

# Earnings Results Presentation

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2<sup>nd</sup> Quarter, 2021

July 21<sup>st</sup>, 2021

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Committed to:



ICO2 B3 ISE B3 IEE B3 IBRX100 B3



FTSE4Good

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# HIGHLIGHTS

## 2<sup>nd</sup> QUARTER / 2021

# NEOENERGIA HIGHLIGHTS



**Distributed Energy grows 12.2% in 2Q21, confirming market recovery!**



**EBITDA advances 108% in 2Q21.  
Better market, higher tariffs and  
progress of projects.**



**Net Income<sup>1</sup> reaches R\$1 BN in 2Q21,  
refleting better operational result.**



**Proven execution capacity with CAPEX  
of R\$1.7 BN in 2Q21 due to the  
progress of projects.**



**Leverage of 3.03x already considering  
Neoenergia Brasília acquisition.**



**ESG: Instituto Neoenergia participates with  
BNDES in the “Resgatando a História”  
project, supporting the preservation of  
Brazilian historical patrimony.**

NOTE (1): Excludes the profit assigned to minority shareholders

# NETWORKS (TRANSMISSION)

Projets Under Implementation: Progress of the projects confirming expected rates of return.



**April' 2017 Auction: RAP R\$104 MN**

**Expectation of total delivery of the lots in 2021!  
Overcoming the Business Plan.**

- 3 lots delivered overcoming the Business Plan;
- 1 lot about to be delivered. **98%** concluded.

**Operational excellence verified in the delivered lots.**

**Dec' 2018 Auction: RAP R\$501 MN**

- 2 lots with works started;
- Final IL's about to be obtained.

**Progress of the projects confirming the Business Plan!**

**Dec' 2017 Auction: RAP R\$183 MN**

- 2 lots with **>90%** concluded.

**Dec' 2019 Auction: RAP R\$18 MN**

- Works already started;

**Dec' 2020 Auction: RAP R\$160 MN**

- Main equipments already contracted.



PHOTO: Jalapão LT (Lot 4 - Dec'17)



# RENEWABLES (Wind Farms and Solar Park)

Energy sold at ACL, ensuring expected return rates.

## Chafariz Complex | Paraíba 15 farms | 471.2 MW

- 25 generating units in the testing phase (86.25 MW of installed capacity).

**Start of Commercial  
Operation in the following  
weeks.**

## Oitis Complex | Piauí and Bahia 12 farms | 566.5 MW

- Works with 3 months anticipation;
- 27/103 of foundations already concreted.

**Start of Operations  
1<sup>st</sup> Semester 2022.**

## Luzia Solar Plant | Paraíba 2 parks | 100 MW

- Works started in May/21;
- 100% of the energy sold until 2026;

**Start of Operations  
2<sup>nd</sup> Semester 2022.**



PHOTO: Chafariz Complex - Operation in test



PHOTO: Chafariz Complex - Operation in test



PHOTO: Oitis Complex

# NEOENERGIA DISTRIBUIÇÃO BRASÍLIA

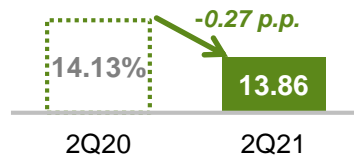
## START OF NEOENERGY MANAGEMENT | 120 DAYS

### LOSSES

- 11K CLANDESTINE REGULARIZATIONS
- 15K INSPECTIONS
- 40K update of PUBLIC ILUMINATION

78 GWh | R\$45 MN of Revenue  
3X more than all energy recovered in 2020.

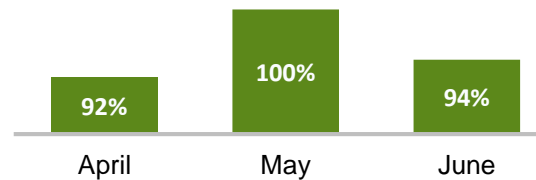
#### Total losses 12 months



### DELINQUENCY

- **CUTS:** 29K | R\$73MN | Recovery after april;
- **NEGOTIATIONS:** 22.3K | R\$53MN;
- **COLLECTION ACTIONS**  
657K Collection actions | R\$72MN  
Collection campaigns | R\$13MN;

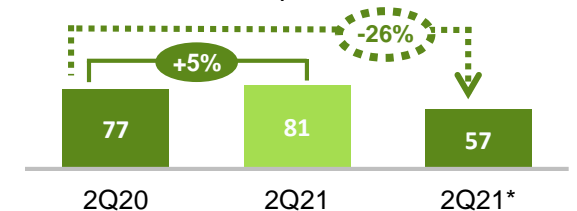
#### Monthly IAR 2Q21



### OPEX

- Headcount readjustment (-25%);
- Restructuring / Integration of processes;
- Voluntary Dismissal Program.

#### OPEX R\$ Million



\*Does not consider non-recurring effect of R\$24 million of VDP

### DEC & FEC

- **DEC:** 18% reduction compared to the same period of last year (Mar-Jun);
- 400K interruptions avoided;
- Regulatory framework in 1H22.

### CAPEX

- **Purchases:** savings of 23% to 50% (connectors, meters, reclosers, etc.);
- +2.8X the same period of 2020;
- Asset preparation for RTP | R\$210MN unitized.

### FINANCIAL AND FISCAL OPTIMIZATION

- Profit estimated already in 2021, allowing the use of tax losses;
- Liability management executed.

80% OF INTEGRATION PLAN ACTIVITIES CONCLUDED.

