

# Earnings Results Presentation

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3<sup>rd</sup> Quarter, 2021

October, 26 / 2021

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Committed to:



ISE B3 IEE B3



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# HIGHLIGHTS

## 3<sup>rd</sup> QUARTER / 2021

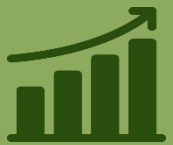
# NEOENERGIA HIGHLIGHTS



**Distributed Energy grows 5.2% in 3Q21, confirming Market recovery!**



**EBITDA advances 62% in 3Q21 due to larger market, higher inflation, progress of projects and Termopernambuco.**



**Net Income<sup>1</sup> reaches result of R\$1.3 BN in 3Q21 (+57%).**



**Opex +7% in 3Q21 absorbing higher inflation, greater number of customers, projects in operation and normalization of operating activities<sup>2</sup>.**



**Proven execution capacity with CAPEX of R\$2.8 BN in 3Q21.**



**Leverage of 2.86x already considering Neoenergia Brasília acquisition.**

NOTES: (1) Excludes the profit assigned to minority shareholders. (2) Excluding Neoenergia Brasília's expenses in 3Q21.

# NETWORKS (TRANSMISSION)

Projects under implementation: Delivery of projects ensuring double-digit forecasted returns rate!



## April' 2017 Auction RAP R\$104 MN



- Average anticipation **15** months vs. Aneel's deadline;
- Capex savings of **20%** vs. Aneel's forecast.

## Dec' 2017 Auction RAP R\$183 MN

- **Sta. Luzia: 97%** concluded
  - 1<sup>st</sup> tranche delivered **21** months ahead of Aneel's deadline;
- **Jalapão:** Completion by December.

**Deliveries confirming the Business Plan!**

## Dec' 2018 Auction RAP R\$501 MN

- 3 lots with works started;
- 2 lots waiting vegetal suppression liberation.

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

- IL already obtained and works started.

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

- PL issued for the Medeiros Neto SE.

**Advances in all Projects.**



PHOTO: Dourados TL (Lot 4 – April'17)

PHOTO: Jalapão TL (Lot 4 - Dec'17)



# RENEWABLES (WIND FARMS AND SOLAR PARK)

Early deliveries and Energy sold at ACL, ensuring double-digit returns!

## Chafariz Complex | Paraíba 15 farms | 471.2 MW

- Early start of operation of 53 wind turbines (184 MW) with sales at PLD and 18 in tests (66 MW).

**Until Dec'21 the farms will be fully operational.**

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

- Start of assembly of first wind turbines in the 4Q21;
- 62% 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;
- Advancement in the execution of substations and LTs;
- 100% of energy sold by 2026.

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



PHOTO: Chafariz Complex



PHOTO: Oitis Complex



PHOTO: Luzia Complex

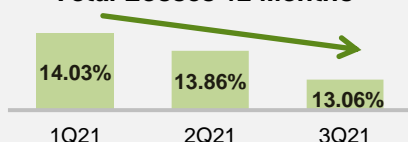
# NEOENERGIA BRASÍLIA

## OVERCOMING BUSINESS PLAN ASSUMPTIONS!

### Losses

- 19K Clandestine Regularizations (+55 GWh);
- 29K Inspections;
- 6,5X (158 GWh) more than all recovered energy in 2020.

Total Losses 12 Months



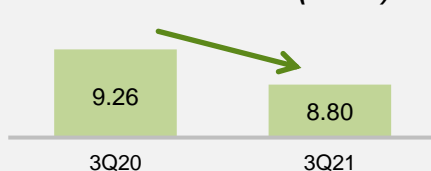
### Collection

- Cuts: 70K / R\$145MN;
  - Negotiations: 37K / R\$75MN;
  - Collection: +R\$18MN;
- 
- | Quarter | Collection (%) |
|---------|----------------|
| 2Q21    | 90.78%         |
| 3Q21    | 92.00%         |
- Collection of 95% since March'21.

### Quality

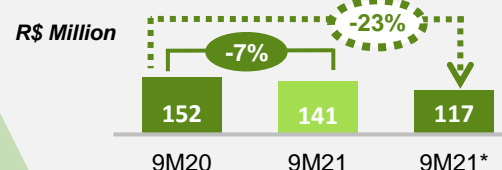
#### Regulatory framework in 1H22.

DEC 12 months (hours)



### OPEX

- Integration of processes;
- Headcount Readjustment;
- Voluntary Dimissal Program.



### Tariff Review

- RAB +R\$1,144MM / 100% recognition;
- Average increase of 11.10%;
- PIS/COFINS credit return;
- Regulatory losses at 11.71%.

### CAPEX

- R\$47MN in 3Q21 and
- R\$79MN since March'21;
- 2.8x the 2020 investment in the same period.

