



isa
CTEEP

**MANAGEMENT PROPOSAL
EXTRAORDINARY SHAREHOLDERS MEETING
To be held on August 31, 2021**

CONTENTS

Page

1. Call Notice	3
2. Management Proposal	5
3. APPENDIX I – Protocol and Justification of the Merger of SF Energia	8
4. APPENDIX II – Information indicated in Appendix 21 of CVM instruction 481/09 regarding the firm valuing SF Energia	11
5. APPENDIX III – Work and compensation proposal from valuation firm recommended for the Merger of SF Energia	12
6. APPENDIX IV – Valuation Report of SF Energia	15
7. APPENDIX V – Information indicated in Appendix 20-A of CVM Instruction 481/09 regarding the Merger of SF Energia	22
8. APPENDIX VI – Protocol and Justification of the Merger of PBTE	27
9. APPENDIX VII – Information indicated in Appendix 21 of CVM Instruction 481/09 regarding the firm valuing PBTE	30
10. APPENDIX VIII – Work proposal from valuation firm recommended for the Merger of PBTE	31
11. APPENDIX IX – Valuation Report of PBTE	34
12. APPENDIX X – Information indicated in Appendix 20-A of CVM Instruction 481/09 regarding the Merger of PBTE	42

1. CALL NOTICE

CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA PUBLICLY-HELD COMPANY

**Corporate Taxpayer ID (CNPJ) 02.998.611/0001- 04
Company Registry (NIRE): 35300170571**

EXTRAORDINARY SHAREHOLDERS MEETING CALL NOTICE

The Shareholders of CTEEP – Companhia de Transmissão de Energia Elétrica Paulista (“ISA CTEEP”; “Company”), pursuant to article 13 of the Bylaws, are hereby invited to the Extraordinary Shareholders Meeting of the Company to be held on August 31, 2021, at 9:00 a.m., at the headquarters of the Company located at Avenida das Nações Unidas, nº 14.171, Torre Crystal, 7º andar, São Paulo/SP, Cep: 04794-000, to deliberate on the following Agenda:

(i) to deliberate on the terms and conditions of the Protocol and Justification of Merger (“Protocol of SF Energia”), which establishes the terms and conditions of the merger (“Merger of SF Energia”) by the Company of its wholly-owned subsidiary SF Energia Participações S.A., a corporation headquartered at Avenida das Nações Unidas, nº 14.171, Torre Crystal, 6º andar, cj. 603, sala 2, Vila Gertrudes, CEP 04794-000, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 31.862.288/0001-37 (“SF Energia”);

(ii) to deliberate on ratifying the nomination of TATICCA Auditores Independentes S.S., headquartered at Rua Geraldo Campos Moreira, 375, 5º andar, CEP 04571-020, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 20.840.718/0001-01 and in the regional accounting council (CRC/SP) under no. 2SP-03.22.67/O-1, (“Taticca”), as the firm tasked with preparing the valuation report ascertaining the book value of the shareholders’ equity of SF Energia that will be transferred to the Company by virtue of the Merger of SF Energia (“Valuation Report of SF Energia”);

(iii) to deliberate on the Valuation Report of SF Energia;

(iv) to deliberate on the Merger of SF Energia;

(v) conditioned on the approval of the Merger of SF Energia, to deliberate on the terms and conditions of the Protocol and Justification of Merger (“Protocol of PBTE”), which establishes the terms and conditions of the merger (“Merger of PBTE”) by the Company of its wholly-owned subsidiary (after the Merger of SF Energia) Piratininga-Bandeirantes Transmissora de Energia S.A., a corporation headquartered at Avenida das Nações Unidas, nº 14.171, Torre Crystal, 6º andar, cj. 602, sala 2, Vila Gertrudes, CEP 04794-000, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 25.298.138/0001-40 (“PBTE”);

(vi) to deliberate on ratifying the nomination of TATICCA Auditores Independentes S.S., headquartered at Rua Geraldo Campos Moreira, 375, 5º andar, CEP 04571-020, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 20.840.718/0001-01 and in the regional accounting council (CRC/SP) under no. 2SP-03.22.67/O-1, (“Taticca”), as the firm tasked with preparing the valuation report ascertaining the book value of the shareholders’ equity of PBTE that will be transferred to the Company by virtue of the Merger of PBTE (“Valuation Report of PBTE”);

(vii) to deliberate on the Valuation Report of PBTE; and

(viii) to deliberate on the Merger of PBTE.

Shareholders may be represented at the Shareholders Meeting by a proxy appointed under article 126, paragraph 1 of Federal Law 6,404/76, through a public or private proxy instrument with notarized signature, provided it is filed at the headquarters of the Company, together with other documents required by said law, at least two (2) business days prior to the date of the Shareholders Meeting.

The Company will adopt the absentee voting system during this Extraordinary Shareholders Meeting. The Absentee Ballot and instructions to complete and submit it were placed at the disposal of shareholders at the Company's headquarters and its website (www.isacteep.com.br/ri - [CVM Filings > Assembly Meetings](#)) and sent to B3 and the Securities and Exchange Commission of Brazil (CVM) pursuant to applicable laws. No platform will be available for streaming or electronic voting in real time.

São Paulo, July 30, 2021.

Bernardo Vargas Gibsone
Chairman of the Board of Directors

2. MANAGEMENT PROPOSAL

Dear Shareholders,

We hereby submit the proposal of the management of **CTEEP – Companhia de Transmissão de Energia Elétrica Paulista** (“Company”) on the matter to be discussed and voted on at the Extraordinary Shareholders Meeting to be held, on first call, on August 31, 2021 at 9:00 a.m.

The Extraordinary Shareholders Meeting will deliberate on the following:

(i) the terms and conditions of the Protocol and Justification of Merger (“Protocol of SF Energia”), which establishes the terms and conditions of the merger (“Merger of SF Energia”) by the Company of its wholly-owned subsidiary SF Energia Participações S.A., a corporation headquartered at Avenida das Nações Unidas, no 14.171, Torre Crystal, 6o andar, cj. 603, sala 2, Vila Gertrudes, CEP 04794-000, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 31.862.288/0001-37 (“SF Energia”);

Management Proposal

The Company's Management proposes that shareholders carefully examine the Protocol of SF Energia, included in Appendix I to this Management Proposal, and then approve it without reservations.

(ii) to deliberate on ratifying the nomination of TATICCA Auditores Independentes S.S., headquartered at Rua Geraldo Campos Moreira, 375, 5º andar, CEP 04571-020, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 20.840.718/0001-01 and in the regional accounting council (CRC/SP) under no. 2SP-03.22.67/O-1, (“Taticca”), as the firm tasked with preparing the valuation report ascertaining the book value of the shareholders' equity of SF Energia that will be transferred to the Company by virtue of the Merger of SF Energia (“Valuation Report of SF Energia”).

Management Proposal

The information requested in Appendix 21 of CVM Instruction 481/09 concerning the valuation firm is provided in Appendix II to this Management Proposal and a copy of its work proposal is provided in Appendix III. The Management proposes that shareholders ratify the engagement of Taticca to prepare the Valuation Report of SF Energia.

(iii) to deliberate on the Valuation Report of SF Energia.

Management Proposal

The Company's Management proposes that shareholders carefully examine the Valuation Report of SF Energia (Appendix IV) and then approve it without reservations.

(iv) to deliberate on the Merger of SF Energia.

Management Proposal

On this date, the Company holds one hundred percent (100%) of the shares in the capital stock of SF Energia, such that the revenues, assets and liabilities of SF Energia are fully reflected in the consolidated financial statements of the Company using the consolidation method. Hence, (i) the Merger of SF Energia will not result in any increase or reduction in

the shareholders' equity or capital stock of the Company; (ii) there will be no exchange of the shareholding interests of non-controlling shareholders of SF Energia with shares of the Company since it is the only partner of SF Energia.

Hence, as per the CVM's recent opinions on queries made in similar corporate transactions and, also, pursuant to CVM Instruction 565 of June 15, 2015, there is no justification to calculate the exchange ratio, based on the assets of the companies at market prices or the corresponding report for comparison purposes, addressed by article 264 of Law 6,404 of December 15, 1976, as amended, as well as articles 6 and 7 of CVM Instruction 565 of June 15, 2015.

(v) conditioned on the approval of the Merger of SF Energia, to deliberate on the terms and conditions of the Protocol and Justification of Merger ("Protocol of PBTE"), which establishes the terms and conditions of the merger ("Merger of PBTE") by the Company of its wholly-owned subsidiary (after the Merger of SF Energia) Piratininga-Bandeirantes Transmissora de Energia S.A., a corporation headquartered at Avenida das Nações Unidas, no 14.171, Torre Crystal, 6o andar, cj. 602, sala 2, Vila Gertrudes, CEP 04794-000, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 25.298.138/0001-40 ("PBTE").

Management Proposal

The Management proposes that shareholders carefully examine the Protocol of PBTE, included in Appendix VI to this Management Proposal, and then approve it without reservations.

(vi) to deliberate on ratifying the nomination of TATICCA Auditores Independentes S.S., headquartered at Rua Geraldo Campos Moreira, 375, 5º andar, CEP 04571-020, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 20.840.718/0001-01 and in the regional accounting council (CRC/SP) under no. 2SP-03.22.67/O-1, ("Taticca"), as the firm tasked with preparing the valuation report ascertaining the book value of the shareholders' equity of PBTE that will be transferred to the Company by virtue of the Merger of PBTE ("Valuation Report of PBTE").