# RESULTS ANALYSIS

## 2<sup>nd</sup> QUARTER / 2021

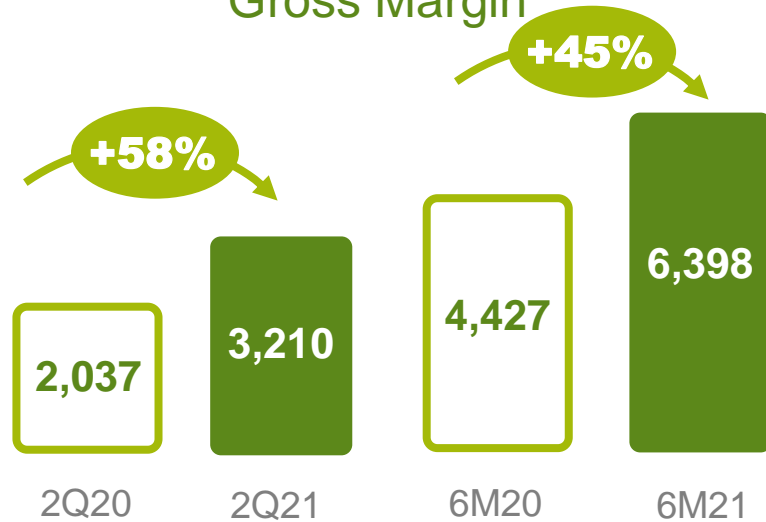


# Results 2Q20 x 2Q21 | 6M20 x 6M21

## CONSOLIDATED

R\$ MN

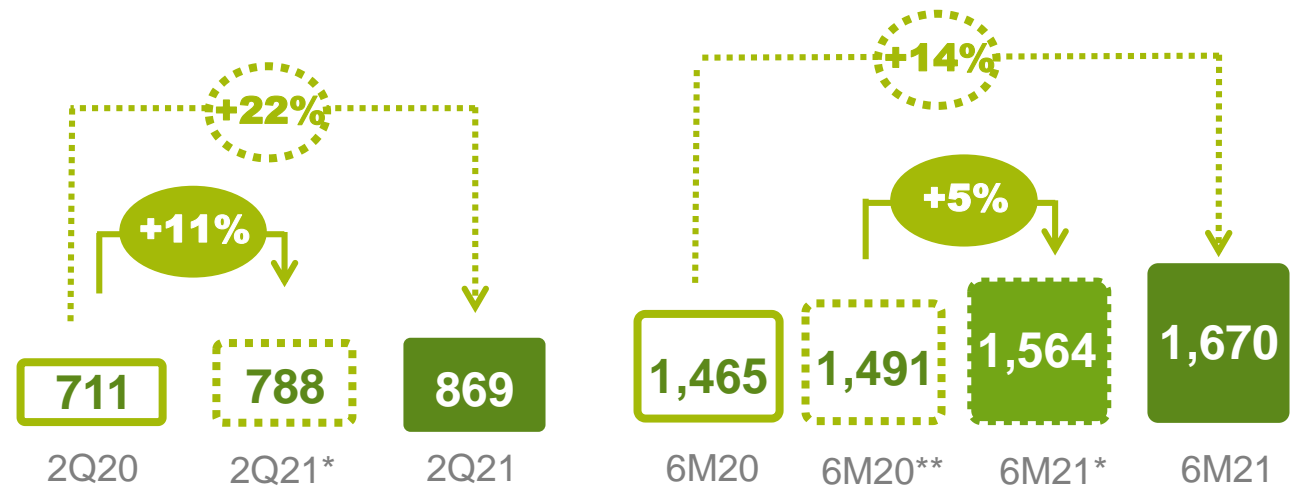
### Gross Margin



- Market Recovery;
- Positive impact of tariff adjustments and revisions (no deferral of parcel B);
- Neoenergia Brasília: R\$109 MN in 2Q21 and R\$147 MN in 6M21;
- Better result of wind farms, due to higher winds;
- Higher generation in Termopernambuco;
- VNR: +R\$395 MN vs. 2Q20 and +R\$647 MN vs. 6M20;
- IFRS15: +R\$140 MN vs. 2Q20 and +R\$439 MN vs. 6M20.

R\$ MN

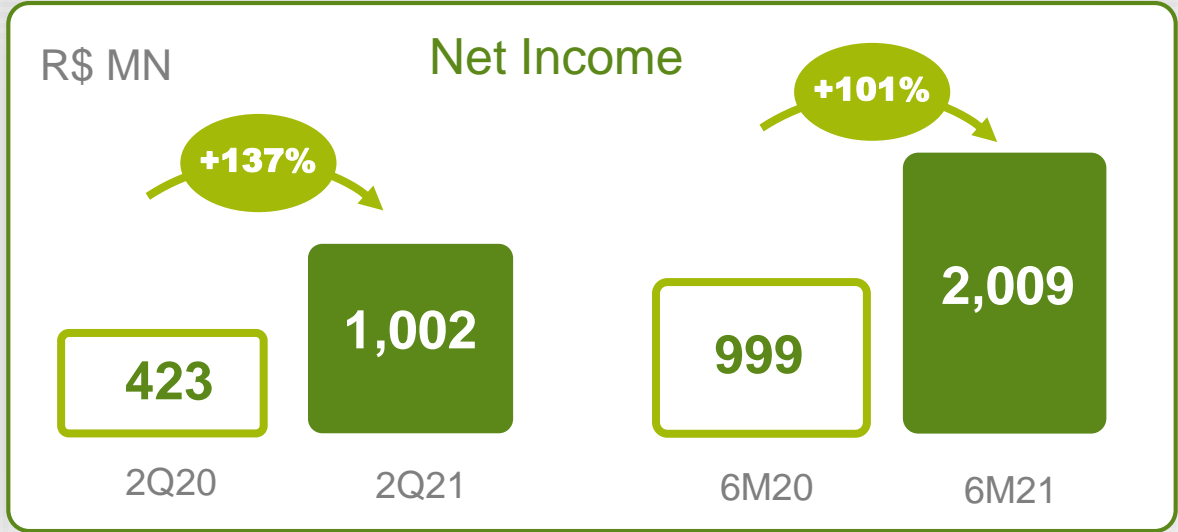
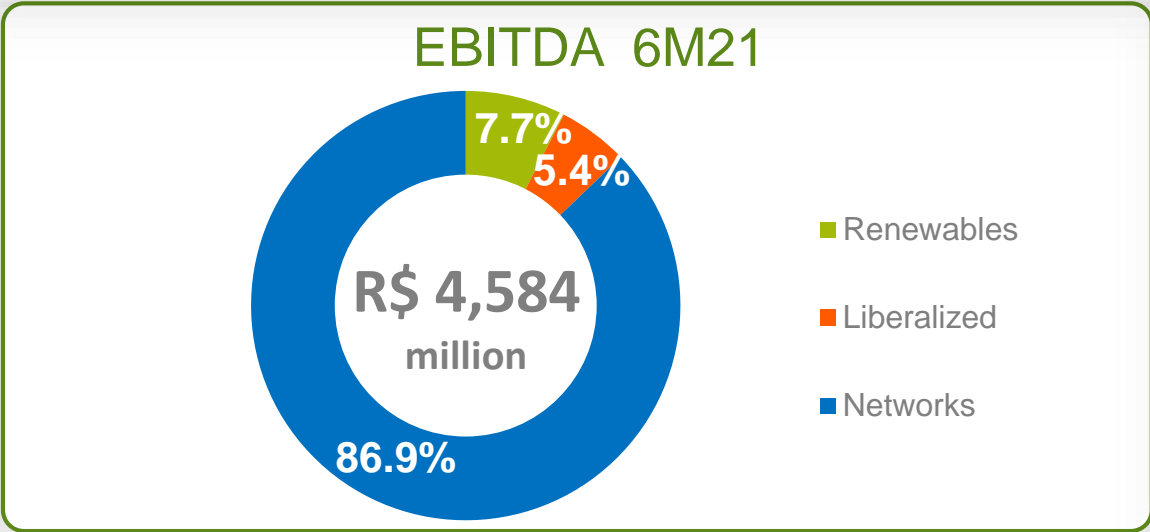
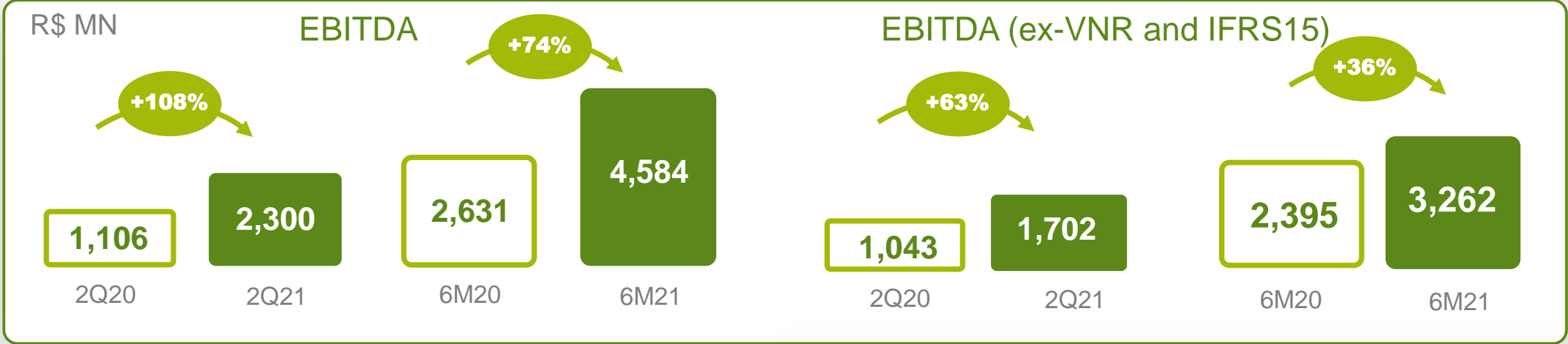
### Operational Expenses



