



Omega Geração acquires 50% of the largest operating solar complex in Brazil with a deal worth R\$ 1.1 billion in enterprise value

The Company acquires a 50% stake in Pirapora, Brazil's largest operating solar complex, and will partner with European EDF Energies Nouvelles

São Paulo, August 14th, 2018 – Omega Geração (OMGE3) announced yesterday the signing of an agreement to acquire the largest operating solar complex in Brazil. The Company expects to close the transaction by the end of 2018 after the fulfillment of customary closing conditions including the Brazilian antitrust authority approval and creditor's consent. After the Transactions is closed, Omega and EDF Renewables in Brazil will manage Pirapora together. Pirapora complex is located in Minas Gerais state and comprises 11 plants in commercial operation, totaling 321MW of installed capacity. The transaction's enterprise value is estimated at R\$ 1.1 billion which may vary depending on certain conditions and disbursements of the long-term project financing. In addition to being Omega's first solar investment, Pirapora will further enhance Omega's risk equation, given the low resource correlation between the wind plants in Brazil's Northeast and a solar plant in the Southeast.

Under the agreement, Omega Geração will acquire a 30% stake from EDF Renewables in Brazil, a subsidiary of EDF Energies Nouvelles and the entire 20% stake currently held by Canadian Solar UK Projects. As of the closing of the transaction, Omega and EDF Renewables in Brazil will hold each a 50% stake in Pirapora complex.

This transaction is Omega Geração's second acquisition after its Initial Public Offering (IPO) occurred in July 2017, when it raised R\$ 593.6 million against the issuance of new shares. In December last year, the Company acquired 100% of "Delta 3", a wind complex located in Maranhão state, with an installed capacity of 220.8 MW, in a transaction with an enterprise value of R\$ 1.97 billion. "With Pirapora, we will add an excellent asset to our portfolio that meets our high-quality standards and makes our cash flows even more predictable due to geographic and source diversification. Our post-deal portfolio will have 62% of wind, 25% of solar and 13% of hydroelectric energy. We are also thrilled to continue expanding our investments in Minas Gerais, the state where Omega started its journey 10 years ago with the development of Pipoca hydroelectric plant", says Antonio Augusto Torres de Bastos Filho, Omega's CEO.

With 1.2 million solar panels installed in an area of 800 hectares, Pirapora's large scale and high solar irradiance were decisive factors for the acquisition. "Pirapora is located in one of the best regions in terms of solar incidence, on a flat and wide ground with a layout that provides high operating and maintenance efficiencies. In addition to the favorable geographical location, the projects have sold 100% of their energy output through 20-year PPAs (*Power Purchase Agreements*) awarded in the Reserve Energy Auctions, which ensures a long and stable revenue flow", reinforces Bastos.

Currently, the Complex is capable of supplying energy to approximately 400,000 homes. About the sellers, Bastos commented: "We are proud to be partnering with a world-class player like EDF Renewables and we believe this could be the first step of a long-lasting partnership. Likewise, the transaction brought us closer to Canadian Solar, one of the largest solar energy companies in the world and manufacturer of photovoltaic modules installed in Pirapora, opening doors to future opportunities for solar energy generation in Brazil".



With the addition of Pirapora to Omega Geração's portfolio, the company's installed capacity will reach 636.7 MW. At the beginning of 2019, Omega Geração is expected to complete the already negotiated acquisition of Delta 5 and Delta 6 wind complexes located in Maranhão state, reaching 744.7 MW of installed capacity, a roughly 400% capacity increase compared to January 2017. In addition to these transactions, the Company selectively seeks assets and transactions that may add value to its portfolio, with a highlight to the ongoing transaction announced in our IPO materials, currently in the late stage of its due diligence.

"We believe that renewable energy sources will be the main suppliers of new energy capacity in Brazil not only due to their environmental and social value additions, but also the continuously decreasing tariffs offered to consumers. Wind and solar energy have been the most competitive in Brazil's latest power auctions, thus providing energy cost reduction to all Brazilian consumers, from large industries to modest Brazilian homes. We will continue delivering sustainable value to all our stakeholders and we know that our rigorous approach to select an investment and deploy capital is the most important feature to fuel such sustainable growth," adds Bastos.

According to the Renewable Power Generation Costs Report of the International Renewable Energy Agency (Irena), the cost of solar energy has fallen 73% since 2010. Thanks to its excellent natural resources, growing energy demand and the extension of its territory, Brazil is recognized for its great renewables potential. Omega Geração's first solar investment happens at a time of strong expansion of this segment in Brazil, which recently reached an installed capacity of 1.3 GW. Located on both sides of the equator, Brazil benefits from an elevated level of irradiation making solar energy a high-growth business opportunity. According to market estimates, photovoltaic solar production should double in 2018 over 2017 and its capacity shall expand by five times until 2025.

About Omega

Founded in 2008, Omega Geração is one of the leading renewable energy companies in Brazil, engaged in delivering clean and renewable energy, as well as performing under the highest operational, economic and sustainability standards. With 476 MW of installed capacity through wind and hydro assets, the Company is exclusively focused on operational assets. For further information, visit www.omegageracao.com.br.

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