Management Proposal

The information requested in Appendix 21 of CVM Instruction 481/09 concerning the valuation firm is provided in Appendix II to this Management Proposal and a copy of its work proposal is provided in Appendix VIII. The Management proposes that shareholders ratify the engagement of Taticca to prepare the Valuation Report of PBTE.

(vii) to deliberate on the Valuation Report of PBTE.

Management Proposal

The Management proposes that shareholders carefully examine the Valuation Report of PBTE (Appendix IX) and then approve it without reservations.

(viii) to deliberate on the Merger of PBTE.

Note that the deliberation on the Merger of PBTE is conditioned on the favorable decision concerning the Merger of SF Energia since, after said approval, the Company will become the direct parent company of PBTE.

As such, as with the Merger of SF Energia, the Merger of PBTE will not result in any increase or reduction in the shareholders' equity of the merging company.

Therefore, on this date, after the approval of the Merger of SF Energia, the Company will become the direct holder of one hundred per cent (100%) of the shares representing the capital stock of PBTE. The revenues, assets and liabilities of PBTE are fully reflected in the consolidated financial statements of the Company through the consolidation method. Therefore, (i) the Merger of PBTE will not result in any increase or reduction in the shareholders' equity or capital stock of the Company; (ii) there will be no exchange of ownership interest of the non-controlling shareholders of PBTE for shares issued by the Company since it is the only shareholder of PBTE.

Hence, as per the CVM's recent opinions on queries made in similar corporate transactions and, also, pursuant to CVM Instruction 565 of June 15, 2015, there is no justification to calculate the exchange ratio, based on the assets of the companies at market prices or the corresponding report for comparison purposes, addressed by article 264 of Law 6,404 of December 15, 1976, as amended, as well as articles 6 and 7 of CVM Instruction 565 of June 15, 2015.

São Paulo, July 30, 2021.

The Management

CTEEP – Companhia de Transmissão de Energia Elétrica Paulista

APPENDIX I – PROTOCOL AND JUSTIFICATION OF THE MERGER OF SF ENERGIA

PROTOCOL AND JUSTIFICATION OF MERGER

By this private instrument, the Parties identified below by their respective managers, hereby agree to execute the Protocol and Justification of Merger ("Protocol") in accordance with articles 224, 225 and 227 of Federal Law 6,404 of December 15, 1976 ("Brazilian Corporation Law").

CTEEP – Companhia de Transmissão de Energia Elétrica Paulista, a corporation inscribed in the corporate taxpayers register (CNPJ/ME) under no. 02.998.611/0001-04, with headquarters at Avenida das Nações Unidas, 14.171, Torre Crystal, 7º andar, Cep: 04794-000, in the city and state of São Paulo, represented herein according to its Bylaws ("Company" and/or "Merging Company"); and

SF Energia Participações S.A., a corporation located at Avenida das Nações Unidas, nº 14.171, Torre Crystal, 6º andar, cj. 603, sala 2, Vila Gertrudes, CEP 04794-000, city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 31.862.288/0001-37, represented herein according to its Bylaws ("SF Energia" and/or "Merged Company").

1. JUSTIFICATION

The Company holds the entire capital stock of SF Energia, which is a pure holding company and the only shareholder of Piratininga-Bandeirantes Transmissora de Energia S.A., which, in turn, is fully held indirectly by the Company and carries out business activities in the same segment as the Company. It is in the Company's interest to consolidate its operations and assets, and simplify its organizational and corporate structure, thereby reducing its administrative and operating costs, besides integrating businesses and generating synergies.

2. CAPITAL STOCK

2.1. Capital Stock of CTEEP – Companhia de Transmissão de Energia Elétrica Paulista

The subscribed and paid-in capital of the Company stock is 3,590,020,426.94, divided into 658,883,304 shares, consisting of 257,937,732 common shares and 400,945,572 preferred shares, all registered and book-entry shares with no par value.

2.2. Capital Stock of SF Energia Participações S.A.

SF Energia's fully subscribed and paid-in capital is R\$348,993.65, divided into 9,272,444 registered shares with no par value, consisting of (i) 6,173,333 common shares and (ii) 3,099,111 class C preferred shares.

3. MERGER, VALUATION AND EQUITY OF THE MERGING COMPANY

3.1. Base Date and Valuation

The valuation report of the Merged Company was prepared by Taticca Auditores Independentes S.S. ("Taticca"), a company established in the city and state of São Paulo, at Rua Geraldo Campos Moreira, 375 – 5º andar – Bairro Brooklin Novo, CEP 04571-020, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 20840718/0001-01 and in the regional accounting council (CRC/SP) under no. 2SP-03.22.67/O-1, in compliance with article 227 of the Brazilian Corporation Law, subject to approval by shareholders of the Parties ("Valuation Report"). The report concluded that the shareholders' equity of SF Energia to be merged with the Company was valued at R\$940,494,985.54, based on its

book value on June 30, 2021 ("Base Date"), according to the accounting practices adopted in Brazil, as shown in the accounting books of the Merging Company.

3.2. The shareholders' equity of the Merged Company, as per the valuation described above, will be fully absorbed by the Company, including the changes in equity between the Base Date and the effective merger of the Merged Company with the Company. Assets, rights and obligations of the Merged Company to be transferred to the Company are those described in the respective valuation report.

3.3. Absence of capital increase: the merger will not result in any increase or decrease in the shareholders' equity of the Company since it holds 100% of the capital stock of the Merged Company, whose shareholders' equity is fully reflected in the shareholders' equity of the Company through the application of the consolidation method. Hence, there will be no issue of new common shares by the Company in replacement of its current investment in the Merged Company, with no exchange ratio involved. There will be no change in the capital stock or bylaws of the Company.

3.4. Dissolution of the Merged Company: with the merger of the Merged Company and the consequent transfer of its entire shareholders' equity to the Company, the Merged Company will be dissolved pursuant to article 227 of the Brazilian Corporation Law and the Company's management is responsible for filing and publishing the acts of the operation.

3.5. Waiver of valuation report required by article 264 of the Brazilian Corporation Law and of the financial statements: As per the CVM's recent opinions on queries made in similar corporate transactions and, also, pursuant to CVM Instruction 565 of June 15, 2015, there is no justification to calculate the exchange ratio, based on the assets of the companies at market prices or the corresponding report for comparison purposes, addressed by article 264 of Law 6,404 of December 15, 1976, as amended, as well as articles and of CVM Instruction 565 of June 15, 2015.

4. ACTIONS OF THE MERGING COMPANY, EXCHANGE RATIO AND POLITICAL AND EQUITY RIGHTS

4.1. Absence of Criteria to Determine the Exchange Ratio and Valuation: since the Merged Company is fully controlled by the Company (and hence there are no non-controlling shareholders in the Merged Company), all the shares issued by the Merged Company will be cancelled.

4.2. Absence of Exchange Ratio: considering that the Merged Company does not have any non-controlling shareholders as it is fully controlled by the Company, there will be no exchange ratio of non-controlling shares of the Merged Company for shares of the Company.

5. OTHER CONDITIONS APPLICABLE TO THE MERGER

5.1. Corporate Acts: an Extraordinary Shareholders Meeting of the Merged Company and the Company will be held to discuss and vote on the operation specified in this Protocol.

5.2. Absence of Withdrawal Rights: as mentioned above, there is no question of dissent and exercise of withdrawal rights of shareholders since the Merged Company does not have non-controlling shareholders.

5.3. Succession: the Company will succeed the Merged Company in its rights and obligations, being jointly and severally liable for the obligations of the Merged Company in accordance with articles 227 and 232 of the Brazilian Corporation Law.

5.4. Authorization: once the merger of the Merged Company is approved, the executive officers of the Company are responsible for and authorized to take all the necessary measures to implement the terms and conditions agreed in this Protocol, in accordance with applicable laws.

5.5. Jurisdiction: The jurisdiction of the city and state of São Paulo is elected to resolve any disputes arising from this Protocol.

In witness whereof, the Parties sign three (3) copies of this instrument, all with the same content and for the same purpose, jointly with two (2) witnesses.

São Paulo, July 30, 2021.

As Merging Company:

CTEEP – Companhia de Transmissão de Energia Elétrica Paulista

As Merged Company:

SF Energia Participações S.A.

APPENDIX II – INFORMATION INDICATED IN APPENDIX 21 OF CVM INSTRUCTION 481/09 REGARDING THE FIRM VALUING SF ENERGIA

1. List the valuation firms recommended by management

The Management hereby recommends to the Extraordinary Shareholders Meeting to be held on August 31, 2021, pursuant to article 21 of CVM Instruction 481/09, to ratify the engagement of the following valuation firm, which will prepare the valuation report of SF Energia, as per this proposal:

TATICCA Auditores Independentes S.S., with headquarters located at Rua Geraldo Campos Moreira, 375, 5º andar, CEP 04571-020, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 20.840.718/0001-01 and in the regional accounting council (CRC/SP) under no. 2SP-03.22.67/O-1.

2. Describe the qualifications of the valuation firms recommended

Taticca is a company with around twenty (20) years of experience in the market, providing accounting and regulatory advisory, accounting certification, and company valuation services, among others. The company is duly registered with the Regional Accounting Council of São Paulo and is qualified to provide the services contracted.

