

4Q19 RESULTS

May 2020

Disclaimer

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Highlights 4Q19

Consolidated Adjusted EBITDA reached R$ **1,244 million** in the quarter









Distribution

- Quality: **EQTL Pará reached 2nd place** in ANEEL's 2019 Quality Ranking.
- **Losses reduction** in 3 out of 4 DisCos.

Consolidated billed volume grows 8.2%

- Sold volume amounting to 6,200 GWh.
- Billed volume growth in all 4 DisCos.

Transmission

- Commercial operations started in SPV 01 and SPV 02, amounting to R$ 86 million and R$ 78 million, respectively.
- Funding **100%** secured, **79%** disbursed.

Adjusted consolidated EBITDA of R$ 1,244 million

- **Transmission + Intesa**: : IFRS 15 adoption added R$ 432 million to EBITDA in the quarter.
- **DisCos**: Piauí and Alagoas EBITDA reached R$ 67 and R$ 88 million, respectively.
- **Dividends**: EQTL3 should pay R$ 0.32 per share, or R$ 323 million.

Updates



COVID19

Group Measures

Staff

- Home Office for office employees
- Compulsory vacations for field staff
- Working hours reduction for administrative employees
- Hour bank implementation
- Hires and trainings suspended

Opex and Capex

- Contract renegotiation (field activities)
- Essencial services maintained
- Custumer services reduction and priorization to online services
- Investment plan revised for 2020

Social Actions

- 20 Medical Equipments
- 145 tons of Foodstuff
- 15 Thousand hygiene kits
- R$ 5 million in donations to campaign hospitals
- Virtual ICU

Liquidity

- Financial aplications migrated to government bonds
- BNDES Standstill for PI and AL DisCos
- CAPEX financing approved for complementing 2020 and for 21/22/23, to Piauí and Alagoas, with BNDES (R$ 1.1 Bn)

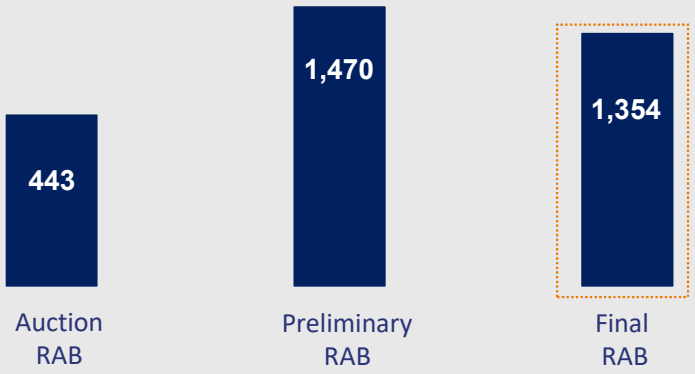
RTE

Alagoas

Alagoas Extraordinary Tariff Review (RTE)

- Complete Regulatory Asset Base (RAB) revaluation
- Maintenance of losses, OPEX and X factor (components Pd and T) index.
- New tariff in place as of 07/01/2020
- Offsetting for the delay in the application of tariffs through CDE resources (quota reduction) and subsidies

Equatorial Alagoas RAB
(R$ Mn)[1]



Parcel B and Regulatory EBITDA

R$ Mn	Auction	RTE
Net RAB	R$ 443	R$ 1,354
Parcel B	R$ 307	R$ 666
Regulatory EBITDA	R$ 94	R$ 298

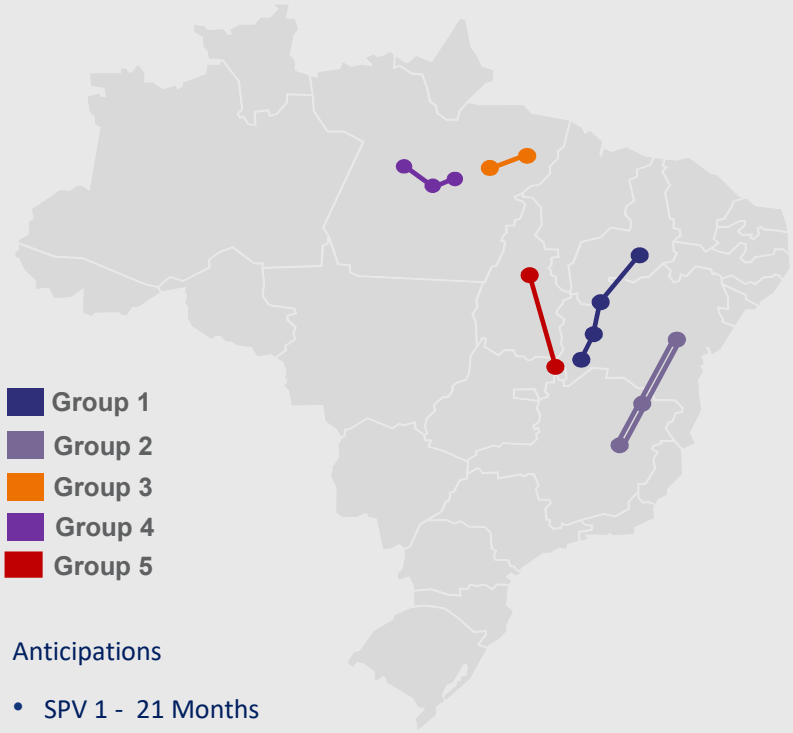
Transmission

SPV	State	km	Substations	Construction Works	Regulatory Capex	Revenues	Operational Revenues	Start
SPV 1	BA	251	1	100%	496	86	86	May/20
SPV 2	BA	213		100%	519	78	78	Feb/20
SPV 3	BA/PI	380		64.0%	610	116	-	-
SPV 4	BA/MG	594	1	84%	1,181	210	-	-
SPV 5	BA/MG	257		72.8%	483	97	-	-
SPV 6	MG	330		35.5%	562	120	-	-
SPV 7	PA	125	2	70.7%	476	101	-	-
SPV 8	PA	436	3	99.8%	740	138	123*	Jul/20
NTESA	TO/GO	695	5	100.00%	-	167	167*	2008
Total		**3,281**	**12**		**5,067**	**1,115**	**454**	

