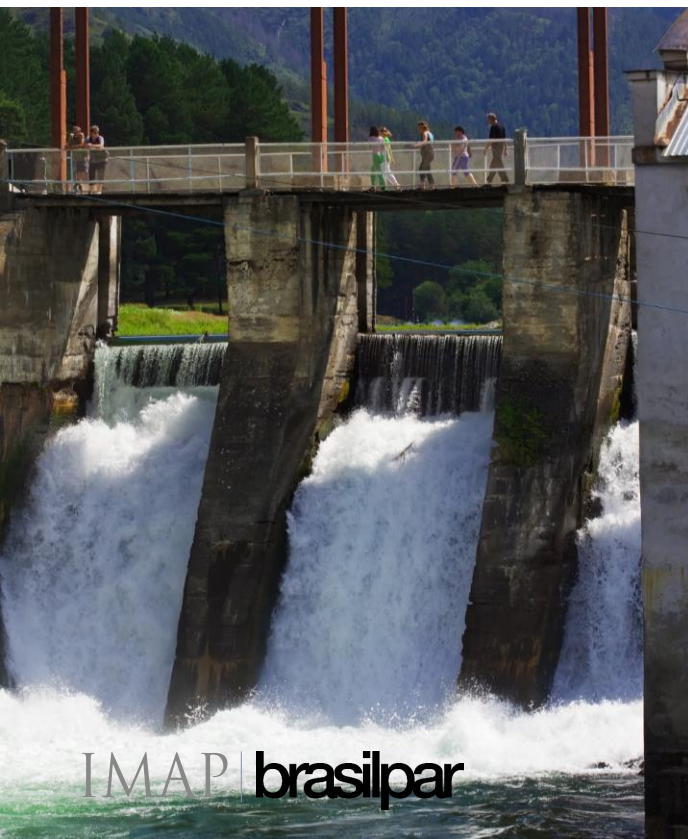


Powering Brazil's future: Strategic insights and investment opportunities

August 2025



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Key takeaways – Brazilian energy sector

Brasilpar is pleased to share its Energy Sector Report, offering valuable insights and analysis on market trends, investment opportunities, and the evolving dynamics of Brazil's energy infrastructure

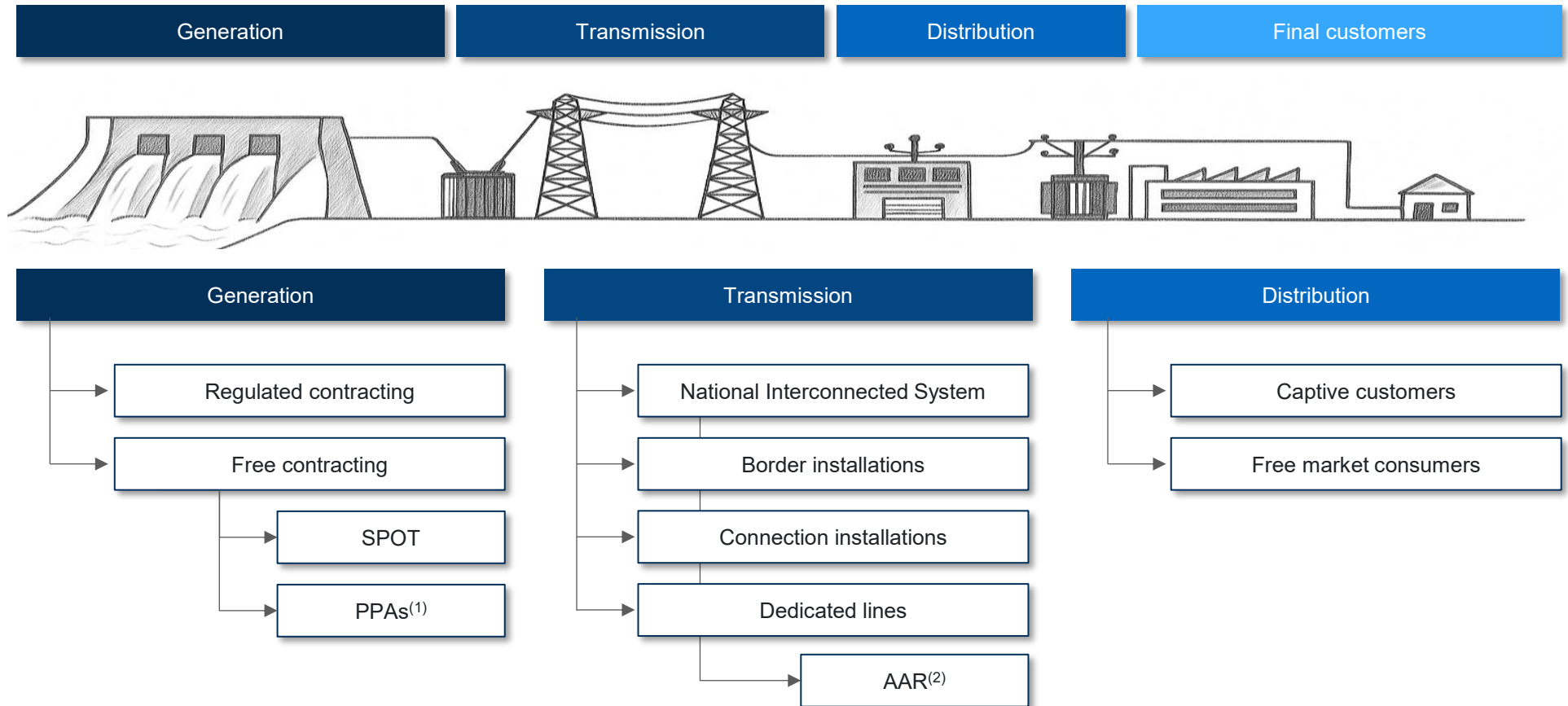
The Brazilian energy market is dynamic, diverse, and evolving, presenting opportunities for those looking to enter or expand their presence in this growing sector

Several key takeaways are outlined below:

- **Market complexity:** Brazil's energy sector is marked by a fragmented structure, creating opportunities for investors aiming at navigating this complex market
- **Growth and transition:** The country has a robust energy infrastructure with a strong focus on renewable sources, leading the global energy transition, especially in solar and wind power
- **Investment opportunities:** Although registering the presence of large local and international groups, the energy market remains fragmented, offering M&A opportunities in generation, transmission, and distribution. Energy trading is emerging as a key area for M&A, driven by market liberalization and the growing role of renewables
- **Challenges of seasonal variability:** The system relies heavily on hydroelectric power, making it vulnerable to climatic variations, which underscores the need for greater system flexibility
- **Regulatory landscape:** Brazil is progressively opening its energy market, including moving towards deregulated and flexible contracting systems to align with the global transition towards cleaner energy sources
- **Curtailment challenges:** Despite the growing share of renewable energy, curtailment is an ongoing challenge in Brazil, particularly with wind and solar, where excess production must be curtailed due to grid constraints or excess production, highlighting the need for advanced grid integration and energy storage solutions
- **Subsidies for distributed generation:** Net metering incentives represent ~10% of total energy subsidies and are rising quickly. New rules aim to phase them out for future projects

Structure of the Brazilian power market

A regulated and unbundled system organized across generation, transmission, distribution, and end-user segments



