

Y 2021 Earnings Call

Company Participants

- Andre Moreira, Chief Executive Officer
- Cristiano Grangeiro, IR Manager
- Erik da Costa Breyer, Chief Financial Officer
- Fabio Antunes Fernandes, Business & Ownership Interest Management Officer
- Unidentified Speaker

Other Participants

- Unidentified Participant

Presentation

Andre Moreira {BIO 19271116 <GO>}

(Technical Difficulty)

Good morning, everyone. Thank you for waiting. You are welcome to the video conference and publicized in the results of four quarter of Taesa. Those who need simultaneous translation, we have this tool available on the platform. (Operator Instructions) We are recording this conference and it will be available on the website of the company and the full material of the results is available there. You can also download the presentation on the charter box. You cannot open your microphones doing our event. (Operator Instructions)

The information that is in this presentation and other declarations that might be made during this conference about prospects of business, projections, aims, goals, financial information are premises of the company as well as currently available information. These are not a guarantee of performance. They involve risks, uncertainties and premises and it has to with the future depending on circumstances that might or not happen. General economical confrontations, market conditions and other operational factors can access affects of the performance in the future and they can produce results that are different from those expressed here in our (inaudible).

Now I'm going to give the floor to Andre Moreira, who is the CEO of our company. Good morning to everyone. It's wonderful to be here with you to present the results of Taesa. And to participate in our video conference about the results of last quarter and the whole year of 2021, we have the Financial Director here Erik da; Business and participation (inaudible) and the Technical Director, Marco Faria, and all our team of Investor Relations.

Just to remind you, you can send your questions with the Q&A button on the platform and you can do this during the presentation. Okay.

Before we speak about the results of the quarter, I would like to take this moment to share some important messages, especially about 2021. We have managed by this new administration, many challenges, many achievements. We have already the fruits of our strategic planning, long term approved in 2021. And all the actions in the beginning, the improvement in safety performance, optimizing costs and increasing efficiency. Important to remember that our strategic planning is based on the pillars of competitiveness, efficiency, growth, regulatory management and sustainability. In growth, we had a different positioning and the transmission market, especially in participation of the two auctions of now last year.

In December, we were winners. And this response to all the dedication and the effort of our team is growing all the year. In the M&A, we were also participated and we evaluated many assets. We know this market very well. Even though we didn't close any deal of brownfield, we continue watching and looking at the best alternatives to invest to our shareholders. We're going to grow. But we want to generate value. Our growth in transmission will continue to be sustainable. In efficiency, we delivered almost six months early for Janauba, an important project for the country and for society during a critical period of the water crisis last year. We're also working to deliver all the other things that we are building and a lot of them are almost concluded. In operational performance, the company has maintained high levels of efficiency and you will see this in our presentation of results. This shows our capacity in operation and maintenance of the assets of transmission of our company, one of our main pillars.

At the end of 2021, we paid out BRL523 million to the shareholders, BRL1.6 billion for the year. I have a slide for the could show some interesting numbers about the return that we had for our shareholders during the last year.

So let's start here. In our agenda of sustainability, we did several things as part of each one. I would like to share another topic here of our agenda of sustainability, which is one of our main vectors in our strategic plan and the success is linked to this. Today we're going to talk about the pillars of safety. It's very, very important for the whole company. So let's go now to our third slide in the presentation.

We started the program, 100% safety to strengthen the culture and the factors giving more of a voice to everyone. The Company put in a strategic way a set of projects, actions and initiatives to improve the performance of safety in the company and the intensifying of the value beyond the corporate environment, our suppliers families, partners and society as soon as I arrived in 2020. I included this in weekly meetings. In April 2021, we implemented the Safety Committee in Paris and then in our subsidiaries. We also have a stamp of safety and we started this in October. In December, we acquired a monitoring system with cameras directed to all the operational activities and we also developed an act, which is called Observing Safety, to continue monitoring everything that happens with our teams. We continue working with the awareness of the safety team through several debates and internal campaigns and also all the training of the Company to -- because it's vital for the health and the safety of all of us.

I also would like to mention that because it is essential for us one of our goals includes the high administration, and this is security. Of course, this reflects in numbers. For example, we had the accident frequency rate equal to zero. This is something we're very proud of. That means we didn't have any accident with absenteeism in our team in 2021. Now we're going to Slide 4.

