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**Bradesco BBI 10<sup>th</sup> CEO Forum**  
November 17-18, 2020



# TURNAROUND

positive results achieved this year

**Sep '19**

**Sep '20**



Losses Combat  
(12 months)

9,737 GWh

9,087 GWh

▼ -650 GWh



Losses Combat in Possible  
Areas (12 months)

5,408 GWh

4,160 GWh

▼ -1,248 GWh



Reduction of contingencies  
(9 months)

R\$270 mln

R\$137 mln

▼ -R\$133 mln



Reduction & control of PMS  
(9 months)

R\$752 mln

R\$688 mln

▼ -R\$64 mln



Liability Management  
(Nominal cost, 12 months)

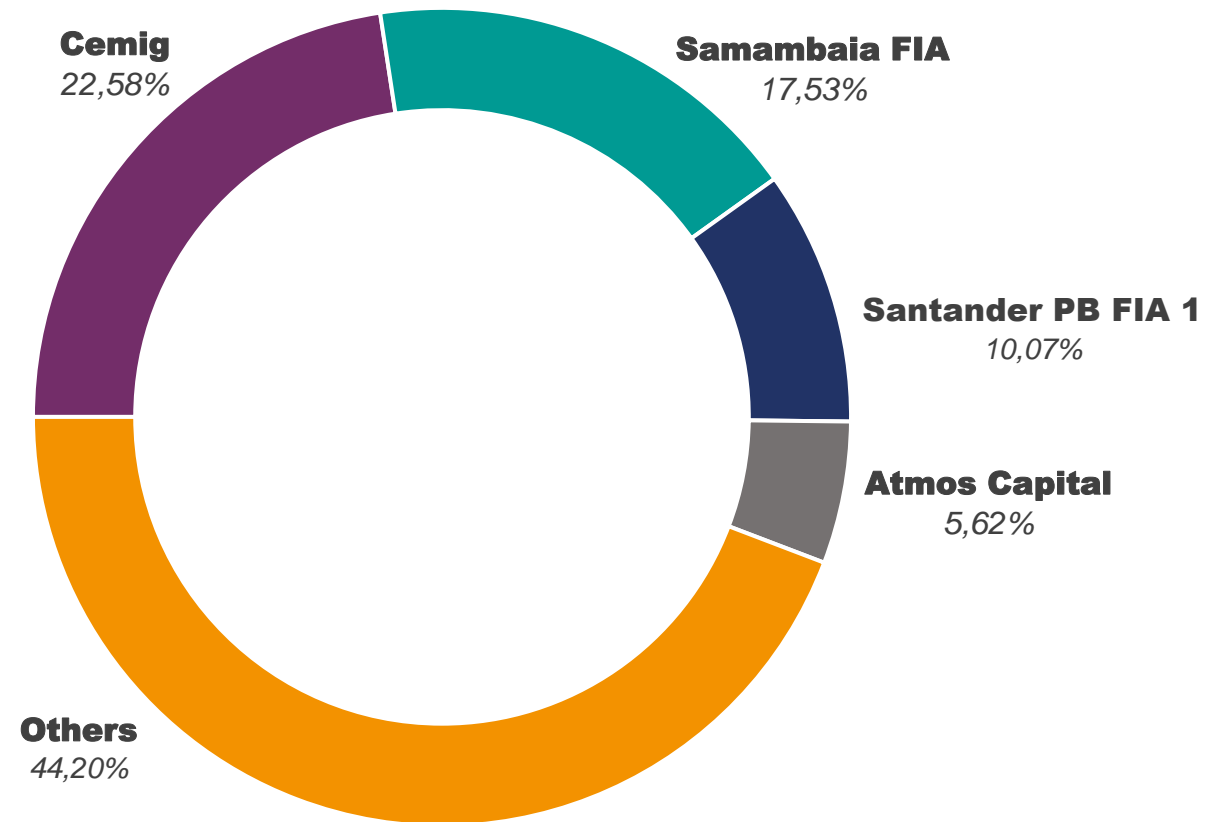
8.84%

6.85%

▼ -2.0 p.p.

# ***SHAREHOLDING STRUCTURE***

*as of Nov 4, 2020*



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# ***3Q20 RESULTS***

## Turnaround plan continues to generate positive and consistent results, and the operation records excellent service quality indicators

Improvement in customer **relationship** processes and **new legal practices** led to a **reduction of R\$129 mln** in contingencies in 3Q20

