



# EQUITY STORY

Apr/2024

*isa*  
CTEEP



# DISCLAIMER

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The statements in this report related to the business prospects of ISA CTEEP (“ISA CTEEP”, “CTEEP”, “Company”), projections and growth potential are merely forecasts and were based on the management's expectations regarding the future of the Company. These expectations are highly dependent on market changes, the general economic performance of Brazil, the sector and the international markets, and are subject to changes.

Forward-looking statements are not guarantee of future performance. They involve risks, uncertainties and assumptions as they refer to future events and depend on circumstances that may or may not occur.

Investors must understand that general economic conditions, market conditions, and other operating factors may affect the future performance of ISA CTEEP and lead to results that differ significantly from those expressed in the forward-looking statements.

The financial information has been prepared in accordance with standards established by the Securities and Exchange Commission of Brazil (CVM), announcements by the Accounting Pronouncements Committee (CPCs), and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB). The Regulatory Result is presented in accordance with the accounting practices adopted in Brazil and its purpose is to help understand ISA CTEEP's business. Sums may differ due to roundoffs. The Regulatory Result is audited only at the end of each year by independent auditors.

**MULTILATIN COMPANY**  
recognized for its operational  
excellence



**Energy**



**Telecom**



**Toll Roads**



**48.766 KM<sup>(1)</sup>**

Of transmission  
lines

**104.438 MVA<sup>(2)</sup>**

Transformation  
capacity



(1) Corresponds to 100% of the infrastructure of each company (not weighted by ISA's interest)  
(2) Only operational Assets, desconder projects under construction



# ADVANTAGES

## Generate Sustainable Value



**Create positive** social and environmental impacts



**Generate value** for shareholders



**Ensure** business longevity

1

### PREDICTABLE REVENUES PROTECTED AGAINST INFLATION

Revenue according to network availability, without risk of demand or price and adjusted annually by the IPCA

2

### CONSISTENT AND PROFITABLE GROWTH

Winning of bids for 19 lots with revenue<sup>1</sup> of R\$1.6 billion and double-digit IRR<sup>2</sup> since 2016

3

### EXCELLENCE IN PROJECT MANAGEMENT & INNOVATION

Average anticipation of 7 months with average savings of 35% in CAPEX<sup>(3)</sup>

4

### SUSTAINABLE & SUPERIOR SHAREHOLDER RETURN

ISA CTEEP's dividend practice distribute at least 75% of regulatory net income

5

### WELL POSITIONED TO CAPTURE FUTURE GROWTH OPPORTUNITIES

(1) RAP cycle 2023/2024

(2) Real Internal rate of return

(3) Considers assets fully owned by ISA CTEEP that have been won in bids since 2016 and have already been energized, saving against ANEEL benchmarking

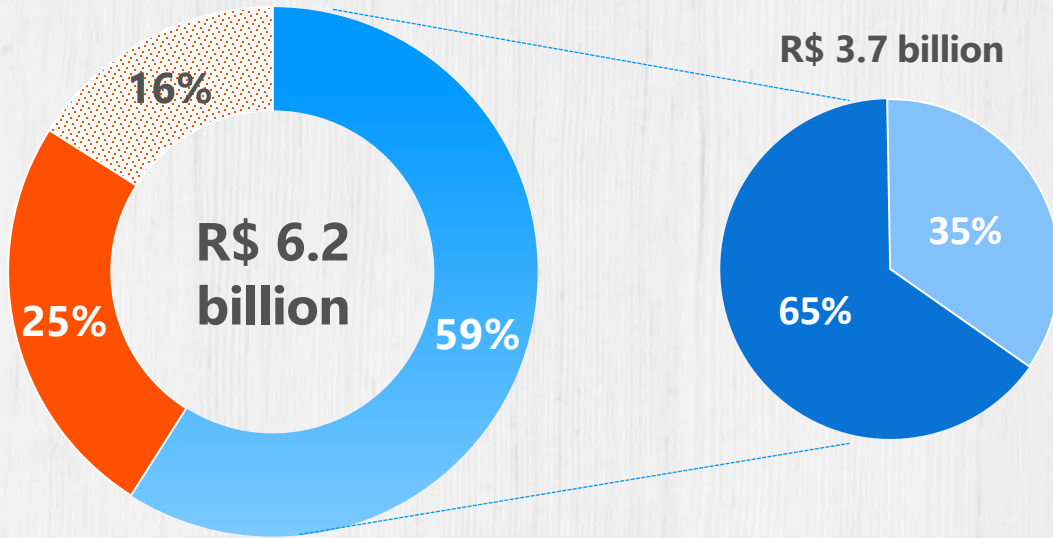


# REVENUE PROTECTED

FROM INFLATION, VOLUME AND PRICE RISK

## Contracted Revenue<sup>(1)</sup> breakdown

R\$ billion



### Concessions Portfolio

- Original Concession (Contract 059)
- New Concessions – Operational
- New Concessions – Under Construction

### Original Concessions (Contract 059)

- RBSE Receivables
- Organic Growth (O&M + R&I)<sup>(2)</sup>

## Concession Type

### Original Concession: Organic Growth (O&M + R&I)<sup>(2)</sup>

- Recurring capex opportunity without competition
- Low-risk, in-house organic growth potential
- Indexed to inflation (IPCA)

### Original Concession: RBSE Revenue

- Remuneration for non-depreciated assets at the time of contract extension
- Offers firepower for growth opportunities
- Indexed to inflation (IPCA)

### New Concessions (Type 2 and 3)

- Newer, long term concession, indexed to inflation (IPCA)
- Critical to renew and extend duration of the asset portfolio
- Possibility of reinforcement capex (on demand)

1 Concession

21% of Contracted Revenue<sup>(1)</sup>

19-year remaining concession term

38% of Contracted Revenue<sup>(1)</sup>

20-year remaining concession term<sup>(3)</sup>

34 Concessions

41% of Contracted Revenue<sup>(1)</sup>

24-year remaining concession term<sup>(4)</sup>

<sup>(1)</sup> Annual Permitted Revenue (RAP) cycle 2023/2024 | <sup>(2)</sup> Operation and maintenance + Retrofitting and Improvements | <sup>(3)</sup> Most receivables are focused on the next 5 years | <sup>(4)</sup> Weighted average by RAP cycle 2023/2024



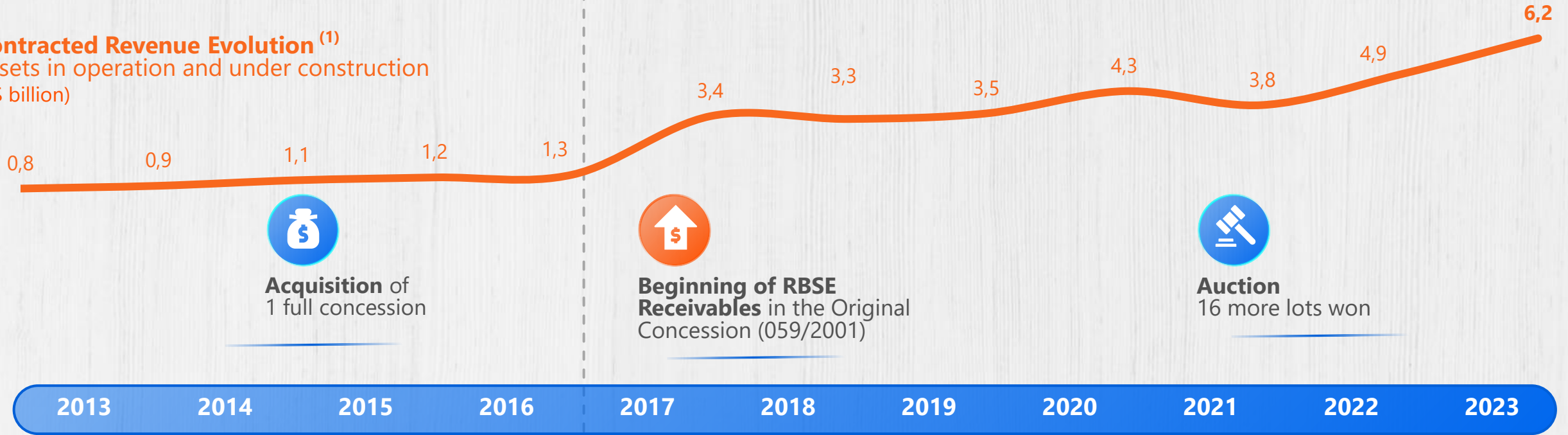
# DISCIPLINED & SUSTAINABLE

## GROWTH TRACK-RECORD

### STABILIZATION

### GROWTH

**Contracted Revenue Evolution** <sup>(1)</sup>  
Assets in operation and under construction  
(R\$ billion)



**Acquisition** of  
1 full concession



**Beginning of RBSE  
Receivables** in the Original  
Concession (059/2001)



**Auction**  
16 more lots won

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

2023



**Renewal of the  
Original Concession**  
(059/2001) for 30 years



**Auction**  
3 lots won



**Acquisition of 4 concessions**  
3 partial and 1 full



**Conclusion of 12 projects**  
+R\$ 644.8 million in Contracted Revenue<sup>(2)</sup>

(1) Nominal RAP Cycle, consider RAP from RBSE and Adjustment Portion (PA) | (2) Annual Permitted Revenue (RAP) cycle 2023/2024