The first one is the -- you can see on the left hand side is a camera monitoring system. This works with cameras distributed to those responsible for the implementation of the activities, the teams in the field. And the goal is to follow 100% of the routes and the performance, whether it would be in the field, substation and there is a focus in improving processes and procedures and also improving the behavior.

The second one, as you can see on the right hand side, we took a photo of our act, which observes safety. And it is used by all of us, so that we can report the situations adequately, positive or negative that are observed during any activity. So through this app, whether it would be Android or iOS, you can contribute for the improvement and strengthening of the prevention practices and also recognize the good practices that we've implemented in our projects. As you can see these are many fronts and the goal is just one, safety to everyone.

Now we're going to move on to Slide 6 before giving the floor to my colleague. I'm going to talk about the return to the shareholders. Last year, as you can observe on the charts, it was an excellent year. We paid BRL1.6 billion. I had already mentioned this. It was an increase of 40% in relation to what was paid in 2020. Per unit, this amount went up from BRL321 to BRL450. This registered a dividend yield of BRL12.4 in the year, 29% higher than the yield of '20, which has already been a solid result. When we analyze the total share return in the year, we also see expressive growth. That means those who bought a share the first day of the year, had a return of 23% at the end of 2021, appreciation of the share and the money received.

When we compare the performance of Taesa to TAEE11 to the market, we see the Taesa had a solid performance was the asset with the second largest appreciation within the assets of the index of energy and only three of these assets had a positive performance in '21. We are on the right way. We continue with our focus and our ambition, our strategic planning, which is to maintain our position of relevance and consolidation in the Brazilian transmission market.

We know that the big challenge is -- transforming this company for this always based on our strategic pillars sustainable growth, operational efficiency and financial discipline besides generating value. I trust the road that we're going through for our company with a lot of ambition, professionalism, with our values to give a safe environment to work in and high quality transmission service, all of this with a lot of competency, discipline and social environmental responsibility.

Now I'm going to give the floor to Erik da, our Financial Director and IR. He is going to present the results of 2021. Thank you very much to everyone.

Erik da Costa Breyer {BIO 3589933 <GO>}

Thank you, Andre. Good morning to everyone. Now let's show you the fourth quarter, the performance, and the year of '21. First, let's show the results. This reflects the new cycle of RAP '21-'22. We had a growth of 43.8 of the net revenue compared to the fourth quarter of 2020, explained by the inflation readjustment of RAP and operation of Janauba at the end of the third quarter of '21. The same reasons influenced the results of the vision of the year where we see a growth of 20.5% in the net revenue. These effects were compensated by the drop of the RAP of some concessions as a consequence. The EBITDA totaled BRL447 million during the quarter, 55.8 higher than registered in the fourth quarter of '20, and with the margin of 81.1%, expansion of the 6.2 points percentage compared to the fourth quarter of 2020. In the comparison between '21 and '20, we can observe a growth of the EBITDA of almost 23%, ending last year with BRL1.5 billion and a margin of 82.5, also higher than the previous year, which shows a good recovery of the operational margin.

On the operational side we presented availability rate of 99.86 aligned with the rate of 2020 showing a solid and consistent performance of our operation. The drop of 0.32 percentage points in the relation of the variable instalment RAP. It's a very good result that reinforces the consistency of operation, the efficacy of our practices in the operation and maintenance.

Finally, the profit -- net profit grew when we compare annually. It's BRL105.5 million in the quarter. Even though we had this wonderful performance of better than the results, whether it would be during the year of '21 or in the last quarter, the regulatory profit was negatively affected by the macro-economical rates in the financial results. What's more visible in the comparison of social exercise is -- I'm going to detail this in the next slide for you.

Now let's move forward then folks to Slide 7. We're going to talk about the composition of the regulatory net profit. It closed the year in BRL570.2 million with a reduction of 19.3 in the annual comparison, motivated, especially due to the deterioration of the financial result, but compensated the increase of the annual revenue as you can see in the chart. We see an expansion due to the inflationary readjustments. 37% by the IGP-M and 8% by the IPCA, and also the concession of Janauba, which started at the beginning of September 2021. When we analyzed the effect of inflation, we have an increase of BRL635 million is compensated and these were some decreases in contracts category 2, BRL298 million and we already expected this number.

The financial result was negatively affected by the following points. Less availability of cash during the period because we paid interest rates and amortization of debentures BRL433 million and also the payments we made during the year and large financial expense due to the increase of the interest rate, monetary variations because of the hike of the IPCA and CDI during the year.