- Reduction of activities in 2Q20 due to Aneel prohibition of cuts or difficulties imposed by the pandemic vs. normalized actions in 2021;
- Neoenergia Brasília: R\$81MN in 2Q21 and R\$106MN since mar/21;
- Efficient cost management, absorbing inflation, growth in the customer base, +2,880 employees and Business growth.

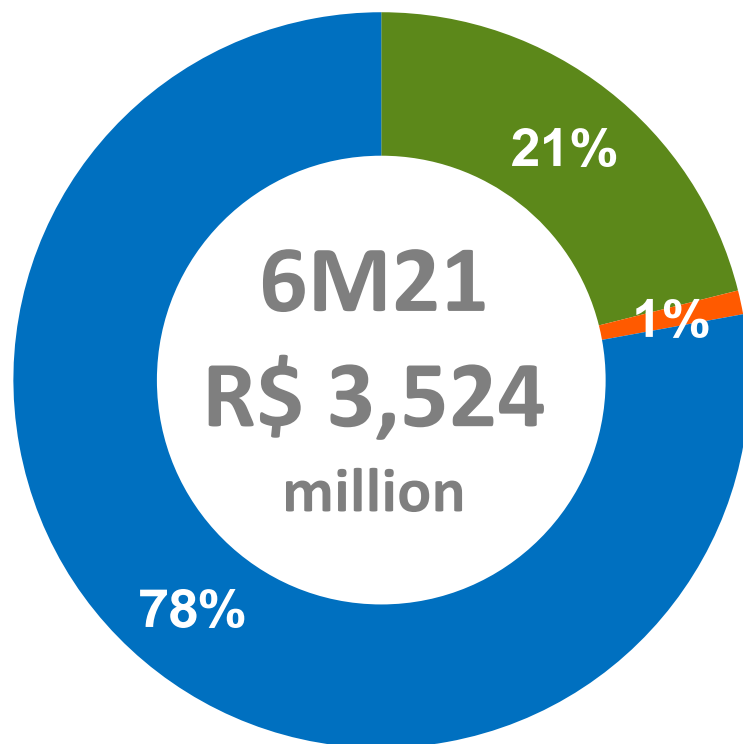
# Results 2Q20 x 2Q21 | 6M20 x 6M21

## CONSOLIDATED






# CAPEX NEOENERGIA 2Q21 | 6M21

## MAIN INVESTMENTS



■ Renewables ■ Liberalized ■ Networks

	2Q21	6M21
 <b>NETWORKS</b>	<b>R\$ 885 MN</b> <ul style="list-style-type: none"> <li>Network Expansion</li> <li>Asset Renewal</li> <li>Network Quality Improvement</li> <li>Loss combat actions.</li> </ul>	<b>R\$ 1,758 MN in Discos</b>
	<b>R\$ 510 MN</b> <ul style="list-style-type: none"> <li>Projects under implementation.</li> </ul>	<b>R\$ 986 MN in Transmission</b>
 <b>RENEWABLES</b>	<b>R\$ 7 MN</b>	<b>R\$ 52 MN* in Hydro</b>
	<b>R\$ 275 MN</b> <ul style="list-style-type: none"> <li>Projects under implementation.</li> </ul>	<b>R\$ 691 MN in Wind power</b>
 <b>LIBERALIZED</b>	<b>R\$ 26 MN</b> <ul style="list-style-type: none"> <li>Sustaining Capex.</li> </ul>	<b>R\$ 37 MN</b>
<b>TOTAL</b>	<b>R\$ 1,702 MN</b>	<b>R\$ 3,524 MN</b>

\* Considers R\$37 MN of intangible assets related to the Itapebi GSF settlement.