3. Provide a copy of the work and compensation proposals of the valuation firms recommended

Pursuant to Appendix 21 of CVM Instruction 481/09, a copy of the work and compensation proposal for the valuation firm recommended is attached (Appendix III).

4. Describe any relevant relationship existing in the last three (3) years between the valuation firms recommended and parties related to the Company, as defined by the accounting rules on the subject

There was no significant relation in the last three (3) years between Taticca and the parties related to the Company.

Comentado [R1]: O nome da empresa está incorreto no original. Ajustamos na versão em inglês.

Comentado [MCA2R1]:



TATICCA Auditores Independentes S.S.
Rua Dr. Geraldo Campos Moreira,
Bairro Brooklin Novo - São Paulo - SP
CEP 04571-020
Tel.: 55 11 3062 3000
www.taticca.com.br



APPENDIX III – WORK AND COMPENSATION PROPOSAL FROM VALUATION FIRM RECOMMEND FOR THE MERGER OF SF ENERGIA

São Paulo, November 12, 2020.

To
ISA CTEEP
São Paulo - SP

Dear Sirs,

In response to your request, we are pleased to submit our proposal to ISA CTEEP to provide audit services for issuing accounting reports for the merger of a holding company and an operational company through an acquisition by CTEEP.

The following information describes the resources and skills of the TATICCA ALLINIAL GLOBAL team to provide the services required. The professionals from TATICCA ALLINIAL GLOBAL who will perform this service have proven experience in projects of similar size and scope.

We remain at your disposal to provide any additional clarifications related to our proposal.

Sincerely,


Aderbal Alfonso Hoppe
Partner

SCOPE AND REPORT

We will provide services related to audit and the issue of accounting reports for the merger of a holding company and an operational company through an acquisition by ISA CTEEP, involving the holding company SF Energia Participações S.A. (31.862.288/0001-37) and Piratininga-Bandeirantes Transmissora de Energia S. A. (25.298.138/0001-40). Our procedures and framework will be included in the Valuation Report Issued by the Independent Auditor standard.

Our valuation work is performed according to the Brazilian audit standards, and complies with and applies technical procedures in the same scope and documentation required for conducting audit to issue an opinion on the financial statements. The procedures are adapted to the circumstances, considering that, in case of work related to the issue of the valuation report on a certain base date, the procedures adopted are mainly focused on the amounts in the balance sheet and, hence, are not focused on examining and providing an opinion on the profit or loss accounts, cash flows and/or changes in equity during the period ended on the base date of the valuation report.

We will issue the Valuation Report on the net book assets calculated based on the accounting books. Ascertaining the book value involves measuring the net assets in accordance with the accounting practices adopted in Brazil. We will issue the report as per the template in Appendix I of the Issue of Report standard, and provide a breakdown of the assets, rights and obligations being valued.

ISA CTEEP will provide a representation letter as per the audit standards and the template already made provided to it.

FEES

Our commitment to **ISA CTEEP** is to provide quality services with efficiency. In the spirit of this, we will propose fees that are competitive and, at the same time, enable us to allocate skilled and qualified professionals to achieve the expected goals.

We propose fees of R\$25,530.00, and propose to bill the amounts as soon as the proposal is accepted, falling due upon presentation.

In case of significant differences between the hours worked and those initially estimated, we will inform the Company management in advance and discuss any necessary adjustments with you.

Expenses with transportation, accommodation, tolls, parking and meals will be maintained at the minimum level necessary and will be covered by the Company, if any.

APPENDIX IV – VALUATION REPORT OF SF ENERGIA

Valuation report of the net shareholders' equity calculated based on accounting books and adjusted to the Brazilian accounting practices for the purpose of the merger of SF Energia Participações S.A., inscribed in the corporate taxpayers register (CNPJ) under no. 31.862.288/0001-37

June 30, 2021

Contents

Page

Valuation report of net shareholders' equity for the purpose of merger..... 1

Appendix I – Balance Sheet on June 30, 20214

Appendix II – Main accounting practices 5

Valuation report of the net shareholders' equity calculated based on accounting books and adjusted to Brazilian accounting practices for the purpose of merger

To
The Management and Shareholders of
CTEEP – Companhia de Transmissão de Energia Elétrica Paulista
São Paulo - SP

Information about the audit firm

1. TATICCA Auditores Independentes S.S. (“Taticca”), a company established in the city and state of São Paulo, at Rua Geraldo Campos Moreira, 375 - 5o. andar – Bairro Brooklin Novo, CEP 04571-020, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 20840718/0001-01 and in the Regional Accounting Council of the State of São Paulo (CRC/SP) under no. 2SP-03.22.67/O-1, represented by its undersigned partner, Aderbal Alfonso Hoppe, accountant, bearer of identity document (RG) no. 55.526.534-1 SSP/SP, inscribed in the individual taxpayers register (CPF) under no. 541.560.250-04 and in the Regional Accounting Council of the State of São Paulo (CRC/SP) under no. 1SC020036/O-8-T-SP, resident and domiciled in the city and state of São Paulo, with office located at the same address of the company he represents, appointed as the expert valuer by CTEEP – Companhia de Transmissão de Energia Elétrica Paulista, a corporation with headquarters in the city and state of São Paulo, located at Avenida Das Nações Unidas, 14.171, Torre C Crystal – 6º. andar, and inscribed in the corporate taxpayers register (CNPJ/MF) under no. 02.998.611/0001-04 (“Company”), to conduct the valuation of net book shareholders' equity as of June 30, 2021 of SF Energia Participações S.A., inscribed in the corporate taxpayers register (CNPJ) under no. 31.862.288/0001- 37, summarized in the appendices, in accordance with the accounting practices adopted in Brazil, hereby submits the results of its work.

Purpose of the valuation

2. The valuation of net shareholders' equity as of June 30, 2021 of SF Energia Participações S.A., inscribed in the corporate taxpayers register (CNPJ) under no. 31.862.288/0001-37, is being carried out to support the merger of the Company with CTEEP – Companhia de Transmissão de Energia Elétrica Paulista, a corporation with headquarters in the city and state of São Paulo, located at Avenida Das Nações Unidas, 14.171, Torre C Crystal – 6º. andar, and inscribed in the corporate taxpayers register (CNPJ/MF) under no. 02.998.611/0001-04 (“Merging Company”).

Responsibility of the management with regard to the accounting information

3. The management of the Company is responsible for bookkeeping and for preparing the accounting information in accordance with the accounting practices adopted in Brazil, as well as for the relevant internal controls that it deemed necessary for preparing such accounting information without significant distortions, whether or not caused by fraud or error. The summary of the main accounting practices adopted by the Company is described in **Appendix II** to the valuation report.


Scope of work and responsibility of the independent auditor

4. Our responsibility is to arrive at a conclusion on the net book value of SF Energia Participações S.A. on June 30, 2021 based on work carried out in accordance with CTG Technical Notice 2002 – Valuation Report Issued by the Independent Auditor, approved by the Federal Accounting Council (CFC), which lays down the application of procedures for auditing the Company’s balance sheet, transcribed in **Appendix I**, for issuing the valuation report. Accordingly, we examined said balance sheet of the Company in accordance with applicable Brazilian and international auditing standards, which require compliance by the auditors with ethical requirements and that the audit be planned and executed with the goal of achieving reasonable assurance that the net book value mentioned in our valuation report is free of material distortions.
5. The issue of valuation report involves the execution of procedures selected to obtain evidence on the amounts booked. The procedures selected depend on the auditor’s judgment, including an appraisal of significant risks and distortions in shareholders’ equity, regardless of whether or not caused by fraud or error. While evaluating the risks, the auditor considers the relevant internal controls to prepare the Company’s balance sheet in order to plan the audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of said internal controls of the Company. An audit also includes assessing the adequacy of accounting policies used and the reasonability of accounting estimates made by the management. We believe that the audit trail obtained is sufficient and appropriate to support our conclusion.

Conclusion

6. Based on the work carried out, we have concluded that the shareholders’ equity of R\$940,494,985.54, as per the balance sheet on June 30, 2021, in the accounting records of the Company, summarized in **Appendix I**, represents, in all its relevant aspects, the adjusted book shareholders’ equity of SF Energia Participações S.A., inscribed in the corporate taxpayers register (CNPJ) under no. 31.862.288/0001-37, assessed according to the accounting practices adopted in Brazil.

São Paulo, July 23, 2020.