There is nothing one can do when inflation goes up. It also increases the financial expenses. That's it. At the same point, we have benefited by this. We are also penalized

by the bottom line as chart clearly shows with the increase of the net revenue and financial expenses.

Now let's move on to Slide 8. Let's talk about the society vision. We can see in the IFRS. We maintained the result very much aligned with last year where this result was affected by the financial results, the same reasons that I mentioned in the previous slide. We had positive and negative effects that compensated each other. The monetary correction had an increase of BRL209 million due to the acceleration of the IGP-M and the highest IPCA registered in the year. And the OEM was affected positively by the IGM and IPCA and also because of the Janauba operation. The remuneration presented an increase because of Janauba and because of the impacts of the correction of the balance of the contractual asset.

On the negative side, we had a reduction of infrastructure because projects of construction there coming to an end. And, of course, with the auction in December, we're going to start a new cycle of growth that Fabio is going to talk about. We had negative impact. And now we can advance to Slide 9. We're going to talk about indebtedness here. We've already showed you the proportional vision of consolidation. The debt is BRL8 billion at the end of December 2021 reaching 4.2 leverage of EBITDA showing a reduction in comparison to the previous quarter. This was already expected. It's a cycle of leverage. And we had strong investments in building. And as they are delivered, they become operational. And this level reduces as we can see. And the profile of our debt [ph] continues adequate and competitive. Even with this level of indebtedness, we have low costs about BRL4.8, and long time frames, which is more or less 5.1 years. This is very good. And it's important to see that these numbers do not include the last issuing of debentures. We did this in the beginning of this month. We contemplated two series with the value of 800 million that expire in 2027. This was successful not only due to the demand, but also the final costs. We were benefited by the medium time of the debt and we had low cost for this issuance. We CDI plus 1.36% and five years. So the cost is very competitive in the market. We don't have financial covenants of leveraging and we have excellent access of the market. We are AAA in national scale with Moody's and Fitch and we are in a comfortable position and we are competitive to get further attractive funding in the market.

I'm going to end my presentation of the results. And I'm going to give the floor now to Fabio, who is going to talk about the success of Taesa at -- during the last auction that took place in December.

Fabio Antunes Fernandes {BIO 21749197 <GO>}

Thank you, Erik. Good morning to everyone. Well, now we're going to talk about the performance during the last auction of transmission that took place at the end of last year. So let's move on to Slide 10, please. During all the year of 2021, we had a very clear position that we had to have detailed planning, so that we could be more competitive during the two auctions that took place in this year. We did work, which started when the year started the time was enough save and we were able to close partnerships and we had the premises and conditions so that we could really be competitive. In the first auction, we were in a competitive position. The four lots that we participated, we were in

FINAL

second place in three showing our repositioning in the market compared to our competition. We became very motivated. And in the second one we had five lots in several states of Brazil and with the investment of BRL2.9 billion. Once more we mobilized our team and we worked very hard. It involved all the Company. We got the best lot of the auction with an investment of BRL1.75 billion. We also were in third place in two other lots where we participated and this demonstrates our appetite for growth. As you can observe in Slide 10 the Lot 1, which we baptized and the (inaudible) transmitter of electric energy represented 60% of the total of investments offer in the auction. And it's also relevant asset in the point of view of RAP and extension. And the (inaudible) is a huge. It's -- so it's huge situated in Sao Paulo and now with an extension of 363 kilometers and 500 kV of dench. It's two areas. The first one is 79 kilometers that goes around Kurichiba and the largest one links the substation of (inaudible) in Sao Paulo to the substation Mato Grosso in the south of Parana. It's a project which is structuring for the Brazilian system and it will supply the urban area of Kurichiba. It will also increase the capacity of interlinking the South and the Southeast, which is fundamental in this scenario of low availability of the generating park. It has 60 months for conclusion and it will add BRL130 million after it starts operating. It's important to highlight that the achievement of the slot was integrally supported by our strategic pillars of growth, operational efficiency, capital discipline and generation of that for our shareholders. These are the pillars that maintain and guide all the decision making in our investments. This slot has important synergies and -- for some operations that we already have in the region, that will allow for the -- for using the structure that we already have of operation and maintenance. We also that we worked hard to optimize the CapEx and to work hard to have an earlier date of innovation. These are the messages that I want to give to you. And I'm going to give the floor back to Eric for us to finalize our presentation.