Source: ANEEL, ONS, CCEE, EPE

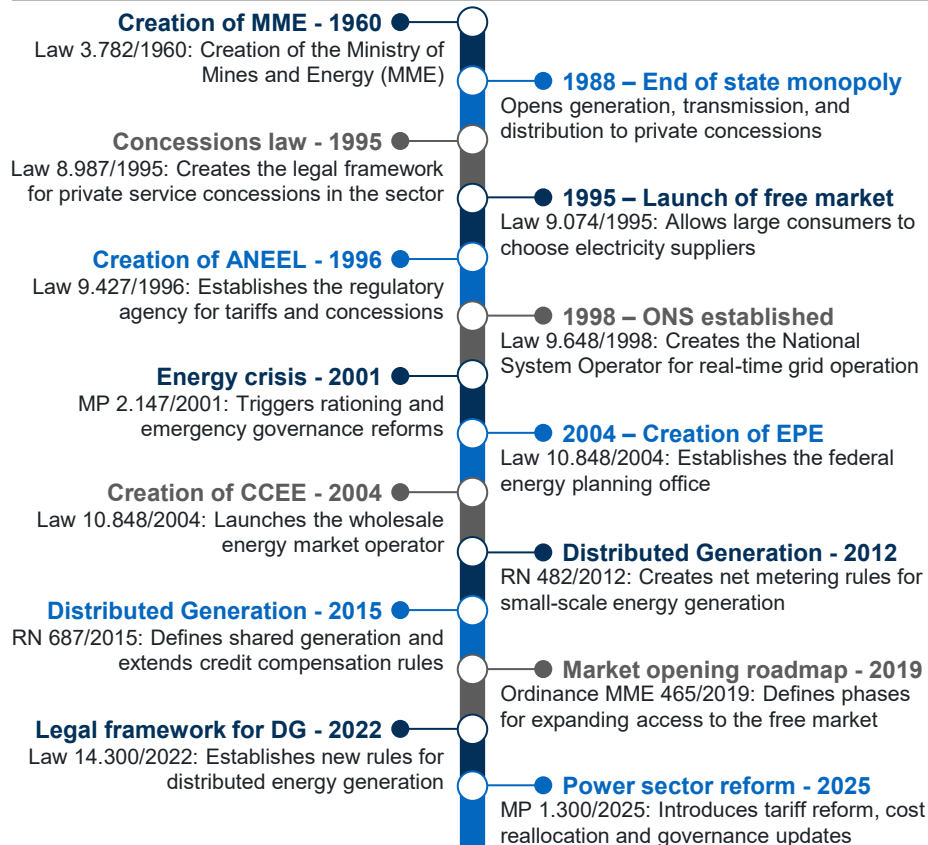
(1) Power purchase agreement

(2) Allowed annual revenue

Regulation framework

Legal milestones and institutional backbone of Brazil's electricity market

Applicable regulation framework



Key regulatory entities



Ministry of Mines and Energy (MME)

- Sets national energy policy and legal framework
- Grants concessions for generation, transmission and distribution
- Oversees the sector's institutional coordination



National Electric Energy Agency (ANEEL)

- Regulates tariffs, contracts and service quality
- Conducts auctions and approves market agents
- Enforces compliance and protects consumers



National System Operator (ONS)

- Operates the National Interconnected System (SIN)
- Dispatches generation and ensures system reliability
- Plans grid expansion and real-time coordination



Electric Energy Trading Chamber (CCEE)

- Administers the wholesale electricity market
- Registers contracts and settles market transactions
- Calculates short-term prices (PLD) and imbalances



Energy Research Office (EPE)

- Develops long-term energy demand and supply studies
- Supports auction planning and infrastructure analysis
- Advises MME on sector expansion policies



Electricity Sector Monitoring Committee (CMSE)

- Assesses supply adequacy and system risks
- Coordinates crisis response and preventive actions
- Formed by MME, ANEEL, ONS, EPE and CCEE

Source: 20-Year Statistical Yearbook of the Brazilian Electric Power Sector

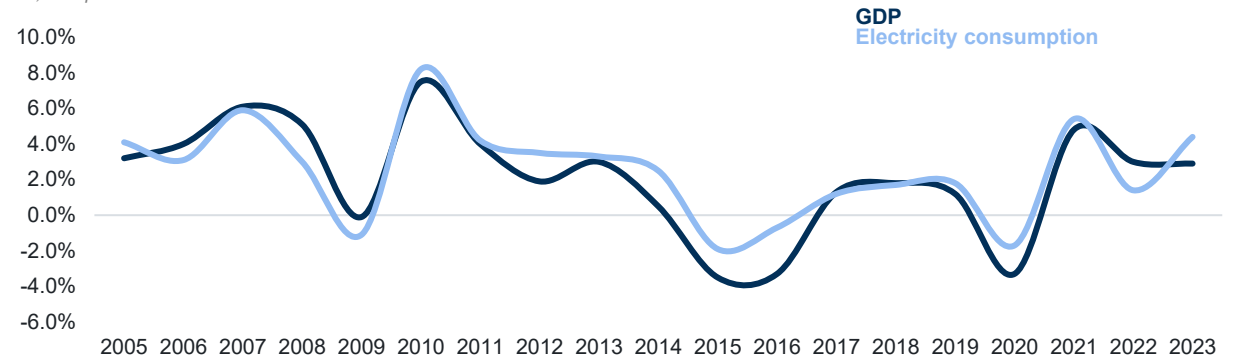
Electricity consumption follows closely economic cycles in Brazil

Elasticity between GDP and electricity demand shows strong correlation — but remains sensitive to crises, public policy, and climate events

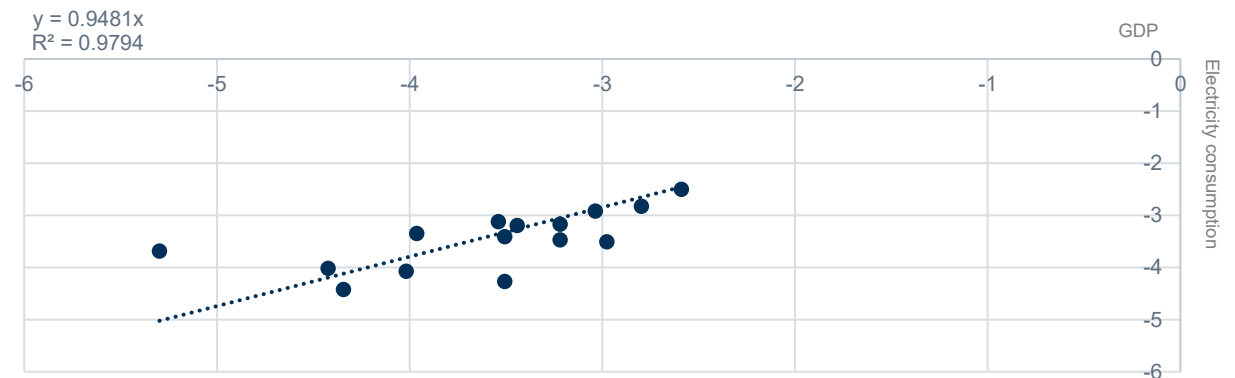
- The elasticity between GDP and electricity consumption is 0.94, indicating a **strong correlation**
- From 2004 to 2007, GDP and consumption grew as **income** and **credit expanded**
- In 2008–2009, the **global crisis reduced** industrial demand in Brazil
- Between 2009 and 2013, **recovery led to a** load growth
- From 2014 to 2016, crises led to a **sharp drop in consumption**
- In 2020, the **pandemic hit industry** and **increased residential usage**
- From 2021 to 2023, the **post pandemic period boosted demand** despite climate shocks

