

# Earnings Release

## 4Q22

February 2023



## Webcast

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### February 17, 2023

(in Portuguese with simultaneous translation into English)

10:00 a.m. (Brasília) | 8:00 a.m. (New York) | 1:00 p.m. (London)

[Click here](#) to access the webcast

Presentation available at [ri.aurenenergia.com.br](https://ri.aurenenergia.com.br)

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On December 29, 2022:

- **AURE3:** R\$14.73
- **Market Cap:** R\$14.7 billion

 auren



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## 4Q22 and 2022 Highlights

Financial Highlights <sup>(a)</sup>						
R\$ million	4Q22	4Q21	Var. (%)	2022	2021	Var. (%)
<b>Net Operating Revenue</b>	<b>1,484.9</b>	<b>1,872.1</b>	<b>-20.7%</b>	<b>5,754.6</b>	<b>6,477.4</b>	<b>-11.2%</b>
EBITDA	760.8	303.6	150.6%	1,864.8	1,878.7	-0.7%
<b>Adjusted EBITDA<sup>(b)</sup></b>	<b>520.8</b>	<b>344.1</b>	<b>51.3%</b>	<b>1,791.7</b>	<b>1,110.9</b>	<b>61.3%</b>
Adjusted EBITDA Margin	35%	18%	17 p.p	31%	17%	14 p.p.
Hydroelectric	381.9	236.1	61.8%	1,287.1	970.2	32.7%
Wind	186.8	94.4	97.9%	475.2	213.8	122.3%
Commercialization	84.9	(11.8)	N.M.	602.9	(55.2)	N.M.
Holding	(35.1)	25.4	N.M.	(134.8)	368.8	N.M.
Eliminations	(97.7)	-	-	(438.6)	(386.7)	13.4%
<b>Net Profit</b>	<b>2,453.1</b>	<b>42.0</b>	<b>5,743.2%</b>	<b>2,675.7</b>	<b>420.3</b>	<b>536.5%</b>
<b>Operational Cash Flow<sup>(c)</sup></b>	<b>373.3</b>	<b>240.2</b>	<b>55.4%</b>	<b>1,219.6</b>	<b>1,079.5</b>	<b>13.0%</b>
<b>Free Cash Flow</b>	<b>250.3</b>	<b>122.6</b>	<b>104.2%</b>	<b>1,480.0</b>	<b>343.7</b>	<b>330.6%</b>
<b>Net Debt<sup>(d)</sup></b>	<b>2,489.2</b>	<b>2,874.1</b>	<b>-13.4%</b>	<b>2,489.2</b>	<b>2,874.1</b>	<b>-13.4%</b>
<b>Leverage<sup>(e)</sup></b>	<b>1.4x</b>	<b>2.6x</b>	<b>-1.2x</b>	<b>1.4x</b>	<b>2.6x</b>	<b>-1.2x</b>

<sup>(a)</sup> The financial performance to 1Q22 reflects unaudited proforma consolidated results of Auren and has been prepared to reflect the effects of the corporate reorganization as if this combination had taken place on 01/01/2021. The 2021 and 1Q22 results have been restated and the changes have been considered in this disclosure.

<sup>(b)</sup> Adjusted EBITDA excludes provision/reversal for litigation, write-off of judicial deposits, includes dividends received.

<sup>(c)</sup> Operating Cash Flow, after debt service.

<sup>(d)</sup> It considers loans and financing, leases, cash and cash equivalents, financial investments, liquidity fund - reserve account, and derivative financial instruments.

<sup>(e)</sup> Net Debt / Adjusted EBITDA last 12 months.

- **8% increase in hydroelectric generation** compared to 4Q21, due to the attenuation of the effects of the hydric crisis of 2021 and the respective improvement in the flow of the Porto Primavera HPP;
- **Wind generation increased 32%** on a comparable basis, mainly due to the normalization of generation at Ventos do Araripe III in 2022. The commissioning of the Ventos do Piauí II and III wind complexes added 81 MW average to annual wind generation;
- **Conclusion of the construction of the Ventos do Piauí II and III wind complexes**, with 100% of the wind turbines entering in commercial operation in November 2022, in line with the projects' schedule and budget;
- Conclusion of the **contracting of equipment and other relevant inputs and services**, and start of mobilization of **Sol do Piauí and Sol de Jaíba projects**, which will add 548 MWac of installed capacity;

- Further advance in the strategy of **building an ecosystem of strategic partners in energy trading** with the interest **acquisition in the startup Flora Energia**, strengthening the Company's preparation for the liberation of the energy market
- **Consolidated Adjusted EBITDA growth of 51%** versus 4Q21, with **margin expansion of 17 p.p.** (35% versus 18% in 4Q21);
- Operating cash flow after debt service of R\$373 million, with cash conversion ratio of **cash conversion ratio** <sup>(1)</sup> **of 72%**;
- **Leverage of 1.4x**, measured by net debt to adjusted EBITDA ratio, with solid cash position of **R\$3.4 billion**;
- Conclusion of the **judicial agreement involving the indemnification of Três Irmãos HPP** between Auren and the Federal Government in December 2022, with the definition of the receipt of the indemnification as established in the MME/MF Interministerial Ordinance No. 129/2014, and homologation in January 2023;
- Approval of the Board of Directors to submit a **proposal for dividends distribution in the amount of R\$1.50 per share**, related to the result for the year 2022, to be submitted for approval at the Annual and Extraordinary Shareholders' Meeting.

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<sup>(1)</sup> Cash Conversion Ratio = Operating Cash Flow after debt service/Adjusted EBITDA



## Management Message

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At Auren, we ended 2022 proud of our achievements. We successfully concluded the merger and integration of assets, advanced further in expanding our renewable generation platform and in the aspiration to build a Clean Energy Tech in our Commercial front, and we concluded the judicial agreement regarding the indemnification of the Três Irmãos HPP.

After constructing the Ventos do Piauí II and III wind complexes on schedule and within budget, we now have a portfolio of operational assets with installed capacity of 3.0 GW and physical guarantee of 1.6 GW avg, reaffirming our position as one of Brazil's leading renewable energy generation companies.


As for projects under construction, in the last quarter of the year, we signed the main supply agreements for the hybrid Sol do Piauí and the solar Sol de Jaíba projects, which, once concluded, will add 548 MWac to the installed capacity and 167 MWavg to the physical guarantee of our energy generation complex. The mobilization phase has already begun at both projects. In the Sol de Jaíba project, which will occupy an area of 1,500 hectares and with capacity to supply energy to over 500,000 houses, work is under way on building the step-up substation and the external accesses to the complexes.

Auren Comercializadora acquired interest in Flora Energia, a startup that has developed a marketplace platform to offer a scalable technological solution that enables that enables clients in the regulated market to access the acquisition of energy from distributed generation projects. This was Auren's third investment in innovation, technology and data science companies, representing a further advance in our path to become a Clean Energy Tech, reinforcing its strategy to build an ecosystem of strategic partners, aiming the development of new products, services and special energy solutions to serve the free market clients.

In December, we successfully concluded negotiations related to the indemnification for the Três Irmãos HPP. As for our contingent liabilities, the highlight in 4Q22 was the ratification of a Public Interest Civil Action related to fishermen. The booking of these negotiations contributed positively to the disclosure of a net income of R\$2.7 billion in 2022, besides reducing the risk attributed to the Company.

Our disciplined financial and business management enabled us to approve, on this date, the proposed distribution of dividends, to be deliberated at the Annual and Extraordinary Shareholders Meeting.

We are also consistently evolving on the Environmental, Social and Governance (ESG) agenda. Notable among the initiatives during the year were the approval of our Sustainability Policy, which consolidates Auren's strategic vision and purposes on Health, Occupational Safety, Environment and Social Responsibility.



Our commitment to the transparent disclosure of its greenhouse gas emissions and to the transition to a low-carbon economy led it to be chosen for the select group of companies that make up the portfolio of B3's Carbon Efficient Index (ICO2 B3).

We started 2023 with the same courage to innovate and the caution and discipline to invest in a scenario that is both challenging and offers promising opportunities.

We thank our shareholders, employees and business partners for supporting us in this journey of growth towards a clean and more sustainable future.

**Fabio Zanfelize**

Chief Executive Officer

**Mario Bertoncini**

Vice-President of Finance and  
Investor Relations Officer

## Operating Performance

In December 2022, Auren's operational installed capacity totaled 3,030 MW, including the non-controlling interest in hydroelectric assets and the startup of the Ventos do Piauí II and III wind complexes, concluded in 4Q22. Of this total, 2,057 MW refers to hydropower, including 517 MW of assets in which the Company holds interest, and 973 MW to wind power.

### Hydroelectric generation

The Company holds full interest in the Porto Primavera HPP and non-controlling interest in seven other assets: Machadinho, Campos Novos, Barra Grande, Amador Aguiar I and II, Igarapava and Picada.

**Table 1 – Generation by hydroelectric power plants fully owned by the Company**

	Installed Capacity	Physical Guarantee (MWavg)	Energy generation (MWavg)					
			4Q22	4Q21	Var. (%)	2022	2021	Var. (%)
HPP Porto Primavera	1,540.0	886.8	825.0	765.8	7.7%	773.3	759.9	1.7%

Power generation at Porto Primavera HPP reached 825 MWavg in 4Q22, up 8% from 4Q21 (766 MWavg).

The higher generation in this quarter reflects the easing, during 2022, of the water crisis effects experienced in Brazil in the previous year. As a result, on October 31, 2022 the operational guidelines established by the Exceptional Water & Energy Management Rules Chamber (CREG) which limited the minimum release flow of HPP Porto Primavera and, consequently, the production of electric energy by the plant, ceased to be in effect.

**Table 2 – Comparison of Affluent Natural Energy (ENA) from the Southeast/Midwest subsystem**

	MWavg			% MLT <sup>(2)</sup>		
	4Q22	4Q21	Var. (%)	2022	2021	Var. (%)
October	24,562	22,229	10.5%	104%	94%	10 p.p.
November	24,616	29,324	-16.1%	78%	93%	-15 p.p.
December	42,681	42,730	-0.1%	89%	89%	-
Oct-Dec	30,685	31,451	-2.4%	89%	91%	-2 p.p.