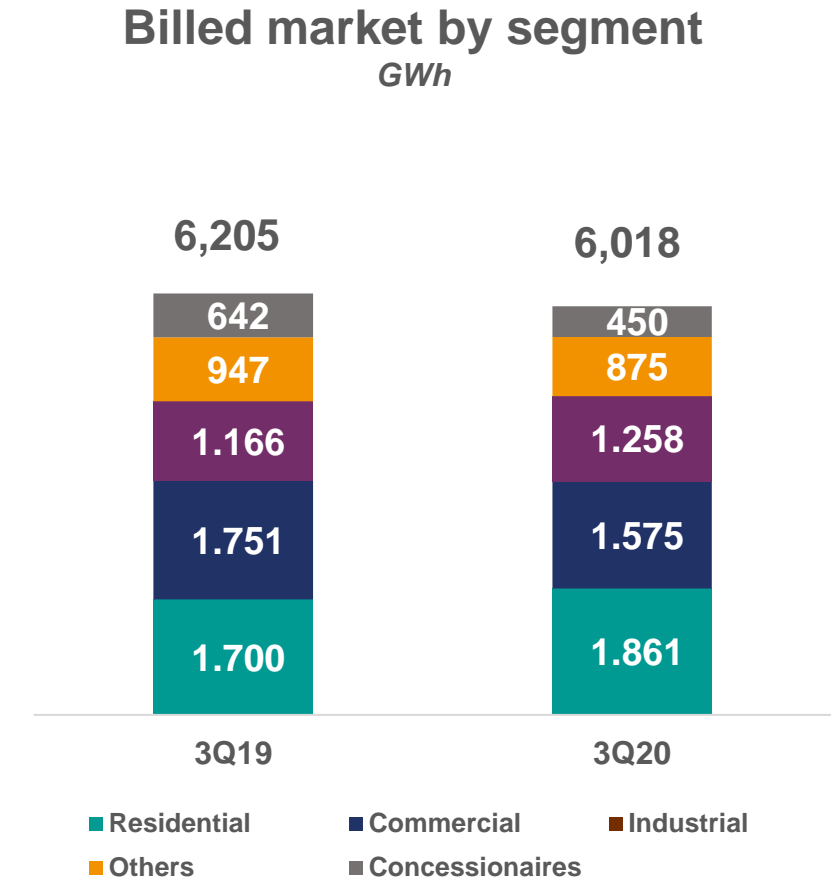
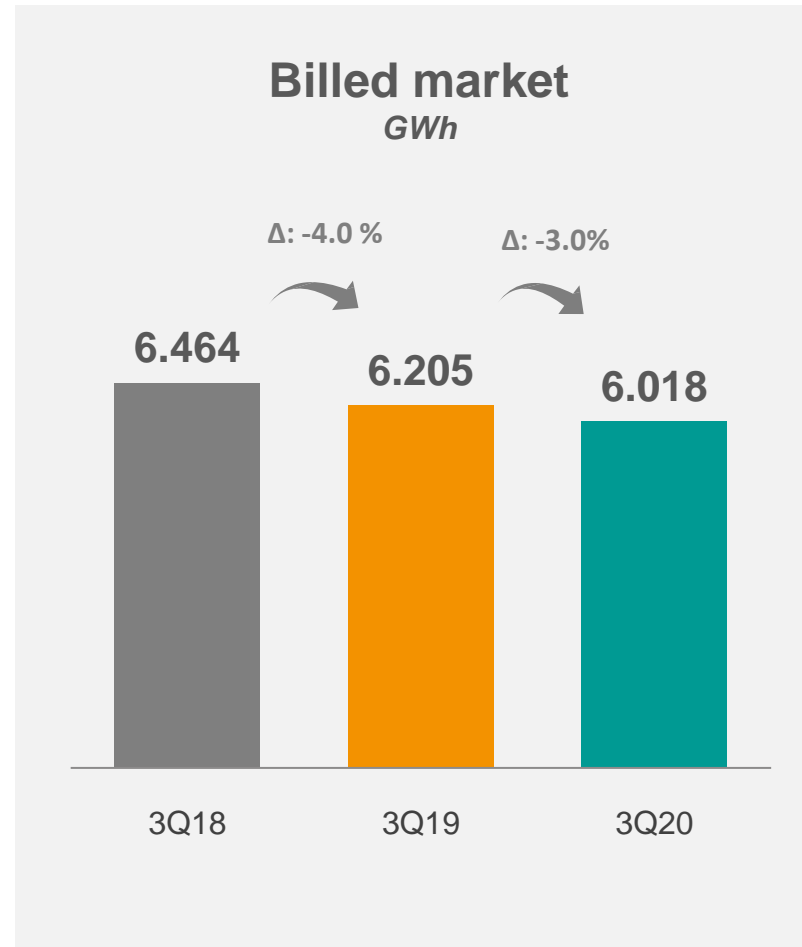
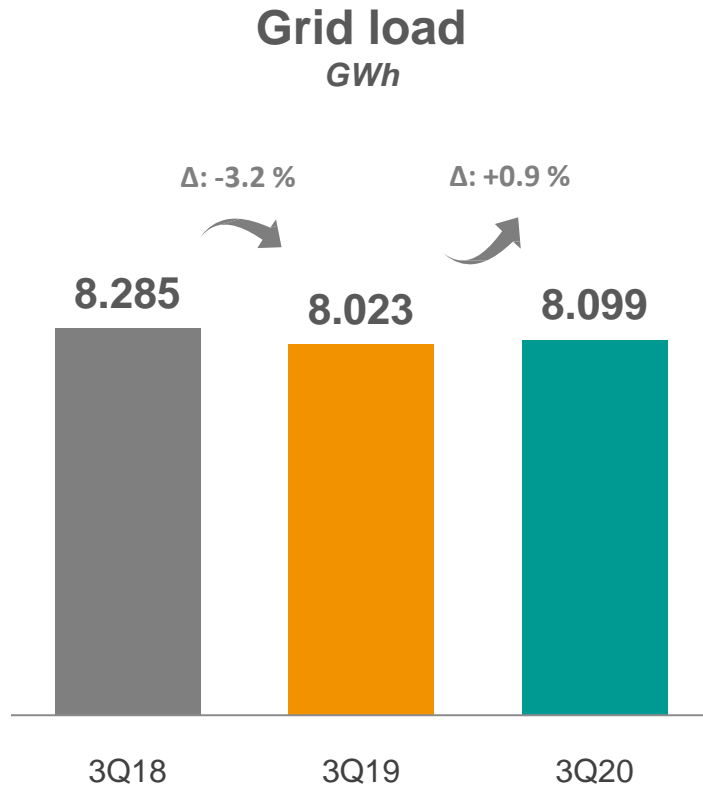
Continued **reduction in consolidated PMS**, down R\$25 mln in 3Q20. **In the year, significant reduction of R\$64 mln**

Increase in total losses due to the deterioration of losses in the Risk Area. Losses in the **Possible Area continue their downward trend**

**Consolidated EBITDA of R\$587 mln**, an increase of 102% over recurring 3Q19. Highlight for the **good performance of DisCo and GenCo** in the period

Sequence to liability mngmt with the **issuance of R\$1.1 bln**, reinforcing the cash position. **Solid cash position of R\$3 bln**, sufficient for future commitments. Leverage ratio at **2.4x**

