

Q2 2021 Earnings Call

Company Participants

- Elvira Presta, Centrais Elétricas Brasileiras S.A.
- Rodrigo Nascimento, Centrais Elétricas Brasileiras S.A.

Other Participants

- Andre Sampaio, Santander Investment Securities Inc.
- Marcelo Sá, Itaú Corretora de Valores S.A.
- Pedro Manfredini, Goldman Sachs Group, Inc.

Presentation

Rodrigo Nascimento {BIO 19520226 <GO>}

Thank you, Juliana. Thank you, everyone -- shareholders, analysts, everybody -- that are taking part in this earnings call. We're going to talk about the Second Quarter of 2021.

I would like to salute my colleagues from the Board of Directors, Jatoba and everyone else that are here with me. Looking to start. The presentation was made available on the website. If you want to, you can download it.

Let's do the first part and then we will go into the details of the financial and operation -- operating highlights, and then we will continue for the Q&A session. Let's start on Slide 3, financial and operating highlights. Now 4, we can see the numbers.

Starting by ROL comparing to the Second Quarter of '20. In the Second Quarter of 2021, we had an increase of 49% in the ROL IFRS from BRL 5.3 billion to BRL 7.9 billion. This increase will be explained thereafter, but we have results of two segments, generation and production transmission. We still have the tariff review from last year. In generation, we have the increase in PLD and our commercialization strategy.

We had a significant increase in the short-term markets and the contracts, bilateral contracts signed in the free market. The other indicator is EBITDA, an increase of 64%. Net profit, we left from BRL 469 million from the Second Quarter '20 to over BRL 2.5 billion in the Second Quarter 2021, an increase of 439%. The recurrent data. Recurrent ROL with the increase of IFRS of 49%, the same number, 49% as well here.

Recurrent EBITDA, an increase of 116%, getting to the BRL 4.7 billion value, almost BRL 4.8 million. Recurrent net profit, we get to BRL 4.5 billion, (placing) BRL 643 million of the

Second Quarter of 2020, an increase of over, once again 6%, 7% in the net profit recurrent.

Another important data announced yesterday is the advance of the payment of the dividends, BRL 1.5 billion will be paid at the end of August. In terms of investments, there is the net debt over EBITDA LTM, we had 1.4x in the last quarter and now we have a value of 1x, 1.0, of the EBITDA -- of the net debt over EBITDA, the lowest value in our records.

Next, Slide 5. I'll talk about the context of sectorial and economic. First curve. It shows the variation in the daily energy charge in Brazil between 2020 and 2021. First Quarter. Until July of '21, we have an increase in the charge, especially in the Second Quarter. If you see in the 2020, the second -- the Third Quarter was the most impacted, and this is due to the pandemic. And now we have an increase in the charge of 17% in the Second Quarter of 2021.

This reflects the restarting of the economic activities, and this has been robustly observed in our country. In the graph below, we have the crisis of the water provisions, we have a drop in the GSF.

And now for the next months, certainly, the water crisis will impact the GSF, the same thing with the PLD. We've observed in the last two months and growth very strong of the PLD. This is a trend that should be kept in the near future. Slide 6. Other highlights.

First one, we have Angra 3. The civil works and electromechanical assembly. This is part of our critical path acceleration plan. We have the sub contraction. The procurement, actually, the subcontracting of the consortium that is being analyzed. The SPEs, we have the information for the Second Quarter that is the joint sale in July and the approval of the joint sale of SPE NBTE by BRL 700 million.

And this is according to the governance of Eletrobras. We have the preemptive rights, of course into SPEs that we had the participation with CGT Eletrosul. FOTE and TSLE SPEs (inaudible). Now we're going to incorporate those to -- as a part of CGT Eletrosul.

Corporate rationalization. Incorporation of Amazonas GT by Eletronorte. We will have the effects from July 2021 onwards. In terms of funding, we have BRL 1.6 billion in Furnas for the payment of onerous debts. (inaudible) directly the results in the Second Quarter but will be felt in the Third Quarter.

We have the partial approval from GSF to ANEEL, if you see the Normative Resolution 895, granting the extension of the concession of Power Relocation Mechanism, MRE, plants on 18 plants and there is still the conclusion by the ANEEL.

And now -- we had a technical problem. Please if you can wait. If you can wait a minutes, please. (technical difficulty). Rodrigo, well. So rry. I lost connection. Let's continue. Once again I apologize.

