

EQTL
B3 LISTED NM

GRUPO
equatorial
ENERGIA

Results Presentation 4Q21

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Highlights

4Q21



FINANCIAL AND ECONOMIC

R\$ 1.7 bln
Adjusted EBITDA

R\$ 964 mn
Investments

2.5x
Net Debt/EBITDA

R\$ 10.5 bln
Cash



DISTRIBUTION

+ 4.1% / 1.7%
distributed / injected

10 million
clients (+2.0%)

EQTL Piauí
Losses below
regulatory levels

CEEE-D Tariff Review
Approved (Nov/21)

PI Tariff Adjustment
Approved (Dec/21)

CEA (AP)
Operation Starts
(Nov/21)



VALUE GENERATION

CSA (Sanitation)
start of assisted operation and
BASA contracting (Dec/21)

Follow On
R\$ 2.8 billions raised

Echoenergia
Funding and Closure
Mar/22

New Assets- Updates



CEEE-D (RS)

- **Voluntary Layoff Program (Oct/21)**
- **Tariff Review (Nov/21)**
- **Liability Management (R\$ 2.5 bi)**
- **Contract Renegotiations: Hiring a Commercial and Operational Anchor**
- **Collection actions** improvements



CEA (AP)

- **Signing of the contract and capital increase** (Notice) R\$ 400 million
- **Liability Management (R\$ 1.0 bi)**
- **Partial settlement of liabilities with suppliers** (R\$ 250 million)
- **Operation Starts** november/21
- **Tariff Adjustment:** +11.8% (Parcel B +15.8%)
- **Capex Execution** Focus (Extraordinary Tariff Review)



CSA (SANITATION)

- Funding **bridge loan** to pay the grant (R\$ 1.0 bln)
- **Contract Signature** (Dec/21)
- **Assisted Operation Starts** (6 months)
- Approval of **BASA financing** for 1st cycle capex equation (R\$ 596 mn, IPCA+1.9% p.a.)
- executives hiring
- Beginning of activities for **the selection and training of the workforce**



ECHOENERGIA

- **Start-up of Echo 8, 9 and 10 assets** in January
- **Acquisition finance: R\$ 4 billion** - dec/21 and feb/22
- **Operation Closing** and acquisition conclusion (march/03)
- Start of the **business plan**

