

NEWS RELEASE

Neoenergia announces agreement with GIC for the sale of 50% of eight transmission assets

The transaction, valued in about BRL 1.2 billion, includes the assets Jalapão, Santa Luzia, Dourados, Atibaia, Biguaçu, Sobral, Narandiba and Rio Formoso, as well as a framework agreement for joint participation in future auctions

Neoenergia entered into an agreement, on this Tuesday (25), with GIC, a leading global institutional investor, for the sale of 50% of equity interest in eight power transmission assets that are in operation. The assets – Jalapão, Santa Luzia, Dourados, Atibaia, Biguaçu, Sobral, Narandiba and Rio Formoso – have a total of 1,865 kilometers of transmission lines. The purchase price is estimated at around BRL 1.2 billion, subject to customary price adjustments. A transmission holding company will be formed to hold the operational assets.

GIC will also have a right of first offer in connection with the potential future sale of 50% of equity interest in the power transmission assets under construction by Neoenergia – Itabapoana, Guanabara, Vale do Itajaí, Lagoa dos Patos, Morro do Chapéu, Estreito, Alto do Parnaíba and Paraíso – which cover 6,089 kilometers of lines. The same rights shall also apply to Potiguar Sul, totaling 6,279 kilometers of lines.

Pursuant to the agreement, the assessment of 100% of the company's assets would be approximately BRL 2.4 billion. It is worth mentioning that Neoenergia will no longer consolidate the operational assets' debt, considered within the transaction scope.

Following closing of the transaction, Neoenergia will continue to provide operation and maintenance services, as well as other corporate services to the operational assets.

In addition, Neoenergia and GIC executed a framework agreement for the joint participation in the upcoming power transmission auctions in Brazil, including the auction expected to occur on June 30th.

“For Neoenergia, it is a great pride to enter into this partnership with an internationally recognized partner such as GIC. This transaction confirms Neoenergia's operational excellence and recognizes the company's good allocation of capital in recent years. It also reinforces our commitment to our strategy of recycling assets and optimizing results for our shareholders,” says **Eduardo Capelastegui, Neoenergia's Chief Executive Officer**.

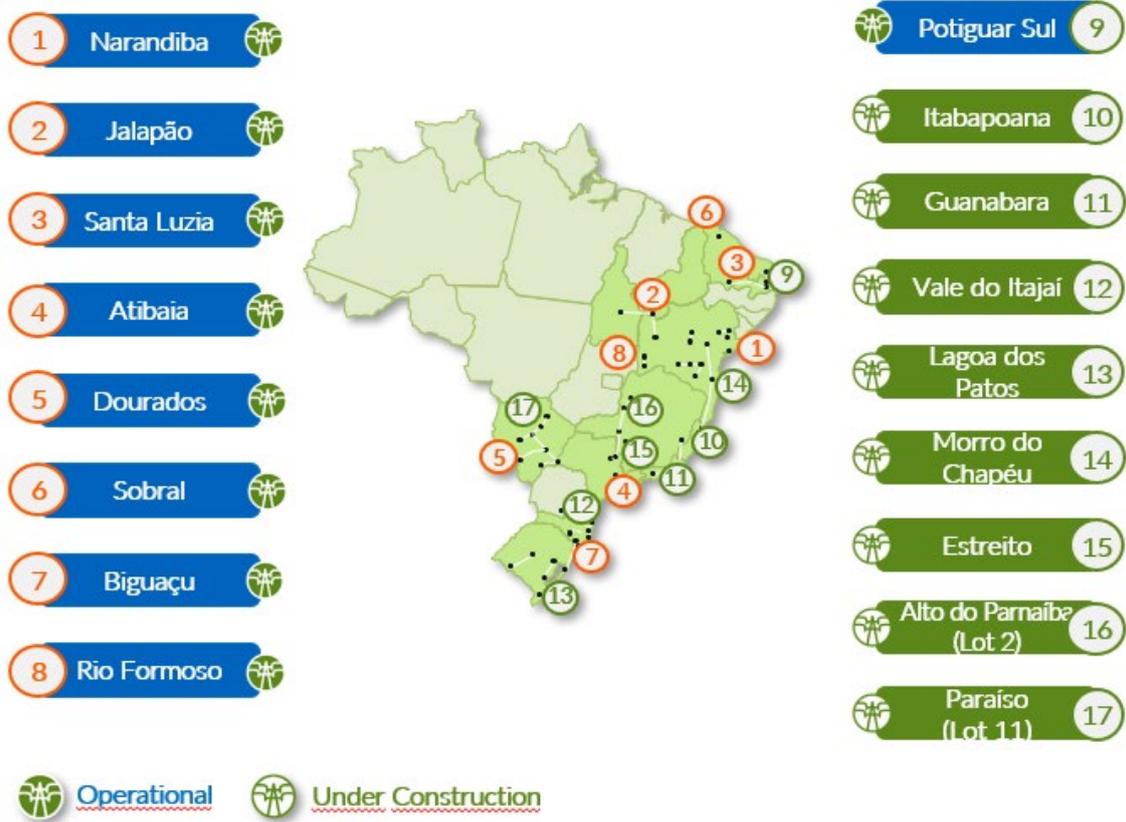
“GIC is pleased to invest in Brazil's growing power transmission market, an essential part of decarbonization and electrification efforts in the country. We look forward to working alongside Neoenergia's strong management team and leveraging their deep knowledge and local capabilities to build on the platform's considerable growth opportunities over the long term,” says **Ang Eng Seng, GIC's Chief Investment Officer for Infrastructure**.