FINAL

So going back, we were talking about regulatory or the generation of the plans. For the quarter, now we have ANEEL, the public audience, 003/2019, the recalculation of indemnities for unauthorized or nondepreciated investments of quota plans regarding the accounting value of BRL 1.5 billion reference to 2012, we have a deadline for the new calculations for 12 months.

Next slide, ESG highlights. In terms of corporate governance, we had the approval of the regulation of the integration and improvements of executive officers and directors of the Eletrobras companies. We had the realization that the first exclusive integration event for the members of the Board of Directors of Eletrobras companies elected by employees.

We also had a publication of the annual letter of public policies and corporate governance 2020. The corporate governance report, practice or explain, 2021. We had the publication of the annual report 2020. We had the Eletrobras main ESG report aligned with the GRI integrated reporting and SDG (inaudible).

And now the sustainable management of suppliers. We have the ESG for due diligence suppliers, preventing and mitigating governance, social and environmental risks in the supply chain. These are the main highlights.

Now let's talk about the awards and recognition. The awards that we had. Institutional Investor of 2021 from Latin America. We were awarded the best CFO overall, the best IR professional, and you can see the other price -- the other awards on Slide 8.

We also had from Analise Editorial. We had Elvira Presta, Chief Financial, Investor Relations, the 11th position as a financial professional, most admired in 2021. We had (inaudible) from the electric sector.

So we are very honored by this award. We also received the seal for the pro-equidade of gender and race. This is the seal provided by the Ministry of Women & Family. Our Director, Camila, has received it in the ceremony in June.

We received second place in Electric Energy category for Merco Responsabilidade ESG, one of the 100 more responsible and with best corporate governance companies in 2020. We're very proud.

Now next slide. Capitalization. We can see here the main points. We had in the Second Quarter the sanction -- the presidential sanction in July '21 -- July 13 at the end of August.

There's going to be the deliberation of the CNPE for the value of the CDE contribution and the grant bonuses for this. You consider by several CNPE -- by the CNP, we have to consider GSF and the guarantees of the -- of things that guarantee the deliberation of CNPE.

We're going to also finish these studies, reports and models presented by BNDES. We have the CADE authorization, C-A-D-E. In December '21, we'll have the CPPI resolution.

So what is the model definition of segregation model for Itaipu and Eletronuclear, the definition of the amounts involved in the operations for the period of decotization, and the governance structure of the new company. If we have the creation of a state-owned company, if applicable.

In January 2022, the TCU, the Brazilian Federal Audit Court, deliberation as a whole. And also, we will see the verification of economic benefits assumptions as well as the segregation of Itaipu and Eletronuclear, and we will have the verification of offering assumptions.

SGM -- we will have the SGM, which is the general meeting capitalization. Then the follow-on in 2022, February onwards. Very challenging until we can get to the operation in and of itself, but we trust that we can keep the schedule. We have to consider alternative scenarios.

For 2022, we are very confident that we will be able to achieve our goals. Those are the main activities for the capitalization process and other details. Financial details of the Second Quarter of 2021. I will give the floor to our Financial Director, Elvira. She will continue. Elvira, the floor is yours.

Elvira Presta

Thank you. Good afternoon, everyone. I'll continue with our presentation. If you can look at Slide 11. We can see the results. For the Second Quarter income statement, a little bit more detailed. We've seen some of the numbers in the first slides of the presentation. Now we have the IFRS in the blue, the first column; and then we have the same numbers in the recurrent bar in green.

Let's start by gross revenue. We had an increase of revenue, 42% in gross revenue, 49% in the net revenue. And also, we announced the -- we had an increase in generation and transmission revenues on the right.

You're going to see some of the details. I just wanted to bring your attention to the most relevant generation we had comparing to the same period in the previous year, an increase of BRL 863 million in the revenue. That increase is due substantially to the increase in the PLD and import short-term operations.

There is a small parcel, which is well also to liquidations on the short term, of course and new bilateral contracts to supply and we benefited also from that. The increase in prices, BRL 150 million and BRL 517 million short term. We still have the readjustment of the quota of the plans. The readjustment of the tariffs brought in another BRL 85 million.

Transmission. Increase of 52%, BRL 1.9 billion. As it was said, we -- the main thing behind us is the contractual revenue. Transmission was a review in the tariffs happened July of last year from the Third Quarter onwards. So in the Second Quarter of last year, this effect was not captured. This is a review that took place thereafter.

Dealing with a few subject matters, for example, the case of RBSE. So this is very expressed in the revenue of transmission. The PMSO, we had an increase of 21% on a recurring basis and 30% in the IFRS, we have a slide that will explain this in more detail, but I just want to bring your attention to a few points.

