

The background of the slide features a photograph of several wind turbines silhouetted against a bright, low sun during sunset or sunrise. The sky is filled with soft, golden clouds, and the overall color palette transitions from warm orange and yellow near the horizon to a deep blue at the top and bottom of the frame.

Echoenergia Acquisition

Market Presentation

October 29, 2021

GRUPO
equatorial
ENERGIA

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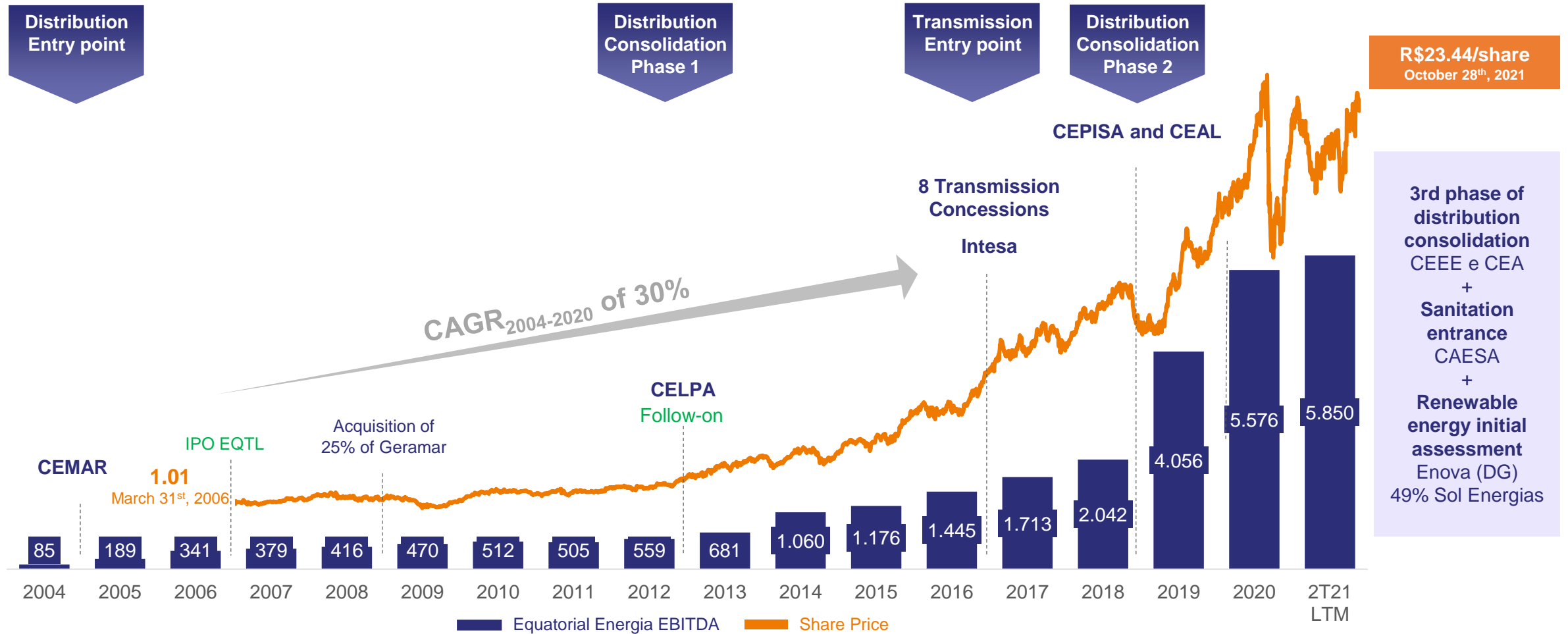
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Solid Track-Record and Value Creation

Since 2004, Equatorial Energia has shown a solid track-record of organic growth and through strategic acquisitions, including new segments



Equatorial Energia's Strategic Positioning

Equatorial Energia's long-term strategic planning includes entering the renewable energy generation segment and strengthening the commercialization business



Generation and commercialization repositioning

Equatorial has been structuring the generation/sales business, in line with its strategic planning:

- **June 2021:** entry into the GD segment (E-NOVA acquisition)
- **November 2021:** acquisition of 49% of SOL Energias (commercialization company)



Renewable energy generation assessment

- In recent years, the Company's management has been evaluating several strategic opportunities in the renewable energy segment
- More than 6.0 GW of greenfield / brownfield renewable generation projects evaluated in the last 12 months



Long-Term Positioning

- Equatorial Energia's objective aims to become a relevant player in the energy generation and commercialization segments
- The opening of the energy market creates a strong business opportunity for Equatorial, through its ~+10 million customers

Echoenergia Acquisition

Echoenergia's acquisition brings an attractive return, with conservative assumptions, on a solid renewable platform, with strong operating cash generation and strategic optionalities that enhance long-term returns



Transaction Overview

Firm Value	R\$ 9,584mm
Net Debt	R\$ 2,927mm
Equity Value	R\$ 6,657mm
EBITDA 2022E ⁽¹⁾	R\$ 830mm



Transaction Rationale

- Renewable Generation Expansion Platform
- Among the largest and best players in renewable energy in the country
- High-quality assets with robust historical performance
- Attractive return to EQTL, in a conservative scenario, with **upsides** to increase value generation and clear path to **growth**
- **Diversification** of the EQTL's portfolio, strengthening the concept of multi-utility with an impact on **ESG**

Upsides



- Low voltage market opening
- Direct access to the consumer with relevant guaranteed incentive energy supply (i50) and non-contracted
- Self-production and implementation of hybrid parks
- Multiple synergies between the group's businesses (Distribution, Transmission, Commercialization and Water and Sewage businesses)



Growth

- Renewable energy will have a fundamental role in the growth of the energy matrix in the coming years



Diversification

- Optimization of the commercial strategy with the predictability of the portfolio's cash flow
- 25% to 30% of short-term EBITDA expected to come from generation and transmission – greater predictability of cash generation



