



CTEEP – COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA
Publicly Held Company
Corporate Taxpayer ID (CNPJ/MF) 02.998.611/0001-04
Company Registry (NIRE): 35300170571

NOTICE TO THE MARKET

Conclusion of IE Aguapeí

CTEEP – Companhia de Transmissão de Energia Eletrica Paulista (“ISA CTEEP,” “Company”) hereby announces that IE Aguapeí (“Aguapeí”), a wholly-owned subsidiary of ISA CTEEP, has energized the Baguaçu substation (600 MVA) and 16km of transmission lines, thus concluding the development of lot 29 of the transmission auction 005/2016 held in April 2017.

Located in the state of São Paulo, it consists of the installation of 121 km of transmission lines and substations with capacity of 1,400 MVA (Baguaçu and Alta Paulista). The installation of these two new substations benefits the National Interconnected System (“SIN”), relieving the load of 440 kV systems in the region and expanding the capacity of using the 138 kV grid. The Alta Paulista substation benefits the city of Presidente Prudente and surrounding regions, and the Baguaçu substation, to the city of Araçatuba and surrounding regions.

During construction, the ISA CTEEP team used techniques to minimize the impact on the environment, such as greater distance of transmission towers from the soil and the laying of cables using drones, which avoided interventions in around 25 hectares of the Atlantic Rainforest, thereby preserving the native vegetation.

Besides making environmental compensation by planting 4.95 hectares of native vegetation, according to CETESB (Environmental Company of the State of São Paulo), the Company and the contracted suppliers engaged in the construction of the project donated 5,000 seedlings to the city of Flórida Paulista located in the countryside of São Paulo.

Moreover, 100% of recyclable waste generated from the construction of the project was sent for recycling.

Investments in IE Aguapeí totaled around BRL360 million, a reduction of over 40% compared to the capex set by ANEEL. EBITDA margin is estimated at 90%. IE Aguapeí operates under the presumptive income tax regime. Its RAP is of BRL60 million for the 2020/2021 tariff cycle.

The project has been financed through debentures issued by ISA CTEEP: to date, BRL126 million from the 7th issue (IPCA + 4.7% p.a.), BRL1.6 million from the 8th issue (IPCA + 3.5% p.a.) and BRL99.6 million from the 9th issue (IPCA + 5.30% p. a.) have been raised. Considering the proceeds from these issues, the Company has already financed around 63% of the project.

The Company reiterates its commitment to creating value through projects that contribute to the expansion of the electricity transmission system in Brazil.

São Paulo, March 04, 2021.

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