# PORTFOLIO EXPANSION

FAVOURING REVENUE DIVERSIFICATION

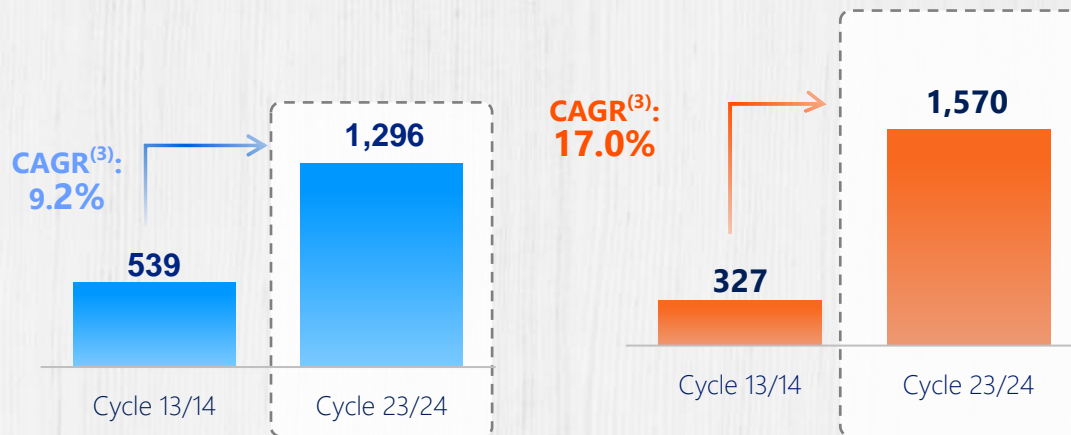


## Balanced Mix between revenue froms Renewed agreement and bid in operation

### RAP<sup>(1)</sup> ASSETS UNDER OPERATION (ex-RBSE)<sup>(2)</sup>

#### Revenue by type of agreement

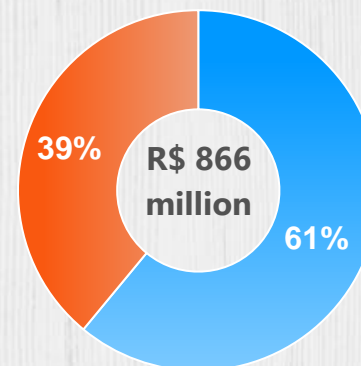
R\$ million



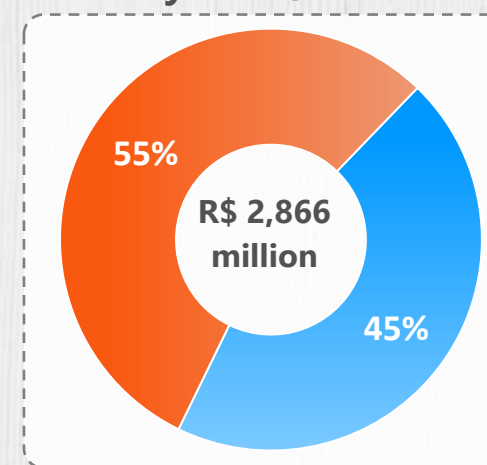
#### Diversification by type of agreement<sup>1</sup>

Cycle 13/14

Cycle 23/24



CAGR<sup>(3)</sup>: 12.7%



CAGR<sup>(3)</sup> IPCA in the period: 6.1%

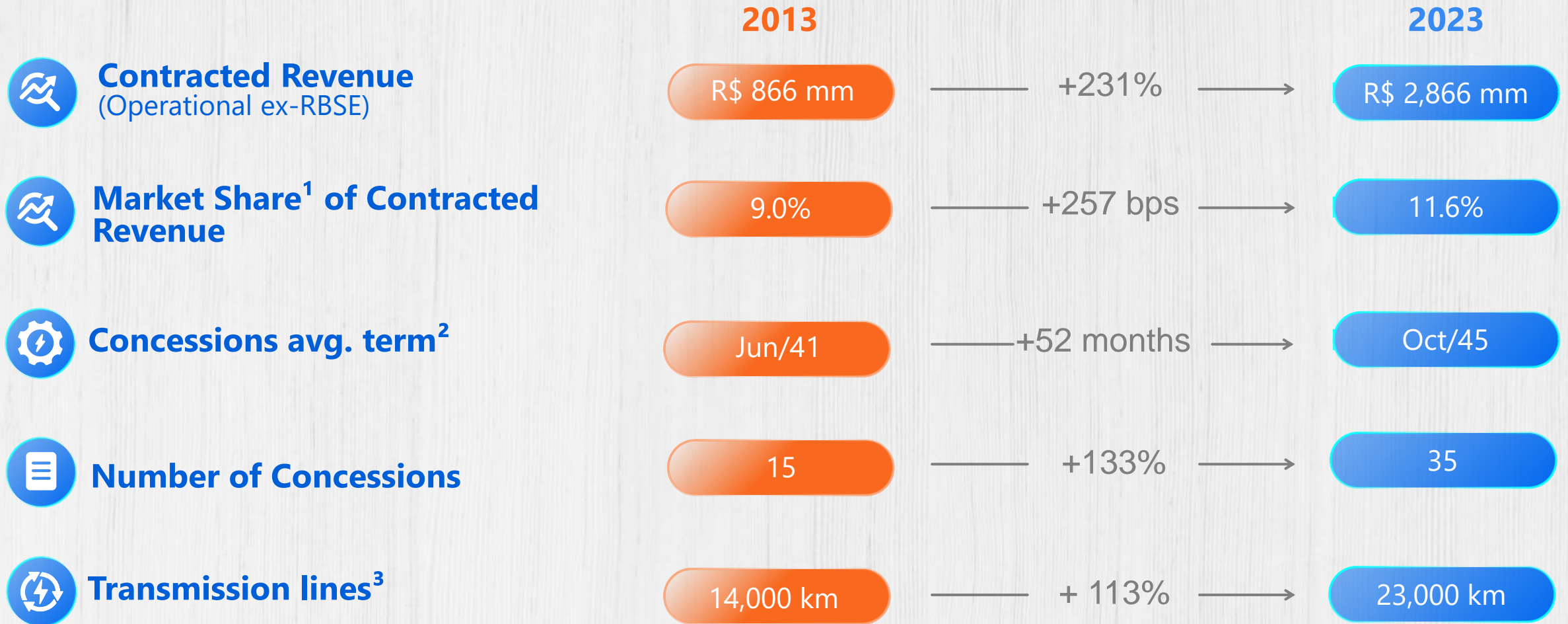
■ Agreement renewed (059) ■ Bidder agreements in operation

<sup>(1)</sup> Annual Permitted Revenue (RAP) cycle 2023/2024 | <sup>(2)</sup> Considers Adjustment Portion (PA) | <sup>(3)</sup> CAGR: Compound Annual Growth Rate



# CONSISTENT GROWTH

ACROSS SEVERAL KPIs



<sup>1</sup> List of ANEEL modules 2023/2024 + Auctions 02/2022, 01/2023, 02/2023 e 01/2024 baseline June/23 | <sup>2</sup> Weighted by RAP, excluding RBSE | <sup>3</sup> Assets in operation and under construction March/2024

# OPTIONALITY TO PRIORITIZE

## PROFITABLE GROWTH INITIATIVES

### Retrofitting & Improvements

- **Organic capex** in the Original Concession
- **Pre-defined** regulatory return
- **No competition**
- RAP/CAPEX of **12-17%**

Higher **Profitability**

### Greenfield (auctions)

- Public auctions with **cyclical return** and **competition levels**
- **ISA CTEEP advantages:** engineering solutions, capex procurement, synergies, operational holding
- **Double-digit** equity IRR + inflation

Greater **Longevity**

### Brownfield

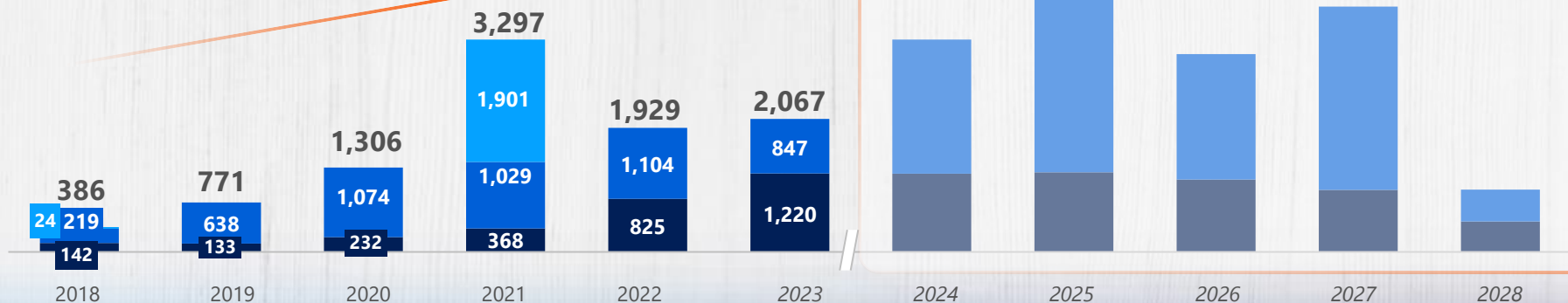
- Several **actionable opportunities**
- Selective approach focused on **synergic targets**

Less **Risk**

### Investments Evolution<sup>(3)</sup>

R\$ million

- Retrofitting & Improvements
- Greenfield (auctions)
- Brownfield<sup>(2)</sup>



<sup>(1)</sup> CAGR: Compound Annual Growth Rate | <sup>(2)</sup> Considers Enterprise Value amounts | <sup>(3)</sup> Cost of construction, IFRS accounting



# PROJECTS CONCLUDED WITH EXCELLENCE

2019



**Itapura Bauru**  
RAP<sup>(2)</sup>: R\$ 13.5 million

2020



**Itaquerê**  
RAP<sup>(2)</sup>: R\$ 62.9 million



**Tibagi**  
RAP<sup>(2)</sup>: R\$ 21.5 million

2021



**Aguapeí**  
RAP<sup>(2)</sup>: R\$ 74.2 million



**Itapura Lorena**  
RAP<sup>(2)</sup>: R\$ 14.3 million

2022



**Três Lagoas**  
RAP<sup>(2)</sup>: R\$ 5.8 million



**Biguaçu**  
RAP<sup>(2)</sup>: R\$ 49.5 million



**Aimorés (50%)**  
RAP<sup>(2)</sup>: R\$ 47.9 million



**Paraguaçu (50%)**  
RAP<sup>(2)</sup>: R\$ 66.8 million



**Ivaí (50%)**  
RAP<sup>(2)</sup>: R\$ 181.3 million

2023



**Itaúnas**  
RAP<sup>(2)</sup>: R\$ 65.0 million



**Triângulo Mineiro**  
RAP<sup>(2)</sup>: R\$ 42.1 million



Avg. Construction advance vs. ANEEL  
**7 monts**



Avg. Efficiency vs. ANEEL Capex  
**35%**



Total investment<sup>(1)</sup>  
**R\$ 3.9 bn**



Energized Projects 2019 - 2023  
**12**



Contracted Revenue<sup>(2)</sup>  
**R\$ 644.8 mm**

<sup>(1)</sup> Nominal (IFRS) Cost of Construction, proportional through ISA CTEEP's participation | <sup>(2)</sup> RAP Cycle 2023/2024 , proportional through ISA CTEEP's participation <sup>(3)</sup> In relation to ANEEL's term | <sup>(4)</sup> Actual investment, baseline June/23, compared to ANEEL Capex.

