

Q2 2020 Earnings Call

Company Participants

- Adriano Rudek de Moura, Chief Financial & Investor Relations Officer and Member of Executive Board
- Daniel Pimentel Slaviero, Chief Executive Officer, Interim Chief Business Development Officer Executive Secretary, Member of Executive Board & Director
- Marcel Martins Malczewski, Independent Chairman of the Board

Other Participants

- Carolina Carneiro

Presentation

Operator

Good morning, and thank you for waiting. Welcome to Companhia Paranaense de Energia - COPEL earnings call to discuss the results of the second quarter of 2020.

All participants are in listen-only mode during the Company's presentation; and later, we will hold a Q&A session, when further instructions will be given. (Operator Instructions).

Before proceeding, we inform that forward-looking statements that might be made during this conference call related to Copel business outlook, projections, operating and financial projections and goals are based on beliefs and assumptions of the Company's management and on information currently available to the Company.

Forward-looking statements are no guarantee of performance. They involve risks, uncertainties, and assumptions, because they relate to future events and therefore, depend on circumstances that may or may not occur. General economic conditions, industry conditions, and other operating factors may also affect the future results of Copel and cause results to differ materially from those expressed in such forward-looking statements.

With us today, Mr. Daniel Pimentel Slaviero, CEO of the Company; Mr. Adriano Rudek de Moura, CFO and IR Officer; as well as Mr. Marcel Malczewski, the Chairman of the Board of Directors.

The presentation done by Copel's administration can be followed at the Company's system, ri.copel.com.

Now, we turn the floor to Mr. Daniel Slaviero, CEO of the Company. Please, Mr. Slaviero, the floor is yours.

Daniel Pimentel Slaviero {BIO 20914773 <GO>}

Good morning, everyone. Thank you very much for being with us in this conference call. And I do hope all of you are doing well and your families are also healthy in this pandemic.

I would like to start by highlighting the presence with us here of our Chairman of the Board of Directors, Mr. Marcel Malczewski that is actively participating in the development of a positive strategic agenda for Copel and its shareholders. We are very proud to count on your huge experience as a successful businessman and great entrepreneur. Your contribution and the contribution of the other Board members has been very relevant in this moment of the Company. And at the end, Marcel will address the call on behalf of the Board.

Now turning to the next slide; we see here the extraordinary results of the second quarter of 2020 and in the year-to-date as it has shown the EBITDA and net income of the second quarter has been significantly affected by non-recurring items, specifically, the PIS/COFINS credit being removed from the ICMS calculation based on the court order in favor of Copel, and this has a net effect of BRL809 million in the EBITDA and BRL1.150 million in net income.

Copel filed this lawsuit in 2009, and it followed all the legal channels in the judiciary up to the final ruling into 2020. Considering the total amount of this suit being very relevant, BRL5.8 billion, and most of these funds will be transferred to consumers in conditions to be defined by Aneel and Copel to post that amount that we just mentioned in our balance sheet, relied on external legal, regulatory effects of crisis, in addition to the opinion of its own technical body and obviously, our external audit. I would like to say that Copel's understanding is in line to most of the companies in this industry that already have concluded this process.

It's important to see that even with the -- without the positive impact of these non-recurring items and despite of the unprecedented crisis that we face with COVID-19. The Copel's financial performance is better than the prior years in this quarter, 20% higher in our net income and 1% -- 1.2% better in our EBITDA, when we compare to the same period of 2019, as you can see on the chart. These results also with a strong cash generation in the quarter of over BRL1.2 billion strengthened even more the sound cash position of Copel with the consolidated net cash of over BRL3.2 billion.

This cash over July and by the end of July, more precisely was even reinforced with the deposit of BRL869 million of the COVID accounts that is being considered as a regulatory liability of CCEE and Aneel have determined. It's also important to highlight that June balance that I mentioned, BRL3.2 billion, already reconsidering the payment of 50% of dividends for 2019, the gross amount of over BRL320 million. And we are already going over the date to pay the 50% remaining, so that it happens as soon as possible. We hope

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to bring this information to our Board meeting in September, so that we have a date. And as soon as, we have that information, the market will be then informed.

Now turning to the next slide; I would like to talk a little bit about how challenging and the world knows that not only in Brazil, but how challenging was the second quarter of 2020, a moment when we faced all challenges stemming from the pandemic and also extreme climatic events here in Parana. We are going over the worst water crisis of the last decade. And to make matters worse we had the worst climatic event of our history, our cyclone.