Bloomberg Transcript

Meanwhile, thank you for everyone. Before ending the presentation and starting the Q&A, I would like to talk a little bit about the success. Let's go of the Investor Day. Here in the slide, we have some information, which is very interesting. We carried out on the 30 December 2021, an innovative event. It was more than four hours of content, live. We called several participants to learn more about the business of transmission of energy. They were able to talk with those who most know about this subject, the employees of Taesa. This -- it was also an excellent opportunity to talk more about planning the future and the new business division Taesa. We had two core chats with some of the digital influencers and also with new economists to talk about inflation, which is such an important topic for our business. We had more than 3,000 people registered, almost 2,000 accesses in the platform and we had over 1,000 accesses during the event. It was a total success. We had a lot of positive feedback about the format, the content. This is a very good signal for the next years, especially considering the increase that we had in our shareholder base, which was about 50% of increment of the amount of shareholders. This is something that you can see here. So -- we are incorporating new investments. And I think this helped people connect. I would also like to take the opportunity to thank all those who accepted the invitation to participate, especially Charlie [ph], Philip (inaudible) Luiz Barsi (inaudible) and the economists Pedro (inaudible) who gave his store. And also to thank everyone who accepted the invitation to be at this event and make it very successful. Do you want to see it? And all those who did not have the opportunity to watch the event, we have a slide here, there's a QR code. And this takes to directly for the replay of on our QR side.

FINAL

Now I want to show you something the proposal of the management about the destination of the results of 2021. Yesterday, we approved the distribution of additional dividends of BRL800 million. This corresponds to BRL2.32 per unit, and it's important to say that this is a proposal. It should be deliberated and approved on the 28 of April. If it is approved, we'll have the database to distribute this value on 9th of May with the payment days, which is going to take place up to 31st December. That means we start the year on the right foot. And we have to remember that we put in practice the strategic plan long term, based on the transmission growth. So it's important to align the distribution of dividends to the growth of Taesa always trying to maximizes the value for the shareholders, not due to the only the distribution of money, but also the expansion of the business and responsibility with our leverage levels and the cost of capital maximizing the value. In this business vision, putting these three pillars together, this makes us be able to pay solidly. We can see the chart on the right side and this is possible if we align growth with maximization of value and financial responsibility, values that are in Taesa's DNA. So to make this feasible and starting with 2022 and -- we were able to do this because our revenue grew will always be balancing -- we're never going to disappoint in the payment of dividends, but we have elements to maximize the value not only through payments of dividends. So it's -- you better have the correct expectation. And I'm finishing now my presentation.

Cristiano Grangeiro is now will start the Q&A. Thank you very much. Cristiano, the floor is yours.

Questions And Answers

A - Cristiano Grangeiro {BIO 20213891 <GO>}

Thank you, everyone. Now we can chat. We've received a series of questions here by Q&A. You can ask additional questions. I'm mediating here and I'm going to start, and I have separated some here. First question is about the dividends, the earnings of the dividends. Well, first of all, congratulations for the results. And the question is talking about dividends that Erik announced here, which is going to be deliberated by the Board. Why -- he is asking, why is it only going to be paid up to 31 December? Is that the cash necessity? Is this something that's happening? So it -- the question is for you about the date of payment.

Well the percent is the forecast of our statute, but we decide this event-by-event focusing on the maximization of the market values, stock exchange value. We evaluate what is the situation of our balance and the growth and in order to work in a competitive way. So we analyze this moment-by-moment. And this complementary dividend is the largest value that we've ever paid up to now starting, so that we can make the payment compatible to a comfortable cash flow, so that it doesn't affect our capacity of maintaining the operations, continue to invest and continue to grow. So it's just a competitive realization, but we're not going to take more time to pay. We are going to deliberating choose the best moment. It won't take long. And we are going to do it in a comfortable way. It's only really to have a compatible cash flow with the Company. This is the goal and we're going to start 2022 very well with this payment.

Thank you, Eric.

Q - Unidentified Participant

Now what we have another question here about what -- what we have being built we have five. So they want to know how these how this is coming along these enterprises.