Aderbal Afonso Hoppe
Accountant CRC - 1SC020036/O-8-T-SP
TATICCA Auditores Independentes S.S.
CRC - 2SP-03.22.67/O-1

Appendix I – Balance Sheet

CTEEP - Companhia de Transmissão de Energia Elétrica Paulista

Balance Sheet of SF Energia Participações S.A. - CNPJ 31.862.288/0001-37 on
June 30, 2021
(In Brazilian real)

The accounting books of SF Energia Participações S.A., CNPJ 31.862.288/0001-37, and other necessary documents for preparing the report were examined. We verified that the book value of net shareholders' equity is R\$940,494,985.54, as shown in the table:

	6/30/2021
1 ASSETS	1,007,965,504.42
1.1 CURRENT ASSETS	60.00
1.1.01 CASH AND CASH EQUIVALENTS	60.00
1.1.01.001 CASH ASSETS	60.00
1.1.01.001.001 Cash	60.00
1.2 NON-CURRENT ASSETS	1,007,965,444.42
1.2.03 INVESTMENTS	1,007,965,444.42
1.2.03.001 PERMANENT OWNERSHIP INTEREST IN OTHER COMPANIES	1,007,965,444.42
1.2.03.001.001 PIRATININGA-BANDEIRANTES TRANSMISSORA DE ENERGIA S	1,007,965,444.42
2 LIABILITIES	67,470,518.88
2.1 CURRENT LIABILITIES	67,335,115.63
2.1.03 SUPPLIERS	74,593.77
2.1.03.001 DOMESTIC SUPPLIERS	74,593.77
2.1.05 TAX OBLIGATIONS	137.66
2.1.05.003 WITHHOLDING TAXES PAYABLE	137.66
2.1.09 OTHER OBLIGATIONS	67,260,384.20
2.1.09.007 PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION	67,260,384.20
2.1.09.007.001 Provision for Income Tax	49,456,164.85
2.1.09.007.002 Provision for Social Contribution	17,804,219.35
2.2 NON-CURRENT LIABILITIES	135,403.25
2.2.01 LONG-TERM LIABILITIES	135,403.25
2.2.01.011 OTHER OBLIGATIONS	135,403.25
2.2.01.011.001 SUPPLIERS	135,403.25
2.2.01.011.001.001 Advances between Related Parties	135,403.25
ASSETS (-) LIABILITIES = SHAREHOLDERS' EQUITY	<u>940,494,985.54</u>

Appendix II - Main Accounting Practices

CTEEP – Companhia de Transmissão de Energia Elétrica Paulista

Balance Sheet of SF Energia Participações S.A. - CNPJ 31.862.288/0001-37

June 30, 2021

(in reais)

The accounting policies described below were consistently applied in preparing the valuation report of the book shareholders' equity determined from the accounting books of the Company:

Main accounting practices:

1. Cash and cash equivalents and marketable securities

Cash and cash equivalents include balances of cash and financial investments with original maturity three months or earlier from the investment date, which are subject to an insignificant risk of change in fair value at the time of their settlement and are used by the Group to manage its short-term obligations.

The composition of the Company's cash and cash equivalents is determined to maintain enough cash to ensure the continuity of investments and to settle the short- and long-term obligations, maintaining the return on capital at adequate levels to ensure business perpetuity and increase the value for shareholders and investors.

2. Financial liabilities

Financial liabilities are initially recognized on the date they originate or on the date of negotiation when the Company becomes party to the contractual provisions. Financial liabilities are classified as follows:

- (i) Measured at fair value through profit or loss: Financial liabilities are those that are: (i) held for trading; (ii) designated at fair value to compare the effects of the recognition of revenues and expenses in order to obtain relevant and consistent accounting information; or (iii) derivatives. These liabilities are booked at their respective fair values, whose changes are recognized in profit or loss for the period and any change in the subsequent measurement of fair values that is attributable to changes in the credit risk of the liability is booked against other comprehensive income.
- (ii) Measured at amortized cost: other financial liabilities that do not fit the above classification. These are initially recognized at fair value less any costs attributable to the transaction and later recorded at the amortized cost using the effective tax rate method.

The company books the financial guarantees when these are granted to non-subsidiaries or when the financial guarantee percentage is higher than its share of paying the obligations of joint ventures. Such guarantees are initially recorded at fair value through: (i) a liability that corresponds to the risk of non-payment of the debt and which is amortized against financial income at the same time and proportion of the debt payment; and (ii) an asset that corresponds to the right to reimbursement by the guaranteed party or a prepaid expense on account of the guarantees, which is amortized by the receipt of cash from other shareholders or by the effective rate of interest during the guarantee period. After initial recognition, the guarantees are measured periodically at the higher of the amount determined in accordance with CPC 25/IAS 37 and the amount initially recognized less accumulated amortization.

Financial assets and liabilities are only offset and shown at their net value when there is a legal right to offset the amounts and there exists the intention to simultaneously realize the asset and settle the liability.

3. Significant accounting judgments and estimates

Accounting estimates involve the Management's judgment and are subject to future revisions, possibly resulting in adjustments to expenses or revenues. The main estimates listed in the financial statements are the expected losses in accounts receivable, as mentioned above, and provision for lawsuits.

Provisions are set aside for lawsuits with the possibility of payments to settle a claim and which can be reasonably estimated. Any assessment of the likelihood of loss includes the assessment of available evidence, the hierarchy of laws, available case laws, most recent court decisions and their significance in the legal framework, and the opinion of external lawyers.

4. Income Tax and Social Contribution

Income tax and social contribution are calculated and booked in accordance with current laws and include both current and deferred taxes. Income taxes are recognized in the statement of income, except for cases where they are directly related to items recorded directly in shareholders' equity or comprehensive income, where they are already recognized net of these tax effects, and those resulting from initial accounting in business combinations.

Current tax is the tax payable or receivable / offset on the taxable profit or loss in the period that reflects the uncertainties related to its calculation, if any. Deferred tax is recognized with regard to temporary differences between the book values of assets and liabilities for accounting purposes and the corresponding amounts used for tax purposes, as well as for tax losses and negative social contribution base, and reflects the uncertainty related to income tax, if any.

CTEEP and its subsidiaries booked in their financial statements the effects of deferred income tax and social contribution on tax losses, negative social contribution bases and differences temporarily not deductible, based on the estimated future generation of taxable income tax and social contribution bases, approved annually by the Board of Directors and examined by the Fiscal Council.

5. Investments

While preparing its financial statements, the Company recognizes and shows the investments in subsidiaries and joint ventures through the equity income method.

**APPENDIX V - INFORMATION INDICATED IN APPENDIX 20-A OF CVM
INSTRUCTION 481/09 REGARDING THE MERGER OF SF ENERGIA**

1. Protocol and justification of the operation, pursuant to articles 224 and 225 of Law 6,404 of 1976

The protocol and justification of the operation is in Appendix I to the Management Proposal.

2. Other agreements, contracts and pre-agreements regulating the exercise of voting rights or the transfer of shares issued by the surviving companies or those resulting from the operation, filed at the headquarters of the company or those in which the controlling shareholder of the company is a party.

The Company, which is the surviving company of the operation, does not have such agreements.

3. Description of the Operation, including:

a. Terms and Conditions:

The operation involves the merger by the Company of the subsidiary in which it holds the entire capital stock.

On this date, the Company holds one hundred percent (100%) of the shares in the capital stock of SF Energia, such that the revenues, assets and liabilities of SF Energia are fully reflected in the consolidated financial statements of the Company using the consolidation method. Hence, (i) the Merger of SF Energia will not result in any increase or reduction in the shareholders' equity or capital stock of the Company; (ii) there will be no exchange of the shareholding interests of non-controlling shareholders of SF Energia with shares of the Company since it is the only partner of SF Energia.

The Merger of SF Energia will be carried out at the book value of its shareholders' equity, as reflected in the respective balance sheet, since the variations in the equity accounts calculated on said baseline date will be appropriated by the Company, which will transfer them to its accounting books and make the necessary changes.

b. Indemnity Obligations:

i. The administrators of any of the companies involved:

None.

ii. If the operation does not materialize:

None.

c. Table comparing the rights, benefits and restrictions on the shares of the companies involved or resulting companies, before and after the operation.

There will be no change in the rights, benefits and restrictions on shares.

d. Need for approval of debentureholder or other creditors

None.

e. Asset and liability components that will make up each part of the equity, in case of spin-off.

Not applicable.

f. Intention of resulting companies to obtain registration as an issuer of securities.

Not applicable.

4. Plans for conducting business, notably with regard to specific corporate events that it plans to hold

None.

5. Analysis of the following aspects of the operation

a. Description of the key expected benefits, including: (i) synergies; (ii) tax benefits; and (iii) strategic advantages.

It is in the Company's interest to consolidate its operations and assets, and simplify its organizational and corporate structure, thereby reducing its administrative and operating costs, besides integrating businesses and generating synergies.

b. Costs

Simplification of the organizational and corporate structure will enable a reduction in administrative and operating costs.

c. Risks

There are no significant risks identified in this operation.

d. In case of transaction with related party, any alternatives that could have been used to achieve the same objectives, mentioning the reasons why those were discarded.

Given that the Company holds the entire capital stock of SF Energia, there are no reasons for adopting a corporate structure other than in the form of merger to implement the planned operation.

e. Exchange ratio.

Not applicable since the Company holds all the shares issued by SF Energia.

f. In transactions involving parent companies, subsidiaries or joint ventures.

Not applicable.

i. Share exchange ratio calculated in accordance with article 264 of Law 6,404 of 1976.

Not applicable, as per item 5(e) above.

ii. Detailed description of the negotiation process for the exchange ratio and other terms and conditions of the operation.

Not applicable, as per item 5(e) above.

iii. If the operation was preceded, in the last twelve (12) months, by an acquisition of control or acquisition of interest in the controlling block: (a) comparative analysis of the exchange ratio and the price paid while acquiring control; and (b) reasons that justify any differences in valuation in different operations.

Not applicable.

iv. Justification for why the exchange ratio is commutative, describing the procedures and criteria adopted to ensure that the operation was taken at an arm's length basis or, if the exchange ratio is not commutative, details of payment or similar measures taken to ensure adequate compensation.

Not applicable, as per item 5(e) above.

6. Copy of minutes of all the meetings of the board of directors, fiscal council and special committees in which the operation was discussed, including any dissenting votes.