**Consolidated net income of R\$136 mln vs. R\$11 mln** of loss in recurring 3Q19

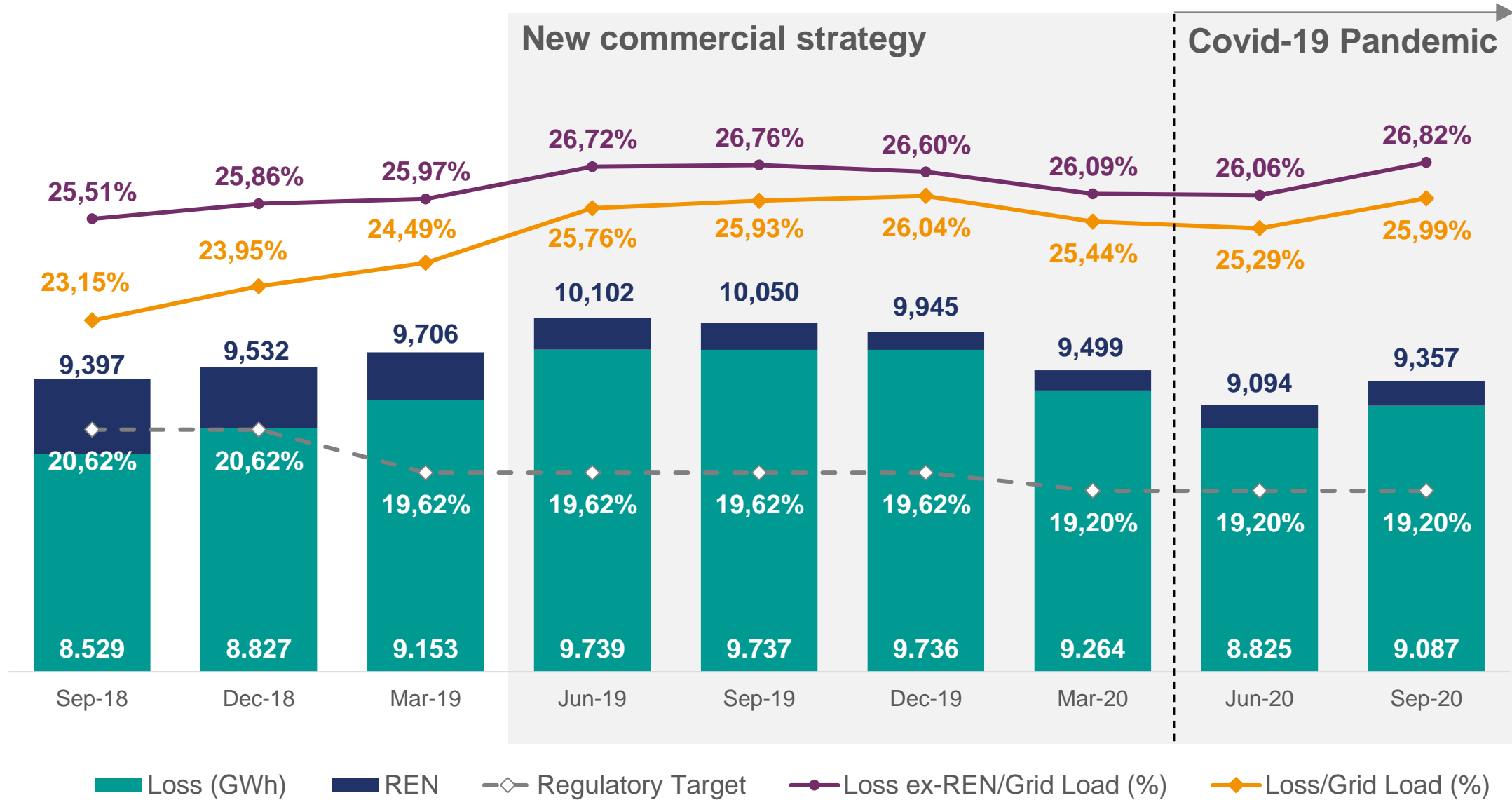


**3.0% reduction driven by the Commercial segment, still impacted by the pandemic**

**On the other hand, the Industrial and Residential segments grew due to the steel sector's demand and the high temperatures in the quarter, respectively**



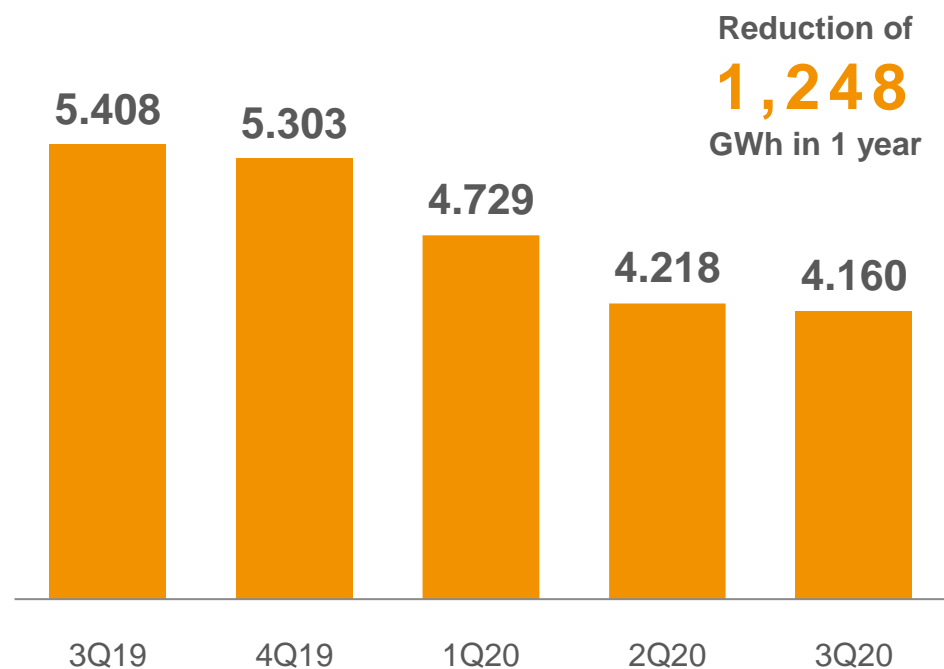
# Combating losses – Total Losses (12 months)



