

2Q19 RESULTS

AUGUST, 2019

A nighttime photograph of a city skyline across a body of water, viewed from a bridge. The sky is dark with some clouds, and the city lights are reflected in the water. In the foreground, the bridge's concrete barrier and metal railings are visible. Long, bright light trails from vehicles on the bridge stretch diagonally across the lower right portion of the image. The Equatorial Energia logo is overlaid in the center.

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2Q19 Highlights

Consolidated Adjusted EBITDA reached R\$ 943 million in the quarter.

Equatorial Distribuição PiauÍ posted a recurring EBITDA of R\$ 30 million in 2Q19.



Distribution

- **Alagoas & PiauÍ:** FEC (quality indicator) beating target.
- **Alagoas:** operational restructuring in progress - 1st Voluntary Layoff Program concluded.
- **Pará:** Net RAB amounting to **R\$ 5.0 bn**, reg. total losses at 27.5%, X Factor of 0.08%.



Total electricity sales volume amounted to 5,181 GWh

- **4.4% drop** in energy sales due to the adjustment of billing procedures in EQTL Alagoas.
- Consolidated injected energy **rose by 3.6%**.



Transmission

- Funding **100%** secured, **44%** disbursed.
- Construction Progress: **SPV 8** (72%), **SPV 1** (58%) & **SPV 2** (52%).



Adjusted Consolidated EBITDA amounted to R\$ 943 million

- **Transmission assets + Intesa:** IFRS 15 adoption added R\$ 304 million to EBITDA in the quarter.
- **Consolidated:** The EBITDA (excluding new assets - Intesa, Transmissão, PiauÍ and Alagoas) would have reached R\$ 516 million, 20% growth in 2Q19.



OPERATING PERFORMANCE

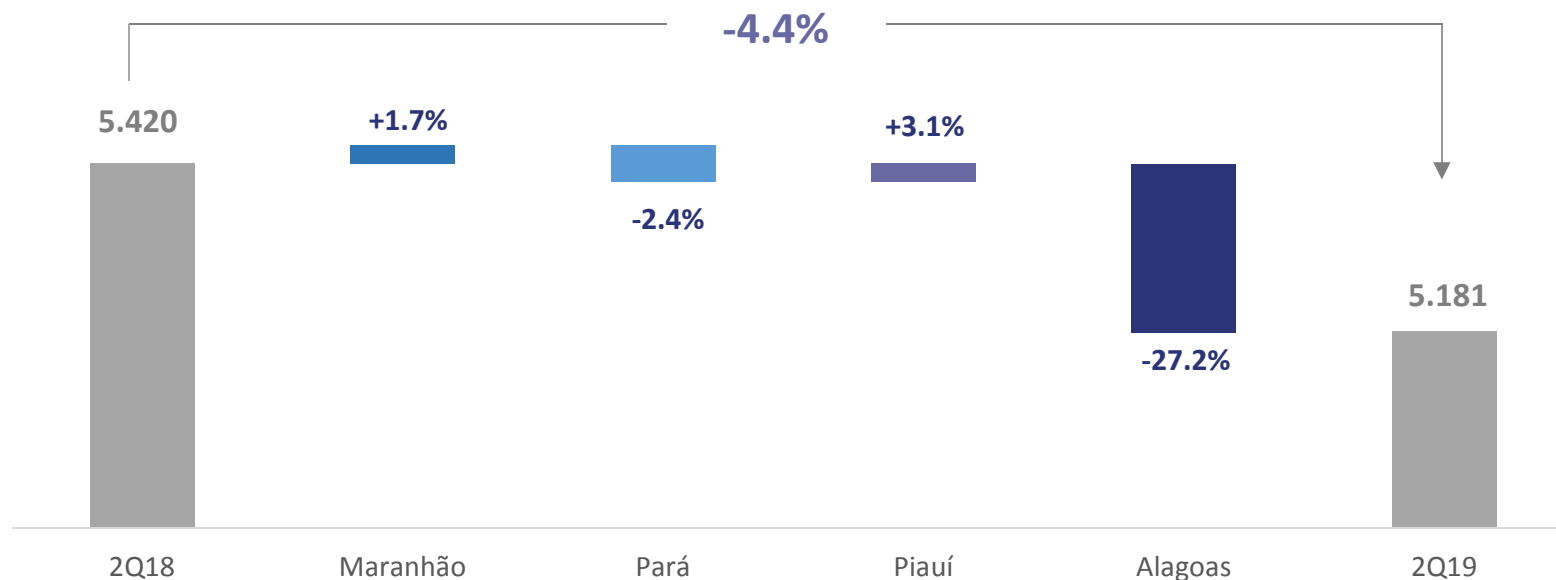
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Energy Market

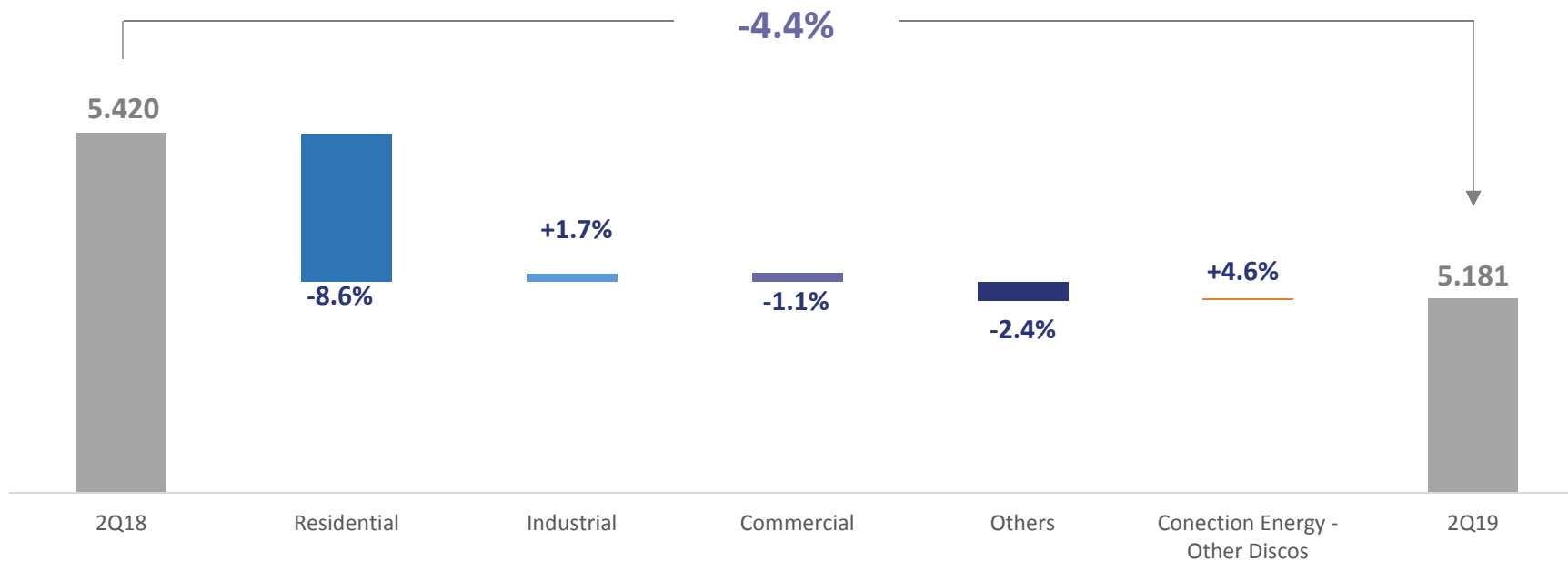
Comparison of Sales by Distributor (captive + free)