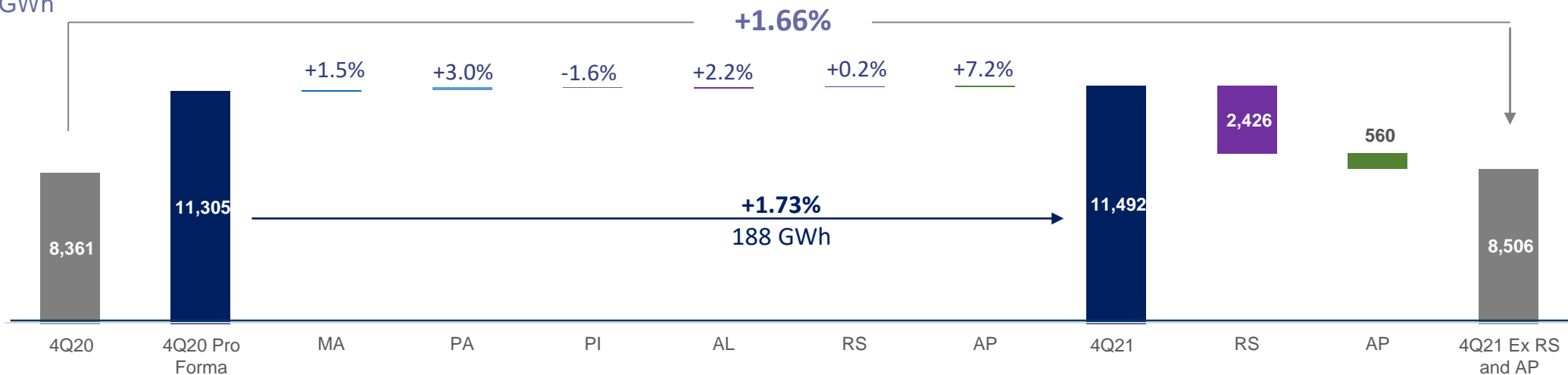
Operational Performance



Energy Markets

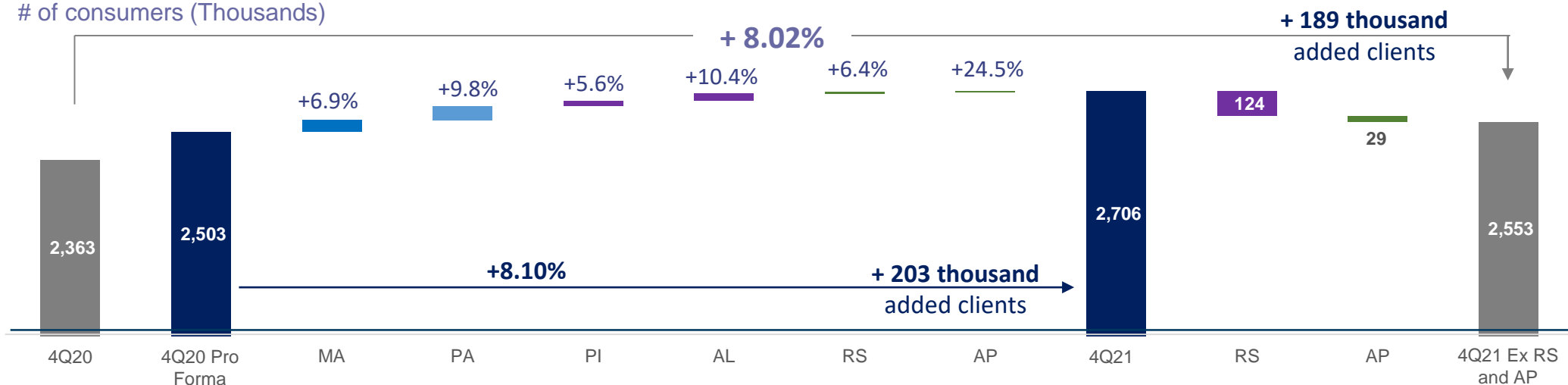
Injected Energy evolution per DisCo

GWh



Low income evolution

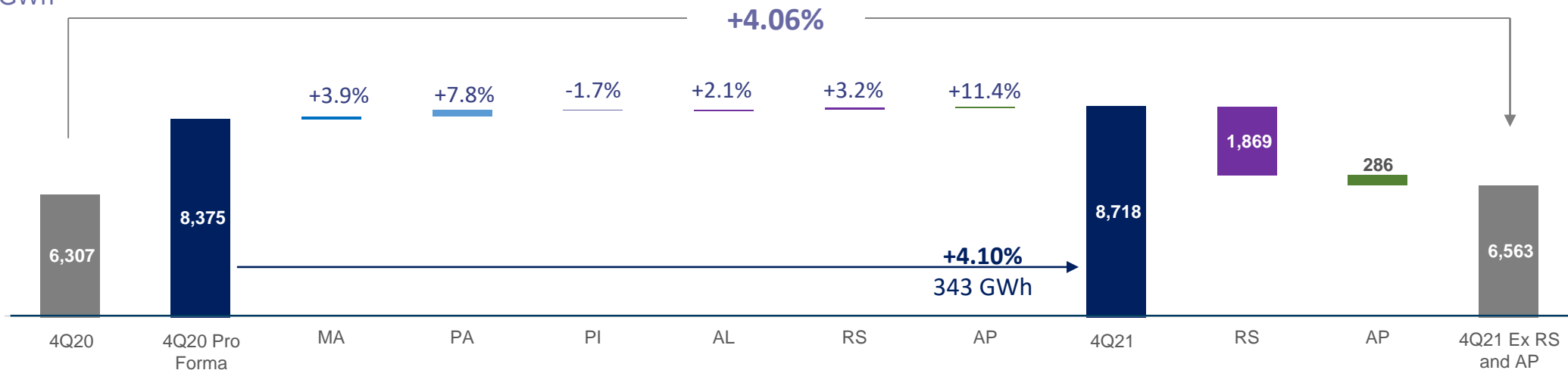
of consumers (Thousands)



Energy Markets

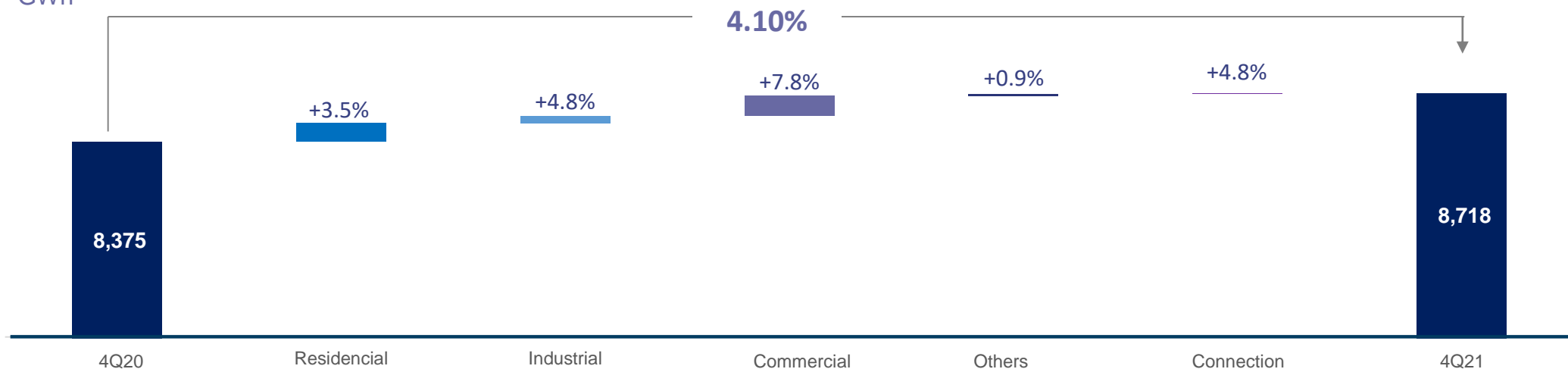
Sales evolution by DisCo (captive + free)

GWh



Sales evolution by segment (captive + free)