GDP and electricity consumption growth rates

In %, except otherwise indicated



Correlation between GDP and electricity consumption



Source: IBGE, EPE

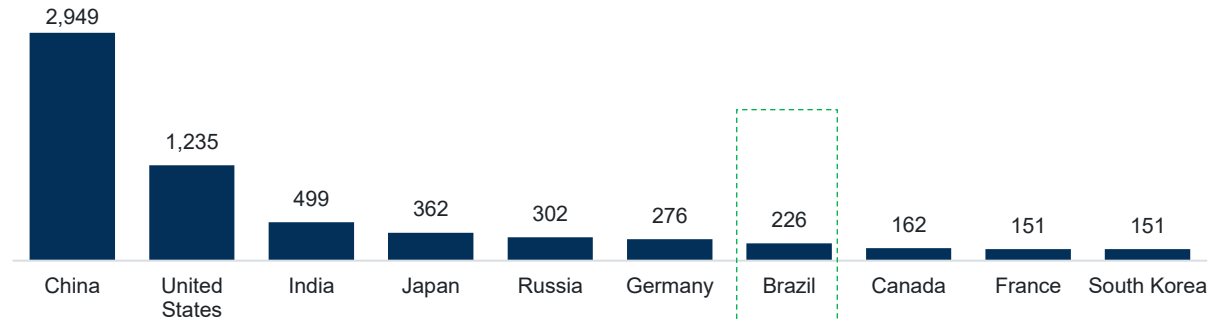
Brazil has one of the largest electric power infrastructures globally

Large and renewable-heavy installed base highlights Brazil's position in global infrastructure — but climate impacts, dispatch logic, and system flexibility still pose challenges

- Brazil ranks **7th in installed capacity** (226 GW) and **6th in electricity generation** (708 TWh)
- The **capacity factor (~36%)** is lower than in countries with more stable thermal-based systems
- Brazil's power mix is mostly renewable and clean, but affected by **seasonality** and **intermittency**
- The gap between capacity and generation reflects **climate patterns, dispatch logic** and the intermittence in renewables sources
- Advancing **storage, system integration** and **regulation** is key to improving infrastructure usage

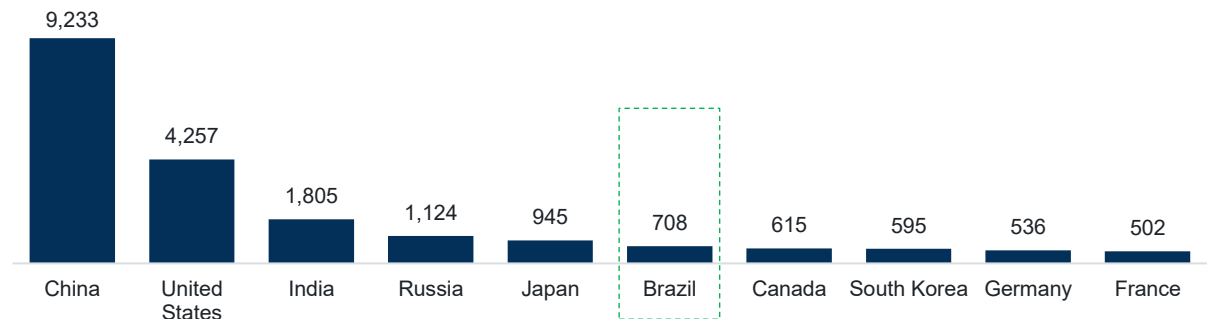
Installed capacity in 2023 – Top 10 countries

In GW, except otherwise indicated



Electricity generation in 2023 – Top 10 countries

In TWh, except otherwise indicated



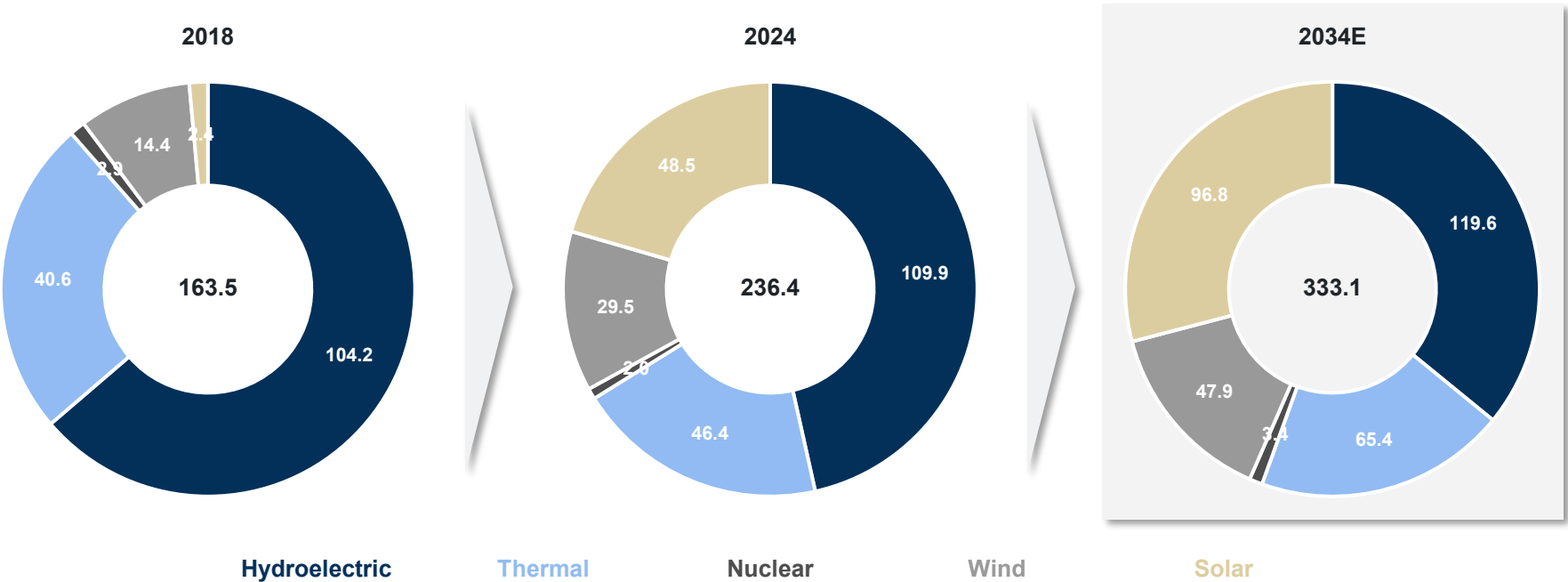
Source: U.S. Energy Information Administration (EIA), EPE

Renewable sources advances with growth of solar and wind energy

By 2034, thermal and hydro are expected to lose share, while renewables gain ground. Solar and wind, which accounted for 10% of the grid in 2018, reached 33% in 2024 and are projected to exceed 43% in 2034

