



## M&A – Main Transactions

### ITA Capital acted as financial advisor to EDN sales of solar projects. (Aug-21)

ITA Capital is proud to announce that it acted as financial advisor to EDN Renováveis (Brazilian developer of centralized power generation projects) in the sale of two solar projects to European Energy (Danish company focused on building and operating renewable assets).

The assets are located in the state of Bahia and total 599 MWp, with an estimated investment of 1.5 billion reais for construction and commercial start-up (COD) scheduled for 2024.

### Equatorial Energia pays almost US\$ 1.85 billion for Echoenergia. (Oct-21)

Equatorial bought Echoenergia in a transaction that is close to US\$ 1.85 billion in enterprise value and marks the company's entry into renewable generation. Created and 100% controlled by Actis, Echoenergia is a holding of wind farms with a contracted generation capacity of 1.2 GW. The company is the result of a series of M&As and organic growth, and all its parks and projects are concentrated in the Brazilian Northeast.

### Petrobras completes the sale of Mangue Seco 1, 3 and 4 wind farms. (Apr-21)

Petrobras sold the entirety of its 49% stake in the company Eólica Mangue Seco 1 to V2I Energia, an investee of da Vinci Infraestrutura, the operation was concluded with the payment of US\$ 8.16 million to Petrobras, already with the adjustments provided for in the share purchase and sale agreement. Eólica Mangue Seco 1 is part of a complex of four wind farms, with a total installed capacity of 104 MWac.

### CTG (China Three Gorges) acquires VSR (Ventos de Santa Rosa Energias Renováveis). (Oct-21)

In October 2021, China Três Gargantas (CTG) approved the acquisition of Ventos de Santa Rosa Energias Renováveis (VSR), owner of the Dom Inocêncio do Sul wind complex, to be developed in the state of Piauí, and the Casa Nova power plant, in Bahia, with a total installed capacity of 756 MWac. VSR is owned by Salus - Multistrategy Equity Investment Fund.

### Omega Geração acquires 50% of the Ventos da Bahia Wind Complex. (Jul-21)

Omega Geração, a digital renewable energy generator, and EDF Renewables, one of the leading global companies in renewable energy, announce the signing of the acquisition of 50% of the Ventos da Bahia 3 Wind Complex for US\$ 78,46 million, of which US\$ 36.47 million will be paid in cash and US\$ 226.3 million represent net debt assumed by the buyer.

### EDP acquires Celg-T in transmission auction. (Oct 21)

EDP, a company that operates in the entire value chain of the electricity sector, acquired 100% of the shares of Celg Transmissão S.A (Celg-T) in an auction held by the National Electric Energy Agency (Aneel). The purchase was made for US\$ 366.79 billion. The Company estimates an additional permitted annual revenue of US\$ 41,37 million in the 2021/2022 cycle, through the acquisition of 756 kilometers of transmission networks and 14 substations.

## Indexes

### Energy Price Indexes

	Center-West	South	Southeast	Northeast	North
Jul PLD* (USD/MWh)	10,33	10,33	10,33	10,33	10,33
Dec PLD* (USD/MWh)	12,36	12,36	12,36	12,33	66,31
Hydro Reservoir Level – Jul/21**	29,40%	34,06%	29,40%	80,59%	71,66%

### Economic Indexes

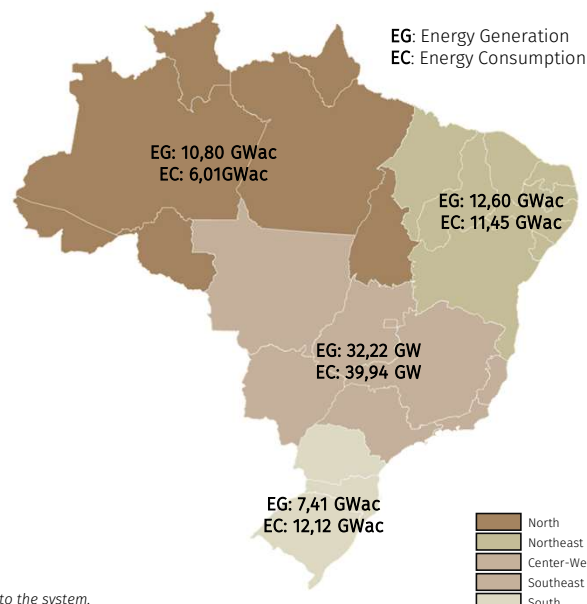
Brazilian Treasury Bonds – NTN20 2045***	5,26% + IPCA per annum
Brazilian CPI – IPCA – YTD	10,06%
Brazilian CPI – IPCA – 12M	10,06%
Exchange Rate Average 2021 - (USD/BRL) YTD	5,39

\* PLD: Average Spot Market Energy price

\*\* Hydro Reservoir Level: used to calculate the PLD and to determine when thermal plants must be turned on to provide security to the system.

