



**ENGIE BRASIL ENERGIA S.A.**

**VIDEOCONFERENCE TRANSCRIPTION**

**RESULTS OF THE FOURTH QUARTER 2024**

**FEBRUARY 21, 2025 - 11:00 A.M. (BRASÍLIA TIME)**

**ADRIANA WAGNER:** Hi and a good morning. We are now beginning the videoconference for the results of the fourth quarter of 2024 of ENGIE Brasil Energia. I am Adriana Wagner, the Company's Investor Relations Analyst. I would like to make a few announcements before beginning the video conference.

Currently, those who are connected are in listening mode only. Later, when we open the questions and answers session to participants, you may submit your questions via the Zoom Q&A tool. Please note that this video conference is being recorded.

We have also made available on our website [www.engie.com.br/investidores](http://www.engie.com.br/investidores) the files for the Presentation and Results Release as well as the ITR and other documents filed yesterday at the CVM with more detailed analysis of the financial statements, operational results, ESG indicators, progress made with the implementation of new projects, among other relevant factors in the period.

Before proceeding further, I would like to clarify that any statements that may be made during this videoconference with respect to the business outlook for the Company, should be treated as forecasts contingent on the economic scenario for the country, performance, and electric energy sector regulations as well as other variables and are therefore subject to change.

We would remind you that journalists wishing to ask questions should do so via e-mail, sending their questions to the Company's Press Relations office.

With us today to discuss ENGIE Brasil Energia's fourth quarter 2024 performance are Eduardo Takamori, Chief Financial and Investor Relations Officer and Rafael Bósio, Investor Relations Manager of the Company.

I would like now to pass the floor to Takamori, to begin the presentation.



**EDUARDO TAKAMORI:** Good morning to all. It's a pleasure to be here again with you. I begin with the highlights but before talking about these four elements we have included on the slide, I would like to recall that 2024 was an excellent year for ENGIE Brasil Energia. We reported some excellent results, a demonstration of the total resilience of our strategy and indicative of how our execution has worked very well – as everyone knows, in this super challenging context both domestically and globally.

In the first block here, we talk about the entry into commercial operations of some projects. Here we have the Serra do Assuruá Wind Complex, which had already reached 74% of its commercial operation by mid-February, while the Assú Sol Photovoltaic Complex was also operating already at 25% of its installed commercial capacity.

You are going to see the effect of this in the following slides which Rafa will be showing, but in short, we managed to put an additional 1.2 GW of installed capacity into commercial operation over the course of the year at an investment of R\$ 9.6 bi, a reflection of our capacity both in acquiring projects already in operation, as well as showing our capacity to both acquire operational as well as to implement greenfield projects, with excellence.

See the way that both the Assuruá as well as Assú Sol are being completed on schedule— Assuruá significantly anticipating its construction schedule – naturally on budget and within the parameters of quality which we expect because we are long-term operators as well.

The second highlight which we include here in the upper right-hand corner, is gross energy production, which grew 24% in relation to 2023. This is very significant growth; we go into further detail on this amount in the following slides.

And as everyone knows, curtailment is a sensitive matter in Brazil. It affected approximately 9% of wind and solar generation in 2024 but ended up being well diluted and neutralized by the generation of our hydropower portfolio and impacting only 1% of total portfolio generation.

In the lower, left-hand corner, we also highlight the fact that Fitch reaffirmed our national long-term rating at AAA. This is very important for maintaining funding efficiency. We are a company that seeks new projects with a certain frequency and naturally the financing makes a big difference for us in ensuring that we remain competitive.

And finally in the lower right-hand corner we show that for the first time ENGIE Brasil Energia is a component of the Dow Jones Sustainability Emerging Markets. In fact, this index has been given a new name since the beginning of the year – and is now called the



Dow Jones Best-in-Class Emerging Markets, but it is better known as the DJSI, so we decided to keep the two names here. And we are now back in the Corporate Knights Global 100 ranking, which we shall explain a little later on as well.

In the next slide, we talk about the main numbers. On our adjusted Ebitda between the quarters, in the fourth quarter there was a very important addition, an increase of practically 18%... a little more than 18% compared to the same quarter in 2023. And what we highlight here is the accumulated variation of 12 months, which showed – in the accumulated 12 months – an increase of almost 20%, a very significant increase. Naturally, an important part of this increase is the result of the partial divestment of the stake in TAG early on in 2024 amounting to R\$ 1.3 bi.

So now, what are the main elements that have brought this adjusted EBITDA to this very interesting level? We had a greater contribution from the generation segment of R\$ 155 million – we will be commenting further about this later on; transmission as well with a very significant additional contribution of R\$ 221 million in relation to the previous year; and of course, when there is a partial divestment, there is a smaller contribution to equity income results – -R\$ 280 million approximately.

When you come to the accumulated figure, you have an Ebitda contribution within the adjusted net income of about R\$ 100 million, which can be found on the right-hand side of the slide. It's more or less the same shape: you have the fourth quarter with a result that exceeded R\$1 billion in adjusted net profit.

When you look at the accumulated adjusted net income for 12 months, you come to R\$ 3.4 bi roughly without the effect of the partial sale of the stake in TAG, generating more or less a net income very close to the previous cycle of 2023; but of course when you consider the effect of the sale of TAG, our net income reported a 25% increase to R\$ 4.3 bi. So, Ebitda contributed with another R\$ 100 million.

As we had a series of new projects going into commercial operation and which were included in our portfolio following the acquisition of certain assets at the beginning of last year, naturally you have a much bigger asset base, naturally coming with a considerable increase in our depreciation and amortization expenses.

So, you have an effect between Ebitda and profit which is also greater– to the tune of about R\$ 150 million –, while the financial result is basically at the same level as before. Naturally, an important part of the additional financial cost we had was due to the increase in the cost of debt indexed to CDI and IPCA was capitalized... because we have some assets under construction, right? So, part of this additional financial cost was capitalized.