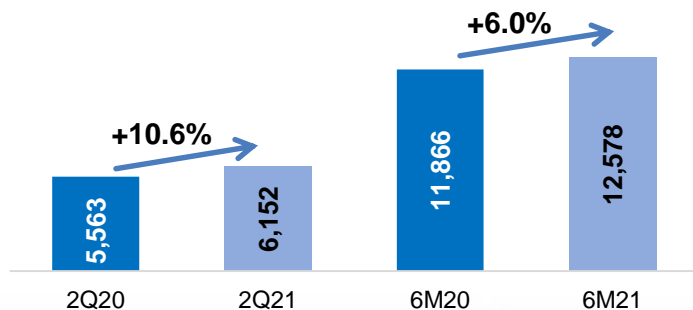
# RESULTS ANALYSIS- NETWORKS

2<sup>nd</sup> QUARTER / 2021

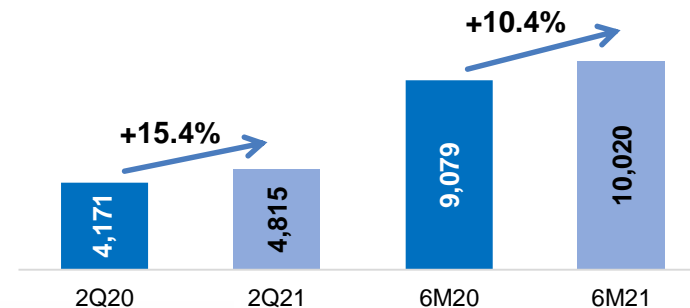
# NETWORKS - DISTRIBUTION

## INJECTED ENERGY (GWh) – 2Q21 and 6M21

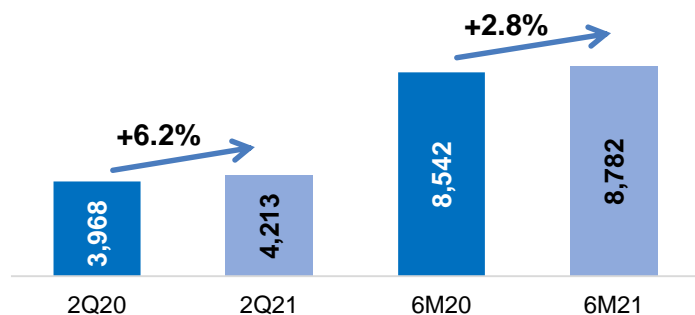
### COELBA



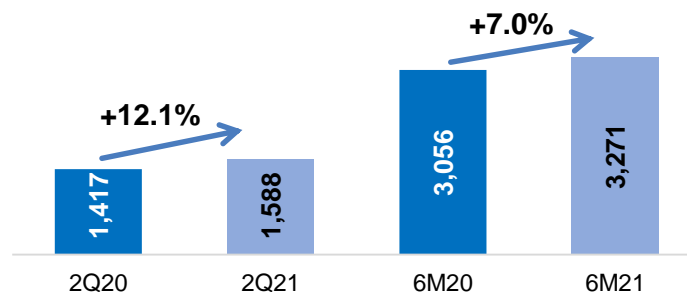
### ELEKTRO



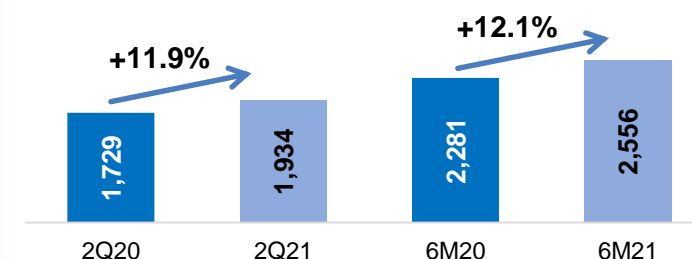
### CELPE



### COSERN



### NEOENERGIA BRASÍLIA<sup>1</sup>



Consistent market recovery in Neoenergia's concession areas.

<sup>1</sup>Neoenergia Distribuição Brasília was incorporated into the Group on 03/02/21 and, from this date, the results were 100% consolidated. 2Q21 reflects the result for the full quarter, while the accumulated result is from 03/02/21. Comparison with 2020 is merely pro forma.

# NETWORKS - DISTRIBUTION

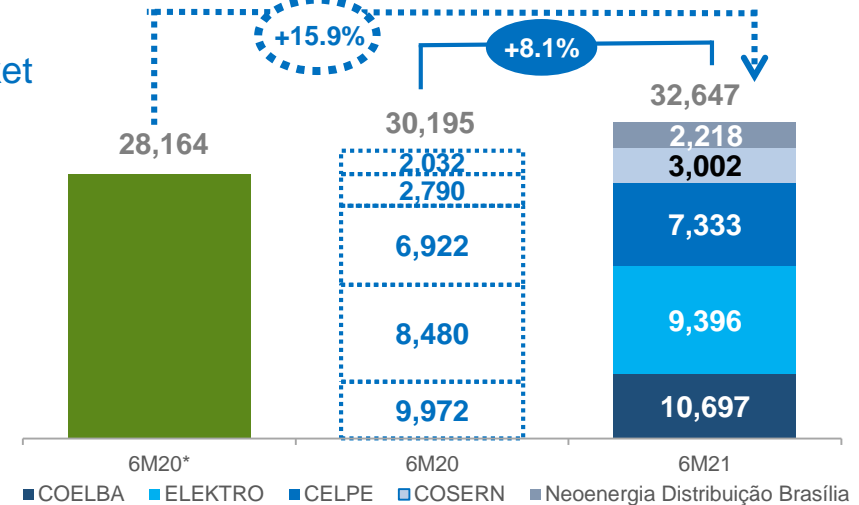
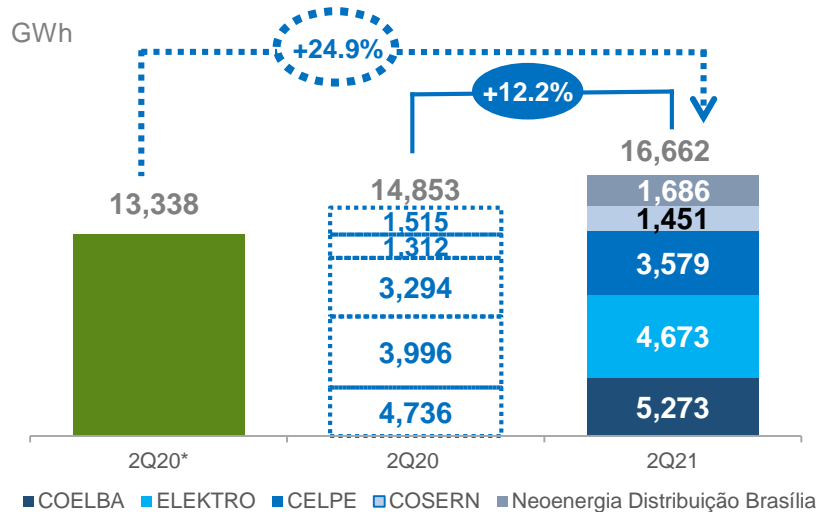
## ENERGY DISTRIBUTED AND NUMBER OF CONSUMERS

15.6 million of clients

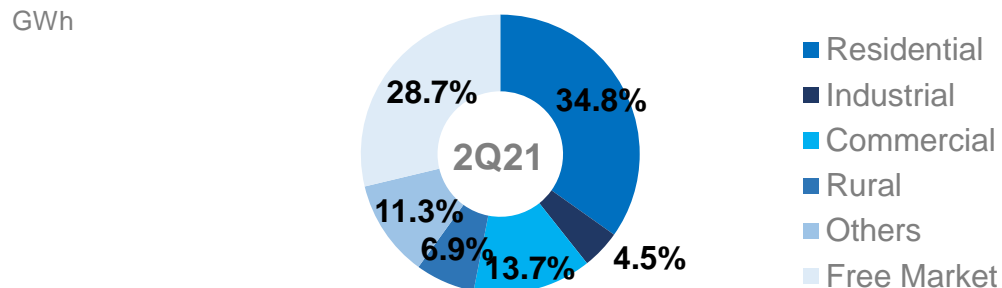
Increase of 1.4 million of new clients in 2Q21.

+342 thousand new clients considering Neoenergia Brasília in 2Q20.