# RESULTS ANALYSIS

## 3<sup>rd</sup> QUARTER / 2021

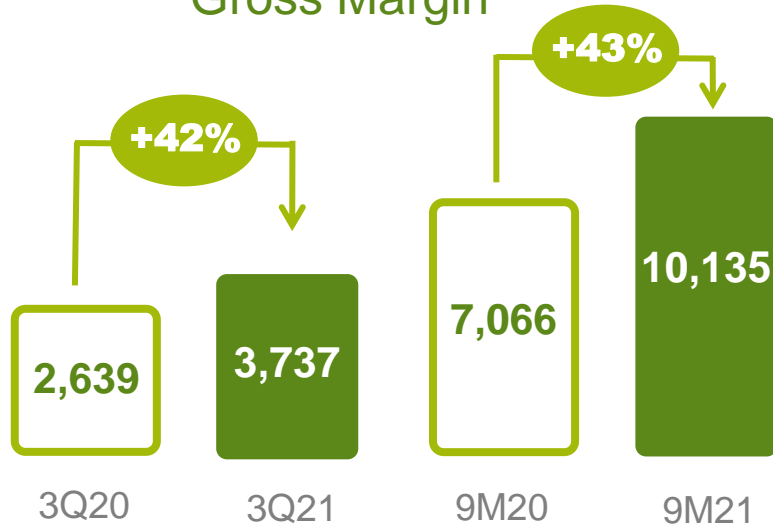


# Results 3Q20 x 3Q21 | 9M20 x 9M21

## CONSOLIDATED

R\$ MN

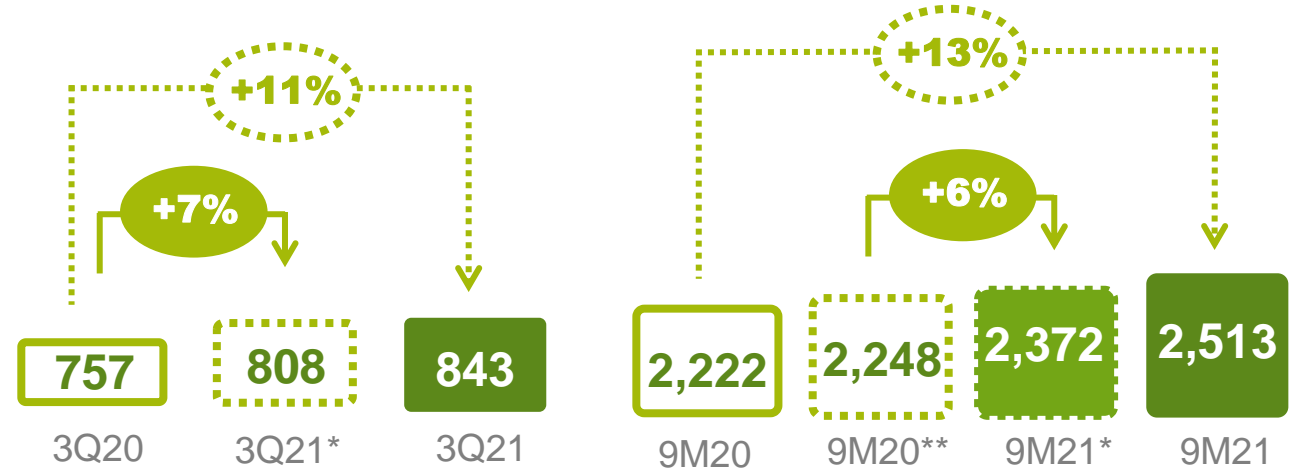
### Gross Margin



- Market Recovery;
- Positive impact of tariff adjustments and revision (w/o deferring parcel B);
- Neoenergia Brasília: R\$85 MN in 3Q21 and R\$232 MN in 9M21;
- Early start of operations of the Chafariz Complex;
- Higher generation in Termopernambuco;
- VNR: +R\$363 MN vs. 3Q20 and +R\$1,010 MN vs. 9M20;
- IFRS15: +R\$39 MN vs. 3Q20 and +R\$476 MN vs. 9M20.

R\$ MN

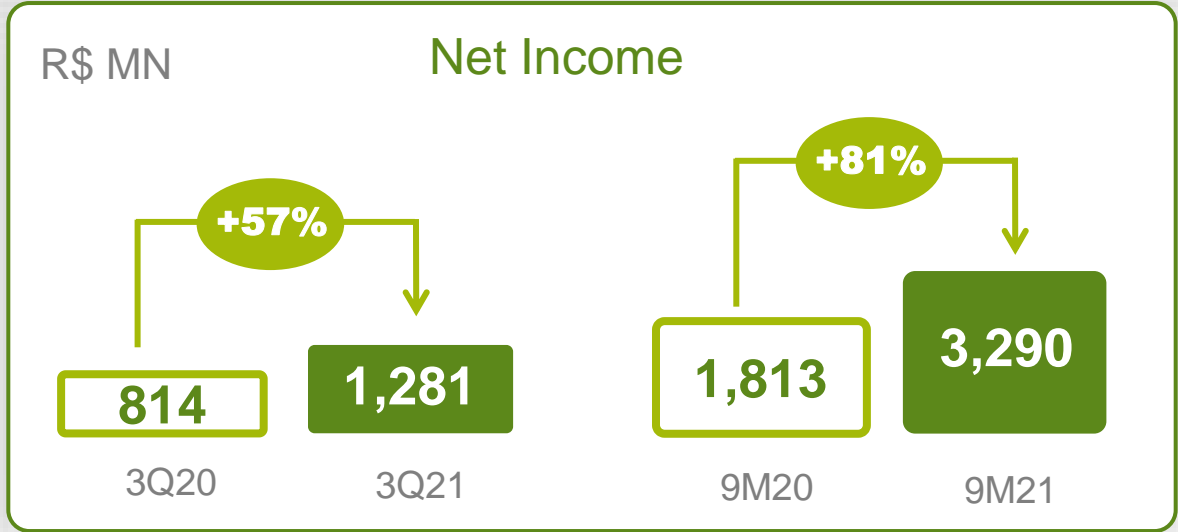
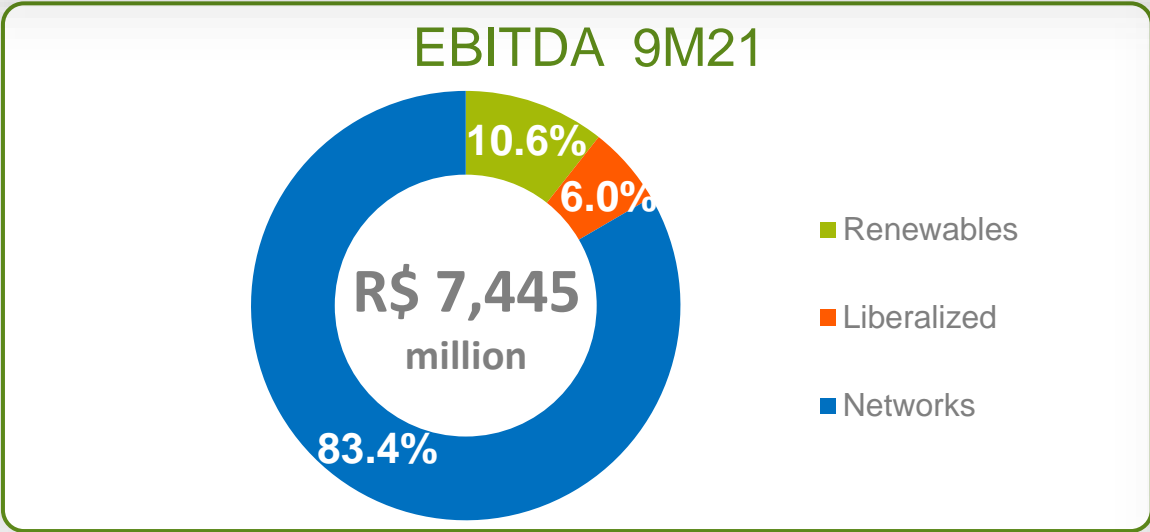
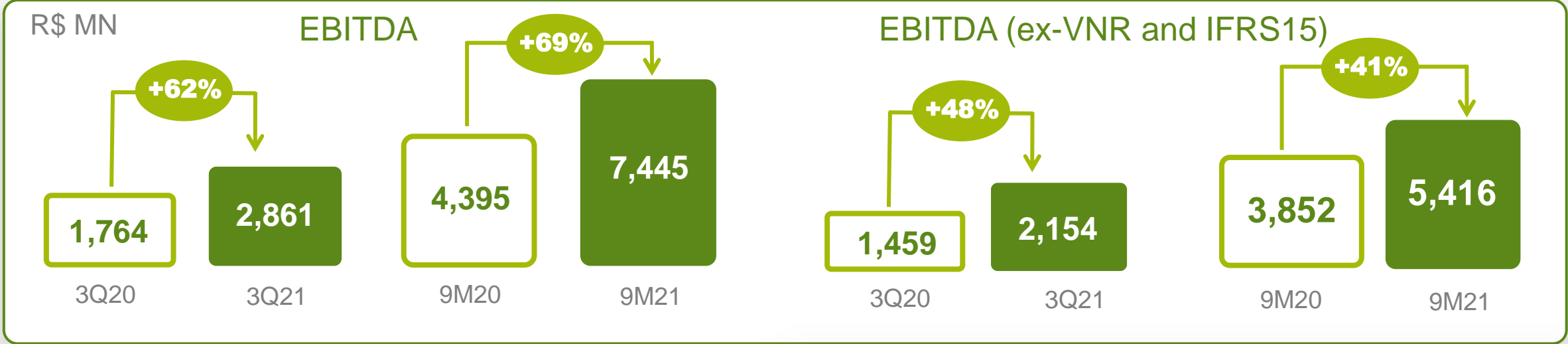
### Operational Expenses



- 3Q21 e 9M21: Efficient cost management, absorbing higher inflation, increasing customer base, +2,833 employees (insourcing plan and transmission and wind new businesses) and a higher level of operating activities in 2021.