Evolution of installed capacity by source

In GW, except otherwise indicated



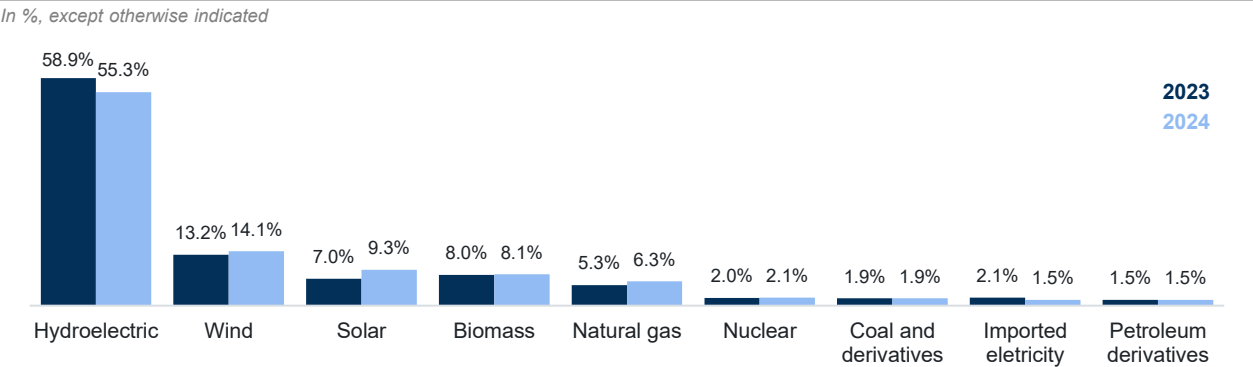
Source: EPE

Electricity supply in Brazil is predominantly renewable

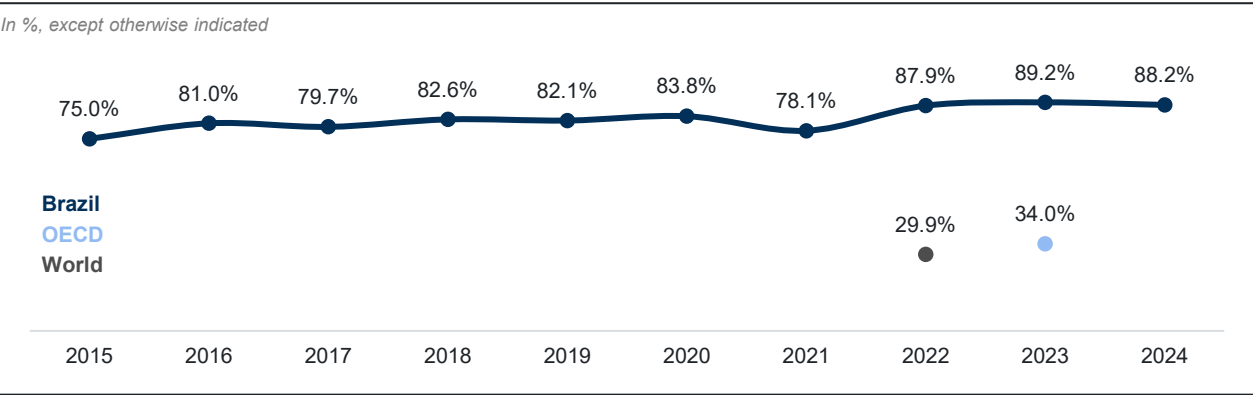
With 88% of the internal electricity supply (IES¹) coming from renewable sources in 2024, the country consolidates its prominent position in electrical sustainability globally

- Brazil's Internal Electricity Supply (IES) reached **762.9 TWh in 2024**, with **88.2% coming from renewable sources**, compared to 89.2% in 2023
- The slight decrease in hydroelectric participation was offset by the expansion of **solar (+39.6%)** and **wind (+12.4%)**, ensuring supply stability
- Considering only the National Interconnected System, renewability reaches **91.2%**, a rare level among large economies
- By contrast the global average (30%) and the OECD average (34%), reinforcing the **country's leadership in clean energy**
- The renewable composition of the supply confirms the **resilience, diversity, and cleanliness of the national power matrix**