Not applicable.

7. Copies of studies, presentations, reports, opinions or valuation reports of companies involved in the operation, submitted to the controlling shareholder at any stage of the operation.

The valuation report of SF Energia is available in Appendix IV to this Management Proposal.

7.1. Identification of any conflicts of interest between financial institutions, companies and professionals who prepared the documents mentioned in item 7 and the companies involved in the operation.

No conflicts of interest were identified.

8. Proposals for bylaws or amendments to bylaws of the companies resulting from the operation.

Not applicable since the Bylaws of the Company will not be amended due to the operation.

9. Financial statements used for the purposes of the operation, pursuant to specific rules.

As per the CVM's recent opinions on queries made in similar corporate transactions and, also, pursuant to CVM Instruction 565 of June 15, 2015, there is no justification to calculate the exchange ratio, based on the assets of the companies at market prices or the corresponding report for comparison purposes, addressed by article 264 of Law 6,404 of December 15, 1976, as amended, as well as articles 6 and 7 of CVM Instruction 565 of June 15, 2015.

10. Financial statements that were prepared for the purposes of the operation, pursuant to specific rules.

Not applicable, as per item 9 above.

11. Document containing information on companies directly involved that are not publicly-held companies, including:

a. Risk factors, as per items 4.1 and 4.2 of the reference form.

Information about SF Energia, as a subsidiary of the Company, does not portray risks different from those mentioned by the Company in its reference form.

b. Description of the key changes in the risk factors the previous year and expectations of a reduction or increase in the exposure to risks as a result of the operation, pursuant to item 5.4 of the reference form.

The Company identifies all the changes in risks in its business group, including SF Energia, in its reference form. In this regard, no changes in risk factors were identified specifically for the merged companies.

c. Description of the activities, pursuant to items 7.1, 7.2, 7.3 and 7.4 of the reference form.

SF Energia is a pure holding company and its only asset is the shares held in PBTE.

d. Description of the business group, as per item 15 of the reference form.

The Company is a subsidiary of Interconexión Eléctrica E.S.P., an important multilatin player in linear infrastructure systems, whose investors include Eletrobras, the largest Brazilian electricity group. ISA CTEEP's shares are listed on B3 – Brasil, Bolsa, Balcão and, since 2002, have been included in Corporate Governance Level 1.

e. Description of capital stock, pursuant to item 17.1 of the reference form.

SF Energia's subscribed and paid-in capital is R\$348,993.65, divided into 9,272,444 registered shares with no par value, consisting of (i) 6,173,333 common shares and (ii) 3,099,111 class C preferred shares.

12. Description of the capital and control structure after the operation, pursuant to item 15 of the reference form.

Not applicable since the capital or control structure of the Company will not be altered.

13. Number, class and type of securities of each company involved in the operation held by any other companies involved in the operation, or by persons related to these companies, as per the rules on public tender offerings for shares.

The Company holds one hundred percent (100%) of the capital stock of SF Energia, as explained in item 11 (e).

14. Exposure of any of the companies involved in the operation or their related persons, as defined by the rules on public tender offerings for shares, in derivatives referenced to securities issued by the other companies involved in the operation.

Not applicable.

15. Report of all the transactions in the last six (6) months conducted by the persons indicated below with securities issued by the companies involved in the operation: (a) Companies involved in the operation: (i) Private acquisition operations: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (ii) Private sale operations: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (iii) Purchases in regulated markets: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (iv) Sales in regulated markets: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; and (b) Parties related to the companies involved in the operation: (i) Private acquisitions: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (ii) Private sale operations: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (iii) Purchases in regulated markets: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (iv) Sales in regulated markets: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions.

Pursuant to the Purchase Agreement between the Company and the shareholders of SF Energia and PBTE on December 2, 2020, a commitment was signed for the direct acquisition of (a) 100% of the shares of SF Energia held by FIP Wire, thus representing the assumption of full control by the Company; and (b) all the remaining shares of PBTE not directly held by SF Energia, resulting in the Company's assuming indirect control over PBTE, as per the framework of the operation. Said operation was discussed and approved by the Extraordinary Shareholders Meeting held on December 23, 2020.

The consummation of the operation was linked to the fulfillment of certain conditions precedent established in the Purchase Agreement and which usually apply to operations of this type. The shareholders of SF Energia and PBTE and the intervening guarantors provided the Company with warranties and representations regarding themselves, SF Energia and PBTE. Indemnity rights were also established between the parties for non-compliance with obligations and/or provisions in the Purchase Agreement, as applicable.

16. Document through which the Special Independent Committee submitted its recommendations to the Board of Directors, if the operation was negotiated pursuant to CVM Guidance Update 35 of 2008.

Not applicable.

APPENDIX VI – PROTOCOL AND JUSTIFICATION OF THE MERGER OF PBTE

PROTOCOL AND JUSTIFICATION OF MERGER

By this private instrument, the Parties identified below by their respective managers, hereby agree to execute the Protocol and Justification of Merger ("Protocol") in accordance with articles 224, 225 and 227 of Federal Law 6,404 of December 15, 1976 ("Brazilian Corporation Law").

CTEEP – Companhia de Transmissão de Energia Elétrica Paulista, a corporation inscribed in the corporate taxpayers register (CNPJ/ME) under no. 02.998.611/0001-04, with headquarters at Avenida das Nações Unidas, 14.171, Torre Crystal, 7º andar, Cep: 04794-000, in the city and state of São Paulo, represented herein according to its Bylaws ("Company" and/or "Merging Company"); and

Piratinga-Bandeirantes Transmissora de Energia S.A., a corporation located at Avenida das Nações Unidas, nº 14.171, Torre Crystal, 6º andar, cj. 602, sala 2, Vila Gertrudes, CEP 04794-000, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 25.298.138/0001-40, represented herein according to its Bylaws ("PBTE" and/or "Merged Company").

1. JUSTIFICATION

The Company holds the entire capital stock of PBTE, which, in turn, carries out business activities in the same segment as the Company. It is in the Company's interest to consolidate its operations and assets, and simplify its organizational and corporate structure, thereby reducing its administrative and operating costs, besides integrating businesses and generating synergies.

2. CAPITAL STOCK

2.1. Capital Stock of CTEEP – Companhia de Transmissão de Energia Elétrica Paulista

The subscribed and paid-in capital of the Company stock is 3,590,020,426.94, divided into 658,883,304 shares, consisting of 257,937,732 common shares and 400,945,572 preferred shares, all registered and book-entry shares with no par value.

2.2. Capital Stock of Piratinga-Bandeirantes Transmissora de Energia S.A.

PBTE's fully subscribed and paid-in capital is R\$410,100.00, divided into 10,432,106 registered shares with no par value, consisting of (i) 6,900,889 common shares and (ii) 3,531,217 class C preferred shares.

3. MERGER, VALUATION AND EQUITY OF THE MERGING COMPANY

3.1. Base Date and Valuation

The valuation report of the Merged Company was prepared by Taticca Auditores Independentes S.S. ("Taticca"), a company established in the city and state of São Paulo, at Rua Geraldo Campos Moreira, 375 – 5º andar – Bairro Brooklin Novo, CEP 04571-020, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 20840718/0001-01 and in the regional accounting council (CRC/SP) under no. 2SP-03.22.67/O-1, in compliance with article 227 of the Brazilian Corporation Law, subject to approval by shareholders of the Parties ("Valuation Report"). The report concluded that the shareholders' equity of PBTE to be merged with the Company was valued at R\$1,134,074,690.93, based on its book value on June 30, 2021 ("Base Date"), according to the accounting practices adopted in Brazil, as shown in the accounting books of the Merging Company.

3.2. The shareholders' equity of the Merged Company, as per the valuation described above, will be fully absorbed by the Company, including the changes in equity between the Base Date and the effective merger of the Merged Company with the Company. Assets, rights and obligations of the Merged Company to be transferred to the Company are those described in the respective valuation report.

3.3. Absence of capital increase: the merger will not result in any increase or decrease in the shareholders' equity of the Company since it holds 100% of the capital stock of the Merged Company, whose shareholders' equity is fully reflected in the shareholders' equity of the Company through the application of the consolidation method. Hence, there will be no issue of new common shares by the Company in replacement of its current investment in the Merged Company, with no exchange ratio involved. There will be no change in the capital stock or bylaws of the Company.

3.4. Dissolution of the Merged Company: with the merger of the Merged Company and the consequent transfer of its entire shareholders' equity to the Company, the Merged Company will be dissolved pursuant to article 227 of the Brazilian Corporation Law and the Company's management is responsible for filing and publishing the acts of the operation.

3.5. Waiver of valuation report required by article 264 of the Brazilian Corporation Law and of the financial statements: As per the CVM's recent opinions on queries made in similar corporate transactions and, also, pursuant to CVM Instruction 565 of June 15, 2015, there is no justification to calculate the exchange ratio, based on the assets of the companies at market prices or the corresponding report for comparison purposes, addressed by article 264 of Law 6,404 of December 15, 1976, as amended, as well as articles and of CVM Instruction 565 of June 15, 2015.

4. ACTIONS OF THE MERGING COMPANY, EXCHANGE RATIO AND POLITICAL AND EQUITY RIGHTS

4.1. Absence of Criteria to Determine the Exchange Ratio and Valuation: since the Merged Company is fully controlled by the Company (and hence there are no non-controlling shareholders in the Merged Company), all the shares issued by the Merged Company will be cancelled.

