



**ENEVA S.A.**

CNPJ nº 04.423.567/0001-21

NIRE 33.3.0028402-8

## **MATERIAL FACT**

### **Submission of a Non-Binding Offer Regarding a Merger of Equals with Vibra Energia S.A.**

**Rio de Janeiro, November 26, 2023 – ENEVA S.A. (“Eneva” or “Company”) (B3: ENEV3)**, pursuant to article 157, paragraph 4, of Law 6,404, of December 15, 1976, and CVM Resolution 44, of August 23, 2021, hereby informs its shareholders and the market in general that the Company submitted on November 26, 2023, a non-binding offer to the Board of Directors of Vibra Energia S.A. (**“Vibra”**) (**B3: VBBR3**) for a business combination of the companies, which copy is attached hereto (**“Offer”**).

The Offer establishes a merger of Eneva shares (*incorporação de ações*) into Vibra (or another structure to be established by mutual agreement among Eneva and Vibra), so that, upon closing of the transaction, the group of shareholders of each company will have a 50% interest in the combined company.

As per the Offer, Eneva deems that a merger of equals with Vibra represents a unique opportunity for both companies and their shareholders given its solid strategic rationale – considering, in particular, the complementarity of the companies’ businesses – and, if carried out, could result in significant efficiency and capital allocation gains.

To this end, Eneva proposed a robust and balanced governance structure – with side-by-side contributions –, so that the corporate and administrative structure of the combined company guarantees the appropriate integration of the activities of Eneva and Vibra.

Eneva points out that, as of now, there is no signed agreement regarding the transaction proposed to Vibra and will keep its shareholders and the market in general informed on the matter in accordance with the law and the rules of Brazilian Securities Commission (*Comissão de Valores Mobiliários - CVM*). The consummation of the business combination is subject to the conditions ordinarily applicable to transactions of the kind.

Eneva further points out that, if carried out pursuant to the terms of the Offer, the possible transaction with Vibra would not trigger withdrawal rights to the shareholders of Eneva.

The Company reaffirms its commitment to keep its shareholders and the market in general informed with respect to the possible transaction.

Rio de Janeiro, November 26, 2023

**Marcelo Campos Habibe**  
CFO and Investor Relations Officer

Rio de Janeiro, November, 26, 2023

To

**VIBRA ENERGIA S.A.** (“Vibra”)

**A/C:** Mrs. Boards of Directors Members: Sérgio Agapito Lires Rial; Fábio Schvartsman; Walter Schalka; Nildemar Secches; Clarissa de Araújo Lins; Mateus Affonso Bandeira; Pedro Santos Ripper; David Zylbersztajn.

**C/C:** Sr. Ernesto Pousada, CEO; and  
Sr. Augusto Ribeiro, CFO and IRO.

**Ref.: Business Combination Proposal**

Dear Sir,

**Eneva S.A.**, publicly traded company and registered under the CNPJ nº 04.423.567/0001-21, with its holding located on Praia de Botafogo, nº 501, Bloco I, 2<sup>nd</sup> and 4<sup>th</sup> floors, Rio de Janeiro (“Company” or “Eneva”), presents, respectfully, the proposal of a potential business combination with Vibra (“Deal” or “Business Combination”) under the following terms.

## **I. Eneva**

Founded in 2001 and listed under New Market (Novo Mercado) of B3 – Brasil, Bolsa, Balcão since 2007, Eneva is an integrated power generation company, with complementary businesses in electric power generation, and hydrocarbon exploration and production in Brazil. The Company was the first private power generation company in Brazil with its integrated operation in thermal segment, controlling the natural gas supply to its power plants.

Currently, Eneva has a power generation park of 5.5 GW, being 4.6 GW in thermal generation, responsible for 14% of the gas generation in the country, and 870 MWp in solar energy. Eneva’s installed capacity will reach 6.5 GW up to 2026, considering the start of four new projects, and holds an additional pipeline of projects totaling 5.9 GW (being 2.3 GW of renewable generation and 3.6 GW of thermal).

The Company is the largest independent producer of natural gas in Brazil, with notable positioning in onshore segment. Currently, the Company has operations in 4 basins (Parnaíba, Amazonas, Solimões and Paraná), with production capacity of nine and a half million cubic meters of gas per day and great potential of new reserves to be explored, through concession contracts of exploration and production of hydrocarbon in areas of more than 64 thousand km<sup>2</sup>.

Eneva presented, in the last twelve months ended on September, 2023, a Net Revenue of R\$9.7 billion, an adjusted EBITDA in the same period of R\$4.0 billion and Net Income of R\$314 million.