*Wih Reinforcement

*Operational Lines

Base Date: 05/15/2020



Anticipations

- SPV 1 - 21 Months
- SPV 2 - 21 Months
- SPV 8 – 30 Months

INTESA has 41 Million in Revenues Coming from reinforcements

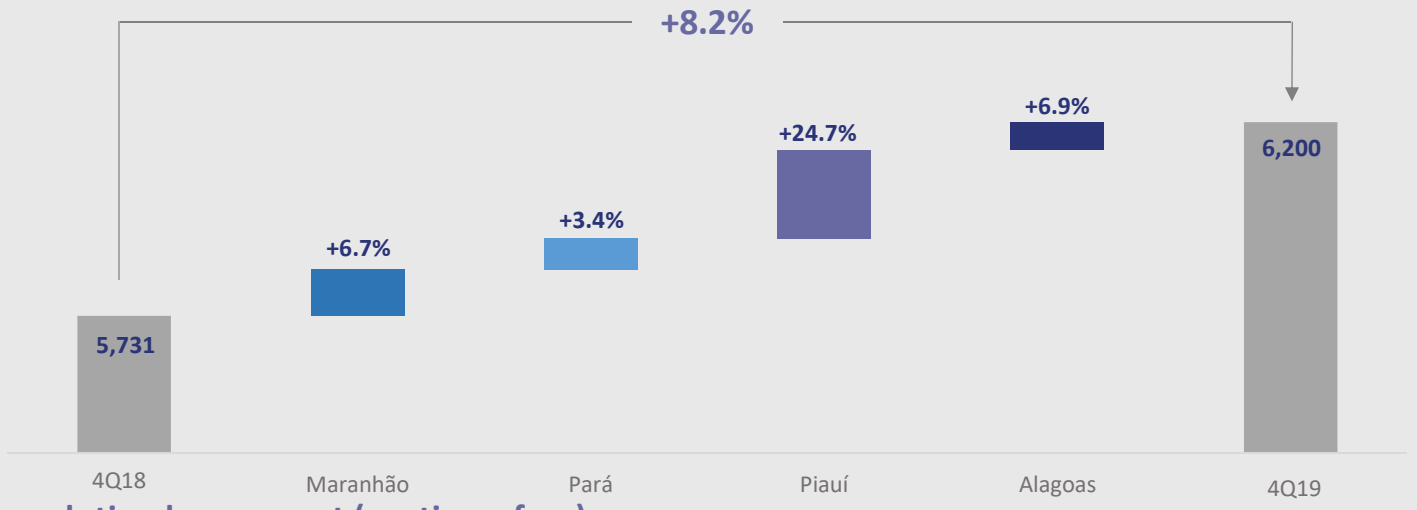
Operating Performance



Energy Market

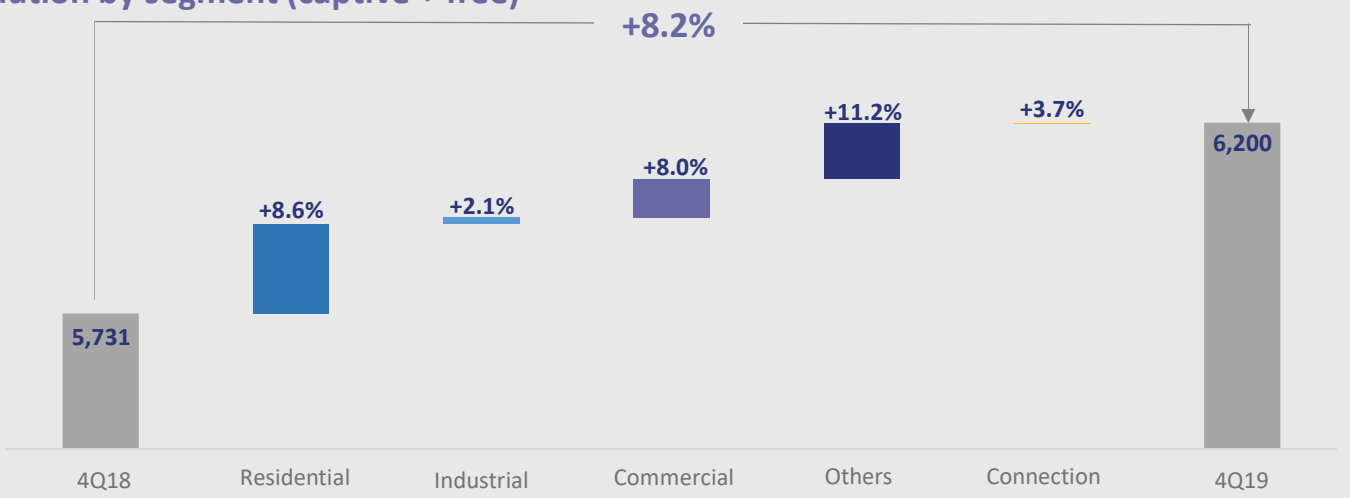
Sales evolution by DisCo (captive + free)

GWh



Sales evolution by segment (captive + free)