And we did have over 1.6 million units that are -- consuming units with no electric energy, and that represents 37% of our total base. But thanks to the amazing efforts of our teams, we were able to reestablish the system in a matter of hours and in a few cases, days. So once again, thank you very much for everyone's efforts that did everything they could to serve our clients and recover energy.

About the impact of the pandemic, is the consumption in the captive market has dropped to 5.8%, and the drops specifically happened in the industrial and commercial segments, both around 9% -- 20%. And this consumptions are in the level of 2012.

On the other hand, the residential segment because most of the population has to stay at home, had a growth of 5.2% in the commercialization of energy, and now our Company is called Copel Mercado Livre. And the impacts were less relevant than we would think. We were concentrated in some court rulings of customers that could not pay and also install payments to clients. But in the Company as a whole considering the perspective that we had in the beginning of the year, we can estimate that the crisis generated by the pandemic had an impact of around BRL100 million considering lower revenue as well as the increase in delinquency in all of the business.

In generation and transmission or we did have many challenges specifically related to the severe water crisis we are going through. To maintain reservoir levels, our HPPs have operated way lower than their capacity during this quarter. And because of that, instead of Copel G&T makes energy available to MRE, the energy reallocation energy, we did receive energy in the quarter, and we have to pay for costs related the tariff for energy optimization. And in this period, we had profit of BRL43 million to -- regarding the tariff, while in the second quarter of '19, we did have a revenue of BRL12 million. So that's a total variation of BRL55 million in Company's cash.

And before turning to the next slide. I would like to strengthen that all employees are aware of their commitment and Copel's commitment to continue guaranteeing our customers and consumers the quality electric energy supply in addition to actively contribute to the electric national system by the efficiency of our energy power plants and transmission lines as well as data connection by the optical fiber of Copel.

And even in such a challenging environment, I need to stress the significant advancements and progress in our strategic agenda. It was with great pleasure that we got to know that we were upgraded by Fitch to AA+ with a positive perspective. This is the highest credit score for Copel in the last 10 years. And we are very proud to be

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recognized by Fitch, because to have that type of upgrade in the current situation is an exception. And also, we have a positive perspective, which shows a possible upgrade in the future.

It's important to highlight which were the reasons that make Fitch take that -- make that decision. And according to the Agency's report, the main reasons are Copel distribution performance; second, the mitigation of the impact of COVID-19 pandemic; third, robust cash generation, a conservative financial leverage, Copel G&T performance, and a manageable hydro level. That is a good management of our challenges and our operations. We continue on this operating efficiency agenda as well as capital allocation discipline, so that we can reach the highest score AAA.

Another relevant progress supported by Fitch's report is the improvement of Copel Dis performance, which once again went over the regulatory framework in almost 10%, to be more precise, 9.8%. Exceptional result of Dis of BRL301 million in the quarter without considering the positive impact of the PIS/COFINS favorable ruling is 5% better than the same period of 2019. And in the last 12 months, the year-to-date adjusted EBITDA is BRL1.2 billion.

And we have to remind ourselves, and we do that every call that 3 years ago, we had a regulatory inefficiency of almost 50%. Once again, that proves our belief that a state-owned company can be efficient. Max and his team are executing the largest investment program of Copel's history. And despite of COVID-19, we are not changing the investment plan for this year of almost BRL1.1 billion.

We have said in other opportunities that we are executing the program called Transformacao or transformation. You already know about it. We will invest BRL2.9 billion, up to 2025. And under that umbrella, in this half of the year, we are in the next few days -- the next two weeks, close to signing the bidding of the first stage of the program Smart Grid, in which we'll invest BRL250 million, purchasing 520,000 smart reclosers in a total of 890,000 in the next 3 years. So far, this is the most ambitious program in this segment, in the distribution sector in Brazil.

And I would like to remind you that the basic assumption of all investments of Copel Dis is that they have been considered cautious by Aneel and specifically because 2021 is the year, where we are going to have the review of our regulatory base.

About Copel G&T, I would like to highlight here that in addition to the conclusion of relevant projects in 2019, we already can see the impact -- full impact in the EBITDA, I would say, around BRL200 million. We have moved forward in this quarter to conclude Mata de Santa Genebra works, we have an APR of BRL213 million amount close to 90% of total APR. And the last part of this construction works substation in Fernao Dias will be concluded in September.