Share of sources in the Brazilian power matrix



Share of renewables in the Brazilian power matrix

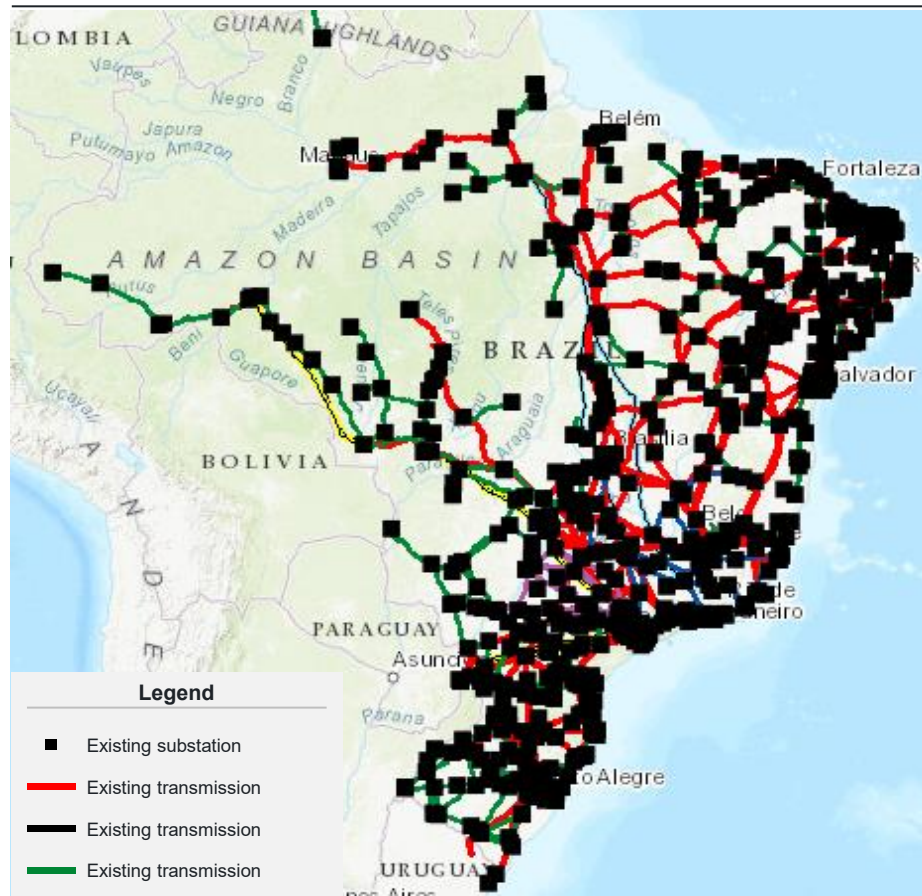


Source: EPE
(1) Internal electricity supply

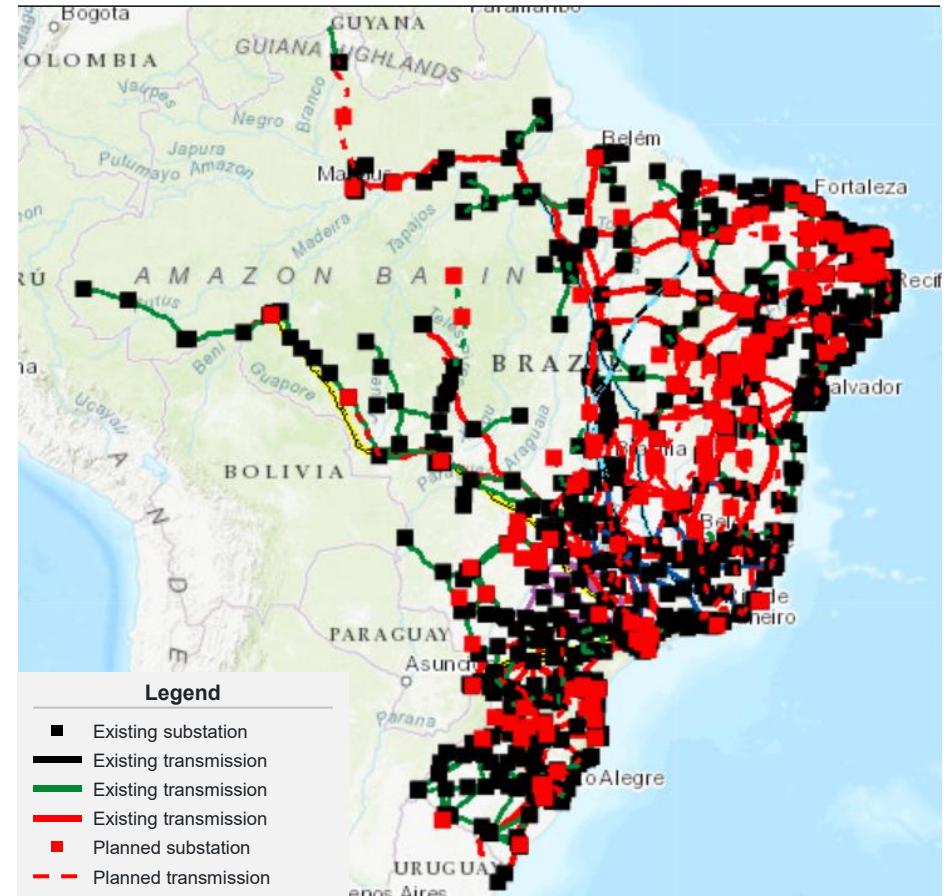
Power system evolution

Expansion plan aims to boost generation and, above all, strengthen transmission, connecting isolated systems to the national grid by 2050

Current Brazilian power system (2024)



Planned Brazilian power system (2050)



Source: Webmap EPE

Energy auctions and their strategic impact on the Brazilian power sector

Key auctions driving growth and sustainability in Brazil's energy infrastructure, with focus on new and existing projects

Selected energy auctions

#	Name/Year	Auction type	Main sources	Capex (R\$B)	Energy sold (MWh)	Average price (R\$/MWh)	Average bid discount
1	Auction A-5 / 2025	New energy	Renewables	NA	NA	NA	NA
2	2025/1 – LEN	Isolated system	Renewables and non-renewables	0.4	NA	NA	NA
3	2022/4 – 37º LEN	New energy	Renewables	3.0	177	237.48	26.38%
4	2019/4 – 30º LEN	New energy	Renewables and non-renewables	11.2	1,155	176.09	33.79%
5	2017/5 – 26º LEN	New energy	Renewables and non-renewables	13.9	2,737	189.45	38.70%
6	2015/9 – 8º LER	Reserve energy	Renewables	6.8	508	249.00	15.35%
7	2014/6 – 20º LEN	New energy	Renewables and non-renewables	15.2	2,743	196.09	1.73%
8	2009/6 – 3º Structuring	Structuring	Renewables	19.0	3,199	77.97	6.06%
9	2008/5 – 2º Structuring	Structuring	Renewables	8.7	1,382	71.37	21.57%
10	2007/3 – 1º LFA	Alternative energy	Renewables	0.8	186	137.32	0.50%

LFA (Auction for alternative sources - Leilão de Fontes Alternativas): May involve the use of energy sources for isolated systems

LEN (New energy auction - Leilão de Energia Nova): Focuses on contracting new energy projects, potentially including isolated systems

LER (Reserve energy auction – Leilão de Energia de Reserva): Aims at securing backup energy, not specifically for isolated systems

Structuring: Refers to broader infrastructure auctions, not specifically targeting isolated systems

Source: EPE, PPI, ANEEL

Transmission auctions: Competitive insights and investment trends

Key metrics from recent auctions highlighting capex, transmission capacity, and bid performance

Selected transmission auctions

#	Name/Year	Lots	Capex (R\$ billion)	Transmission (km)	Transformation capacity (MVA ¹)	Total bid discount (R\$M)	Average bid discount
1	Transmission auction nº 001/2025 ⁽²⁾	11	7.6	1,178	4,400	NA	NA
2	Transmission auction nº 002/2024	3	3.4	784	1,000	270.3	48.89%
3	Transmission auction nº 001/2024	15	18.2	6,464	9,200	1,220	40.78%
4	Transmission auction nº 002/2023	5	21.7	4,471	9,840	1,570	40.85%
5	Transmission auction nº 001/2023	9	15.7	6,184	400	1,260	50.97%
6	Transmission auction nº 002/2022	6	3.3	710	3,650	230.7	38.19%
7	Transmission auction nº 001/2022	13	15.3	5,289	6,180	NA	NA
8	Transmission auction nº 002/2021	5	2.9	902	750	202.4	50.0%
9	Transmission auction nº 001/2021	5	1.3	515	2,600	88.3	48.12%
10	Transmission auction nº 001/2020	11	7.4	1,958	6,420	565	55.24%

Source: EPE

(1) MegaVolt-Amperes

(2) The auction will take place in October 2025

Key trends in energy sector in Brazil

Brazil's energy sector is undergoing a structural shift driven by decarbonization, digitalization, and market liberalization

Energy transition and decarbonization

- Focus on the expansion of solar generation (both centralized and distributed), wind power, biogas, and green hydrogen
- Economic instruments to enable the transition, such as carbon credits, climate funds
- Positioning as a strategic exporter of clean energy, with emphasis on offshore wind and green hydrogen



Expansion of distributed generation

- Expansion of small-scale solar plants near consumers, with a focus on self-consumption
- Advancements in financing and credit solutions, enabling access for diverse consumer profiles
- Rise and empowerment of the “prosumer” — consumers who also generate their own clean energy

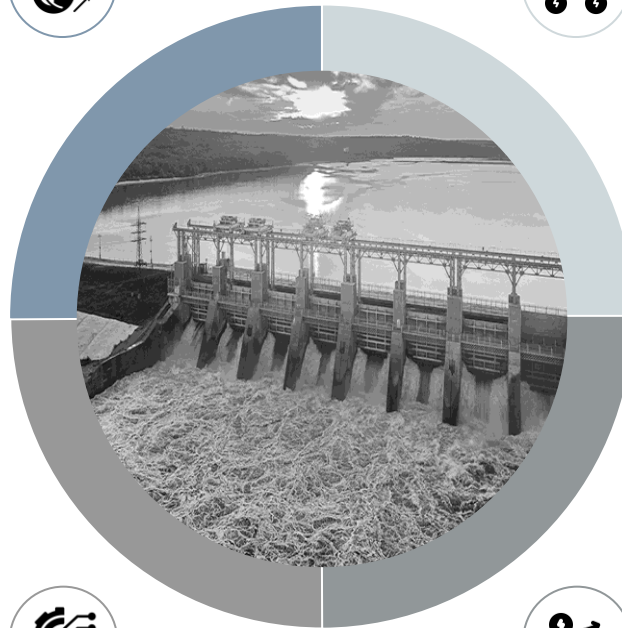
Digitalization and smart energy

- Sensorization and automation of the power grid to reduce losses and optimize operations
- Advanced metering and real-time monitoring to enhance efficiency and reliability
- Digital energy management solutions for households, businesses, and industries, integrating data and artificial intelligence