GWh



Delinquency and Collection

Collection Index¹

	4Q20	3Q21	4Q21
MA	102.3%	96.7%	99.5%
PA	103.4%	98.1%	99.5%
PI	103.9%	99.8%	99.7%
AL	102.6%	101.8%	99.3%
CEEE-D (RS)	98.8%	98.7%	100.5%
Consolidated¹²	103.0%	98.5%	99.7%

PDA¹

	4Q20	3Q21	4Q21
MA	-0.9%	1.1%	1.2%
PA	3.1%	1.6%	1.4%
PI	-1.9%	0.5%	-12.5%
AL	-6.8%	-2.2%	-10.7%
CEEE-D (RS)	1.8%	0.0%	1.7%
Consolidated¹²	-0.4%	1.3%	-2.3%

Main Highlights

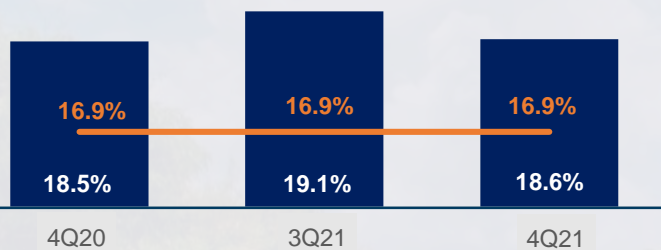
- Renegotiation of overdue receivables with municipalities (RS)
- Increase in energy cutting teams (RS)
- Improvement in the collection management process (new assets)

Losses – on injected energy

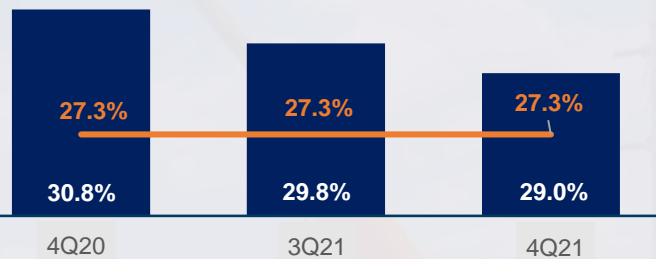
Reduction in the consolidated level of losses for the 2nd consecutive quarter



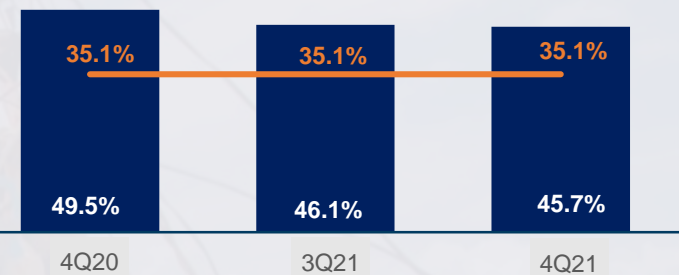
Maranhão



Pará

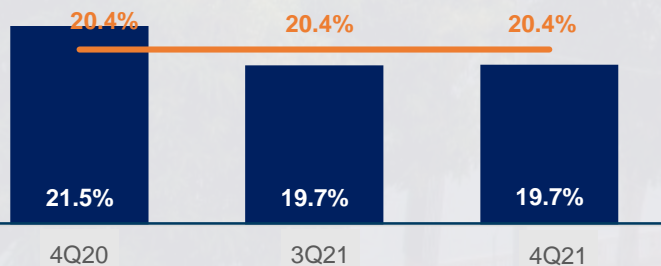


CEA (AP)¹

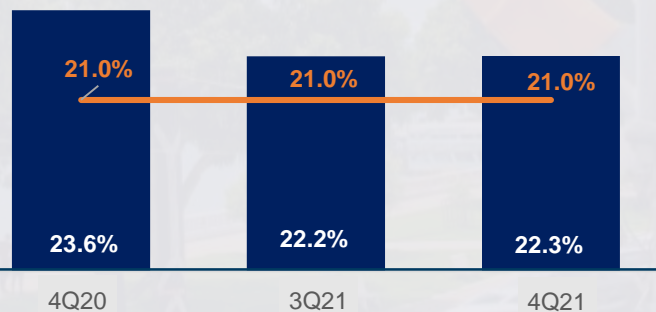


Piauí

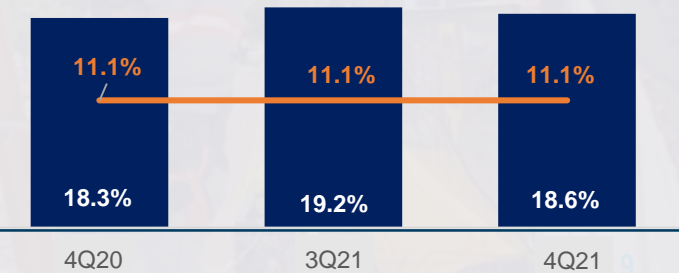
Abaixo do
Nível Regulatório



Alagoas



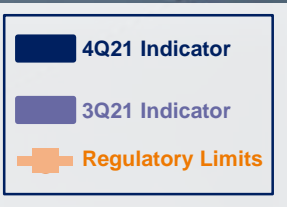
CEEE-D (RS)



¹ - In relation to tariff coverage, in addition to the usual value implicit in the level of regulatory losses, ANEEL approved the amount of an additional R\$ 89.4 million to be received in 12 installments from Dec/21, referring to the sole Paragraph of Art.