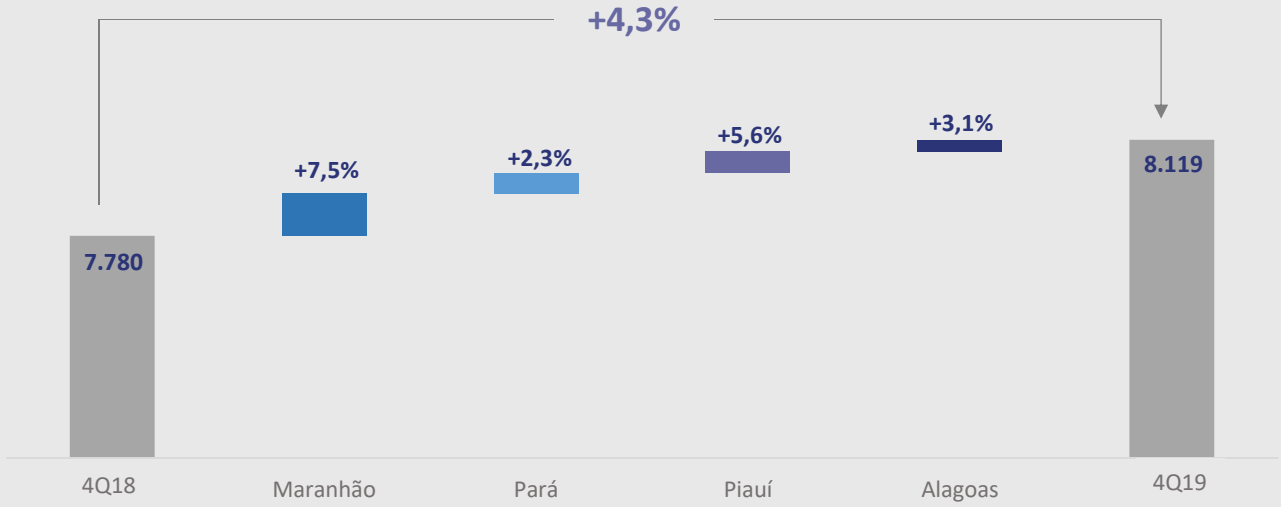
GWh



Energy Market

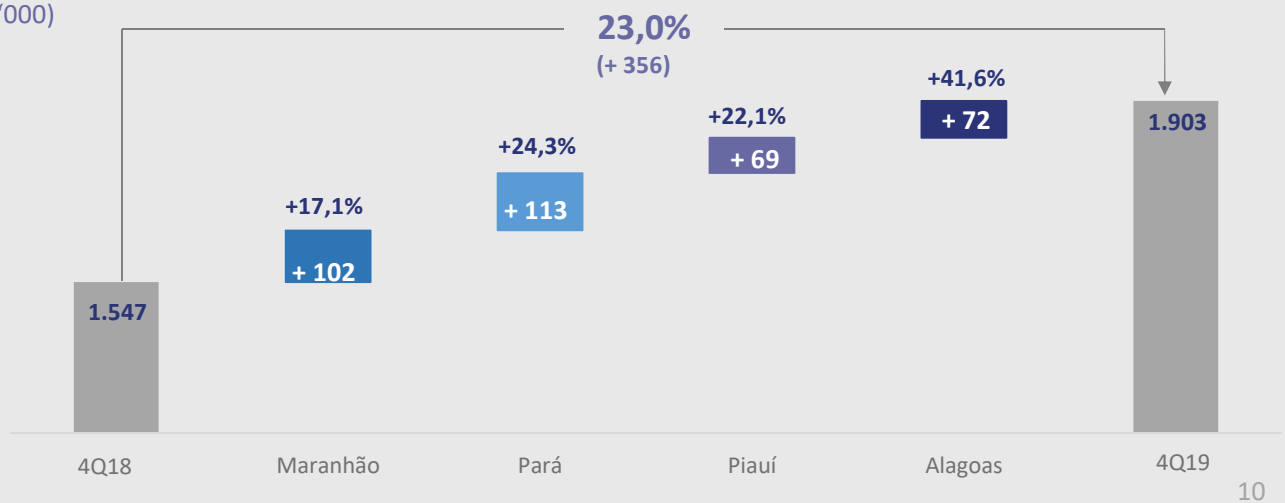
Injected energy evolution per DisCo

GWh



Low income evolution

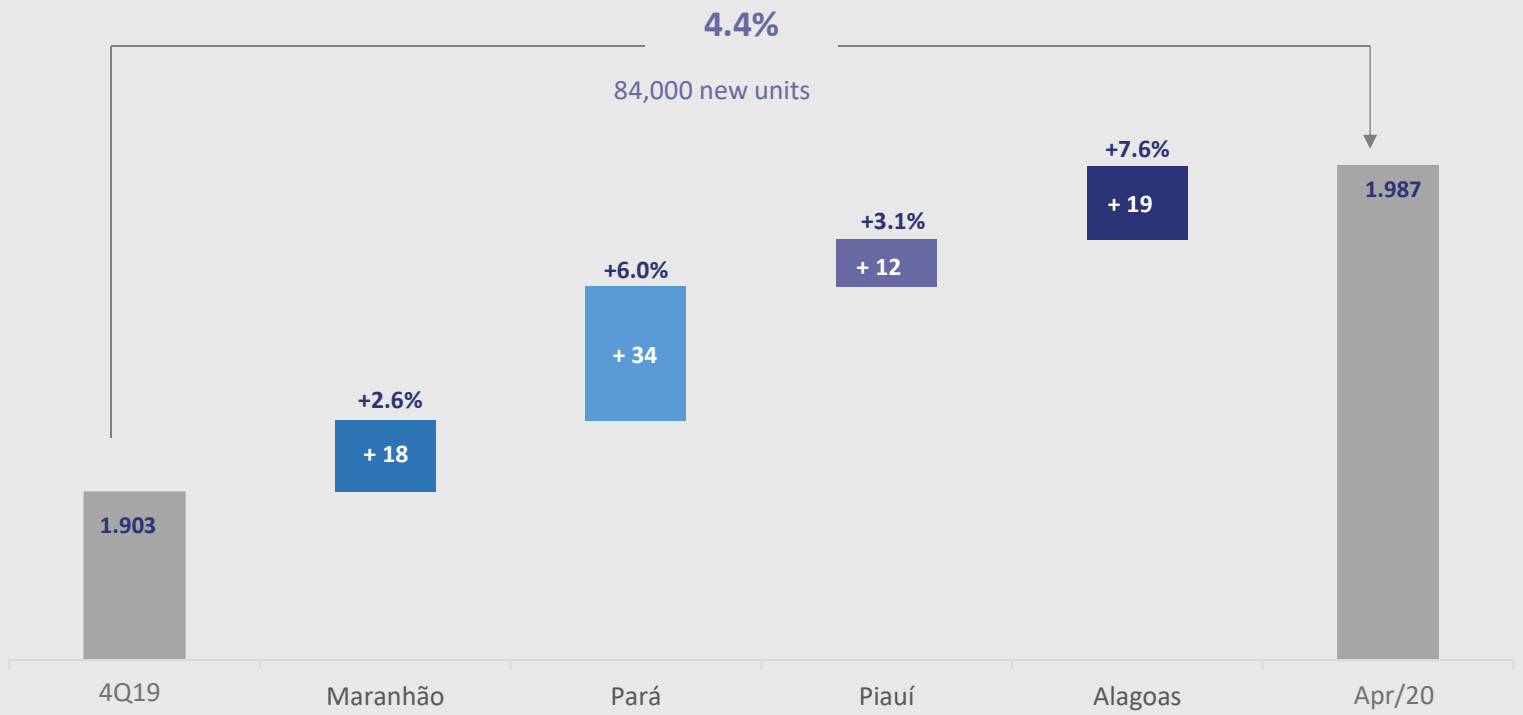
of consumers ('000)



Low Income

Low Income Evolution

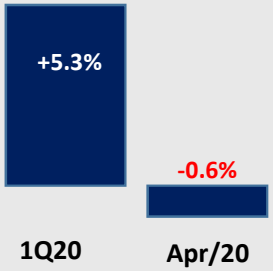
of consumers ('000)