\*\*\* Brazilian Treasury Bonds NTN20 2045: indexed to IPCA (Brazilian CPI – Central Bank inflation guidance)

## Energy Generation and Consumption



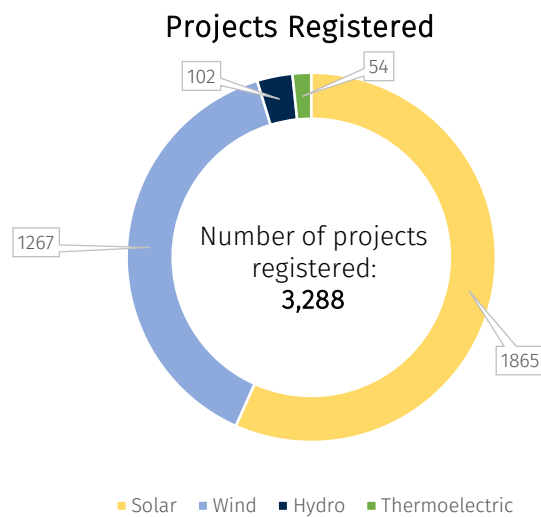
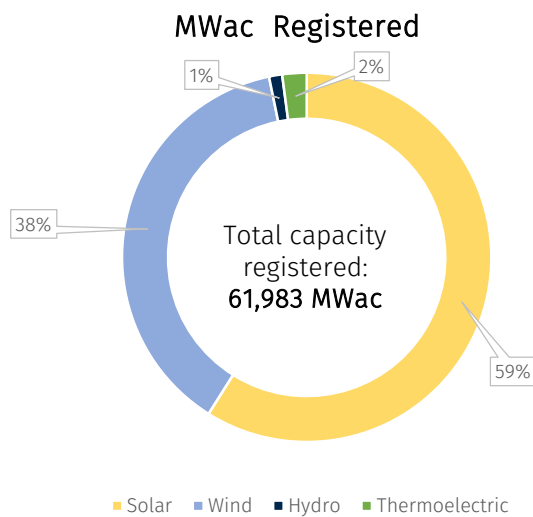
Sources: ANEEL, QNS, EPE, CCEE, Valor, Canal Energia, Reuters, PV Magazine, DCI, UDOP.



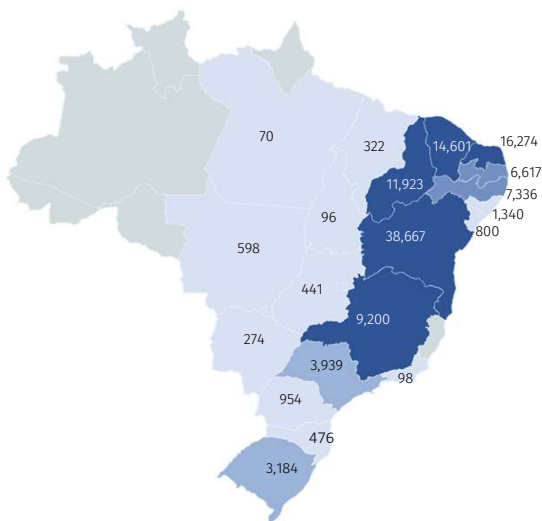


## Brazilian New Energy Auction A3 and A-4 – July 2021

Following the energy auction of the National Interconnected System (SIN) last June, the Ministry of Mines and Energy (MME) scheduled a new energy auction for July 08, 2021. The Energy Research Company (EPE), responsible for the registration of the project, registered 3,288 projects with a total of 61,983 MWac of power. The leading source in capacity recorded was solar with more than 36,530 MWac distributed across 1,865 projects. Wind energy ranks second, with 1,267 projects representing more than 23,414 MWac of capacity. In third place, Hydro was awarded with 102 projects, accounting for 714 MWac, followed by Thermolectric with 54 projects and a total of 1,325 MWac registered. The states with the highest hirings of power, considering the two competitions: Rio Grande do Norte (312 MWac), São Paulo (131 MWac) and Paraíba (100 MWac).



MWac Registered per State – A3 and A4



Projects Registered per State – A3 and A4



Source: EPE.



## A-4 Energy Auction Results

This A-4 auction included projects with start of supply on 01/01/2026 under the following terms of the Contract for the Commercialization of Electricity in the Regulated Environment - CCEAR:

- 19-year supply term for hydroelectric projects
- 14-year supply period for wind and solar projects
- 20-year supply for generation projects from biomass with a Variable Unitary Cost - CVU equal to zero or different from zero.

The National Electric Energy Agency and the Electric Energy Trading Chamber released the results of the sellers as follows:

	Small Hydro	Wind	Solar	Biomass
Highest Price (US\$/MWh)	39,58	28,93	26,38	37,37
Average Price (US\$/MWh)	39,41	28,66	25,92	37,28
Lowest Price (US\$/MWh)	39,29	28,57	25,71	37,09
Power (MWac)	77,00	168,00	100,00	93,00
Numer of Projects Sold	3,00	10,00	2,00	3,00

## Buyers

In this auction there were only two buyers: the private-public utility company of Rio de Janeiro, Light S.A., the biggest distribution company in Brazil (also one of the biggest in generation), and the CELPA - Equatorial Distribuidora de Energia S.A, Brazilian holding company of high-performance companies.

*ITA Capital is your partner on the ground in Brazil to help navigate the local cultural and political landscape and to assist on regulatory and tax issues for renewable energy infrastructure assets at all stages of development. Our team has developed a strong expertise with over 15 years of investment advisory in Brazil and abroad. Please feel free to contact us if you need a local partner or advisor in this unique and complex market.*

Sources: CCEE, Aneel, and MME.