## Innovation at the Service of Value Creation



### Smart Wires

Technology to control the energy flow through several transmission lines



### Drones

First company to use drones for inspection and maintenance of transmission lines in Brazil



### Energy Storage

First large-scale project for energy storage in batteries implemented in 2022



### Power Reserve Auctions

Usage of the energy storage technology in Power Reserve Auctions



# Authentic and Effective **ESG** Agenda

## E

- **Carbon Neutral** since 2019
- Annual **CO<sub>2</sub> reduction** target
- 1<sup>st</sup> energy transmission company to issue **Green Bonds** in Brazil
- Protection of **135k hectares** in Mato Grosso do Sul: Protecting without Possessing



## S

- **Safety & Protection** as non-negotiable values
- Young Apprentice and Young Talents programs
- Active program for **diversity** and **inclusion**



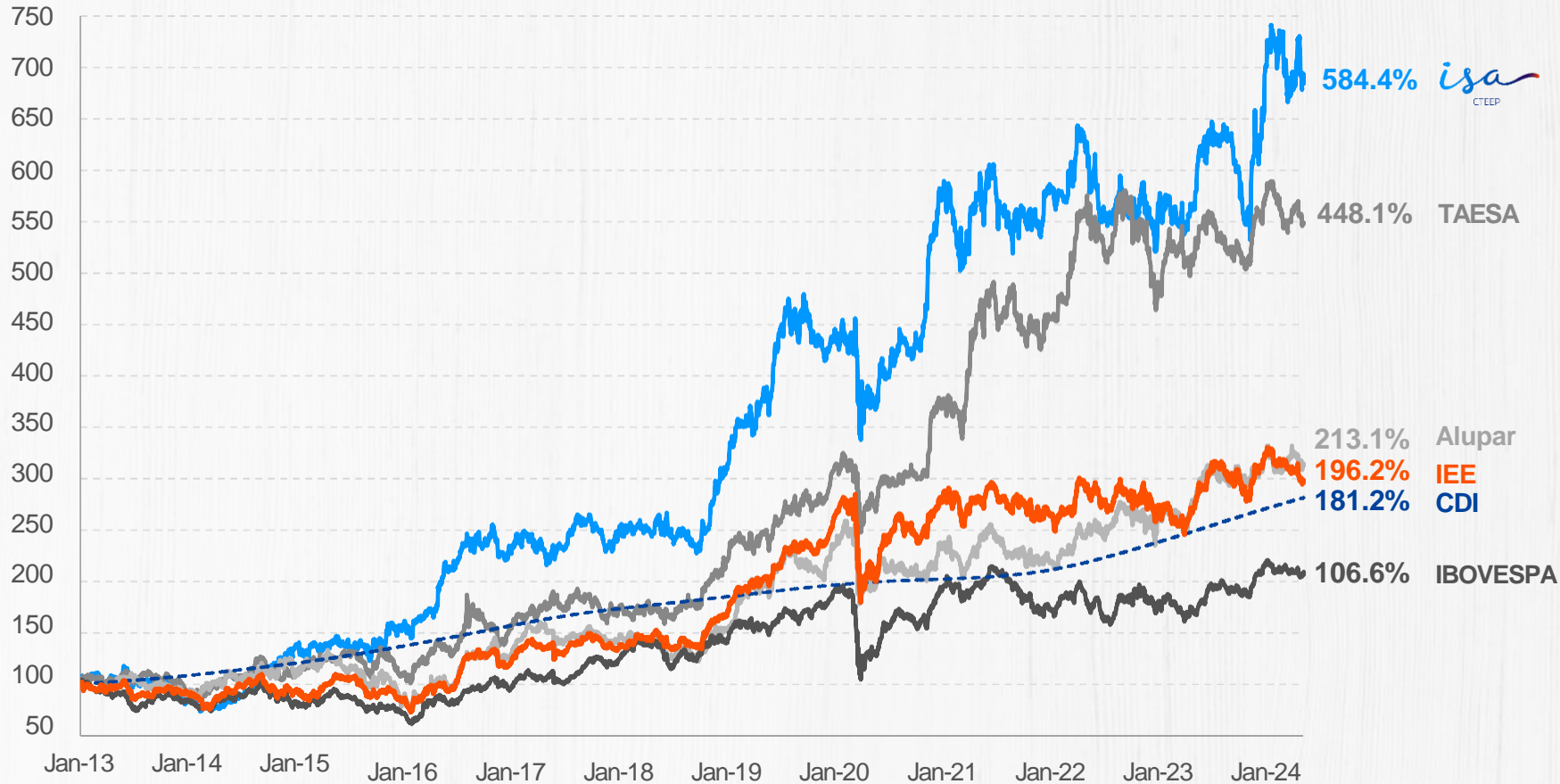
## G

- Listed on B3 **since 1999**
- BoD<sup>1</sup> with **25% independent members**
- **3 advisory committees<sup>2</sup>**
- Critical Risk Analysis committee



### ISA CTEEP's Relative Performance to Peers<sup>(1)</sup>

Rebased to 100 on December 31<sup>st</sup>, 2012



### Shareholder Total Return

Average Annual Return

**18.5%**

(10.4% average annual share price appreciation)

**IPCA + 11.5%<sup>(2)</sup>**

**243% x CDI**

Practice of **at least 75% payout** to ISA CTEEP's shareholders

Source: FactSet, Central Bank of Brazil, IBGE and B3 as of April 30th, 2024.

Note: (1) Performance considering dividends received by the shareholders of each company since December 31st, 2012. Alupar's performance rebased to 100 on the company's IPO on April 24th, 2013. (2) Considers 92.2% inflation from December 31st, 2012 to March 31st, 2024.



# READY TO BENEFIT FROM

## STRUCTURAL GROWTH TAILWINDS



### Transmission lines development in Brazil mainly driven by:

- A** Integration of **new renewable sources** (solar and wind)
- B** Large amount of **wind and solar** development in the **Northeast**
- C** **+40 GW** in energy generation installed capacity (**+16 GW from wind and solar** sources) until 2031



Pioneer in new technologies to serve **energy transition** through **smart wires and energy storage solutions**



Dominant presence in the **Brazilian Center-South**, which is the wealthiest region in Brazil and first to experience impacts of the transition to a **low-carbon energy matrix**



Footprint and execution capabilities poised to **connecting new renewable projects in the Northeast region** to the energy transmission grid

**+R\$158 bn Investments expected to expand the network in the country until 2032**



# Deep Dive



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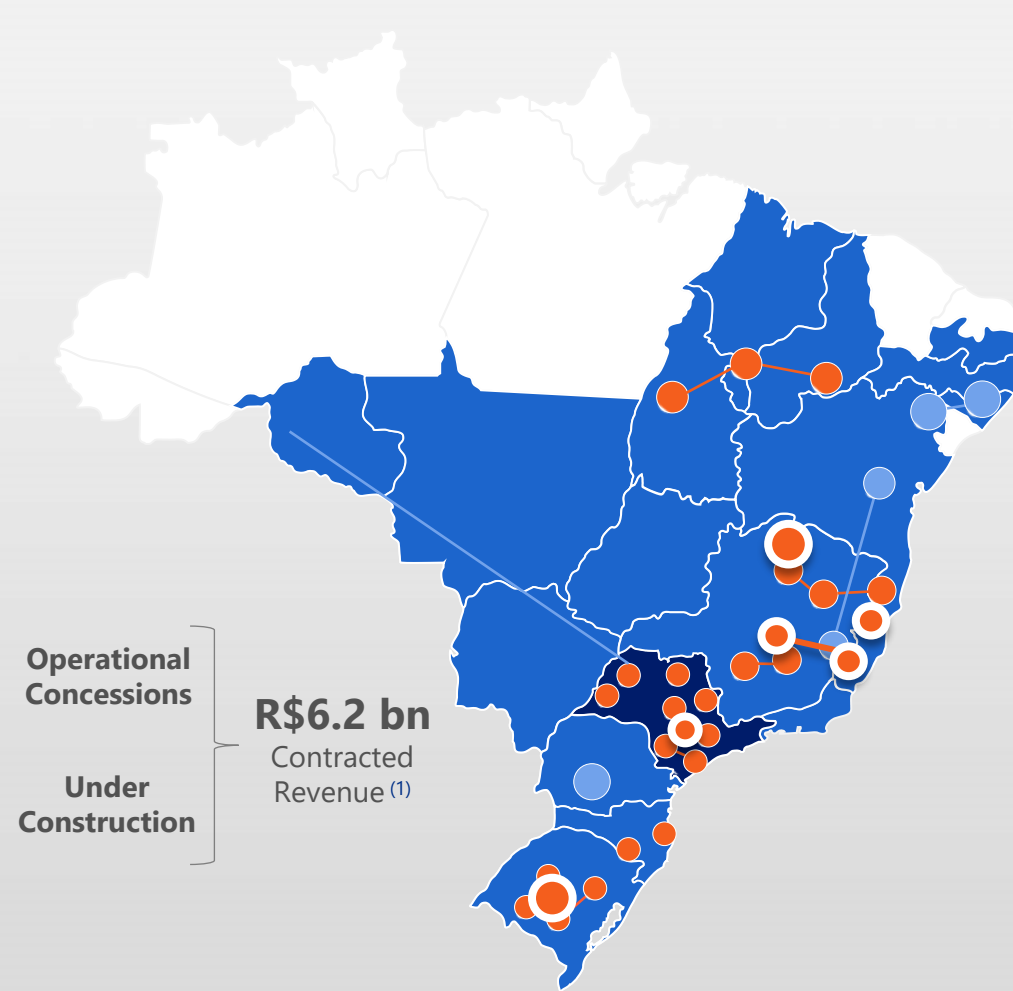
25  
ANOS



# ISA CTEEP'S IRREPLICABLE PORTFOLIO



Original Concession: Organic Growth	Original Concession: RBSE Receivables	New Concessions
1 Concession		34 Concessions
+14.6k km Transmission lines		+ 8.5k km Transmission lines
110 substations		30 Substations
R\$ 1.3 bn Contracted Revenue <sup>(1)</sup>	R\$ 2.4 bn Contracted Revenue <sup>(1)</sup>	R\$ 1.6 bn Contracted Revenue
R\$ 5 bn Capex @ 12-17% RAP/Capex	--	R\$ 1.0 bn Contracted Revenue
19-year remaining concession term	20-year remaining concession term <sup>(2)</sup>	24-year remaining concession term <sup>(3)</sup>



● 100% ISA CTEEP ● Non-consolidated subsidiary — LT 100% ISA CTEEP — LT Non-consolidated subsidiary

(1) Regulatory Allowed Annual Revenue (RAP) cycle 2023/24, considering ISA CTEEP's stake in each concession. (2) Most of the receivables are focused on the next 5 years. (3) Weighted average by Regulatory Allowed Annual Revenue (RAP) cycle 2023/24.