⁴ B of Law 12,111, of December 9, 2009. This complementary mechanism, provided for by Law, is extinguished in the 2025 tariff process, and the associated energy amount will be gradually reduced by 25% each year, starting from the 2021 process.

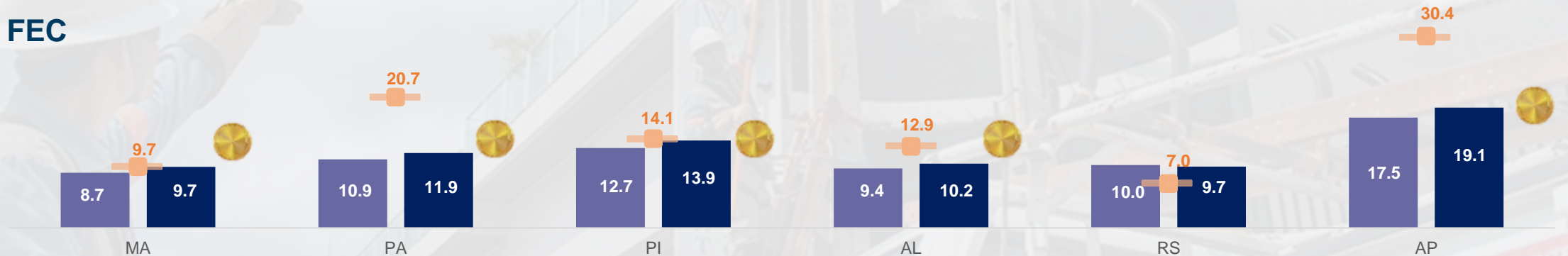
Operational Performance - DEC and FEC (12 months)



DEC



FEC

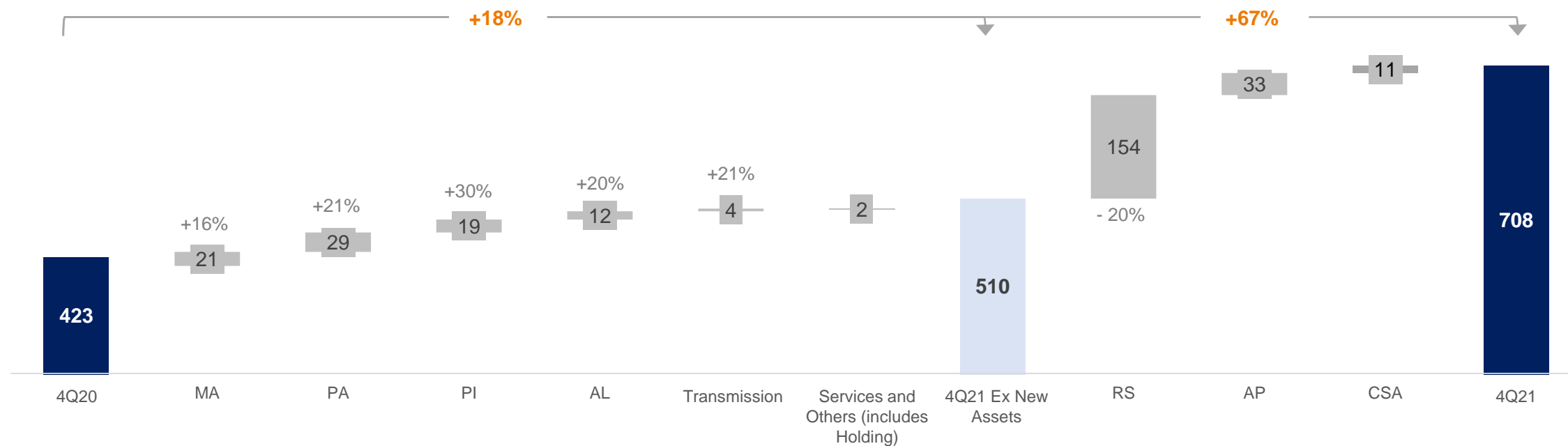


Economic and Financial Performance

Consolidated OPEX – Contribution per asset

Adjusted OPEX on the quarter

(R\$ Mn)