In 4Q22, the water basins of the Southeast/Midwest subsystem registered flows close to the historical average, but with storage higher than in 4Q21. To recover the reservoirs of the Paranaíba and Grande River basins, the National System Operator (ONS) adopted, as its operating strategy, the reduction of hydroelectric plants flow during most of the

<sup>(2)</sup> Long-term average (MLT). Information available at [http://www.ons.org.br/Paginas/resultados-da-operacao/historico-da-operacao/energia\\_afluente\\_subsistema.aspx](http://www.ons.org.br/Paginas/resultados-da-operacao/historico-da-operacao/energia_afluente_subsistema.aspx)



quarter, but the flow rates practiced were higher than those observed in the previous quarters.

In 4Q22, the Porto Primavera HPP maintained the average availability index at 96.2%, up 3.9 p.p. from 4Q21 (92.3%).

Average availability index of plants managed by Auren remained significantly above the reference values defined by the Brazilian Electricity Regulatory Agency (ANEEL), indicative of the quality of asset operations and maintenance, as well as adequate management of operating risks.

**Table 3 – Availability of plants operated by Auren and reference values adopted by ANEEL**

	Installed Capacity (MW)	# Generation Units - GU	GU Unity Capacity (MW)	Verified Availability	ANEEL Reference Values
Porto Primavera HPP	1.540.0	14	110.0	96.2%	92.3%
Picada HPP	50.0	2	25.0	95.7%	93.4%

## Wind Power Generation

Power generation at the wind farms operated by Auren totaled 348 MWavg in 4Q22, up 125% from 4Q21 (155 MWavg) or 32% higher, on a same operating asset basis. The commercial startup of the Ventos do Piauí II and III wind complexes added 81 MWavg to the Company's wind power generation in 2022.

**Table 4 – Generation by Wind Complexes**

	Installed Capacity (MW)	Guarantee (MWavg)	Energy generation (MWavg)					
			4Q22	4Q21	Var. (%)	2022	2021	Var. (%)
Ventos do Piauí I	205.8	106.3	74.3	69.0	7.7%	96.5	96.9	-0.4%
Ventos do Araripe III	357.9	178.5	130.9	86.2	51.9%	158.6	94.3	68.2%
Ventos do Piauí II (**)	206.8	104.6	69.4	-	-	22.8	-	-
Ventos do Piauí III (***)	202.4	99.7	73.7	-	-	58.0	-	-
<b>Total</b>	<b>972.9</b>	<b>489.1</b>	<b>348.3</b>	<b>155.2</b>	<b>124.4%</b>	<b>335.9</b>	<b>191.2</b>	<b>107.1%</b>

(\*) The Ventos do Piauí II project started the start-up process in August 2022.

(\*\*) The Ventos do Piauí III project started the start-up process in May 2022.

For the calculation of generation in 2022, in MW average, the annual generation in MWh of Ventos do Piauí II and III, divided by the number of hours of the year.

## Ventos do Piauí I

In 4Q22, generation by Ventos do Piauí I was 12% lower than expected in the 90<sup>th</sup> percentile (P90) and 17% lower than average expected generation (P50), due to the below average wind resource expected for the period. Compared to 4Q21, generation

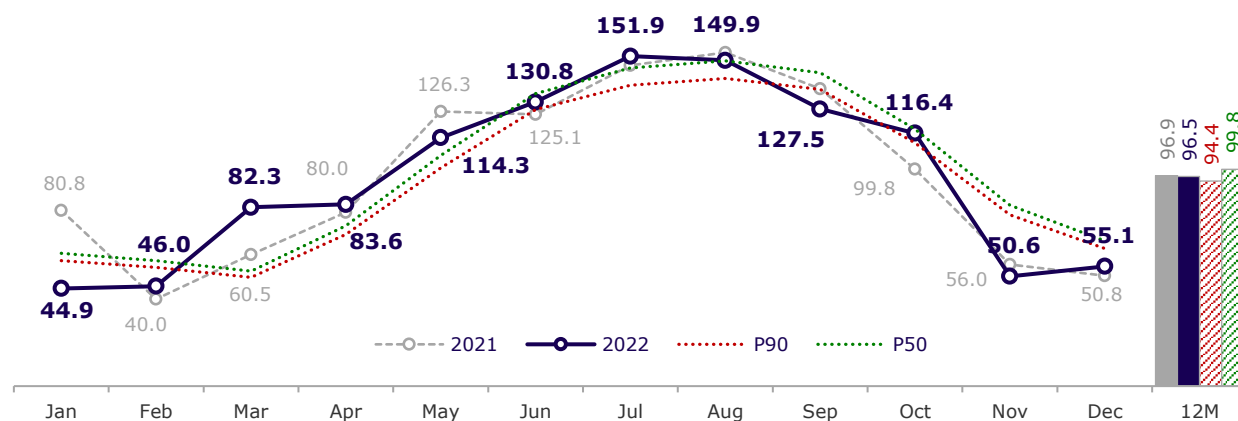
was 8% higher. In 2022, generation was 96.5 MW avg, 2% higher than 90th percentile (P90) and 3% lower than average expected generation (P50).

Generation in 2022 was 96.5 MWavg, up 2% from the 90<sup>th</sup> percentile (P90) and down 3% from average expected generation (P50).

**Table 5 – Quarterly generation by the Ventos do Piauí I wind complex (2021 and 2022)**

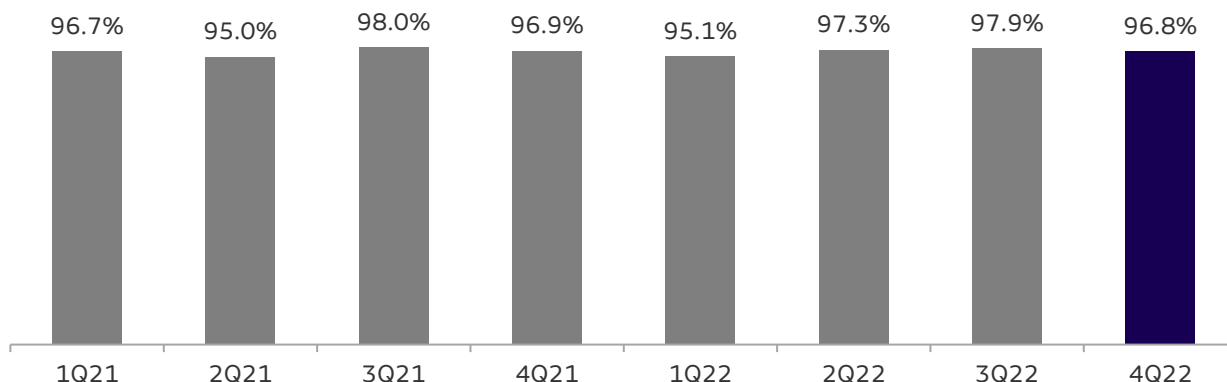
Period	Generation (MWavg)	Expected Generation P90 (MWavg)	Var. (P90)	Expected Generation P50 (MWavg)	Var. (P50)
1Q21	61.1	54.1	12.9%	57.1	7.0%
1Q22	58.1		7.4%		1.8%
2Q21	110.6	99.2	11.5%	104.9	5.4%
2Q22	109.6		10.5%		4.5%
3Q21	146.1	138.9	5.2%	146.8	-0.5%
3Q22	143.3		3.2%		-2.4%
4Q21	69.0	84.7	-18.5%	89.6	-23.0%
4Q22	74.3		-12.3%		-17.1%
12M21	96.9	94.4	2.6%	99.8	-2.9%
12M22	96.5		2.2%		-3.3%

**Chart 1 - Ventos do Piauí I: Power Generation and Certified Values for the 50<sup>th</sup> Percentile (P50) and 90<sup>th</sup> Percentile (P90) (MWavg)**



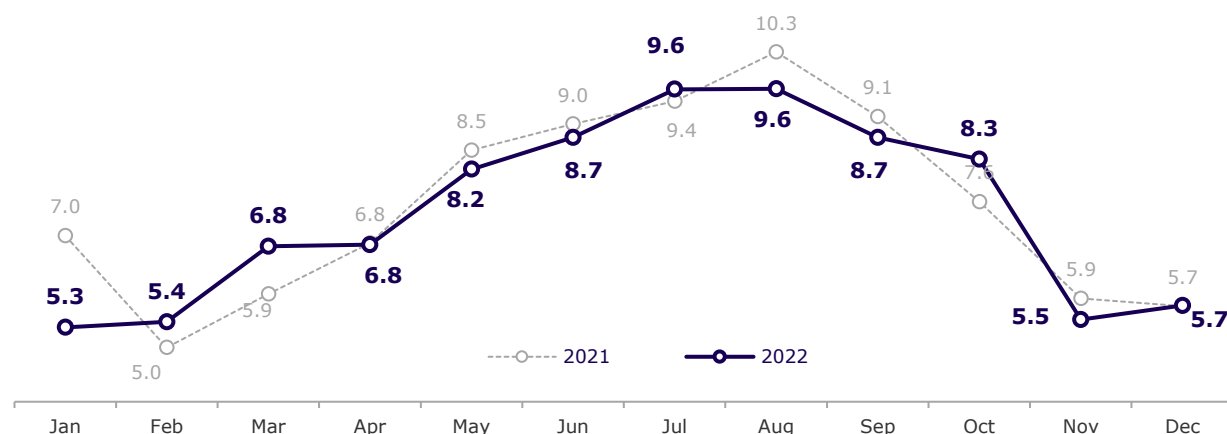
Average time availability index of the Ventos do Piauí I complex reached 96.8% in 4Q22, remaining stable in comparison with 4Q21 (96.9%).