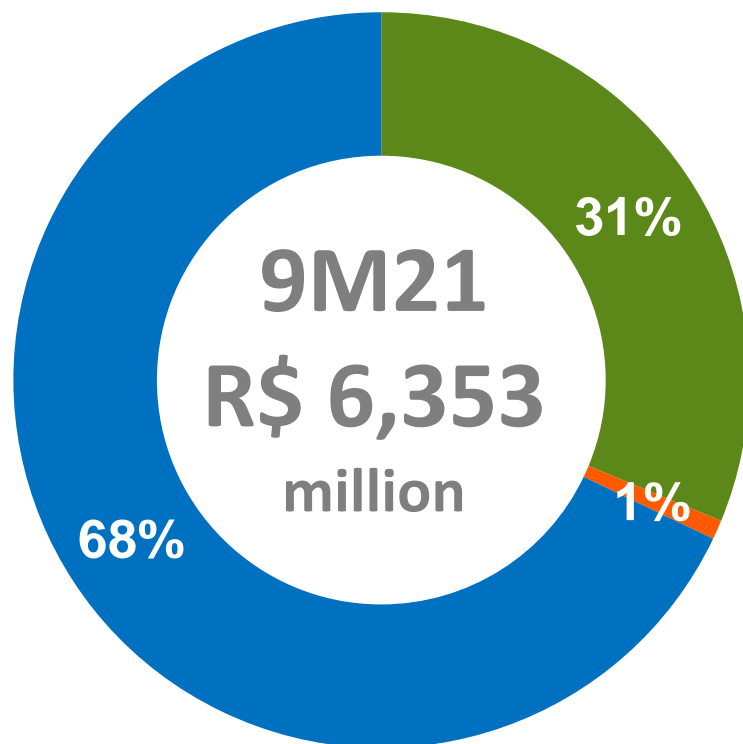
# Results 3Q20 x 3Q21 | 9M20 x 9M21

## CONSOLIDATED






# CAPEX NEOENERGIA 3Q21 | 9M21

## MAIN INVESTMENTS



■ Renewables ■ Liberalized ■ Networks

|   | 3Q21  | 9M21   |
|---|---|--|
| <br><b>NETWORKS</b>      | <b>R\$ 1,035 MN</b> <ul style="list-style-type: none"> <li>Network Expansion</li> <li>Asset Renewal</li> <li>Network Quality Improvement</li> <li>Losses combat actions.</li> </ul> | <b>R\$ 2,793 MN in Discos</b>  |
| <br><b>RENEWABLES</b>    | <b>R\$ 534 MN</b> <ul style="list-style-type: none"> <li>Projects under implementation.</li> </ul>  | <b>R\$ 1,520 MN in Transmission</b>  |
| <br><b>LIBERALIZED</b> | <b>R\$ 138 MN*</b>  | <b>R\$ 190 MN* in Hydro</b>  |
|   | <b>R\$ 17 MN</b> <ul style="list-style-type: none"> <li>Sustaining Capex.</li> </ul>  | <b>R\$ 1,794 MN in Wind Farm</b>   |
|   |   | <ul style="list-style-type: none"> <li>Projects under implementation.</li> </ul> |
| <b>TOTAL</b>  | <b>R\$ 2,828 MN</b>   | <b>R\$ 6,353 MN</b>  |

\* Considers intangible assets related to the GSF agreement of R\$126 MN in 3Q21 and R\$163 MN in 9M21.