Opening of the free electricity market

- Full liberalization of the energy market for all consumers, expected to be completed by December 2027
- Increased competition driven by more flexible and accessible contracting models
- Greater consumer freedom to choose energy suppliers and preferred sources, such as solar or wind



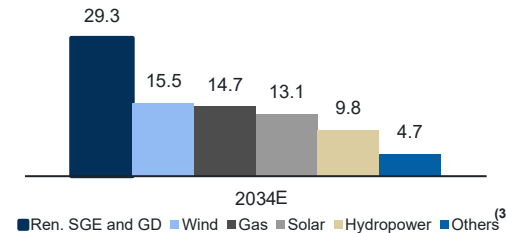
Exploring the key trends shaping the energy market

The growth of renewable energy sources — particularly solar — is driving the expansion of DG⁽¹⁾ and SGE⁽²⁾, which use the free energy market as a sales channel for the energy they produce

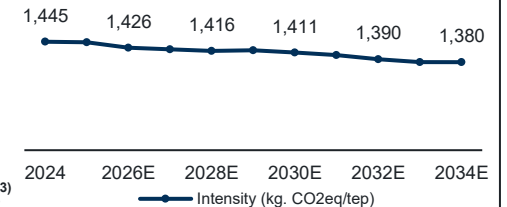
Energy transition and decarbonization

- The incremental expansion of renewable sources is expected to add over 58 GW by 2034
- This structural shift directly contributes to the reduction in emission intensity, from 1,445 to 1,380 kgCO₂eq per toe
- The sector's momentum reflects alignment with the decarbonization agenda, driven by efficiency gains and regulatory frameworks

Incremental expansion by energy source type through 2034 (GW)



Emission intensity in domestic energy supply



Expansion of energy distribution

- The 2034 projection shows growth in DG and SGE, slightly increasing their share of the energy mix from 15% to over 16%
- This reflects advances in decentralized technologies and incentive policies for DG and self-production
- Movements such as the rise of platforms as Solfácil and Meu Financiamento Solar from Banco BV, along with integrations of IoT and residential storage, highlight how DG has become a decentralized strategy for energy security

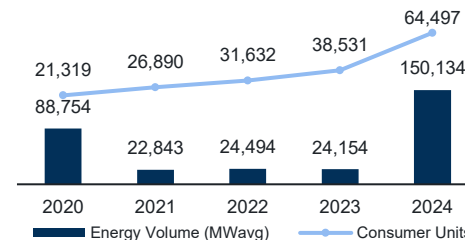
Electric power generation by type of transmission infrastructure



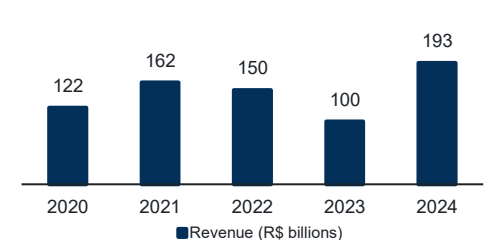
Opening of the free electricity market

- The liberalized market was accelerated by MME Ordinance No. 50/2022, which granted access to consumers with a minimum contracted demand of 500 kW
- This regulatory advancement drove a surge from 22K to 64K consumer units and a 300% increase in traded volume between 2020 and 2024
- Revenue growth was driven by the migration of large consumers, the emergence of digital marketplaces, and the entry of energy managers and traders

Average energy volume and consumer units



Revenue of the free energy market



Source: EPE (Empresa de Pesquisa Energética), CCEE (Câmara de Comercialização de Energia Elétrica), Brazilian government

(1) Distributed Generation

(2) Self-Generation of Electricity

(3) Non-renewables DG + SGE, Batteries, Demand Response

Competitive landscape

Landscape of market leaders and competitive advantages in Brazil's energy ecosystem, from generation to digital innovation

Generation	Transmission	Distribution	Energy trading	Distributed generation	Digital services & energy tech
 ▪ Largest installed capacity ▪ Diversified renewable energy matrix ▪ Expanding wind and solar project portfolio ▪ Active participation in regulated auctions and the free market Main companies 	 ▪ Operational efficiency ▪ Robust growth through auctions ▪ Regulated revenue and cash flow predictability Main companies 	 ▪ Serve millions of consumers ▪ Highly regulated sector under ANEEL oversight ▪ Investments in digitalization and loss reduction initiatives Main companies 	 ▪ Contract flexibility and customization ▪ Integrated energy management services ▪ Strong growth driven by customer migration to the Free Contracting Environment (ACL) Main companies 	 ▪ Focus on rooftop solar and shared solar farms ▪ Nationwide presence through partner integrators ▪ Strong market reach enabled by accessible financing Main companies 	 ▪ Electric mobility solutions, charging infrastructure, and energy hubs ▪ Digital platform for energy management ▪ Integration with bioenergy and hydrogen technologies Main companies 

Source: Companies websites

M&A⁽¹⁾ drivers in the energy landscape

Energy trading offers the greatest M&A potential given its market transformation. Curtailment and system instability may also boost demand for generation assets outside certain submarkets

Generation		Buyers		Targets					
- Diversification of energy sources to boost revenue per MWh generated and improve long-term competitiveness - Capacity expansion and vertical integration through trading arms, enabling direct sale of self-generated energy			►			Asset CBA Itapissuma Ltda. Generation	Asset Ventos de Santo Isidoro Generation		
			►	Central Geradora Termelétrica Fortaleza S.A. Generation			Generation		
			►	Tamar Pequenas Centrais Hidroelétricas S.A. Generation, Transmission and Energy Trading					
Transmission									
- Organic growth constrained by public auctions; acquisitions are the primary route to scale and to obtain synergy gains - Stable and regulated revenue makes the subsector attractive to financial investors seeking predictable returns			►						
			►	Interligação Elétrica Sul S.A. Transmission		Interligação Elétrica Norte e Nordeste S.A. Transmission		Transmissora Aliança de Energia Elétrica S.A. Transmission	
			►		Transmission		Transmission	Transirapé, Transuleste, and Transudeste Transmissão Transmission	
Distribution									
- Strategy focused on expanding customer base and geographical coverage in new regions - Verticalization trend with moves into transmission and generation, as seen with CPFL, EDP, and Copel			►	49.9% Stake in Mata de Santa Genebra and Mauá Hydroelectric Transmission and Generation			Uirapuru Transmissora de Energia S.A. Transmission		
			►		Distribution		Distribution		
			►	Sete Lagoas Transmissora de Energia S.A. Transmission		Companhia de Transmissão Centroeste de Minas S.A. Transmission		Rio Minas Energia Participações S.A. Distribution	

Source: Companies websites, Investor relations, Capital IQ

(1) List non-exhaustive

Transaction multiples – Generation and Transmission

- **Generation:** most investment theses focus on portfolio optimization, adding new generation sources to enable greater and more consistent energy dispatch to the system
- **Transmission:** many financial investors are attracted to the sector due to its predictable revenue streams, which results in high revenue multiples
- However, growth is limited, and strategic players typically expand through M&A