Let's move onto the next slide now where we talk a little more in detail about our debut in the Dow Jones Sustainability Index. For those who don't know, this index is very relevant, because it's a global metric which is based on S&P scores.

We have to complete a report known as a Corporate Sustainability Assessment; through this instrument, some 7.7 thousand companies were analyzed, of which 800 were eligible for inclusion in this index and at the end of the day, we were even positively surprised because after all we've done a fantastic job internally over the last few years, both at home - in fact, putting sustainability into practice - and in being able to communicate very precisely what we've been doing in the Company.

The result was that we came out as the best-performing company in Brazil in the electricity sector and among the top 6 in the sector worldwide out of 182 companies which were evaluated. Below there are some indicators in which we are the *crème de la crème* here in Emerging Markets, and among the top 5% globally in our sector.

Another highlight of this ESG slide is that ENGIE features once more in the Corporate Knights Global 100 ranking, now ranked 21st and placed as one of the most sustainable companies in the world; there are only three Brazilian companies, and we are the only company in the electricity sector with its headquarters outside Europe. I'm very proud of this, it's the result of work conducted over a long period and involving a lengthy process of evolution here.

In the next slide, now we talk about indicators. It is a little more quantitative also. Our emissions intensity fell on an annual comparative basis: it is basically half – a little less than half even – compared to 2023.

Regarding occupational health and safety, despite the series of projects which we have and simultaneous being implemented in Brazil with thousands of employees and service providers, the number of accidents... our frequency rate fell significantly in relation to 2023, which makes us very proud, because this is considered a pillar of our operation here: namely not to put people at risk, and to anticipate any situation – so as to mitigate – what might cause a more serious outcome to our team.

In the upper right-hand corner, we talk about the percentage of women in our labor force and in leadership positions. We continue improving our participation on a gradual and sustainable basis. 32% of our total labor force is now made up of women versus 29.4% in the previous year; and also, a very significant increase here of women in positions of leadership, surpassing the 31% mark, almost 4 points above last year.



In the lower left-hand chart, we talk about investment in innovation, basically the same level as 2023. There was a notable jump in investment in social responsibility, largely because we had a greater amount of tax incentive resources available associated with the profit on the sale of TAG early last year. Just to mention something important here: not only did we increase this value but also indeed we used 100% of the available tax incentives, a demonstration of the efficiency of our team here in Social Responsibility.

And last but not least, in the last chart, down here on the right hand side, we maintained people of relationship with the community, which we calculate based on the number of engaged people – we monitor according to the number of engaged people in the area around us.

In the following slide, we talk about operating highlights and show why we had such considerable growth in total generation between the years. Here, I am going to focus on the bar chart on the left-hand side of the slide of total energy generation and accumulated for 12 months.

We show here in the lower part, dark blue, the hydropower plants. There was a very significant increase here. Note that last year was a year when we had a GSF more or less in line with the previous year - we had an average GSF of 0.87, versus the previous year of nearly 0.899% almost. This means that, on average, in Brazil, we generated less than the previous year; but in the South, where we have numerous assets, generation was much higher, so there was this imbalance here that permitted much higher hydropower generation than the previous year.

In the upper part, we go into a little more detail in the context of wind, SHP, biomass and solar, which is our generation from complementary sources and in this slide, we show accumulated generation for 12 months where we also saw an advance on various fronts. On the lower part of the bar chart are the operating wind complexes – those that were in operation in 2023 –, where there was a very significant increase in performance thanks to internal improvements in uptime as well as the more efficient management of the assets – more than 10% increase in generation between periods.

We also had an increase in generation. Naturally, as we started up a series of projects at Serra do Assuruá, we also had more than 92 average MW which entered the wind power base – we call this “additional scope” –, we wanted to open it up to compare both the existing and the additional. Despite the negative impact of curtailment, we had a very significant increase in wind generation in our portfolio.



Biomass was largely static – a little less than in 2023, and this is also envisaged within our model here. And in the case of solar, penalization was greater due to curtailment, starting from 54 average MW and falling to 48 average MW between the periods – an important reduction here, mainly a function of curtailment –, even though we had the entry of new assets coming on stream in our portfolio both by acquisition – via M&A – but also by startup in operations at our greenfield project up there at Assú Sol, which shows how we jumped in solar generation between periods. That's to say, we had a very significant growth: generation driven by complementary sources, increasing nearly 30% in relation to generation the previous year.

A little more on highlights in the following slide, for curtailment, which has been a very important theme and perhaps one of the most commented on in recent times. On the left-hand side of this slide, we show in our performance, the effect of curtailment – or constrained-off – for both wind and solar generation.

There in the last bar of the charts on the left shows Engie versus the average for the market, the average for Brazil. We had 8% curtailment for wind versus 7% for Brazil: 16% solar curtailment here, versus 15% the average for Brazil. Our footprint is revealed as very similar to the Brazilian blend as a whole.

We have assets showing curtailment considerably more than this value, but we also hold assets with curtailment of much less and resulting in our average level of curtailment matching the national average.

When you combine wind and solar, we have a combined effect here of 9% of total curtailment in the year, versus 8% for SIN - National Interconnected System. Note that although this 9% naturally hurts our wind and solar portfolio, at the end of the day it is quite diluted when seen from the point of view of our total portfolio.

This is important because it shows that we are still fully able to pay our debts and absorb this cut. Naturally, we are working to root this out at source, not only through the operator making the operation more efficient through the startup of new transmission lines, but also through more efficient management of assets.

So, there are a series of initiatives in progress here but at the end of the day, we continue to experience a very limited impact on our total generation and naturally on our Ebitda and result.