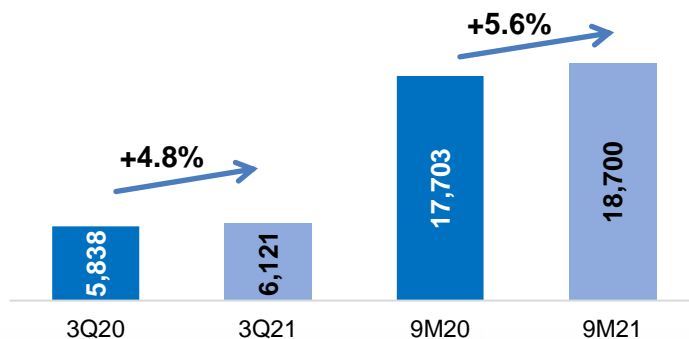
# RESULTS ANALYSIS - NETWORKS

3<sup>rd</sup> QUARTER / 2021

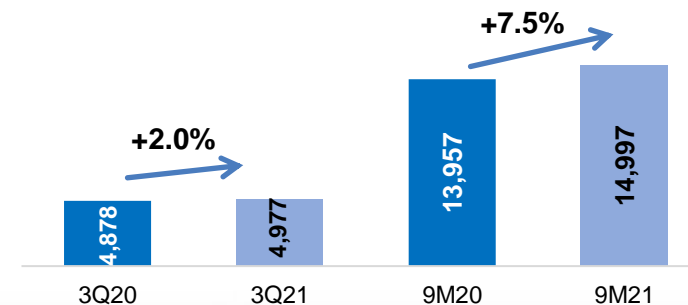
# NETWORKS - DISTRIBUTION

## INJECTED ENERGY (GWh) – 3Q21 and 9M21

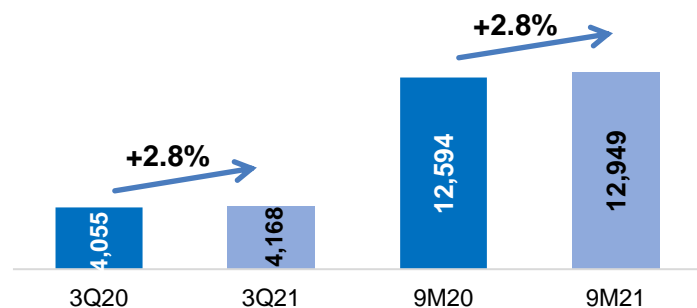
### NEOENERGIA COELBA



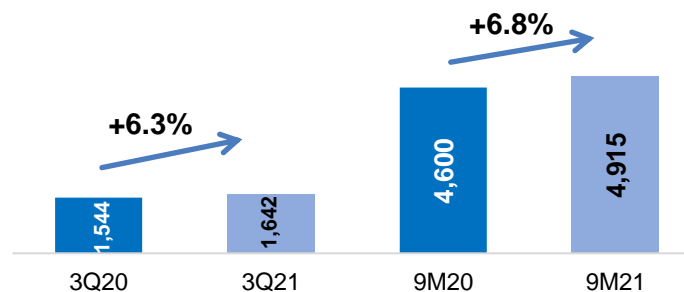
### NEOENERGIA ELEKTRO



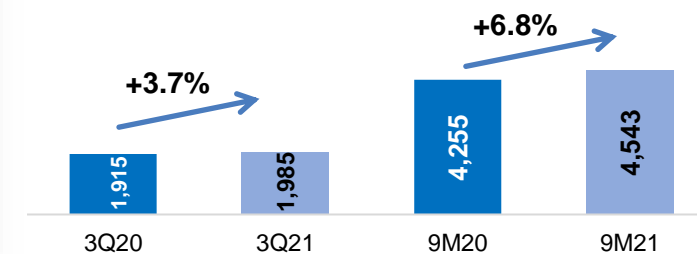
### NEOENERGIA PERNAMBUCO



### NEOENERGIA COSERN



### NEOENERGIA BRASÍLIA<sup>1</sup>



Consistent market recovery in Neoenergia's concession areas.

<sup>1</sup> Neoenergia Brasília was incorporated into the Group on 03/02/21 and, from this date, the results were 100% consolidated. 3Q21 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

15.7 million clients

Increase of 1.5 million new clients in 3Q21 vs. 3Q20.

+372 thousand new clients considering Neoenergia Brasília in 3Q20.

Growth of 98 thousand new clients in 3Q21 vs. 2Q21.

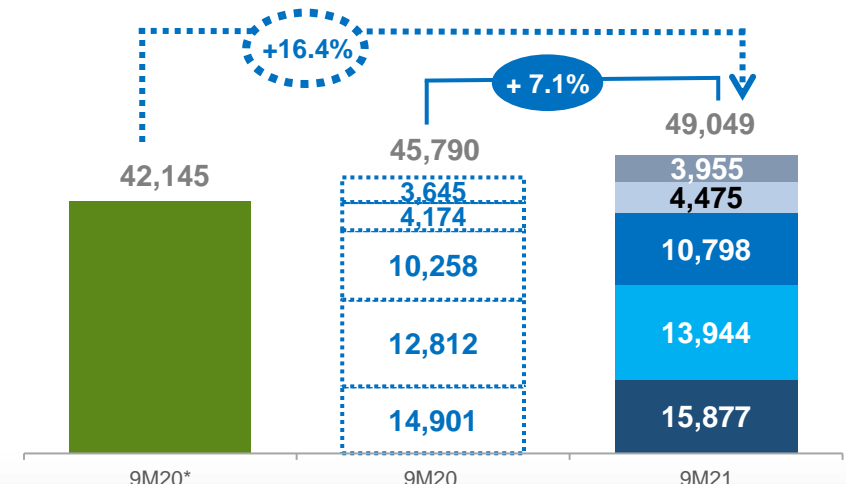
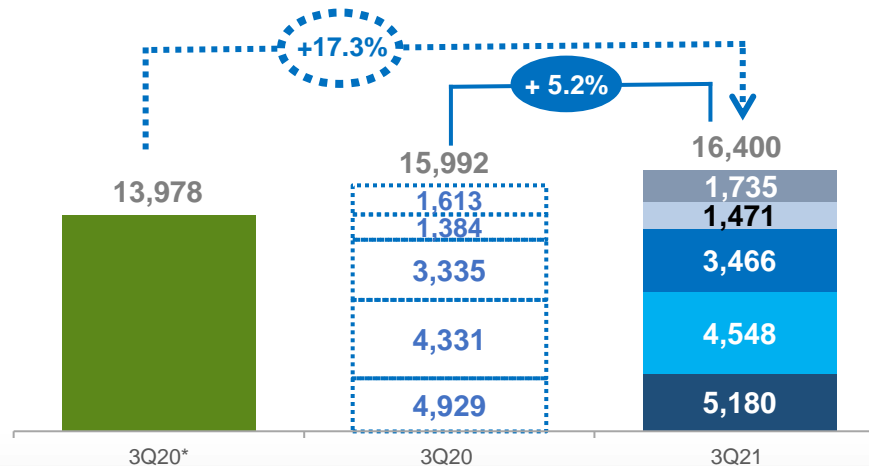
Energy Distributed | GWh  
Captive + Free Market

3Q21

9M21

- NEOENERGIA BRASÍLIA
- NEOENERGIA COSERN
- NEOENERGIA PERNAMBUCO
- NEOENERGIA ELEKTRO
- NEOENERGIA COELBA

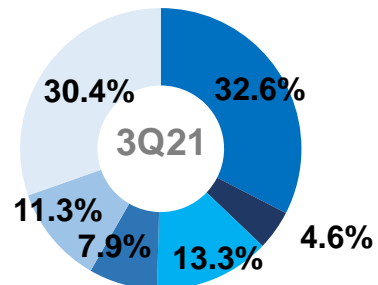
\*Without Neoenergia Brasília



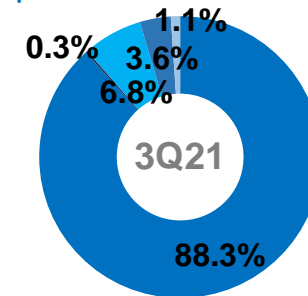
GWh

Energy Distributed per class (Captive + Free Market)

- Residential
- Industrial
- Commercial
- Rural
- Others
- Free Market



% of Consumers per consumer class – Captive Market



NEOENERGIA

/ [www.neoenergia.com](http://www.neoenergia.com)

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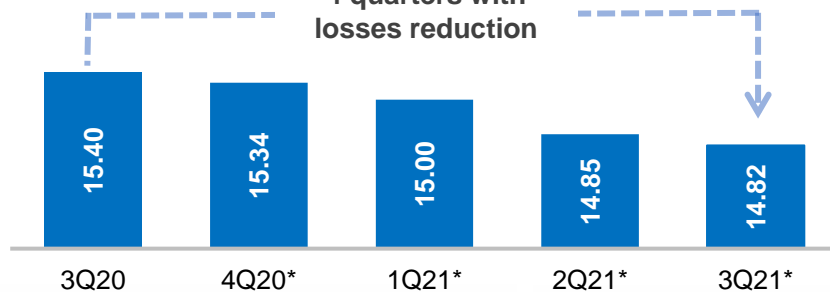
# NETWORKS - DISTRIBUTION