ESG

- Potential for access to increasingly larger sources of financing (greenbond) and at low cost
- Development of the carbon credit market



Echoenergia Platform's Characteristics

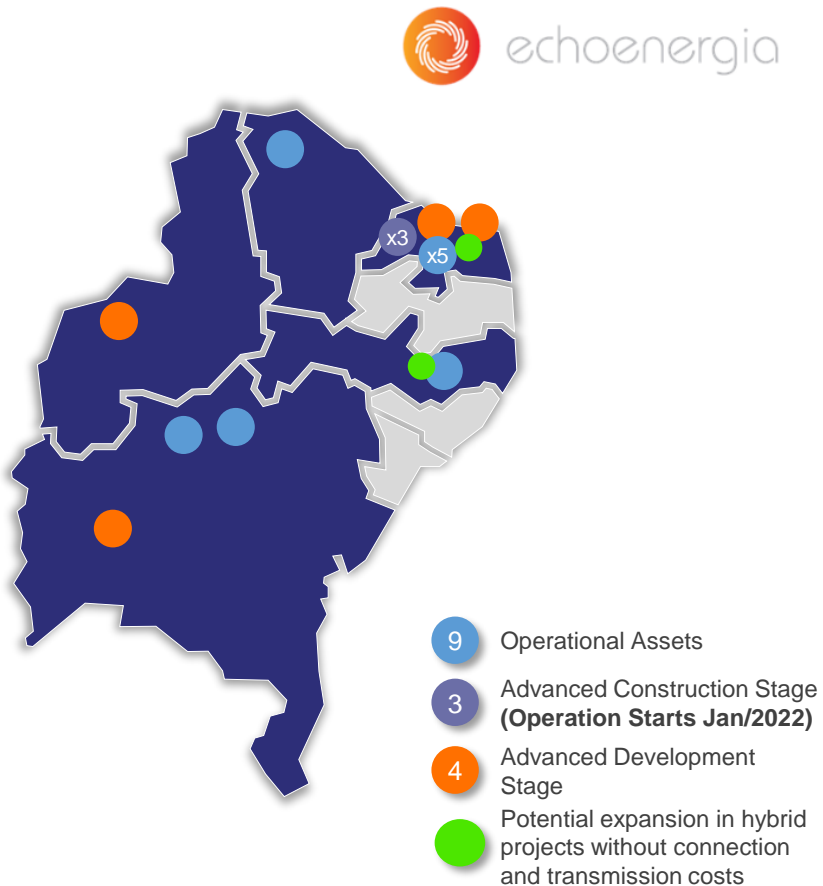


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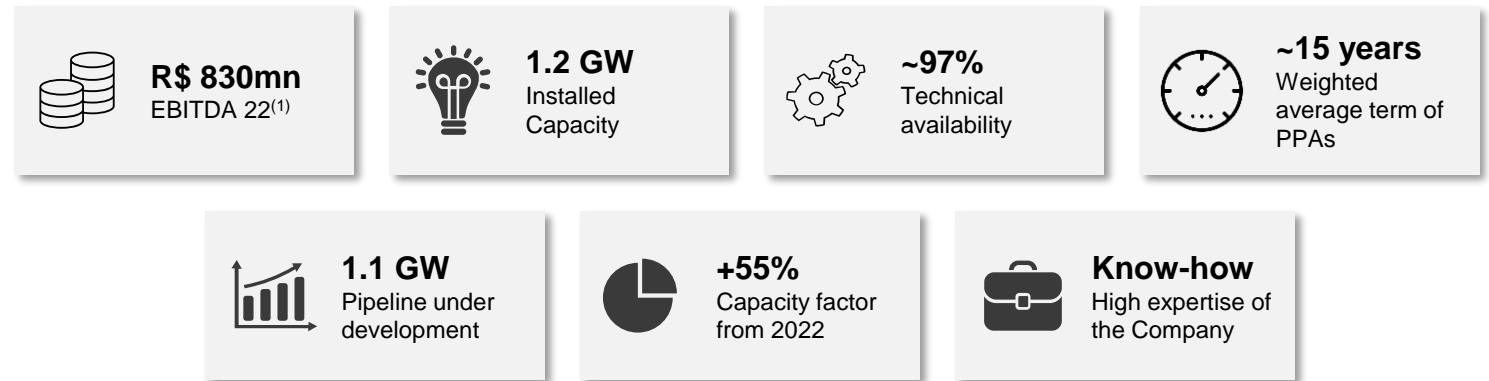
One of the Largest Renewable Energy Companies in Brazil

Positioned in the Northeast region of the country, Echoenergia has 1.2GW of installed wind energy capacity (in operation and advanced construction) with the potential to become the largest renewable generator in Brazil

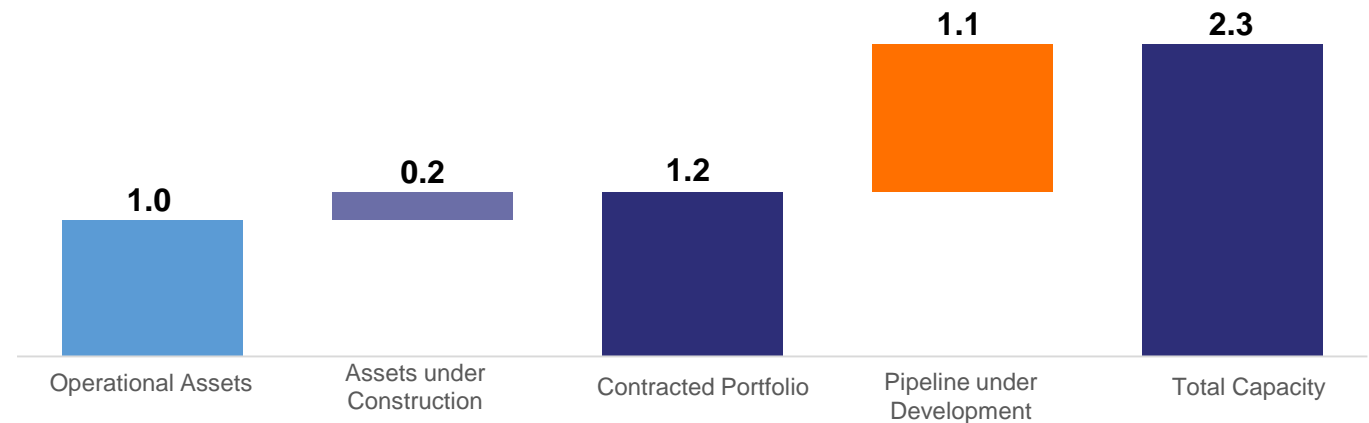
Geographical Presence of Echoenergia Assets