The transaction is still subject to customary conditions precedent, which include prior approval of governmental authorities and certain third parties and is expected to be concluded in the second half of this year.

Assets:

The eight operational assets have Annual Permitted Revenues (RAP) of approximately BRL 430 million and an average concession term of 25 years.

In addition to the operational assets, GIC will have certain rights in connection with the potential sale of another eight assets under construction and Potiguar Sul. The total RAP of these assets is equivalent to approximately BRL 1.3 billion.



-END-

ABOUT GIC: GIC is a leading global investment firm established in 1981 to secure Singapore's financial future. As the manager of Singapore's foreign reserves, GIC takes a long-term, disciplined approach to investing, and is uniquely positioned across a wide range of asset classes and active strategies globally. These include equities, fixed income, real estate, private equity, venture capital, and infrastructure. The firm's long-term approach, multi-asset capabilities, and global connectivity enable them to be an investor of choice. GIC seeks to add meaningful value to its investments. Headquartered in Singapore, GIC has a global talent force of over 1,900 people in 11 key financial cities and has investments in over 40 countries. Further information is available at <https://www.gic.com.sg>.

ABOUT NEOENERGIA: Publicly-held company with shares (NEOE3) traded at the São Paulo Stock Exchange. Part of the Spanish group Iberdrola, the company has been operating in Brazil since 1997 and is currently one of the leaders in Brazilian electrical sector. It has a presence in 18 States and in Distrito Federal and its business is divided into generation, transmission, distribution and commercialization areas. Its distribution companies, Neoenergia Coelba (BA), Neoenergia Pernambuco (PE), Neoenergia Cosern (RN), Neoenergia Elektro (SP/MS) and Neoenergia Brasília (DF) serve more than 16 million customers, equivalent to a population of more than 37 million people.

Neoenergia has 5,1 GW of installed capacity in generation, being 90% of renewable energy, and it is implementing an additional 0.2 GW with the conclusion of the wind farms. In transmission, the company has 2,500 km of lines in operation and 6,100 km under construction. Through the Neoenergia Institute, it promotes sustainable development through social and environmental actions and so contributes to improving quality of life of the communities where the company operates, especially, the most vulnerable people, always aiming at sustainable development. As part of its commitment to expanding women's participation in the society, the company supports the Brazilian women's soccer teams and the Neoenergia Brazilian Women's Soccer championship. Since January 2021, it has been part of the Corporate Sustainability Index portfolio of B3 – Brasil, Bolsa, Balcão – which gathers companies that have the best corporate governance and sustainability practices.