GWh



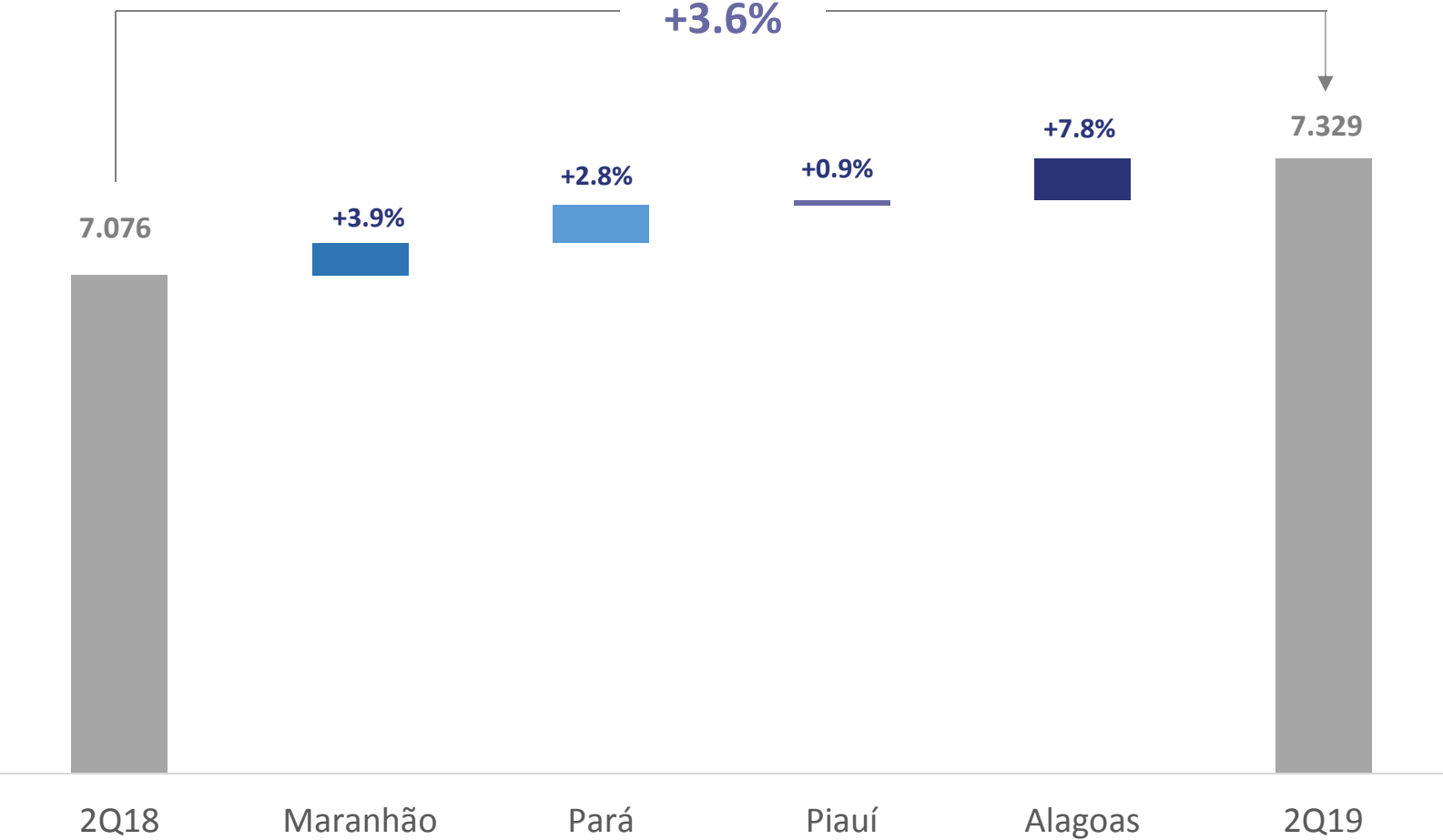
Comparison of Sales by Segment (captive + free)

GWh



Injected Energy by DisCo

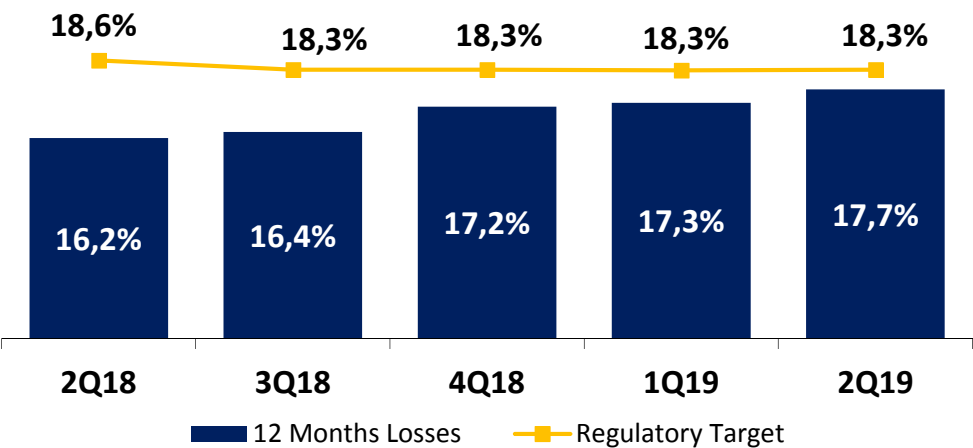
GWh



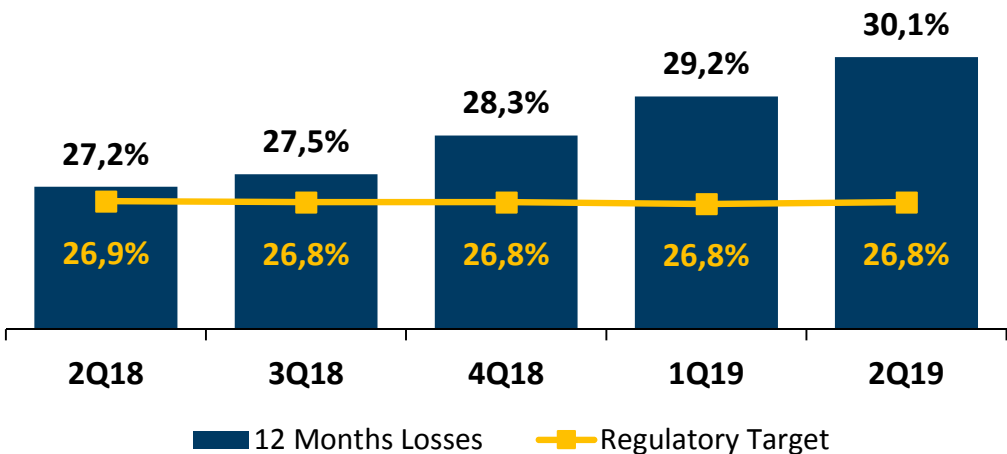
Energy Losses

Losses in Maranhão and Pará are affected by the more conservative billing policy. Losses in Piauí have dropped by 0.4 bps.