Echoenergia's Operating and Financial Highlights

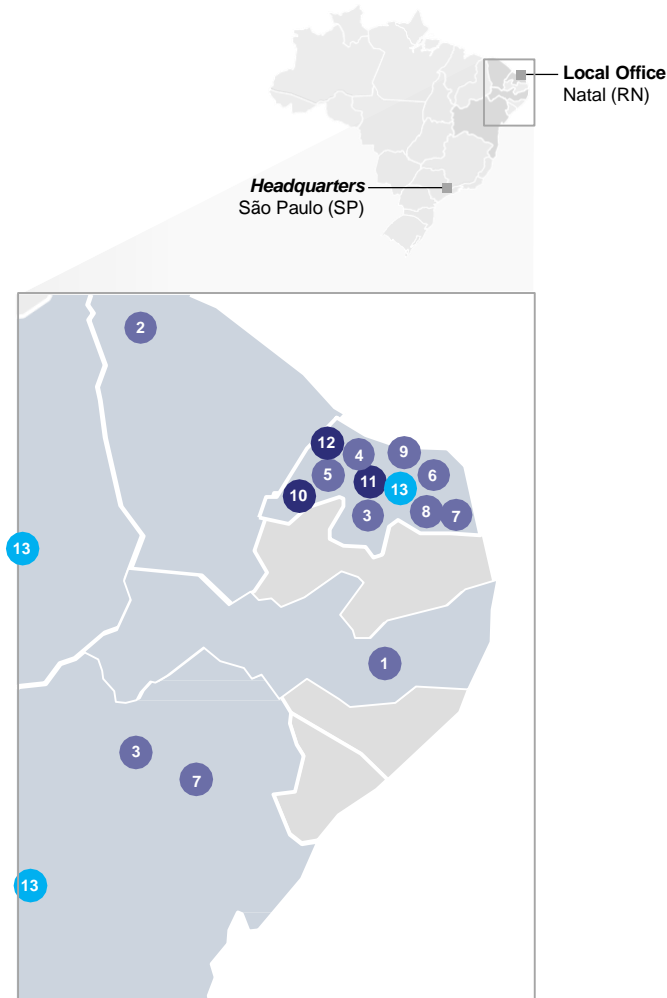


















Portfolio Overview (GW)



















High-Quality Generation Asset's Portfolio

The Company currently has 12 generation assets with operational activities in the states of Pernambuco, Ceará, Rio Grande do Norte and Bahia



1. São Clemente	May/16	📍
Pernambuco		
 	233 MW	⚡
	LEN	👤
Debentures		👉
2. Tianguá	Sep/16	📍
Ceará		
 	141 MW	⚡
	LFA	👤
Debentures		👉
3. Echo 1	Aug/12	📍
Rio Grande do Norte and Bahia		
 	88 MW	⚡
	LER	👤
Debentures	 	👉
4. Echo 2	Jan/16	📍
Rio Grande do Norte		
 	132 MW	⚡
	LER	👤
Debentures		👉
5. Echo 3	Apr/20	📍
Rio Grande do Norte		
 	85 MW	⚡
	ACL	👤
Debentures		👉

6. Echo 4	Feb/18	📍
Rio Grande do Norte		
 	53 MW	⚡
	LER e LEN	👤
Debentures		👉
7. Echo 5	Nov/18	📍
Rio Grande do Norte		
 	101 MW	⚡
	LER e LEN	👤
Debentures		👉
8. Echo 6	Jul/20	📍
Rio Grande do Norte		
 	97 MW	⚡
	ACL	👤
Debentures		👉
9. Echo 7	Sep/20	📍
Rio Grande do Norte		
 	76 MW	⚡
	ACL	👤
Debentures		👉

10. Echo 8	Jan/22	📍
Rio Grande do Norte		
 	92 MW	⚡
	ACL	👤
Debentures ⁽¹⁾		👉
11. Echo 9	Jan/22	📍
Rio Grande do Norte		
 	76 MW	⚡
	ACL	👤
Debentures ⁽¹⁾ e securitização de PPA		👉
12. Echo 10	Jan/22	📍
Rio Grande do Norte		
 	38 MW	⚡
	ACL	👤
Debentures ⁽¹⁾		👉
13. Ready-to-build		
Rio Grande do Norte, Piauí and Bahia		📍
1.088 MW		⚡
10% wind 90% solar		