# Combating losses – Possible Area

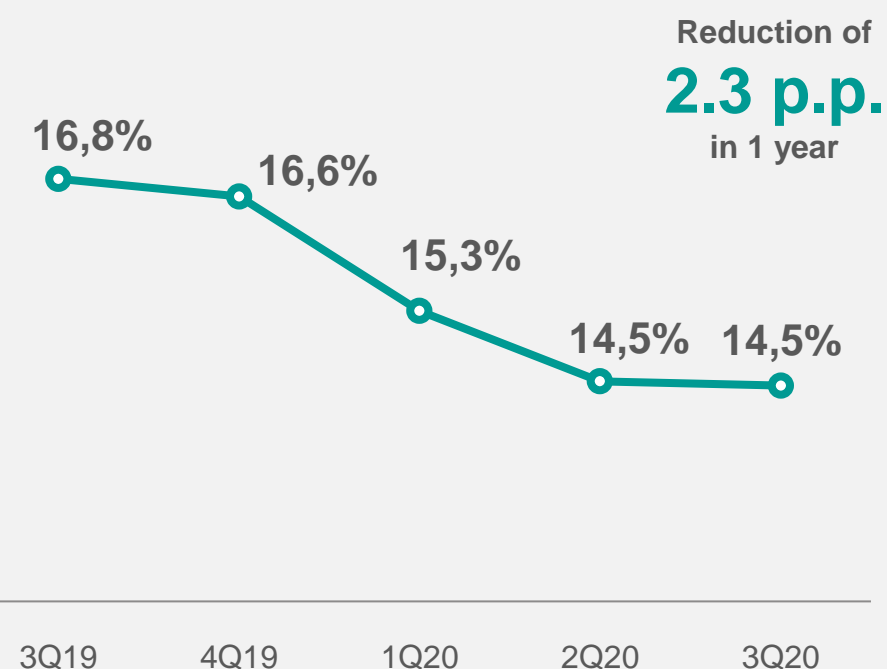
## Total Losses in Possible Area

GWh, 12 months



## Total Losses / Grid load in Possible Area

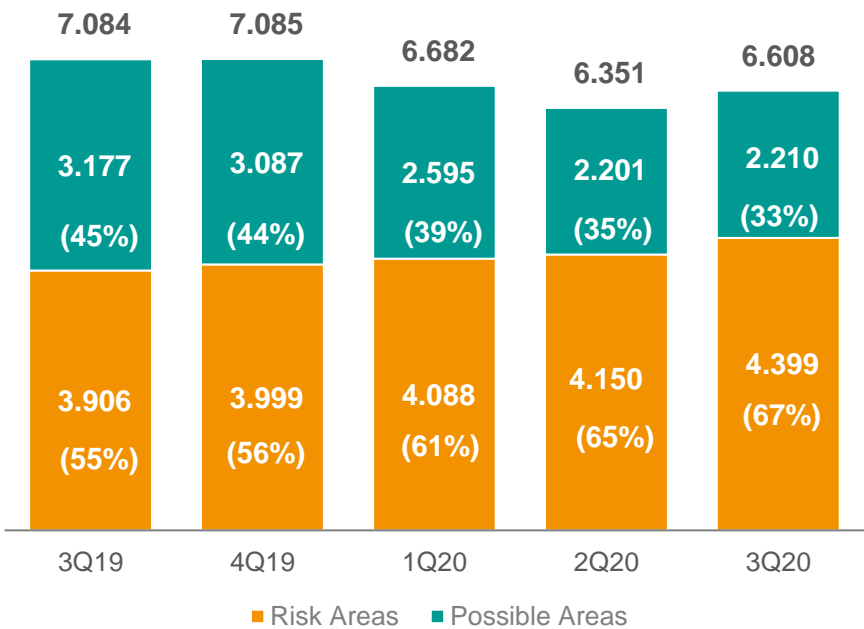
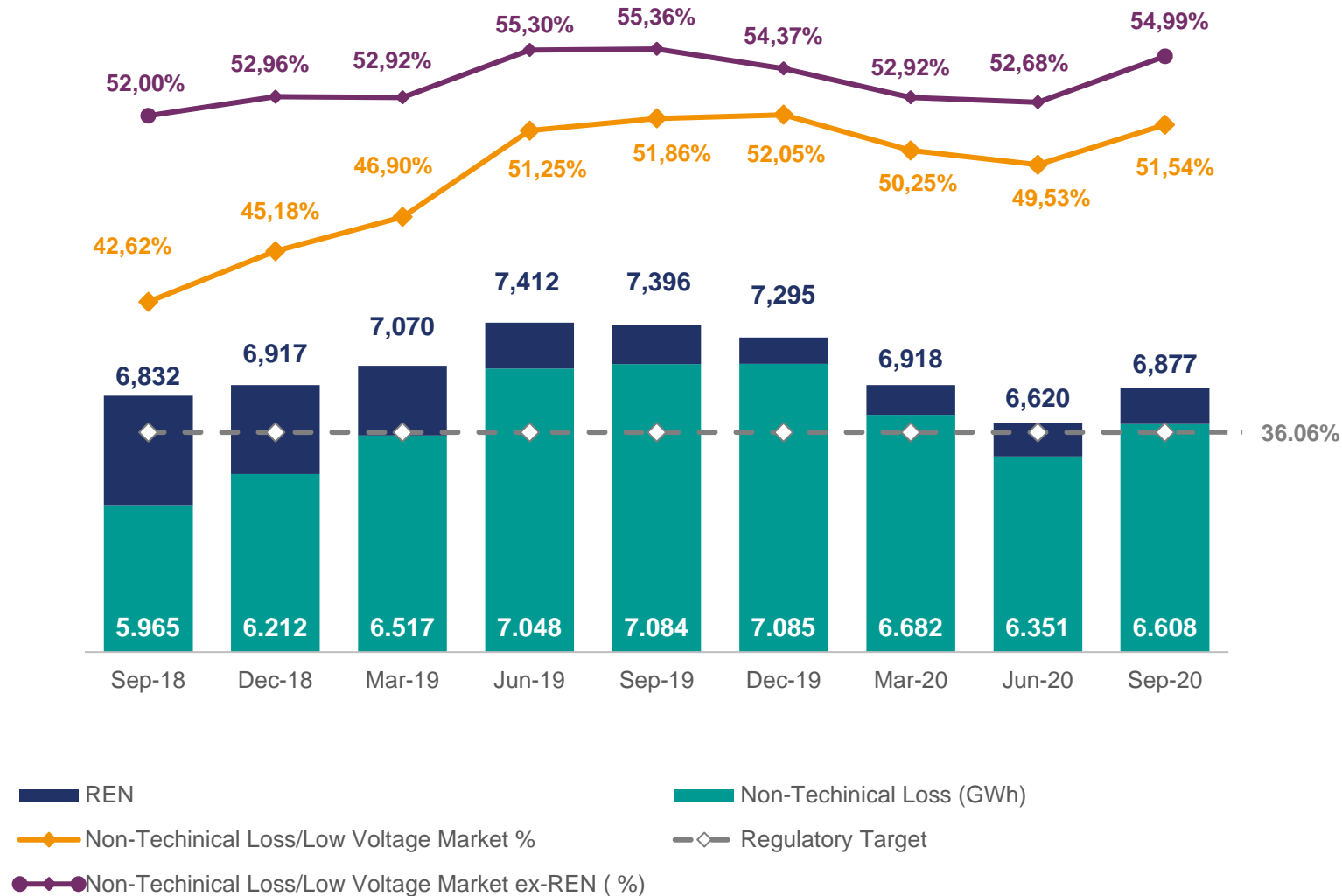
12 months



Losses in the Possible Area, where we operate, continue to reduce since new actions started in 2Q19