A - Erik da Costa Breyer {BIO 3589933 <GO>}

Thank you, Christian. All about the implementation project -- an important point is 2021 we started Janauba, where we had. It was earlier, six months early and any savings. It's a very opportune moment to deliver this because of the water crisis in the country. We have five others and then, which is our new project the S project. This is interesting because it connects others -- other concessionaries and part of it has been concluded in February in the established time. And we've asked the deterioration term for in S and it's being analyzed right now. So it is a project that is practically finalized and just waiting for the bureaucratic issues to be freed. At the end of last year, everyone knows that the State of Bahia and Minas Gerais, these two areas had atypical and intense rains causing flooding of public roads. It was publicized everywhere. Besides this, we also had a strengthening of the pandemic with the Omicron variant. These were responsible for delaying. And we had to re-plan these enterprises even so we made efforts to continue the project and we hope to conclude them in the next few weeks. (inaudible) they are advanced as we have been saying and we've been working to deliver them in the time -- in the right time in (inaudible) which recent project, we are in the phase of executing the project. It's a lot that was acquired at the end of the year and also in the phase of environmental licensing. Thank you, Cristiano for your question.

Operator

Thank you, Louis. The next question is for the Director of New Businesses. Vinicius asking about the Lot 1 that we won. Talks about the market competitiveness. And he wants to know a bit about our strategy to increase the gains of this lot and other lots that will come within this competitive scenario. So Fabio the word is yours if you just talk about this strategy in this competitive scenario.

A - Fabio Antunes Fernandes {BIO 21749197 <GO>}

Thank you, Cristiano. Thank you, Vinicius for the question. Yes. The transmission market as we have observed in the last year is very competitive. We've seen new competitors in the market, new actors. But Taesa always analyzes investments with a bias to grow and grow with value generation. We have -- what I said is sustainable growth, excellence in operational and generation of value. This philosophy is what goes through all the investments. The Lot 1, ever since the first day of 2021, we'll pay attention in all the lots that were auctioned in '21. And developing creative innovative engineering solutions, we also carried out partnerships with strategic suppliers. So we worked on different pillars, so that we would be competitive in the auction. Thanks to our geographic position. We have relevant synergy, especially in operation and maintenance. So this was one of the pillars. And what do we imagine doing in this year -- in this process that we're going to start building now. Well, it is to have efficiency and the CapEx, which is what we've studied in the practices and also to have it operating earlier. These are the vectors of value for the

FINAL

enterprise. I think that's it. Now there is going to be an auction now in June where And now going to put three lots of 15 studies have already began and we are going to do the same work now in these auctions in 2022. I hope I responded to your question. And we are available to answer any other questions. Thank you everyone for the participation in our event.

Thank you. We have some other questions here. I think the next one I'm going to give to Erik to talk about the macro-economical situation. It comes from Leandro, and he says all this -- these penalties due to the hike of interest rates and other things in place, et cetera. So he wants to know about the impact.

A - Erik da Costa Breyer {BIO 3589933 <GO>}

This is a very good question. And in the regulatory aspect, you -- all the financial expense and the revenue is the month to month, but in perpetuity we are -- we have investments that our revenue compensates in terms of value. (inaudible) is very positive. So something might crop up in higher financial expense, but what -- the accounting shows these results. You can see the profit. So the cash flow is benefited by the hike of inflation and we have defensive inflation investment. Of course, we have to hope that the investment that inflation will be low because it is better for the country.

Operator

Thank you Erik. If anyone wants to ask a question in English. Please go ahead. (Operator Instructions) There's one here from (inaudible) with the concessions in 2003, will you maintain the levels of investment? Are you going to reduce this in -- it is to reduce the indebtedness. (inaudible) who wants to answer this question.

A - Andre Moreira {BIO 19271116 <GO>}

Thank you, Asis. Excellent question. It's recurrent discussion. Within our strategic planning to remind you that one of the vectors is growth and growth to growth, you have to growth -- grow beyond what we already have of contracts with the drop of RAP. So we've just carried out an investment of BRL130 million of RAP in this Lot 1. That recall (inaudible) and we continuously search for opportunities in auctions and in the secondary market of M&A, so that we continue growing independent of RAP drops. These drops -- they tend to happen during the next years. So we have -- we will be able to continue to grow and to consolidate the distribution of energy in the Brazilian market. Thank you for your question. If anyone else would like to add something, go ahead.

A - Erik da Costa Breyer {BIO 3589933 <GO>}

Thank you, Andre. I'm seeing if there is another question here. I think Fabio answered -- some people congratulating us on our results. I have a question which is specifically about expenses. Short-term debt, BRL150 million. How can impact to the cash of the company and the availability to pay dividends. But Erik, if you want to add something about the IPCA and how this impacts worth -- our net worth.