## **II. Strategic Benefits of the Business Combination**

We believe that the Business Combination – and the merger of talents and strengths between Eneva and Vibra – represents a unique opportunity to the companies and its shareholders, with solid strategic rationale, efficiency gains, capital allocation and businesses complementarity. Find below the main highlights in terms of market and strategy which justify the Business Combination:

- **Size and Representativity**: the combined company, in addition of being one of the largest fuel distributors in Brazil, will also be the largest thermal generation platform and one of the greatest renewable platforms in the country, with a solid portfolio of assets and a great financial and operating potential. The merger of its shareholders base will establish the third largest power energy company listed in Brazil in terms of market cap and will support a significantly growth of shares liquidity (expectation to be higher than R\$300 million per day).
- **Capital Allocation Optimization**: the combination of high cash generation of Vibra with attractive returns of the projects and a clear investment plan, with different projects of Eneva, creating a great structure with capital allocation with attractive return rates<sup>1</sup>.
- **Reduction of Risk recognized in Stand-alone Companies**: combination between strong cash generation of Vibra and diversification of more predictable new segments of Eneva – which brings approximately EBITDA of R\$ 7 billion as of 2027, supported by long term contracts and with approximately 85% of fixed revenues (independent of dispatch levels) – creating an unique platform of value generation and risk management, reducing the exposure of natural volatility of the fuel distribution's segments, the natural movements of commodities and risk of hydrocarbon exploration.
- **Generation of Commercial Value**:

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<sup>1</sup> Eneva's Portfolio holds projects under construction such as Azulão 950, with estimated capex of R\$5.8 bi, in addition of a strong pipeline with attractive returns, including, among others, expansion of the complex in new auctions which shall occur in 2024/2025, operation of the renewable projects pipeline, substitution of isolated systems in North region and small-scale LNG projects for industrial clients.

Eneva brings expertise in gas sales and power generation, which can be combined to the access of more than 30 million final clients of Vibra (being approximately 18,000 clients B2B) and to the Comerc platform (more than 50,000 clients). In addition, the excess of Eneva's gas, a result of its exploration campaigns and the development, as well as the origination with the market or the LNG import through Hub Sergipe terminal, allow the acceleration of initiatives of companies in B2B gas sales, in the integrated pipeline network, as well as in the distribution through road transportation to clients that don't have access to the transport pipelines, which use fuel oil in its industrial process (small scale LNG). It also provides the sale of its product through the distribution platform of Vibra, meeting the demand for fleet change of trucks and ships that use diesel in B2C, which needs fuel stations in order to create a conversion to the convenient gas.

- **Synergies:** the Business Combination shall create scale gains and allow a large value creation to the company in terms of its capital structure, as well as its spreads reductions and extension of average terms of funding.
- **ESG:** the Business Combination will strengthen the renewable goal of the combined company which will have more than 30% of its installed capacity composed of renewable energy, reaching more than 3GW diversified in distribution generation, wind, and solar power generation. Additionally, the expansion of Futura and other projects in the pipeline could lead to a total renewable capacity of more than 6GW. The combined company will also contribute to the reduction of greenhouse gas emissions, offering natural gas for the fuel oil and diesel change for the current clients' base of Vibra (B2B and others), with the new company being a catalyzer of energetic transition of the country. In addition, the merger of competences of the two companies will allow the market growth of the sale and biogas distribution and the development of the CO2 capture and storage segment.

### **III. Operation Structure and Exchange Ratio**

In light of the above, we present the basis of the Business Combination, in the following terms:

- **Structure:** We propose the Business Combination to be implemented through the incorporation of shares issued by Eneva by Vibra or another structure to be established by mutual agreement between the companies. Considering that the shares of both Companies meet the requirements set out in article 137, item II of Law 6,404/76, if implemented as proposed, the Business Combination will not give rise to the right of withdrawal for the Companies' shareholders.

- **Exchange Ratio**: We propose that the Business Combination be carried out along the lines of a merger of equals, with shareholders on each side representing 50% of the shareholder base of the combined company (“Exchange Ratio”).

This Exchange Ratio, in our view, reflects the equal union of two leading companies in their sectors, with significant complementarities between them, and allows shareholders on both sides to enjoy in equal proportions the synergies and value that will be created with business combination.

Given its characteristics, Eneva contributes to the combined company with a business with a greater growth vector and lower cost of capital, as estimated and disclosed by market research analysts (research analysts attribute a cost of capital up to 300bps lower for Eneva in relation to Vibra). Additionally, Eneva contributes with a business with higher margins (EBITDA margin expected by analysts of around 50% in 2023, against an EBITDA margin of around 3.0% for Vibra).

These elements, combined, have historically led Eneva shares to trade on the market with implicit multiples higher than those of Vibra shares. We have full confidence that all of these attributes will contribute significantly to the valuation levels to be achieved by the combined company, benefiting the shareholders of both companies in equal parts upon completion of the business combination.

Furthermore, Eneva has a series of contracted projects that are not yet adequately priced by the market. Eneva's 2027 EBITDA is estimated by the market to be around 70% higher than the 2023 EBITDA, with the start-up of ongoing projects. These new contracts, in addition to being substantive in their size, are in the form of fixed revenues, reinforcing the low-risk profile linked to Eneva's business model.