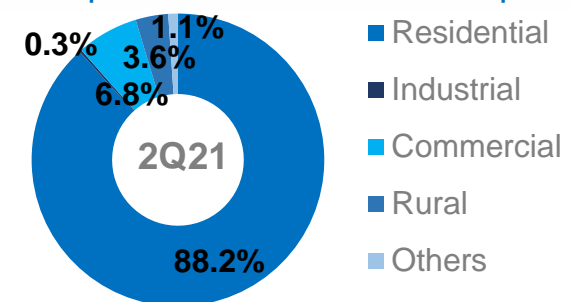
Growth of 98 thousand new clients 2Q21 vs. 1Q21.



### Energy Distributed per class (Captive + Free Market)



### % of consumers per consumer class – Captive Market



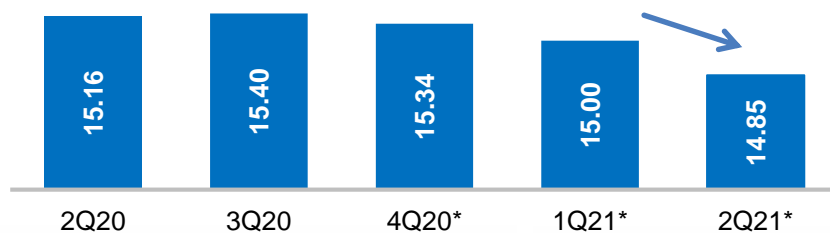


# NETWORKS - DISTRIBUTION

## TOTAL LOSSES 12 MONTHS – 2Q21

### COELBA

Regulatory Limit: 14.30%



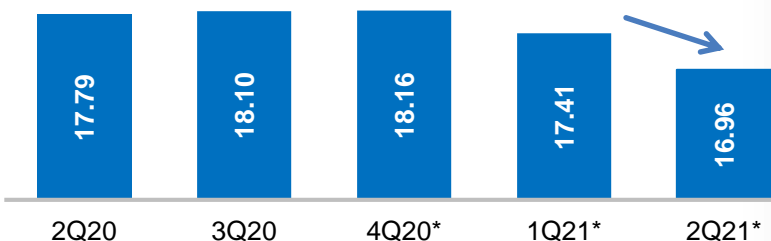
### ELEKTRO

Regulatory Limit: 8.06%



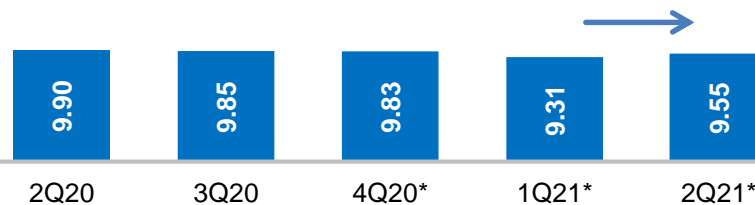
### CELPE

Regulatory Limit: 15.73%



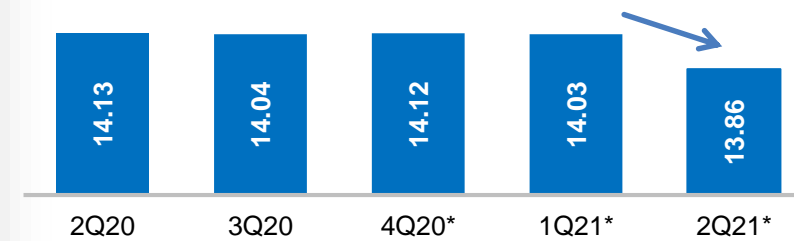
### COSERN

Regulatory Limit: 10.75%



### NEOENERGIA BRASÍLIA

Regulatory Limit: 11.41%

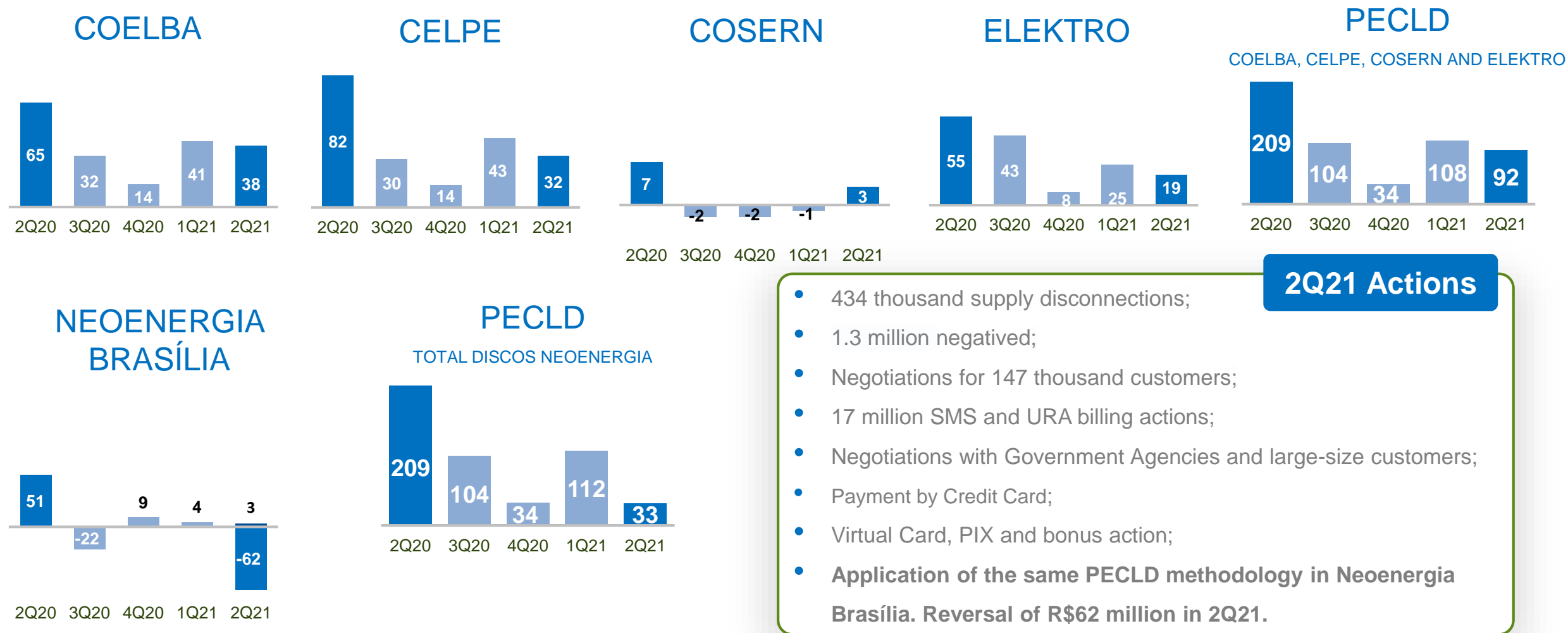


Reductions in Coelba, Celpe, Elektro and Neoenergia Brasília.  
Elektro and Cosern are below the regulatory level.