# ORIGINAL CONCESSION

## ORGANIC GROWTH



### Revenue Recovery Pillars

### Organic Growth Contracted Revenue

R\$ mm



#### Investments Efficiency

**Efficient implementation** of investments

**Regulatory compliance** with processes and capex disbursement

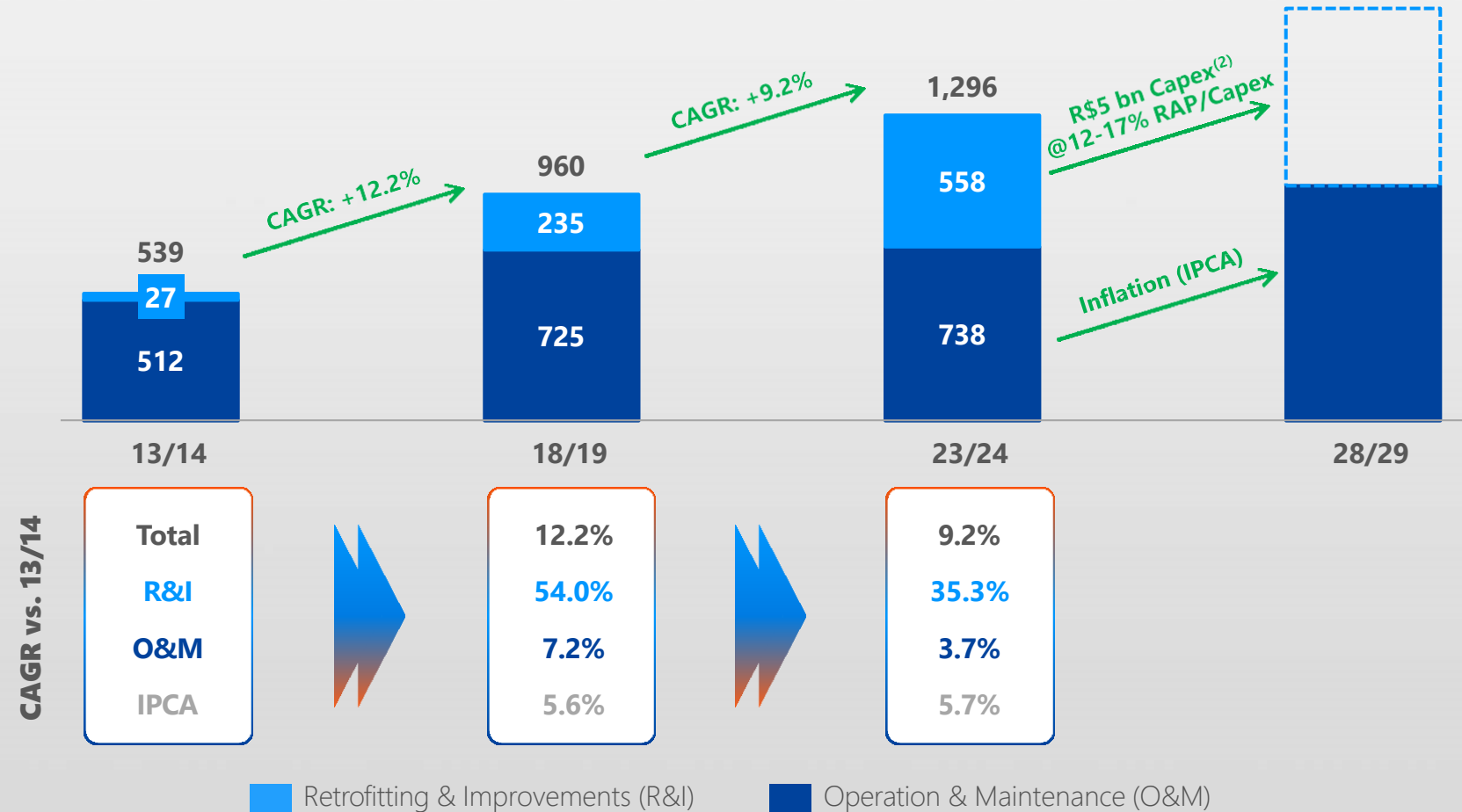


#### Operational Quality

**Security** and **availability**

Reduction of **O&M costs**

Avoid **finances and penalties**





# ORIGINAL CONCESSION

## RBSE RECEIVABLES

Contracted Revenue <sup>(4)</sup>  
R\$2.4 bn

21%  
Organic  
Growth

38%  
RBSE Receivables

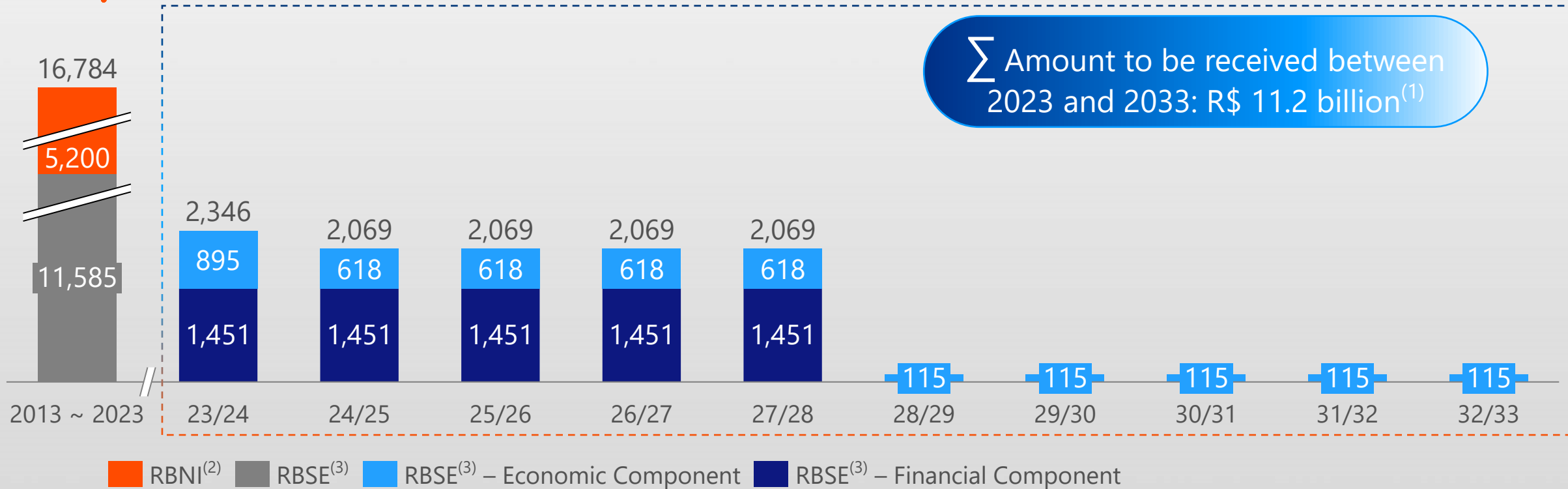
41%  
New Concessions



R\$ million

### RBSE receivables flow<sup>(1)</sup>

16.8 billion received between 2013 and 2023



■ RBNI<sup>(2)</sup>
■ RBSE<sup>(3)</sup>
■ RBSE<sup>(3)</sup> – Economic Component
 ■ RBSE<sup>(3)</sup> – Financial Component

<sup>(1)</sup> Amount in real terms Jun/23 database | <sup>(2)</sup> RBNI: investment in assets under operation from Junho, 1<sup>st</sup>, 2000 | <sup>(3)</sup> RBSE: non-depreciated assets existing on May 31, 2000 | <sup>(4)</sup> RBSE considers non-depreciated assets as of May 31st, 2000

# ORIGINAL CONCESSION

## RBSE RECEIVABLES

Contracted Revenue  
**R\$2.5 bn**

**21%**  
Organic Growth

**38%**  
RBSE Receivables

**41%**  
New Concessions

### New Concessions in Operation

**+5.9k km**  
transmission lines

**22**  
substations

**+27,900 MVA**  
transf. capacity

**R\$ 1.6 bn<sup>1</sup>**  
Contracted Revenue

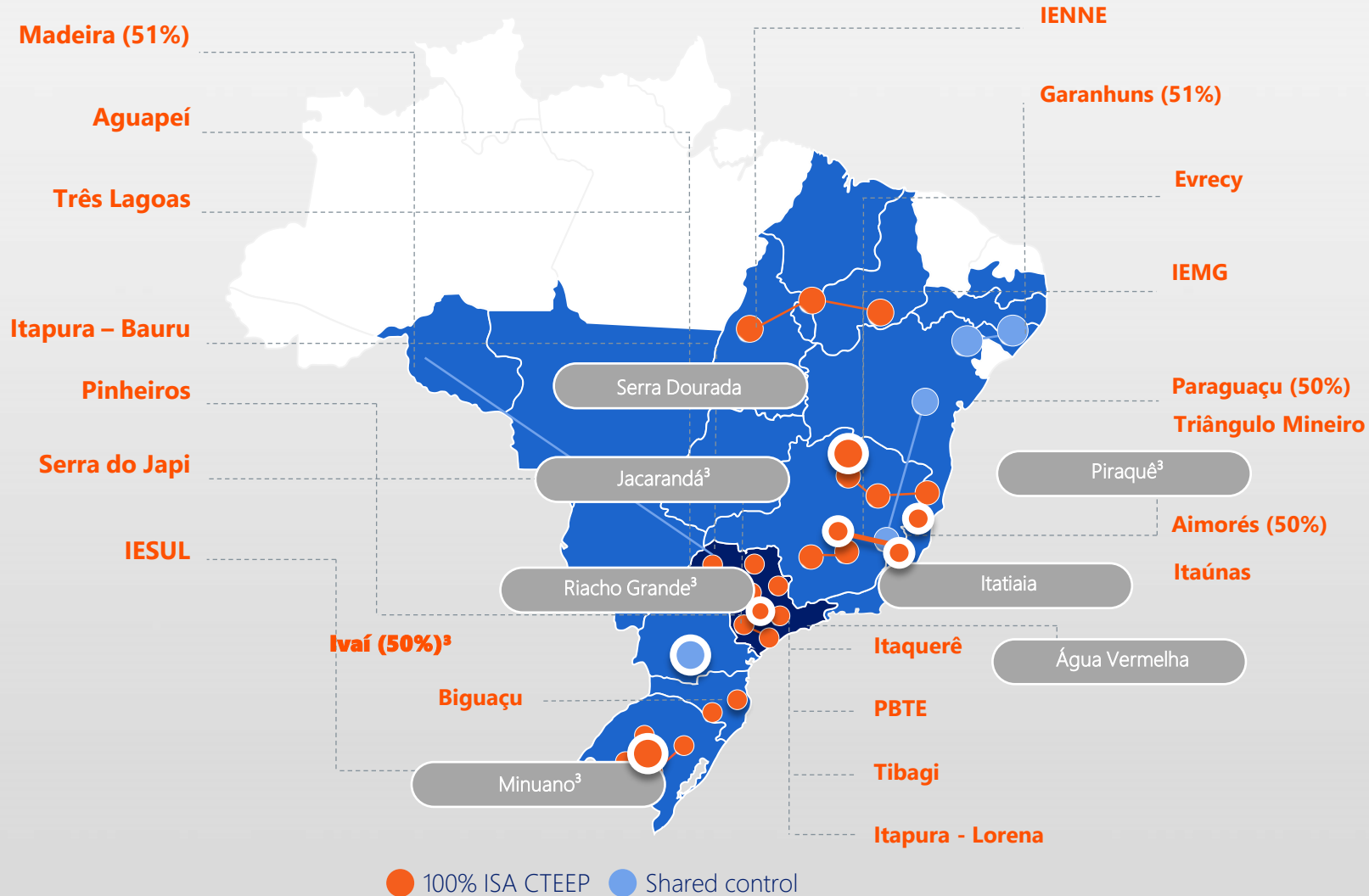
### New Concessions Under Construction

**+2.7k km**  
transmission lines

**R\$ 10 bn capex**  
(2024-2028)

**+6,900 MVA**  
transf. capacity

**R\$ 972 mm<sup>1</sup>**  
Contracted Revenue



<sup>(1)</sup> Amount in real terms Jun/23 database | <sup>(2)</sup> RBNI: investment in assets under operation from Junho, 1<sup>st</sup>, 2000 | <sup>(3)</sup> RBSE: non-depreciated assets existing on May 31, 2000