US\$ million, except as otherwise indicated

Data	Buyer	Target	Installed Capacity ⁽¹⁾	Enterprise Value	EV/Revenue	EV/EBITDA	EV/Inst. Cap. ⁽²⁾
Generation							
mar-25	Engie	HPPs Santo Antonio de Jari e Cachoeira Caldeirão	612	515	N.A.	N.A.	842
fev-25	EDF e STOA	HPP Baixo Iguaçu (Neoenergia)	350	248	N.A.	N.A.	710
out-24	Auren Energia S.A.	AES Brasil Energia S.A.	5.200	3.225	4,9x	11,7x	620
mar-24	Vale S.A.	Aliança Energia	1.438	1.204	N.A.	N.A.	837
dez-23	Mercurio Asset	Porto do Pecém Geração de Energia S.A.	720	390	1,4x	N.M	542
out-23	Eletrobrás	Usina hidroelétrica Baguari	140	174	N.A.	N.A.	1.241
set-23	Statkraft AS	Statkraft Energias S.A.	926	1.204	7,0x	13,8x	1.300
mai-23	Investor Group	Usina Termelétrica Pampa Sul S.A.	345	430	3,2x	6,3x	1.246
ago-22	V Hill/Paraty Energia	HPP Mascarenhas (EDP)	198	242	N.A.	7,0x	1.222
Median					4,1x	9,4x	842
Average					4,1x	9,7x	951

US\$ million, except as otherwise indicated

Data	Buyer	Target	Enterprise Value	EV/Revenue	EV/EBITDA
Transmission					
ago-25	Alupar	Linhas de transmissão Rialma IV	32	8,5x	N.A.
mar-24	CDPQ	Integração Transmissora de Energia S.A.	146	5,3x	6,0x
dez-21	EDP - Energias do Brasil S.A.	EDP Transmissão Goiás S.A.	229	6,2x	5,6x
dez-21	CEMIG	Sete Lagoas Transmissora S.A.	10	9,0x	N.M.
mar-20	Investor Group	Argo Energia	1.003	3,2x	6,9x
jan-20	CEMIG	Transmissão Centroeste de Minas S.A.	18	3,0x	N.M.
ago-19	Aliança de Energia Elétrica S.A.	Brasnorte Transmissora de Energia S.A.	35	5,5x	7,1x
mar-19	Investor Group	Amazônia Empresa Transmissora de Energia S.A.	43	4,7x	6,4x
dez-18	Equatorial Energia S.A.	Integração Transmissora de Energia S.A.	121	3,6x	6,0x
jun-17	ISA Investimentos e Participações do Brasil S.A.	Transmissora Aliança de Energia Elétrica S.A.	1.998	5,0x	5,3x
Median				5,2x	6,0x
Average				5,4x	6,2x

Source: Capital IQ as of August 15, 2025

(1) In Mega-watts (MW)

(2) US\$ thousand per mega-watts

Transaction multiples – Distribution and Energy Trading

- **Distribution:** key transactions in this segment are mainly driven by the goal of expanding the customer base and increasing regional reach
- **Energy Trading:** transactions are primarily driven by the acquisition of client portfolios and access to the Free Energy segment

US\$ million, except as otherwise indicated

Data	Buyer	Target	Enterprise Value	EV/Revenue	EV/EBITDA
Distribution					
set-24	Neoenergia S.A.	COSERN ⁽¹⁾	935	1.4x	4.6x
jul-23	EDP - Energias de Portugal	EDP - Energias do Brasil S.A. ⁽¹⁾	5.069	1.4x	4.7x
mar-23	Japan International Cooperation Agency	Companhia Energética de Pernambuco S.A.	1.307	0.9x	5.3x
dez-22	Equatorial Participações e Investimentos S.A.	Equatorial Goiás Distribuidora de Energia S.A. ⁽¹⁾	2.738	1.5x	N.M
mar-21	Bahia Geração de Energia S.A.	CEB Distribuição S.A.	378	0.8x	N.M
nov-18	CEMIG	Light S.A. ⁽¹⁾	2.984	0.9x	6.0x
jun-18	Enel Brasil S.A.	Eletropaulo Metropolitana Eletricidade de São Paulo SA	2.944	0.8x	9.8x
abr-18	Energisa S.A.	Energisa Mato Grosso ⁽¹⁾	1.147	1.0x	5.9x
Median				0.9x	5.6x
Average				1.1x	6.1x

- In most cases, these are generation companies consolidating commercial channels to sell their own energy more effectively

US\$ million, except as otherwise indicated

Data	Buyer	Target	Enterprise Value	EV/Revenue	EV/EBITDA
Energy Trading					
jan-25	Vibra Energia S.A.	Comerc Energia Ltda.	1.234	1.5x	13.4x
mar-22	Eneva S.A.	Focus Energia Holding Participações S.A.	108	N.M.	9.2x
abr-21	Cypress Associates Gestão e Participações Ltda	Eólica Mangue Seco 2 - Geradora e Comercializadora de Energia Elétrica S.A.	21	6.1x	N.M.
abr-21	V2I Energia SA	Eolica Mangue Seco 1 - Geradora E Comercializadora De Energia Eletrica S.A.	26	8.6x	13.2x
Median				6,1x	13,2x
Average				5,4x	11,9x

Source: Capital IQ as of August 15, 2025

(1) Increased ownership stake in subsidiary

Trading multiples – Energy companies

- **Generation** has the highest valuation multiples due to its lower regulatory burden and strong growth potential in Brazil's Free Energy Market
- **Transmission** is a stable, regulated segment with predictable revenues, growing mainly through M&A or concession auctions, but with limited organic expansion
- **Distribution** is highly regulated by ANEEL, with controlled tariffs, delayed recognition of efficiency gains, and challenges like delinquency and non-technical losses

Company	Country	Enterprise Value	Installed capacity (MW)	EBITDA	EBITDA Margin	EV/Revenue		EV/EBITDA		EV/ Installed capacity ⁽¹⁾
		Last	Last	LTM	LTM	LTM	2025	LTM	2025	Last
US\$ million, except as otherwise indicated										
Generation										
Eletrobrás	Brazil	28.693	44.653	2.522	33,04%	3,8x	4,2x	11,4x	7,5x	643
Engie Brasil Energia S.A.	Brazil	10.053	9.992	1.159	55,69%	4,8x	5,3x	8,7x	8,2x	1.006
Eneva S.A.	Brazil	8.468	10.800	772	28,73%	3,2x	4,0x	11,0x	7,4x	784
Auren Energia S.A.	Brazil	5.550	8.798	498	25,76%	2,9x	3,3x	11,2x	8,1x	631
Serena Energia S.A.	Brazil	3.119	2.804	299	32,29%	3,4x	5,4x	10,4x	9,7x	1.113
Median						3,4x	4,2x	11,0x	8,1x	784
Average						3,6x	4,4x	10,5x	8,2x	835
Company	Country	Enterprise Value	EBITDA	EBITDA Margin	EV/Revenue		EV/EBITDA			
		Last	LTM	LTM	LTM	2025	LTM	2025		
US\$ million, except as otherwise indicated										
Transmission										
ISA Energia Brasil S.A.	Brazil	4.957	734	51,4%	3,5x	6,1x	6,8x	7,9x		
Transmissora Aliança de Energia Elétrica S.A.	Brazil	3.639	422	55,9%	4,8x	8,4x	8,6x	10,2x		
Alupar Investimento S.A.	Brazil	4.679	511	67,6%	6,2x	7,4x	9,2x	9,3x		
Median					4,8x	7,4x	8,6x	9,3x		
Average					4,8x	7,3x	8,2x	9,1x		
Company	Country	Enterprise Value	EBITDA	EBITDA Margin	EV/Revenue		EV/EBITDA			
		Last	LTM	LTM	LTM	2025	LTM	2025		
US\$ million, except as otherwise indicated										
Distribution										
Equatorial S.A.	Brazil	15.332	2.129	24,6%	1,8x	2,3x	7,2x	7,4x		
Neoenergia S.A.	Brazil	14.464	2.350	26,3%	1,6x	1,9x	6,2x	6,9x		
COPEL	Brazil	9.814	1.004	24,1%	2,4x	2,7x	9,8x	9,6x		
CEMIG	Brazil	7.374	1.558	21,3%	1,0x	1,2x	4,7x	5,8x		
Light S.A.	Brazil	1.507	440	16,8%	0,6x	0,6x	3,4x	3,9x		
Median					1,6x	1,9x	6,2x	6,9x		
Average					1,5x	1,7x	6,3x	6,7x		