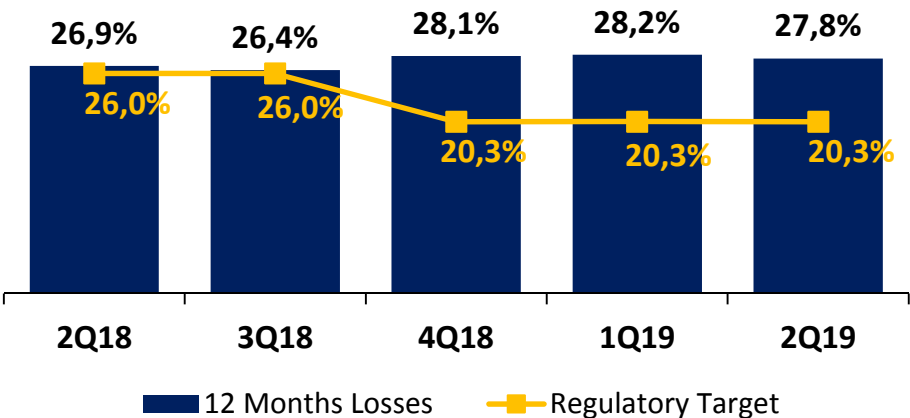
Maranhão



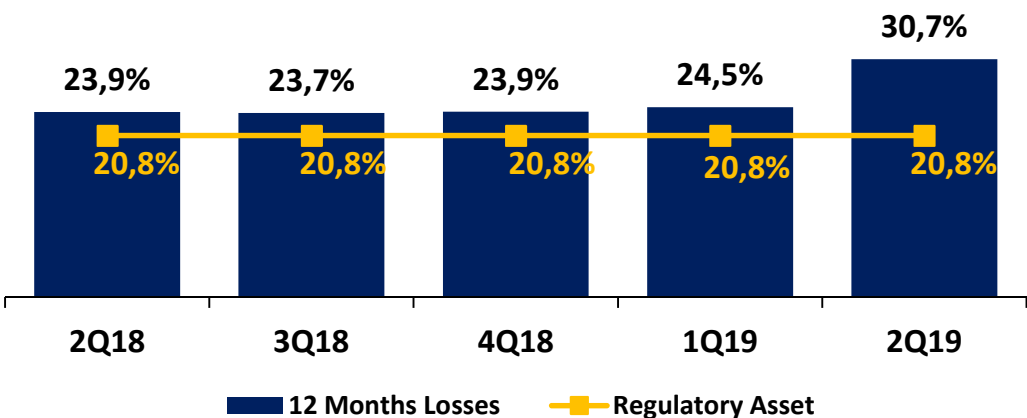
Pará



Piauí

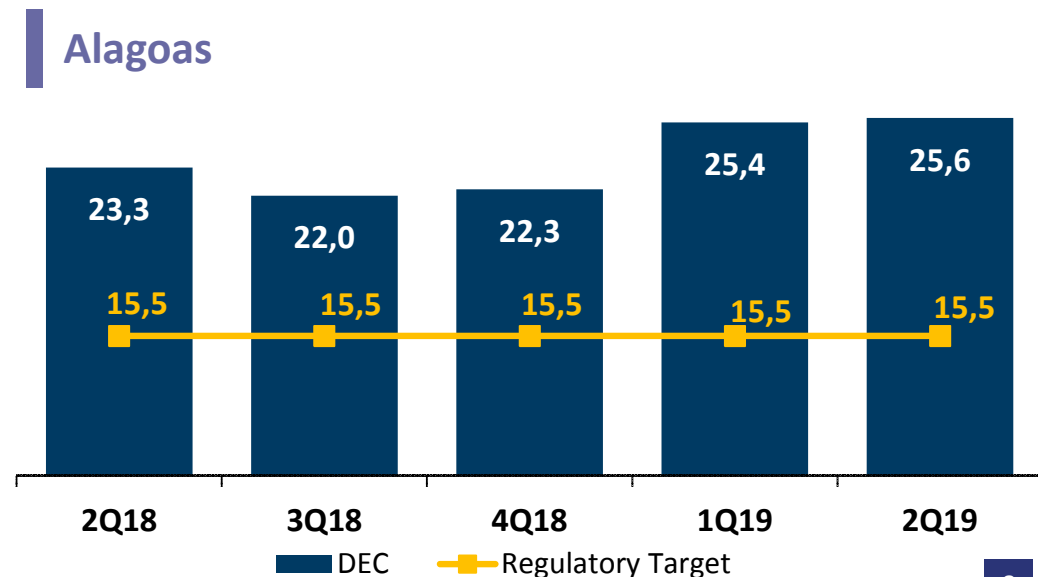
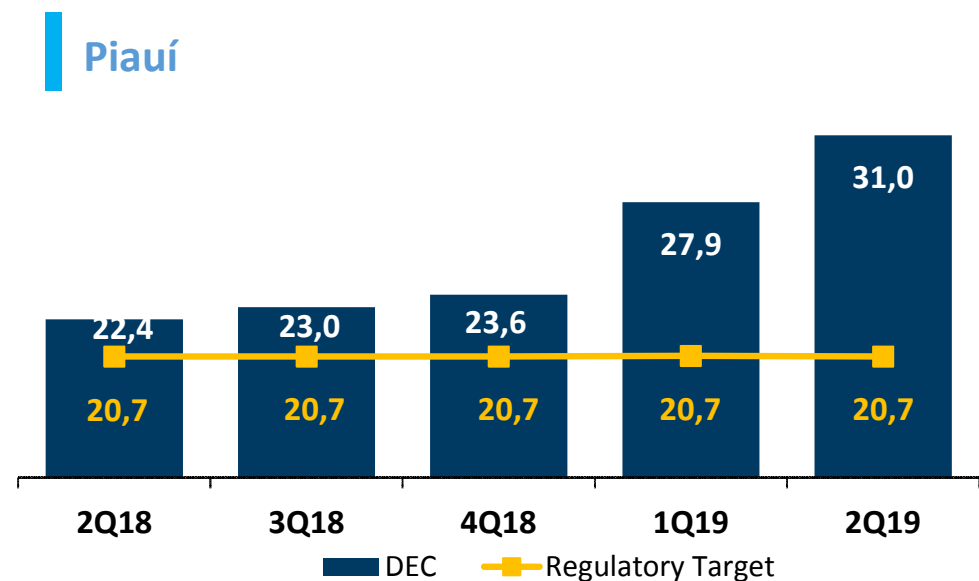
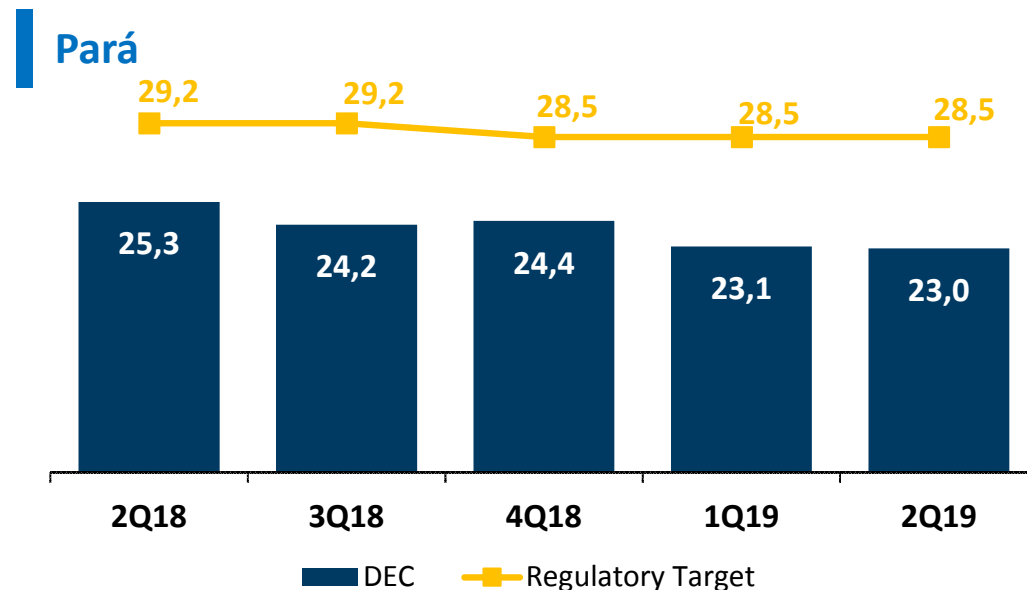
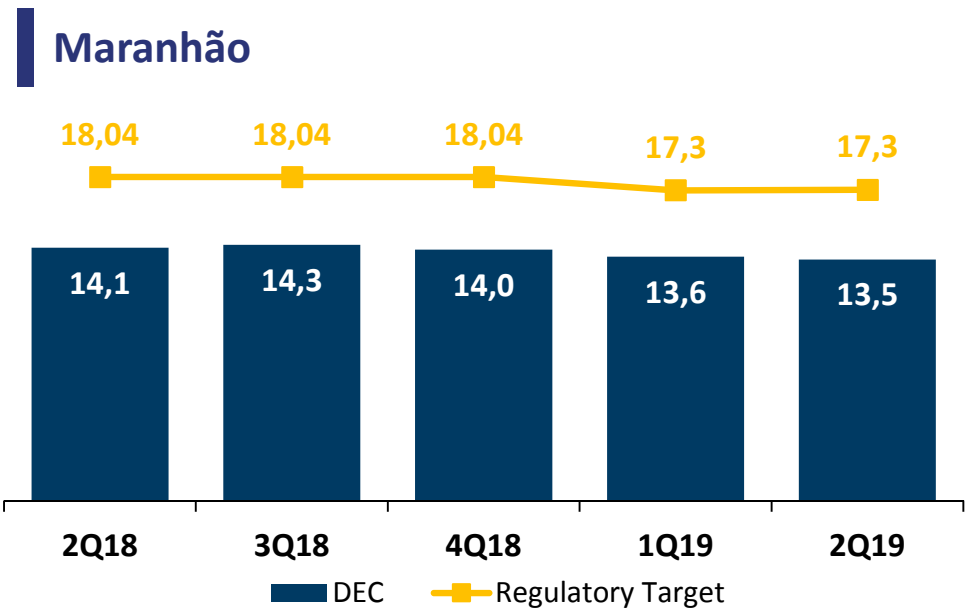