## TOTAL LOSSES 12 MONTHS – 3Q21

### NEOENERGIA COELBA

Reg. Limit:  
14.29%

4 quarters with  
losses reduction

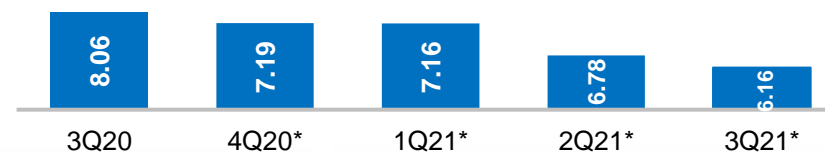


### NEOENERGIA ELEKTRO

Reg. Limit:  
8.04%



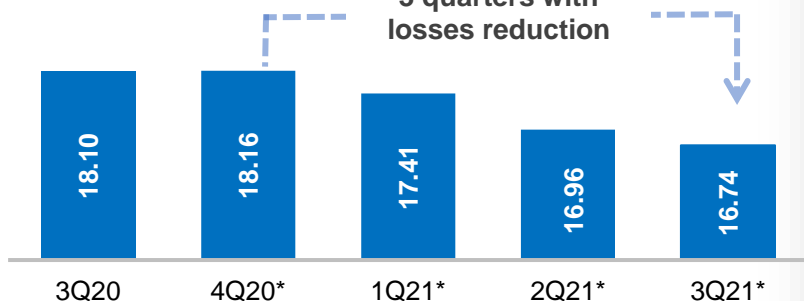
Single-digit loss!  
Within the regulatory limit.



### NEOENERGIA PERNAMBUCO

Reg. Limit:  
15.48%

3 quarters with  
losses reduction



### NEOENERGIA COSERN

Reg. Limit:  
10.75%



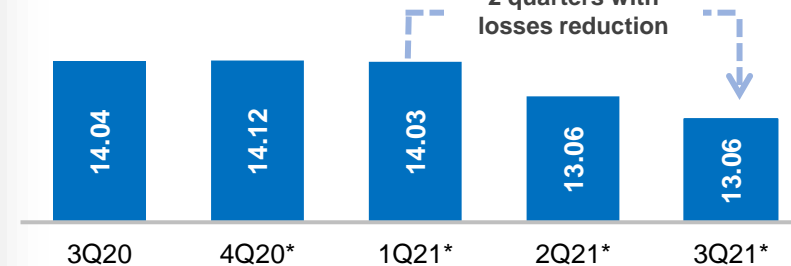
Single-digit loss!  
Within the regulatory limit.



### NEOENERGIA BRASÍLIA

Reg. Limit:  
11.40%

2 quarters with  
losses reduction



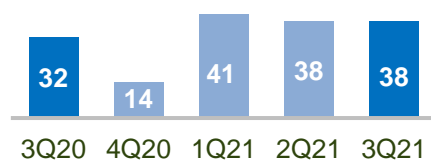
All Discos with a trend to reduce losses!



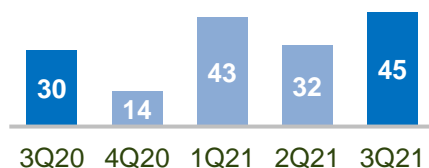
# NETWORKS - DISTRIBUTION

PECLD (R\$ Million)

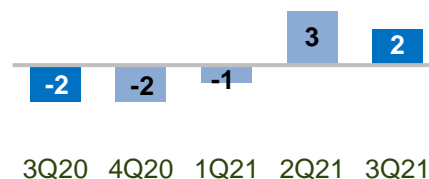
## NEOENERGIA COELBA



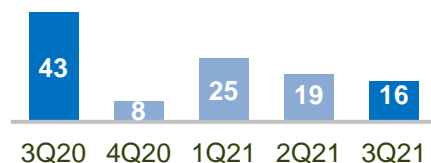
## NEOENERGIA PERNAMBUCO



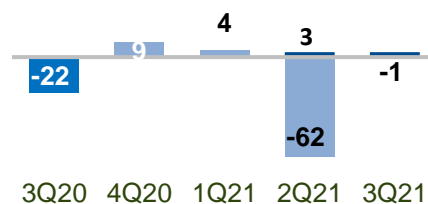
## NEOENERGIA COSERN



## NEOENERGIA ELEKTRO

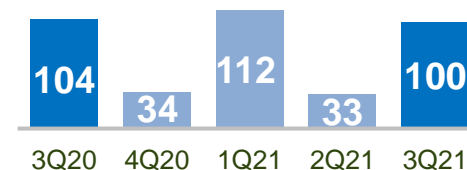


## NEOENERGIA BRASÍLIA



## PECLD

TOTAL DISCOS NEOENERGIA



### 3Q21 Actions

- 503 thousand supply disconnections;
- 3.3 million negative;
- Negotiations for 204 thousand customers;
- 21 million SMS and URA billing actions;
- Negotiations with Government Agencies and large-size customers;
- Payment by Credit Card;
- Virtual Card, PIX and bonus action;

**Return to the pre-pandemic level of quarterly provision around R\$100 MN.**

**Success of collection actions efforts in the delinquency control.**

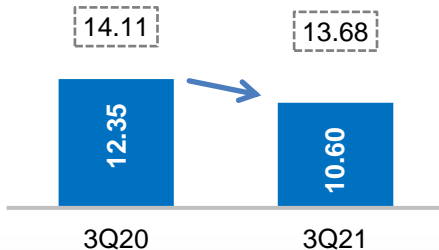
# NETWORKS - DISTRIBUTION

QUALITY INDICATORS: DEC (hours) and FEC (times)

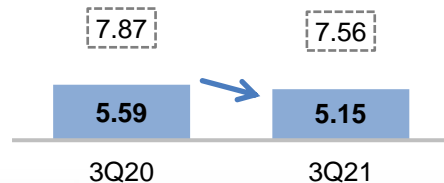
4 Discos within the regulatory limit! Neoenergia Brasília with framework in 2022.