IPCA
12m

10.1%

IGPM
12m

17.8%

Adj. OPEX per
Consumer¹

Maranhão
R\$ 196

Pará
R\$ 224

Piauí
R\$ 227

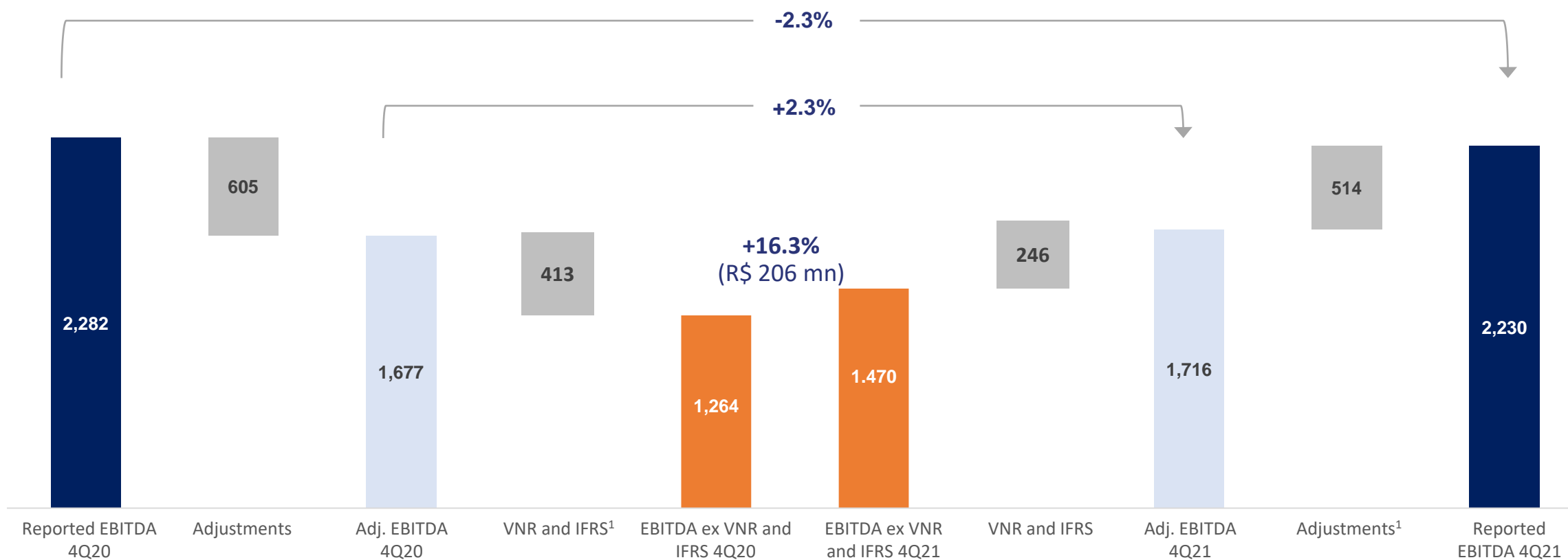
Alagoas
R\$ 205

CEEE-D
R\$ 312

Consolidated EBITDA

Adjusted EBITDA on the quarter (ex-VNR and IFRS 15)

(R\$ Mn)



Consolidated EBITDA – Contribution per asset

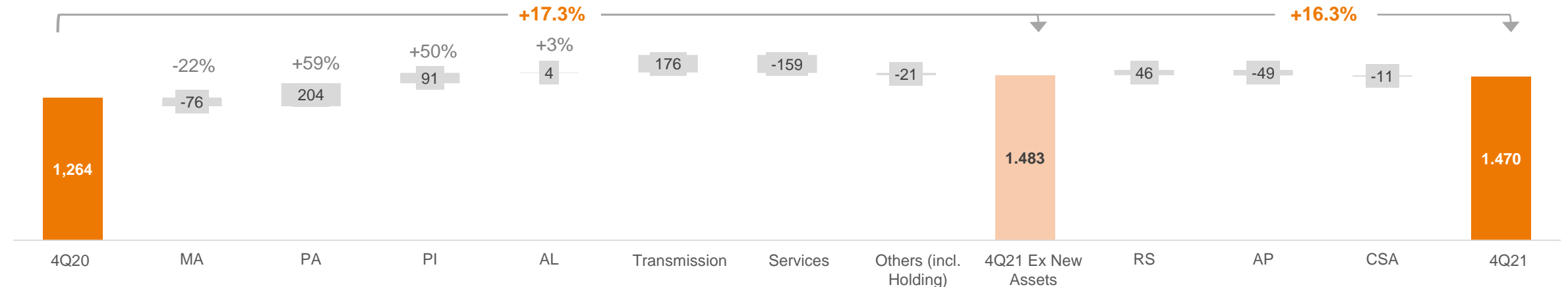
Adjusted EBITDA on the quarter

(R\$ Mn)

Adjusted EBITDA



Adjusted EBITDA Ex VNR and IFRS

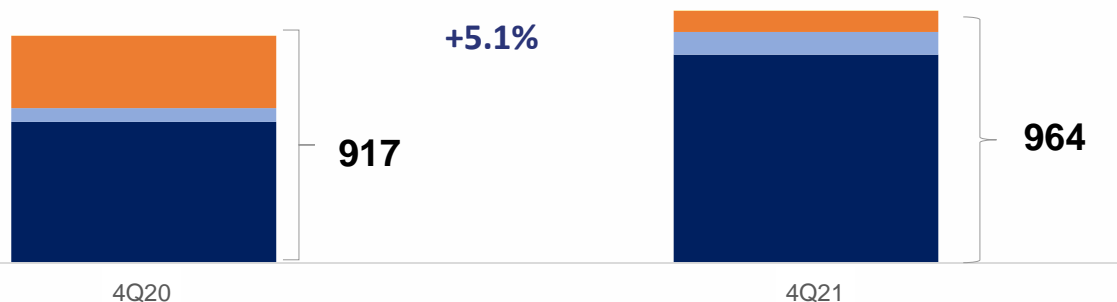


Investments

Main Investments - Quarter

(R\$ Mn)