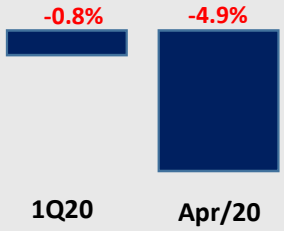
Injected Energy - 2020

Growth 2020/2019

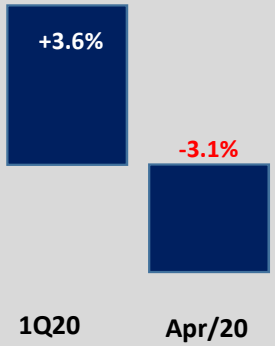
Maranhão



Piauí

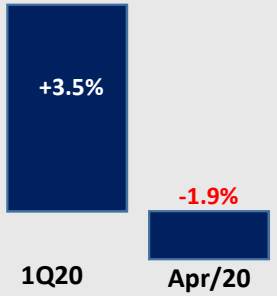


Consolidated

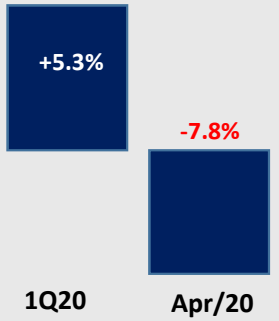


The drop in the volume after the pandemic is smoothed by the concentration of the Market in the residential segment