In personnel, we finished the collective bargaining agreement, 14%, an impact in the payroll, the expenses with the health plan. We have the theme of the Chesf actuarial liabilities. We already talked about that.

That effect of BRL 32 million was measured where the IGPM was very high. It will be diluted off throughout the year. It's a theme that is very complex, but Chesf is already dealing with it and trying to solve this. We have a work plan alongside with the foundation, but since the legal deadlines are defined by the Board of the (inaudible), this process is -- it takes a little bit of time.

Our expectation is that this change will just be -- well, implemented and fulfilled by next year. Also, we had an increase in the -- as I mentioned, the higher healthcare plan expenses and the stoppages at Angra I and II, we had an increase in personnel.

The stoppage of Angra I and II explains the increase of supplies and services. The stoppage didn't happen in the Second Quarter last year. There is maintenance, movement, and therefore, it affects the comparison.

Others. Other expenses. In PMSO, I will mention the whole that we had expenses in exchange rates, and we are programming the payment of the bonuses with the residual \$130 million that are due in October. This is an expense that is very important, an old debt very sensitive, 10 years ago. Interest rate over 5%. We're going to solve it now.

Recurring operational costs and expenses, an increase in the fuel is related to the increase in the revenue that we already mentioned. We're going to have a specific slide for provisions, to the very challenging theme, specifically the compulsory loans, and we will discuss this up ahead.

So with that, we got to an EBITDA of BRL 3.776 billion, almost BRL 4 billion in recurrent. If you look at the financial results, in the same period, we had a very big impact in the exchange rate variation. The First Quarter that we were affected by the pandemic and there was a big valuation of dollars. So last year, we had that exchange variation effective with economic and not cash flow.

Now with the increase in the value of the Brazilian real, there is the (inversal), there is a gain from exchange rates, and there are some more details that we get to the net income of BRL 2.5 billion in the quarter for the IFRS and recurring BRL 4.5 billion.

Slide 12. You can see the details of the gross revenue variation. If you look at these blue bars, we are leaving from a gross revenue of BRL 6.7 billion to BRL 9.5 billion. We have an increase of BRL 2.8 billion.

FINAL

Internally, we see that we had gains in all the modalities. Generation contracts of the exploration. We had an increase expressive BRL 778 million due to the negotiations on the short term, increase of PLD and also the better contracts that are bilateral contracts.

Second block, BRL 85 million is the quotas, O&M revenue in transmission. As it was mentioned, we have the tariff review that was seen in the Second Quarter of last year. With that, we show the increase in revenue.

Talking a little bit more about generation. I'm going to call you to Slide 13. We see the generation performance. The breakdown of the revenue on top. Our installed capacity, 50,503 megawatts, about 29% of the capacity of the country. On the right, we -- our participation is -- in generation is higher than our installed capacity.

We represent 33% of generation in that period. The balance here on the bottom left, if I bring your attention this quarter, we didn't have the uncontracted energy. It was liquidated last quarter, and we've shown that we had 5% in debt and that was liquidated at the PLD that generated that increase in revenue.

On the right, we see the revenue by the different types of modalities and there is an important increase in the level of tariffs in this quarter.

Let's go to Slide 14. A bit more details about the generation revenue. Here, I would point to on the right, we have on the top, the GSF and the PLD. We already mentioned that the Second Quarter of this year, even though the GSF was 96%, almost 97%, the June month, it dropped to 70%. So the trend is to have a drop in the subsequent quarters. There is an expressive increase in the same period for the last year.

In the, free -- sorry, regulated contracts. I will mention that Eletronuclear, we had an increase in reverse the First Quarter -- the Second Quarter of last year because of two things. First, the maintenance of Angra I and Angra II. Because of that, the generation was lower. The revenue was lower. And also, we are operating at 90% capacity due to the problem with appeals last year.

In the free market in the bilateral contracts, we had an increase in volume and prices, representing an increase of 24% in the revenue. And here, I'm going to bring your attention to the highlight. Our Eletronorte, our controllership, there is an increase in energy sold. As you can see here, the bilateral contracts.

The practice prices of BRL 81 per megawatt per hour, and now we got to the level of 148 megawatt per hour. There is another effect in Eletronorte, from Andras, the client, they have revenue connected to the dollar and that impacts as well.

On the short term, here, we see the liquidation of the higher PLD. These are the highlights. We can provide you more information.