Alagoas



DEC Quality Indicator

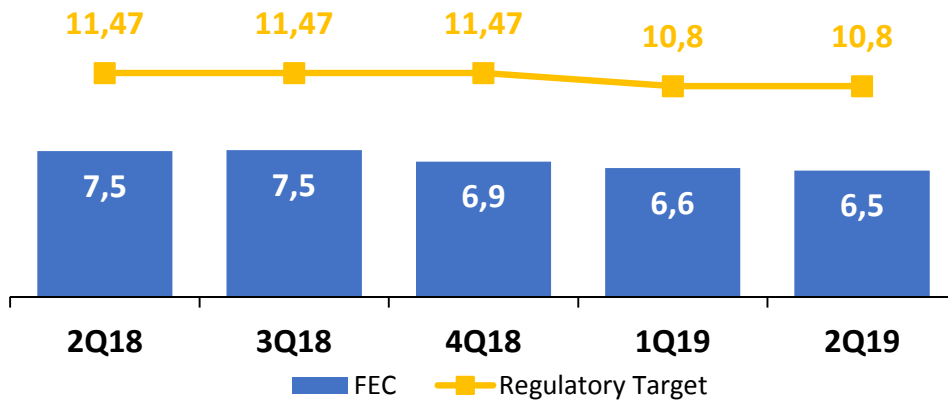
Maranhão and Pará are beating the target. Piauí and Alagoas are affected by an adjustment in the calculation methodology.



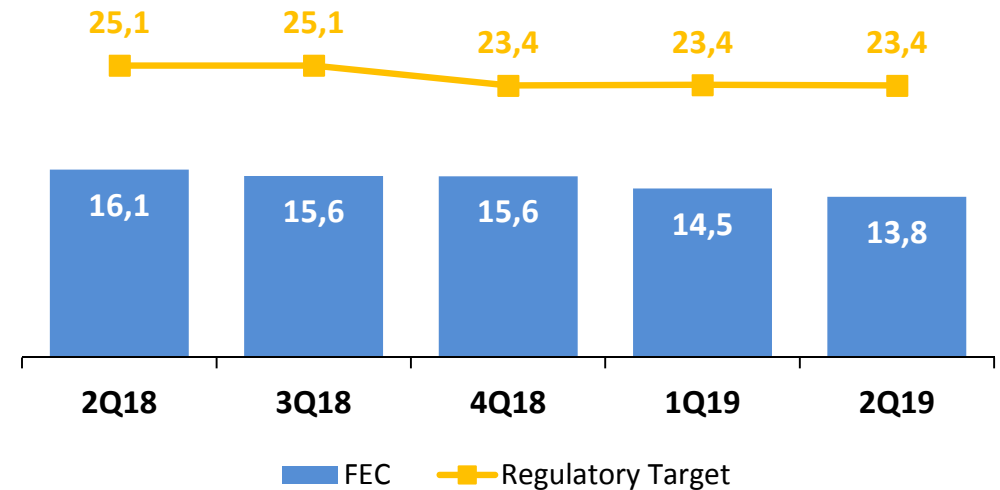
FEC Quality Indicator

All 4 DisCos are already beating the 2Q19 target.