# NETWORKS - DISTRIBUTION

PECLD (R\$ MN)



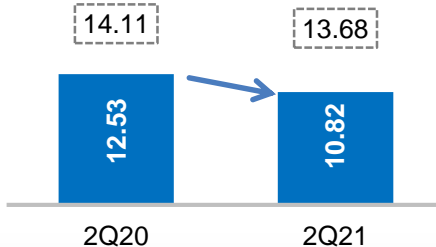
Success of collection actions efforts in the delinquency control.

# NETWORKS - DISTRIBUTION

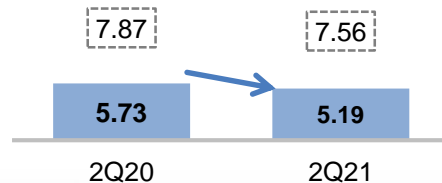
## QUALITY INDICATORS: DEC (HOURS) | FEC (TIMES)

### COELBA

DEC

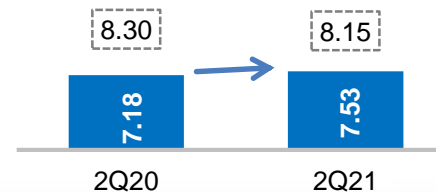


FEC

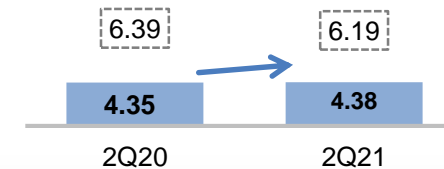


### ELEKTRO

DEC

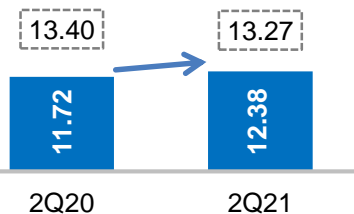


FEC

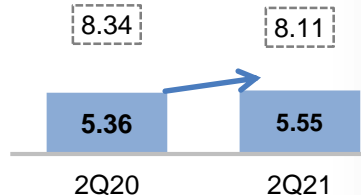


### CELPE

DEC

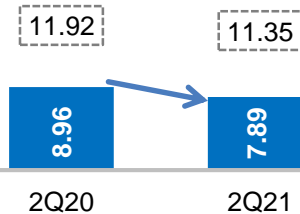


FEC

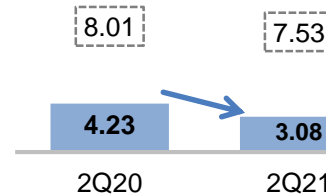


### COSERN

DEC

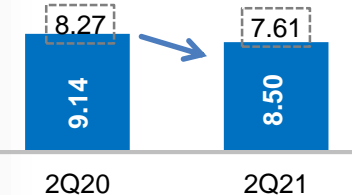


FEC

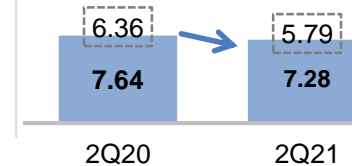


### NEOENERGIA BRASÍLIA

DEC



FEC



NOTE 1: Due to the fact that the deadline for calculating the quality indicators of June 2021 is after the period of disclosure of this report, the data presented are estimated.

NOTE 2: Data from Neoenergia Distribuição Brasília prior to 03/02/21 are merely for comparative purposes.

EFFICIENT INVESTMENTS AND MANAGEMENT REFLECTING IMPROVED QUALITY.

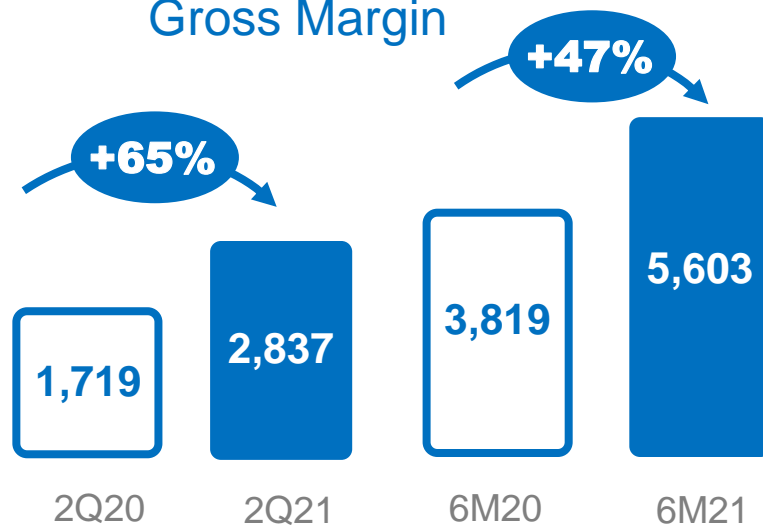


# Results 2Q20 x 2Q21 | 6M20 x 6M21

## NETWORKS

R\$ MN

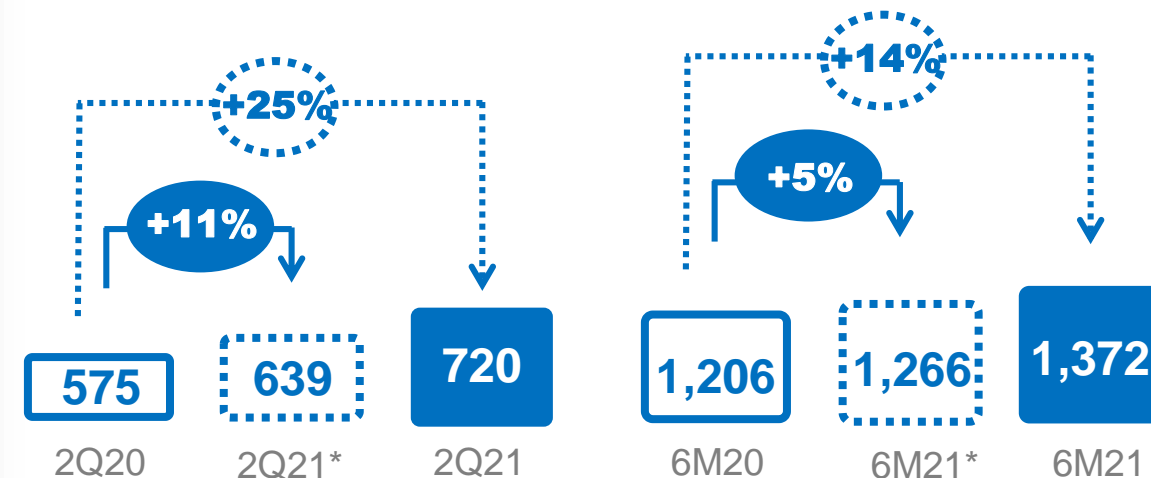
### Gross Margin



- Market recovery;
- Positive impact of Tariff Readjustments and Revision (no deferral of parcel B);
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- VNR: +R\$395 MN vs. 2Q20 and +R\$647 MN vs. 6M20;
- IFRS15: +R\$140 MN vs. 2Q20 and +R\$439 MN vs. 6M20.