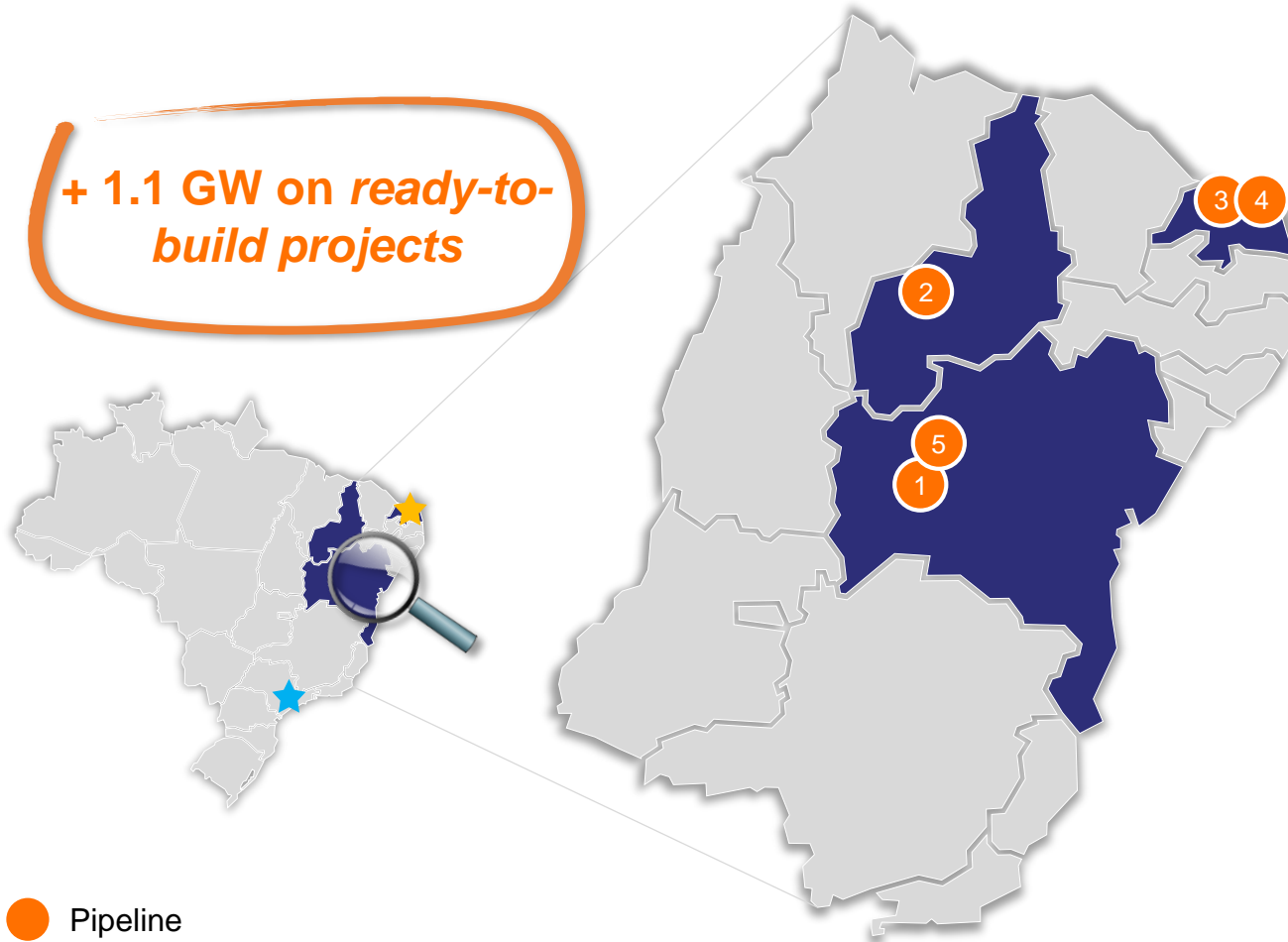
- Operational Assets
- Advanced Construction
- Pipeline under development

- 📍 Location
- 👤 Auction/market
- ⚡ Turbines
- 👉 Creditor
- ⚡ Installed Capacity
- 📅 COD











Portfolio with a strong concentration of **tier-one turbines** and technical performance remarkably above the market

Robust Pipeline of Ready-to-Build Projects, Validating Growth Strategy and Diversification Plan

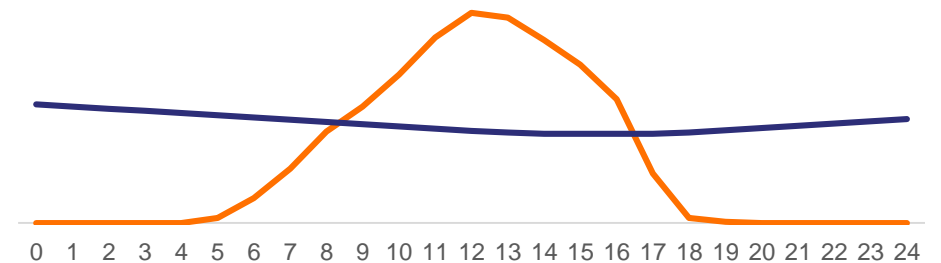
+ 1.1 GW on ready-to-build projects



- Pipeline
- ★ Natal Office, RN
- ★ Office and Operations Center in São Paulo, SP