# Unmatched Expertise

## In Project Implementation

### AUCTION/PROSPECT

Project is acquired through ANEEL auctions or M&A processes



### PROJECT IMPLEMENTATION

In-depth analysis of the project's financial, operational and legal aspects

### SHAREHOLDER RETURNS

Predictable and recurring returns to ISA CTEEP's shareholders



### PROJECT OPERATION

State-of-the-art operation of the assets



# STATUS OF THE LATEST CONCESSIONS GRANTED



7 Units under construction

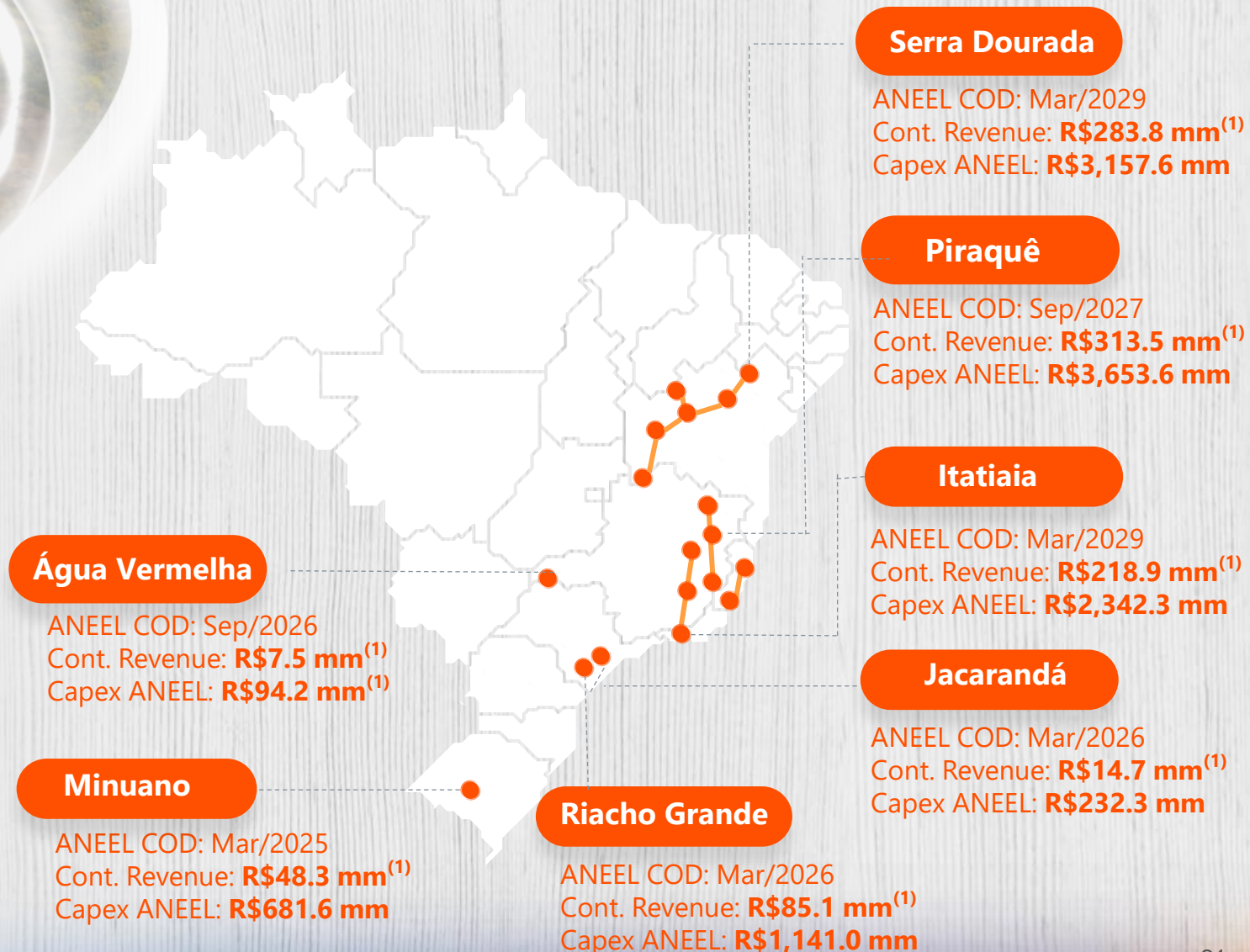
2.7k km transmission lines<sup>(2)</sup>

6.9k MVA transforming capacity<sup>(2)</sup>

8 substations

Contracted Revenue: **R\$972 mm<sup>(1)</sup>**

Total Capex ANEEL: **R\$10 bn**



<sup>(1)</sup> RAP Cycle 2023/2024, baseline June/2023 | <sup>(2)</sup> Considers Project (100%)