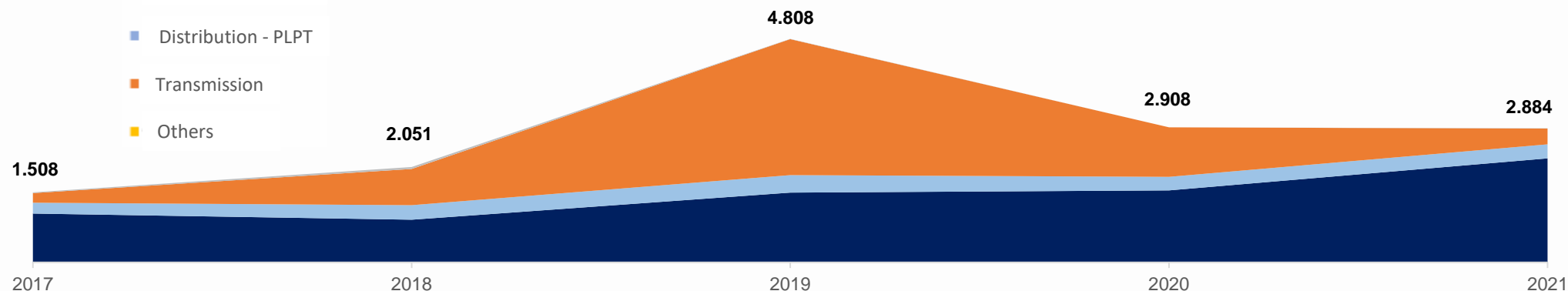
- Distribution - Own
- Distribution - PLPT
- Transmission
- Others



Main Investments

(R\$ Mn)

- Distribution - Own
- Distribution - PLPT
- Transmission
- Others



Increase in Invested Volume, reflects resumption of post-2020 capex execution



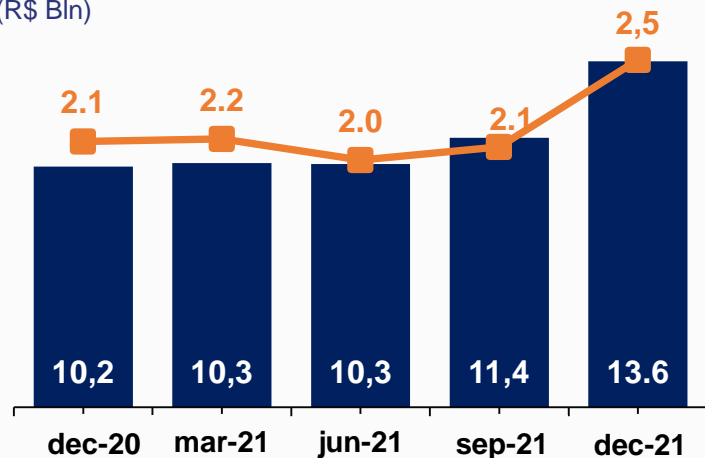
R\$ 882 million invested in Distribution, in 4Q21 37% higher YoY



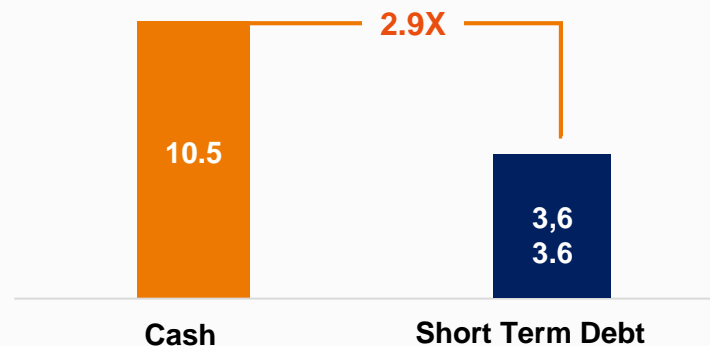
New allocation cycle started with entry into Sanitation (R\$ 930mm of grant)

Debt

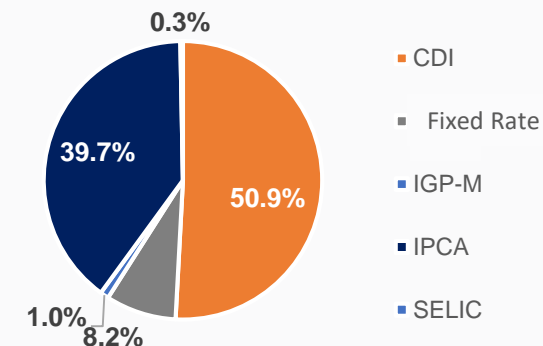
Cons. Net Debt and Net Debt/EBITDA LTM
(R\$ Bln)