Also, we are moving forward well in the execution of the works of Jandaira Wind farm and SHP Bela Vista, both of them within budget and within the deadline. And also about the G&T, in the Board meeting of July, we reduced the budget for investment to BRL630

million, a reduction of BRL235 million in order to better adjust the need of funds for this year, and also addressing our conservative approach in capital allocation.

About Copel Mercado Livre, now at 11; we just ended another energy incentive purchase auction with a total offer of 2 gigawatts. And that strategy has been very important for us to grow and its significant part in our results, specifically because of the mark-to-market.

In this half of the year, our commercialization company had an increase of 42% of energy sold vis-a-vis the same period of last year. For Copel Telecom, it took another step in order to its selling with the approval in July by the Board of Directors to sell the Company.

Therefore, the next steps are opening a data room. This has already been done, and it's available for all persons' interest. We'll be holding a virtual public hearing at B3, and that's going to happen next Wednesday, August 19. And also, we are going to publish a call to tender. And also, we'll be making the auction by the end of the fourth quarter. Also, it's important to say that the process is being follow-up by the legal agency.

Another important topic here was the approval by the Board of Directors in hiring financial and legal experts, with the objective to implement a UNITs Program, including the evaluation for opportunities to improve corporate governance and the liquidity of its actions with initiatives of migration up from level 1 to 2 of B3 and also share splits. We know right myself that these projects will take Copel to a new level in terms of corporate governance, and we are confident that will also bring good benefits, both for shareholders as well as for the Company.

Now towards to the end of my presentation; the last two important topics I should mention are the inclusion in the MCSI and FTSE4Good indexes, which are another example of the progress that Copel is -- governance and sustainability.

MCSI indexes are worldwide reference for institutional investors that use these indexes as a reference for their investment portfolio for liability plans all around the world. And this is something that really makes us happy. And the FTSE4Good Series Index, that reflects our strong commitment to environmental policies and practices as well as social and corporate governance as well and known as ESG.

And to my next slide, concluding my participation, I really would like to say once again something that we repeat all the time. This is a state-owned company with a private mindset. This slogan reflected our planning for cycle 2020-2024 that was followed up by BCG consulting services in July.

And we have said that in the prior call. We have the second stage of this work with three focuses, capital allocation, services, and operating efficiency in our holding and in our G&T company. We are very happy about the results we achieved, and we were able to identify several opportunities to improve efficiency, including automation, centralization and outsourcing, and we are working on an action plan to include those measures in our budget for 2021.

Some will be implemented now in August. And these targets will be attached to, very soon, we will announce to the market, other initiatives that were also discussed as part of this work with BCG such as dividend policy and investment committee and so on.

So, to conclude, I should stress that Copel is focused in the execution of our strategic guidelines and maintains its optimistic view for the mid and long-term. And a final remark I have to say that just yesterday, you all know in the Senate, the Bill of Law 3975 has been approved and it tackles GSF. And it will have a very positive impact not only for the generating sector and the electric sector, but also here for Copel.

And in terms of the legislation, this was the most important factor in the sector since the provisional measure was 579, but now with very positive trends. In our internal initial and preliminary estimates, we come to an amount of close to BRL800 million, but that still depends on Aneel's approval, and therefore, this estimate may change. As soon as we have more details, we'll inform them to the market once again.

Thank you very much for your participation, and I will be available to take your questions after Marcel's and Moura's presentation. Thank you.

Adriano Rudek de Moura {BIO 3590957 <GO>}

Thank you, Daniel. Good morning. Thank you all for participating in our call. Marcel, thank you very much for your participation. I think this is the first time that a Chairman of the Board participates on this call. It's an honor for us. I'm sure that your message will be welcome right now, where we already can see relevant advancements in several fronts, specifically in the development of a very positive strategic agenda for Copel that contributes to the delivery of good financial results.

Now talking about good financial results and turning to the next slide, here, we have some highlights in the quarter. Specifically, a main message here, which is that Copel remains having a sound financial position, which every quarter is delivering consistent results and better than the prior quarters, even with relevant adverse events, as Daniel has already mentioned. COVID, that had an impact of around BRL100 million in the second quarter, in addition to the cyclone that has impacted the additional process of Copel Dis.

So, even with these adversities, the operating cash generation in the second quarter of 2020 was 17% better than the same period in 2019, reaching BRL1.2 billion after all the investments. Therefore, we continue maintaining a comfortable cash position above BRL3 billion, even with no new funding and also already paying all our debt due in the period, over BRL1.1 billion, including amortization of principal and interests in addition to the first installment of interest on equity that Daniel mentioned, the BRL321 million.