## NEOENERGIA COELBA

DEC

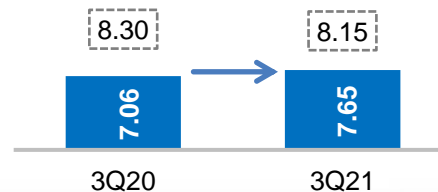


FEC

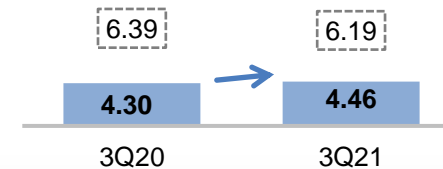


## NEOENERGIA ELEKTRO

DEC

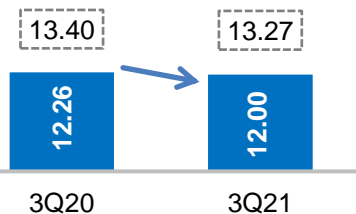


FEC

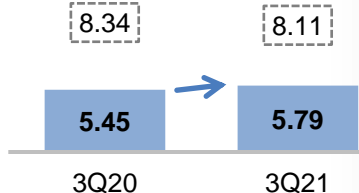


## NEOENERGIA PERNAMBUCO

DEC

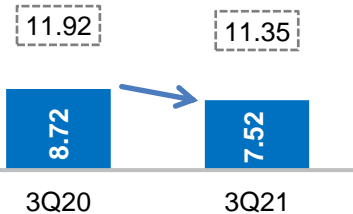


FEC

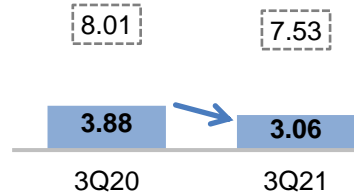


## NEOENERGIA COSERN

DEC

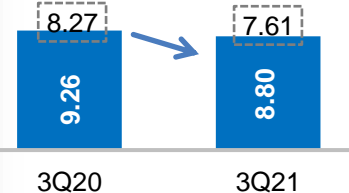


FEC

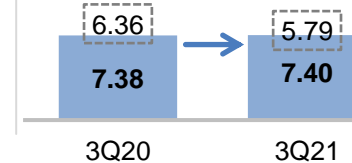


## NEOENERGIA BRASÍLIA

DEC



FEC



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

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

Efficient investments and management reflecting improved Quality.

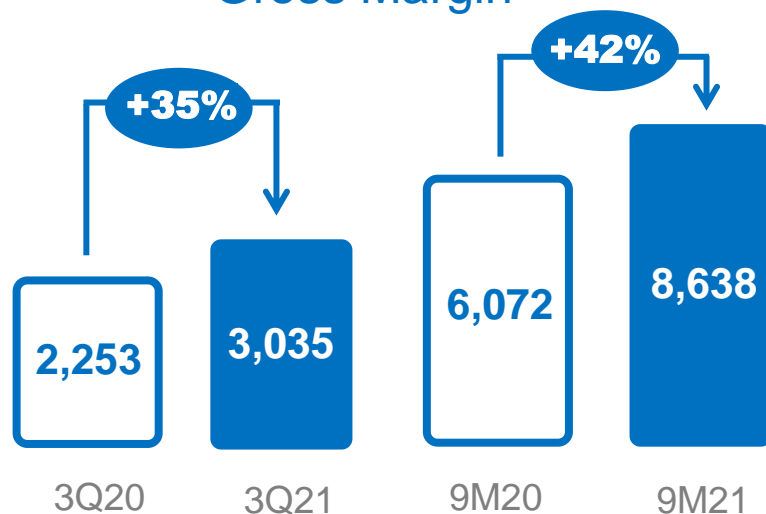


# NETWORKS 3Q20 x 3Q21 | 9M20 x 9M21

## NETWORKS

R\$ MN

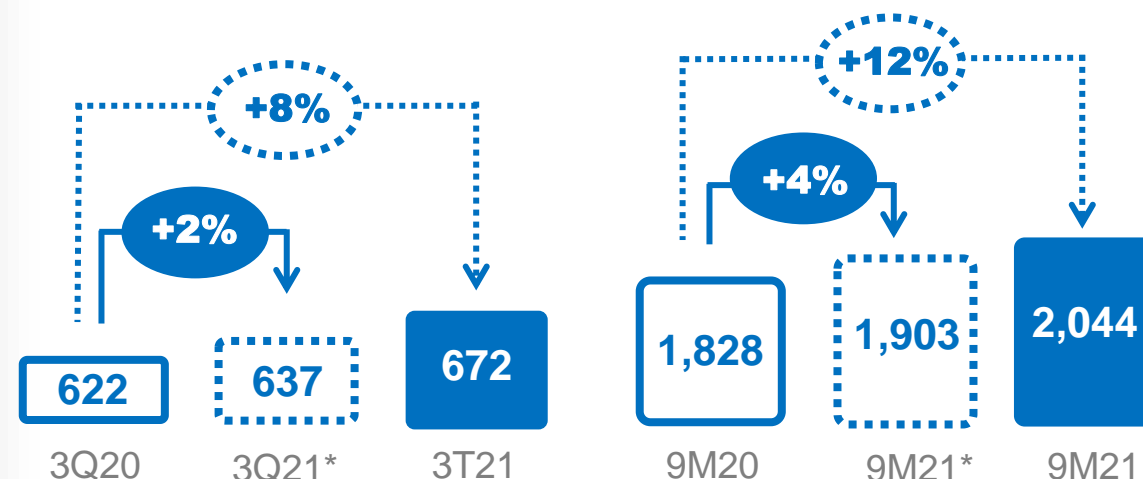
### Gross Margin



- Consistent market recovery;
- Positive impact of Tariff Adjustments and Revision (w/o deferring parcel B);
- Neoenergia Brasília: R\$85 MN in 3Q21 and R\$232 MN and 9M21;
- VNR: +R\$363 MN vs. 3Q20 and +R\$1.010 M vs. 9M20;
- IFRS15: +R\$39 MN vs. 3Q20 and +R\$476 M vs. 9M20.

R\$ MN

### Operational Expenses



- 3Q21 e 9M21: Efficient cost management, absorbing higher inflation, increasing customer base, +2,794 employees (insourcing plan and transmission new businesses) and a higher level of operating activities in 2021.

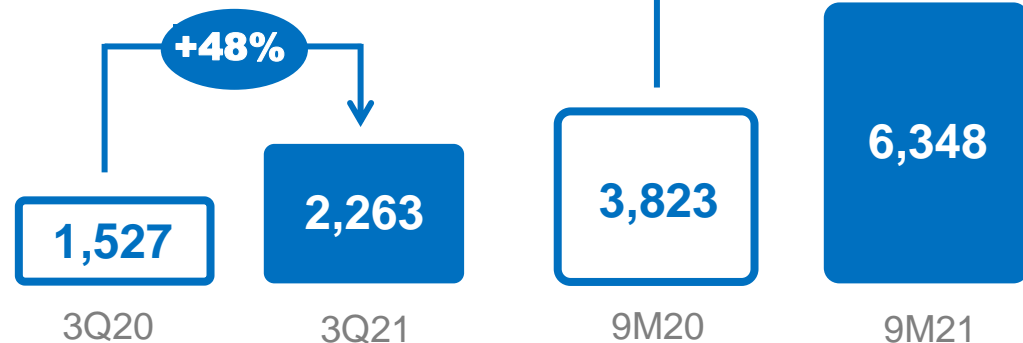


# Results 3Q20 x 3Q21 | 9M20 x 9M21

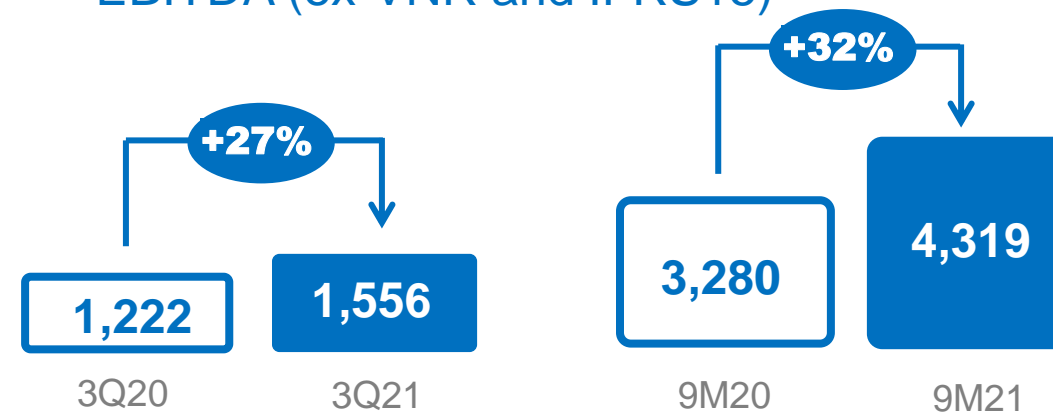
## NETWORKS

R\$ MN

EBITDA



EBITDA (ex-VNR and IFRS15)