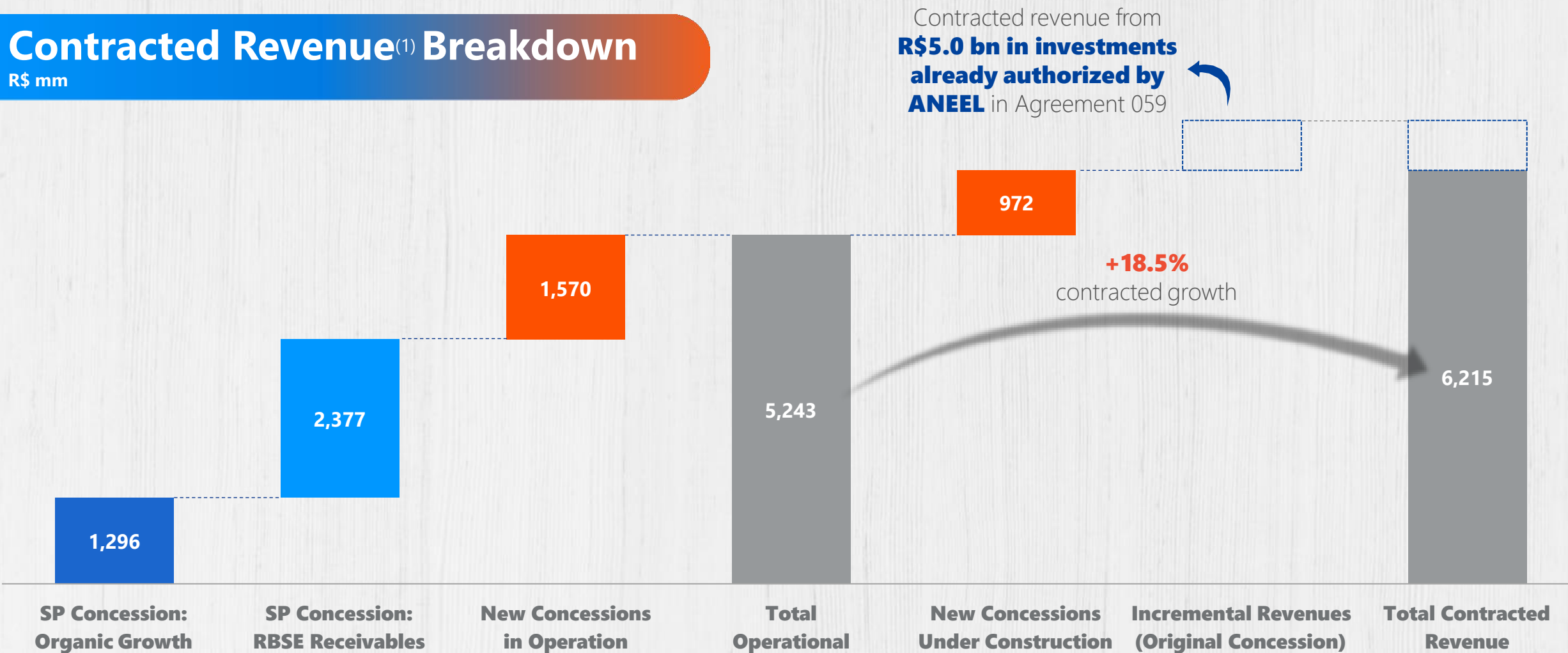


# REVENUE BRIDGE

## STRUCTURAL GROWTH TAILWINDS

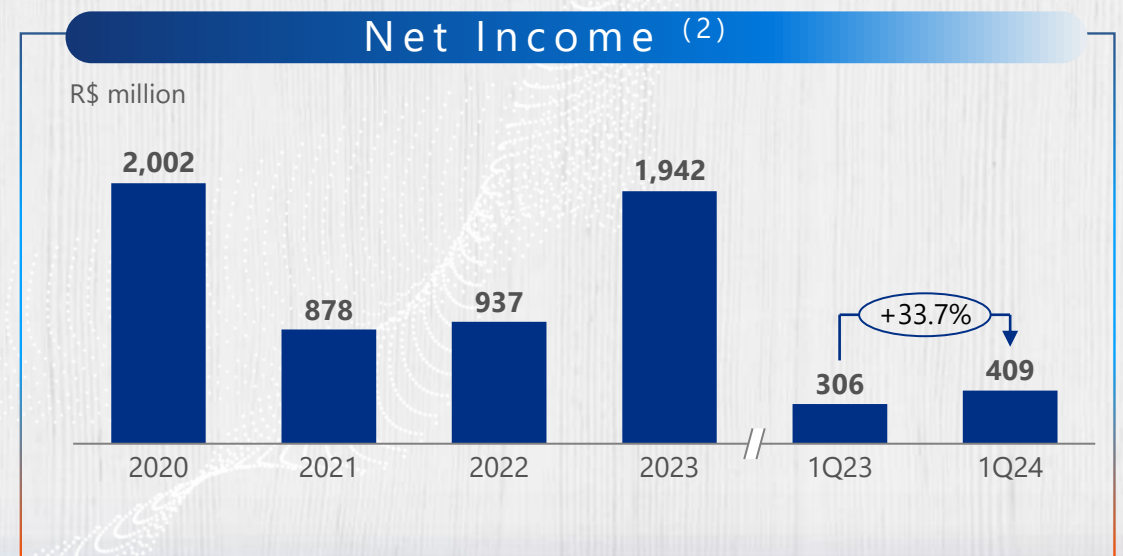
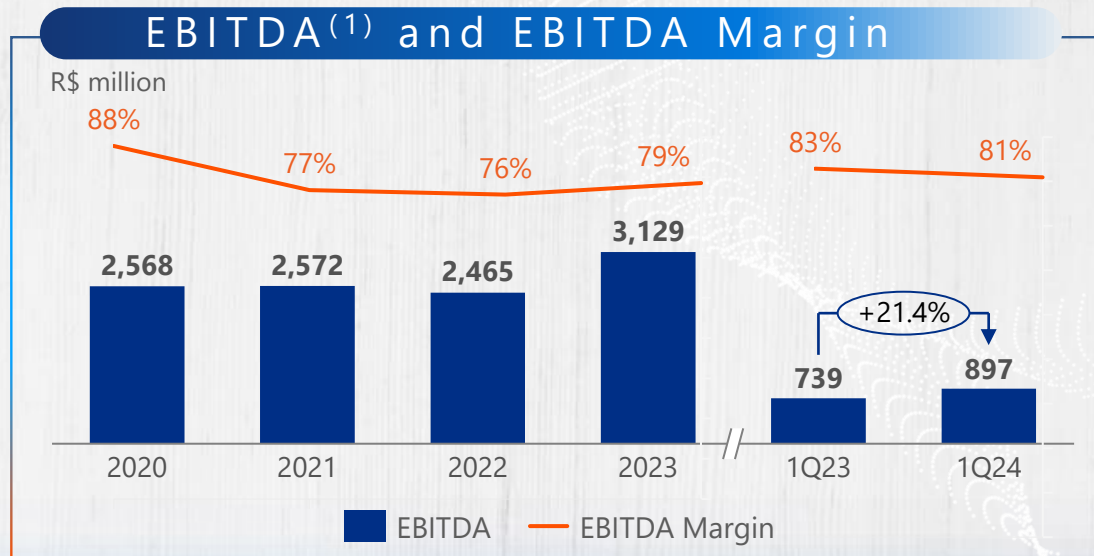
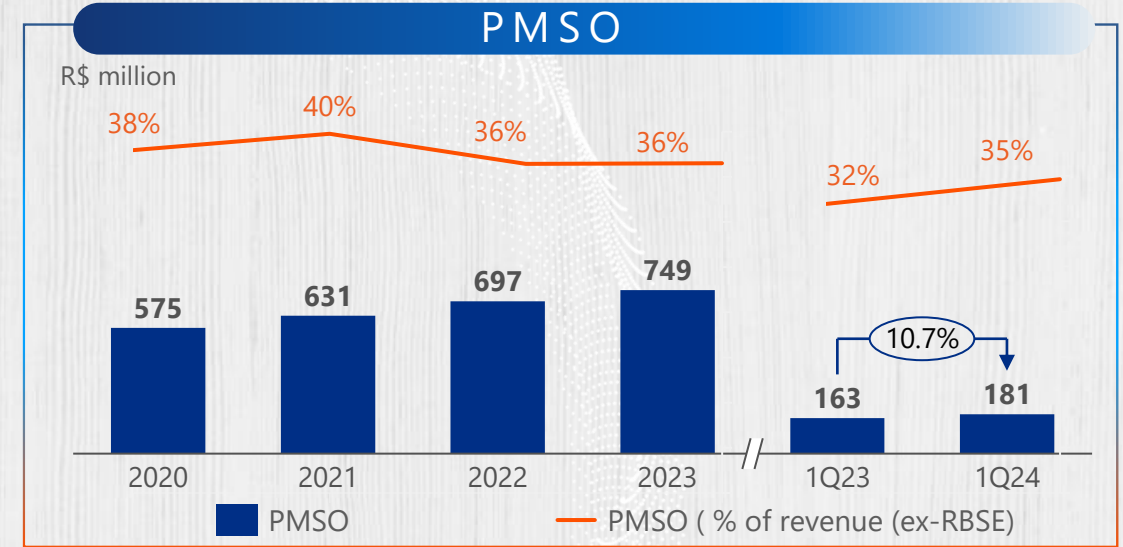
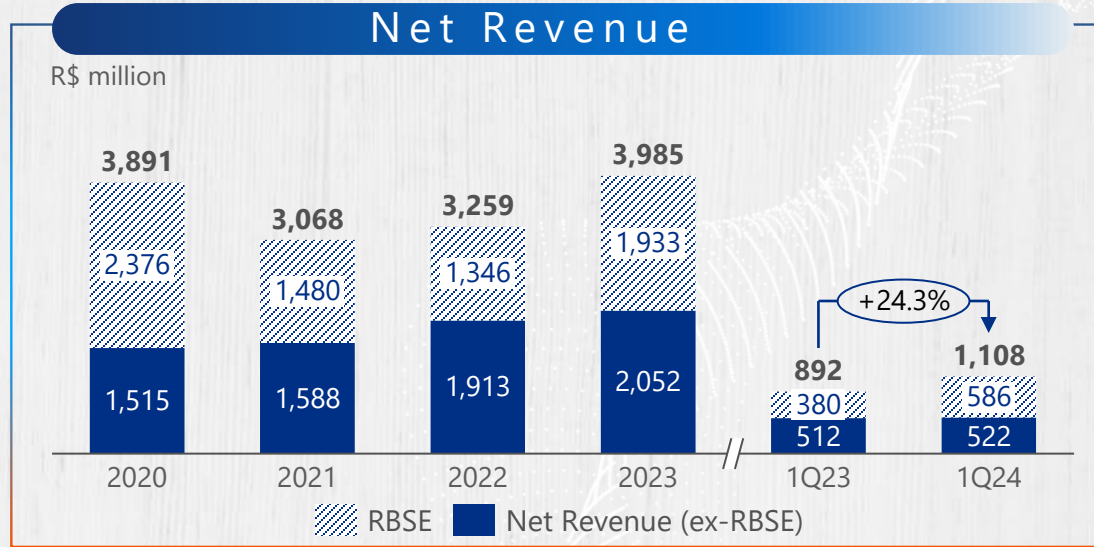
### Contracted Revenue<sup>(1)</sup> Breakdown

R\$ mm



# FINANCIAL HIGHLIGHTS

## REGULATORY ACCOUNTING



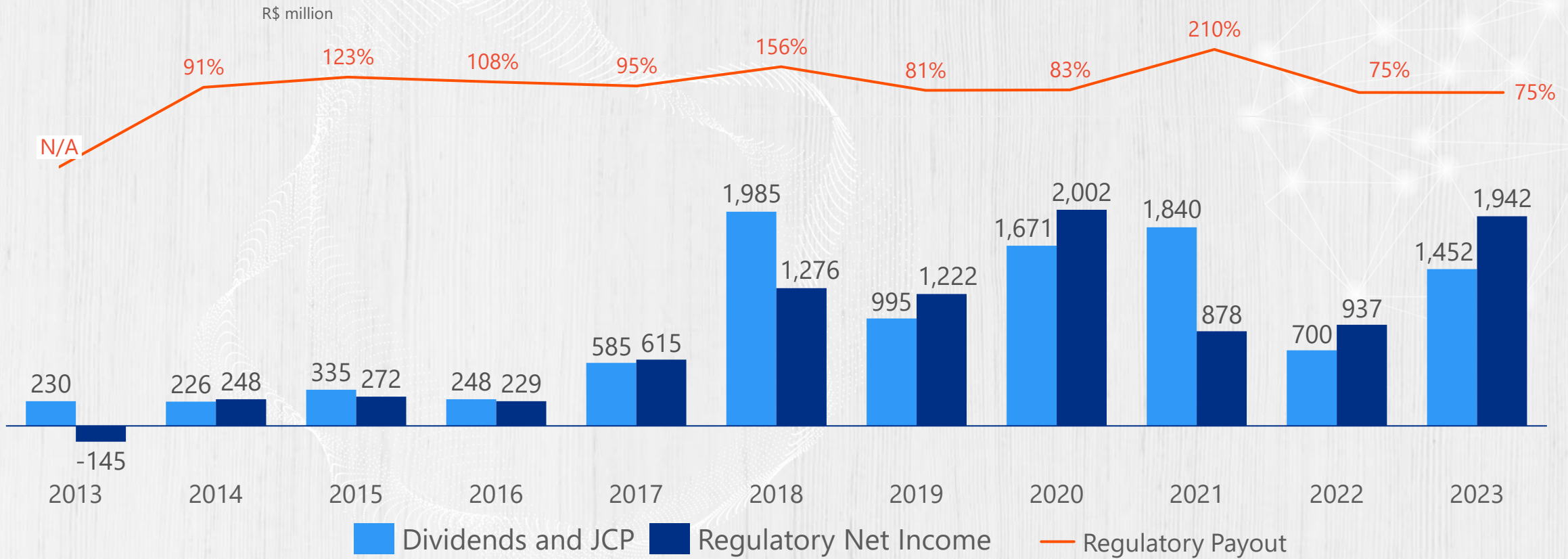
<sup>(1)</sup> EBITDA consolidated (ISA CTEEP 100%) | <sup>(2)</sup> Adjusted by non-controlling shareholder participation