# Combating losses – Non-technical losses (GWh, 12 months)



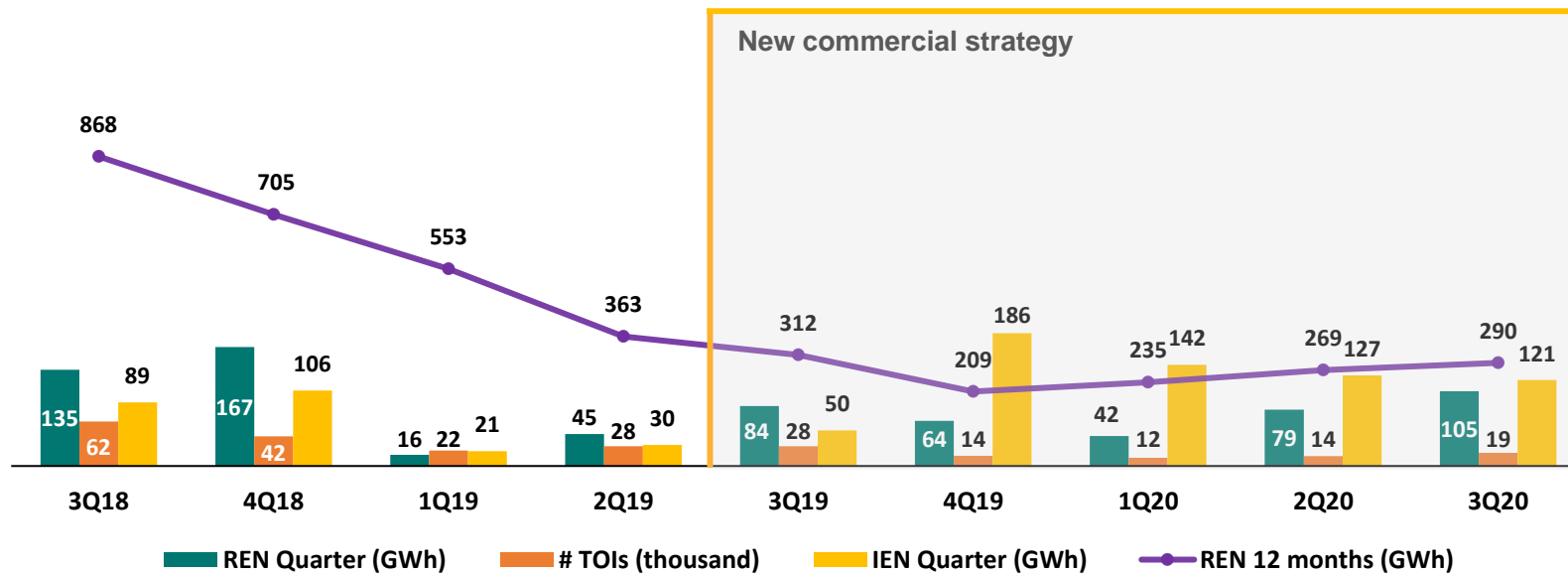
Deterioration of losses in the Risk Area, which followed the **higher demand** for Grid load due to **higher temperatures**

**Non-invoiced energy** (approx. **100 GWh**) also **compromised** the loss indicator

# Evolution of the quarterly IEN: focus on energy incorporation



## Quarterly IEN and REN

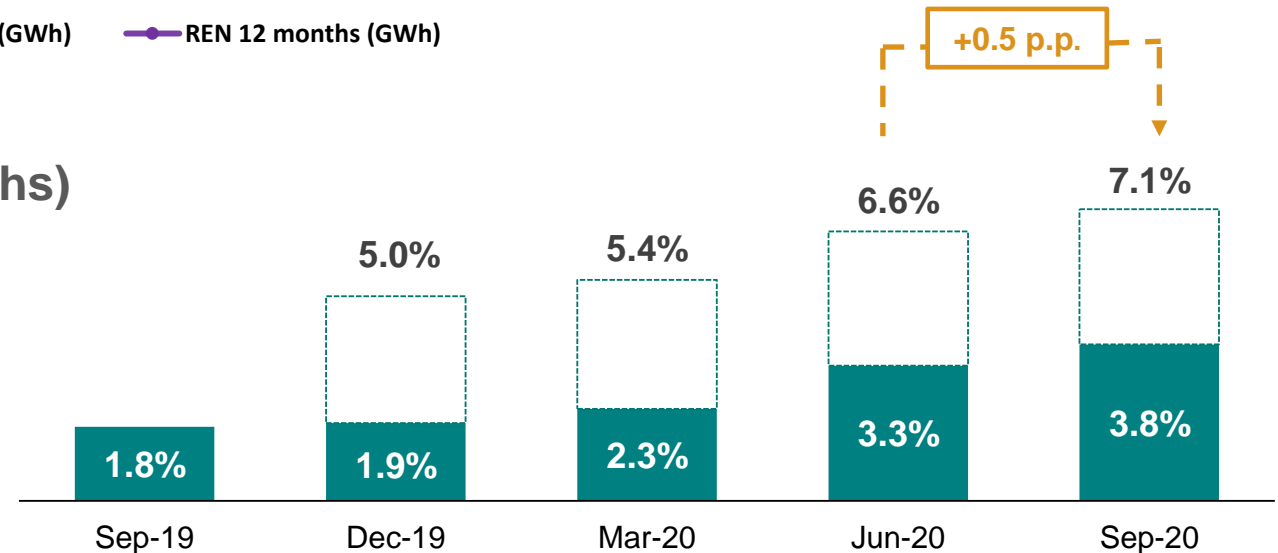


REN increase consistent with the higher number of inspections

3Q20 IEN is **2.4 times higher** than in 3Q19

## Bad debt provision / Gross revenue (12 Months)

0.5 p.p. above the 2Q20 index, reflecting the **expectation of non-collection** of future bills associated with higher **increase in delinquency** during the **pandemic**



# Operational quality continued to record good results



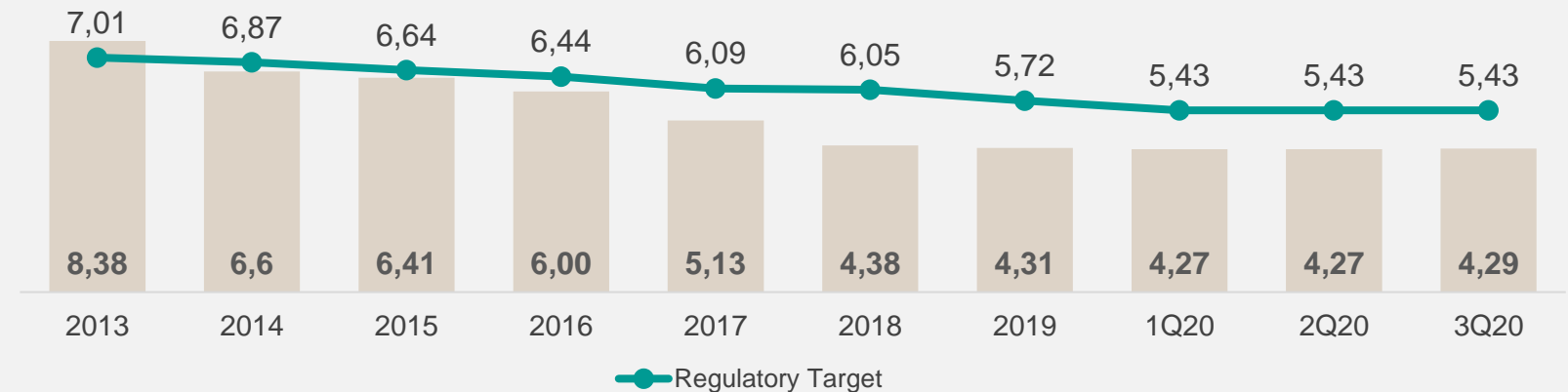
## DEC 12 months (hours)