At the end of July, we had BRL870 million coming in from COVID accounts. So, Copel went over a record of BRL4 billion of cash during August. Only in Copel Dis, we ended July with over BRL2 billion in cash. I also highlight the leverage below 1.5x, thanks to what we already mentioned.

And I highlight here that we have a small amount regarding debts that are due in the next 12 months. And that provides us an additional comfortable situation, it's around BRL1.2 billion of maturities in the next 12 months. It's basically the cash generation of the quarters.

The PIS and COFINS credits, Daniel already mentioned in the beginning; maybe this is the most relevant demand that happened in the quarter that has affected the balance sheet in over BRL5.6 billion in our assets, BRL1.1 billion in the net income.

These were weeks of discussions with legal regulatory, tax audit assistants, many, many hours of analysis to define which would be the best way to both of these significant amounts, and we are very happy about the recognition of this right that we rendered. And also, we start benefiting thousands of consumers with an average reduction in their bills starting in July of 3.8%; another relevant topic was the review of the contract 060 of transmission.

And in spite of not having an immediate impact in cash, it created good perspective for future cash, specifically on transmission. In addition to the revision of contract 060, we had also readjustments of other contracts. And all-in-all, we had an increase of BRL195 million in the APR for the next 12 months. And if we consider contract adjustments in our FTEs, the total amount will be over BRL234 million, which is significant amount in our cash flow. We have invested BRL792 million accumulated so far of a total CapEx review of BRL1.8 billion.

In summary, this financial -- the sound financial structure is crucial to maintain our strategic guidelines in the mid and the long-term, continuing with the mission of identifying good business opportunities that will bring returns to shareholders in a consistent and sustainable way, obviously, following our strict discipline in capital allocation.

On the next slide, I have a few examples of actions focused in the short-term that are part of our contingency plan to mitigate the impact of COVID-19. This subject is my priority and the priority of all my team right now, among all executive managers. The transfer of BRL271 million in investments during the second quarter has to balance the demand of cash for some projects.

And as the crisis impact became clearer, we already made the needed adjustments. The initial objective here was not to affect any ongoing work. On the contrary, our aim was to make sure that no work would be without funds.

Even then it was possible to make a temporary adjustment without affecting any priority project cost reductions. Of course, this is still in our agenda more than ever. We were able to work on expenses of BRL112 million in the second quarter. Also, we postponed federal taxes, over BRL262 million, PIS/COFINS, INSS and FGTS.

This is a temporary impact, but it did help us to strengthen our cash position in the second quarter, because that's when we had the major impact for COVID and also the financing of BRL422 billion warehouse with BNDES related to the support -- financial support for the Lot E of several undertakings for transmission of Copel G&T. We are at the final stage of

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the process. And I think that still this year, we'll receive part of these ones. Specifically about this financing, it's important to say that we have a term of 24 years. This is a single condition.

And also that most of these funds of these expenses have already been made. So, this would be a re-composition and we would be rebuilding G&T's cash, and that's going to be welcome right now. And the chart shows the performance of generation and the cash balance since 2Q '18, and it shows a balance of BRL3.2 billion.

Turning to the next slide; here, we have the adjusted EBITDA and highlighting non-recurring items, which totaled in the second quarter of '20, BRL870 million. And we have two major impacts here. The net credit for PIS and COFINS already mentioned of almost BRL745 million; here, we are not including the profit sharing. We just have the net impact. And also, we have the tariff review impact of transmission with the effect of BRL122 million positive. Even then, as it already has been said, there was an improvement both in the quarter as well as in the year-to-date of 1.2% and almost 6%, respectively.

Other lower impact, we have BRL31 million coming from the mark-to-market of the energy portfolio for Copel Mercado Livre and the reversal of BRL13 million in assets that had already been written off from Copel Telecom last year and BRL70 million of impairment and most of them related to weather because of the review of assumptions in the first quarter, in addition to other provisions related to COVID, the BRL29 million for ADA.

Turning to the next slide, we have here adjusted EBITDA per subsidiary. Once again, I highlight this results that in spite of the crisis, the impact has delivered a growth of 5% vis-a-vis 2Q '19, once again, reflecting the efforts to reduce manageable costs, specifically with personnel. Remember that without the estimated impact for COVID, which we are estimating to be at BRL100 million, we could say that the EBITDA for the Dis, even be better in 30% when compared to the same period of last year.