Rafa, can you take over for this next stage?



**RAFAEL BÓRIO:** Taka, good morning; and good morning, everyone. I'm going to cover here two sections: commercialization and an update on the projects in implementation, which demonstrate how we are expanding in installed capacity as well as in the transmission sector.

So, beginning here with commercialization, on slide 13, we show an updated energy balance, which if compared to the one we published in the third quarter, you can identify how we performed in the commercial area – how we contracted the portfolio.

So, as is well known in the market, we have a strategy, the central pillar of which is to endeavor to be highly contracted in the short-term so as not to be exposed to prices, to the PLD for the periods; because, OK, the PLD can be high, but it can also be very low, so our objective here is, in a way, to protect the Company's revenues, allowing us to traverse periods for example, of economic deceleration, an eventual hydrological crisis and multifarious events to which we have been subject in the past few years, including a pandemic. So, in short, we are protecting the Company's revenue by being highly contracted in the short-term and this is the strategy guiding us.

As you can see, it is a fact that in the years 2025 and 2026, we have just a marginal volume of energy for sale – 4% in 25 and 7% in 26, uncontracted energy beginning to grow little from 27 onwards. And why should this be? Because also in the case of the free market, consumers don't buy energy so far into the future, four to five years ahead; rather they begin buying energy one and half years or two years before they need to use it.

On the left-hand side is the energy balance. So compared with what we disclosed in the third quarter, you can see that we sold 110 av. MW – we reduced the outstanding of our outstanding balance by 110 average MW from 2025 to 2030 –, -so, yes...with liquidity in the market, we managed to sign contracts in such a way that we haven't experienced any relevant dilution in average price.

The right-side, the right-hand side of the chart, shows precisely our sales activity as well as the benefit arising from not being obliged to sell energy. You can see some bars in the chart from one period to another, they... you accelerate the sale and reduce the uncontracted energy, but on other occasions, the bars level out; in other words, we are able to choose the best moment for contracting energy and are not forced to sell our product at a time when perhaps the price is not the ideal according to our vision of things.

In the next slide – slide 14, please –, we show our commercialization strategy... how we are approaching the opening of the free market. You can see how we are experiencing vigorous growth in the number of free consumers in our portfolio: more than 28% on average



since 2021 – we have gone from 880 to over 1.800 customers in our portfolio.

Yes, there is a decrease in volume, but this was our option in a period when... We went through a very difficult year for hydrology back there in 2021, so we took the decision to adopt a more conservative positioning in our portfolio, releasing less energy for commercialization, providing greater protection against GSF – leaving a higher GSF margin in these periods.

And now with the entry into operation of new projects – as Takamori has commented and which we shall look at more closely in the next slides –, we are beginning to see now a greater volume of resources allocated for sale; in other words we are beginning to see now an inflection point, and this volume beginning to stabilize and rise with the entry into operation of these projects.

We have maintained this... Although there was a drop in our market share compared to the fourth quarter of 2023, we can see that, compared to the third quarter, we have remained stable, which also implies that these new resources are entering our contract portfolio.

Let's move onto the next section, in slide 16. The first project where we update the status is the Serra do Assuruá Wind Complex. Compared to the third quarter, there was a... We saw an advance in the third quarter of 80%. that's a global physical advance – and on December 31, we had reached 97%, so the work is virtually finished, right? With 95% of the wind turbines already assembled at the end of 4Q24.

And here we present an update to yesterday. See here how from the end of last year to date, we have put a further 30 wind turbines into commercial operations while an additional 21 are fully assembled and are operating on a test basis. So today we have just 3 wind turbines left under construction meaning that we should be 100% operational very soon, in the next few weeks; or at the most in a month, a month and a bit, we should be fully operational at Serra do Assuruá.

Next slide please. We move on now to the Assú Sol Photovoltaic Complex, a very big job – with almost 900 MW peak installed capacity – which has also advanced, in fact ahead of our schedule: implementation 76% complete; connection work has been totally executed.

And we went into operation on a test basis at the end of 2024; and now at the beginning of 2025, we have 4 of the 5 solar farms which were operating on a test basis, now operating commercially, while a further two have gone into operation on a test basis. So, of the 16, 7 are already in operation – either commercially or on a test basis.





So, the forecast remains for 100% operation by the end of this year, but with the possibility of a good surprise. But of course, naturally we are going to leave the market updated in the course of reporting our next results.

Moving on now... next slide, please? – Moving on now to the generation and to the implementation of the transmission projects, the first of them, which is at a more advanced stage, is Asa Branca Transmissora de Energia, a project we successfully won in the transmission auction back in 2023.

We have already begun... we already have all the licenses and effectively begun the construction of the project. The first tower has already been erected, about ten days ago, so that implementation can now effectively begin with the construction of the towers such that we can maintain our forecast of anticipating the COD for this project by at least 24 months prior to the Aneel deadline, which is March 2029.

So, everything is on track here as well at Asa Branca, and in the same way in the next project, which is Graúna, a project the concession for which we acquired at an auction held last September. This then is a project at a more incipient stage – the environmental licensing stage –, which should occupy the best part of 2025 so we can begin effective implementation next year, allowing us to comply with Aneel's cutoff date of December 2029. In the case of Asa Branca, the deadline for completion is March 2029. So, two projects which are going to be in operation in the next few years, are both in transmission.

Going onto the next slide, which is our traditional slide for the Jirau Hydropower plant. As a reminder for those who haven't been following the company closely - or not for very long - this is a plant in which our controlling shareholder, Engie Brasil Participações, has a 40% stake in the capital and 60% of the energy, and there is a possibility that this project will be transferred to ENGIE Brasil Energia, respecting, of course, a process of transactions with related parties, through a committee that will be spearheaded by the Company's independent directors.

