

Challenges of the energy sector and TAESA's strategic advantages

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The Brazilian energy sector is one of the largest worldwide

And has undergone a **significant growth process** in recent decades.



63% growth in 10 years¹

with installed capacity of **206.5 GW** today
(data from 2022)

Ranks 7th in the world¹

in installed capacity
(data from 2021)

Promotes **the development of new renewable sources**

Drives a **growing demand for electric power**

Mature and robust regulatory framework

A circular inset image showing a power transmission tower and lines against a sunset sky. The text "Installed capacity in Brazil" is overlaid on the image.

Installed capacity in Brazil

(1) The Energy Research Company's (EPE) 2023 Electric Power Statistical Yearbook

The National Interconnected System is one of the largest worldwide

The SIN currently has **184,000 km** of transmission lines throughout the country¹.



2023²

4.1 billion RAP (R\$)
Permitted Annual Revenues

43 concessions

15,155 km extension

109 substations³



(1) Monitoring Bulletin Report for Energy Sector - September 2023.
(2) Company data
(3) Considering wholly-owned substations, for jointly-controlled companies and affiliates, as well as those accessed by the Company.

Energy transition

A shift towards a **more sustainable** system, based on **renewable and reliable sources**.

Key drivers:

- **Climate change** and GHG emissions
- **Electrification of society**
- Development of **new renewable technologies**
- High cost of energy in Brazil
- Digital disruption



Key trends:

- **Greater share of renewable sources** in the power grid
- Electric power mobility
- **Decarbonization of the electric sector** (CO2 credits)
- Digitalization of the electric sector
- Adoption of green hydrogen
- **ESG responsibility**

IMPACTS AND CHALLENGES ELECTRICITY INDUSTRY

- **Diversifying energy sources to maintain system reliability**
- Expanding the installed capacity of renewable sources
- **Upgrading the transmission and distribution infrastructure**
- Developing new business models
- **Updating regulations**
- Reducing carbon emissions and the overall environmental impact
- Incentives for investment



OPPORTUNITIES IN TRANSMISSION

- **Demand for power transmission**
- **Modernization of the Interconnected System**
- **Integration of renewable energy sources**
- Advancement and development of smart grids
- Adoption of energy storage technologies

Strategic advantages that ensure our excellence



Consolidation and market vision

- Strategic positioning within the national transmission sector
- **Benchmark for asset management**
- Experience in M&A and integration of acquired companies
- **Shareholder confidence** in executing our strategic planning



High operational capacity

- Modern **System Operations Center (COS)** ready for expansion
- **High quality management**
- Specialization in transmission
- Operational excellence supported by **highly skilled teams**
- **Geographical footprint** with capacity for new projects with synergies



Financial Sustainability

- **Easy access to credit** in the capital markets
- Financial discipline and **value creation**
- **Excellence in efficiency and cost control**

No transmission...

...No transition!

Why invest in TAESA: our Value Levers

Rinaldo Pecchio

CFO and IRO





What makes us a unique asset in the capital markets?

