

Q3 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
- Wendell de Oliveira, Chief Executive Officer of Copel Telecomunicacoes

Other Participants

- Gabriel Francisco
- Marcelo Sa
- Maria Carolina Carneiro

Presentation

Operator

Good morning and thank you for waiting. Welcome to Companhia Paranaense de Energia Electrica - COPEL Earnings Call to discuss the results of the Third Quarter of 2020. All participants are in listen-only mode during the company's presentation. 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 outlooks, projections, operating and financial projections and goals are based on beliefs and assumptions of the company's management as well as on information currently available.

Forward-looking statements are no guarantee of performance. They involve risks, uncertainties and assumptions because they relate to the 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; and Mr.Adriano Rudek de Moura, CFO and IR Officer. COPEL's presentation is available at the company's website at ri.copel.com.

We now turn the floor over to Mr.Daniel Slaviero, CEO of the company.

Daniel Pimentel Slaviero {BIO 20914773 <GO>}

Good morning, everyone. I would like to thank you very much for your participation in this conference call. I hope that all of you are doing well and healthy. Considering that most of you or probably all of you have read in the release that we published yesterday, me and Moura would like to bring to you a shorter presentation so that we have more time for questions and answers about the results and future perspectives of COPEL.

It is with great satisfaction that I start this call, mentioning the most relevant fact of the recent history of the company, which is the sale of Copel Telecom. This is a process that we were building since the beginning of our management. And this week's result was an important landmark, BRL1 billion of goodwill over the minimum price, around 15 times the adjusted EBITDA. These are figures very significant and that amount, as we understand it, is thanks to a well-structured process both internally as well as externally.

I especially thank Wendell de Oliveira, Telecom's CEO; Eloir Joakinson, CFO of Telecom and also Cassio Santana, New Business Officer, and the three of them have been at the head of this process, and on behalf of them, all the employees that worked on the project. Also I would like to praise the work of Rothschild Bank and Cescon Barrieu offices for their important support throughout this period of time. It's important to say that this movement is in line with our strategic planning, which is to focus in our energy for business. And the main question is, what do we intend to do with these proceeds? First, we wanted to increase our investments in COPEL distribution. Second, we aim to look for opportunities in generation and transmission. And we should focus on brownfield projects, but also we are going to look at opportunities in auctions for the next months and years, always being very strict in terms of capital allocation. And third, to implement a dividend policy that is more adjusted to the new reality of the company.

We ended another quarter with sound results and very consistent one. Moura is going to go into the details. The improvement of our EBITDA performance, our net income and also the robust cash generation for COPEL, both in the quarter as well as in the year-to-date. But I would like to highlight other topics that I consider to be very relevant over third quarter and special the approval that just happened yesterday by our Board of Directors of a model for the UNITs program. You may have read it in the material fact that was published yesterday, and it brings the general guidelines for the program. We will have five shares issued by the company, one common share and four preferred shares, Class-B and a stock split that will be still defined, aiming to maximize the liquidity of its securities and what I consider even more relevant the improvement of corporate governance with the migration to the Level 2 of B3 governance. It's crucial to say that all of this model and the implementation of it depend on the approval of the shareholders' meeting that is still should be happening. But other additional operating topics should be highlighted, and you can see it on the screen. But I would like to say a few things here to stress a few of them. We are concluding today another voluntary redundancy program. In the first stage, we had 218 and we estimate that it will be around 300 people and we will have annual savings of BRL63 million. If these figures are confirmed, by the end of the process, we will be having 6,700 employees, much less than the 800 employees -- more than -- if we compared to September of last year.

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Also, we have by COPEL GeT a dispatch of the UEGA. And this is allowing it to recover all its fixed costs for this year and partially already the fixed costs for 2021. There is also significant improvement on the operating performance of COPEL Generation and Transmission. This is going to be mentioned by Moura in the process, but it already shows a very efficient work and competent work also of our teams. And now we are focusing on the regulation of the GSF. By the preliminary calculations of CCEE, COPEL's compensation will be around BRL800 million, but it's still can be reviewed specifically because capital cost has to be analyzed in ANEEL's regulation that should be concluded in the beginning of December.