So, nothing very new here on this slide, just reinforcing that, operationally, the plant is performing very well - 100% uptime factor in 2024 - and that we are waiting for the controller's decision to transfer this asset.

Moving on to the last slide in this section, because now we have a summary of what we have in expansion: on the left-hand side, projects under construction in both generation and transmission; on the right-hand side, projects under development, so - just to make it clear - these projects are still on paper, they are awaiting an opportunity to be implemented. What opportunity might that be? Commercial conditions - energy prices that



make these projects viable in order to deliver the minimum return expected.

Well, that concludes the slides, so I return the floor to you, Takamori, for the financial performance section.

**EDUARDO TAKAMORI:** Thank you. Here we show an evolution in both our ROE as well as our ROIC. In 2024, we had a reduction in both indicators of economic performance; naturally explained by the increase of new money here which naturally has still not been converted into results from these new projects which are going into operation.

It is worth remembering also – as Rafa has said – we have a portfolio in construction still. We have both Assuruá as well as Assú Sol being finalized, and under construction during the past year, so you injected important capital there but without as yet generating the corresponding result: and we still have additionally also the transmission projects which are under construction.

So, it is only natural to see a reduction in these amounts here. The value was in the region of 35% here in 2023 – of the ROE – and fell to 27%, although it is worth remembering that 27% is a very good number still, much above the average for the market. ROIC is the same thing: it shrank from 20.3% to 17.2% in 2024, but still also very comfortable here, much above the weighted average.

On the right side of the slide, we habitually show the evolution in our Ebitda here, the breakdown of our adjusted Ebitda. We highlight in these pizzas here that a little less than ten years ago we basically had our Ebitda coming from generation and over the years there has been some degree of diversification here, mainly through the stake in TAG – reducing the participation a little in TAG now, which you can see there in the reduction from 14% to 10% in the contribution to adjusted EBITDA - and, on the other hand, a gradual increase in the share of transmission in the segments contributing to Adjusted Ebitda.

In the next slide, we breakdown into a little more detail both revenue as well as Ebitda and profit. In this slide of net operating revenue here, there was an evolution from R\$ 10.7 bi in 2023 to R\$ 11.2 bi in 2024, an increase of 4.4%, basically in line with inflation, but with a series of nuances here which we will highlight now.

Firstly, the important variation of R\$ 250 million reflects the indemnity payment of Santo Agostinho, where there was a delay in completing the work, but this to some degree was compensated for in our agreements with suppliers. So, there was this positive effect here of the Santo Agostinho indemnity.



Price of sales... price and volume of sales also had a positive impact. As these new projects go into commercial operation, we also improve the performance of the existing fleet. This naturally generates higher net operating revenue.

On the other hand, we now begin to feel the downside of no longer having the contribution of Pampa Sul's revenues, included in our portfolio up to the middle of 2023; and, when you compare 2023 and 2024, we still have this effect of Pampa Sul's contribution in 2023. In other words, this is a new reality for Engie, no longer having this revenue contributing to our portfolio, so in a way there is a variation of scope here.

The fourth item which we highlight here is in relation to the CCEE. That is, we have not transacted this energy bilaterally with the customer; this here was basically the result of very short-term operations conducted across the CCEE and predominantly due to greater hydropower generation, much greater than the previous year.

The last element of the generation and commercialization segment shows that naturally we had an increase in revenue here as a function of the remuneration of financial assets.

In the next item moving left, we show a reduction in net operating revenue from trading to the tune of R\$ 150 million; but of course, in this case, while you had lower revenue from trading, you are also going to see that we had lower expenditure from trading so this value here practically comes out at zero – neither creating nor destroying value for our Ebitda.

And last but not least, we highlight in the transmission segment a very important variation, compared to the preceding year, both with respect to growth in revenue of the assets, but also mainly in relation to the increase in construction revenue. This has a non-cash effect, basically caused by the way transmission concessions are treated in Brazil, generating a contribution to Ebitda even before the commercial operation of the assets begins. But this is an effect which you are fully aware of already.

Naturally, the main point here is that we managed to achieve an increase of 4.4%, surpassing R\$ 11 billion in net operating revenue.

In the next slide, by way of an addendum - a bridge - we show TAG's contribution. TAG's net operating revenue was R\$ 9 billion in 2024, and after crossing the entire bridge, deducting costs and expenses of the financial result and the payment of taxes, net profit was approximately R\$ 4 billion, and with our new stake in TAG, the contribution to our EBITDA is R\$ 714 million. We'll take this figure and move on to the next slide, where you will be able to see.



This is perhaps our most complex slide, but also perhaps one of the most eagerly awaited; it's a slide that begins with a kind of... as if there are three different brackets.

So, I'm going to start with the outside bracket here, which is booked corporate Ebitda encompassing all the non-recurring effects and IFRS adjustments. So, we went from R\$ 7.3 billion to R\$8.7 billion, a very significant variation - of over 20% - here.

And, when you go to the intermediate brackets, you are excluding the non-recurring effects. Basically what you have as relevant here is the effect of the partial divestment of TAG early on last year, so you have to remove this effect of R\$ 1.4 billion more or less – R\$ 1.3 billion from the Ebitda –, which takes our increase here from R\$ 7.27 billion to R\$ 7.37 billion – that's R\$ 100 million aggregated here –, an increase of 1.3% between the years, which is fantastic considering the overall context both local, and also global which has complicated the lives of all entrepreneurs nationwide.

Note that here you have a contribution of this bracket here when you examine the adjusted Ebitda of 2024, there are three main components: at the bottom, which is cut through diagonally, R\$ 5.7 billion or thereabouts, contribution of the generation and trading segment; R\$ 714 million of equity income from TAG, which we explained in the preceding slide; and practically R\$ 1 billion of contribution from transmission, naturally considering the IFRS effects.