FINAL

The increase of CDI is always bad, but as a reflection of inflation it's a balance that tends to favor us. We gain in revenue so it favors our cash this increase of inflation. So it's not a concern for Taesa. I don't see any difficult to invest and to grow our opportunities. Always, of course, remembering that we have a dividend strategy, which is high, because the market has allowed it. Our GBM is high. So this context it might not perpetuate -- might not be like that every year, but we're never going to disappoint. We are always going to pay half of profit, which is quite stable. So we have maintenance capacity high -- which is high now, of course, this growth that we had '21-'22 might not continue, but it will never disappoint the payment of dividends.

Q - Unidentified Participant

Well since you talked about the payment of dividends. I have a question, this announced here, is there going to be any other payment of dividends during 2022. Can you talk?

A - Erik da Costa Breyer {BIO 3589933 <GO>}

We have three types of dividend itself, which is deliberated by the Board, adding to what was paid to the result of last year. So it's based on the results, complementing what was paid in 2021. And there is the other dividend which is this one. So during the year we can declare and pay it anytime. And there is declaration -- no other declaration. But the Board can during the year declare alternative dividends as has been done in the last years. But there is no obligation. The only obligation is 50% complemented additional dividends and the other one is if the management of the company considers that due to the situation of leverage of the company, due to the investment, due to the financing and maximizing the value of the market with alternative payments. The Board can make this declaration. It's a possibility, but it is not compulsory and it's not a certainty.

Operator

Thank you. We have two questions that I can answer. Someone asked about TAE3, which is the -- to shares at some people have. So it's the same. You're going to receive from shares. So if you have this CV2 and if you have TAE3 or TAE4, you going to receive one third because it's in blocks of free shares. The other question --

(Foreign Language)

A - Erik da Costa Breyer {BIO 3589933 <GO>}

This presentation is available on the website. You can access, look at it calmly. We were working with the efforts so that we can, but (Foreign Language) So we can't give you any certain expectation. There are lot of repeated questions. This question is for Erik. I think its good to remember is the internal goals for an optimal level of indebtedness and (inaudible) is congratulating for the results. Beside the debt, the leverage debt -- we have rating in the case of Taesa, we have stable. And so case-by-case we can evaluate what maximizes the value, due to the opportunities of investment, the leverage, and also the financing sources. So we don't publicize. We don't have any contractual obligation. There are different levels of leverage. We have the capacity with the stability of our cash flow to take the decision case-by-case, and our vision, this maximizes the value. So this flexibility allows us to analyze the scenario and say no, we can't pay. We have a source to funding

for this use of money to grow. We have a situation that allows it. So we take decisions case-by-case and there is no contractual obligation. We take the decision based in our capacity, which is of having a stable revenue. And we can use this to maximize the value of the shares taking the decision case-by-case.

A - Unidentified Speaker

Thank you, Eric, for your response. We have reached the end of our event. We have some repeated questions. Our team will be available to respond if you don't comfortable, so that we don't repeat the same questions (inaudible) someone said what is the date of payment. The date is up to December 31 this year. So we have to wait for the for new communication, but up to now the date is at the end of the year. (Foreign Language) The transmission auction in June, we will be participating. We are working. This has been a huge effort for the company. We are already beginning the work very fast forward. There's one here in (inaudible) the management of Taesa trying to get lots in auctions with the frequency. I'm going to ask Andre can respond, Erik. So please respond to (inaudible) question.

A - Erik da Costa Breyer {BIO 3589933 <GO>}

(Foreign Language) So we have strategic planning for growth with the increment of our RAP. We're going to have (inaudible) and, of course, with the termination of enterprises, this going to give an increment of RAP and we intend to be competitive and to continue participating in the auctions. Just to remind you the last auction in December, we -- it was between the two proposals and in the end, this shows how competitive it was done with live. And we're preparing again. We continue with our financial discipline, value generation to guarantee the best return of the shareholders. And we're not going to do anything crazy, but we want to continue and our team is full swing to participate in the mid-year auction analyzing case-by-case, how we're going to participate. If anyone wants to add anything feel free.

Operator

Thank you. I believe that we've ended answering the questions. We answered. Once again if anyone has a question that you want to ask the team we are available. Thank you for your time and the participation of this video conference 2021. And we are available for any other question. Have a wonderful day. And thank you everyone.

This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily

reflect the views of Bloomberg LP. © COPYRIGHT 2022, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.

FINAL

Bloomberg Transcript