

## Q2 2018 Earnings Call

### Company Participants

- Carlos Henrique Boquimpani de Freitas, Chief Financial & Investor Relations Officer
- Eduardo Antonio Gori Sattamini, Chief Executive Officer

### Other Participants

- Andre Sampaio, Analyst
- Marcelo Sa, Analyst
- Maria Carolina Carneiro, Analyst

### Presentation

#### Operator

Good morning. This is the Conference Call of ENGIE Brasil Energia, the Results of the Second Quarter of 2018. All participants will be connected in listen-only mode and later on, we are going to open a questions-and-answers session, when you're going to receive instructions for your participation. (Operator Instructions) This conference call is being recorded.

This presentation, along with its slides will be simultaneously transmitted on the internet at the website [www.engieenergia.com.br](http://www.engieenergia.com.br), in the tab investors. There, you may also find a copy of the presentation and the company's earnings release.

Before continuing, I would like to clarify that statements made during this conference call relative to the company's business prospects, should be considered as forecast that depend on the economic scenario of the country, on the performance and regulation of the electric industry and in other variables that therefore are subject to change.

Today with us we have Mr. Eduardo Sattamini, CEO of ENGIE Brasil Energia; Carlos Freitas, CFO and IRO; and Mr. Rafael Bosio, Investor Relations Manager. They're going to talk about the performance of ENGIE Brasil Energia in the second quarter of 2018. Right afterwards, they're going to answer any questions you may ask. As a reminder, journalists who wants to ask questions, may do so by email sent to the company's press services.

Now, I give the floor to Mr. Sattamini. Please Mr. Sattamini, you may start.

**Eduardo Antonio Gori Sattamini** {BIO 16648085 <GO>}

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Good morning, everyone. It's a pleasure to be with you here again, and I'm going to talk about the good results to the good performance we have had in the quarter. We are going to start on page five. We had a quarter full of good news, considering our business volume that had a significant increase in our net operating revenue with a variation of 26.9% quarter-on-quarter or -- and 21.8%, if we compare the first half of 2017 to 2018.

We also had -- EBITDA was 42.4 in the quarter, especially because of our portfolio management and obviously also because of the increase in the volume of contracts and prices. Our net income had an increase of 20% in the quarter and year-to-date in the first half of the year, the increase of 14.5%, thereby showing how the company is performing well. They are obviously smaller than EBITDA because we have had the contribution of the debt in the acquisitions that led our debt to grow significantly from last year to this year. So our net debt -- total net debt in the second half of 2018 went to 6.2 billion, approximately, yes in contrast 1.5 in the second half last year. So the net debt included and financial expenses and that's why our net result is slightly smaller than we captured in EBITDA.

We have an increase in the volume of energy sold that was significant to showing the continuation of our sales policy and the fact that we are the largest traders of energy in Brazil. There was a slight variation of 5.7%, thereby contributing to our results. We have had total increase in the number of employees from the last year to this year of about 100 employees per year. We are talking about construction and our own employees. So construction works as I said [ph] are not yet generating revenue, but this increase in a number of employees that we have at Miranda, with approximately 50 employees, out of the 90 employees of Brasil Energia that comprise our company.

Now, we're going to move to the second slide and that's slide number six, talking about the highlights. So we had the issuance of debentures for Companhia Energetica Jaguará and in Miranda totaling BRL1.8 billion and the longer debt profile comparing what was higher last year with a long debt, and we were very successful and we had almost the -- twice the offers in market demand. Also as a result of the funding structure of Miranda, we had on the controlling company -- controlling the assets of Miranda in debentures with 1.7 superior or oversubscribed at a very competitive cost.

Also, we have had in the -- in the quarter, the start of the operations of the first win [ph] of Campo Largo operations, Campo Largo VII with 29.7 non-convention renewable energy, and this is the first complexes of the generating plants of Campo Largo complex and they will be fully operation -- operational by the end of this year. And so Campo Largo wind farm is close to Umburanas that is going to start operations, as of January next year, and we might be slightly earlier considering what we are discussing with our suppliers. And we have also had the beginning of the full operations of Trairi wind complex, so we are saving in operations and an improvement in the quality operations in our assets too.