Here, we also have an impact of the average increase of tariffs in June -- starting at June '19 from 3.41%, partially offset by the drop of 5.9% in the grid market and 5.8% in the captive market. Still on this, it's good to mention that because of the tariff adjustments applied to tariffs since June 24, 2020, Parcel B was adjusted in 3% from BRL2.6 billion to -- BRL2.619 billion to BRL2.698 billion, which represents an increase of BRL79 million in revenues to cover manageable costs and also remuneration of the distributing company's assets.

On Copel G&T, this reduction was of 2.7% in the EBITDA, basically explained by higher costs with energy, specifically by the energy optimization tariff, as Daniel mentioned. And remember that this is directly related to the severe water crisis in Parana in this period and the variation here in the result is of around BRL50 million. Copel G&T is still the largest contribution to adjusted consolidated EBITDA, representing 56% of the total EBITDA of the quarter.

And finally, Telecom is still making adjustments in its business model with the objective to strengthen its competitiveness, and that reduction is part of its strategy to improve our

client portfolio. That is our expectation is that this adjustment will bring future benefits to our profitability.

And at the same time, we are working in efficiency and cost reduction. We already see results that are relevant with reductions already executed in around 20% of outsourced services cost, and that stemmed from a review of credit amounts and also optimization of call center services. And remember that the cash generation for telecom is still positive.

In the next slide, we have the manageable costs or PMSO. I would like to highlight a significant reduction of over BRL25 million in compensations for employees and managers and BRL2 million in benefits, a clear consequence of the dismissal of 482 employees in the last 12 months.

Remember that we already had 1,200 employees that left the Company since January of '18. On the other hand, the costs with personnel has been negatively affected, and I should highlight this on the chart, with an increase of BRL66 million in the profit sharing program.

And specifically, because of the improvement of the results in the quarter, thanks to the over BRL2 billion in the net income in the quarter. So we ended up increasing the profit sharing program, and that's going to be paid next year. So, we have to wait for the yearly results. But this has affected significantly this line, the fee line. And so this is a provision. If we eliminate this impact of the increase of the provision for profit sharing program, the fee line would have been reduced 9.5%, facing an inflation of 2.13% in the period.

So, once again, we want to make that clear. We are looking for opportunities to reduce the cost on fee. Materials and services were stable, but they were negatively affected by maintenance costs in the energy distribution system, which were needed to fulfill ELC and EFC. And in others, we had a net increase of BRL11 million, specifically because of impairment. And the other -- and the final item is a significant reduction of BRL25 million, because of the end of the collection of the control and follow-up for exploration activities and the water resources use tax, which was a great achievement after many technical discussions.

In summary, without the impact of the profit sharing program, manageable costs would have a drop of around 6% vis-a-vis the same period of 2019. So, to improve efficiency and reduce costs, as we already said, is one of our priorities.

And now in the next slide, we see the history of our investments, a gradual reduction of investments because we have been concluding relevant projects. I would like to highlight the reduction of Dis of BRL235 million vis-a-vis the original approved budget, specifically because of initiatives, where we renegotiated contracts and we were able to re-plan some of the fundings. Once again, here, we are not affecting -- we're not changing any of the plans for the construction works that are ongoing. On the contrary, we are accelerating those so that we can anticipate some other projects.

In summary, the CapEx consolidated and adjusted for 2020 was BRL1.852 billion with focus on the Dis, where we have over BRL1 billion -- I'm sorry, just adjusting my -- correcting what I said, the reduction is on the Copel G&T, not Copel Dis. For Copel Dis, we are accelerating as much as we can, and we will be around BRL1.100 billion of our plan.

Now turning to the end, and this is the last slide. This is the progress of our leverage. I think this is a self-explanatory chart. And the challenge here is to improve our capital structure and to reach an ideal leverage base in the projects with good returns following a strict financial discipline and also considering an efficient dividend policy, which is also part of our agenda for the next quarter.

Once again, thank you very much for your participation. And I would like to turn the floor to our Chairman. Marcel?

Marcel Martins Malczewski {BIO 15305977 <GO>}

Thank you, Moura. Thank you, Daniel. Thank you. All the other officers that are here with us in this conference call for the second quarter. And good morning to all of you that are with us in this call.