Pará



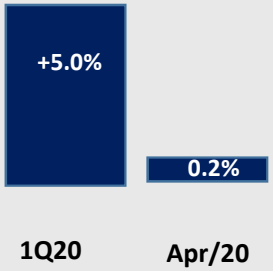
Alagoas



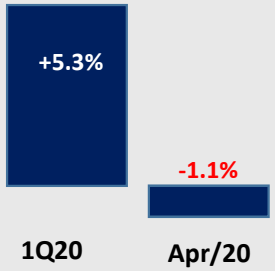
Consumption per DisCo - 2020

Growth 2020/2019

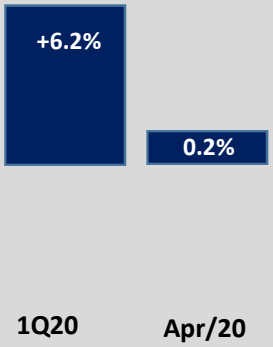
Maranhão



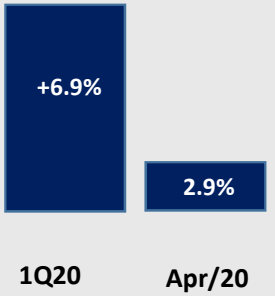
Piauí



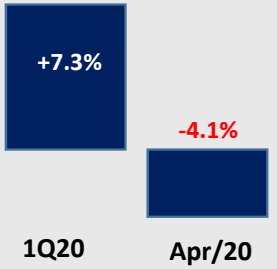
Consolidated



Pará



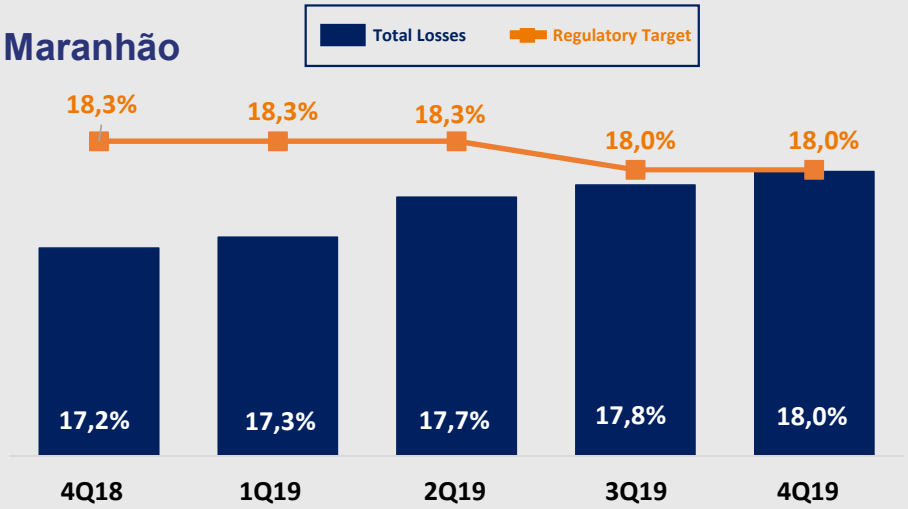
Alagoas



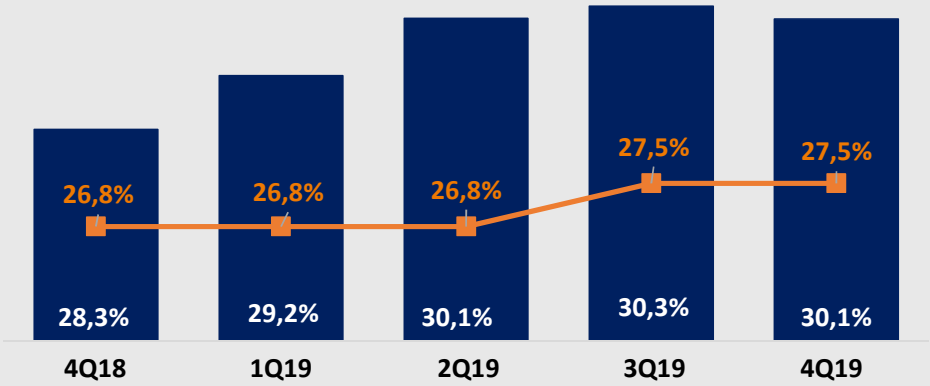
Total losses over injected energy

Losses in Piauí drop for the 3º consecutive quarter

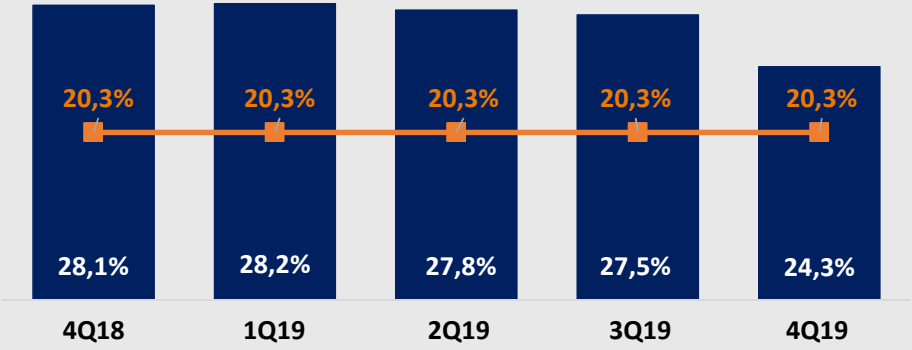
Maranhão



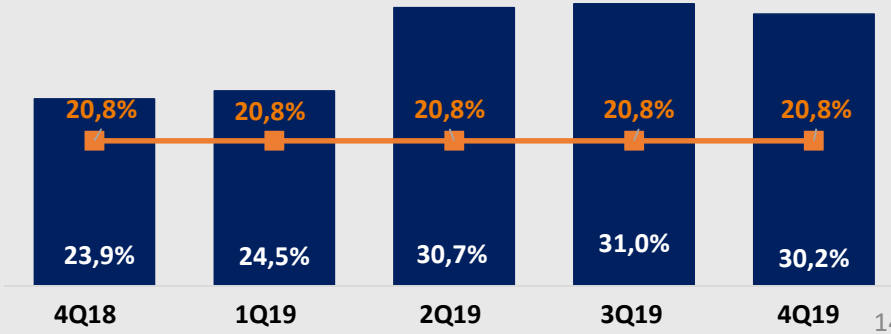
Pará



Piauí



Alagoas

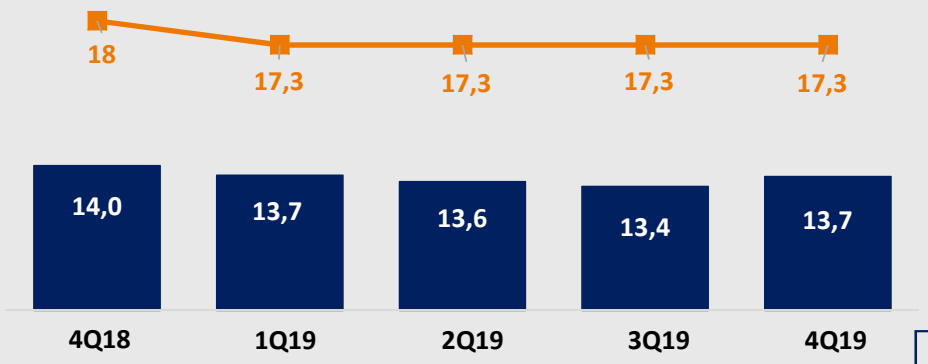


DEC

Maranhão and Pará beating the target. Piauí and Alagoas are affected by an adjustment in the calculation methodology