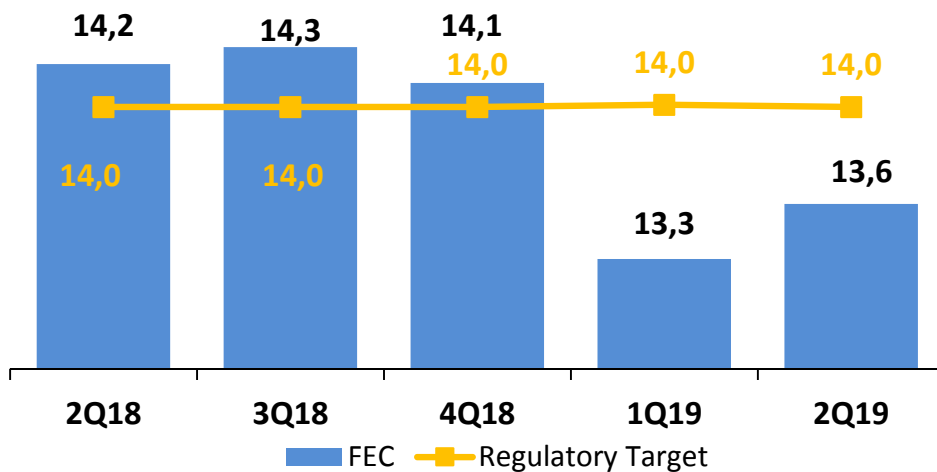
Maranhão



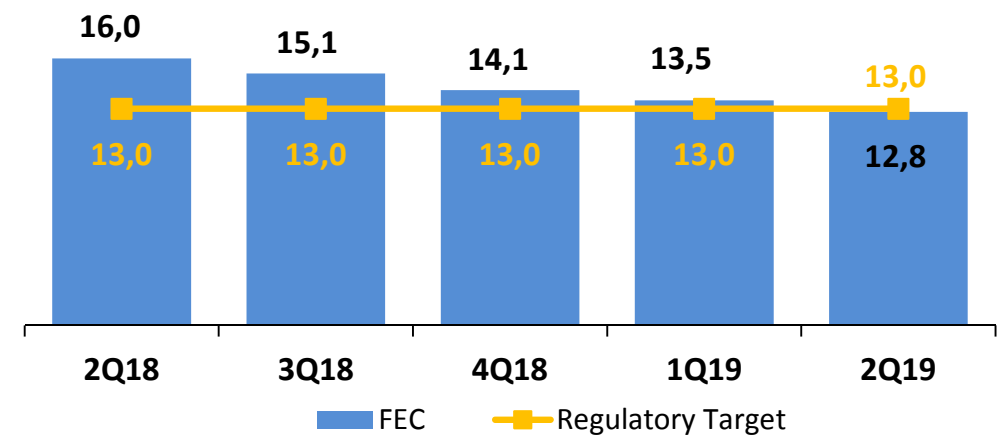
Pará



Piauí



Alagoas





FINANCIAL PERFORMANCE



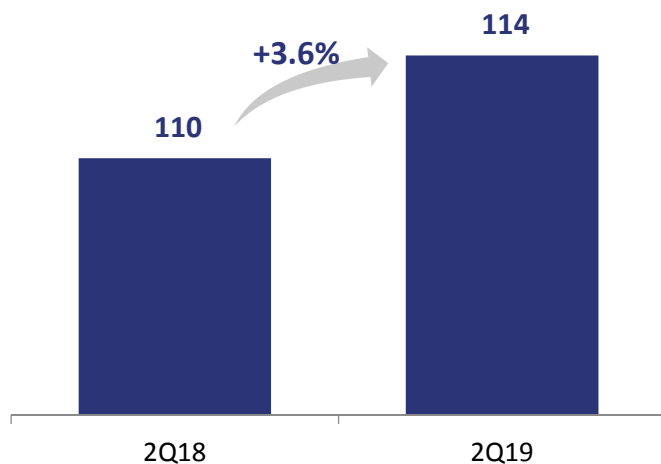
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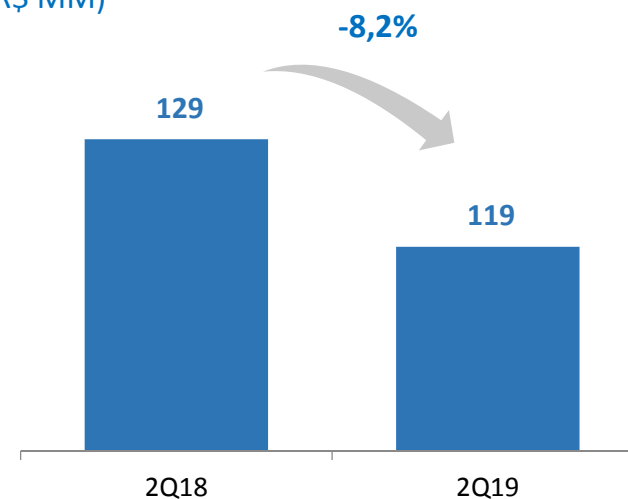
Manageable Expenses

Piauí and Alagoas already presented an Adjusted Opex below the regulatory figure.

Maranhão
(R\$ MM)



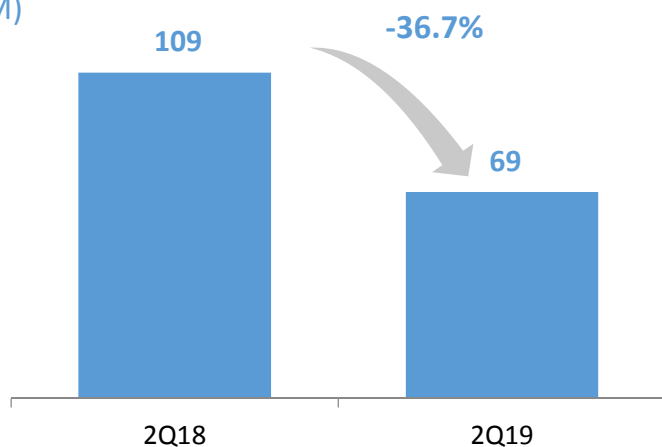
Pará
(R\$ MM)



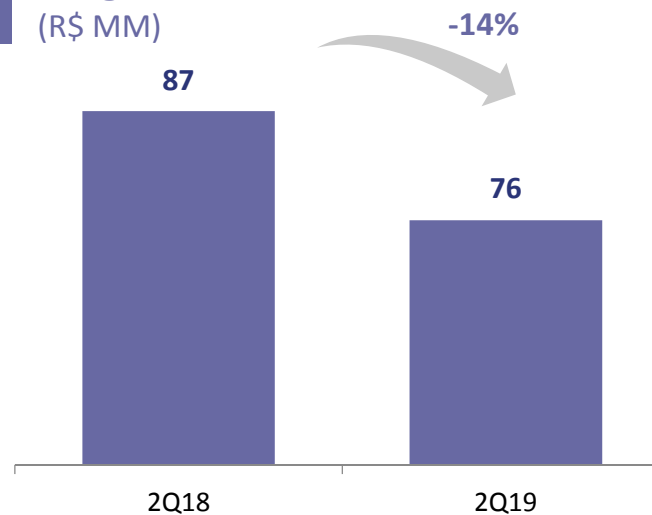
INPC
12 months
3.3%

IPCA
12 months
3.4%

Piauí
(R\$ MM)