It is also worth noting that the proposed Exchange Ratio is equivalent to the average market value of the two companies, when considering the last 180 trading days of the respective shares. Considering the last 12 months history, the Exchange Ratio would be even more shifted in favor of Eneva's shareholders. In other words, still from a market valuation point of view, considering the ample liquidity of both companies, the Exchange Ratio of 50% and 50% is largely corroborated.

Thus, as a result of the Business Combination, Eneva's shareholders, together, would receive a total of 1,165,000,000 new common shares issued by Vibra, representing 50.0% of Vibra's share capital, after implementation of the Transaction.

The Exchange Ratio will be subject to adjustments depending on (i) any dividends and interest on equity declared by the companies from that date until the date of

implementation of the Business Combination; as well as any changes in their respective share capital occurring between this date and the date of implementation of the Business Combination (capital increases or reductions, splits, reverse splits, bonuses, buybacks, among others); and (ii) any events outside the ordinary course of the companies' business occurring from this date onwards.

- **Thermal Energy Portfolio:** Banco BTG Pactual S.A. ("BTG Pactual") communicated to Eneva's board of directors that, if the Business Combination under the terms set out herein is successful, it intends to concentrate its investments in generating energy in the Combined Company. Therefore, once the Business Combination is concluded, BTG Pactual intends to offer its portfolio of thermal generation assets, to be potentially incorporated by the Combined Company. The business conditions will be negotiated in due course between BTG Pactual and unrelated independent members of the new board of directors of the Combined Company, following the appropriate procedural rite for transactions of this nature, including the commitment that the value of the assets must be endorsed by an independent investment bank's top-tier fairness opinion.

Furthermore, according to estimates reported by BTG Pactual, its portfolio of thermal generation assets has an estimated equity value of R\$2.5 billion, when applying a discount rate of 10% in real terms.

#### **IV. Governance Structure**

We would like to propose a robust and balanced governance structure, with side-by-side contributions from both companies. This proposal also considers that, in the context of the Business Combination, the corporate and administrative structure of the combined company guarantees the adequate integration of Eneva and Vibra's activities, the maximization of synergies, the appreciation of employees and the best use of the strengths and of the companies' talents, resulting in a victorious company.

In this sense, after the implementation of the Business Combination, our intention is that the Board of Directors of the combined company will be composed of nine independent members, including Mr. Sérgio Agapito Lires Rial, as Chairman of the Board of Directors.

In relation to senior management, still aiming to achieve the results desired with the Business Combination, we would like to suggest that a new Chief Executive Officer of the Combined Company be appointed, by mutual agreement, who will start working together with Messrs. Ernesto Pousada, who shall remain as CEO of the Fuel Distribution vertical, and with Mr. Lino Cançado, who shall remain as CEO of the Energy vertical.

#### **V. Corporate and Regulatory Approvals**

Eneva confirms that its Board of Directors unanimously approved the presentation of this proposal and the negotiation of the Business Combination.

The implementation of the Business Combination is subject to the usual precedent conditions for transactions of the same nature and others that may be agreed between our Boards of Directors, such as (a) the mutually satisfactory negotiation of the definitive Transaction documents, (b) the approval prior approval from the *Conselho Administrativo de Defesa Econômica – CADE*, (c) prior approval from the *Agência Nacional de Energia Elétrica – ANEEL*, which we expect to obtain, as well as any other applicable regulatory approvals, and (d) approval of the Transaction by the shareholders of both companies at their respective extraordinary general meetings.

## **VI. Next steps**

We hope that the terms and conditions of the Business Combination will be promptly analyzed by Vibra's Board of Directors, and that its Board will authorize the company's engagement in negotiations with Eneva, with a view to obtaining an agreement on the legal and financial bases for the Business Combination. To this end, we place our Board of Directors and our financial and legal advisors at the entire disposal of Vibra, from this date onwards, with the expectation that negotiations can begin immediately.

Eneva's Board of Directors hired BTG Pactual Investment Banking Ltda. and Banco Itaú BBA S.A. as its financial advisors and Pinheiro Neto Advogados and Spinelli Advogados as its legal advisors within the scope of the Business Combination.

## **VII. Final considerations**

We understand that the proposed Business Combination not only serves the best interests of the shareholders of the companies involved, but also generates value for all stakeholders, such as employees, customers and suppliers.

This proposal is valid for 15 days from this date, unless renewed at Eneva's sole discretion.

We are excited about the possibility of combining the two companies' businesses and are convinced that the Operation represents a unique opportunity for the continuity of both business models, with significant gains for all Vibra and Eneva stakeholders.

Cordially,  
**Eneva S.A**



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Henri Philippe Reischtul  
Chairman of the Board

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Lino Cançado  
CEO