Now, continuing on the highlights on slide number seven. So a binding agreement has been signed for the acquisition of 50% shares that are still remaining of ENGIE Solar distributed that we started with our partner in early 2016. We had an investment plan and that we reached earlier this year 2018. We have come to a level that justify -- the exercising our option to buy, now it's 100% ours, and we are going to move towards the

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path of developing distributed solar energy, as part of the transition that we think is happening and we think will become faster [ph] over the next years. So the installation of the Special Independent Committee for transactions with related parties was approved for agreement that are part of the acquisition of the Transportadora Associada de gas, the gas transportation company. And so this is the new with [ph] and with agreement with other parties, also with ENGIE International, and the idea is for us to be part of this group that controls this new asset.

Right now, we can't say much about it because of injunctions. It's now at a standstill. We are waiting for legal decision from the courts to move forward. But this company along with the decision that we made last year is the company that invests in infrastructure that will capture opportunities with good profitability and apply its features and skills of an investor in infrastructure, depending on the opportunities that come up. And this is our strategic directioning [ph] as an investors of infrastructure in areas that are adjacent in the areas that we already operate in, in generation, now we're going to gas. In this manner, we widen the array of opportunities that we can explore in a profitable way.

And lastly, we have approved in our Board meeting, the payout of interim dividend 100% - corresponding to 100% of distributable net income for the first half of 2018 in the amount of BRL1.1 billion and this is going to be ex-interim dividends on August 21st, 2018. So we may also mention that we have had the inclusion of our transmission company in our shareholding structure, and also our wind complex Umburanas that is also our part of our structure. And soon, we're going to change from 50% to 100% ENGIE Geracao Solar distributed, so long as we finalize all our legal procedures and this is going to be very soon because we have met all requirements. So we're going to have 100% of this company as we said before.

In terms of portfolio, basically on slide nine, we are still growing. Now, we have grown 29 something installed megawatts for Campo Largo VII and we are going to grow at a monthly rate, so that we reach 326.7 just with the assets related to Campo Largo under the Campo Largo company. So we keep our strategy of growing in renewable energy and gradually decarbonizing our portfolio.

On slide 10, you can see our relevant position among private power producers. So on slide 11, we talk about our entry in the transmission industry without any significant changes. We are just rounding up numbers considering the last auctions and then unfortunately, we were not successful because of the aggressiveness of some other players.

On slide 12, you can see our diversified portfolio and our position in terms of our customers we have. Our distribution companies, free customers and trading companies, we had 16% in terms of trading companies, considering the increase of our trading activity. So we have short-term trading activities that also permits us to have more flexibility to manage our energy portfolio and that's why our performance has improved significantly. So we have trading, plus a more proactive action in terms of exposures, and this has provided this touch, in terms of improving the management of our portfolio.

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On slide 13, you can see the segment, where our customers are located. So in the free market, is very important for us more and more especially because now it's more open. So we need to pay attention at risks, to be also paying attention to the market growth even more so with significant growth of the market that is expected for the next few years.

On slide 15, so you can see the energy market. So we have had very high prices in the spot market and apparently excess offer and this is driving prices up. And this has been the key tone over the past five years or six years. So this excess of structural offer, but our dependence on rainfall leads prices to have great volatility and somehow we have been able to surf the wave and everything that has happened in the energy market over the past few years.

Now, our sales strategy, on slide 17. On the left hand side you can see our uncontracted energy, so all cancellations. There has been short-term cancellations that serve as the buffer for possible hydrological crisis that might come. So in 2018, we have 612 and still available in terms of average megawatt. And this is a good buffer for the hydrological risk and this allows us to have consistent results for 2019, it's also '20. And we've been managing the short-term vision, as we see actively managing our portfolio. So whenever we understand that there is hydrological risk, we build the reserves as we find that is necessary to reduce the volatility of our portfolio. On the right hand side, you are very familiar with this. You can have the uncontracted energy compared to the availability on a given year. So you can see the energy prices on specific years, considering the features of our markets that has price volatility. This also provides stability in our results and it's the strategy that we're still using.

On number 18, you can see the energy balance of 20 -- June the 30th, 2018 for analysts to model the data you have on the company. If you look at the details, you see that there has been considerable commercial activity in the second quarter. So good amount of energy for the years of 2019 to 2023 about 160, 170 average megawatts. It varies in some years, it's more or less. And for some years, the total sales is close to 230 average megawatt. So we have this tool for you to understand, how we are structured in terms of sales and management of our risk assets.

On slide 20, you have Jirau, nothing new about it. We are still not yet paying great attention to the transfer that we were expecting for 2018. And we have many challenges in 2018, we are having many challenges this year. For some reason, we cannot pay the due attention and our share in Jirau we are at home, and GSF has impacted generation companies as a whole. But we are not in a hurry to accelerate transfer. Transfer will be something providing the least risk possible and we don't think this is likely to take place in 2018, maybe more like 2019. This is the perception of an affiliate and of course it's going to depend on the controlling company.