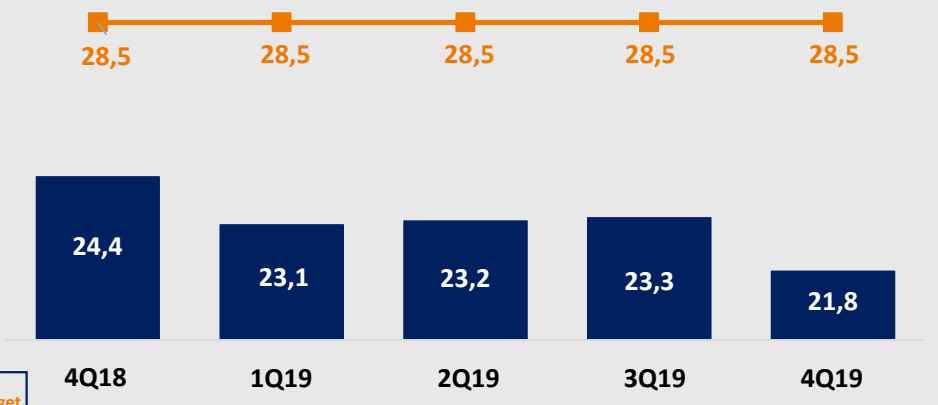
Maranhão

8th place in Aneel's Quality Rank



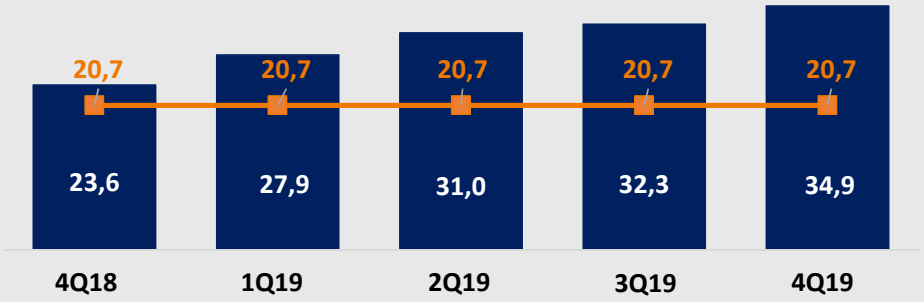
Pará

2nd place in Aneel's Quality Rank

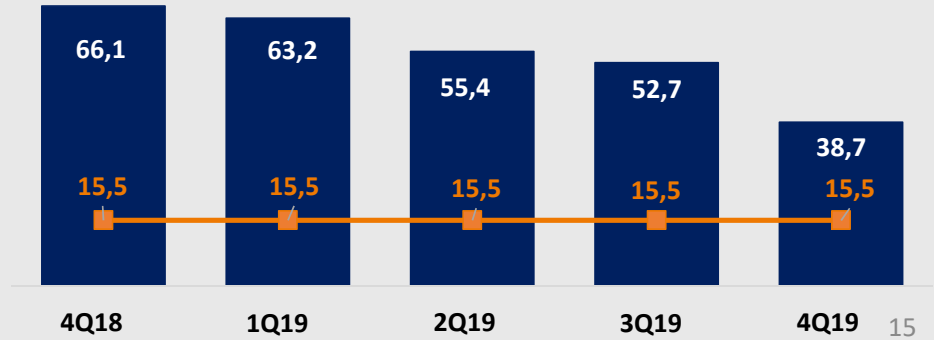




Piauí



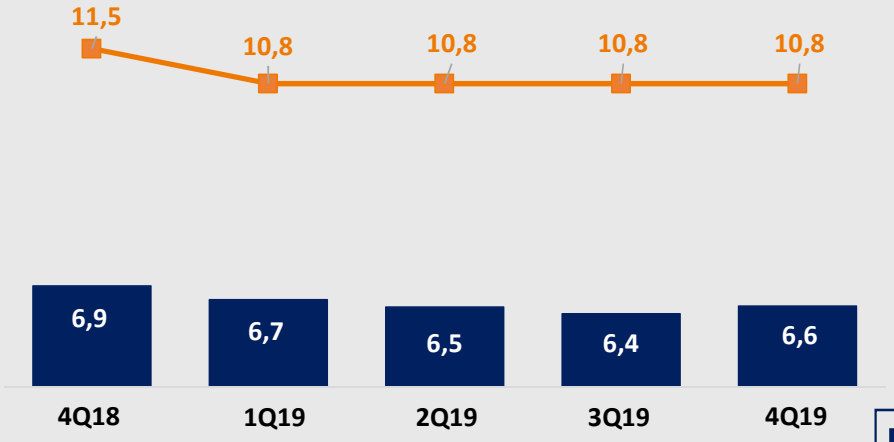
Alagoas



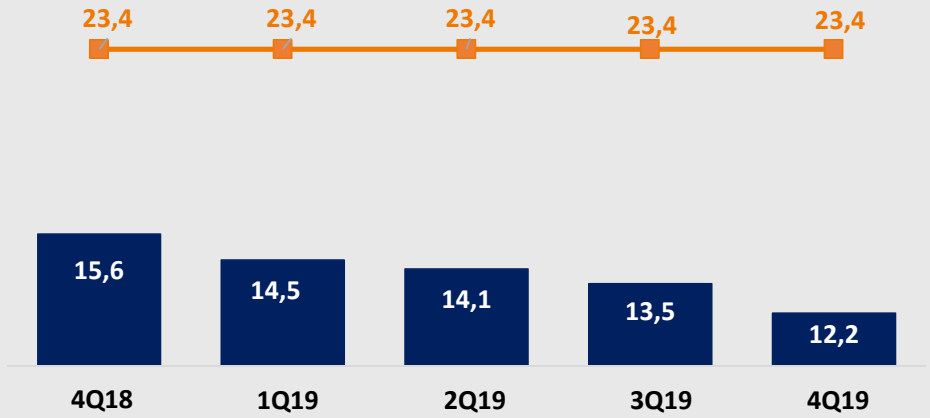
FEC

Alagoas Index affected by a calculation adjustment

Maranhão

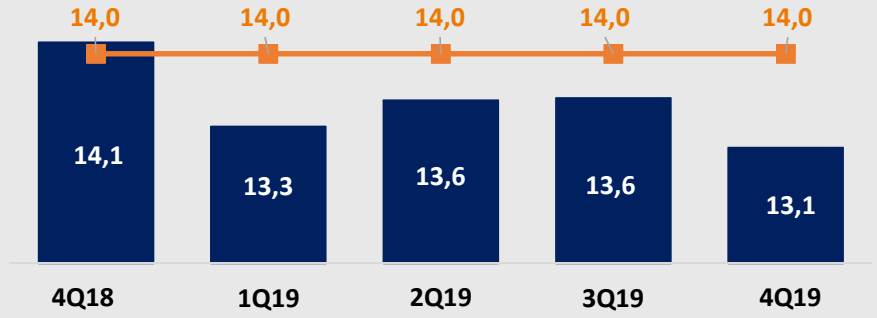


Pará

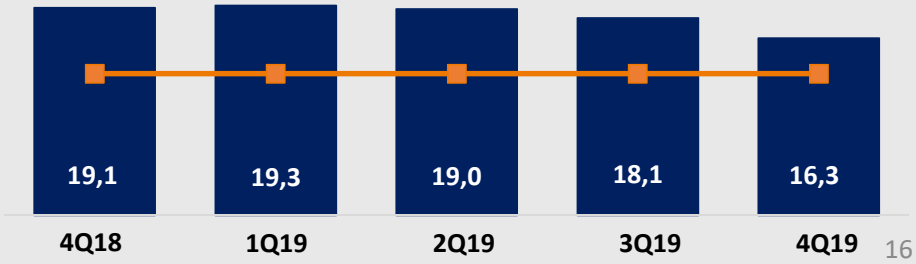




Piauí



Alagoas



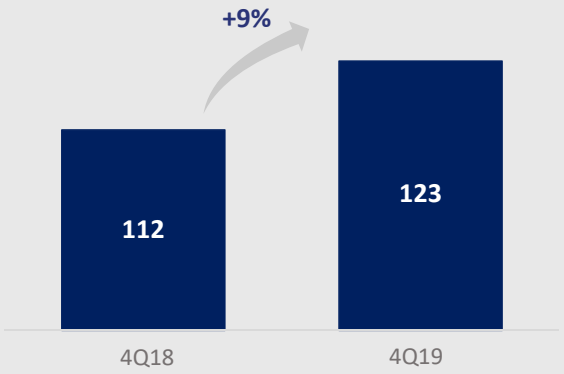
Financial Performance



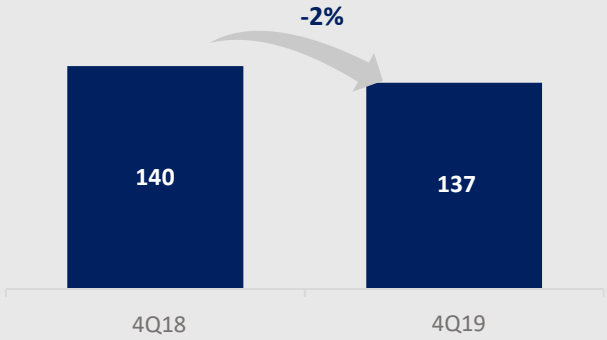
Manageable Expenses

Piauí and Alagoas presenting recurring costs below regulatory.