**3.6% reduction** in relation to Jun '20, again a historical **record** for the Company



## FEC 12 months (times)

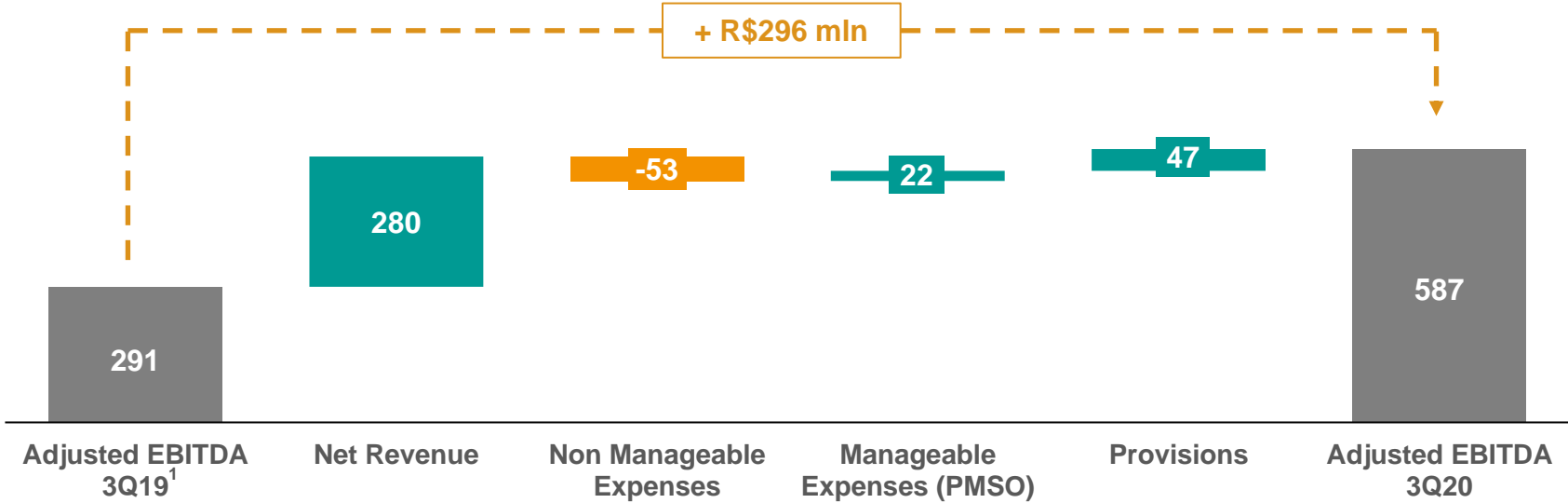
**21% below the limit** set by ANEEL's concession contract (5.4x)



# Consolidated EBITDA of R\$587 mln, due to the DisCo and GenCo's better results



Amounts in R\$ mln



Estimated economic impact, exclusive of the pandemic, on DisCo's EBITDA

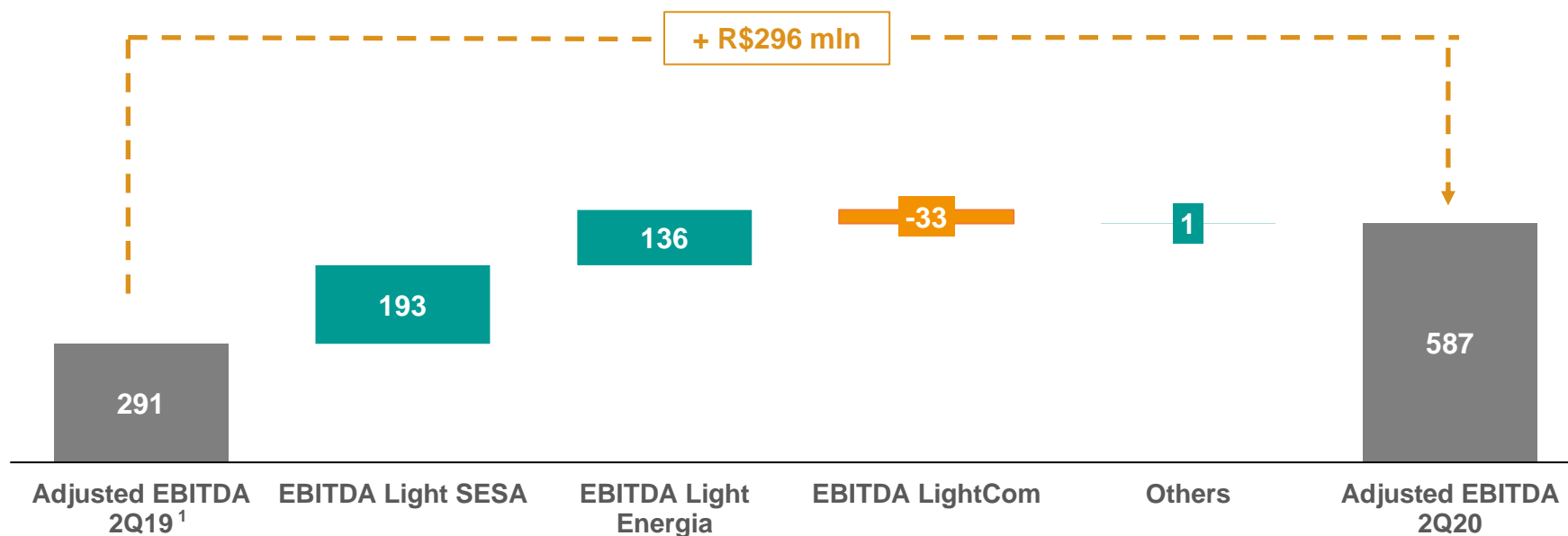
Impact on EBITDA (R\$ MN)	Δ
Installment B + Non-technical losses	(29)
PECLD	(23)

NOTE: 1) Disregards Renova impacts and the PIS / COFINS process that occurred in 3Q19.

# 3Q20 EBITDA growth driven by DisCo and GenCo's results



Amounts in R\$ mln



Improvement of the DisCo's EBITDA due to the positive impact of the energy supply and the VNR, in addition to the effects of the turnaround (PMS and legal contingencies)

Increase in GenCo's EBITDA due to lower GSF exposure and lower spot prices, in addition to greater allocation of physical guarantee in the period