In COPEL distribution, in those quarter, we felt the impacts of COVID here in Parana with a drop in the grid market of 2.8%. Nevertheless, the discipline and cost control have brought positive results, also a regulatory efficiency of 8.7% if we consider the last 12 months. I always repeat myself, three years ago, our inefficiency in COPEL distribution was close to 50%. And so this process, this reversal and the path that we are moving through with this increase in base for next year improvement specifically in cost control allow us to have this adjusted EBITDA of over BRL1.2 billion in the past months.

And finally, I would like to highlight the significant growth in the commercialized or sold energy and great financial results in COPEL Mercado Livre. Finally, I would like to say that both in terms of operating performance as well as in terms of the major strategic objectives; we are executing what has been defined in our plans. I consider that this shows an alignment between what we said we were going to do and what we are doing and that values even more our COPEL.

Now, I turn the floor to Moura, so that he can talk about the results in the quarter.

Adriano Rudek de Moura {BIO 3590957 <GO>}

Thank you very much, Daniel. Good morning, everyone. I also would like to thank you all for the participation in our call, and I hope you all are doing well.

Before we talk about the results of the third quarter, obviously, I would like to say that I'm very happy about the auctions result in the last day -- on the -- last night, where we have reached another relevant target in our strategic agenda. With a lot of responsibility and discipline on the capital allocation, we will more than ever analyze all improvement opportunities of our capital structure, aiming the continuation of sustainable projects as well as dividend policy that can provide a long-term view towards shareholders with clear and more objective rules always based on the best practices in the market.

This now is probably the most important subject in our strategic agenda in addition to what has already mentioned by Daniel and approved by the Board of Directors. Yesterday, the implementation of the UNITS program was important improvement in governance. So this is a great positive agenda that will be fruitful to our shareholders.

Turning to the next slide. I think it's self-explanatory, but I highlight that the results here continue to be sound and consistent and they do reflect a full alignment of all the

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businesses under the COPEL Group with a clear strategy of efficiency improvement in all areas. This continuous search for profitability and efficiency improvement in each one of our businesses continue being part of our agenda and only increases our responsibility because we know that great results in the past are not guarantee of great results in the future.

So in summary, BRL1.2 billion of EBITDA in the quarter, BRL608 million of net income, growth of 28% and 11% respectively. These figures do include the results of our Telecom operation and according to accounting criteria, specifically CPC 31, there was a reclassification for discontinued operations in the published results, as we will further explain.

I highlight that the main driver of this quarter's result was the relevant improvement of the adjusted EBITDA of GeT, basically because of the higher volume of energy sold, facing the strategic seasonalization of COPEL GeT that also aligned to a lower exposure of prices and the spot price in addition to the positive impact in the review and readjustment of the transmission company contracts. Also in this, we had a tariff adjustment and an increase in the revenue of portion B, in addition to the recovery of the grid market growth in September. Although the year-to-date is still negative, it has a positive trend from now on.

And the year-to-date up to September, as shown, the adjusted EBITDA was 16% higher. That's a very relevant increase, considering the crisis we went through this year and we ended the period with over BRL3.5 billion of EBITDA and a record net income in the nine first months was BRL2.8 billion.

Before we turn to the adjusted results, I also would like to go to some highlights in the quarter, in the next slide. The main message here is that COPEL still has a sound financial position right now, even with the relevant adverse events, as we said. COVID and I think this quarter didn't have much impact from COVID. And even with all these adverse effects, the operating cash generation in the quarter was 70% higher, reaching BRL1.6 billion in the year. It's already BRL4 billion in the year-to-date, a record figure also. Therefore, we maintained a comfortable cash position, reaching those BRL4 billion even paying all the debts that were due this year, and this was COPEL's strategy to have no funding, it is specifically because of the high cost, and fortunately, we did not need to have new funding and repaid basically all maturities except the BNDES assets loan of BRL432 million for Lot E transmission and out of those almost BRL207 million have already being released and the remaining of that will now depend on the works and those works should be concluded in the first quarter of 2021.

The material fact to that has reinforced this cash position was the COVID account incoming of BRL870 million in June and that will start to be charged by 2021. I also highlight the leverage of 1.3, a significant reduction vis-a-vis what we had in 2019, 2.2. And remember that this was one of the main reasons for our rating upgrade, which now is AA plus with a positive perspective. By the way, we should say that very few companies in Brazil during the pandemic had the rating raised, and even more than that with a positive perspective.