# GENERATION OF SUSTAINABLE VALUE FOR

## SHAREHOLDERS

### Earnings distribution history and Payout <sup>(1)</sup>



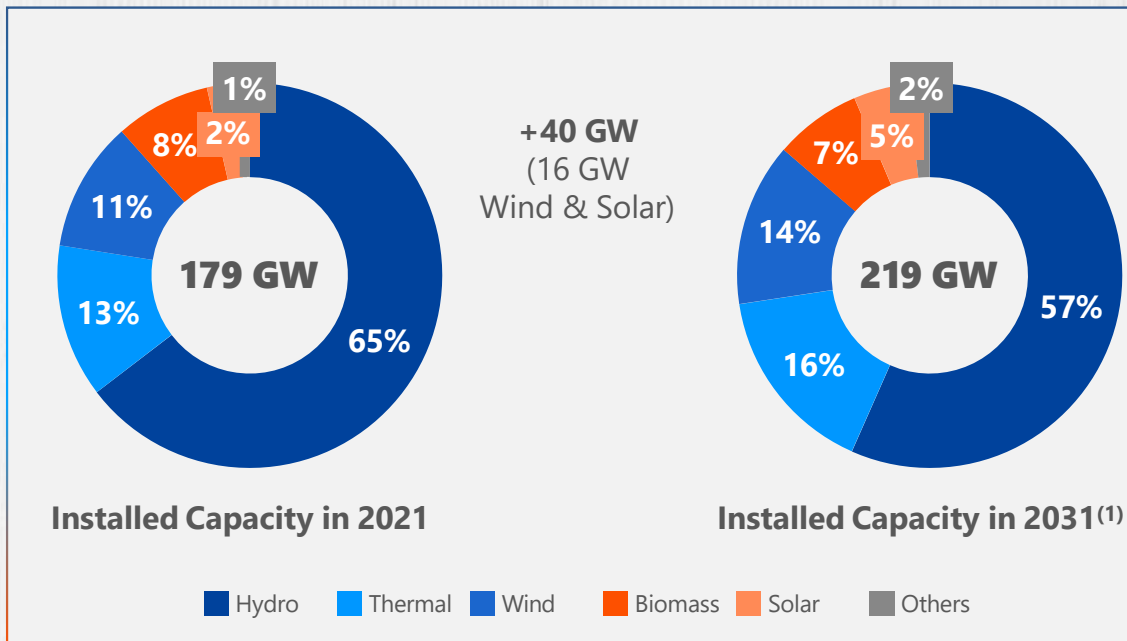
Minimum payout practice of 75% of regulatory net income

<sup>(1)</sup> Calculated based on the Company's dividends and JCP distribution practice

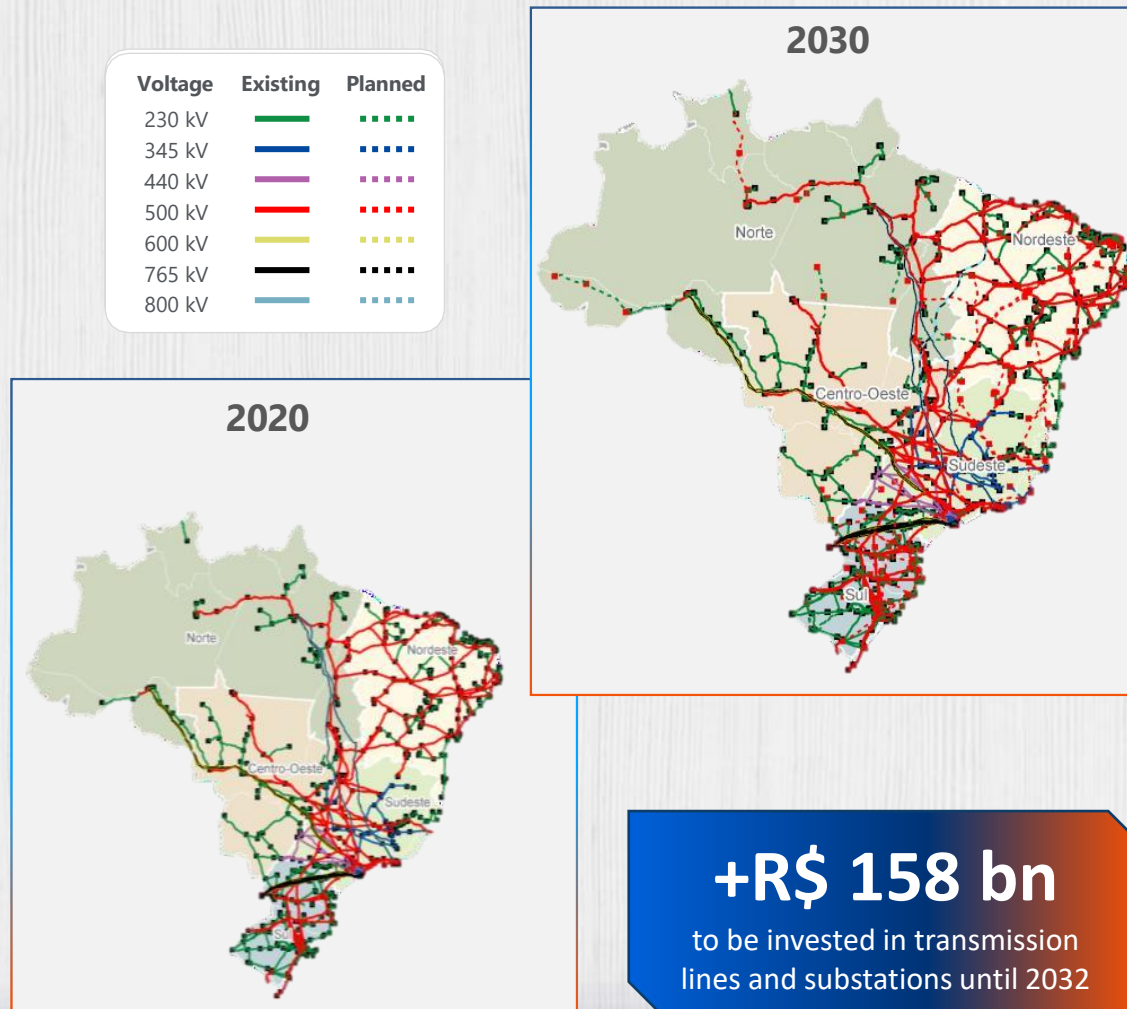
# HUGE GROWTH POTENTIAL AHEAD

## Brazilian energy generation matrix growth and diversification is mainly focused on renewables...

## ... driving increase in the transmission line grid to connect the Northeast and the Southeast



Voltage	Existing	Planned
230 kV		
345 kV		
440 kV		
500 kV		
600 kV		
765 kV		
800 kV		



## Transmission Lines in Brazil

**179k km** in 2022

**220k km** in 2032

**+ 23%**

**+R\$ 158 bn**  
to be invested in transmission lines and substations until 2032

Source: ONS and EPE (PDE 2030/2032). Note: (1) Does not consider Distributed Generation and Auto-Production.



# ISA CTEEP'S DIFFERENTIATED VALUE PROPOSITION

REVENUE ANNUALLY ADJUSTED BY INFLATION  
WITHOUT VOLUME & ENERGY PRICE RISK

CONSISTENT, PROFITABILITY-DRIVEN AND  
GROWTH TRACK-RECORD

EXCELLENCE IN PROJECT MANAGEMENT &  
INNOVATION

SUPERIOR & SUSTAINABLE SHAREHOLDER  
RETURN

WELL POSITIONED TO CAPTURE FUTURE  
GROWTH OPPORTUNITIES

Values

ESG







# isa

CTEEP

INVESTOR RELATIONS | TEAM

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[@isacteepbr](https://www.instagram.com/isacteepbr)

[www.isacteep.com.br/ri](http://www.isacteep.com.br/ri)





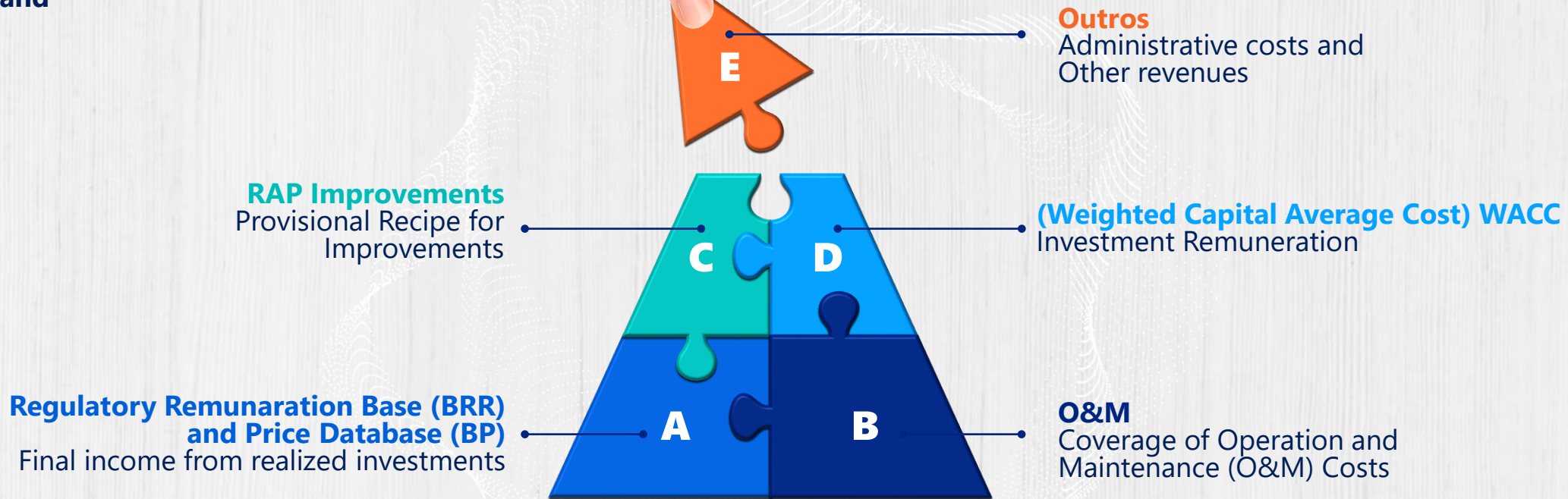
# PERIODIC TARIFF REVIEW (RTP)

Renewed Contract (059/2001)



RTP

- **Review of Tariff Parameters** every 5 years
- Definition of Recipes for **Reinforcements and Improvements**