**Chart 2 - Ventos do Piauí I: Average Time Availability (%)**



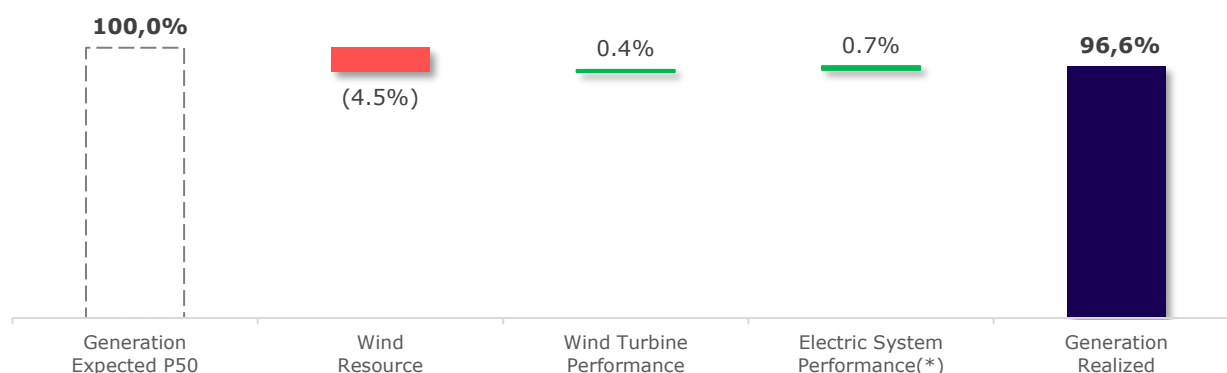
In 4Q22, average wind speed was 6.5 m/s, below the expected 6.8 m/s (wind equivalent to energy in P90) for the quarter, mainly affected by above-expected rainfall during the period. Nevertheless, wind speed was slightly higher than in 4Q21 (6.4 m/s).

**Chart 3 - Ventos do Piauí I: Monthly Average Wind Speed (m/s)**



As previously mentioned, in 2022, the energy production was 96.5 MW average, 3% lower than the average generation expectation (P50). When compared to the project's technical parameters, the observed wind resource was 4.5% below the long-term average for the 20-year horizon, the wind turbines performed 0.4% above expected, and the performance of the park's internal electrical system was 0.7% above expected.

**Chart 4 - Ventos do Piauí I: Annual wind farm performance compared to the technical parameters of the project with an average generation expectation of P50 on a 100 basis**



(\*) Electric System refers to the internal system composed of the medium voltage network (34.5kV), collector substation (34.5/320kV), transmission line up to the sectioning substation (230/500kV)

## Ventos do Araripe III

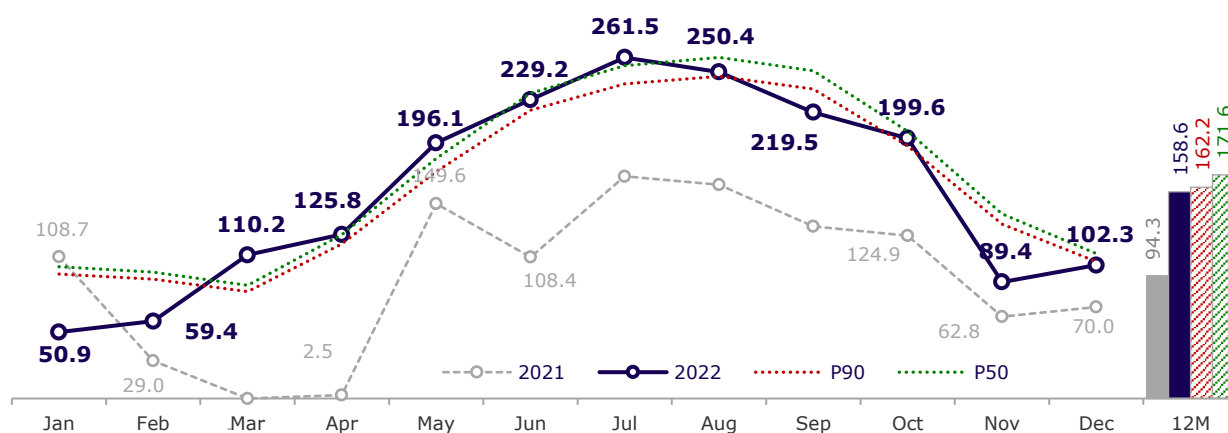
In 4Q22, generation by Ventos do Araripe III was 9% lower than expected in the 90<sup>th</sup> percentile (P90) and 14% lower than average expected generation (P50), due to below-average winds expected for the period.

Compared to 4Q21, generation was 52% higher, since the previous year was impacted by the incident at the transformers at the Collecting Substation, which limited the energy production. In 2022, generation was 158.6 MW avg, 2% lower than 90th percentile (P90) and 8% lower than average expected generation (P50).

**Table 6 – Quarterly generation by the Ventos do Araripe III wind complex (2021 and 2022)**

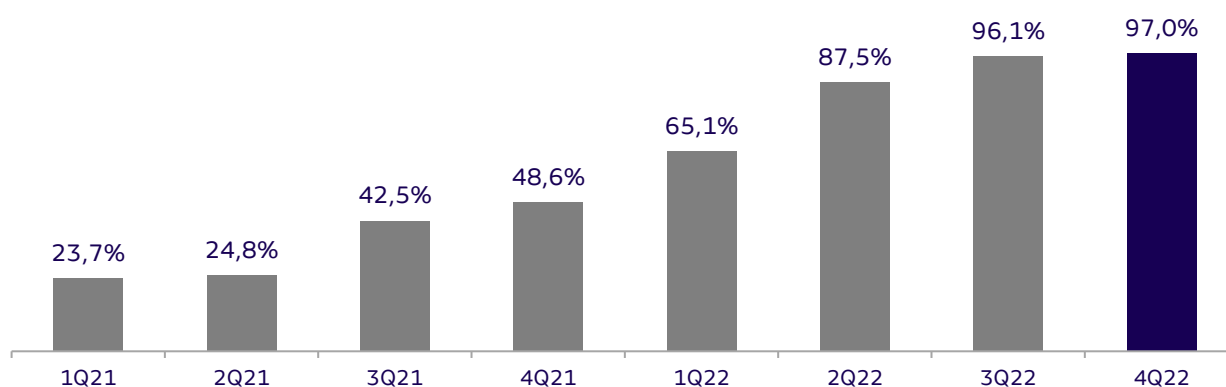
Period	Generation (MWavg)	Expected Generation 90 (MWavg)	Var. (P90)	Expected Generation (P50) (MWavg)	Var. (P50)
1Q21	46.4	89.7	-48.3%	94.9	-51.1%
1Q22	73.9		-17.6%		-22.1%
2Q21	87.5	171.3	-48.9%	181.3	-51.7%
2Q22	183.8		7.3%		1.4%
3Q21	155.8	242.0	-35.6%	256.1	-39.2%
3Q22	244.1		0.9%		-4.7%
4Q21	86.2	144.2	-40.2%	152.7	-43.5%
4Q22	130.9		-9.2%		-14.3%
12M21	94.3	162.2	-41.9%	171.6	-45.0%
12M22	158.6		-2.2%		-7.6%

**Chart 5 - Ventos do Araripe III: Power Generation and Certified Values for the 50<sup>th</sup> Percentile (P50) and 90<sup>th</sup> Percentile (P90) (MWavg)**



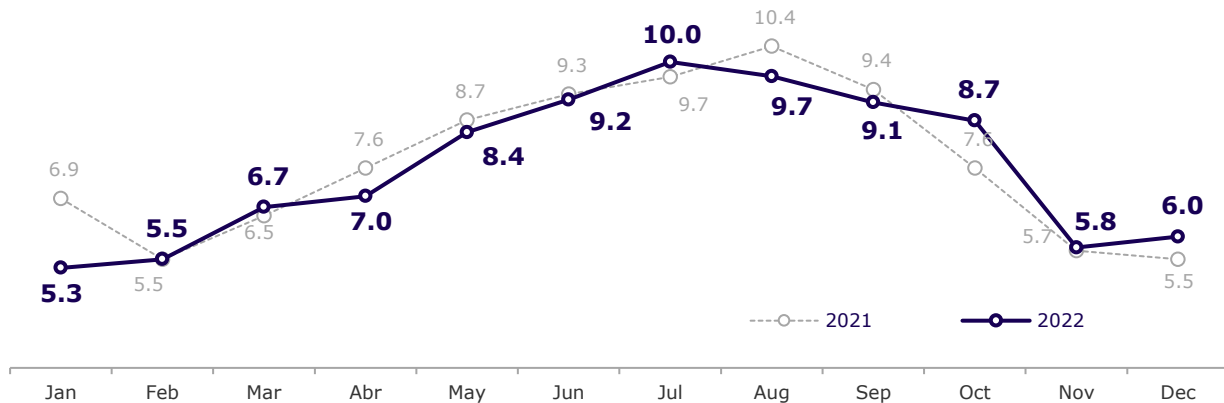
Average time availability index of the complex reached 97.0% in 4Q22, up 48% from verified availability in 4Q21 (48.6%), indicating the normalization of the asset's availability.

**Chart 6 - Ventos do Araripe III: Average Time Availability (%)**



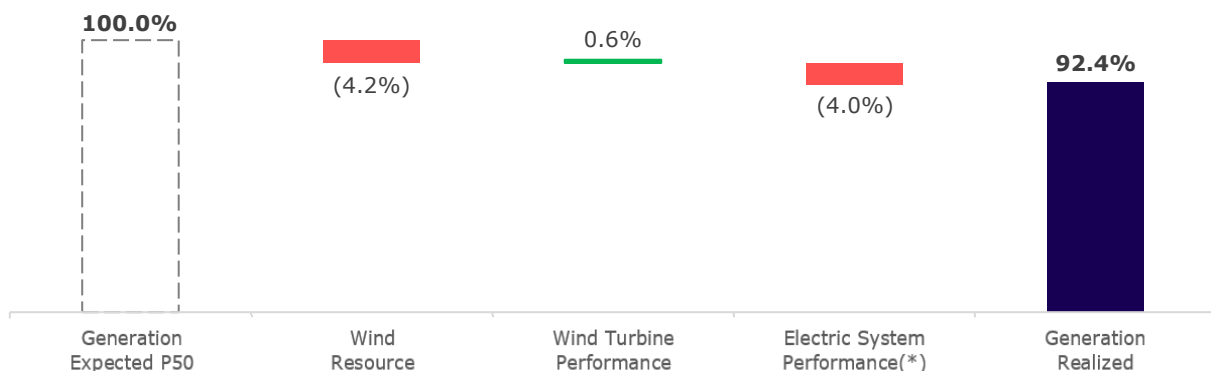
In 4Q22, average wind speed was 6.8 m/s, which is below expectations, mainly affected by above-expected rainfall during the period. Nevertheless, wind speed was higher than the 6.3 m/s verified in 4Q21.