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Now looking ahead, we have low debt maturities, around BRL2 billion in the next 12 months specifically after the second quarter of 2021. Another indicator, which is a consequence of that strong cash position is our sound liquidity, our current liquidity is at 1.4 times. And finally, I highlight the investments of BRL430 million in the third quarter, while in the year-to-date of September, CapEx was BRL1.2 billion and the CapEx for the year of 2020 is BRL1.8 billion. And as Daniel said, we are not touching our investment plan. On the contrary, we were very careful so that the plan was fully carried out, and we have been able to fulfill it.

As we said, we also had accounting changes in the quarter with the restatement of Telecom business as discontinued operation. Considering the perspective of the sale of this asset, at CPC 31 and also reinforced by the auction of the last day, 9 of November. This change has an objective to show how the comparable basis work and this also has resulted on the restatement of our financial statements of 2019.

Turning to -- just for comparison basis, in the next slide we have non-recurring items. As you can see, just considering here continued operations, EBITDA was of BRL1.135 billion, including discontinued operations result, that is EBITDA Copel Telecom, we reached an EBITDA of the recurring base of BRL1.2 billion in line to the results of 3Q '19. I highlight the main non-recurring items for the prior year, which have been positive reverse of over BRL180 million of impairment of wind generation assets and the posting of over BRL100 million in tax credits, PIS and COFINS and Compagas as well as write-offs at Telecom, which have been excluded.

While the result of this year was negatively impacted by non-recurring events of provisions for litigations of BRL94 million and the reversal of the fair value and purchase and sale of energy of the commercialization company and BRL103 million. And then we have the adjusted result of BRL1.2 billion with a growth of 28%. And year-to-date, the first nine months adjusted EBITDA, you can see here it's self-explanatory, BRL3.5 billion. These are the same non-recurring items I have already mentioned.

Turning to the next page, we here have the adjusted EBITDA per subsidiary. As I mentioned, I highlight the result of GeT, growing 42% vis-a-vis, last year we already explained why this is analyzation strategy, lower costs stemming from energy in the spot price and also the tariff review of the contract to O60. Under this, despite of the drop of 2.8% in the grid market, which was negative in the market and September is positive, the EBITDA growth was 4% vis-a-vis the same period of last year, impacted by the large increase of 1.6% revenue with energy supply, a consequence of the growth of 5.7% in the residential segment and the reduction in 9.8% of expenses with energy, electric energy but for resale by the volume reduction and also prices of energy and spot price. These great results show that we are on the right track in cost control and that the work that we are doing is right. We are focusing on financial discipline, and the fact is right.

It's important to say that we are maintaining the efficiency levels of 8.7% above the regulatory EBITDA. The Telecom also -- the adjusted EBITDA BRL48 million in 2020 in line with 3Q '19. And COPEL Mercado Livre is starting now to bring positive results, an EBITDA of BRL3.7 million, vis-a-vis negative EBITDA of BRL600 million in 2019. And that can be explained by the relevant increase of 64% in the energy supply revenue because of

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higher energy volume for free clients and bilateral contracts, partially offset by the growth of energy purchased for resale. Here we should say that this quarter, the company had a gain of over BRL100 million with the mark-to-market of its energy contracts in the period, and that amount is considered non-recurring, as we already mentioned.

On the next page, we have the performance of manageable costs. PMSO in the third quarter of this year when compared to the third quarter of '19 on P line, you can see that we had a reduction of BRL11 million in employees payments and BRL3 million in benefits. And that is a consequence of the reduction of 507 employees in the last 12 months, also Daniel mentioned it. Obviously, here we do not have the impact of this PDI impact. On the other hand, costs have been negatively affected by the increase of BRL37 million in the provision for profit-sharing program and our performance incentive program because of the improvement of the recurring results and excluding these effects, the line P would have had a 4% increase facing inflation.

