



CTEEP - COMPANHIA DE TRANSMISSÃO DE ENERGIA ELÉTRICA PAULISTA

A Publicly Held Company
CNPJ/MF 02.998.611/0001-04
NIRE 35300170571

MATERIAL FACT

ACQUISITION OF PIRATININGA – BANDEIRANTES ENERGY TRANSMISSION

CTEEP - Companhia de Transmissão de Energia Eletrica Paulista ("Company"; "ISA CTEEP"), in accordance to CVM Instruction #358, of January 3, 2002, and Law #6,404/76, article 157, in its 4th paragraph, and respective amendments ("Law #6,404/76"), announces that it has signed a Share Purchase Agreement and Other Covenants with Wire Fundo de Investimento em Participações Multiestratégia and Fundo de Investimento em Participações em Infraestrutura Kavom ("Purchase Agreement") for the acquisition of the totality of shares, directly or indirectly, of Piratininga-Bandeirantes Transmissora de Energia SA ("PBTE"). The indirect acquisition of PBTE's shares is through the acquisition of its controlling shareholder, SF Energia SA, in the terms of the contract.

The acquisition amount is of BRL1,594 million, considering an estimated net debt of BRL292 million on December 31,2020, and subject to the price adjustment mechanisms established in the Purchase Agreement.

PBTE has the concession of lot F, which was acquired without discount at Auction #013/2015, which took place in April 2016, for the construction and operation of a 30km underground transmission line (15km double-circuit) in the city of São Paulo.

PBTE line connects two of ISA CTEEP's substations (Bandeirantes and Piratininga 2) and it started-up in April 2020. The concession contract expires in November 2046. The 2020-2021 revenue cycle ("RAP") is of BRL172 million and it is adjusted annually by inflation (IPCA). The Company expects to incorporate this asset and operate with a marginal cost increase, considering the synergies with the current operations.

The capital structure of this acquisition shall be ~20% equity and ~80% debt. In 3Q20, the average cost of ISA CTEEP's consolidated debt was 6.0% p.a.

The consummation of the transaction is subject to the fulfillment of certain conditions precedent stipulated in the Purchase and Sale Agreement that are common to transactions of this type, which, among others, include: (i) approval by the Brazilian Electricity Regulatory Agency (ANEEL); (ii) approval by Brazil's antitrust agency *Conselho Administrativo de Defesa Econômica* (CADE); and (iii) approval by the shareholders of the Company under Article 256, I of Brazilian Law of Corporations, which determines the deliberation by the shareholders meeting of public corporations if the acquisition of control of a sole proprietorship constitutes for the buyer a relevant investment, under Article 247, sole paragraph of Brazilian Law of Corporations.

The approval of the transaction by the shareholders meeting of the Company does not constitute any withdrawal rights of the shareholders of the Company, given the lack of verification of the condition established in Paragraph 2, Article 256 of Brazilian Law of Corporations, in accordance with the valuation report prepared by the specialized company.



The transaction reinforces the strategy of the Company of growth with sustainable value creation with a commitment to create value through investments in projects that contribute to the expansion of Brazil's power transmission system.

São Paulo, December 2, 2020

Alessandro Gregori Filho

Chief Financial and Investor Relations Officer