Bloomberg Transcript

FINAL

Slide 15. Let's talk about PMSO. We have an increased 30% in the IFRS and recurring an increase of 21%. Here, we highlight the main variations. Personnel, we had an important impact in the collective bonding agreement that has impact in social security and other social charges.

The performance of Chesf is being dealt with. We had the over time due to the stoppages and on-calls due to Angra I and Angra II. We had our companies that reprogrammed the vacation that were postponed. A lot of workers delayed their vacation for this year. On the other hand, we have to increase the investment in the Second Quarter in reverse to the first, and then we can do more capitalization for the work.

Materials and services. Basically, related to the stoppage of Angra I and II, more related. On the other part, we have other effects with the highlight to the losses of operational in Furnas.

On Slide 16, we have the provisions for this quarter. On the blue, the contingencies that did not involve the compulsory. We have on the right, the main effects. The GSF Chesf, BRL 184 million. Remembering the Chesf requested recently to forego the judicial action regarding the GSF. And now we have to comply to the new law with this new payment in the first week of August that we already communicated to the market.

This theme, we have a problem. We are now going to have the correction from the payment of the shares. Another impact is the K factor from Xingó, and it has to do with the IGPM that has been very high. Another judicial process, all judicial process update from Eletronorte.

In compulsory loans, we had BRL 600 million for other reports in regards to the repetitive. These are the themes that we comment. This value does not include -- we do not have the (inaudible) case that was scheduled at the end of 2020. These are all reports that we've had unfavorable results.

In PECLD, in gray we had an impact that is very important, which is a reversal of Roraima renegotiation that this is a debt from the privatization. It was a negotiation that was done. Then after three installments paid on the due date, according to our PECLD norm, we can do the reversal because the customer is paying. So this is a long-term debt, we will continue to follow it up. But today the conditions are much better.

Chesf actually made the decision of doing a write-off of the PECLD very old cases that are from some finance that are undergoing bankruptcy, filed bankruptcy. So we can have the financial benefits, and we stopped doing the update of the PECLD. That doesn't mean that the company is not going to charge them. On the contrary, we will continue, but we had an effect for the fiscal benefit.

And here, we highlight something that was done with BRL 117 million, but this is neutral. And at least in the financial results, this is neutral for effect of results. And finally, ANEEL - CCC we have the supplementary provision as a result of the second inspection period for the CCC credits assumed by Ceron and Boa Vista. It depends on the Board of Directors

Bloomberg Transcript

of ANEEL, and we have the report, and it's necessary to complete this provision for BRL 209 million.

Now let's go to Slide 17. We have in a graphic form. The evolution of -- well, the EBITDA, we have BRL 2.2 billion. Recurring EBITDA for the Second Quarter of '20, we got to BRL 4.7 billion. We have an increase of BRL 1.3 billion EBITDA. In recurring, we had BRL 2.2 million to BRL 4.7 million.

Now we have the effects, the expressive recurring net operation revenue. We have in the small decrease in the recurring shareholding. We had the companies that brought positive results, some SPEs with negative results, and we have the BRL 27 million.

In operating recurring costs, there is an increase in fuels and purchasing of energy. In the provisions, we can highlight between the BRL 800 million -- in the BRL 804 million is the recurrent PECLD, BRL 520 million. Here in the nonrecurrent items, basically the provisions that were commented.

Next slide, we have Slide 18, the evolution of the net income. Based on the -- in the last quarter of last year, it was affected by the exchange rate. We lag from BRL 469 million to BRL 2.5 billion and in recurring BRL 643 to BRL 4.5 billion. As you can see in the graph, the EBITDA is the main factor that is considered the recurring EBITDA and plus we had the results, recurring financial and depreciation and amortization.

We've talked about the gains and the exchange rate, but I also want to bring your attention to the reduction of the income tax which has to do with a renegotiation of the liability and management program that the company is doing. On the nonrecurrent, I will bring your attention on the right points that we've mentioned in the slide.

Here, for the conclusion, we have another two slides, 19, financial discipline. It's a graph that we always present. As our President mentioned, we will finish the quarter with 1.4x. Now we are closing June with 1x net debt to EBITDA. Whereas net debt is BRL 46 billion.

As we -- gross debt is BRL 46 billion, we have the cash flow that reflects the holding. It's not just the holding, it's all the other companies. If we consider the financing that we start to receive we will have the net debt close to BRL 17 billion.