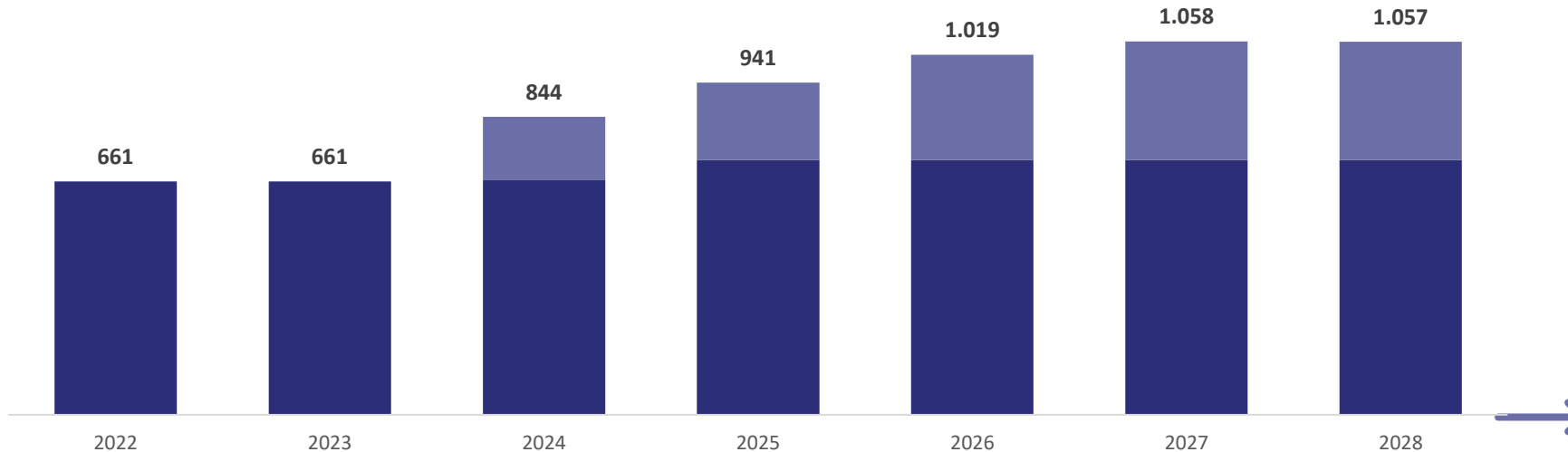
1 Project Pipeline I Apr/24 Bahia Solar 423 MWp   Wire Discount	2 Project Pipeline II Aug/23 Piauí Solar 280 MWp   Wire Discount
3 Project Pipeline III Sep/23 Rio Grande do Norte Solar 177 MWp   Wire Discount	4 Project Pipeline IV Jan/24 Rio Grande do Norte Eólica 109 MW   Wire Discount
5 Project Pipeline V Oct/26 Bahia Solar 466 MWp   Wire Discount	Location

High intraday complementarity of Solar + Wind sources



Superior Generation and Technical Management Levels

Solar Generation P50 (MWavg) | Wind Generation P50 (MWavg)



Robust certification basis

data mostly from Echoenergia's assets and operating areas

+1 Recertification by Certifiers with extensive track-record in Brazil

Generation reduction factor more conservative positioning in relation to P50 projections and historical performance



+97% verified technical availability of operational assets

+55% Capacity Factor combined portfolio demonstrating a higher level of technical management and availability of natural resources in the region (operational assets)

Echoenergia's Assets Ranked among the Best in Brazil on several occasions

Secured Operation and Maintenance of the WTGs by global tier-one suppliers for the next 7~15 years with guaranteed availability

Source: National Ranking ONS Wind generation

Transaction Reinforces Equatorial's ESG Commitment

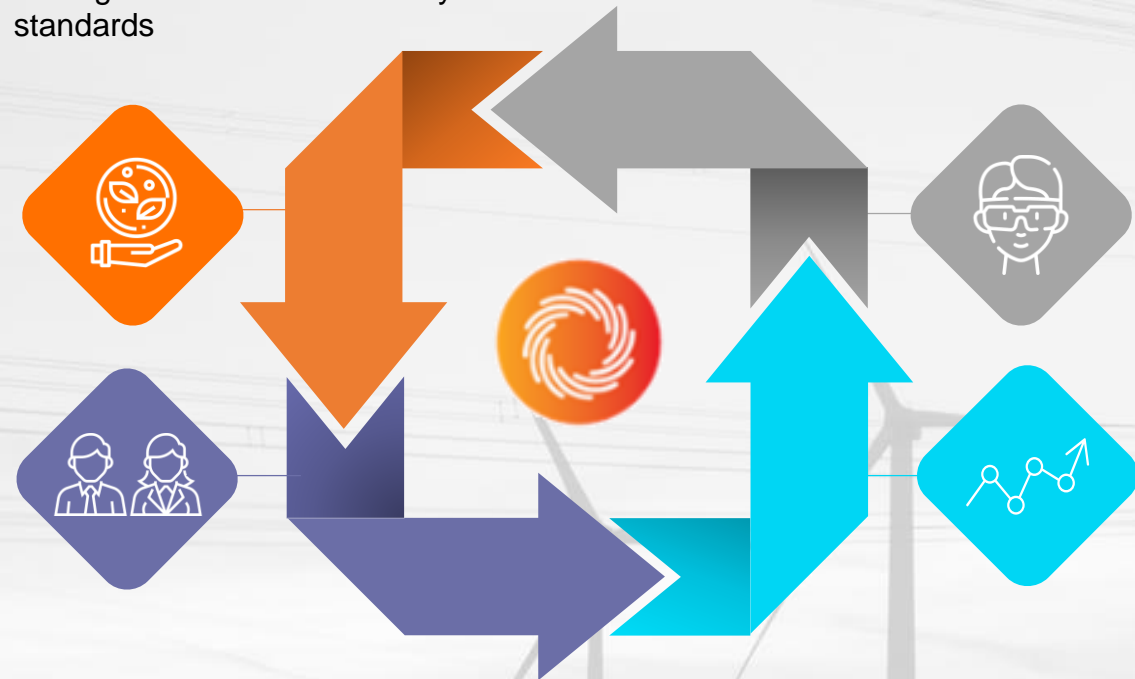
Echoenergia follows strictly IFC's sustainability standards, having a rigorous corporate governance standard and strong initiatives for social development in the areas where it operates

Health, Safety and Environment

emphasis on environmental management and sustainability standards

Operational Excellence

Operational management of assets with highly-qualified teams and state-of-the-art technology



Governance and Culture

High standards of institutionalized corporate governance and a solid consolidated culture

Social Impact

Commitment to communities, impacts +51 thousand people, 125 schools and 19 associations



Cloud-based Operations Center with 24/7 monitoring

Direct and immediate communication system between Operations Center and on-site operation teams