Maranhão



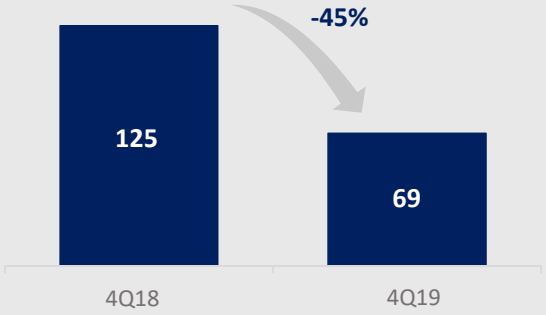
Pará



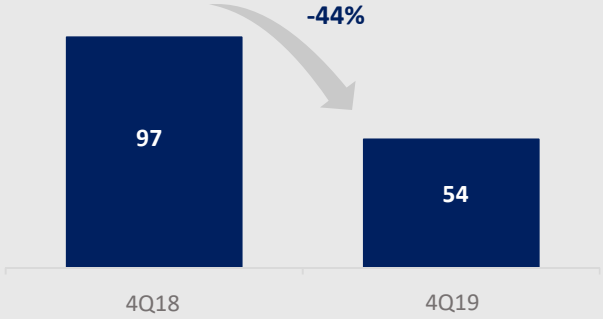
INPC
12 months
2.92%

IPCA
12 months
2.89%

Piauí



Alagoas



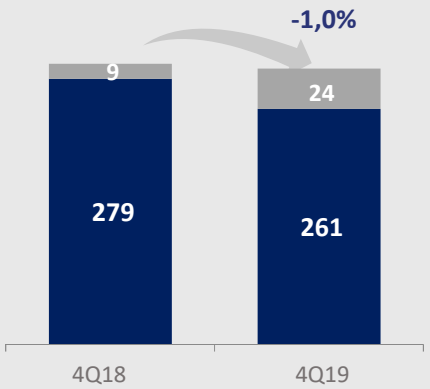
OPEX per consumer 2019

Piauí	Alagoas
R$ 223	R$ 220

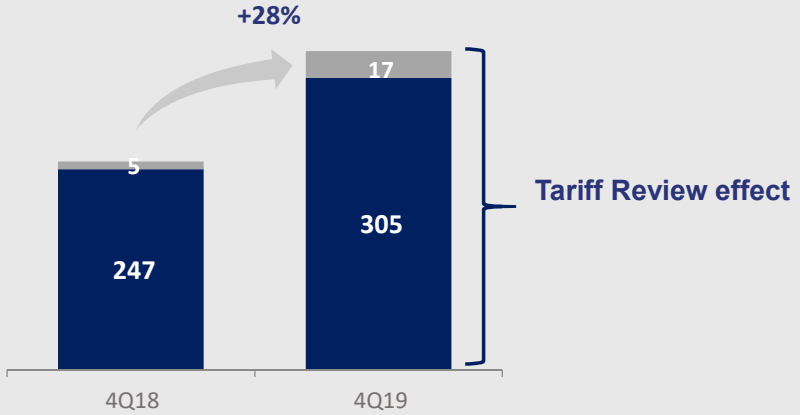
EBITDA

Piauí and Alagoas presenting positive Adjusted EBITDAs

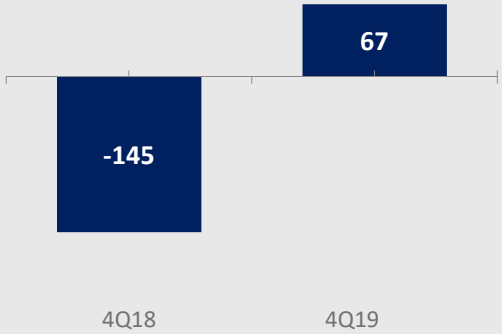
Maranhão



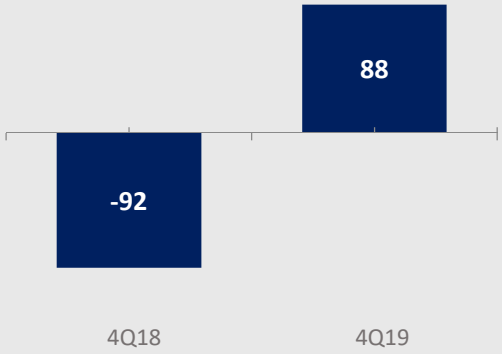
Pará



Piauí



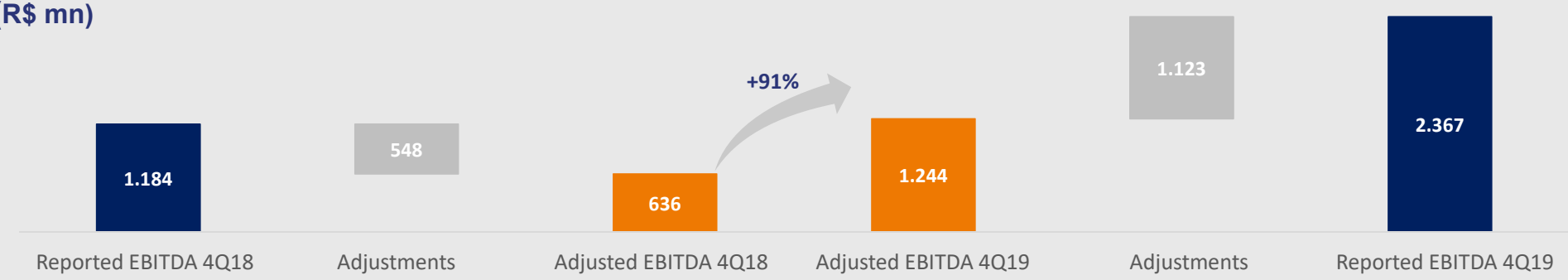
Alagoas



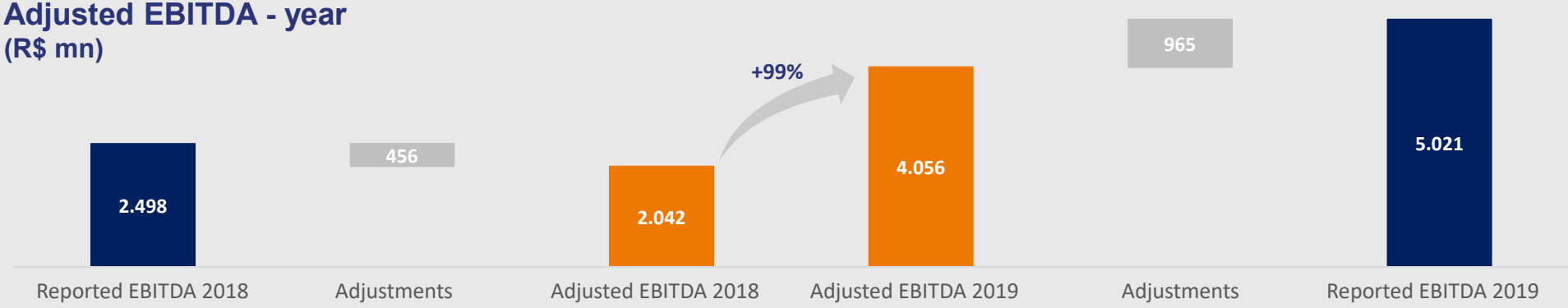
Financial Asset Update (VNR)

Equatorial Consolidated

Adjusted EBITDA - quarter
(R$ mn)



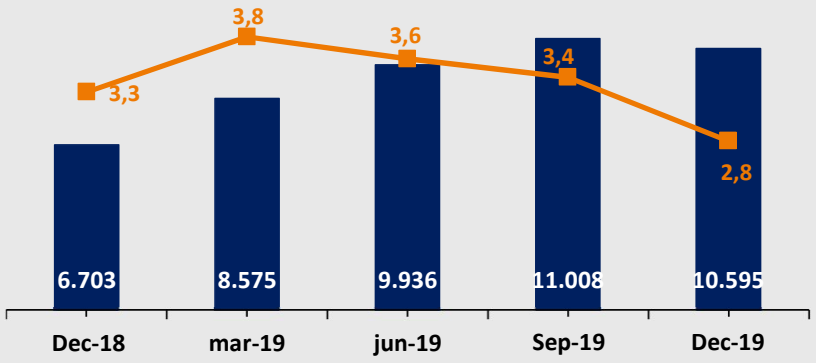
Adjusted EBITDA - year
(R$ mn)