We have the disbursements upcoming, BRL 1.5 billion mainly in advance payment of the dividends for August. The BRL 1.5 billion is December values. We have \$632 million for bonds from 10 years ago. With today's exchange rate, it will be BRL 3.3 billion. Then we also had the contributions from the Angra three critical path, BRL 1.6 billion.

Last but not least, the last slide, our investments realized. CapEx in the First Quarter and Second Quarter very challenging. We had a volume of investment much below than what we had planned.

FINAL

As we can see, and in the Second Quarter, we managed to get a relevant increase, BRL 983 million, about BRL 480 million in generation, BRL 300 million in generation and BRL 130 million in RFPS. Therefore, we will get to BRL 1.5 billion total and we are very delayed into what we had planned, budgeted less than 50%.

Now as budgeted for the first semester, on the right, we see the main factors that explain part of this. First, Angra III. We had planned that we would restart -- regain this acceleration of the Renuclear.

We can see BRL the 560 million and in the maintenance of Angra I and II. We also have had to -- had some adjustments due to the limitations of the pandemic that affected another BRL 100 million.

Transmission. We had effects, delays and licenses and permits, still something regarding Covid impacts and the cost optimization, which is a positive data. On the SPEs, the impacts are mainly with now having had the demands of the SPEs. So these are the most important themes.

We have a big challenge to accelerating the rhythm and trying to recover the rhythm in the Second Quarter. With that, I close my presentation. We can do the Q&A session. Thank you.

Questions And Answers

Operator

(Operator Instructions) Our first question is from Andre Sampaio from Banco Santander.

Q - Andre Sampaio {BIO 19422379 <GO>}

I have a few questions. The first question in regards to (inaudible). And a few questions regarding the discussion not being able to release this. If you can update this number, it was 70% that was available. The second question that I have is in regards to the dividends for this year. We had some very relevant leverages. And here, we have the lack of space. So I wanted to understand a little bit more.

The third and last question. We had a lot of questions in that regard. In regard to the sectorial funds, we have (inaudible) funds and so on. So that has created some doubt. There's still the losses from the expenses of the government. If you can comment a little bit on that.

A - Rodrigo Nascimento {BIO 19520226 <GO>}

Thank you, Andre. Let's divide here the questions, and then we can talk about the dividends and everything and the actions of (inaudible). The third point, the funds. San Francisco, Furnas, they violated maximum expenses, but this is in fact something that is written in law.

This establishes an obligation, contractual obligation for Eletrobras, it's a contractual obligation that we have to fulfill. The provisional measure, we have that evaluation, but rebate should it happen naturally, the government will defend their standpoint.

I wouldn't be able to tell you what is the result. But from the standpoint of Eletrobras, this is a contractual obligation. For example, investment in PND, in research and development.

So there is a decision from the cohorts that we are following up, and we couldn't really affirm if there is going to be a decision that affects what is in line. Now going to Elvira.

A - Elvira Presta

Andre, in regards to (inaudible), we have a percentage of actions that are above 70%, getting close to 80% and we continue with our plan to see all the other actions. It's a little bit of a slower process because these actions are spread out, these processes are spread out in several states of the Federation, and we have to do the pledges one-on-one to get the guarantees.

And also because of the pandemic, some of these cohorts are still in remote work but we continue to do this work. The other question is regard to your -- our leverage. At the moment, we do not have a prediction of changing this payout. As I mentioned, we have in the pipeline of few relevant themes, and we are very attentive to the process of capitalization itself.

Think we have to wait for the bonus for the size of this capitalization, the disinvestment. We are waiting for this scenario to become ever clearer so we can do maybe an adjustment in the policy.

But this is not a plan. The plan -- we are going to start with the PDNG and we will evaluate the scenario of the company that has been capitalized, how it would be that investment and the operations that might be evaluated.

Operator

Next question, Marcelo Sa, Itau.

Q - Marcelo Sá

Thank you for the call. I have a few questions. In this meeting, that is going to define what are the premises. This meeting where we have defined how will we do the contribution for CDE.

And however that happened. Or the idea that the number will only be from the additional value and the way that we're going to use it, they're going to be used for the future. That's the first question.

A - Rodrigo Nascimento {BIO 19520226 <GO>}

Okay. Thank you. We do not have that information. But I believe that there's still no definition of the agreement.

Q - Marcelo Sá

Perfect. Well another question in regards to governance, in regards to Eletronuclear. We have the state that will be the controller and Eletrobras will be a minority shareholder. How is the new investment issue if the government wants to build a new nuclear power plant?

Is there any mechanism for Eletrobras private to say no, if the terms are not effective? Or will we be mandated to get into this project because the federal government wants it? So what can you tell us?