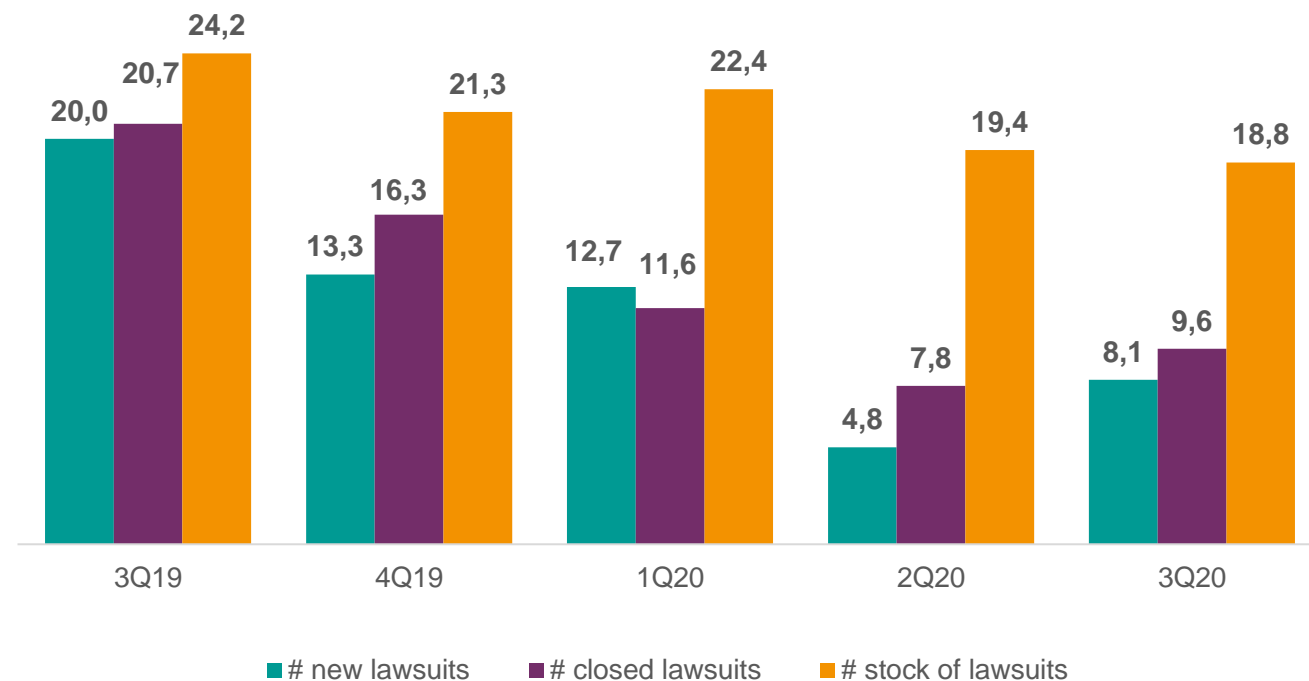
# Improvement in customer relationship processes and new legal practices led to a reduction of R\$129 mln in contingencies in 3Q20



Provisions – Legal contingencies (R\$ mln)

	3Q20	3Q19	9M20	9M19
<b>JEC</b>	(24)	(51)	(79)	(247)
<b>Civil</b>	15	(30)	(61)	(90)
<b>Others</b>	30	(27)	21	(35)
<b>Total</b>	21	(108) ↓	(122)	(372) ↓

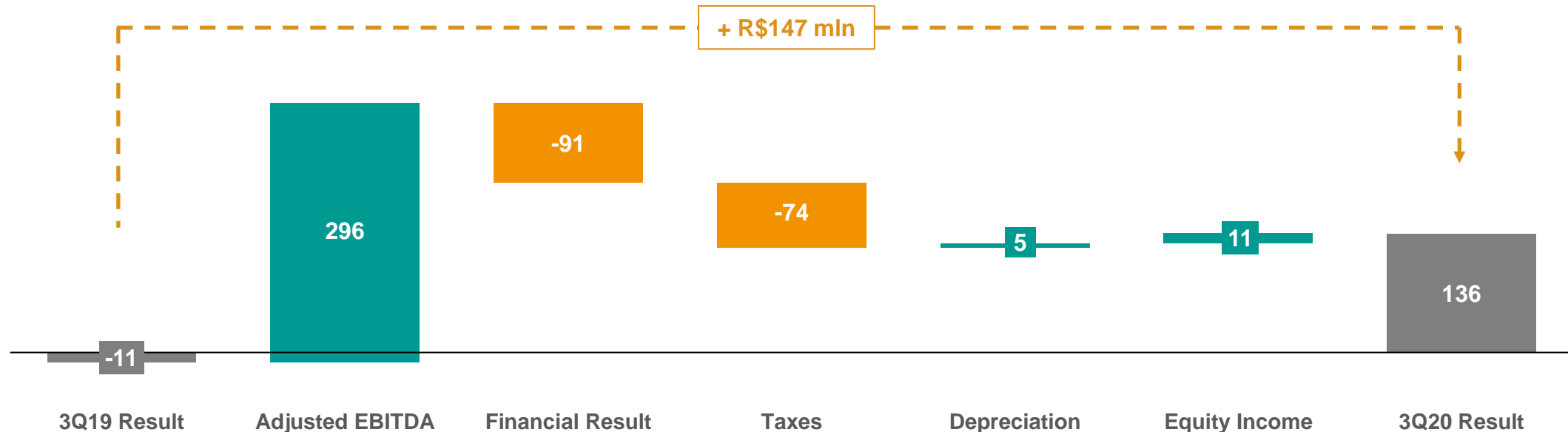
Number of JEC processes (thousand)



Reduction in new demands filing reflects the improvement of operational and customer relationship procedures

# Increase in net income reflecting better operating results, even with lower financial results

Amounts in R\$ mln

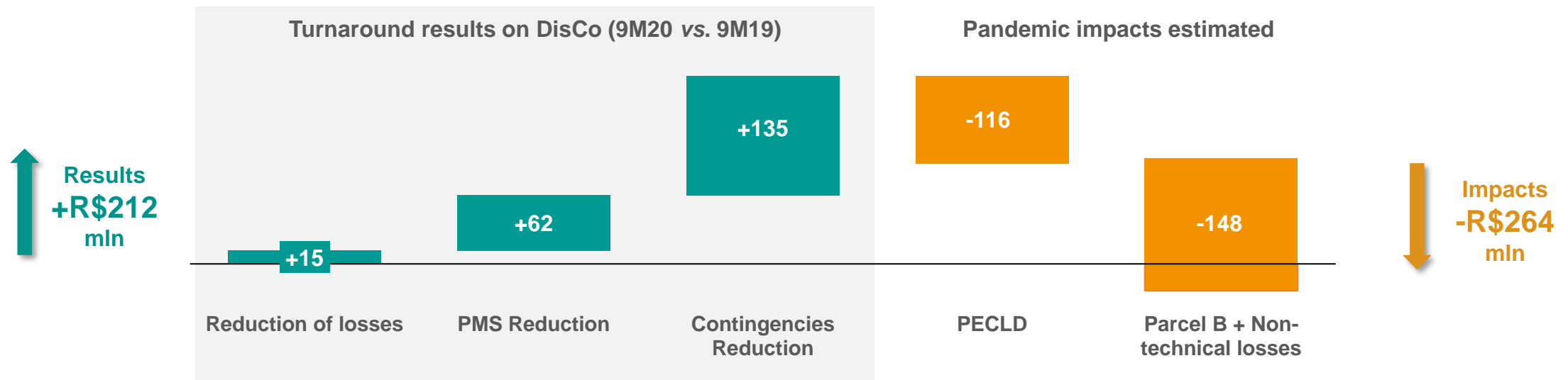


Financial result impacted by the GSF liability inflation adjustment, despite the advance in the liability management agenda