Everyone that is from Parana state, you know Copel very well. And for me, being from this state and being an electric engineer, it has been an honor to be at the Board of Directors as its Chairman. Copel has a fantastic history in the electric sector, but it needs to maintain itself competitive and prepared to compete in such a private environment in Brazil.

Considering that scenario, we have a permanent agenda of efficiency, cost reduction and digitization. Not forgetting that meritocracy is crucial for the sustainable progress of our business. In addition to that, this Board of Directors and the whole administration will be very strict in terms of capital allocation decisions to avoid past mistakes and to add more value to shareholders. Another relevant topic in our agenda is to leave a legacy of improvement in corporate governance and also a commitment with constant strengthening of environmental and social policies and practices.

And finally, I would like to thank Daniel to allow me participate in this call and to say that our purpose as Board of Directors is to guide, to care for, to inspect, to check and to contribute to the long-term perspective of this Company, which is a reason for all of us to be proud of in the electric segment. So, in behalf of the Board of Directors, thank you very much.

And now I turn the floor to a Q&A session.

Questions And Answers

Operator

(Question And Answer)

Thank you very much. We will now start our Q&A session. (Operator Instructions)

A - Daniel Pimentel Slaviero {BIO 20914773 <GO>}

Marcel, either the presentation was self explanatory to the most or everyone already is following up Copel for a long time, but so far, it looks like no questions came up. Let's wait a few more minutes and see. If there are no questions, we will end the call a little bit earlier, but just stressing that this message and all the guidelines that the Board of Directors is giving the company, all of that is crucial in this agenda of value creation. So, let's wait a few more minutes.

Operator

(Operator Instructions)

A - Daniel Pimentel Slaviero {BIO 20914773 <GO>}

Well, considering there are no questions --

Operator

Our first question is from Carolina Carneiro from Credit Suisse. Please Carolina, the floor is yours.

Q - Carolina Carneiro

Good morning, everyone. Thank you very much for the call. I have two questions about schedule update. First, about the studies that you were holding for the monetization of Copel's stock. What can we expect in terms of date for a possible implementation of that. And second, about Copel Telecom's process, you are already working again to sell this asset. But if you can tell us when we should have now things happening and if things happen as expected when we have an initial valuation, a minimum amount that is known for the asset itself and when do you believe that the auction will be scheduled for?

A - Daniel Pimentel Slaviero {BIO 20914773 <GO>}

Hello, Carol. Thank you very much for your questions.

About the first question, the unitization, our legal and financial assistants are already working on it. We started with an agenda with a schedule so that we can not only design it, but how it is going to work initiatives as I mentioned, the governance improvement, the shares split and so on. So we expect it to work on that in the next 30 to 60 days. We'll need a shareholders' meeting after that, and then we work with the market so that we have enrollment. I think that one of the main objectives of this unit process is to increase the liquidity of our securities. So, it does make sense to have three or four classes of shares. So, we do need to have something significant for this unitization, but as we were saying, I believe this is a great legacy in the liquidity and I believe this will benefit not only the Company, but also other shareholders.

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About Copel Telecom, the amount -- the minimum amount has been already studied by this administration with external experts and it has been approved and it's not public. First, because we just filed the process in the Court of Accounts and they might have a consideration -- or right now, we don't need a formal approval by the Court of Accounts, but since this is the control agency for the company, their analysis is always relevant. And second, because we are going to have a public hearing as I mentioned, next week and we might have suggestions that could improve that purchase and selling agreement. And remember, we already had a public consultation in June. So, we expect to end that by September and to have a final approval by the Board of Directors if there is any significant change and also for B3 also, we believe this will happen the auction will happen by the end of the year. So, for the second half of the year -- the second half of the year at Copel is very promising, it is going to be exciting. So, these are my answers to your two questions.

Q - Carolina Carneiro

Okay. That's nice. Thank you very much.

A - Daniel Pimentel Slaviero {BIO 20914773 <GO>}

Thank you. It looks like we do not have any other comments or questions. So, on behalf of the management, once again, Marcel is here with us. Thank you all very much. Thank you all the officers. Thank you the Chairman of the Board for being with us and also for all of you that can hear us and that are with us in this call. We are very happy about the results of this quarter and we are extremely committed with this agenda of value creation.

So, thank you very much. Have a nice weekend.

Operator

Ladies and gentlemen the conference call for Copel regarding the results of the second quarter of 2020 has ended. Thank you very much, and have a nice day.

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