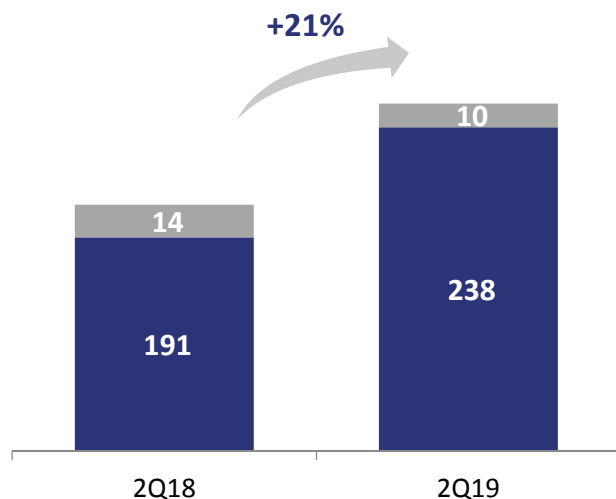
Alagoas
(R\$ MM)



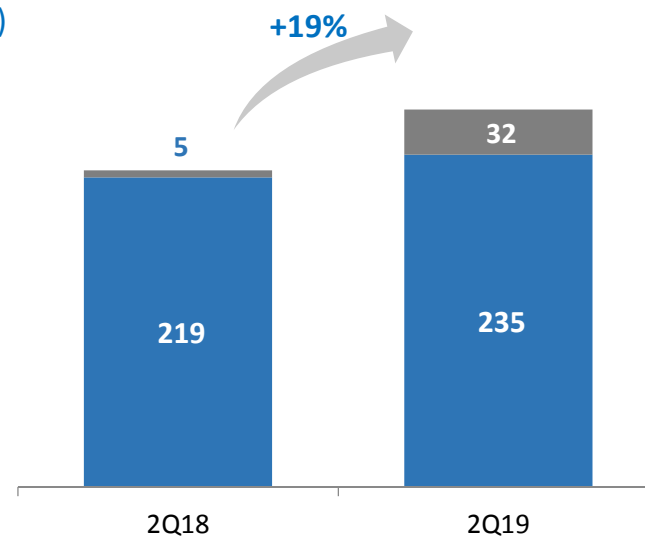
EBITDA

All 4 DisCos presented an increase in the EBITDA. We highlight the positive results from Piauí and Alagoas.

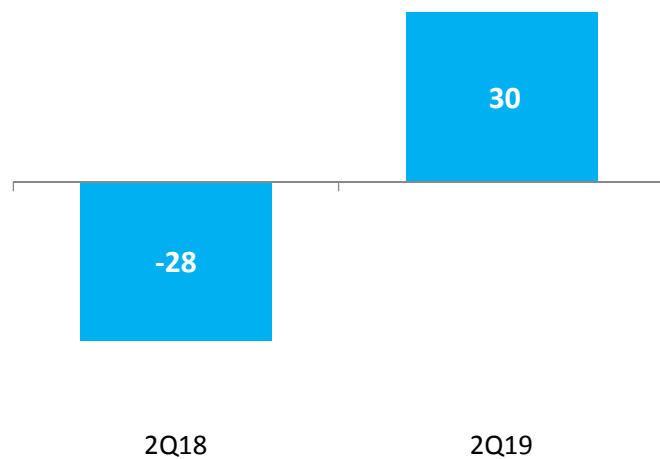
Maranhão (R\$ MM)



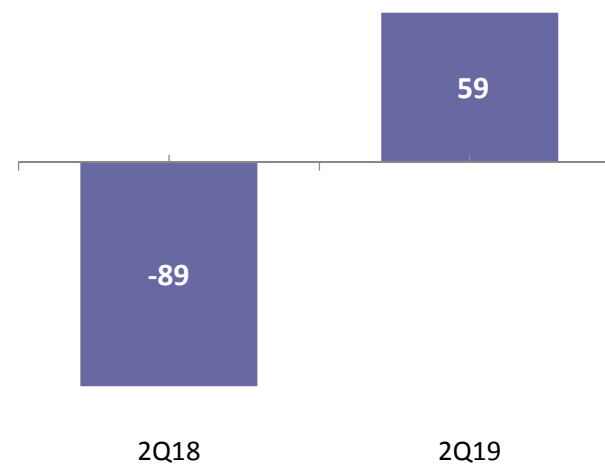
Pará (R\$ MM)



Piauí (R\$ MM)

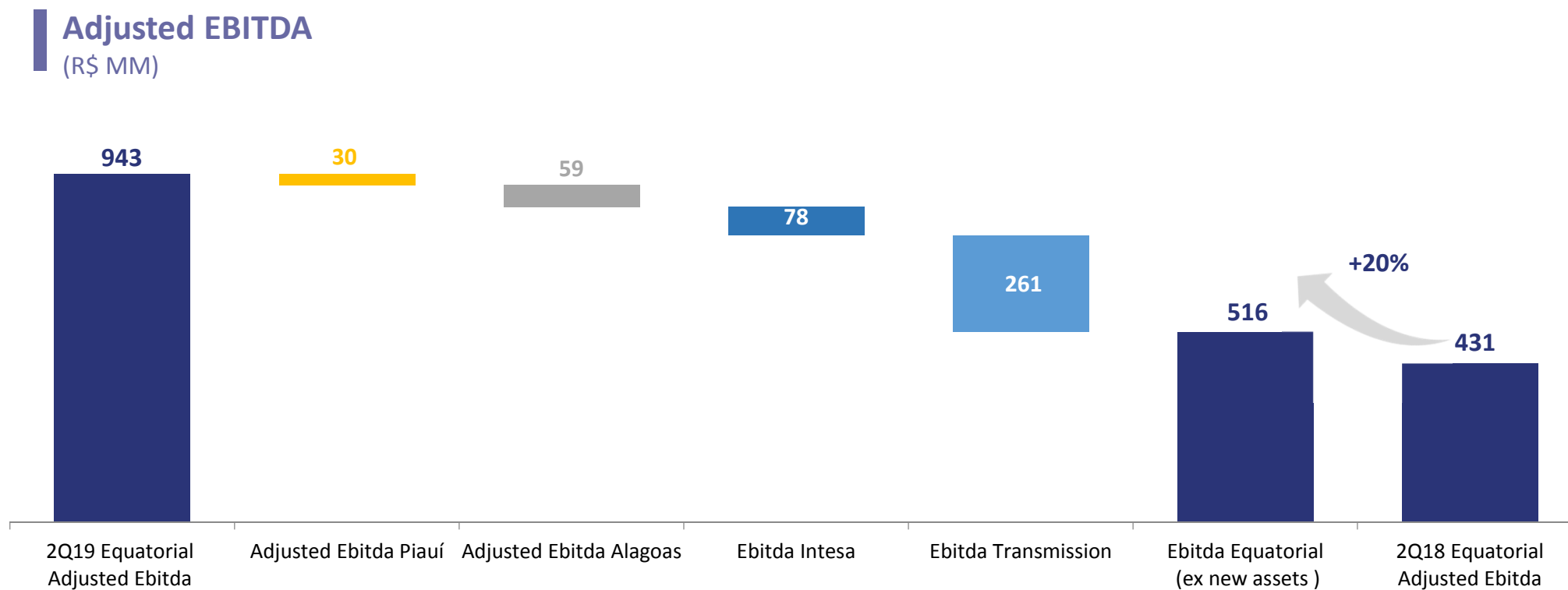


Alagoas (R\$ MM)



Financial Asset Update

Disregarding the new assets, Equatorial's EBITDA would have grown 20%, reaching R\$ 516 million.