As to the distributed solar energy or rather ENGIE Geracao Solar Distribuida, there has been a growth in this market. The scale is important. We have made agreements with the federations of industries in the States. We increased the reach of our small and medium-size customers. So we're replicating what we did before in Rio Grande do Sul and Mato

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Grosso, and I think that we will soon announce new agreements with federations of industries.

So we have Gralha Azul, nothing new about this project. It's moving on as expected with environmental licensing and definition of project and everything that needs to be done. And in the first phase two years into the project, when there is not much to say except for the environmental licensing in the construction that we will be able to see more or less in 2020.

So we have Pampa Sul project, it's going fast. And the only remark here is that we are having some schedule issues. So the start of operation will be on the second half of 2019 most likely, and we had already seen that possibility, when we had already negotiated the cancellation of part of the contracts for -- in the regulated markets, so that we were not exposed to the sale of energy in the first half of 2019. So we have already negotiated everything, determining a new date for the beginning of some contracts. It doesn't have a significant impact, but this is what we have to say about Pampa Sul.

On the upside though, we have had a test of our coal transportation and we -- in May we tested the -- we had hydrostatic testing of the boiler and it was successful. And with no leaks, this is really unusual in the boilers that is as big as the boiler that we're building there. So we have good quality and quality is what we are expecting. Obviously -- and difficulties that we're finding and we had to delay a little bit. But we continue seeking to minimize as much as possible the impact.

As to Campo Largo Wind Complex, so it has gone live. So we have Campo Largo VII is now live and operational. So I think next month it's -- and by the end of August and then with all these wind farms will begin to operate in this year of 2018.

Umburanas Wind Complex also is moving forward at a fast pace. And our commitment is to start operations in January, and we are working so that in November, December some plants will already be operational. The main feature of these wind complexes in contrast with Trairi, they have metal towers, which is much faster than concrete towers. For concrete towers, there is local logistics complexity, it's difficult and it takes much longer. So while it takes three days to assemble a metal tower, for concrete -- the concrete tower takes almost two months to be built. So that it's completely different from the previous wind farms that we built in Ceara. There's a reason for it to being concrete and in Ceara, the towers had to be very high and this require them being built, it's concrete. It's different features of the wind complexes that we have in Ceara and in Bahia. And we have a set of projects under development, nothing new here.

I'm going to turn the conference over to Carlos Freitas, who is going to share with you the financial performance of the company.

**Carlos Henrique Boquimpani de Freitas** {BIO 18638688 <GO>}

Thank you. Good morning, everyone. So on page 29, we have a summary of the company's financial performance in the first half of the year. Net sales came to BRL2.1

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billion, a significant growth of 27% as compared to the second quarter last year. EBITDA grew even more to 42% almost BRL1 billion in this quarter. It's a growth, not just compared to Q2 last year, but also along this year, we've seen a significant growth of this quarter. As a reminder, the first quarter this year, it was BRL1.46 billion. Net income has grown slightly less because of what we already explained, but still growing 20% as compared to the second quarter last year.

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Now, we're going to break down and give you more details of where this growth came from. So on page 30, regarding the net operating revenue of the company. This increase has come because of 7% in sales, so plus 7.9% in businesses in this quarter. So this combined effect of higher prices with higher volumes added to a good result. We have also had a contribution of the power plant of Jaguará and Miranda HPPs that provided a good composition. As a reminder, 70% of these two power plants are in the quotas sustaining long-term contracts without RGSF and also regulated in terms of O&M, an improvement. These three sources of regulated revenue add BRL133 million in one quarter.

Moreover, that's the three part of the power plant, which is distributed in terms of sales volume and in a spot market too. We do not usually break down exactly the EBITDA per project and you can do the calculation, it's not too hard to do it and you can see that these two power plants are providing quite a significant positive impact for the company in a spot market, in addition to the impact of Jaguará and Miranda, we have had a significant effect of energy allocation and increase as compared to before.

But also a small in terms of reduction of thermal power generation, but this is very much related to the company's portfolio management. In spite of the difficult or challenging scenario with great volatility in terms of GSF in spot prices, we have had active management and even more active than we used to do in the past and this is proving to be a good strategy with positive impact on the company's bottom line.