R\$ MN

### Operational Expenses



- Reduction of activities in 2Q20 due to Aneel prohibition of cuts or difficulties imposed by the pandemic vs. normalized actions in 2021;
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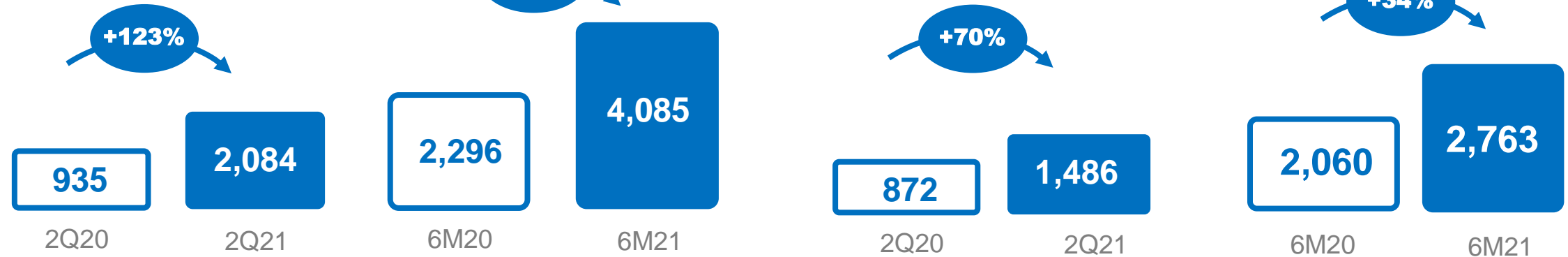
# Results 2Q20 x 2Q21 | 6M20 x 6M21

## NETWORKS

R\$ MN

EBITDA

EBITDA (ex-VNR and IFRS15)



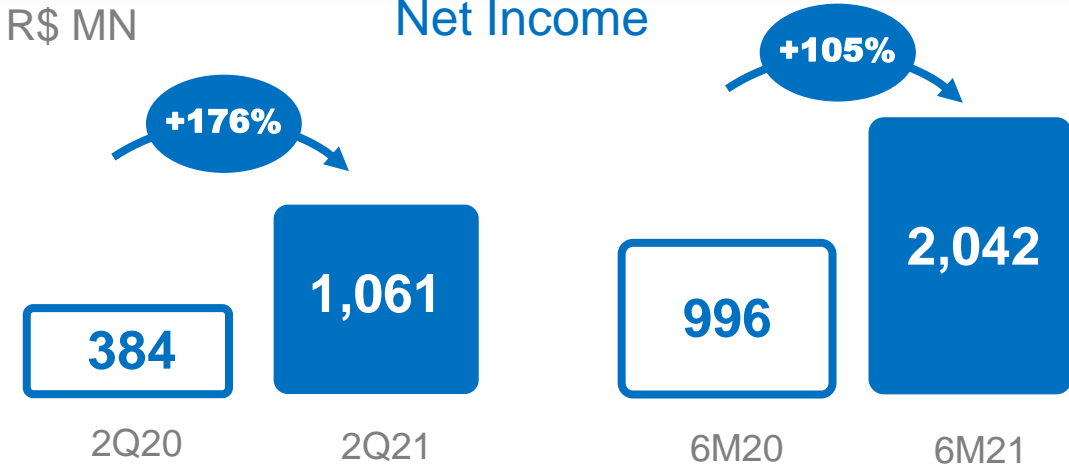
### NETWORKS EBITDA

R\$ MN

	2Q20	2Q21	Var. R\$	Var. %	6M20	6M21	Var. R\$	Var. %
Disco	800	1,789	989	124%	2,045	3,359	1,314	64%
Transco	135	295	160	119%	251	726	475	189%
Total	935	2,084	1,149	123%	2,296	4,085	1,789	78%

R\$ MN

Net Income



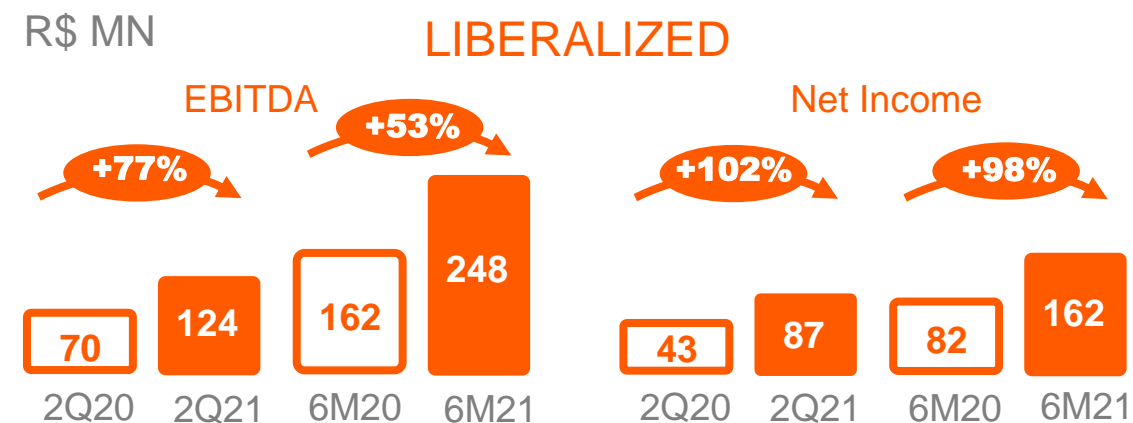
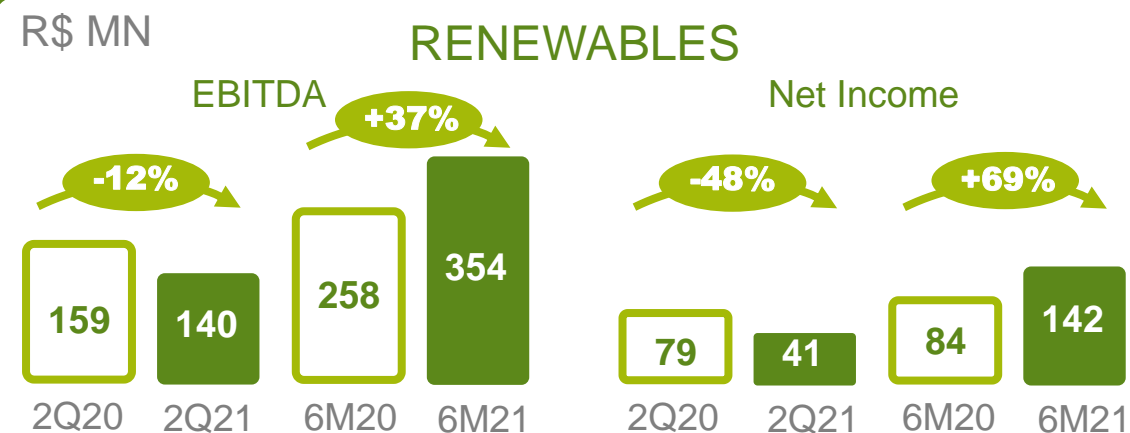
# RESULTS ANALYSIS – RENEWABLES AND LIBERALIZED

## 2<sup>nd</sup> QUARTER / 2021



# Results 2Q20 x 2Q21 | 6M20 x 6M21

## RENEWABLES AND LIBERALIZED



R\$ MN

### RENEWABLES EBITDA

	2Q20	2Q21	Var. R\$	Var. %	6M20	6M21	Var. R\$	Var. %
Hydro	106	83	(23)	(22%)	176	235	59	34%
Wind	53	57	4	8%	82	119	37	45%
<b>Total</b>	<b>159</b>	<b>140</b>	<b>(19)</b>	<b>(12%)</b>	<b>258</b>	<b>354</b>	<b>96</b>	<b>37%</b>

- Hydros: Seasonality impacts in 2Q21 vs. 2Q20 and non-recurring effect of the GSF settlement in Itapebi in 1Q21 (+R\$ 37 MN);
- Wind: Higher winds and contract readjustments.