When you... So, to give you a flavor here, we start out at R\$ 5.4 billion and reach R\$ 5.7 billion in generation, a more modest increase of practically 3%; TAG produced a lower contribution, something in the region of 30% less than 2023, a reflection of our reduced stake in the company; and transmission increasing from R\$ 600 million to nearly R\$ 1 billion, an increase of nearly 30%.

When we move to the innermost brackets, we go from R\$ 7 billion, approximately, to R\$ 6.9 billion and from there, the main elements here that added up between periods are operational and commercial performance - basically, it's a combination of price and volume that justifies approximately half of this amount here, this increase of R\$370 million.

Pampa, we'll go into its effect a little further on, but then, from our remaining portfolio, we made a very significant contribution and also, naturally, a reduction in Pampa's energy purchases, which also contributes to this figure here.

In the second element here - indemnification and renegotiation - we had a comparative base here of... despite having the benefit of Santo Agostinho in 2024, we had the renegotiation of Estreito in the 2023 base, so these two key elements net out at R\$ 135



million.

As for the third element here, short-term operations and royalties generated basically from business conducted across the CCEE, of R\$ 160 million, approximately, with generation greater in our portfolio, already deducted for royalties which we pay precisely for the hydropower plants generating most, they also pay a greater contribution of hydric resources, so it nets out at R\$ 110 million.

As we said at the beginning, just as there is an effect on net operating revenue, our Ebitda contribution also suffers a little from the sale and exit of our Pampa Sul base, which was in operation until... it was in our portfolio until mid-2023. So, comparatively, you have this reduction here of R\$ 162 million.

In charges and insurance, as we have more assets, naturally we pay more in charges and insurance; so, it's mechanical, it's automatic that we have this increase in costs. SG&A, also in the same way. We have some services here which grow proportionally with our portfolio.

Regarding costs, basically, we have a more significant increase in materials and third-party services here, both involving the new complexes as well as in cases of infrastructure and consultancies, so we have here something which is also in large part mechanical. We can also explore this in a little more detail later on.

Finally, let's look at the transmission segment. When you exclude the accounting effects of the transmission concessions, you in fact generate an increase in RAP itself of approximately R\$ 28 million.

And finally, a reduction in the contribution of TAG, via the equity income result. We started out at nearly R\$ 1 billion in 2023 – that light blue color within the innermost bracket, to a figure of R\$ 714 million.

The outstanding feature of all this is that we had an Ebitda that grew very significantly throughout the year; and, also very importantly, that, even without the effect of TAG, we managed to keep Ebitda at the level of the previous year, which is cause for celebration here.

On the next slide, we'll move on to net profit and so, in the same way here, we'll start with the a comparison of net profit between 2023 and 2024: it rose from R\$3.4 billion to R\$4.3 billion, a very significant increase - practically a 26% increase between periods -; it shows



that investment, even in non-core assets, can create a lot of value when we divest and recycle the capital.

When you eliminate this non-recurring effect here, basically the sale of TAG – which is this element of R\$ 931 million –, we reported a net income basically at the same level as 2023; and so when you look at the components, you had an increase of Ebitda – which was the previous slide – with an aggregate value of approximately R\$ 100 million more than 2023, but more than neutralized, more than reverted by greater depreciation and amortization.

Remember: we put many assets into commercial operation, both internally here and in the acquisition of new projects that had an asset base that had not yet been significantly depreciated, which generated this additional amount of depreciation and amortization of R\$147 million.

The net financial result, here, was flat - a little more costly than in the previous year -; and Income Tax as well - and Social Contribution on Net income - at the same level as 2023, generating a net profit at the same level as the previous year as well.

Here, with regard to indebtedness, as we've been saying... - next slide - as we've been saying in the last few calls, naturally, the Company has leveraged itself within very controlled levels and in a conscious way. The AAA rating helps us to leverage in an efficient and super-competitive manner compared to other players in our segment and also in other markets, other sectors here in Brazil.

We increased our leverage between 2023 and 2024 from 2.1x to 2.7x - by 0.6 times - which is quite significant, but compatible with our growth here and our ambition. We went from 2.1x to 2.7x net debt/adjusted EBITDA and also, in more or less the same proportion, jumped from 2.9x to 3.3x total debt/adjusted EBITDA.

Our gross debt reached R\$ 24.4 billion, more or less R\$ 1 billion higher than in Q3 last year - net, right? Because we took on more debt, but we also repaid some of it. In terms of cash and equivalents, we maintained approximately the same level as before, of R\$4 billion; and R\$357 million in linked deposits, which gives us a net debt of approximately R\$20 billion, which is reflected in this 2.7x ratio.

We expect this trajectory to continue increasing in the next year at least, because we will continue to have a combination of investments about which we shall have more to say sequentially but all part of what is expected and swept up in our business plan, and maintaining the flexibility in order to keep both our AAA rating – in other words, an excellent capacity for repaying our financial obligations – and also our competitiveness.



The next slide here – the profile and breakdown of the debt - shows that we have approximately R\$ 2.6 billion here for repayment of... debt maturing in 2025, a little less than that in 2026 and between R\$ 1.7 billion and R\$ 2.2 billion over the following years. Naturally, we're going to evolve this shape of debt maturity over the coming months and years, both by taking on new debt and also by repaying existing debt.

What's worth highlighting in this slide... So, what's worth highlighting is that it's a profile that's very compatible with our cash generation. It's also worth noting that we pay special attention to the composition of our debt. We had a composition that was stronger in IPCA, bordering on 80% - or more - based on IPCA.

We did some rebalancing here of our composition shifting a little to CDI, both to diversify the basket of indexers as well as to have a slightly lesser impact in the event of a hike in inflation-linked prices in the short-term, which would reprice and penalize debt in a more significant manner.