# Despite the good results of the turnaround, the effects of the pandemic continue to have a negative impact on the DisCo

Amounts in R\$ mln

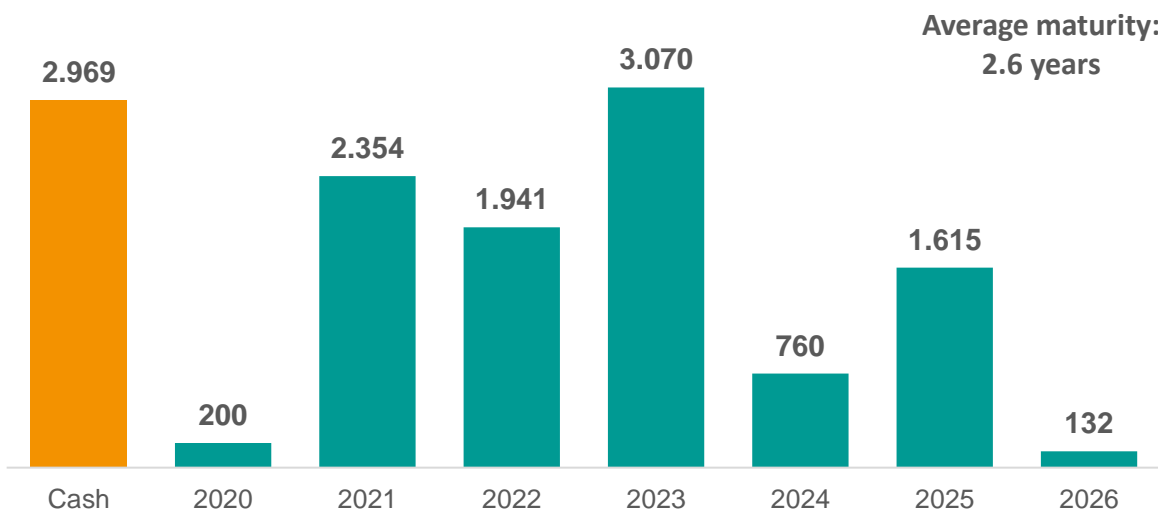


The positive effects of the turnaround will remain, while the impacts of the pandemic are transient and are being discussed at the regulatory level

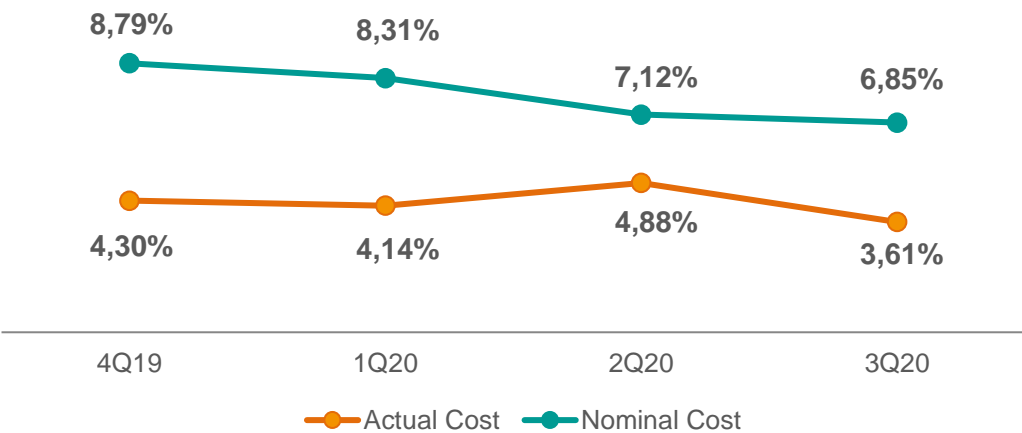
# Robust cash position to meet debt maturities



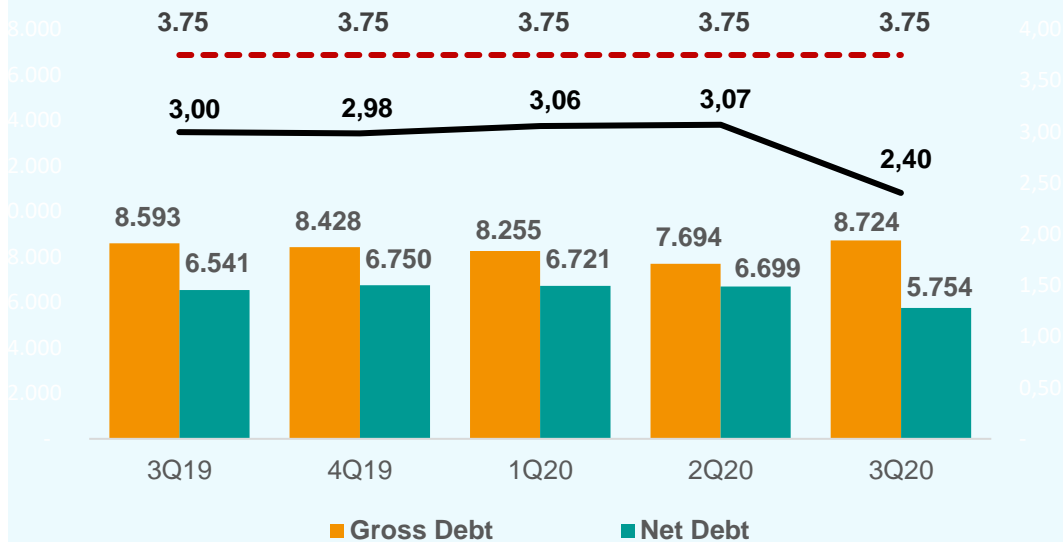
Amortization of Consolidated Debt (R\$ mln)



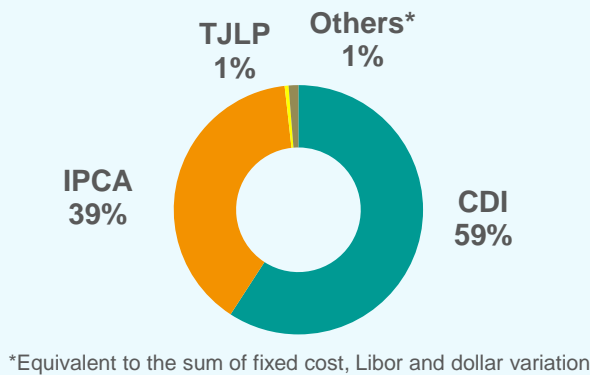
Cost of debt



Debt (R\$ mln) and Net Debt/EBITDA (x)



Debt indexes



Management committed to generating results for Light

Engaged and committed to the progress of the turnaround

Due to the challenges of our concession, we are in frequent constructive dialogue with the Regulator and the Granting Authority

**We will make Light the best energy company in Brazil**

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