**Chart 7 - Ventos do Araripe III: Monthly Average Wind Speed (m/s)**



As previously mentioned, the energy production in 2022 was 158.6 average MW, 8% below the average generation expectation (P50). When compared to the technical parameters of the project, the wind resource was 4.2% below the long-term average for the 20-year horizon, the wind turbines performed 0.6% above expected and the performance of the park's internal electrical system was 4.0% below expected. The performance of the electrical system was affected by improvement works in the Collector Substation and the unavailability of one of the elevator transformers, as mentioned above. The substation's transformation capacity was fully reestablished as of April 2022.

**Chart 8 - Ventos do Araripe III: Wind farm performance compared to the technical parameters of the project with P50 average generation expectation on a 100 basis**



(\*) Electric System refers to the internal system composed of the medium voltage network (34.5kV), collector substation (34.5/320kV), transmission line up to the sectioning substation (230/500kV)

## Ventos do Piauí II

With the conclusion of the implementation of the Ventos do Piauí II complex at the end of 4Q22, the complex reached all of its 47 wind turbines, with a nominal potential of 4.4MW, in commercial operation.

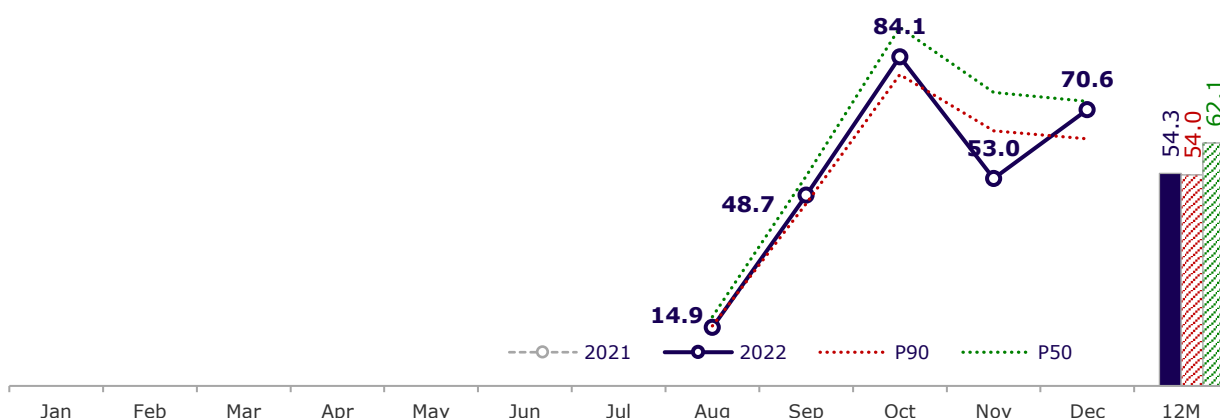
Generation in 4Q22 was 69.4 MW avg, as expected in the 90<sup>th</sup> percentile (P90), but 13% lower than average expected generation (P50).

**Table 7 – Quarterly generation by the Ventos do Piauí II wind complex**

Period	Generation (MW average) <sup>(*)</sup>	Expected Generation P90 (MW average) <sup>(*)</sup>	Var. (P90)	Expected Generation P50 (MW average) <sup>(*)</sup>	Var. (P50)
3Q22	31.5	30.7	2.8%	35.3	-10.8%
4Q22	69.4	69.4	0.0%	79.9	-13.1%
Aug-Dec/2022	54.3	54.0	0.7%	62.1	-12.5%

<sup>(\*)</sup> For the calculation of the generation in MW average, it was considered the annual generation in MWh divided by the number of hours calculated from the complexes' startup date of operations until December 31.

**Chart 9 - Ventos do Piauí II: Power Generation and Certified Values for the 50<sup>th</sup> Percentile (P50) and 90<sup>th</sup> Percentile (P90) (MWavg)**



## Ventos do Piauí III

The construction of Ventos do Piauí III complex was concluded in late 4Q22, 100% of its 46 wind turbines started commercial operation.

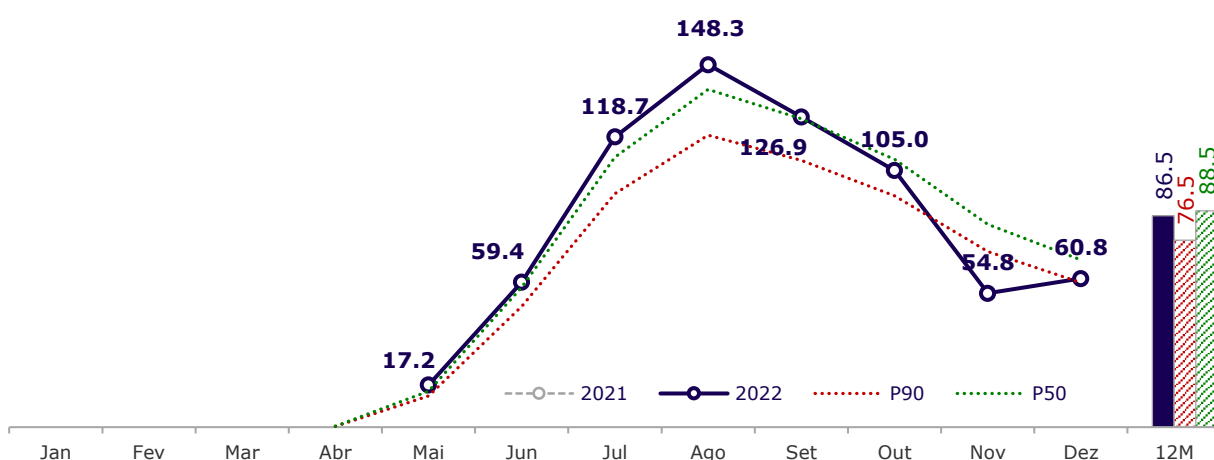
Generation in 4Q22 reached 73.7 MWavg, lower than the expected in the 90<sup>th</sup> percentile (P90) and the average expected generation (P50) by -2% and -15%, respectively.

**Table 8 – Quarterly generation by the Ventos do Piauí III wind complex**

Period	Generation (MW average) <sup>(*)</sup>	Expected Generation P90 (MW average) <sup>(*)</sup>	Var. (P90)	Expected Generation P50 (MW average) <sup>(*)</sup>	Var. (P50)
2Q22	38.0	30.8	23.1%	35.7	6.5%
3Q22	131.4	108.0	21.6%	124.9	5.1%
4Q22	73.7	75.2	-2.0%	87.0	-15.3%
May-dec/2022	86.5	76.5	13.0%	88.5	-2.3%

(\*) For the calculation of the generation in MW average, it was considered the annual generation in MWh divided by the number of hours calculated from the complexes' startup date of operations until December 31.

**Chart 10 - Ventos do Piauí III: Power Generation and Certified Values for the 50<sup>th</sup> Percentile (P50) and 90<sup>th</sup> Percentile (P90) (MW avg)**



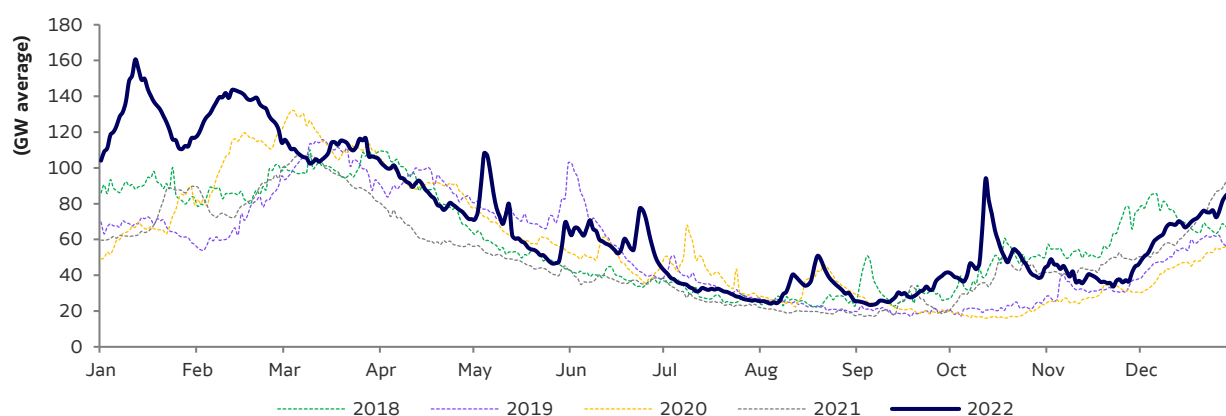


## Commercial Performance

### Energy Market

The year 2022 was characterized by the best hydrological scenario of the last 11 years. Average Affluent Natural Energy (ENA) reached 98% of the Long-Term Average (MLT), increasing 26 p.p. compared to 72% observed in the same period in 2021. In 4Q22, Affluent Natural Energy was 96% of MLT, versus 92% verified in 4Q21.