Lastly, we have had a non-recurring event with an impact of 70 million. It was something that happened two years ago and now it's been regulated. And also I find that we negotiated because of a construction that of a power plant. These two non-recurring events added BRL70 million in this quarter.

As to EBITDA, it has -- the margin EBITDA growth -- grew significantly this quarter. The EBITDA grew 42% in addition to the three effects that I have already mentioned on EBITDA. We have also had a slight increase and some cost of materials and third parties and services. But the main differential in this quarter is first provision that we had made last year for an agreement -- for the power plant, we had a partial agreement and then we reversed the provisions. This has had an impact. So there was a negative effect because it didn't have this effect this year.

Now, the main significant event this quarter has been the greater volume of purchases for resale. As we are more active in the market, there is more trading, and we have a more active management of the portfolio, we are buying and selling more energy. So this increase in short term, plus the increase in sales volume of 139% have been partially set

off by the increase in cost for purchases for resale totaling BRL138 million. But there was also something significant of about BRL315 [ph] million in EBITDA this quarter.

And net income on the page -- on page 32 (sic) in addition to the EBITDA, we have had a slight effect because of a gas power plant that we are operating. So there was an adjustment in the book value of this asset. There has been an increase in the financial cost of almost BRL180 million. And here we have funded 100% of the purchase of Jaguará and Miranda last year with debt. So clearly, it has a financial impact and it's a good financial impact here translated in higher financial expenses of about BRL180 million and plus income tax because the income has increased. So a net increase of 20% increase in our net income.

On page 33, so we still have our excellent levels of return on equity and return over invested capital and so thereby is an evidence of our financial discipline of reinvesting capital. As I said many times, we don't want to grow just for the sake of growing. We are going to do it, as we think it's worthwhile. So this has been translated in good return on equity and also good return on invested capital, also because we pay out good dividends.

As to debt, just for you to give you an idea on page 34, the debt that has come through [ph] the end of the quarter, the net debt was BRL7.5 billion [ph]. So most of this difference comes for funding for Jaguará and Miranda, and we have also loans for Campo Largo that we have already withdrawn. We have withdrawn BRL500 million at the end of July, and also for Pampa. So this volume of debt of 7,500. So we had a net debt over EBITDA of just 1.5 times because it's used to be like one more or less 6 billion. So we have a conservative management of our debt, and you still see room for us to increase our indebtedness in the long term.

And this evolution of net debt that you can see on page 35 basically showing that along the second quarter, our investments and the payout of dividends that we paid in June, most of them were funded by cash generated for the company, in the company, the company's operational cash. So our operational cash was 1,150 million in the quarter. So and the reduction of net debt along the quarter was also high.

And this debt has an interesting profile, since the company is AAA rating. So we can issue for Jaguará and Miranda that we bid in late July. So we issued a debt of 1,800 million that was used to refund the long-term debt that was in the short term. And if you look at this snapshot of the debt at the end of the first half, the short-term debt was BRL3 billion. So we had 1.8 billion in Jaguará and Miranda, and so we have had bilateral banking transactions, so thereby we have managed to reduce the volume of debt this year to about BRL600 million, half BNDES and BRL300 million for Jaguará and Miranda that will be paid in November.

So basically this is -- has been distributed and today, it is distributed between IPCA and the long-term interest rates. Today's -- the nominal cost of debt is 8.2%. So it's a significant decrease, as compared to last year that was at 9.4 and so this strengthens and reinforces our AAA rating. And the debt as I said is going to increase a little bit along this year and next year too.

So on page 37, you can see that for 2018, we are expecting to have a CapEx of about 3,700 million [ph] more or less distributed between Umburanas, Campo Largo and Pampa, and they are funded by debt. So one part is in the company's cash and the rest is going to go, and next year, our CapEx is BRL1 billion also distributed between Pampa, Umburanas, and transmission. Transmission, the CapEx only starts a little bit next year in -- more in 2020 and we're going to have more debt in 2019 also, most of it with BNDES.

In this manner, we are going to increase the net debt of the company. The net debt over EBITDA, this ratio is going to increase, but we're going to try to work within the ranges that we have already agreed, so 2.5 a little bit less or more, so if there is enough project go into operation, it might change. We don't have a very restrictive policy regarding this, but it is conservative, so that we have a confidence to have room in the balance, if there are any market opportunities for us to grow.