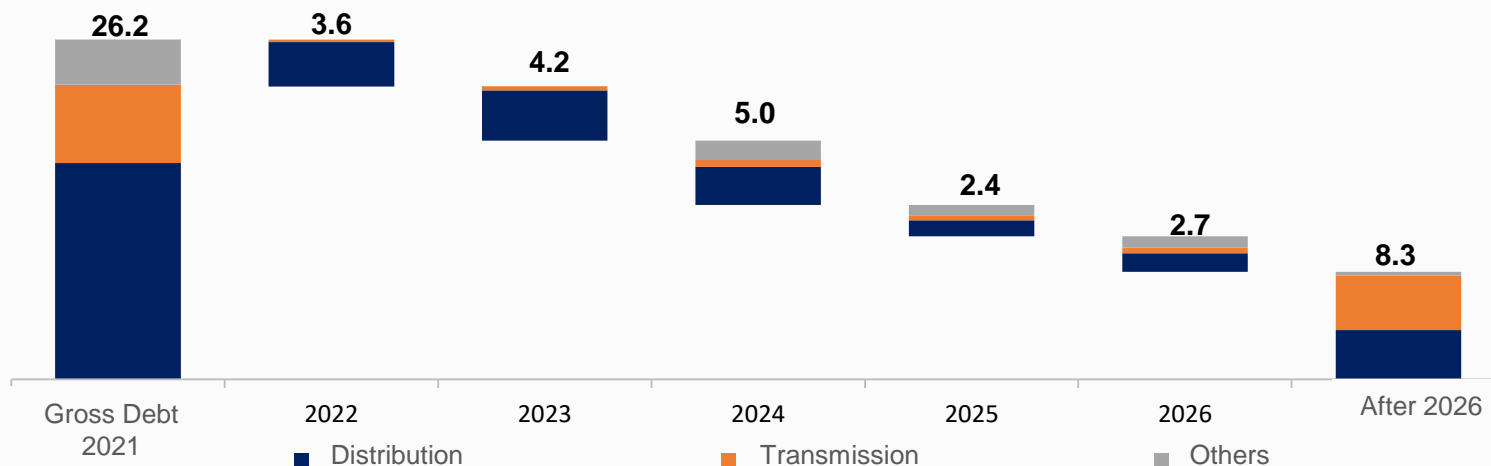
Cash and Short Term Debt



Debt per indicator
(%)



Debt maturity profile



Consolidated Cash

Dec 31, 2021

R\$10.5 Billion

*Cash is enough for more than 2 years of expected amortizations

Average Term

5.4 years

Average Cost

7.15% p.a.

Follow-On

R\$ 2.8 billions raised with quality allocation

Overview

(R\$ mn)

**Shares Issued (%
dilution)**

118,395,000 shares
(including 35% Hot Issue)

**Pricing and
Captured Value**

R\$ 23.50/share
(+7.0% since soft launch)
R\$ 2.8 billion

**Allocation of offer
resources**

Echoenergia Acquisition

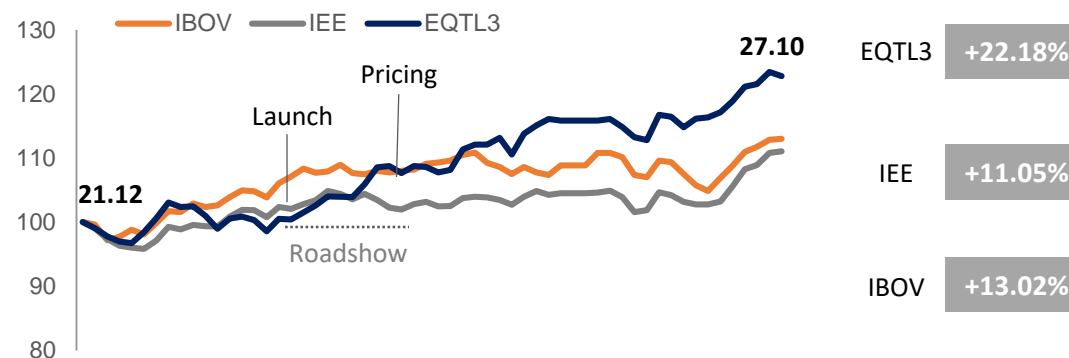
supply demand

7.1x Base Offer
(64% priority adhesion)

Good Receptiveness of the Market

Trajectory of the share (jan/01 – mar/23)

Variation since
Soft Launch



Quality Allocation Allocation Overview

56%

Brazil

44%

Foreign

79%

Long

Final Considerations



Final Considerations

RECENT ACHIEVEMENTS



- **Follow-On:** BRL 2.8 billion raised amid a challenging scenario
- **Conclusion of the Echoenergia Acquisition**, reinforcing commitment to value creation
- **CEEE-D (RS) Tariff Review** accelerating the company's turnaround process
- **Sanitation:** contracting **BASA financing**
- **Dividends:** BRL 0.64/share proposed (AGM on April 29)