4.2. Absence of Exchange Ratio: considering that the Merged Company does not have any non-controlling shareholders as it is fully controlled by the Company, there will be no exchange ratio of non-controlling shares of the Merged Company for shares of the Company.

5. OTHER CONDITIONS APPLICABLE TO THE MERGER

5.1. Corporate Acts: an Extraordinary Shareholders Meeting of the Merged Company and the Company will be held to discuss and vote on the operation specified in this Protocol.

5.2. Absence of Withdrawal Rights: as mentioned above, there is no question of dissent and exercise of withdrawal rights of shareholders since the Merged Company does not have non-controlling shareholders.

5.3. Succession: the Company will succeed the Merged Company in its rights and obligations, being jointly and severally liable for the obligations of the Merged Company in accordance with articles 227 and 232 of the Brazilian Corporation Law.

5.4. Authorization: once the merger of the Merged Company is approved, the executive officers of the Company are responsible for and authorized to take all the necessary measures to implement the terms and conditions agreed in this Protocol, in accordance with applicable laws.

5.5. Jurisdiction: The jurisdiction of the city and state of São Paulo is elected to resolve any disputes arising from this Protocol.

In witness whereof, the Parties sign three (3) copies of this instrument, all with the same content and for the same purpose, jointly with two (2) witnesses.

São Paulo, July 30, 2021.

As Merging Company:

CTEEP – Companhia de Transmissão de Energia Elétrica Paulista

As Merged Company:

Piratinga-Bandeirantes Transmissora de Energia S.A.

**APPENDIX VII – INFORMATION INDICATED IN APPENDIX 21 OF CVM
INSTRUCTION 481/09 REGARDING THE FIRM VALUING PBTE**

1. List the valuation firms recommended by management

The Management hereby recommends to the Extraordinary Shareholders Meeting to be held on August 31, 2021, pursuant to article 21 of CVM Instruction 481/09, to ratify the engagement of the following valuation firm, which will prepare the valuation report of SF Energia, as per this proposal:

TATICCA Auditores Independentes S.S., with headquarters located at Rua Geraldo Campos Moreira, 375, 5º andar, CEP 04571-020, in the city and state of São Paulo, and inscribed in the corporate taxpayers register (CNPJ/ME) under no. 20.840.718/0001-01 and in the regional accounting council (CRC/SP) under no. 2SP-03.22.67/O-1.

2. Describe the qualifications of the valuation firms recommended

Taticca is a company with around twenty (20) years of experience in the market, providing accounting and regulatory advisory, accounting certification, and company valuation services, among others. The company is duly registered with the Regional Accounting Council of São Paulo and is qualified to provide the services contracted.

3. Provide a copy of the work and compensation proposals of the valuation firms recommended

Pursuant to Appendix 21 of CVM Instruction 481/09, a copy of the work and compensation proposal for the valuation firm recommended is attached (Appendix VIII).

4. Describe any relevant relationship existing in the last three (3) years between the valuation firms recommended and parties related to the Company, as defined by the accounting rules on the subject

There was no significant relation in the last three (3) years between Taticca and the parties related to the Company.



TATICCA Auditores Independentes S.S.
Rua Dr. Geraldo Campos Moreira,
Bairro Brooklin Novo - São Paulo - SP
CEP 04571-020
Tel.: 55 11 3062 3000
www.taticca.com.br



APPENDIX VIII – WORK AND COMPENSATION PROPOSAL FROM VALUATION FIRM RECOMMEND FOR THE MERGER OF PBTE

São Paulo, November 12, 2020.

To
ISA CTEEP
São Paulo - SP

Dear Sirs,

In response to your request, we are pleased to submit our proposal to ISA CTEEP to provide audit services for issuing accounting reports for the merger of a holding company and an operational company through an acquisition by CTEEP.

The following information describes the resources and skills of the TATICCA ALLINIAL GLOBAL team to provide the services required. The professionals from TATICCA ALLINIAL GLOBAL who will perform this service have proven experience in projects of similar size and scope.

We remain at your disposal to provide any additional clarifications related to our proposal.

Sincerely,


Aderbal Alfonso Hoppe
Partner

SCOPE AND REPORT

We will provide services related to audit and the issue of accounting reports for the merger of a holding company and an operational company through an acquisition by ISA CTEEP, involving the holding company SF Energia Participações S.A. (31.862.288/0001-37) and Piratininga-Bandeirantes Transmissora de Energia S. A. (25.298.138/0001-40). Our procedures and framework will be included in the Valuation Report Issued by the Independent Auditor standard.

Our valuation work is performed according to the Brazilian audit standards, and complies with and applies technical procedures in the same scope and documentation required for conducting audit to issue an opinion on the financial statements. The procedures are adapted to the circumstances, considering that, in case of work related to the issue of the valuation report on a certain base date, the procedures adopted are mainly focused on the amounts in the balance sheet and, hence, are not focused on examining and providing an opinion on the profit or loss accounts, cash flows and/or changes in equity during the period ended on the base date of the valuation report.

We will issue the Valuation Report on the net book assets calculated based on the accounting books. Ascertaining the book value involves measuring the net assets in accordance with the accounting practices adopted in Brazil. We will issue the report as per the template in Appendix I of the Issue of Report standard, and provide a breakdown of the assets, rights and obligations being valued.

ISA CTEEP will provide a representation letter as per the audit standards and the template already made provided to it.

Comentado [R3]: Padronizamos o nome da empresa com o hífen em todo o documento

FEES

Our commitment to **ISA CTEEP** is to provide quality services with efficiency. In the spirit of this, we will propose fees that are competitive and, at the same time, enable us to allocate skilled and qualified professionals to achieve the expected goals.

We propose fees of R\$25,530.00, and propose to bill the amounts as soon as the proposal is accepted, falling due upon presentation.

In case of significant differences between the hours worked and those initially estimated, we will inform the Company management in advance and discuss any necessary adjustments with you.

Expenses with transportation, accommodation, tolls, parking and meals will be maintained at the minimum level necessary and will be covered by the Company, if any.

APPENDIX IX – VALUATION REPORT OF PBTE

Valuation report of the net shareholders' equity calculated based on accounting books and adjusted to the Brazilian accounting practices for the purpose of the merger of Piratininga-Bandeirantes Transmissora de Energia S.A., inscribed in the corporate taxpayers register (CNPJ) under no. 25.298.138/0001-40

June 30, 2021

Contents

	Page
<u>VALUATION REPORT OF NET SHAREHOLDERS' EQUITY FOR THE PURPOSE OF MERGER</u>	<u>1</u>
<u>APPENDIX I – BALANCE SHEET ON JUNE 30, 2021</u>	<u>4</u>
<u>APPENDIX II – MAIN ACCOUNTING PRACTICES</u>	<u>5</u>

Valuation report of the net shareholders' equity calculated based on accounting books and adjusted to Brazilian accounting practices for the purpose of merger

To
The Management and Shareholders of
CTEEP – Companhia de Transmissão de Energia Elétrica Paulista
São Paulo - SP

Information about the audit firm

1. TATICCA Auditores Independentes S.S. (“Taticca”), a company established in the city and state of São Paulo, at Rua Geraldo Campos Moreira, 375 - 5o. andar – Bairro Brooklin Novo, CEP 04571-020, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 20840718/0001-01 and in the Regional Accounting Council of the State of São Paulo (CRC/SP) under no. 2SP-03.22.67/O-1, represented by its undersigned partner, Aderbal Alfonso Hoppe, accountant, bearer of identity document (RG) no. 55.526.534-1 SSP/SP, inscribed in the individual taxpayers register (CPF) under no. 541.560.250-04 and in the Regional Accounting Council of the State of São Paulo (CRC/SP) under no. 1SC020036/O-8-T-SP, resident and domiciled in the city and state of São Paulo, with office located at the same address of the company he represents, appointed as the expert valuer by CTEEP – Companhia de Transmissão de Energia Elétrica Paulista, a corporation with headquarters in the city and state of São Paulo, located at Avenida Das Nações Unidas, 14.171, Torre C Crystal – 6º. andar, and inscribed in the corporate taxpayers register (CNPJ/MF) under no. 02.998.611/0001-04 (“Company”), to conduct the valuation of net book shareholders' equity as of June 30, 2021 of Piratininga-Bandeirantes Transmissora de Energia S.A., inscribed in the corporate taxpayers register (CNPJ) under no. 25.298.138/0001-40, summarized in the appendices, in accordance with the accounting practices adopted in Brazil, hereby submits the results of its work.

Purpose of the valuation

2. The valuation of net shareholders' equity as of June 30, 2021 of Piratininga-Bandeirantes Transmissora de Energia S.A., inscribed in the corporate taxpayers register (CNPJ) under no. 25.298.138/0001-40, is being carried out to support the merger of the Company with CTEEP – Companhia de Transmissão de Energia Elétrica Paulista, a corporation with headquarters in the city and state of São Paulo, located at Avenida Das Nações Unidas, 14.171, Torre C Crystal – 6º. andar, and inscribed in the corporate taxpayers register (CNPJ/MF) under no. 02.998.611/0001-04 (“Merging Company”).

Responsibility of the management with regard to the accounting information

3. The management of the Company is responsible for bookkeeping and for preparing the accounting information in accordance with the accounting practices adopted in Brazil, as well as for the relevant internal controls that it deemed necessary for preparing such accounting information without significant distortions, whether or not caused by fraud or error. The summary of the main accounting practices adopted by the Company is described in **Appendix II** to the valuation report.