And finally, all of this, keeping a good payout that was confirmed that's 100% of the net income of the first half of the year at the level of 4.7% in the first half of 2018. So as we usually see -- say our policy is sensitive. When it is more favorable, we pay 100%. When the environment is not so favorable, and we want to retain more cash, we review these numbers. So right now in early August, we thought that to -- decided to announce the payout of 100% for the first half of this year is BRL1.76 per share.

And so this was all I had to say about the financial aspects. Now, I would like to open for questions-and-answers.

## Questions And Answers

### Operator

Ladies and gentlemen, we are now going to start the Q&A sessions. (Operator Instructions) Our first question comes from Mr. Andre Sampaio from Santander. Mr. Andre, please.

### Q - Andre Sampaio {BIO 19422379 <GO>}

I would like to ask about CESP [ph] auction. So have you made any decision about the participation? And I also have a question about the debt? Will the company be interested in increasing exposure to the TJLP for long-term interest rates?

### A - Eduardo Antonio Gori Sattamini {BIO 16648085 <GO>}

So CESP is an interesting asset. So we need to look at the data base and the information, but it is enacted that brings a pure risks with it. And so we are assessing it internally and we're going to make a position -- to make a decision on our position in a minute.

As to your second question, we think that the long-term interest rate is interesting. It compared to cost, the cost that we thought [ph] in terms of history of TJLP in terms of its real rates. But in our understanding it is still within our portfolio -- in our portfolio, it has a



much smaller share. So it has risk diversification. So today, in our mind, there is no intention of taking TJLP out from our financial cost.

As to the composition of the debt, we try to work with short-term debt index by the CDI especially because we are investing in CDI saw a debt of one to three years usually in CDI, but the mid and long-term either in IPCA, which is our natural hedging on TJLP trying to avoid too much risk. But in practice it's a long time, it has behaved almost as a free [ph]. And as I said, the rates today is higher then we would like to see, but this is a fact, and today we do not have the intention of changing from TJLP to anything else. But that's new debt of the company, we always think carefully and trying to balance also considering time.

**Q - Andre Sampaio** {BIO 19422379 <GO>}

Thank you very much for the details.

## Operator

Our next question comes from Maria Carolina Carneiro from Credit Suisse. Please, Maria Carolina, you may start.

**Q - Maria Carolina Carneiro** {BIO 16342681 <GO>}

Good morning, everyone. Thank you for the call. I have two questions. First is an update, if you can about the contracting profile. I know you don't give price guidances also because of your strategy, but we have noticed that you have closed the contract for 2018 up to 2023. So it looks like another companies have also have slightly longer contract moving towards more five years rather than just three years that you used to have. So I would like to confirm whether my understanding is accurate, in terms of your trends towards having longer contract.

And the other question is that you have said that the company has approved in this independent committee for related parties to access potential participation in the acquisition of (inaudible). If you could tell us, what would be your strategic interest. So what is the rationale for you to be analyzing this project. So what these -- are the advantages of this asset as compared to other assets even your core or related in generation and transmission. And just if you could give us your idea of your stake there. So would you be on a par with the controller or would it be different?

**A - Eduardo Antonio Gori Sattamini** {BIO 16648085 <GO>}

First, the question of prices that is the easier one. Price -- sometime prices might be higher or lower, and this will not define whether you're going to cancel contracts or not. And you can see, what would be a short, medium and long term prices. So under the pressure of bad hydrology in 2018 and this gradually goes down until in the mid term, it has a price level that is not different from what we have been seeing that would be an 150 per megawatt hour. And people say, well, that our company selling wind power for less than that. And I said okay, but then it's in the Northeast, It's not flat energy.

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So there are many things that make a difference in terms of price, and obviously. So I think that there are variations in energy [ph] capacity to manage the portfolio and -- and then -- generated, it's concentrated on one source or -- and its capacity to absorb the market variations. It's always important to remind our people, who are listening, and then when there is a pressure from our customers to lower our prices, we of course, we resist this movement because we know that there are risks because we provide more convenience for these customers.

Now, a little bit about price and longer terms. As a reminder, we have (inaudible) 1917, it leads to a change in source attributes and a source that is the energy backup and differences in that. This leads to questions in the minds of consumers. And what they will - what is ahead with the regulation changes. So if we need to contract energy in the future, whether it's steel or energy, you need to think about that. So I think that this is what consumers are trying to do and are seeking in order to reduce uncertainty and its important for their productive chain.