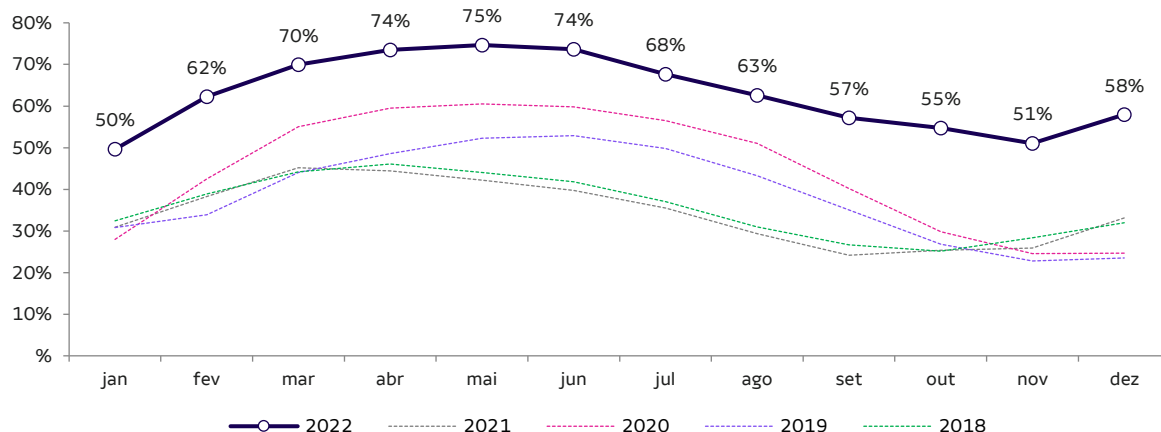
**Chart 11 – Affluent Natural Energy for the National Interconnected System (GW avg)**



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	4Q	Year
2018	92%	82%	86%	87%	67%	65%	64%	68%	84%	104%	116%	95%	106%	85%
2019	65%	62%	90%	92%	98%	101%	77%	63%	54%	51%	65%	72%	64%	77%
2020	66%	91%	99%	91%	83%	82%	92%	88%	60%	44%	59%	64%	58%	80%
2021	69%	71%	82%	63%	63%	63%	57%	53%	60%	89%	90%	96%	92%	72%
2022	125%	113%	93%	87%	86%	103%	70%	90%	81%	117%	80%	96%	96%	98%

At the end of 2022, the reservoirs of the National Interconnected System (SIN) registered the highest levels in the last 11 years due to abundant inflows, the special operation in the period 2021/2022 and the thermal power dispatch above the merit order of cost, to recover the reservoirs. As a result, energy supply conditions were favorable, with storage levels remaining high during the dry period in key reservoirs of the SIN. SIN's equivalent reservoir level reached 58% of maximum capacity at the end of 2022, versus 33% at the end of 2021. As a result, energy supply conditions were very favorable throughout the year.

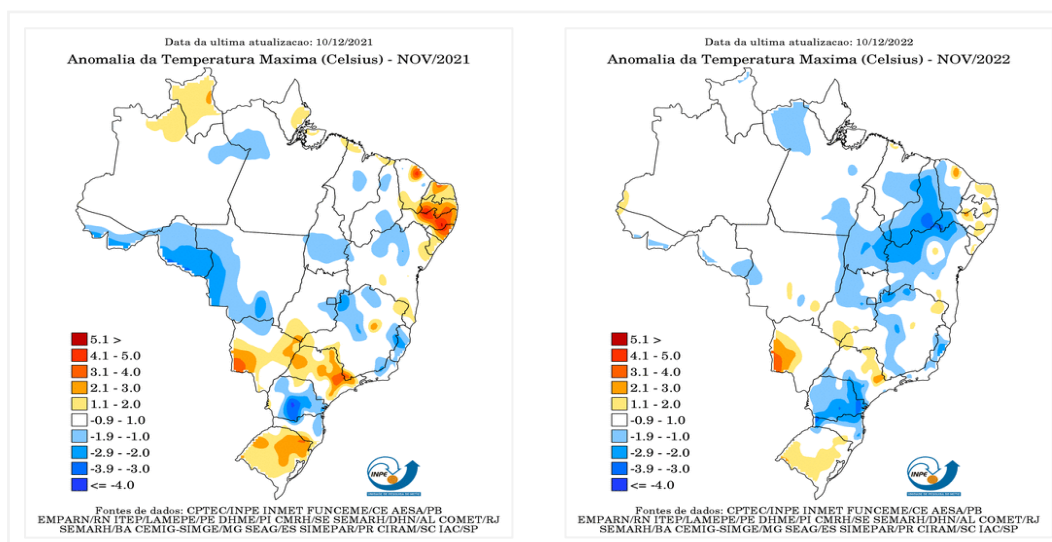
**Chart 12 – Reservoir Levels of the National Interconnected System (% Maximum Stored Energy)**



From the energy consumption point of view, there was a 1% decrease in 4Q22 when compared to 4Q21, due to lower temperatures than in the same period last year, especially in November and December.

Moreover, the expansion and good performance of Distributed Micro and Mini Generation (MMGD) also helped reducing the load served by centralized dispatch by over 2.5 GW avg in 4Q22.

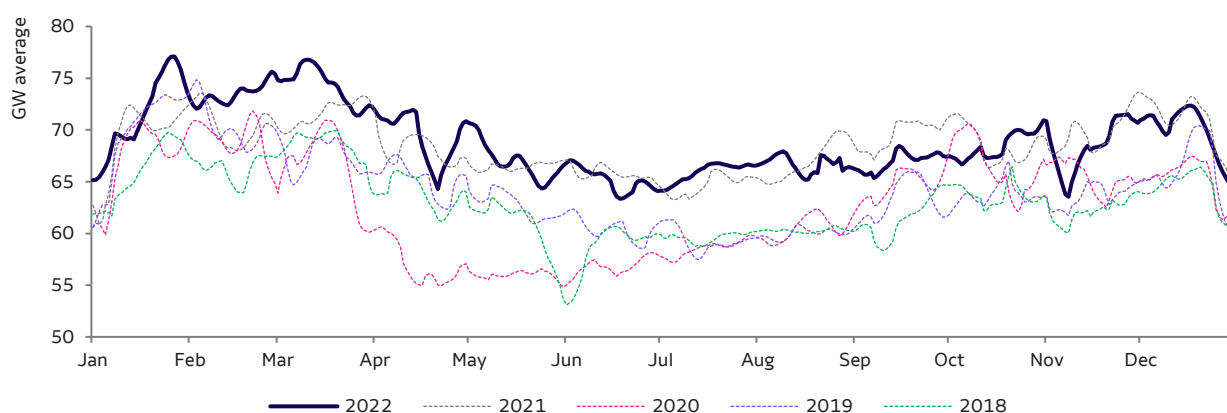
**Figure 1 – Anomaly of Maximum Temperature (Celsius Degrees)**



In 2022, energy consumption increased 0.4%<sup>(3)</sup> versus 2021.

<sup>(3)</sup> According to information provided by the National Electricity System Operator (ONS) in the Monthly Operation Program of February 2023.

**Chart 13 - Energy Consumption in the SIN (GWavg)**



Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	4Q	Year
2018	68,6	68,5	70,7	67,5	63,8	63,6	63,6	64,5	65,2	67,4	67,7	67,8	67,7	66,6
2019	73,1	72,0	69,2	68,7	67,0	63,8	63,1	64,0	66,8	69,5	69,4	69,5	69,5	68,0
2020	70,7	71,2	68,7	60,7	60,0	61,7	63,3	64,6	69,3	71,0	69,3	71,1	70,5	66,8
2021	72,3	73,0	72,7	68,9	67,6	66,7	65,4	67,7	70,7	68,8	70,3	70,5	69,8	69,5
2022	72,2	74,3	75,1	70,6	67,6	66,4	67,0	67,9	68,4	70,1	68,9	69,1	69,4	69,8

Reflecting the improved hydrological scenario and energy supply conditions, short-term average price (Differences Settlement Price – PLD) in the Southeast/Midwest submarket, in 4Q22, remained at its regulatory minimum value of R\$56/MWh. This value is 2.4 times lower than the verified in 2021 (R\$135/MWh). In 2022, average PLD was R\$59/MWh, versus R\$280/MWh verified in 2021.


As for hydroelectric displacement (GSF), the average amount observed in 4Q22 was 77%, versus 66% in the 4<sup>th</sup> quarter of the previous year. According to the Electricity Trading Chamber (CCEE), GSF at the end of 2022 was 85%, versus 73% in 2021.

## Energy Balance

Auren's current portfolio of generation assets in operation is composed of projects that add up to 1,581 MW average MW of physical guarantee<sup>(4)</sup>, already including the physical guarantee portion of Ventos do Piauí II and III wind farms.

According to MME's Ordinance 709/2022, the new assured energy values were defined, in the scope of the ordinary revision process of the physical guarantee of the centrally

<sup>(4)</sup> Considers Auren's own assets and participations in hydroelectric assets, excluding Paraibuna and the participation in Machadinho, because there is no risk of energy exposure in this consortium.



dispatched hydroelectric plants and are effective as of January 01, 2023. Of the hydroelectric plants in which Auren holds interest or exercises control, only the physical guarantee of HPP Porto Primavera was not revised, since its current concession agreement was signed less than five years ago, during CESP's privatization process.

In December 2022, the Ministry of Mines and Energy (MME) published Ordinance No. 1.851/SPE/MME/2022 containing the revised values of physical guarantees of wind power plants based on the verified electricity generation as established in MME Ordinance No. 416/2015. Due to the breakdown and consequent unavailability of the transformers of the Collector Substation, the Ventos do Araripe III wind farm had limited generation in 2020 and 2021. In this sense, the complex had its physical guarantees reduced by 27 MW avg as of January 1, 2023.

It should be noted that all the energy from Ventos do Araripe III is sold in the Regulated Contracting Environment (ACR) and, despite the revision of the physical guarantee, the quantity of energy sold and the revenue referring to the contracts (20th LEN, 18th LEN and 6th LER) are not altered. More information about the revisions can be found in the "Regulatory Issues" section.

Through the invested companies CBA Energia and Pollarix, the preemptive right was exercised in the purchase of CEEE-G's participation in Campos Novos HPP, as a result of the privatization process and the sale of control of the state-owned company. The investment resulted in an increase in physical guarantee in the asset equivalent to 6.3 MW avg at CBA Energia and 5.5 MW avg at Pollarix. Considering the economic participation in the companies, the equivalent increase for Auren was 8.3 MW avg.

The sale of energy is distributed in agreements signed in the Free Contracting Environment (ACL) and in the Regulated Contracting Environment (ACR). Currently, Porto Primavera HPP and the Ventos do Piauí I and Ventos do Araripe III complexes have contracts in the ACR.

All agreements in the regulated market are adjusted by the Extended National Consumer Price Index (IPCA) on their respective adjustment dates.

