increases the return expected to the acquisition
- 4** RAP replacement with category-3 assets
- 5** Extension of TAESA's average concessions term. Acquired concessions end only in 2043.
- 6** Increase of TAESA's capacity to pay dividends
- 7** Possibility of buying minority shareholders' stakes, capturing additional synergies

O&M Synergies

The 4 assets are close to TAESA's concessions, allowing operational synergies



Near to ATE II concession. Managed by Araguaína regional office.



Near to ATE II and TSN concessions. Managed by Araguaína and Brasília regional offices.



Near to NVT concession (Brasília regional office)¹



Near to ATE and ETEO concessions (Assis regional office)¹

Label:

- TAESA under construction
- TAESA operational

(1) With the possibility of buying minority shareholders' stakes, additional synergies will be captured.