So whenever there is a contract, it doesn't matter, whether they're buying gold, plastic or power, they want to guard themselves against any changes in regulation. So my perception is, this is an important component for longer contracts. And long contracts, they are not so long. We're always talking about five years, six years no more than that. And we are seeing contracts that to be delivered in 2020, 2023 not much later than that. And then there are very few customers, who sometimes want longer contracts, but this is not usual.

Now, the rationale for our independent committee for transactions with related parties, I cannot say much about that. This -- I'm on the secrecy agreement. So again I cannot reveal all discussions. And right now, we have stopped because there is an injunction that has been filed and it should not move forward until there is a decision. But the rationale is, as I said before, the company has the possibility of becoming a platform for investment in infrastructure. We see that opportunities come up in the industry of energy for oil and gas too and there are sometimes very competitive condition. We have -- we are generating cash, and if we can invest it in profitable investments, whenever we see the possibility of going into areas with significant profitability, we see that this is related to our historical equity, and this is the rationale.

As to our stake, we will have a share that will assure some power within the shareholding infrastructure, it needs to make sense for us, and we are moving in that direction.

**Q - Maria Carolina Carneiro** {BIO 16342681 <GO>}

Thank you very much.

**Operator**

Our next question comes from Mr. Fernando Zorzi from UBS. Mr. Zorzi, you may ask your question.

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**Q - Marcelo Sa** {BIO 16454581 <GO>}

Hi, this is Marcelo actually. Thank you for the call. I have a question about the discussion of GSF, there was Eletrobras PL that was approved in the lower house, but not approved in the senate, but with -- was to compensate companies for the delays in structuring projects. Today, there are some companies that were totally in a free (inaudible) in light that there is an injunction going on because of GSF and this project really becomes the loss, there will -- there will be a disbursement and they're going to have an extension in the concession. My question is for companies such as yourselves that have energy in the regulated and the free market, do you adhere to the regulated. Do you think, you could too receive the benefit for the share of energy that was on the free market. Do you think you could win anything, if that becomes a law. And do you have an idea of how this impact could be?

**A - Eduardo Antonio Gori Sattamini** {BIO 16648085 <GO>}

Well, this was a broad discussion involving many parties and the idea is for the companies that were on a regulated market and it's a new market solution for the free market and in this manner, it is our understanding and it is written in the law. The law -- the bill that is being voted in the senate, not just because of GSF, but also related to privatization of state distribution companies on an year of elections. But we are involved and we will be entitled to have the expansion that is equivalent to the value in the free market that represented the generation outside the order of merit.

As to amount, I can't say about that. There are many calculations that have been made within the philosophy that obviously, the negotiators needed to understand what was the compensation and what were the values involved, and I don't want to say which -- what it is. So there is a guidance that may be wrong. But on the whole cap of the energies in a regulated market and have free, and then you can take this ratio 50-50, in terms of the total capacity for hydropower together with GSF, and then you can do the math per average megawatts. And then you may come to the formula, but I don't want to say it.

**Q - Marcelo Sa** {BIO 16454581 <GO>}

Well, thank you. I just wanted to understand the concept, whether you thought you were entitled or not because the market always considers (inaudible), but I did not see how much the other companies could win?

**A - Eduardo Antonio Gori Sattamini** {BIO 16648085 <GO>}

Thank you for the question.

**Operator**

(Operator Instructions) We are now closing our Q&A session. I would like to turn the conference over to Mr. Eduardo Sattamini for the final remarks. Please, Mr. Sattamini, you may continue.

**A - Eduardo Antonio Gori Sattamini** {BIO 16648085 <GO>}

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I would like to thank everyone for your participation. This is another quarter that we have been working very hard in every area and we have had success in all fronts, financials and with the leverage of the company for the development, in terms of executing and opportunities and the capacity to fund the growth in the operation -- within operation that is increasingly more efficient. And so, there are not -- no cuts in costs, in terms of portfolio management and the change of mindset also in dealing with a market that is completely different with a growing powerization [ph]. So I would say that you are to be praised and the company as a whole needs to thank the support of the market.

Also with this interpretation, and the performance has been very good and then we are improving more and more. And so, I would like to thank you, and I would like to thank you for the work that you have been doing a long time. I think that our work also includes having good communication with everyone. So if you have any questions, please get in touch with us, we are available. We wanted to have meetings to explain something that is not so difficult to understand, but our doors are open to improve communication. Please ask any questions, you may have.

## Operator

The conference call of ENGIE Brasil Energia has now ended. We thank you very much for your participation, and we wish you a good day. Thank you for using Voitel.

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