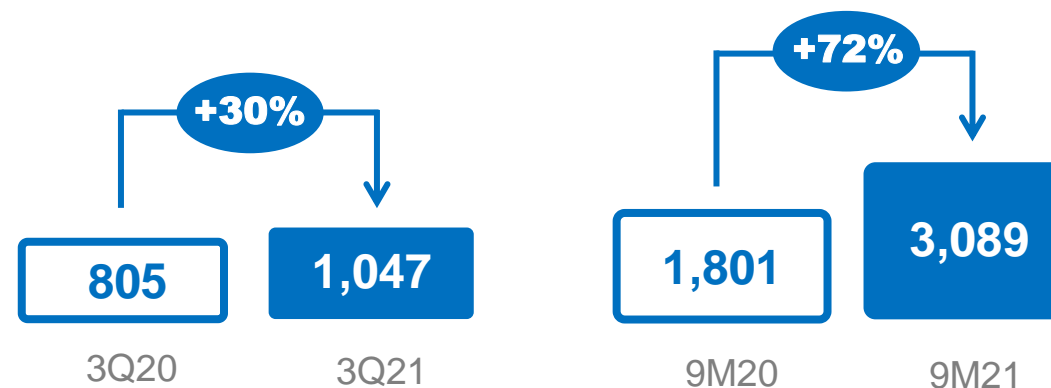
### NETWORKS EBITDA

R\$ MN

|              | 3Q20         | 3Q21         | Var. R\$   | Var. %     | 9M20         | 9M21         | Var. R\$     | Var. %     |
|--------------|--------------|--------------|------------|------------|--------------|--------------|--------------|------------|
| Disco        | 1,330        | 2,012        | 682        | 51%        | 3,372        | 5,376        | 2,004        | 59%        |
| Transco      | 198          | 250          | 52         | 26%        | 449          | 976          | 527          | 117%       |
| <b>Total</b> | <b>1,527</b> | <b>2,263</b> | <b>736</b> | <b>48%</b> | <b>3,823</b> | <b>6,348</b> | <b>2,525</b> | <b>66%</b> |

R\$ MN

Net Income



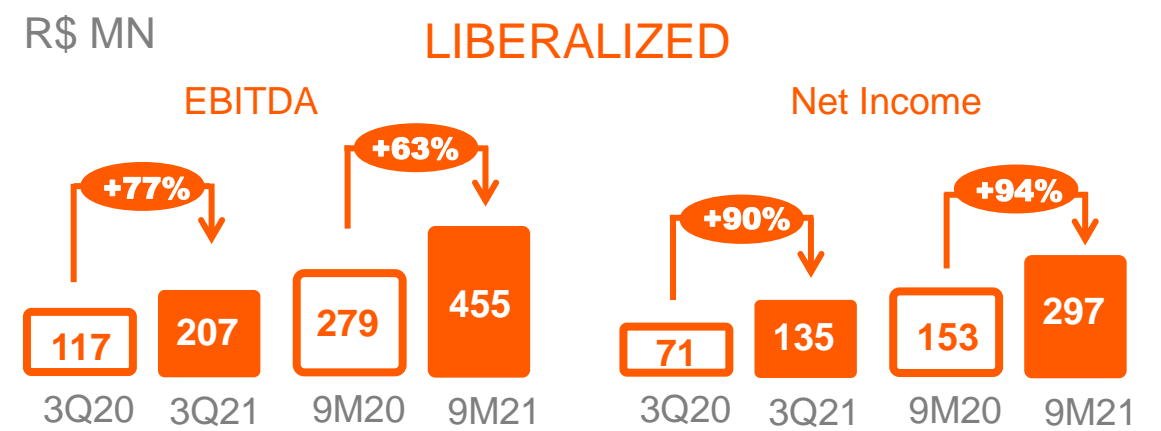
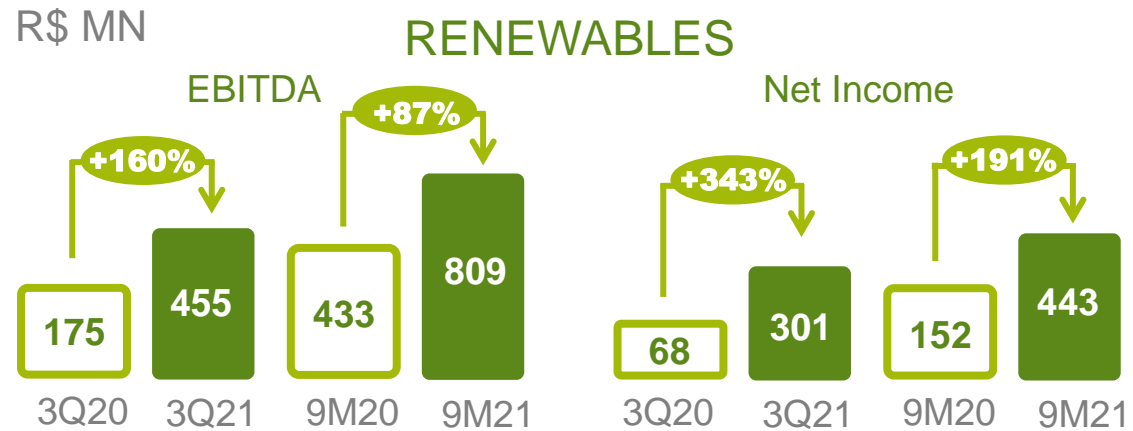
# RESULTS ANALYSIS – RENEWABLES and LIBERALIZED

## 3<sup>rd</sup> QUARTER / 2021



# Results 3Q20 x 3Q21 | 9M20 x 9M21

## RENEWABLES AND LIBERALIZED



R\$ MN

### EBITDA RENEWABLES

|              | 3Q20       | 3Q21       | Var. R\$   | Var. %      | 9M20       | 9M21       | Var. R\$   | Var. %     |
|--------------|------------|------------|------------|-------------|------------|------------|------------|------------|
| Hydro        | 53         | 269        | 216        | 408%        | 229        | 504        | 275        | 120%       |
| Wind         | 122        | 186        | 64         | 52%         | 204        | 305        | 101        | 50%        |
| <b>Total</b> | <b>175</b> | <b>455</b> | <b>280</b> | <b>160%</b> | <b>433</b> | <b>809</b> | <b>376</b> | <b>87%</b> |

- Hydros: Highlighting the non-recurring effect of the GSF renegotiation (3Q21: R\$175 MN and 9M21: R\$222 MN);
- Wind Farms: Early start operation of Chafariz (+R\$48 MN) sale at PLD and higher winds.