Operational Management's Results

- Failure prevention and exceptional response time
- High standard of analysis and performance control of wind turbines
- Maximizing the average energy produced
- Power peak potential optimization

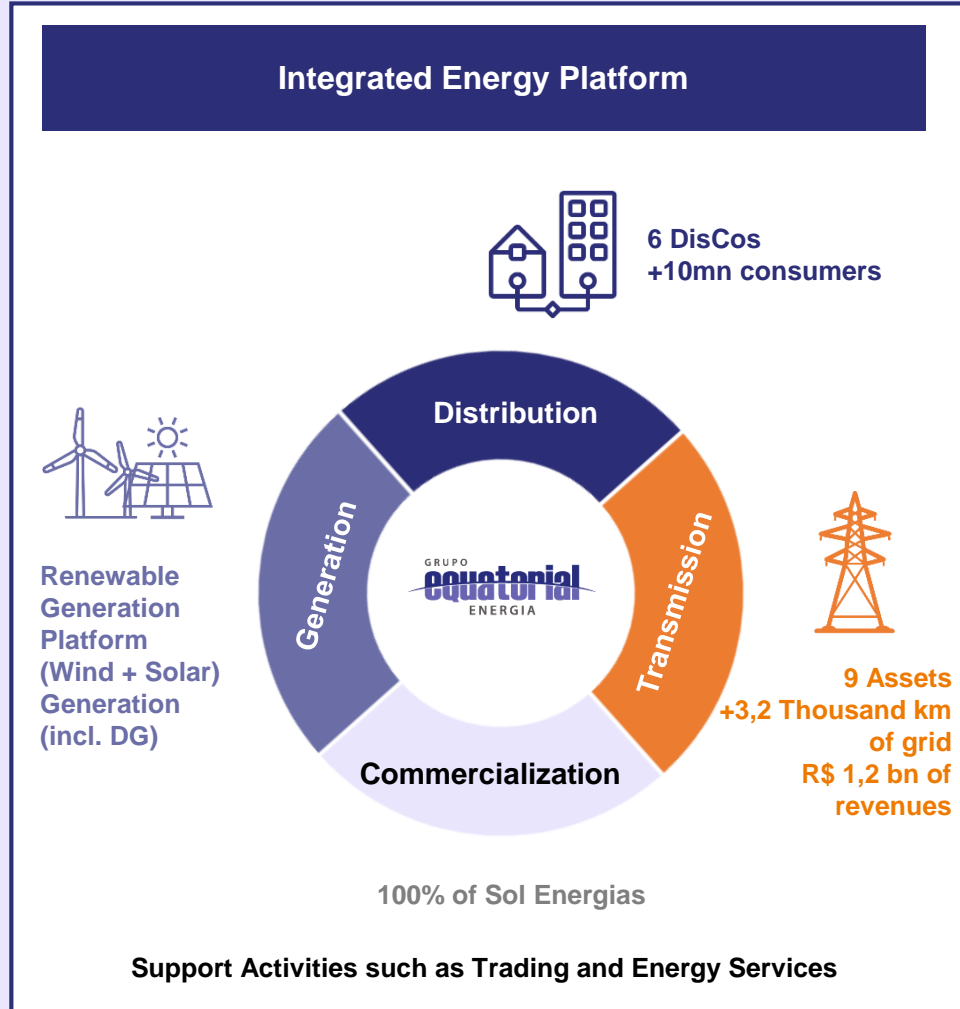


Transaction Benefits

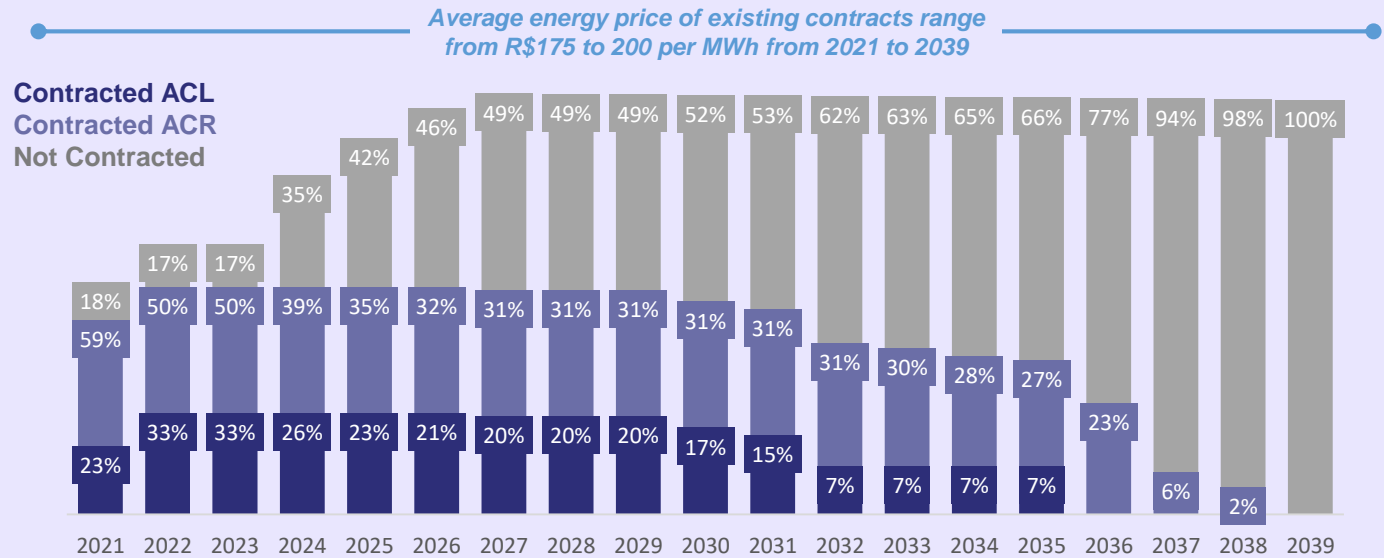
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Wide Possibilities for Synergies between the Businesses, with an Attractive Energy Contracting Profile