Source: Capital IQ as of August 15, 2025

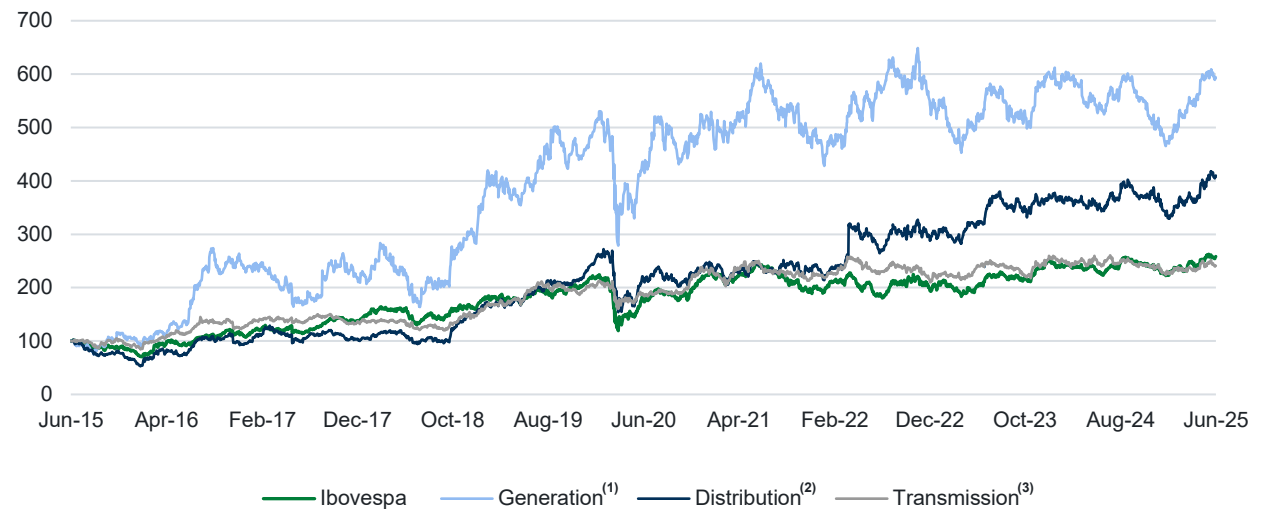
(1) US\$ thousand per mega-watts

Ibovespa versus Subsector index

Generation companies significantly outperformed the Ibovespa, while distribution showed strong increase and transmission remained broadly in line in the last 10 years

- Generation companies show the highest appreciation, outperforming the Ibovespa by 140%
- Next, distribution companies trade 58% above the benchmark index
- Transmission companies are in line, performing 9% below the index

Basis 100: Ibovespa vs. Subsector index



Source: Capital IQ as of August 15, 2025

(1) Index constructed based on the weighted variation by market cap of generation companies (Eletrobrás, Engie Brasil, Eneva, Auren Energia, Serena Energia) listed in Bovespa

(2) Index constructed based on the weighted variation by market cap of distribution companies (Equatorial, Neoenergia, Copel, CEMIG, Light) listed in Bovespa

(3) Index constructed based on the weighted variation by market cap of transmission companies (Isa Energia Brasil, Taesa, Alupar) listed in Bovespa

Conclusions – Navigating the future of Brazil's energy market

Brazil's energy market is transitioning towards an even more sustainable and flexible system, unlocking new opportunities for growth and investment

Renewable energy growth driving demand

- The rapid expansion of **solar and wind energy** is reshaping Brazil's energy matrix
- Increased investment in **energy storage** and grid integration will be necessary to accommodate growing renewable sources
- **Regulatory reforms** are accelerating the transition towards cleaner energy and improving energy accessibility

Challenges in flexibility and system integration

- Brazil's energy system is transitioning towards **greater reliance on renewables**, but faces **grid integration and transmission issues**
- The need for **energy storage** and more **flexible systems** is growing, especially to mitigate the **seasonality and intermittency** of renewable sources

Increasing investment opportunities in renewables

- Brazil offers **significant opportunities** in renewable energy, energy trading, and smart grid technologies
- The country's **vast natural resources** make it an attractive market for investors seeking to capitalize on the energy transition

M&A activity and opportunities

- **M&A activity** is expected to intensify in Brazil's energy sector, driven by the need for **consolidation** and **increased market efficiency**
- **Energy trading** presents a M&A opportunities due to its fragmentation
- Larger players in the market may seek acquisitions to expand their renewable capacities and gain a competitive edge in the energy transition

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Márcio Fiuza is a partner at Brasilpar since 2015, where he is responsible for origination and execution of M&A and corporate finance advisory. Before joining Brasilpar, Marcio was a founding partner of Vergent Partners, where he completed over R\$15 billion in transactions over a 13-year period in several industries. Before founding Vergent Partners, he was Vice President in the Global Communications Group of Bear Stearns, in New York, from 1997 to 2001. From 1985 to 1997, he worked at Vale do Rio Doce in various positions including assistant to the chief financial officer of California Steel Industries and corporate strategic planning in the company's headquarters in Rio de Janeiro. Márcio has an MBA from the Wharton School of the University of Pennsylvania and holds a degree in Mechanical Engineering from the Federal University of Minas Gerais



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Alberto Kiraly is a partner at Brasilpar since 2023. He is responsible for origination and execution of m&a and corporate finance advisory services. Before Brasilpar, Alberto was a partner at BRG Capital, where he led several m&a and debt/equity financing projects in sectors such as services, technology and infrastructure. Before that he established and led the Investment Banking area of Banco Votorantim S.A., was an Executive Director of BES Investimento S.A. and held the position of CEO - Brazil at Morgan Stanley. He also worked in various positions in investment banking at Banco Icatu, Banco Liberal and Rothschild. He was a member of the Board of Directors of Climatempo Participações S.A. and served as an Executive Director and Board Member of CAF (Mergers and Acquisitions Committee), Director of ANBIMA (Financial and Capital Markets Association) and member of the Capital Markets Commission of IBGC (Corporate Governance Institute). Alberto has an MBA from the Wharton School and holds a degree in Business Administration from FGV - RJ

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