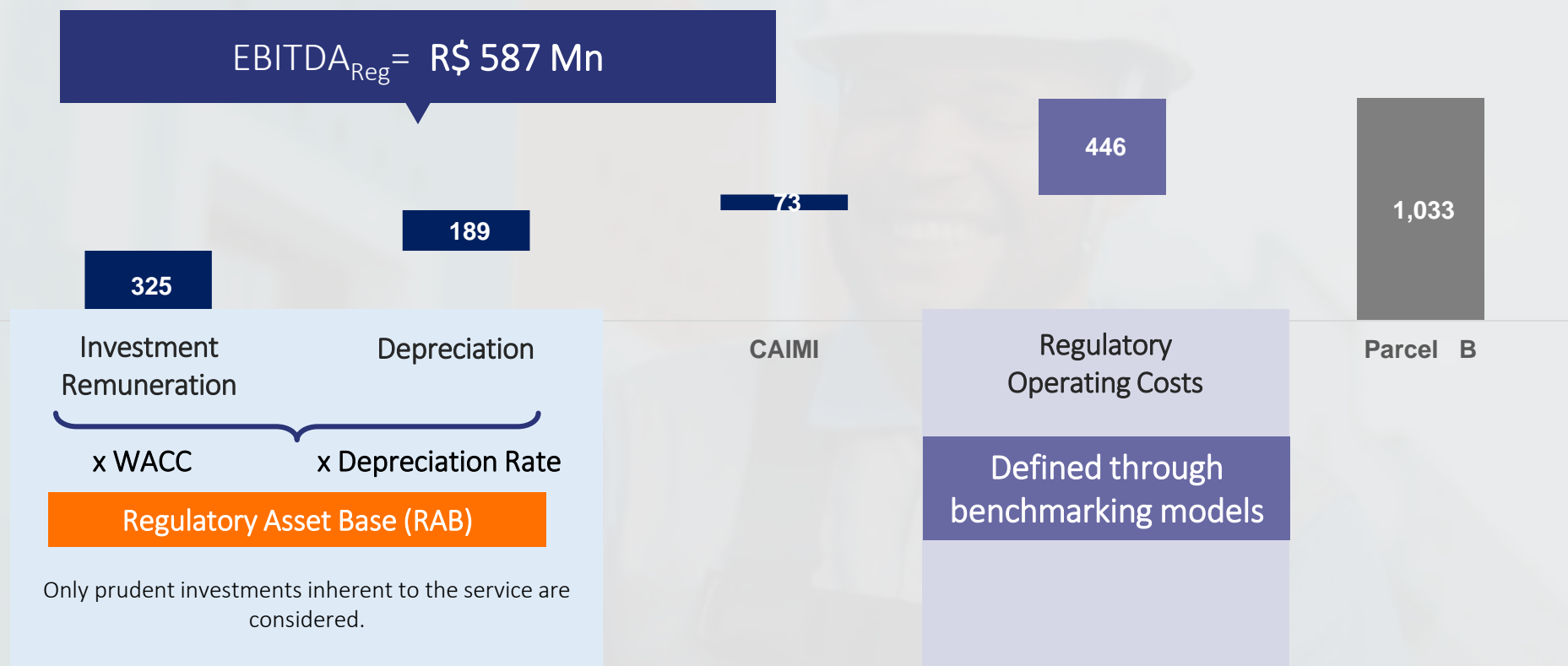
2022 PERSPECTIVES



- Distribution: **progress in the RS and AP Turnaround processes**
- New assets: with emphasis on the **integration of Echoenergia and start of operation in Sanitation**
- Assessing **value creation opportunities (M&A)**

Thank You!

CEEE-D 2021 Tariff Review



RAB (Gross | Net)

R\$ Bln

4th Cycle (2016)

R\$ 3.1 / R\$ 1.7

5th Cycle (2021)

R\$ 4.9 / R\$ 3.0

Losses (%)

Technical

6.68%

Non-Technical

8.03%

Total Losses

13.37%

14.62%

Average
Effect

0.68% X Factor

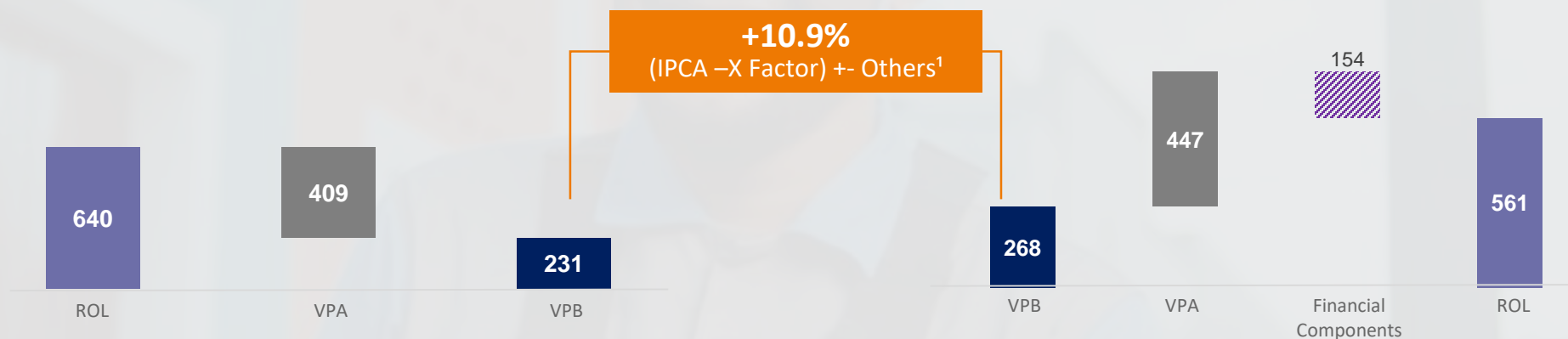
CEA 2021 Tariff Adjustment

0.49 X Factor

4.80% Average Effect

Year Prior to Readjustment

After Readjustment



Main mitigators of the Tariff impact:

- Deferrals of Charges and Energy _____ (R\$ 169 MM)
- Water Scarcity Flag _____ (R\$ 38 MM)
- Reversal – Covid Account) _____ (R\$ 30 MM)

¹ Considers the effects of Exceeding Demand, Surplus Reactives and Other Revenues