Table 9 presents the Company's Energy Balance, as well as information about energy sales prices in the Regulated Contracting Environment (ACR) and the Free Contracting Environment (ACL).

**Table 9 – Consolidated Energy Balance Auren**

Energy (MW average)	2023	2024	2025	2026	2027
Physical Guarantee (gross) (*)	1,581	1,665	1,748	1,748	1,748
Purchases for resale	1,614	1,227	961	825	654
<b>Total Resources (a)</b>	<b>3,195</b>	<b>2,892</b>	<b>2,709</b>	<b>2,573</b>	<b>2,403</b>
<b>ACR Contracts (b)</b>	<b>493</b>	<b>493</b>	<b>493</b>	<b>493</b>	<b>493</b>
1º LEN - Porto Primavera HPP	148	148	148	148	148
2º LEN - Porto Primavera HPP	82	82	82	82	82
22º LEN - Ventos do Piauí I	93	93	93	93	93
20º LEN - Ventos do Araripe III	15	15	15	15	15
18º LEN - Ventos do Araripe III	103	103	103	103	103
6º LER - Ventos do Araripe III	52	52	52	52	52
<b>ACL Sales (c)</b>	<b>2,591</b>	<b>2,201</b>	<b>1,954</b>	<b>1,375</b>	<b>1,020</b>
<b>Total Sales (d) = (b) + (c)</b>	<b>3,084</b>	<b>2,694</b>	<b>2,447</b>	<b>1,868</b>	<b>1,513</b>
<b>Balance (e) = (a) – (d)</b>	<b>111</b>	<b>198</b>	<b>262</b>	<b>705</b>	<b>890</b>

(\*) This agreement implies CESP's waiver of all other legal claims contained in Action No. 0045939-32.2014.4.01.3400. The amounts consider: (i) the physical guarantee of CESP's own assets (UHE Porto Primavera and Wind Power Complexes); (ii) the amount of physical guarantee equivalent to Auren's participation in the other assets; (iii) the amount of 167 average MW referring to the Sol do Piauí and Sol de Jaíba projects, scheduled to start operating throughout 2024; (iv) does not consider UHE Paraibuna.

Contracts ACR (b)	Gross Price at Auction (R\$/MWh)	Reference Date	Auction's Gross Price Dez/22 (R\$/MWh) (*)	Auction Price net of PIS/ COFINS/ P&D (R\$/MWh)
1º LEN - Porto Primavera HPP	116.0	12/01/05	291.5	260.1
2º LEN - Porto Primavera HPP	125.0	06/01/06	309.4	275.8
22º LEN - Ventos do Piauí I	190.0	08/21/15	267.5	257.7
20º LEN - Ventos do Araripe III	145.0	11/01/14	220.2	212.2
18º LEN - Ventos do Araripe III	127.0	12/01/13	203.3	195.9
6º LER - Ventos do Araripe III	143.0	10/01/14	238.7	219.8

(\*) Prices as of January 01, 2023.

Average Sales Price of the Generation Assets (R\$/MWh) (*)	2023	2024	2025	2026	2027
Portfolio	234	220	222	227	240
ACR	271	271	271	271	271
ACL	210	183	181	168	167

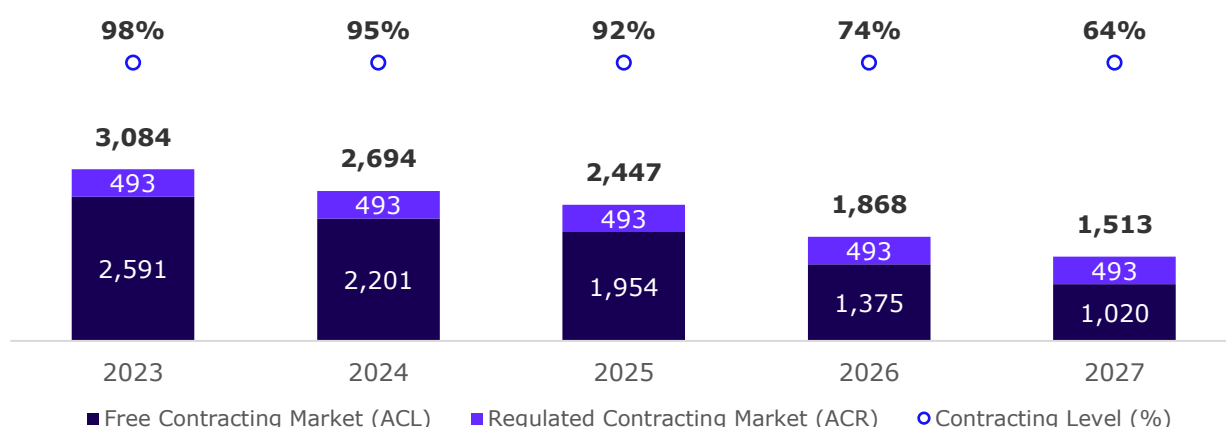
(\*) Prices in constant currency with a base date of December 31, 2022. The Average Sales Price of the Generation Assets considers the gross contractual price of own assets, excluding the prices of energy traded in the Commercialization segment.

The physical energy guarantee of HPP Porto Primavera contracted in the ACR (230 MW avg) is hedged against the exposure to hydrological risk. As consideration, the Company pays a monthly premium of R\$14.32/MWh, as per the amount established by ANEEL's Normative Resolution No. 684/2015.

The total portfolio, considering Generation and Trading, presents sales volume close to 3.1 GW avg in 2023, twice the amount of Auren's physical guarantee for the same period.

As disclosed in 3Q22, Auren adopted the strategy of selling its long position for the next three years, anticipating a decline in market prices due to a better hydrological scenario, as mentioned earlier. Therefore, for the 2023-2025 period, contracted level is, approximately, 95% of its resource, composed by the entire physical guarantee of its assets and energy purchase agreements already executed. It is worth to note that the contracting level does not consider the volume of energy required to cover any impact on the physical guarantee of hydroelectric plants in connection with the hydrological risk (GSF).

**Chart 13 - Contracting Profile of Auren's Consolidated Portfolio<sup>5</sup> (Generation and Trading) (MWavg)**



The contracting level indicated in Chart 13, above, already incorporates the physical guarantee referring to the Sol do Piauí and Sol de Jaíba projects, whose implantation was approved in 3Q22 and construction is already underway. Note that, for the 2028-2032 horizon, the average contracting level of Auren's consolidated portfolio is 60%.

<sup>(5)</sup> Considered: (i) the physical guarantees net of losses of the basic grid, the assumption of 3% was adopted; (ii) the expectations of physical guarantees in the Sol do Piauí and Sol de Jaíba projects; (iii) the 2024 volume considers the entry of Sol de Jaíba and Sol do Piauí.

## Financial Performance

The financial performance shown here for the period between 1Q21 and 1Q22 reflects Auren's consolidated unaudited, pro forma results, prepared to reflect the effects of corporate restructuring as if such combination had taken place on January 1, 2021<sup>(6)</sup>. Starting from 2Q22, the audited consolidated results are presented.

**Table 10 – Financial Highlights**

R\$ million	4Q22	4Q21	Var. (%)	2022	2021	Var. (%)
<b>Net Revenue</b>	<b>1,484.9</b>	<b>1,872.1</b>	<b>-20.7%</b>	<b>5,754.6</b>	<b>6,477.4</b>	<b>-11.2%</b>
<b>Gross Profit</b>	<b>255.9</b>	<b>189.6</b>	<b>34.9%</b>	<b>1,153.3</b>	<b>1,441.8</b>	<b>-20.0%</b>
Gross Margin	17.2%	10.1%	7 p.p	20.0%	22.3%	-2 p.p
<b>EBITDA</b>	<b>760.8</b>	<b>303.6</b>	<b>150.6%</b>	<b>1,864.8</b>	<b>1,878.7</b>	<b>-0.7%</b>
Repayment of Hydrological Risk	-	-	-	-	(782.0)	-
Reversal of Impairment	(230.9)	(50.9)	353.4%	(230.9)	248.5	N.M.
Reversal of Provision for Litigation	(136.7)	24.9	N.M.	(59.5)	(425.7)	-86.0%
Dividends Received	127.6	50.6	152.4%	235.0	131.1	79.3%
Effect of Benefit Plan Migration	-	-	-	(20.1)	-	-
Write-off of judicial deposits	-	15.9	-100.0%	2.5	60.3	-95.9%
<b>Adjusted EBITDA</b>	<b>520.8</b>	<b>344.1</b>	<b>51.3%</b>	<b>1,791.7</b>	<b>1,110.9</b>	<b>61.3%</b>
Adjusted EBITDA Margin	35.1%	18.4%	17 p.p	31.1%	17.2%	14 p.p
<b>Financial Results</b>	<b>2,067.2</b>	<b>(210.3)</b>	<b>N.M.</b>	<b>(1,660.3)</b>	<b>773.2</b>	<b>N.M.</b>
<b>Net Profit</b>	<b>2,453.1</b>	<b>42.0</b>	<b>5743.2%</b>	<b>2,675.7</b>	<b>420.3</b>	<b>536.5%</b>

### Net Revenue

Net operating revenue amounted to R\$1,485 million in 4Q22, a decrease of 21% from R\$1,872 million in 4Q21, due to:

- (a) **Hydroelectric generation:** increase of R\$46 million or 12% from 4Q21, due to inflation adjustment on contractual prices and the termination of derivative instruments in foreign currency in December 2021;
- (b) **Wind power generation:** increase of R\$23 million or 18% from 4Q21, mainly due to the operational startup of the Ventos do Piauí II and III wind complexes, as well as inflation adjustment on contractual prices;
- (c) **Trading:** decrease of 19% or R\$282 million in revenue from energy trading operations, explained by a trading volume 17% lower than in 4Q21 (1,433 MW avg in 4Q22 versus 1,733 MW avg in 4Q21) and by lower