R\$ MN

### LIBERALIZED EBITDA

	2Q20	2Q21	Var. R\$	Var. %	6M20	6M21	Var. R\$	Var. %
Termope	113	135	22	19%	188	253	65	35%
NC	(44)	(11)	33	N/A	(26)	(5)	21	N/A
<b>Total</b>	<b>70</b>	<b>124</b>	<b>54</b>	<b>77%</b>	<b>162</b>	<b>248</b>	<b>86</b>	<b>53%</b>

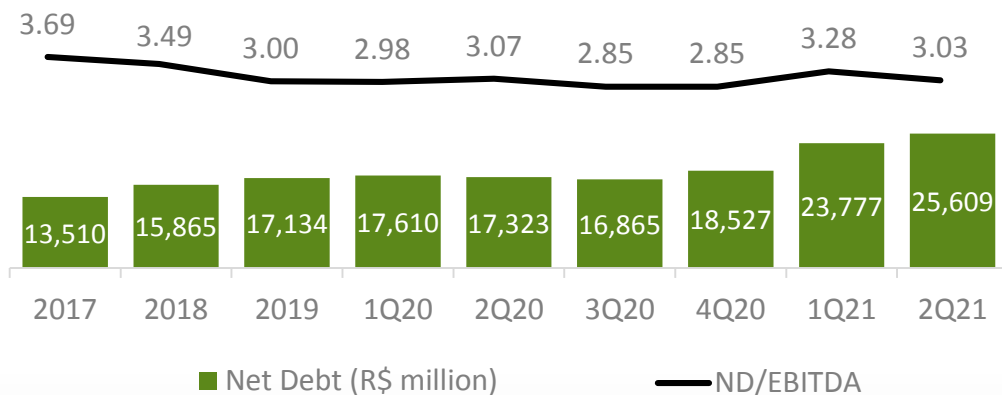
- Termopernambuco: Higher generation vs. previous year and contract adjustments. 2Q20 with a lower dispatch due to a lower demand at the beginning of the pandemic;
- Neoenergia Comercializadora: Better margins in 2021.

# RESULTS ANALYSIS – CAPITAL STRUCTURE

## 2<sup>nd</sup> QUARTER / 2021

# CAPITAL STRUCTURE

## CONTROLLED LEVERAGE AND CASH PRESERVATION



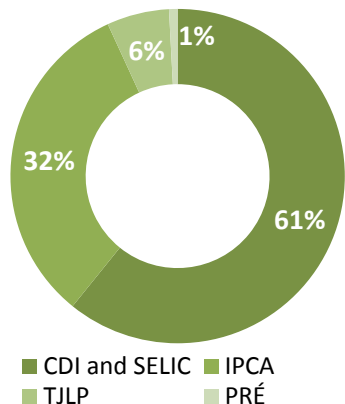
### Debt Structure

R\$ million

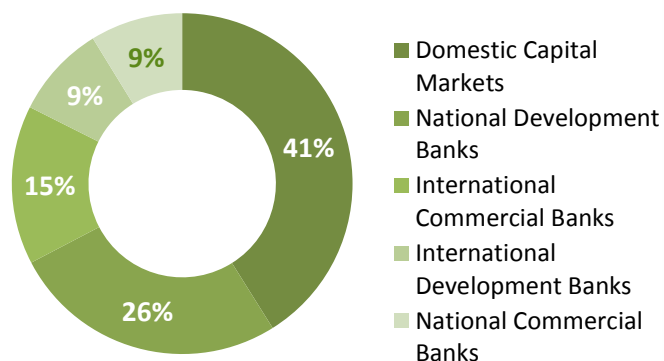
	2Q20	3Q20	4Q20	1Q21	2Q21	
Short Term	4,305	3,758	3,227	3,451	3,892	→ 13%
Long Term	18,578	19,158	20,570	24,564	25,957	→ 87%
Gross Debt	22,883	22,916	23,797	28,015	29,849	
Cash and Banks	(5,560)	(6,051)	(5,270)	(4,238)	(4,240)	
Net Debt	17,323	16,865	18,527	23,777	25,609	

### Debt - Index and Funding

#### DEBT PER INDEXES



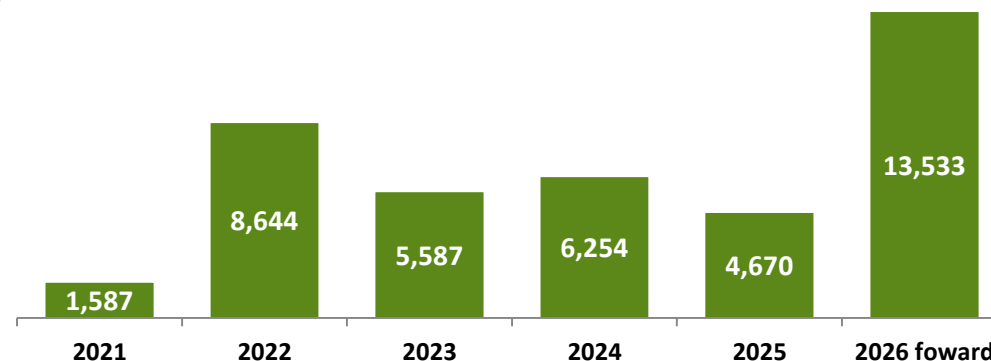
#### DEBT PER FUNDING



### Debt – Amortization Schedule

(Principal + Interest)

R\$ million



Average annual cost of debt of 5.7% and average term of 4.64 years in 2Q21.  
We continue to access diversified sources of financing at competitive costs and terms.

# Q&A

## Final Considerations

**2021: Year of EXECUTION and continuity of DELIVERIES.**

**Consistent market recovery in a solid regulatory framework.**

**Efficient management with continuous cost reduction.**

**Progress of Transmission and Renewables Projects, ensuring the promised return rates.**

**120 days of Neoenergia Brasília: Accelerated Integration and Turnaround.**

# THANK YOU!

## Investors Relations

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