Scope of work and responsibility of the independent auditor


4. Our responsibility is to arrive at a conclusion on the net book value of CTEEP - Companhia de Transmissão de Energia Elétrica Paulista on June 30, 2021 based on work carried out in accordance with CTG Technical Notice 2002 – Valuation Report Issued by the Independent Auditor, approved by the Federal Accounting Council (CFC), which lays down the application of procedures for auditing the Company's balance sheet, transcribed in **Appendix I**, for issuing the valuation report. Accordingly, we examined said balance sheet of the Company in accordance with applicable Brazilian and international auditing standards, which require compliance by the auditors with ethical requirements and that the audit be planned and executed with the goal of achieving reasonable assurance that the net book value mentioned in our valuation report is free of material distortions.

5. The issue of valuation report involves the execution of procedures selected to obtain evidence on the amounts booked. The procedures selected depend on the auditor's judgment, including an appraisal of significant risks and distortions in shareholders' equity, regardless of whether or not caused by fraud or error. While evaluating the risks, the auditor considers the relevant internal controls to prepare the Company's balance sheet in order to plan the audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of said internal controls of the Company. An audit also includes assessing the adequacy of accounting policies used and the reasonability of accounting estimates made by the management. We believe that the audit trail obtained is sufficient and appropriate to support our conclusion.

Conclusion

6. Based on the work carried out, we have concluded that the shareholders' equity of R\$1,134,074,690.93, as per the balance sheet on June 30, 2021, in the accounting records of the Company, summarized in **Appendix I**, represents, in all its relevant aspects, the adjusted book shareholders' equity of Piratininga-Bandeirantes Transmissora de Energia S.A., inscribed in the corporate taxpayers register (CNPJ) under no. 25.298.138/0001-40, assessed according to the accounting practices adopted in Brazil.

São Paulo, July 23, 2021.


Aderbal Alfonso Hoppe
Accountant CRC - 15C020036/O-8-T-SP
TATICCA Auditores Independentes S.S.
CRC - 2SP-03.22.67/O-1

Appendix I – Balance Sheet

CTEEP - Companhia de Transmissão de Energia Elétrica Paulista

Balance Sheet of Piratininga-Bandeirantes Transmissora de Energia S.A. - CNPJ 25.298.138/0001-40
on June 30, 2021

(In Brazilian real)

The accounting books of Piratininga-Bandeirantes Transmissora de Energia S.A., CNPJ 25.298.138/0001-40, and other necessary documents for preparing the report were examined. We verified that the book value of net shareholders' equity is R\$1,134,074,690.93, as shown in the table:

	<u>6/30/2021</u>
ASSETS	2,268,309,978.77D
CURRENT ASSETS	309,922,005.76D
CASH AND CASH EQUIVALENTS	107,605,179.07D
CASH EQUIVALENTS	107,506,946.08D
CONCESSIONAIRES AND LICENSEES	18,605,724.94D
TAXES TO BE OFFSET	12,576,883.08D
ESCROW AND PLEDGES	2,984,101.79D
PREPAID EXPENSES	7,805.83D
OTHER CURRENT ASSETS	167,249.01D
ADVANCES FOR TRAVEL	446.23D
ADVANCES TO SUPPLIERS	166,802.78D
SHORT-TERM AGREEMENT ASSETS	167,975,062.04D
NON-CURRENT ASSETS	1,958,387,973.01D
LONG-TERM AGREEMENT ASSETS	1,958,262,077.44D
PROPERTY, PLANT AND EQUIPMENT	55,929.96D
INTANGIBLE ASSETS	69,965.61D
LIABILITIES	1,134,235,287.84C
CURRENT LIABILITIES	600,622,655.72C
SUPPLIERS	65,467.18C
LOANS, FINANCING AND DEBENTURES	379,271,696.18C
TAXES	217,477,719.83C
PROVISION FOR LAWSUITS	2,984,101.79C
SECTOR CHARGES	823,670.74C
NON-CURRENT LIABILITIES	533,612,632.12C
DEFERRED TAXES	533,612,632.12C
ASSETS (-) LIABILITIES = SHAREHOLDERS' EQUITY	<u><u>1,134,074,690.93</u></u>

Appendix II - Main Accounting Practices

CTEEP – Companhia de Transmissão de Energia Elétrica Paulista

Balance Sheet of Piratininga-Bandeirantes Transmissora de Energia S.A. - CNPJ

25.298.138/0001-40

June 30, 2021

(in reais)

The accounting policies described below were consistently applied in preparing the valuation report of the book shareholders' equity determined from the accounting books of the Company:

Main accounting practices:

1. Cash and cash equivalents and marketable securities

Cash and cash equivalents include balances of cash and financial investments with original maturity three months or earlier from the investment date, which are subject to an insignificant risk of change in fair value at the time of their settlement and are used by the Group to manage its short-term obligations.

The composition of the Company's cash and cash equivalents is determined to maintain enough cash to ensure the continuity of investments and to settle the short- and long-term obligations, maintaining the return on capital at adequate levels to ensure business perpetuity and increase the value for shareholders and investors.

2. Financial liabilities

Financial liabilities are initially recognized on the date they originate or on the date of negotiation when the Company becomes party to the contractual provisions. Financial liabilities are classified as follows:

- (i) Measured at fair value through profit or loss: Financial liabilities are those that are: (i) held for trading; (ii) designated at fair value to compare the effects of the recognition of revenues and expenses in order to obtain relevant and consistent accounting information; or (iii) derivatives. These liabilities are booked at their respective fair values, whose changes are recognized in profit or loss for the period and any change in the subsequent measurement of fair values that is attributable to changes in the credit risk of the liability is booked against other comprehensive income.
- (ii) Measured at amortized cost: other financial liabilities that do not fit the above classification. These are initially recognized at fair value less any costs attributable to the transaction and later recorded at the amortized cost using the effective tax rate method.

The company books the financial guarantees when these are granted to non-subsiaries or when the financial guarantee percentage is higher than its share of paying the obligations of joint ventures. Such guarantees are initially recorded at fair value through: (i) a liability that corresponds to the risk of non-payment of the debt and which is amortized against financial income at the same time and proportion of the debt payment; and (ii) an asset that corresponds to the right to reimbursement by the guaranteed party or a prepaid expense on account of the guarantees, which is amortized by the receipt of cash from other shareholders or by the effective rate of interest during the guarantee period. After initial recognition, the guarantees are measured periodically at the higher of the amount determined in accordance with CPC 25/IAS 37 and the amount initially recognized less accumulated amortization.

Financial assets and liabilities are only offset and shown at their net value when there is a legal right to offset the amounts and there exists the intention to simultaneously realize the asset and settle the liability.

3. Significant accounting judgments and estimates

Accounting estimates involve the Management's judgment and are subject to future revisions, possibly resulting in adjustments to expenses or revenues. The main estimates listed in the financial statements are the expected losses in accounts receivable, as mentioned above, and provision for lawsuits.

Provisions are set aside for lawsuits with the possibility of payments to settle a claim and which can be reasonably estimated. Any assessment of the likelihood of loss includes the assessment of available evidence, the hierarchy of laws, available case laws, most recent court decisions and their significance in the legal framework, and the opinion of external lawyers.

4. Income Tax and Social Contribution

Income tax and social contribution are calculated and booked in accordance with current laws and include both current and deferred taxes. Income taxes are recognized in the statement of income, except for cases where they are directly related to items recorded directly in shareholders' equity or comprehensive income, where they are already recognized net of these tax effects, and those resulting from initial accounting in business combinations.

Current tax is the tax payable or receivable / offset on the taxable profit or loss in the period that reflects the uncertainties related to its calculation, if any. Deferred tax is recognized with regard to temporary differences between the book values of assets and liabilities for accounting purposes and the corresponding amounts used for tax purposes, as well as for tax losses and negative social contribution base, and reflects the uncertainty related to income tax, if any.

CTEEP and its subsidiaries booked in their financial statements the effects of deferred income tax and social contribution credits and differences temporarily not deductible, based on the estimated future generation of taxable income tax and social contribution bases, approved annually by the Board of Directors and examined by the Fiscal Council.

5. Contract concession asset

The Company's concession is classified under the contract asset model according to CPC 47 – *Receita de Contrato com Cliente*. The contract asset originates as the concessionaire meets the obligation of building and installing the transmission infrastructure, and revenue is recognized over the term of the project, but cash flow receipt is conditioned on meeting the operation and maintenance obligation. Every month, as the Company operates and maintains the infrastructure, the portion of contract asset equivalent to the consideration of that month for meeting the building obligation becomes a financial asset because nothing except the passage of time will be required to receive the payment. The benefits of this asset are future cash flows.

The Company's contract asset amount consists of the present value of its future cash flows. Future cash flow is estimated at the start of the concession or upon its renewal, and the premises for its calculation are reviewed in the Periodic Tariff Review (RTP).

Cash flows are defined based on the Permitted Annual Revenue (RAP), which is the consideration received by concessionaires for providing public transmission services to users. These receipts amortize the investments in said transmission infrastructure and any investments not amortized (reversible assets) generate the right to indemnification from the Concession Authority at the end of the agreement according to the type of concession. These receipt flows are: (i) remunerated at the implicit rate that represents the financial component of the business established at the start of each project, (ii) adjusted for inflation at the IPCA rate.