In material lines, we had a reduction of BRL5 million in expenses with materials. On the other hand, we had an increase of BRL24 million in third-party services. Basically here in the distributing company and that reflected higher expenses with the electrical system maintenance. And remember that the cyclone that caused damages in the state started in the beginning of July. On the other provision lines, the main impact is BRL156 million. Out of those, BRL143 million referred to litigation, especially tax litigation, BRL46 million tax and civil, 67 almost and a reversal of BRL124 million, vis-a-vis 3Q '19. In that period, we had the impairment reversal of assets for wind generation in the amount of BRL183 million in that quarter. Therefore, there is a total variation of BRL280 million. This way, we have a total in our PMSO of BRL802 million. But excluding non-recurring items in the provision lines, the manageable cost totaled BRL708 million in 3Q '20, a growth of only 7% vis-a-vis the adjusted cost of BRL661 million in the 3Q '19. So if we exclude the increase of BRL37 million in the profit-sharing program, PMSO have increased just 1.5% vis-a-vis the same period in the last year considering the inflation of over 3%.

Turning to the next slide. We can here see the history of our investments. It is clear that GeT and major investments are related to the conclusion of some works in the Lot E transmission. And we have already invested BRL341 million in the nine first months of the year, and we still have disbursements of almost BRL300 million by the end of the year. In the Telecom, we just have the needed investments to activate customers totaling 21 million, 53 in the year-to-date and this is our focus now.

We are having now a large concentration of our investments, in the third quarter, we invested BRL320 million, a growth of over 40% vis-a-vis 3Q '19. And year-to-date, we already reached BRL827 million, maybe one of the largest investments of the past few years or maybe the all-time high for our distributing company. And we only have BRL248 million to go and we should reach BRL1.1 billion, and that is our commitment.

Finally, in the last slide, but it's also self-explanatory, we already mentioned that this is the performance of our leverage. We reached 1.3 in the year-to-date or in the last 12 months, progress, the consistent progress when we compare it to last year when we had a leverage of 2.2.

That's what I had to bring to you. Thank you very much for being with us. And now I turn the floor to the Q&A session.

Questions And Answers

Operator

(Question And Answer)

We will now start the Q&A session. (Operator Instructions) Our first question is from Carolina Carneiro, Credit Suisse. Please, the floor is yours.

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

Good morning. Thank you very much for the call. My question is about the new dividends policy. You mentioned in the beginning of the call that you could announce it soon, and you already mentioned in a few meetings that you would be considering that. Can you give us more color on it? When can we expect that what you were thinking about it? And if you allow me a second question, with this migration process, the unitization process, actually going to the Level 2 of Bovespa. Are you also considering to review your bylaws, any type of changes there? Thank you very much.

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

Hello, Carol. Good morning. Thank you very much for your question. Yes, that's exactly -- these are our next steps, what you said in your second question. Yesterday, the model was approved, as we said, and now we are working in concluding the review works and the modernization of our bylaws as well. And here we will include governance improvements the committees, the statutory communities, sustainable development, ESG. So that reorganization and improvement considering the best practices, the best cases in the market, and that's what we are going to be doing in the next few weeks or months.

And that is the dividends policy will be included in this package, we are already discussing this, I think the figures and the low leverage at 1.3 brings us to that. But we want to offer that and when it has approved it, everything is going to be under the same package to be submitted to the board of directors. So, I would say that this is going to happen in 60 days probably at the most -- or a 60 to 80 days, I would say, very soon this package will be available with all the information. But we are working on it so that it makes the company's expectations, as well as obviously of all shareholders and stakeholders.

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

Perfect. Thank you very much.

Operator

Next question from Mr.Marcelo Sa, Itau.

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Q - Marcelo Sa {BIO 16454581 <GO>}

Good morning, everyone. Congratulations on the results. Well picking up on Carol's question on dividends policy. I think, your leverage is very low and you were successful with the sale of Copel Telecom. Can you comment, what is going to be the use of proceeds, if this is going to be used to pay more dividends? If you are going to use that to grow, we talked to before and it probably -- there is a possibility that the focus and growth can be M&A. Can you comment on that? And also about the concession, because of the GSF agreement, I know, that you probably will try to concentrate this extension in something specific and this is going to be a decision of the companies, and it's not something that you have to divide by all the plans as ANEEL had proposed. Do you have a room to work on that? Can you -- did you have any -- did you move forward in that discussion?

A - Adriano Rudek de Moura {BIO 3590957 <GO>}

Thank you, Marcelo. Great questions, and I'm going to separate. The first part and I will start backwards about the GSF and the concession extension, and then we talked about the telecom the investments, and then Wendell I would like you to give him an overview for the next steps? Because these funds will take some time to come to us. We expect it to happen by May or June of next year.