A - Rodrigo Nascimento {BIO 19520226 <GO>}

We've dealt a lot with this. There is a point that is clear that the new state-owned company maintains the controller and Eletronuclear, other Board of Directors. So it has all the governance rules as directed to a good management. Investments that are done so that we go all throughout the governance.

And the way that we're going to treat Eletrobras is a decree in the -- and a CPPI that will relate to the governance, probably between the relation between the company and Eletrobras. Something that is worrisome in a significant way is the fact that the company has all the rules of governance that Eletrobras has.

And we have the naming of the Directors (who goes) -- so this is a point that we are discussing and evaluating but we have the legal framework to do this with safety. So I think at a point that everybody is worried in looking at this calendar certain preference. They're going to do -- we're going to have the study of PNDS, Eletrobras, the Board of Directors will have to approve the capitalization.

Then you have 30 days, you will call ADE, so that it happens in January, so that the offering happens in February. In the middle of that, there is PCU, which people are worried that there is a bottleneck in the process. If you change anything, then you have to get a new and another Board.

So we need to understand how PDU is analyzing these discussions. For example, BNDES is contracts or in the discussions with the government with TCU with the court just to see if there is anything that the TCU will start to see or towards delay really up ahead. Then we have to take into consideration the results of the Fourth Quarter.

Well it's important, Marcelo. We have been working with TCU. And here, there is a Ministry of Energy and there is a lot of meetings and other documentation by -- again by the BNDES, we shouldn't have surprises. So following up on this, a great part of the project.

We've had an analysis that was very deep of the first project that has a lot of similarities with what we are doing, specifically with operations, the additional values. So it is new. The

TCU has followed up on this. Then there is a role here for the recommendations and also seeing the processes that have to be adjusted. So there's not going to be a problem for the schedule.

We have to see the determination or the foundations that are adequate, and therefore, we will continue to. We see -- we talked about the assembly will only happen after the final approval of the TCU, and we will do only deliberation when it's approved.

Q - Marcelo Sá

Okay. Perfect. Now let me just ask you a final point here. Was there any -- here, there is -- or from what I understand, the loss of control has to do with the primary market control. My happy (inaudible) of the BNDES. Now my question is, for example, if this is true, we will get to BNDES.

Would we be able to sell something before and actually, that loss of control will be a bottleneck. There's a lot of people that are doing quotas for -- you'll see if we're going to lose the control. In the end, it was negative (for Eletrobras) So I just wanted to understand if there is a limitation. Or is that loss of control is due to the primary, secondary?

A - Rodrigo Nascimento {BIO 19520226 <GO>}

No, no, no. The law itself is, well, we can have a secondary offering to less than 50%. So our understanding, we have the primary offering that will be due.

And if there is a decrease here, the law, in my opinion, it is clear with our team of the Board of Directors. I don't know the divergent interpretation that should be on the primary. Now to me, it seems a little bit bizarre, but I just wanted to confirm.

Operator

(Operator Instructions) Next question, Pedro Manfredini from Goldman Sachs.

Q - Pedro Manfredini {BIO 21633245 <GO>}

Very simple doubt. That would be possible reviews for this. We are going through a tax reform time. I want to know if there is any interaction with the government that we're taking into consideration. My question is, will we anticipate the tax reform? Or will you wait for the tax reform or the calculation for the regulatory bodies and tax issues as well?

A - Rodrigo Nascimento {BIO 19520226 <GO>}

Well we are considering, yes, the government as a whole with our results. Now when it happens and how it's going to happen, because we've worked with the scenarios, and it's under the radar.

And well, we are still calculating this. It should be approved before. Any chance that if the - and the preliminary with the reform and with the preliminary value, this was not brought up until now. And remembering, and where this is from CNPE and naturally, this is due to

the agreement or not. And maybe before the assembly, this was not dealt with before -- with us before.

Operator

We now close the Q&A session. We return the word to Rodrigo for the final considerations.

A - Rodrigo Nascimento {BIO 19520226 <GO>}

Hello, Juliana. I just wanted to thank everyone here for their participation and had the opportunity to take part in the earnings call, the previous one. I've been working for one or two weeks at Eletrobras and I've been working here for three months.

It is pleasure to be here. Positive results. I'm available. We have an open channel with our Investor Relations team to keep a leverage market. Once again thank you very much.

Operator

The earnings call of Eletrobras is closed. Thank you for your participation. Have a wonderful afternoon.

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.