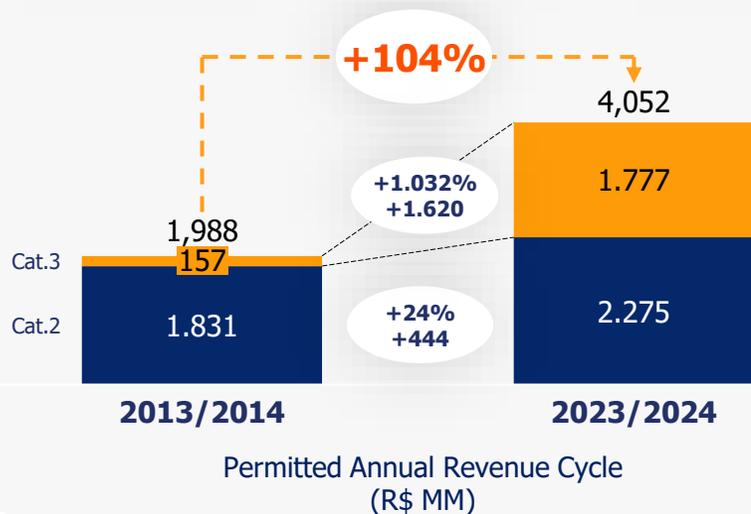
A decade of expansion

Providing for a solid platform for growth

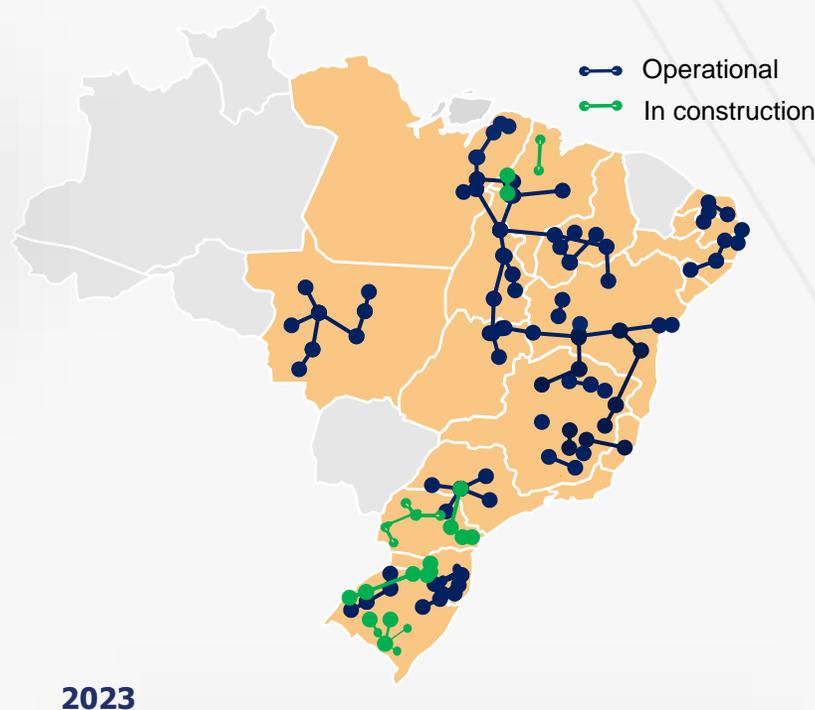
Growth in concessions



Growth in RAP



National footprint



19 States and a Federal District



Gaining efficiency

87%
EBITDA margin
TAESA proportional¹
9M23

Above
90%
EBITDA margin of
new projects²
9M23

SOURCE: Company data

1. Considers TAESA's proportional stake in all its subsidiaries.

2. Weighted average EBITDA margin for 10 operational projects (Mariana, Miracema, Janaúba, EDTE, ESTE, Aimorés, Paraguaçu, Ivaí, Sant'Ana and Saíra).



A track record of excellence in operations...

In **10 years**¹

~100%

Availability Rate

0.9%

Variable Portion
of RAP

SOURCE: Company data
1. Average between 2013 and 2022

...with safety as priority:



Mission

We connect Brazil with safe and reliable electric power



Vision

To be the electric power transmission company of greatest Value to society



Core Values

- We genuinely care for **people**.
- We act with **integrity**, building relationships of **trust**.
- We seek for **excellence** in everything we do.
- **We** are TAESA!



6 Golden Rules of Operation



Integrated Management System



Financial efficiency generating sustainable returns



Debt financing

- One of the **most efficient issuances in the market**

12th: +9-22 bps NTN-B¹ (May-22)

14th: +41-70 bps NTN-B¹ (Sept-23)

- Average real cost of debt around **5.5%**

- Participation in **green issuances**

7 green bonds totaling R\$ 3.7 billion



Tax

- Tax shield
- Optimized tax regime
- Maximum use of Interest on Equity
- SUDAM / SUDENE incentive

14.2%
Avg effective tax rate - IFRS
5 years²



Return to Shareholders

- Minimum payout of **50% of net income** (bylaws)
- Share price appreciation at B3
- Among the **most liquid assets in the energy sector**

89%
Avg payout
10 years³

11%
Avg yield
10 years³

CAGR
17%
TAAE11
10 years³

8%
IBOV
12%
IEE

SOURCE: Company data

1. Compares the spreads between issued rates vs. NTN-B with close maturities at the time of issuance.

2. Range between 2018 and 2022. 3 Range between 2013 and 2023.



What to expect from TAESA in the coming years?





Capturing value through
financial management and operational efficiency



Sustainable **business growth**



Ongoing review of the **capital structure**



INVESTOR
DAY
2023

taesa*