So, Marcelo. The second question and I'm starting by the second question. This is what we have, this BRL834 million that we have in the previous calculations of CCE, we believe that we have the cost of capital included there. This is something that Copel was working on and other companies in the sector (inaudible) was ahead of that, and there is an expectation on our side, because this is the understanding on the law that this cost of capital needs to be contemplated and that would also improve the figures.

Second. You also said it, it is part of our strategy and of our understanding that the regulatory asset is of the concession here not of the plans, better you could allocate them on the plans, but our strategy, if there's understanding is the one that rules and because there is this history in the past awful in the past, and the reserve auction -- at the energy reserve auction. We have provisions for two different purposes and it allocated only in one plant.

So this is not rectified yet, we are talking to other board members, and to assistants and we believe this is going to be the final decision, but we are not sure, that this is going to come out in the final regulation. We are working with this possibility, we will advocate for this because then we can have this available for the plans maybe in the future. And so that, we can execute our GVM plan in which we already have the company in March, we already hired financial and legal assistance to help us in that operation. So this should be happening in the second half of next year. That's how we are working.

Now about the first question, before turning the floor to Wendell, I would like to say that, the funds, when they come in by the end of the first half of next year. They will already be reinforcing our cash structure, and they we'll be following that sequence that I mentioned in the beginning of the call. Our priority is to invest on Copel distribution to improve the network. And that's, how we work to improve the regulatory basis of this year, and we

understand that these investment because Copel has a history of its 100% investments being considered prudent ANEEL, and this is very positive for the company, and that reduces costs improves service to consumers and increases our base.

And anyway, we are already looking at opportunities in brownfield. Some of the projects, that were in available in the beginning of the year, that have been removed because of COVID-19, when we have information coming from our financial assistance that they tend to come back to the market either by the end of the year or the beginning of next year, and we look at that, and we'll prospect that actively, but always with full responsibility in terms of our capital allocation, because we see a lot of competitive opportunities. We have seen discounts and transmission lines all the market knows about it and these are very aggressive. And, so we do not intend to do anything that is not going to generate value for the company.

And Wendell if can now give us an overview of the next steps from now up to the closing and transition process?

A - Wendell de Oliveira

Yes. Good morning, Marcelo. Good morning, everyone. So on the 9th of November, we were successful in the auction. And right now, we are analyzing documents, so that we can have the approval of the bidder of this auction. There is a period of time that should be respected. And this is the normal statutory process, and we expect it to have the contract signed by the midst of January, and this is an important moment. That's when we call -- that's the period that we call signing, and after that, we can submitted the process to ANATEL and our antitrust agency, so that it can evaluate the whole transaction and give us the approval for the final signing of the contract to transfer shares and payment.

We -- if that happens in January, there is a period of time before these two agencies that take more or less three months. So we believe that by June, July at the most, of the whole process will be concluded, and then the shares will be transferred to the new buyer, and the Copel will receive the money and then we can still offer a service of operation and maintenance this new service this or this of -- the system to the new buyer. That's it.

Q - Marcelo Sa {BIO 16454581 <GO>}

That's great. If you allow me a final question. I think it's relevant to be discussed. Last week ANEEL published a proposal discussing the new methodology for operating costs. Actually, I would like to understand your impressions about this document. what drew my attention was the average efficiency rate, ANEEL was checking the data reported by the companies and as their calculations, and now, they are determining an arrival number as the efficiency maximum was 20, so your average efficiency has to be 83, so that you can get to that amount. And it seems to me a little bit dangerous because before it was based on data and now, there's a discretionary definition by ANEEL and there are other discussions on new measurements, how to use -- how your measure loss quality and even a liberal lawsuits in the model?

I would like to hear from you because probably, this was a positive change for you Copel and CEMIG gained more efficiency when you compare them to 2018. Copel gained 15 percentage points, and according to announced ranking is at 89.3 and the average efficiency is that 83. So can you comment on that? I would appreciate.

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

Hello, Marcelo. Yes, really. This resolution was published. We have seen some reports and also reactions coming from the market and the companies themselves.

We have a critical understanding but we have not analyzed it deeply to come to a consolidated and public position. What we see is that we have to award those that are doing their homework, based on real data. This is the principle of regulations from ANEEL and that cannot be lost by -- lost in estimates but we do not have a position yet.