Debt

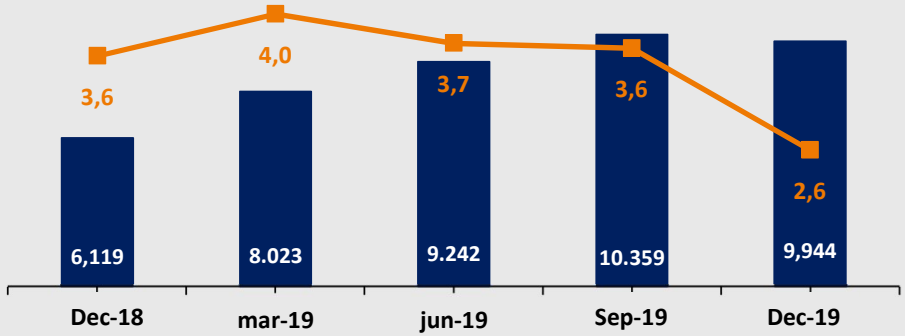
Cons. Net Debt and Net Debt/EBITDA LTM

(R$ Mn)[1]



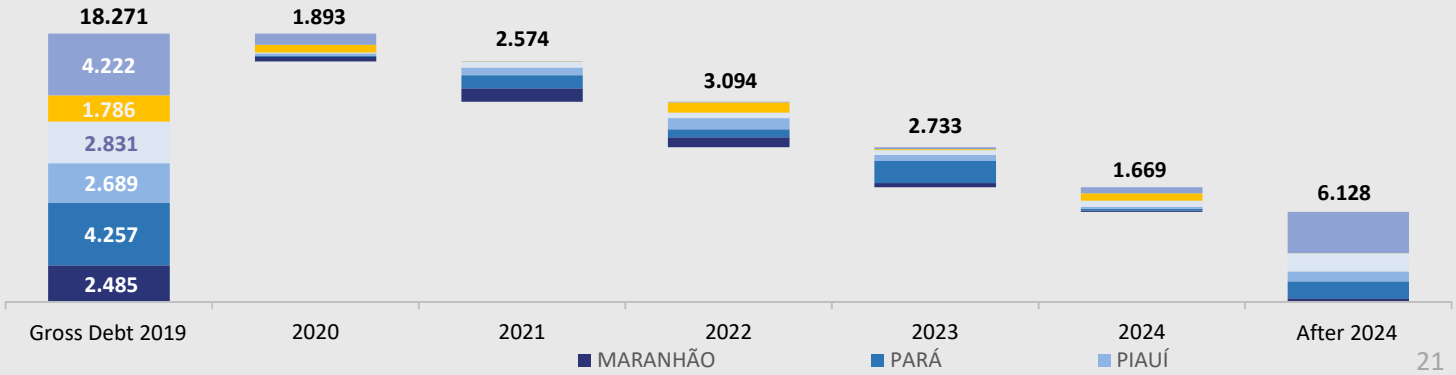
Pro-rata Net Debt and Net Debt/EBITDA LTM

(R$ Mn)[2]



Debt maturity profile

(R$ Mn)



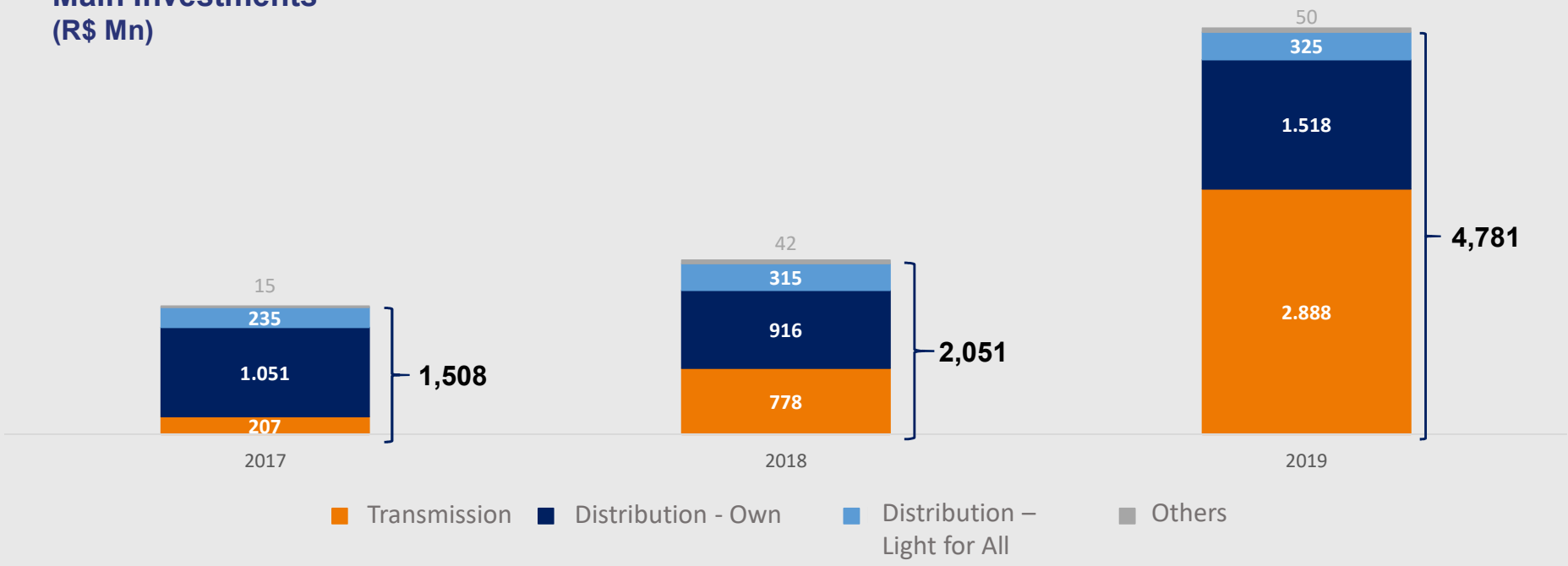
Consolidated Cash
Dec 31, 2019

R$6.0 Billion

Cash is enough for almost 3 years of expected amortizations

Investments

Main Investments
(R$ Mn)



Transmission projects investment reached R$ 3.8 billion since 1Q17.

Thank You