Profile and duration of energy contracts from operational assets is effective, diversified and synergic with Equatorial Energia, in addition to having a pipeline with high potential for value creation



Contracted Energy Volume (MWm)



Contract basis of current assets
guarantees relevant share of the revenue **for the next 10 years**

Balanced distribution of ACR-ACL contracts
with **low credit risk** counterpart

Submarket and Seasonalization Risk
zeroed or remarkably mitigated for the contracted energy

Direct Energy Sale to Consumers as a Value Generation Optionality for Equatorial Energia

1

Opening of the Low Voltage Market

with PL 414/2021, maintaining a high opportunity cost for consumers who purchase energy at a discount on the wire

Relevant Synergy linked to Equatorial's Retail

10 million customers served daily, with a known consumer profile and credit risk, are structural competitive differentials for the Equatorial group in retail

2

Strategically Uncontracted Volume

to meet the opening of the low voltage market

Self-Production Market Opportunity

increasing flexibility in the most profitable strategy

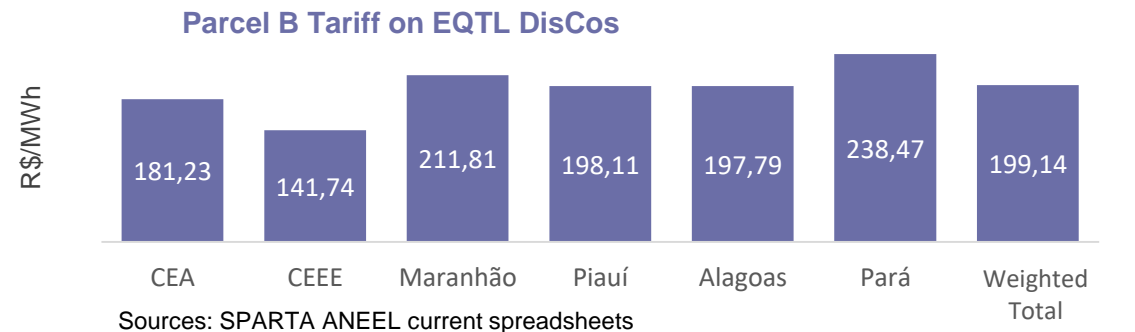
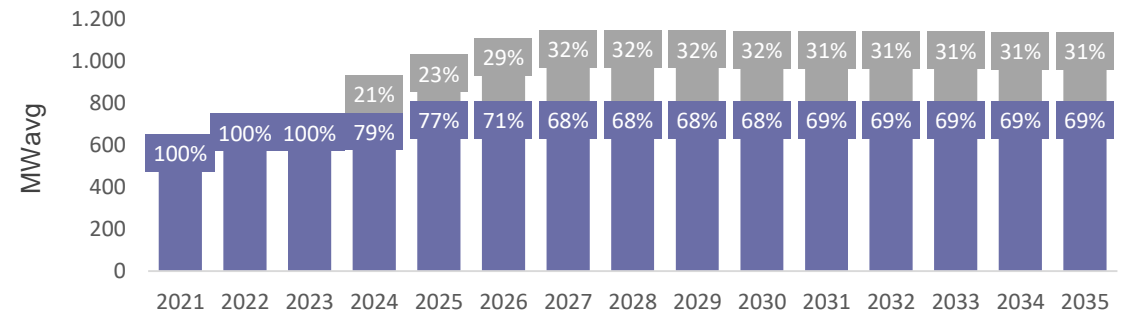
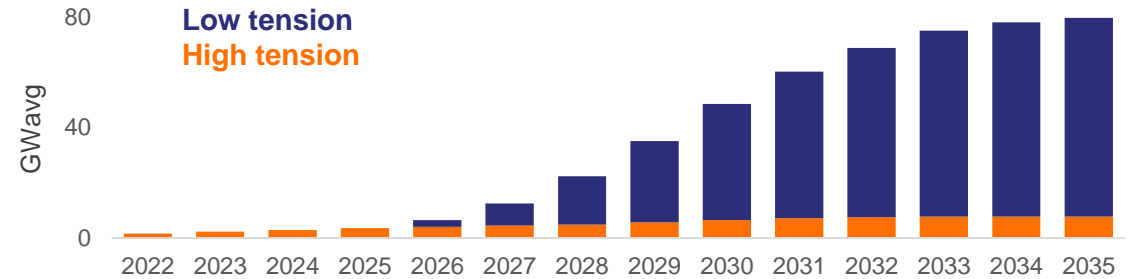
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Wire Discount

New energy offer with discount on wire ends in 2025
The opening of the low voltage market will cause an increase in demand for this product, in an environment of restricted supply