R\$ MN

### EBITDA LIBERALIZED

|              | 3Q20       | 3Q21       | Var. R\$  | Var. %     | 9M20       | 9M21       | Var. R\$   | Var. %     |
|--------------|------------|------------|-----------|------------|------------|------------|------------|------------|
| Termope      | 103        | 176        | 73        | 71%        | 291        | 430        | 139        | 48%        |
| NC           | 14         | 30         | 16        | 114%       | (12)       | 25         | 37         | N/A        |
| <b>Total</b> | <b>117</b> | <b>207</b> | <b>90</b> | <b>77%</b> | <b>279</b> | <b>455</b> | <b>176</b> | <b>63%</b> |

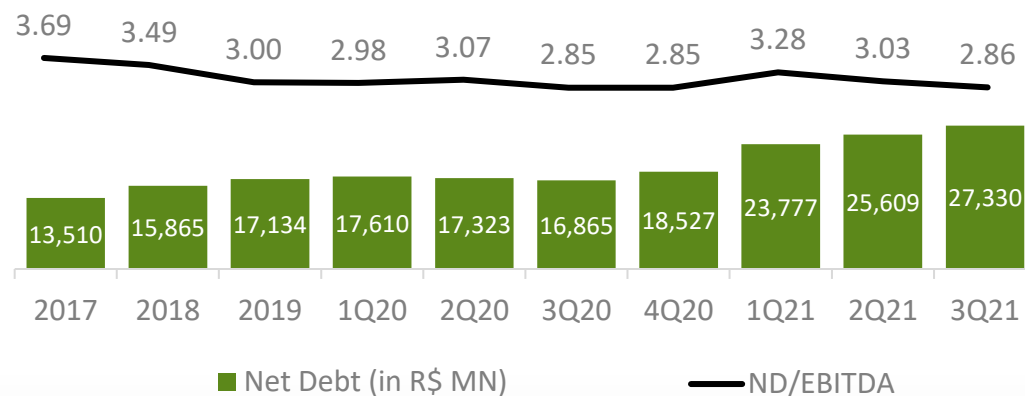
- Termopernambuco: greater number of operating days. In 3Q21 the plant was 100% dispatched due to the country's hydrological crisis;
- Neoenergia Comercializadora: Better margins in 2021.

# RESULTS ANALYSIS – CAPITAL STRUCTURE

3<sup>rd</sup> QUARTER / 2021

# CAPITAL STRUCTURE

## CONTROLLED LEVERAGE AND CASH PRESERVATION



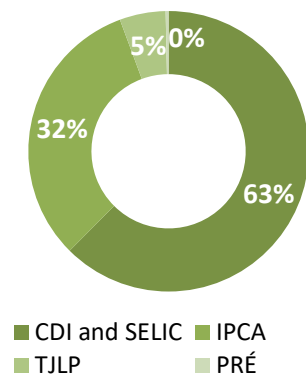
### Debt Structure

R\$ million

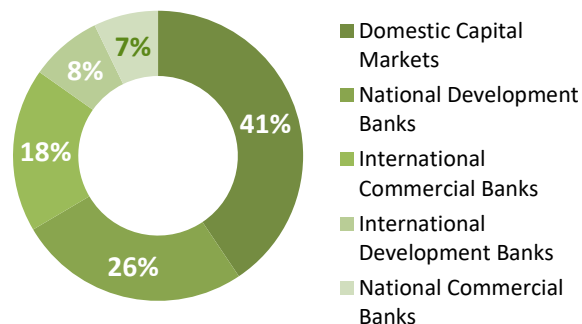
|                | 3Q20    | 4Q20    | 1Q21    | 2Q21    | 3Q21    |       |
|----------------|---------|---------|---------|---------|---------|-------|
| Short Term     | 3,758   | 3,227   | 3,451   | 3,892   | 7,511   | → 23% |
| Long Term      | 19,158  | 20,570  | 24,564  | 25,957  | 24,554  | → 77% |
| Gross Debt     | 22,916  | 23,797  | 28,015  | 29,849  | 32,065  |       |
| Cash and Banks | (6,051) | (5,270) | (4,238) | (4,240) | (4,735) |       |
| Net Debt       | 16,865  | 18,527  | 23,777  | 25,609  | 27,330  |       |

### Debt - Index and Funding

#### DEBT PER INDEXES



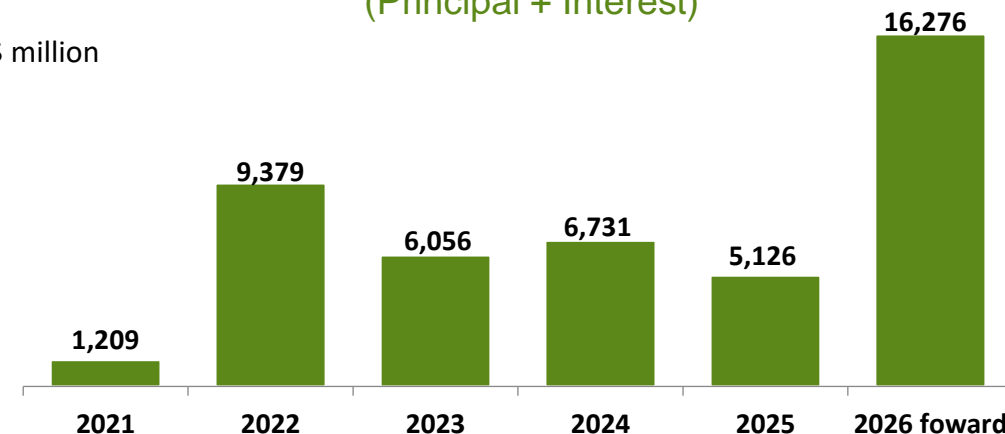
#### DEBT PER FUNDING



### Debt – Amortization Schedule

(Principal + Interest)

R\$ million



Average annual cost of debt of 6.6% and average term of 4.60 years in 3Q21.  
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.**

**Solid and robust regulatory framework, overcoming challenges and respecting contracts.**

**Efficient management, with continuous cost discipline, controlled delinquency and loss reduction.**

**Transmission and Renewable Projects ensuring the promised return rates.**

**Neoenergia Brasília: Completed integration and accelerated turnaround with results exceeding the business plan.**



# THANK YOU!

## Investors Relations

**Website:** [ri.neoenergia.com](http://ri.neoenergia.com)

**E-mail:** [ri@neoenergia.com](mailto:ri@neoenergia.com)

**Telephone:** +55 (21) 3235-9828