The installation of infrastructure, which is carried out during the construction stage, is entitled to consideration linked to the conclusion of the construction and the operation and maintenance obligations, and not only subject to the passage of time. Revenues and costs of construction related to the construction of this asset are recognized through the costs incurred.

**APPENDIX X - INFORMATION INDICATED IN APPENDIX 20-A OF CVM
INSTRUCTION 481/09 REGARDING THE MERGER OF PBTE**

1. Protocol and justification of the operation, pursuant to articles 224 and 225 of Law 6,404 of 1976

The protocol and justification of the operation is in Appendix VI to the Management Proposal.

2. Other agreements, contracts and pre-agreements regulating the exercise of voting rights or the transfer of shares issued by the surviving companies or those resulting from the operation, filed at the headquarters of the company or those in which the controlling shareholder of the company is a party.

The Company, which is the surviving company of the operation, does not have such agreements.

3. Description of the Operation, including:

a. Terms and Conditions:

The operation involves the merger by the Company of the subsidiary in which it will hold the entire capital stock after approval of Merger of SF Energia.

Therefore, on this date, after approval of Merger of SF Energia, the Company started to hold one hundred percent (100%) of the shares in the capital stock of PBTE. The revenues, assets and liabilities of PBTE are fully reflected in the consolidated financial statements of the Company using the consolidation method. Hence, (i) the Merger of PBTE will not result in any increase or reduction in the shareholders' equity or capital stock of the Company; (ii) there will be no exchange of the shareholding interests of non-controlling shareholders of PBTE with shares of the Company since it is the only partner of PBTE.

The Merger of PBTE will be carried out at the book value of its shareholders' equity, as reflected in the respective balance sheet, since the variations in the equity accounts calculated on said baseline date will be appropriated by the Company, which will transfer them to its accounting books and make the necessary changes.

b. Indemnity Obligations:

i. The administrators of any of the companies involved:

None.

ii. If the operation does not materialize:

None.

c. Table comparing the rights, benefits and restrictions on the shares of the companies involved or resulting companies, before and after the operation.

There will be no change in the rights, benefits and restrictions on shares.

d. Need for approval of debentureholder or other creditors

None.

e. Asset and liability components that will make up each part of the equity, in case of spin-off.

Not applicable.

f. Intention of resulting companies to obtain registration as an issuer of securities.

Not applicable.

4. Plans for conducting business, notably with regard to specific corporate events that it plans to hold

None.

5. Analysis of the following aspects of the operation

a. Description of the key expected benefits, including: (i) synergies; (ii) tax benefits; and (iii) strategic advantages.

It is in the Company's interest to consolidate its operations and assets, and simplify its organizational and corporate structure, thereby reducing its administrative and operating costs, besides integrating businesses and generating synergies.

b. Costs

Simplification of the organizational and corporate structure will enable a reduction in administrative and operating costs.

c. Risks

There are no significant risks identified in this operation.

d. In case of transaction with related party, any alternatives that could have been used to achieve the same objectives, mentioning the reasons why those were discarded.

Given that the Company holds the entire capital stock of PBTE, there are no reasons for adopting a corporate structure other than in the form of merger to implement the planned operation.

e. Exchange ratio.

Not applicable since the Company holds all the shares issued by PBTE.

f. In transactions involving parent companies, subsidiaries or joint ventures.

Not applicable.

i. Share exchange ratio calculated in accordance with article 264 of Law 6,404 of 1976.

Not applicable, as per item 5(e) above.

ii. Detailed description of the negotiation process for the exchange ratio and other terms and conditions of the operation.

Not applicable, as per item 5(e) above.

iii. If the operation was preceded, in the last twelve (12) months, by an acquisition of control or acquisition of interest in the controlling block: (a) comparative analysis of the exchange ratio and the price paid while acquiring control; and (b) reasons that justify any differences in valuation in different operations.

Not applicable.

iv. Justification for why the exchange ratio is commutative, describing the procedures and criteria adopted to ensure that the operation was taken at an arm's length basis or, if the exchange ratio is not commutative, details of payment or similar measures taken to ensure adequate compensation.

Not applicable, as per item 5(e) above.

6. Copy of minutes of all the meetings of the board of directors, fiscal council and special committees in which the operation was discussed, including any dissenting votes.

Not applicable.

7. Copies of studies, presentations, reports, opinions or valuation reports of companies involved in the operation, submitted to the controlling shareholder at any stage of the operation.

The valuation report of PBTE is available in Appendix IX to this Management Proposal.

7.1. Identification of any conflicts of interest between financial institutions, companies and professionals who prepared the documents mentioned in item 7 and the companies involved in the operation.

No conflicts of interest were identified.

8. Proposals for bylaws or amendments to bylaws of the companies resulting from the operation.

Not applicable since the Bylaws of the Company will not be amended due to the operation.

9. Financial statements used for the purposes of the operation, pursuant to specific rules.

As per the CVM's recent opinions on queries made in similar corporate transactions and, also, pursuant to CVM Instruction 565 of June 15, 2015, there is no justification to calculate the exchange ratio, based on the assets of the companies at market prices or the corresponding report for comparison purposes, addressed by article 264 of Law 6,404 of December 15, 1976, as amended, as well as articles 6 and 7 of CVM Instruction 565 of June 15, 2015.

10. Financial statements that were prepared for the purposes of the operation, pursuant to specific rules.

Not applicable, as per item 9 above.

11. Document containing information on companies directly involved that are not publicly-held companies, including:

a. Risk factors, as per items 4.1 and 4.2 of the reference form.

Information about PBTE, as a subsidiary of the Company, does not portray risks different from those mentioned by the Company in its reference form.

b. Description of the key changes in the risk factors the previous year and expectations of a reduction or increase in the exposure to risks as a result of the operation, pursuant to item 5.4 of the reference form.

The Company identifies all the changes in risks in its business group, including PBTE, in its reference form. In this regard, no changes in risk factors were identified specifically for the merged companies.

c. Description of the activities, pursuant to items 7.1, 7.2, 7.3 and 7.4 of the reference form.

PBTE provides public electricity transmission services, including the construction, assembly, operation and maintenance of transmission installations for 30 years, related to lot F, consisting of the installation LT 345kV Bandeirante – Piratininga II C1 and C2, each spanning 15km (underground), in the state of São Paulo, pursuant to Concession Agreement 12/2016 signed on November 21, 2016 with the Brazilian Electricity Regulatory Agency (Aneel) and Aneel Auction Notice 13/2015.

d. Description of the business group, as per item 15 of the reference form.

The Company is a subsidiary of Interconexión Eléctrica E.S.P., an important multilateral player in linear infrastructure systems, whose investors include Eletrobras, the largest Brazilian electricity group. ISA CTEEP's shares are listed on B3 – Brasil, Bolsa, Balcão and, since 2002, have been included in Corporate Governance Level 1.

e. Description of capital stock, pursuant to item 17.1 of the reference form.

PBTE's subscribed and paid-in capital is R\$410,100.00, divided into 10,432,106 registered shares with no par value, consisting of (i) 6,900,889 common shares and (ii) 3,531,217 class C preferred shares.

12. Description of the capital and control structure after the operation, pursuant to item 15 of the reference form.

Not applicable since the capital or control structure of the Company will not be altered.

13. Number, class and type of securities of each company involved in the operation held by any other companies involved in the operation, or by persons related to these companies, as per the rules on public tender offerings for shares.

The Company holds one hundred percent (100%) of the capital stock of PBTE, as explained in item 11 (e).

14. Exposure of any of the companies involved in the operation or their related persons, as defined by the rules on public tender offerings for shares, in derivatives referenced to securities issued by the other companies involved in the operation.

Not applicable.

15. Report of all the transactions in the last six (6) months conducted by the persons indicated below with securities issued by the companies involved in the operation: (a) Companies involved in the operation: (i) Private acquisition operations: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (ii) Private sale operations: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (iii) Purchases in regulated markets: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (iv) Sales in regulated markets: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; and (b) Parties related to the companies involved in the operation: (i) Private acquisitions: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (ii) Private sale operations: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (iii) Purchases in regulated markets: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions; (iv) Sales in regulated markets: average price; number of shares involved; security involved; percentage in relation to the class and type of security; other relevant conditions.

Pursuant to the Purchase Agreement between the Company and the shareholders of SF Energia and PBTE on December 2, 2020, a commitment was signed for the direct acquisition of (a) 100% of the shares of SF Energia held by FIP Wire, thus representing the assumption of full control by the Company; and (b) all the remaining shares of PBTE not directly held by SF Energia, resulting in the Company's assuming indirect control over PBTE, as per the framework of the operation. Said operation was discussed and approved by the Extraordinary Shareholders Meeting held on December 23, 2020.

The consummation of the operation was linked to the fulfillment of certain conditions precedent established in the Purchase Agreement and which usually apply to operations of this type. The shareholders of SF Energia and PBTE and the intervening guarantors provided the Company with warranties and representations regarding themselves, SF Energia and PBTE. Indemnity rights were also established between the parties for non-compliance with obligations and/or provisions in the Purchase Agreement, as applicable.

16. Document through which the Special Independent Committee submitted its recommendations to the Board of Directors, if the operation was negotiated pursuant to CVM Guidance Update 35 of 2008.

Not applicable.