Wire Discount may reach R\$ 200 /MWh

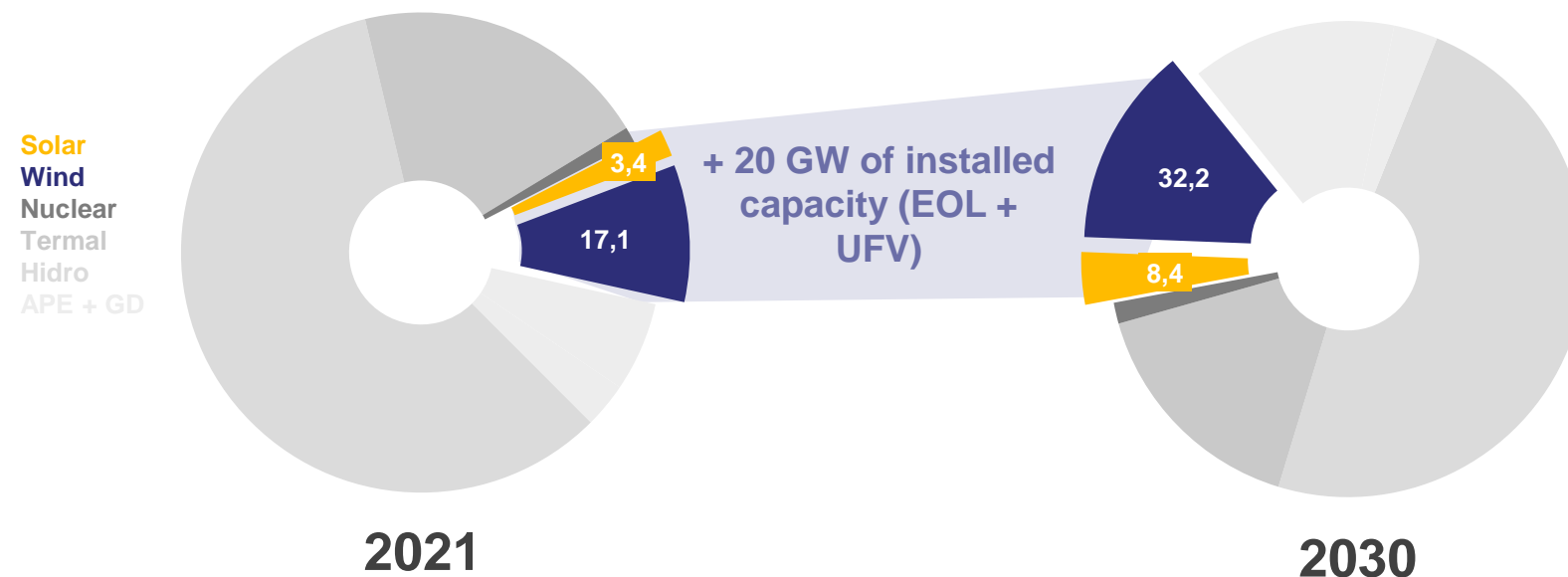
for low voltage consumers



Renewable Energy Expansion, One of the Pillars of the Expansion of the Energy Matrix in the Next Decade



Significant presence of Equatorial in renewables,
initiating new avenue of growth for Equatorial

Renewable Energy Expansion, one
of the pillars of the expansion of the energy matrix in the
next decade



Source: PDE 2030

Forecasted Investment²
(R\$)

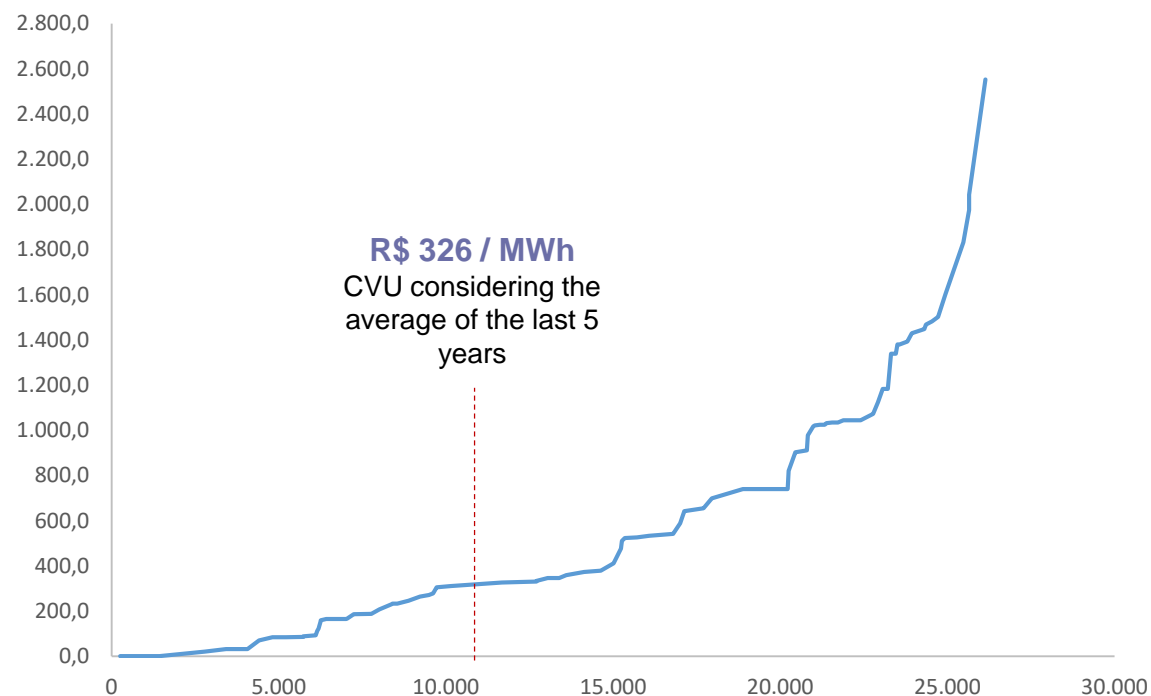
	22-25	26-30
	6.9B	12.8B
	31.8B	65.3B

1. Uses the hiring day as the Base Date, CAPEX ps R\$3,5M/MW for Solar and R\$5,5M/MW for wind
Note: Does not consider mandatory contracting of 8GW of thermal generation related to PM 1031
Source: ANEEL, EPE 2020-2030 Statistical Yearbook, GWEC, EWEA

Attractive Energy Pricing Scenario

The price assumptions considered in the valuation are the results of a study conducted by a recognized consultancy in the market. However, the current scenario indicates that the price assumptions adopted can be easily surpassed

CVU thermal cell (oct/21)



Thermal dispatch history

From **2016 to 2020** the average generation of thermal plants was **11,462 MW** avg. In **2020**, the year with the lowest generation, it was **10,463 MW avg.**



Final Remarks

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