In this next slide we show the investment plan. Here as you must have noticed, 2024 was a more challenging one from the point of view of financial structure because it is a fact that we were obliged to make this investment of R\$ 9.7 billion; it is a very significant investment – in various months surpassing R\$ 1 billion –, so we had to manage our cash super-efficiently.

Over these next years – this one and the next few years, we're back a little more to normal. This year, we still have around R\$ 4.2 billion in committed capital; basically, half of this is justified by Asa Branca, which is a transmission project for which we obtained the concession some time ago, already having finalized all the contracts - as Rafael mentioned - and now the actual implementation cycle is starting. And in the years 2026 and 2027, we'll return to this level of R\$ 2.1 billion, R\$ 2.2 billion, totaling R\$ 8 billion, including this year and the next - R\$ 8.5 billion over the next three years including this year.

As for the dividend policy, which is on the next slide, we always point out that, whenever possible, we raise the payout to 100% - both in 2023 and 2024, we kept this level at 55% - and that, even so, even with this reduced payout, which is a commitment of the Board of 55% - we managed a dividend yield of 5.6%.

Rafa, let's finish this part?

**RAFAEL BÓRIO:** That's it, let's go to the Q&A. we have some questions there, right, Adriana?



**EDUARDO TAKAMORI:** Now the more entertaining part.

**ADRIANA WAGNER:** Ok. We are beginning the questions and answers session and to ask a question just send it using the Q&A tool of this video conference.

Our first question comes from Rafael Oliveira, our investor, and he wants to know about dividends declared and payable, whether there is any idea as to when these will be paid; and as to the payout for 2025, if there is guidance.

**EDUARDO TAKAMORI:** We are going to make an announcement as soon as possible on dates – we still don't have the dates fixed. As to the payout for 2025, naturally we are dependent on the evolution of the market; we know that this year is a year with a lot going on, right? We still have a series of commitments – as I have just shown: R\$ 4 billion investments already committed; and naturally, we are always looking for opportunities in the market that may make sense for us.

So, it's a bit early to give guidance here both with respect to dates of payments at the moment and also payout. Do you want to say anything, Rafa?

**RAFAEL BÓRIO:** Taka, I think what is worth... It is, I think worth emphasizing that we have had this policy of minimum payments of 55% for many years now, for more than a decade – a question of 15 years... 17 years that we have this policy –, which has always been respected; and that we consider that even the minimum is a considerable dividend if you look around the market and other companies listed on the Stock Exchange.

We are talking about a company that is reporting growth but also does not fail to distribute the value it generates – more than half the value it generates – for its shareholders. So, it's a partnership, right?

**ADRIANA WAGNER:** Ok, onto our second question...

**EDUARDO TAKAMORI:** I think that... just to conclude this point ok, Adri? – This question is good and is a reminder that whenever possible we opt to distribute the maximum. So, if we are retaining some, it is because we really believe that we are going to achieve a bigger return than the cost of shareholder capital.

So, this is the point here: we have financial discipline and do not grow in a strategic or random manner only. We do not have a specific growth objective here; indeed, our mission is to grow creating value.





**ADRIANA WAGNER:** Ok, thank you. Our second question comes from João Pedro Herrero, analyst at Santander, and he would like to know if we can give a little more detail on the costs of materials and third-party services, if we might explain the increase a little better and if we can expect these levels on a recurrent basis.

**EDUARDO TAKAMORI:** So, we had an important variation. And of course there are some effects there. We had the natural effect which is inflation which is not necessarily the IPCA alone.

An important contributor is variation of scope – I think that is probably the main element, OK, Pedro? –, we included many new assets. So, we included Serra do Assuruá, Assú Sol... and consequently, the corresponding new regional offices, which we have to structure. And we also included new assets for our portfolio via M&A. So naturally, a significant part of the variation that you must have noticed here - material, was caused by this variation of scope.

Additionally, we also had some maintenance work on hydropower plants, which is not necessarily recurring – so possibly it is going to be just this year or there is a chance that this work may last a little longer –, which also generated this variation a little here: more than R\$ 30 million of this variation relates to this maintenance work.

So, I would say that R\$ 70 million or R\$ 80 million relates to the variation in scope; while there is another R\$ 30 million dedicated to hydropower plant maintenance; and the remainder split across many items.

**ADRIANA WAGNER:** Thanks, Taka. The next question comes from Rodrigo Gressler, our investor, and he asks: “Given the decline in average selling prices when set against a scenario of improved hydrology and greater offer of renewables, what are the strategies for renegotiation or adjustment of the energy contracts for improving profitability?”.

**EDUARDO TAKAMORI:** Excellent question. First out, I would just like to comment a little on your comment about the fall in average selling prices. In fact, this is a little.... In fact, there has been a recent change here, with an outlook of... Let me begin again.

We were forecasting an extremely positive hydrological period driving the price downwards. We experienced hydrology which confirmed this outlook in the early stages of the hydrological period, but now there has been a marked reversal... and it is virtually a consensus that from now on, you are going to have less rain where it is needed most in Brazil – less ZACS the South Atlantic Convergence Zone. This results in you having much less water and this could eventually mean an early end to the rainy season.



Combined with the fact that our model now — our price formation model — is more risk averse, is dispatching more power from the thermo-electrics, anticipating thermoelectric dispatch which normally occurs in the second half of the year to the first half and in doing so, you tend to generate some very interesting prices, OK?

So, our outlook until the end of last year, of a price — in line with what you are saying — a little lower, but the market has already reacted more recently, so much so that prices are rising, and rising significantly, right? In fact, it is the moment perhaps for those who are uncontracted to lengthen their contracts now in 2026, 2027, 2028. We of course are at the other extreme.