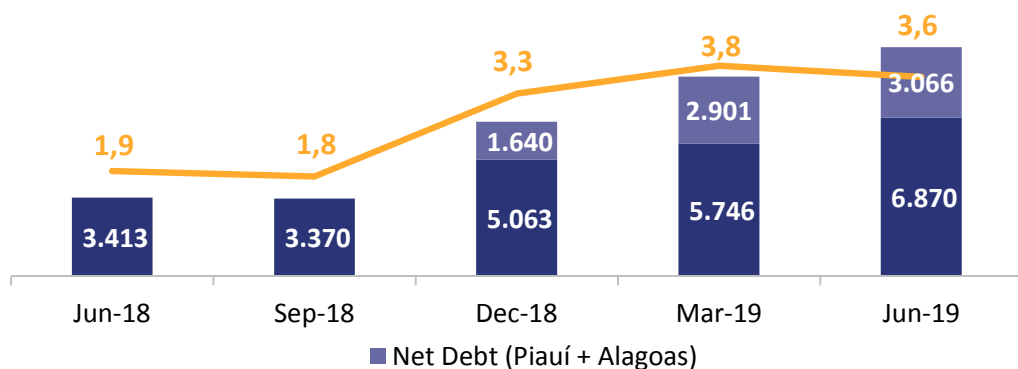


Debt

Cepisa and Equatorial Alagoas consolidation and the Investments in Transmission increased the leverage in the quarter.

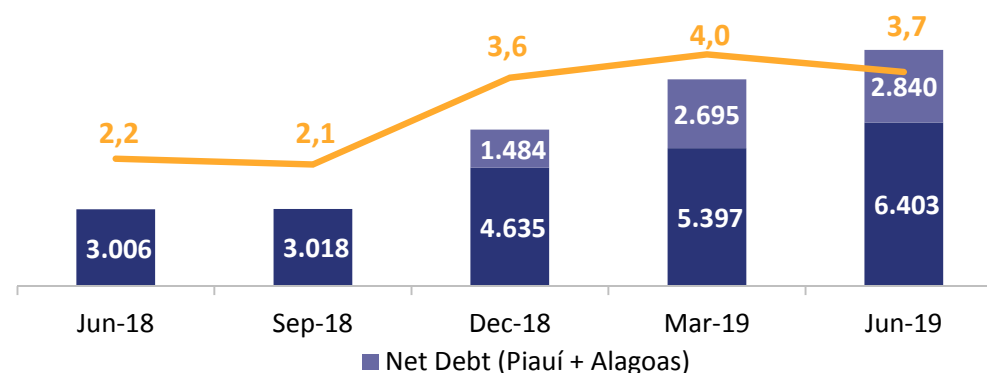
Cons. Net Debt and Net Debt/EBITDA LTM

(R\$ MM)¹



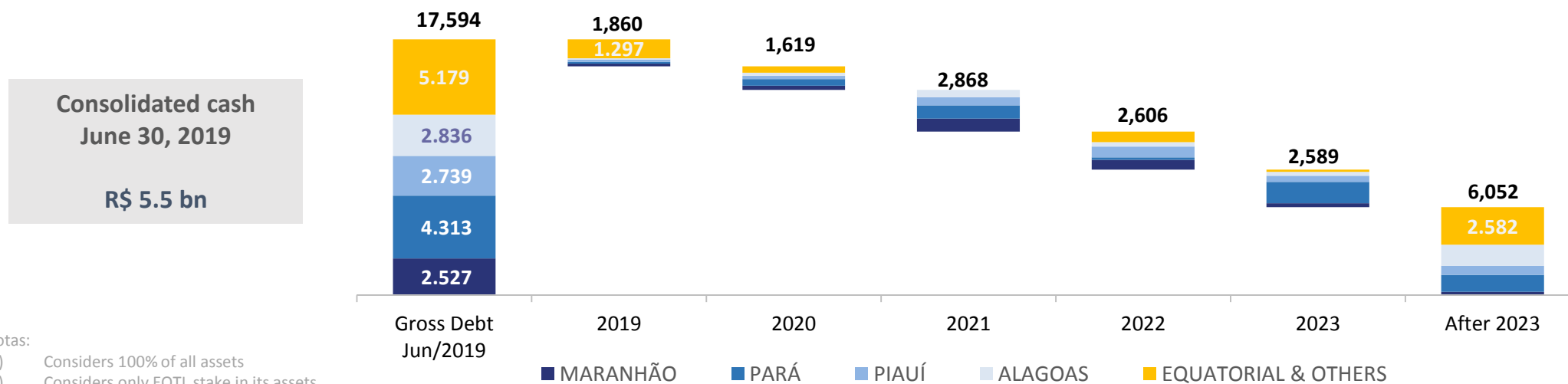
Pro-rata Net Debt and Net Debt/EBITDA LTM

(R\$ MM)²



Debt Maturity Profile

(R\$ MM)



Consolidated cash
June 30, 2019

R\$ 5.5 bn

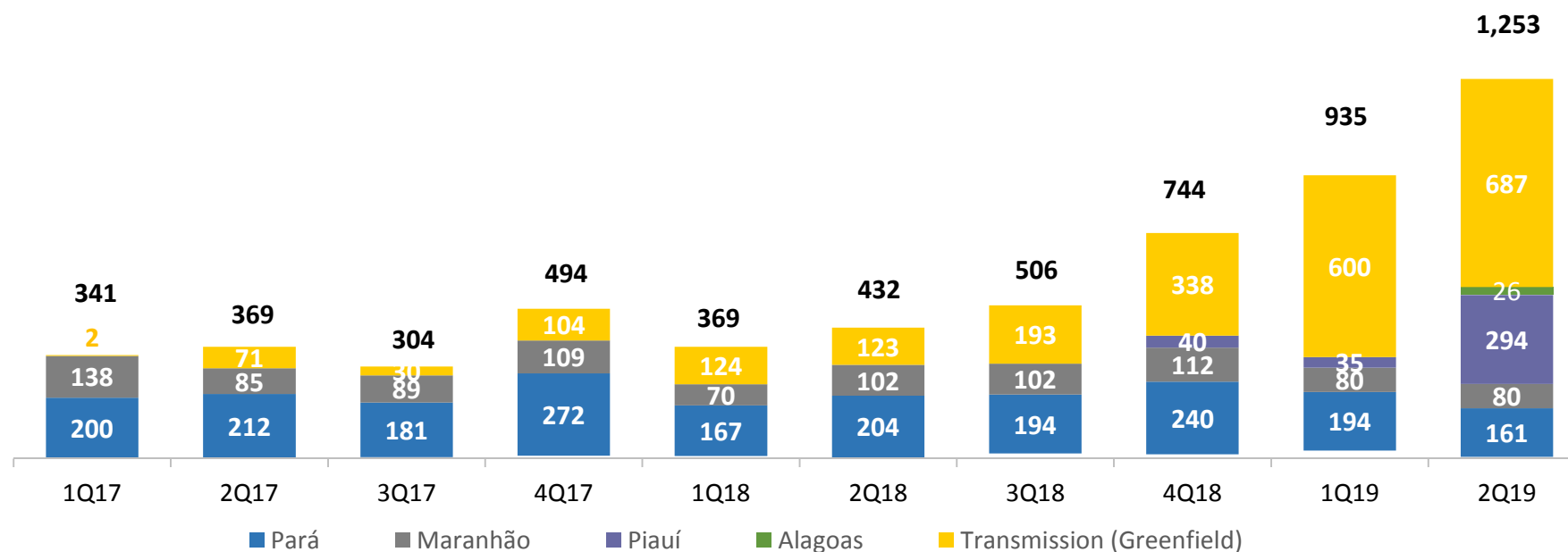
Notas:

- (1) Considers 100% of all assets
(2) Considers only EQTL stake in its assets

Investments in the transmission segment are at full throttle.