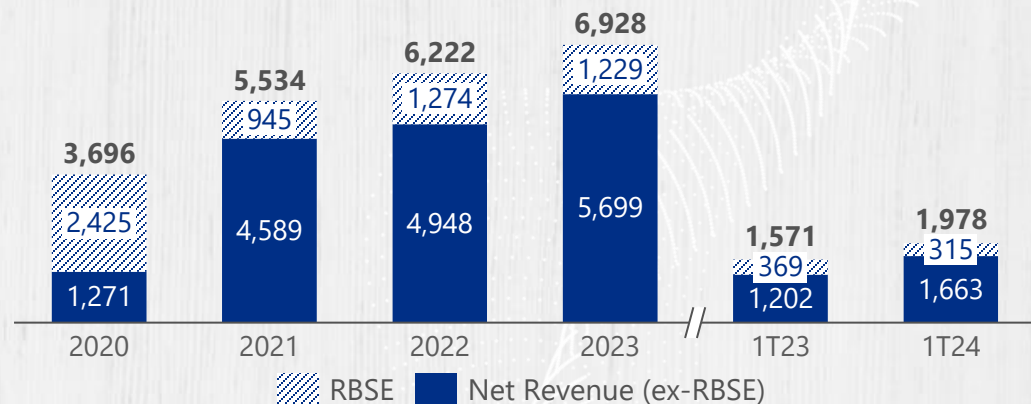


# FINANCIAL HIGHLIGHTS

## IFRS ACCOUNTING

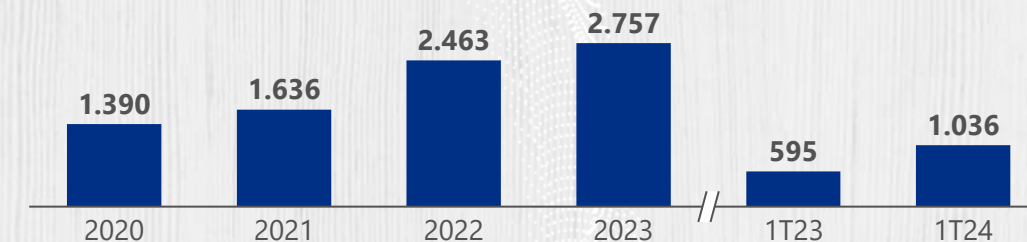
### Net Revenue

R\$ million



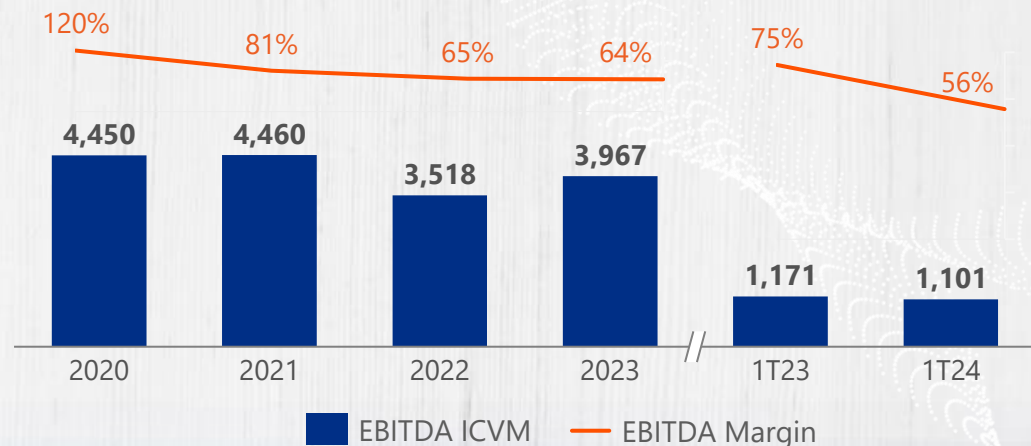
### Operational Costs and Expenses

R\$ million



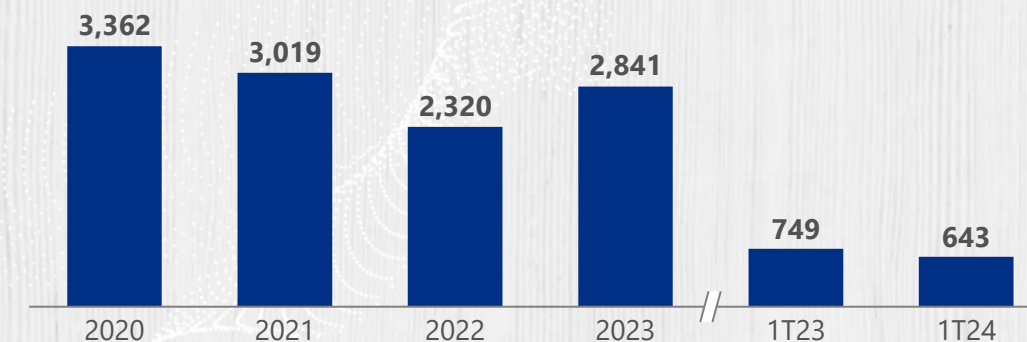
### EBITDA<sup>(1)</sup> and EBITDA Margin

R\$ million



### Net Income<sup>(2)</sup>

R\$ million



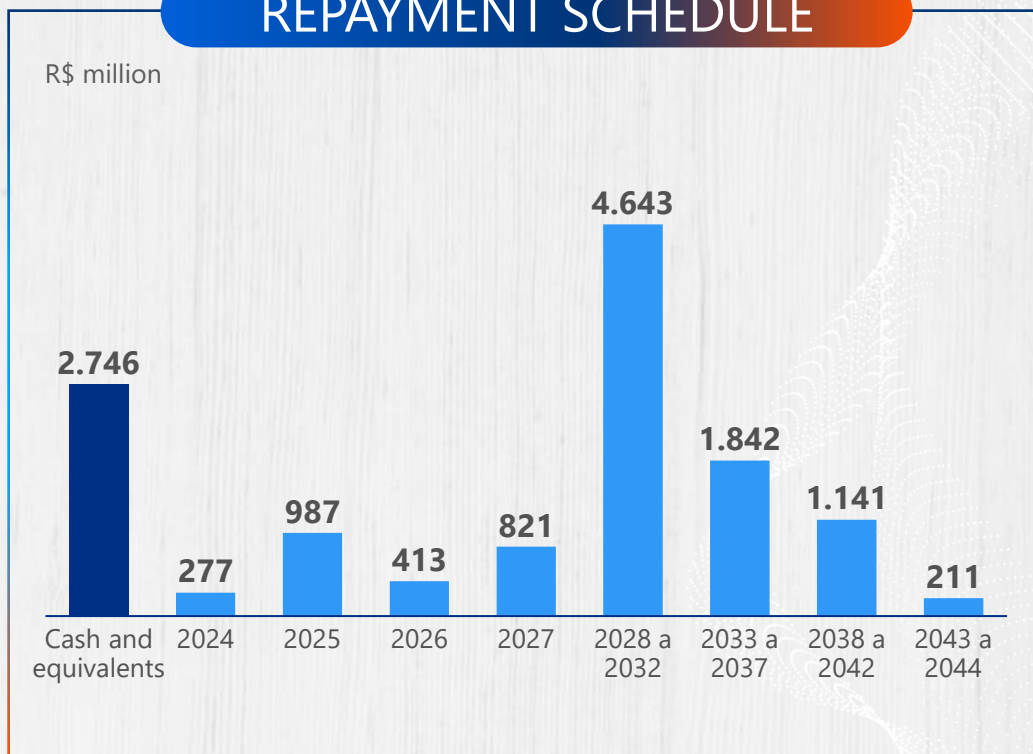
<sup>(1)</sup> EBITDA consolidated (ISA CTEEP 100%) | <sup>(2)</sup> Adjusted by non-controlling shareholder participation



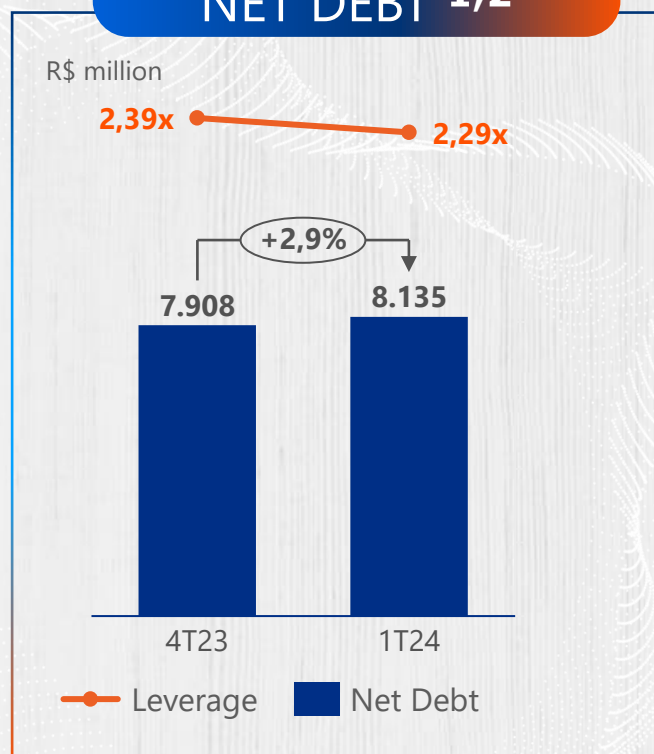
# CONSOLIDATED DEBT

Strategy of growth with competitive costs

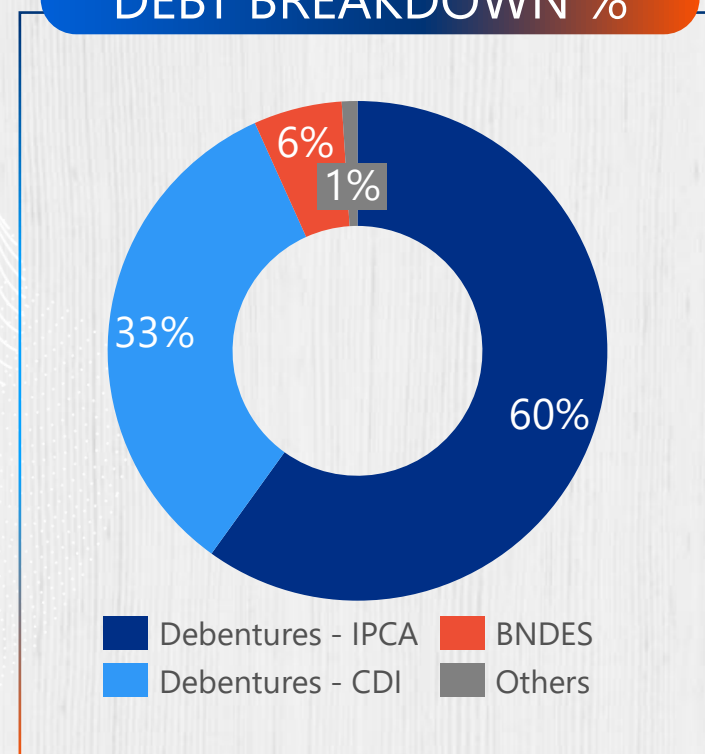
## REPAYMENT SCHEDULE



## NET DEBT 1,2



## DEBT BREAKDOWN %



Net Debt/EBITDA<sup>(3)</sup>: 2.29x | *Investment* Grade by Fitch: AAA(br)

<sup>(1)</sup> ISA CTEEP and controlled companies | <sup>(2)</sup> Net Debt does not take into account the availability of non-consolidated companies | <sup>(3)</sup> Calculation of the covenant according to the financing methodology via BNDES



An aerial photograph of a dense green forest with a winding river and several high-voltage power transmission towers. The sky is a vibrant mix of orange, pink, and blue, suggesting a sunset or sunrise. A large, semi-transparent white sphere is visible in the upper left corner. The text 'isa' is written in a white, elegant cursive font across the center of the image.

*isa*

CTEEP