But note that, besides the increase in average price, you have much greater volatility now going forward due to the model's greater aversion to risk and greater volatility now from the greater impact of affluence combined with our energy matrix, now also strongly dependent on wind and solar resources.

So, it has been much more difficult to predict prices. The prices are on average higher — not lower — now in the short-term, and this in fact is affecting, the market dynamic.

Now, about the strategic question here, where you ask about renegotiation or adjusting energy contracts. We honor our contracts, neither renegotiating nor adjusting them, OK? We seek to improve the profitability upfront, contracting well when we consider prices are favorable to the generator, but we honor our agreements, so I don't know if this applies in the context of this question you raise of renegotiating or adjusting contracts, OK?

What we always do is to maintain close contact with our customer base as far as is possible, extending the contracts which make sense both to us as well as to our customer base.

**RAFAEL BÓRIO:** I think it is worth just to point out, to observe that we are highly contracted in the short-term as I commented this is our strategy. So, this volatility — lower price this year, higher price —, it impacts just a small part of our portfolio.

What is more important for us is the reflection of this volatility on the long-term average energy price and this we endeavor to capture up front — this reflection —, whether to take the decision to sell more or sell less — right Taka? —; I think this is important to underscore.

**EDUARDO TAKAMORI:** It is, and just since the beginning of the year, prices for next year, prices for 2026, have already jumped from R\$ 170 to R\$ 200 — they exceeded R\$ 200 this week —, so, clearly this has a strong impact on the short-term; but as Rafa has said, as we are extremely well contracted, we are very well protected. We are capturing value now



with the extensions of the contracts, because of course, the prices for 2027 and 2028 have begun to increase as well. So, we monitor this very closely so that we maximize the value of our portfolio also.

**ADRIANA WAGNER:** Thanks, Taka. Continuing with the questions, the next one is from Daniel Travitzky, analyst at Safra, and he has two questions. The first is: “How are you managing to navigate the high price volatility scenario? And how is market liquidity?”; and the second: “What is the Company’s vision on expansion of investments in renewable energy projects at this time, considering the context of the segment, which is being impacted by curtailment, energy prices and implementation costs of new projects?”.

**EDUARDO TAKAMORI:** Ok, good questions. The first was partly answered by our sales strategy already described. I indicated just now that indeed we are monitoring this increase in short-term prices; we have already established a strategy for maintaining very little short-term energy. Naturally, we’re talking about very little energy in the short-term considering that we have a hydropower reserve – a strategic reserve here – to cope with scenarios of less water, unfavorable hydrology. So, we are relatively protected and monitoring the market to identify good selling opportunities.

Liquidity appears to be active. There was some loss of liquidity at the end of the year due to stress with the traders, but it seems that market stability to some degree has been restored, naturally with more discretion when executing counterparty agreements, naturally exerting greater care with counterparties when finalizing contracts.

Regarding your second question on the expansion of investment in renewable energy projects, we continue to monitor the market, but naturally we view with some caution the idea of putting money into new greenfield projects if only because it is difficult to forecast medium- to long-term prices at present.

So, what we have today is a well-designed portfolio, already contracted at levels that are well suited to the short- and medium-term horizon, which gives us the opportunity to manage the portfolio well and allows us to move, to sell energy, only when we need to or when we’re interested.

When you design a new renewable energy project - which in fact are the most competitive sources from the point of view of cost of... of LCOE (Levelized Cost of Energy) - we end up being a little cautious about embarking on new projects at this time, mainly because of the unpredictability of revenue, and not because of construction capacity. So, what we’ve been doing here is monitoring the market, checking for projects that may be well contracted and that make sense for in-housing.



But – I think as a summary of my discussion here – we monitor the market; we have a pipeline, but we have no interest in going for a new greenfield project for the time being; we monitor the market in search of projects that are well contracted and are well-built, and where we would be able to continue creating value here, right?

**ADRIANA WAGNER:** Thanks, Taka. Moving on here to the next question which is from Juan Aquino. He asks us: “What is the Company’s expectation as to the efficiency of CAPEX and the anticipation forecast for the transmission block which the Company bid successfully in 2024, that is Graúna?”.

**EDUARDO TAKAMORI:** Ok. Significant anticipation is expected for Graúna, and we are confident that we are going to be able to deliver this anticipation – you will be able to see this from the next few reports. Rafa can eventually make some additional remarks, but we habitually do not give precise dates of anticipation, because this is a touch strategic here; but we are very comfortable about being able to deliver considerably ahead of schedule.

And as far as CAPEX efficiency is concerned, in general it's not an element from which we can squeeze much in relation to what has been projected by the regulator, by Aneel. In general, our strategy here is to optimize, yes, but we really value having good partners so that we don't incur any extra costs during construction. So, we make pre-contracts, we have good negotiations and topflight partners to achieve smooth execution. Our track record has always been in this direction and has worked well. We manage to gain competitiveness in other elements.

**RAFAEL BÓRIO:** I think it is also important to emphasize – right, Taka? – that we are also going to have very significant synergies in this project with a project which we have already in operation, which is Gralha Azul; so, we also think that this is going to create relevant value in the development of the project.

**ADRIANA WAGNER:** Our next question comes from Jun Young, a buy-side analyst at Prumo, and he would like... if we could comment on the outlook for curtailment during the year, discussions and legal processes involving reimbursement and what ENGIE’s contributions are on the matter.

**EDUARDO TAKAMORI:** Ok. Our expectation of curtailment for the year is very much in line with last year. Structurally, physically, there is no reason for it to be any different: you have some very modest additions to transmission – there is nothing relevant on the radar here –; on the other hand, you continue having important growth in supply, compensated by demand, although we are going to continue seeing that level of 10% average for the year, it should be about that. I wouldn’t put it very differently from this in the projection.