Main Investments

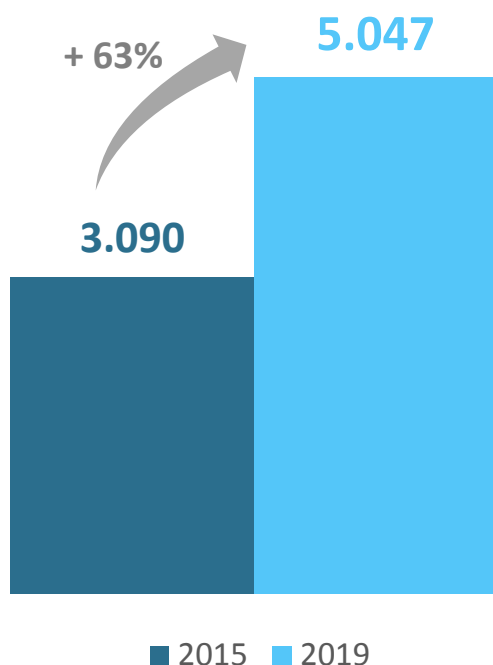
(R\$ MM)



Total capex in the transmission segment have reached **R\$ 2.2 billion** as from 1Q17.

Tariff Review – EQTL Pará

Net RAB (R\$ mm)



Parcel B

Description	R\$ mm
Return on Capital	660
Regulatory Depreciation	275
Annuity	119
Regulatory EBITDA	1,054
OPEX	738
Unrecoverable revenues	107
Parcel B	1,899
(-) Market Adjustments Rate	1.13%
(-) Quality Incentives Mechanisms	-0.28%
(-) Other Revenues	43
(-) Overdemand	13
(-) Reactive Energy	37
Parcel B - tariff	1,789

Regulatory Losses (%)

	2015	2019
Tec. Losses / Inj. Energy	10.1%	11.7%
Non-Tec. Losses / Low Voltage	34.0%	33.5%
Total Losses / Injected Energy	26.8%	27.5%

X Factor (%)

Pd (ex-ante)	1.13%
T (ex-ante)	-0.77%
Q (ex-post)	-0.28%
X Factor	0.08%

Downward trend of 0.5 per year,
reaching 32.0% in 2022.



TRANSMISSION

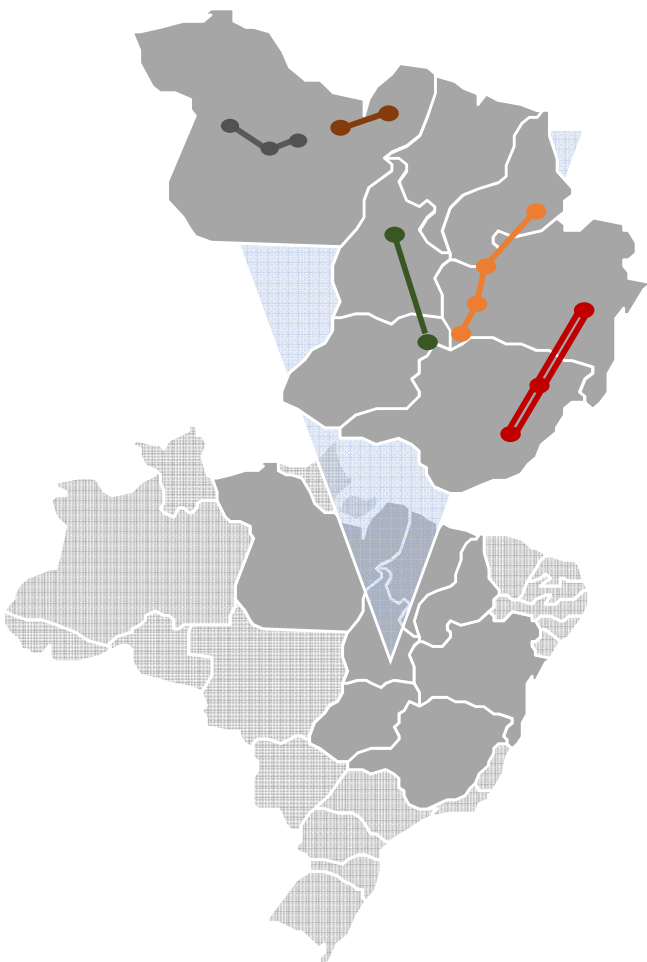
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Greenfield and Brownfield Projects

Revenues amounting to R\$ 1,087 million*, inflation adjusted

(* base-date Jun-2019)



GREENFIELD						
Lot	State	km	Nº of substations	Capex ANEEL (R\$ MM)	Construction Completion	RAP (R\$MM)
GROUP 1						
SPV 1	BA	251	1	494	58.4%	87
SPV 2	BA	213		518	52.4%	78
SPV 3	BA/PI	380		609	5.6%	114
GROUP 2						
SPV 4	BA/MG	594	1	1,178	23.7%	206
SPV 5	BA/MG	257		481	10.3%	95
SPV 6	MG	330		561	0%	118
GROUP 3						
SPV 7	PA	125	2	475	34.1%	100
GROUP 4						
SPV 8	PA	436	3	738	71.6%	139
TOTAL GREENFIELD		2,586	7	5,054		937
BROWNFIELD						
	State	km	Nº of substations	Deadline for start-up		RAP
INTESA						
INTESA	TO/GO	695	5	May-08	-	150
TOTAL		3,281	12			1,087

Recent Developments

- Start of Commercial Operation: Synchronous Condenser (SPV 8), since June, 2019.

Funding Status of the Transmission Lines

SPV	Source	Secured	Disbursed	%
SPV 1	Banco do Nordeste	343	288	
	Debentures	55	55	
	Total	398	343	86%
SPV 2	Banco do Nordeste	353	150	
	Debentures	45	45	
	Total	398	195	49%
SPV 3	Banco do Nordeste	425	179	
	Debentures	90	90	
	Total	515	269	52%
SPV 4	BNDES	822	490	60%
SPV 5	Banco do Nordeste	356	79	
	Debentures	66	66	
	Total	422	145	34%
SPV 6	BNDES	419	40	10%
SPV 7	FDA	293	-	
	Debentures	130	130	
	Total	423	130	31%
SPV 8	FDA	495	-	
	Debentures	189	189	
	Total	684	189	28%
Total Equatorial Transmissão		4.081	1.801	44%



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