Our teams are still under Max supervision, working to have a detailed analysis on that data. Max, I don't know, if you want to comment on it.

The analysis is still in the very beginning. We need to go deeper on that. Yes, that's what we need to do and also highlighted possible improvement points, so that we did not hinder, and also, just consider a company such as ours, knowing their homework, and we are doing our homework and all investments in next week, we will have -- will hold a huge event here in the state. The minister will be here and other ANEEL's authorities and we'll be here as well, which is the smart grid, and also we will have micro networks.

These are consistent investment in technology that improve service and reduced cost. This is only in this smart grid program, we will have BRL720 million in the first stage with equipment that is the top -- state-of-the-art internally interconnected. This is a pioneer project, not only a pioneer project but it is the largest in the sector. So, these initiatives always aimed to improve efficiency and operating costs.

Q - Marcelo Sa {BIO 16454581 <GO>}

That's great. Thank you very much for your answers.

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

Thank you.

Operator

Next question from Mr.Gabriel Francisco, XP Investments.

Q - Gabriel Francisco {BIO 20569389 <GO>}

Good morning, everyone. Congratulations on the excellent results. You are doing a great job. I have a question about Compagas. We have seen after the auction, the Governor mentioned other possibilities and he did mentioned Compagas. I know, some things go through Copel. And also there are other items that are under the legislative area.

So if you can give us an update on that. If you see any progress that turns this operation feasible and also we would like to understand it's happening at the same time the divestment of Petrobras? That's my question.

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

Hello, Gabriel. Thank you. Excellent question. I think the Governor was very clear and precise on B3 because he talked about his state understanding, and he listed some projects that he understands as important for the state, which are highway auctions over 4,000 kilometres with the Ministry of Infrastructure, airports and so on. This is an agenda he announced.

Regarding ourselves, and he also talked about Compagas and he started challenging goals, so that we can move forward with the process. In the current stage really we are renewing the concession. So, the executive power already submitted a bill of law to solve the legal problem of this concession if it would end in 2024, 2029 -- or 2019, the government understood it was '19, and we went to court and we got the concession up to 2024.

The second then is the renewal of this concession. So, the government is concluding studies for that processing we understand that over the first half of the year -- and this was his main topic here is that the conditions will be there to renew the concession. So it is based on that we intend to work to be able to conclude the process and to sell that asset over the second half of 2021. We don't know the month yet, but it's going to be over the second half of 2021.

And then it goes with your other question how Gaspetro is going to be? So it's good that it works more or less like that, because that's natural processes should end in the first quarter of 2021. And then there will be a 30 day period for Copel to be able to have that preferred right, and I can tell everyone that is hearing us that we do not know which will be the terms, but we intended to see that option of the 24.5% that will see, that will have there, if that doesn't happen that we know that -- we have information that they also have someone to sell the process. And I think that, if we have a higher percentage there in the company and -- shares of our company there it probably will appreciate in the second half of the year. So, we'll be watching it and working on it so that everything is concluded by the end of next year.

Q - Gabriel Francisco {BIO 20569389 <GO>}

Very clear. Great information. Thank you.

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

We, thank you very much.

Operator

(Operator Instructions) If there are no further questions from participants, we now turn the floor back to the management for their final remarks.

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

Once again. I would like to thank you very much for your participation. And if there are no further questions, I believe the main topics, and then the main subjects have already been tackled and I once again, I would like to say, that we have had great process with Telecoms, we had that goodwill with legal security. And as the Governor said on Monday, this was the first privatization in the state of Parana after 20 years. So this is symbolic it is very representative.

But what matters is that in this case for us is that we are executing our strategic plan, which is to focus in energy generation transmission, selling and distribution of energy, and we will continue working on our strategy, which we consider a coherence between what we say and what we do. And this is what all of us are doing. My colleagues here are fully committed to the continuous process of value generation for the company. We are very happy. Thank you very much it.

We did have a great reaction in the market and above it all we are very happy or very excited about this new, strategy about the path we are moving through, and the opportunities of new businesses expansion in the renewable. And wind sectors solar, also gas market opening to the free market, and also we know we will have challenges for next year, but we have a full agenda, but we are very happy about Copel's perspectives for the next years. Thank you all very much, and have a nice weekend.

Operator

Ladies and gentlemen, the Copel's conference call for the results of the third quarter of 2020 has ended. Thank you.

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