Of course, you have a very large, very heterogeneous stratification, depending on the portfolio you're looking at, both in terms of wind and solar sources and geographical location, proximity to bottlenecks...

So it depends a lot on the portfolio, but we imagine that 2025 will be very similar to 2024 and that things will eventually get a little worse until 2028, when the main transmission lines come on stream allowing this energy - large blocks of energy - to flow from the generation area in the Northeast to the consumption hub in the Center-Southeast-South.

There was another part to the question which was... What was it?

**ADRIANA WAGNER:** Let me get back to it here; just a minute. It was about the agendas for reimbursement.

**EDUARDO TAKAMORI:** Ah, the legal processes! I remembered the legal processes.

**ADRIANA WAGNER:** That's it.

**EDUARDO TAKAMORI:** It is our understanding that there are various different elements here. The first of them... perhaps the main one is the slight aversion to risk demonstrated by the operator of the system operating the network. Without going into the merit of the reasons, the fact is that this aversion to risk of the operator ends up resulting in limitations with respect to the use of transmission lines and this increases curtailment very significantly.

So, we understand that this element of the operator's greater aversion to risk as well as the eventual delay in planning and implementation of transmission lines should be borne by the end consumer, because this is indeed... these are indeed, unpredictable elements for any entrepreneur in the sector, of the segment. This I think is the principal element. Can we perhaps move on to the next slide?

**ADRIANA WAGNER:** Ok, thank you. Now onto our next question which comes from two investors, Hebert de Oliveira and Waldyr Passetto Junior, about TAG. I am going to join the two questions because they are correlated. The first one: do we consider the partial sale of TAG as positive, given that it is still contributing good profits to the Company with a reduced stake and what is the progress of the new investments which are using the resources raised from TAG; and, complementary to this, why the gain from the sale will not be distributed in the form of dividends.



**EDUARDO TAKAMORI:** As you must have noticed, we had in 2024 a year of record investment at ENGIE Brasil Energia – close to R\$ 10 billion –; and, naturally when CDPQ contacted us at the end of 2023, we saw that partial divestment could make sense for satisfying our 2024 CAPEX requirements.

So, when we took the decision to go for this partial divestment, naturally the corresponding resources were allocated not only to the projects under construction of Assuruá and Assú Sol but also the conclusion of Santo Agostinho and the entire new portfolio in the process of being installed.

And these investments, of course, had already been... there had already been cycles of decision making over the last few years with respect to investments, so we didn't take the profit from the sale of TAG and say "what are we going to do? What new project are we going to implement?"; no, the TAG resource is part of a larger CAPEX financing equation for 2024. We also went to the market several times for infrastructure debentures, other lines with development banks, so it was all part of the same equation.

This connects with Waldyr's next question, why wasn't it distributed: precisely because it is an element that is naturally non-recurring; and if we distributed TAG's profit proportionally, the effect of TAG's sale would also be diluted. In fact, we used this money - the entire amount we obtained from the sale, excluding taxes here - which was something around R\$ 2.5 billion, to incorporate in this financing equation here for our CAPEX of R\$10 billion last year.

**RAFAEL BÓRIO:** Just to address the last question of Hebert, which is "what is the progress of the new investments which are using the resources raised from TAG?", it is precisely that which we covered in the presentation and on which Takamori commented: we are seeing the benefits from the anticipated entry into operation of Serra do Assuruá; the acquisition of the Atlas assets, the solar energy assets; the entry into operation of Assú Sol... So, for example, this quarter we saw a reduction in the need to purchase energy from third parties; so, all this represents the creation of value from these new investments now materializing.

We know that the implementation of a new project takes from 2 to 3 years, during which in the first moments, we bear the weight of the debt for the funding required to get this project off the ground. And when the project goes into operation, you start deleveraging, start generating the expected value from the new assets.

Let's go to the next one, Adri.



**ADRIANA WAGNER:** Continuing with the question now from Williney Silva and he would like to know whether the Company foresees leverage exceeding or equaling 3x net debt/Ebitda with the increase in interest rates and if this could impact the Company.

**EDUARDO TAKAMORI:** Ok, good question. Our plan is always to guarantee our AAA-Fitch rating. Naturally, Fitch bases its rating on the agency's very strict criteria, a maximum leverage of 3.5x net debt/Ebitda. So, naturally, this is very dear to us. But we could go up to this level. At the moment, we don't see it reaching as high as 3.5x, but naturally it's a ceiling for leverage.

Naturally, over the course of this cycle, we are going to raise more debt, so our leverage, currently at 2.7x, should exceed the 3x mark; it should go above during the year, as already mentioned, more towards the end of the first half perhaps. But this is included in our plans and is expected.

This is also a way of balancing: in order to continue paying 55% dividends, we have to exceed 3x net debt/Ebitda. But this, of course, doesn't compromise any of our strict covenants, such as 4.5x total debt/Ebitda and service, so we don't see a problem. Naturally, we suffer a little from the increase in interest rates, inflation, CDI and Selic, but all within expectations - it's all part of the game.

**ADRIANA WAGNER:** Thank you, Taka. We are out of time. We received some further questions, which will be addressed here by the IR area directly to participants. We would like to thank the participation of everyone, and I now give the floor to Taka and Rafael for their final considerations.

**EDUARDO TAKAMORI:** Perfect. It's a pleasure to welcome all of you to our call, and it's with great satisfaction that we close a year that has been so challenging but also very rewarding, with new projects coming on stream and much more to come - Rafa.

**RAFAEL BÓRIO:** Well, everyone, thank you. As Adriana said, we're here to help. You can count on ENGIE's IR department; if you have any questions or need further clarification, please just contact us.

Thanks - right, Takamori? - and see you next time.

**ADRIANA WAGNER:** The ENGIE Brasil Energia videoconference is now closed. Thank you for your participation. And have a good afternoon.