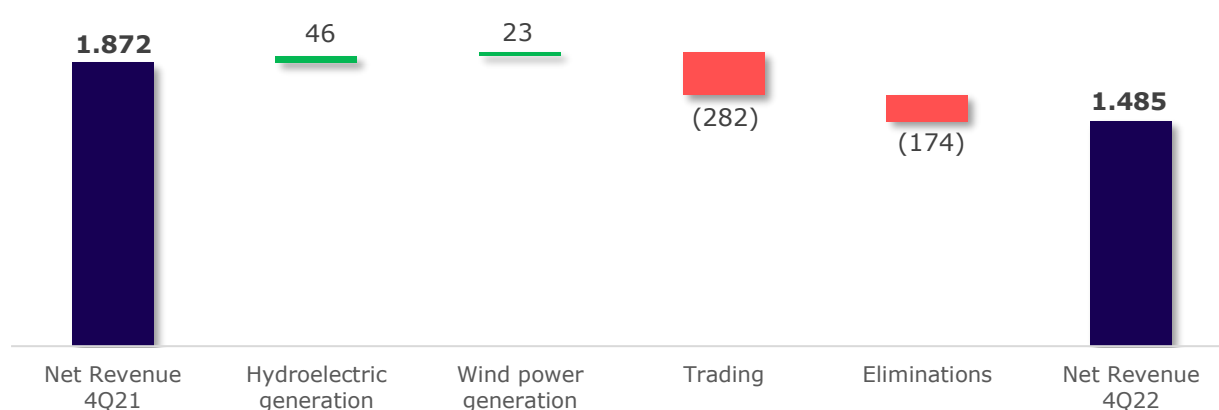
<sup>(6)</sup> The pro forma unaudited consolidated results of 2021 and 1Q22 were re-presented and changes were considered in this disclosure, as well as in the interactive spreadsheet available on the website.



market prices observed in the quarter (R\$199/MWh in 4Q22 versus R\$255/MWh in 4Q21), which totaled a net revenue of R\$1,181 million in 4Q22 versus R\$1,463 million in 4Q21; and

- (d) Eliminations:** Reduction of R\$174 million from 4Q21, explained mainly by the higher volume of intercompany operations between the generation assets and the trading company. For a better understanding of these operations, refer to the section “Important Information” in this document.

**Chart 14 - Net Revenue in 4Q22 vs. 4Q21 (R\$ million)**



The Income Statement detailing the breakdown of Net Revenue by segment in the quarter and the year is available in the “Appendices” section of this document.


## Operating Costs and Expenses

Operating costs and expenses<sup>(7)</sup> totaled R\$897 million in 4Q22, down 48% from R\$1,728 million in 4Q21, explained by:

- (a) Energy purchase costs:** Decrease of R\$492 million or -34% (R\$949 million in 4Q22 vs. R\$1,441 million in 4Q21), due to:
- **Hydroelectric generation:** Reduction of R\$6 million in energy purchased to equalize the energy balance on account of lower average prices, mainly due to better GSF during the period (77% in 4Q22 vs. 66% in 4Q21);
  - **Wind power generation:** Increase of 19% (R\$0.4 million) due to the partial operational startup of Ventos do Piauí II and III;

<sup>(7)</sup> This total includes Energy Purchase Costs, Electricity Network Use Charges, Operating Costs and Net Operating Expenses.

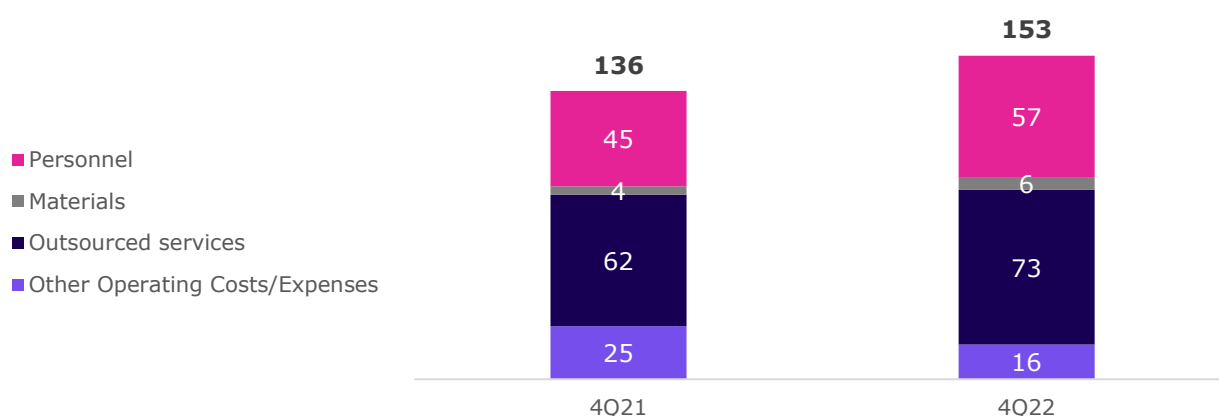


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- **Trading:** Reduction of R\$313 million, totaling R\$1,141 million in 4Q22 vs. R\$1,454 million in 4Q21, mainly due to lower volumes and market prices; and
  - **Intercompany eliminations:** Increase of R\$174 million in 4Q22, due to the higher volume of energy traded, related to intercompany operations. For a better understanding of these operations, see the "Important Information" section in this document.
- (b) Electricity network use charges:** Increase of R\$14 million or 25% compared to 4Q21, explained by the adjustment of the TUST and TUSDg tariffs in the Hydroelectric Generation segment, which increased expenses by R\$6 million in the quarter, and the startup of Ventos do Piauí II and III, which resulted in an increase of R\$7 million in the Wind Power Generation charges segment in 4Q22;
- (c) Operating costs and PMSO expenses<sup>(8)</sup>:** Increase of R\$17 million or 13% between periods(R\$153 million in 4Q22 vs. R\$136 million in 4Q21), explained by:
- **Personnel (P):** Increase of R\$12 million (R\$57 million in 4Q22 vs. R\$45 million in 4Q21), still due to the effects of Auren's organization, especially the changes in the organizational design and restructuring of the operational teams, which mainly impacted the Trading company and the Holding company, as well as nonrecurring effects related to higher expenses with variable compensation;
  - **Materials and outsourced services (MS):** Increase of R\$13 million (R\$79 million in 4Q22 vs. R\$66 million in 4Q21), mainly reflecting the adjustments in maintenance agreements of the operational wind farms and the maintenance of Ventos do Piauí II and III wind farms, combined with expenses for assessment of new investment opportunities, in line with the Company's growth strategy; and
  - **Other expenses (O):** Reduction of R\$8 million from 4Q21 (R\$16 million in 3Q22 vs. R\$24 million in 3Q21), related to the repayment of advances of costs with Vivest health plans, revenues from judicial deposits and insurance indemnities, partially offset by nonrecurring expenses of R\$4 million, related to corporate and trading expenses.

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<sup>(8)</sup> The analysis of PMSO expenses includes the Operating Costs and Operating Income (Expenses) items presented in the Segmented Statement of Income for the Year, available in the "Attachments" section of this document.

**Chart 15 - PMSO Expenses (R\$ million)**



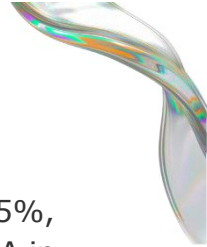
**(d) Other operating revenues and expenses:**

- **Reversal of provision for impairment of fixed assets:** Positive effect of R\$231 million in 4Q22 related to the impairment test at HPP Porto Primavera (versus R\$51 million in 4Q21);
- **Reversal of provision for litigation:** The Company reversed a provision of R\$137 million in 4Q22 versus provision of R\$41 million in 4Q21, with a positive effect on the net income of the quarter; and
- **Insurance indemnification receipt:** Revenue of R\$93 million in 4Q22 (compared to R\$46 million in 4Q21) related to the indemnity for loss of profits from the Ventos do Araripe III accident, which occurred in 2021.

**Adjusted EBITDA**

**Table 11 – Reconciliation of Consolidated Adjusted EBITDA**

R\$ million	4Q22	4Q21	Var. (%)	2022	2021	Var. (%)
<b>EBITDA</b>	<b>760.8</b>	<b>303.6</b>	<b>150.6%</b>	<b>1,864.8</b>	<b>1,878.7</b>	<b>-0.7%</b>
Repatriation of hydrological risk	-	-	-	-	(782.0)	-100.0%
Reversal of fixed assets impairment	(230.9)	(50.9)	353.4%	(230.9)	248.5	N.M.
Reversal of provision for litigation	(136.7)	24.9	N.M.	(59.5)	(425.7)	-86.0%
Dividends received	127.6	50.6	152.4%	235.0	131.1	79.3%
Write-off of judicial deposits	-	15.9	-100.0%	2.5	60.3	-95.9%
Benefit plan migration effect	-	-	-	(20.1)	-	-
<b>Adjusted EBITDA</b>	<b>520.8</b>	<b>344.1</b>	<b>51.3%</b>	<b>1,791.7</b>	<b>1,110.9</b>	<b>61.3%</b>
<b>Adjusted EBITDA Margin</b>	<b>35.1%</b>	<b>18.4%</b>	<b>17 p.p</b>	<b>31.1%</b>	<b>17.2%</b>	<b>14 p.p</b>

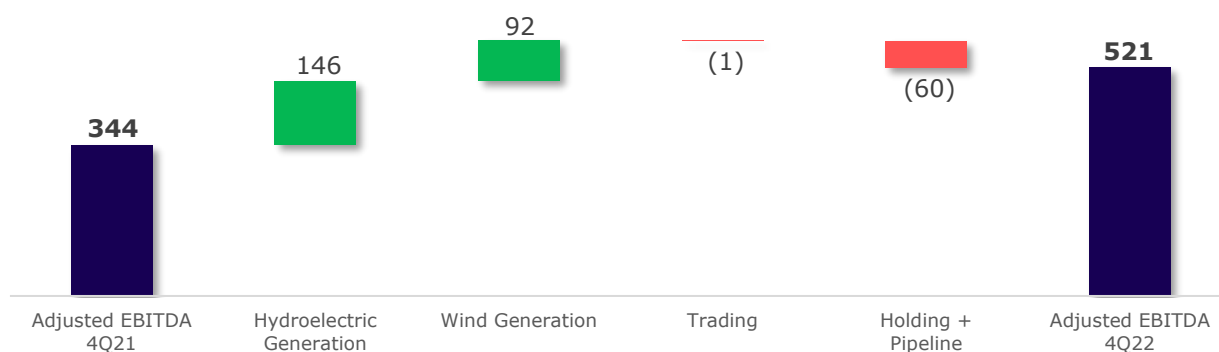


Consolidated adjusted EBITDA totaled R\$521 million in 4Q22, with margin of 35%, increasing R\$177 million or 51% compared to 4Q21. The variation in adjusted EBITDA in the quarter is mainly due to:

- (a) Hydroelectric generation:** Adjusted EBITDA increased R\$146 million or 62% in the period, totaling R\$382 million in 4Q22 vs. R\$236 million in 4Q21, mainly explained by:

  - Increase of R\$63 million in energy margin due to the price adjustment in energy sales agreements combined with better equalization of the energy balance, reflecting the improved water scenario in 4Q22 compared to 4Q21; and
  - Increase of R\$77 million in dividends received compared to 4Q21, thanks to the better operational results of investees.
- (b) Wind power generation:** Increase of R\$92 million, with Adjusted EBITDA totaling R\$187 million in 4Q22 vs. R\$94 million 4Q21, due to the startup of the Ventos do Piauí II and III wind complexes and the receipt of indemnification for loss of profits of R\$93 million, in connection with the accident at Ventos do Araripe III;
- (c) Trading:** increase of R\$31 million in the energy trading margin, R\$40 million in 4Q22 versus R\$9 million in 4Q21, offset by the negative effect of R\$13 million from the mark-to-market of energy trading positions in the quarter. This positive effect excludes the R\$97 million mark-to-market of intercompany contracts. For a better understanding of these operations, access the “Important Information” section of this document; and
- (d) Holding company and pipeline:** Negative result of R\$35 million in 4Q22, due to personnel expenses related to the restructuring of the operational teams, and services related to the assessment of new investment opportunities.

**Chart 16 – Adjusted EBITDA in 4Q22 vs. 4Q21 (R\$ million) <sup>(9)</sup>**



**Table 12 – Adjusted EBITDA by segment**

R\$ million	4Q22	4Q21	Var. (%)	2022	2021	Var. (%)
Hydroelectric Generation	381.9	236.1	61.8%	1,287.1	970.2	32.7%
Wind Generation	186.8	94.4	97.9%	475.2	213.8	122.3%
Comercialization	84.9	(11.7)	N.M.	602.9	(55.2)	N.M.
Holding and Pipeline	(35.1)	25.4	N.M.	(134.8)	368.8	N.M.
Eliminations	(97.7)	-	-	(438.6)	(386.7)	13.4%
<b>Adjusted EBITDA</b>	<b>520.8</b>	<b>344.1</b>	<b>51.3%</b>	<b>1,791.7</b>	<b>1,110.9</b>	<b>61.3%</b>
<b>Adjusted EBITDA Margin</b>	<b>35.1%</b>	<b>18.4%</b>	<b>17 p.p</b>	<b>31.1%</b>	<b>17.2%</b>	<b>14 p.p</b>

<sup>(9)</sup> Adjusted EBITDA shown in the chart does not consider eliminations of R\$98 million in the Trading segment.

## Financial Result

**Table 13 - Consolidated Financial Result**

R\$ million	4Q22	4Q21	Var. %	2022	2021	Var. %
<b>Financial Income</b>	<b>2,536.2</b>	<b>37.1</b>	<b>6731.1%</b>	<b>2,841.9</b>	<b>109.5</b>	<b>2494.8%</b>
<b>Financial Expenses</b>	<b>(469.0)</b>	<b>(247.5)</b>	<b>89.5%</b>	<b>(1,181.6)</b>	<b>(882.8)</b>	<b>33.8%</b>
Debt Charges	(112.7)	(78.8)	42.9%	(315.0)	(243.9)	29.1%
Monetary restatement	(31.3)	(84.5)	-63.0%	(177.9)	(221.2)	-19.6%
Monetary restatement on provisions for litigations	(3.2)	(22.2)	-85.6%	(97.1)	(167.6)	-42.1%
Present value adjustment on assets indemnifiable by the Federal Government	(231.8)	-	-	(231.8)	-	-
Write-off of Judicial Deposits	-	(7.1)	-100.0%	(2.5)	(14.9)	-83.2%
Restatement of Balance of Post-Employment Benefits	(41.8)	(39.5)	5.8%	(159.9)	(158.1)	1.1%
Bank contract rescission	-	-	-	(28.0)	-	-
Charges on Discount Operations	(12.0)	(8.0)	50.0%	(48.5)	(18.3)	164.9%
Other Financial Expenses, net	(36.1)	(7.3)	394.9%	(121.0)	(58.8)	105.9%
<b>Net Financial Result</b>	<b>2,067.2</b>	<b>(210.3)</b>	<b>N.M.</b>	<b>1,660.3</b>	<b>(773.3)</b>	<b>N.M.</b>

In 4Q22, the net financial result was an income was R\$2,067 million, compared to an expense of R\$210 million in 4Q21, due to the booking of the judicial agreement related to indemnification for the HPP Três Irmãos. The main effects on the financial result are described below:

- (a) Financial income:** Financial revenue for the quarter was positively impacted by the monetary restatement of compensation for the HPP Três Irmãos, from the date the concession was handed over, June 15, 2012, to the date of the judicial agreement, December 7, 2022, which resulted in an effect of R\$2.4 billion. In addition, the R\$77 million increase is mainly explained by the higher volume of cash invested in the period and the higher average Interbank Deposit Certificate (CDI) compared to 4Q21;
- (b) Debt charges:** Increase of R\$34 million from 4Q21, due to higher gross debt, which totaled R\$5.9 billion in 4Q22 versus R\$4.7 billion in 4Q21, and the end of capitalization of the Ventos do Piauí II and III projects, which were 100% operational during the quarter; and
- (c) Present value adjustment on assets subject to indemnification by the Federal Government:** The accounting of the present value adjustment referring to the indemnification of HPP Três Irmãos resulted in a financial expense of R\$232 million in 4Q22, calculated based on the estimated rate of CDI +1.70%.

## Net Income

**Table 14 - Consolidated Net Income**

R\$ Million	4Q22	4Q21	Var. %	2022	2021	Var. %
<b>EBITDA</b>	<b>760.8</b>	<b>303.6</b>	<b>150.6%</b>	<b>1,864.8</b>	<b>1,878.7</b>	<b>-0.7%</b>
Depreciation and Amortization	(172.5)	(159.2)	8.3%	(615.9)	(598.9)	2.8%
Financial Result	2,067.2	(210.3)	N.M.	1,660.3	(773.2)	N.M.
Income Tax and Social Contribution	(251.3)	23.9	N.M.	(368.7)	(252.0)	46.3%
Equity Income	49.0	84.0	-41.7%	135.3	165.8	-18.4%
<b>Net Profit</b>	<b>2,453.1</b>	<b>42.0</b>	<b>5743.2%</b>	<b>2,675.7</b>	<b>420.3</b>	<b>536.6%</b>

Net income amounted to R\$2.45 billion in 4Q22 versus R\$42 million in 4Q21, due to:

- (a) EBITDA:** Consolidated EBITDA (pre-adjustments) totaled R\$761 million in 4Q22, up R\$457 million from R\$304 million in 4Q21, considering the non-recurring effects of the reversal of provisions for impairment and litigation;
- (b) Financial result:** Positive result of R\$2.1 billion in 4Q22 versus a negative net financial result of R\$210 million in 4Q21, explained by the effect of the HPP Três Irmãos indemnity, which resulted in a net effect of R\$2.0 billion in the quarter, in addition to a higher cash position and lower monetary correction, due to deflation in the period, that resulted in an improvement of the financial income when compared to 4Q21.

## Debt

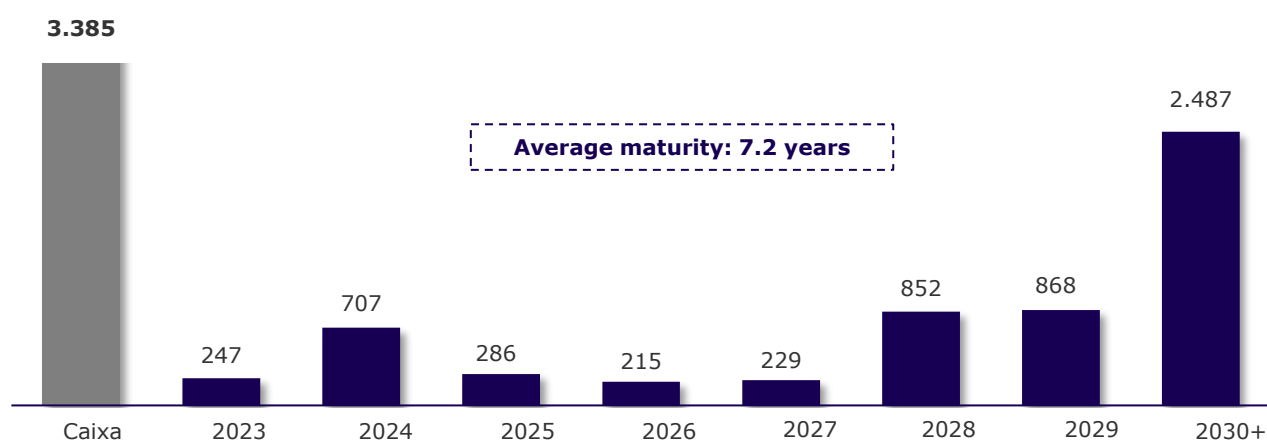
The Company ended 4Q22 with gross debt of R\$5.9 billion, compared to R\$4.7 billion in 4Q21.

Cash and cash equivalents ended 4Q22 at R\$3.4 billion, versus R\$1.9 billion in 4Q21. This balance mainly reflects: (i) investments of R\$1.5 billion from the controlling shareholder CPP Investments in February 2022 as part of corporate restructuring; (ii) the debenture issue R\$300 million, in December 2021, for investments and strengthening of the cash position; and (iii) current cash generation.

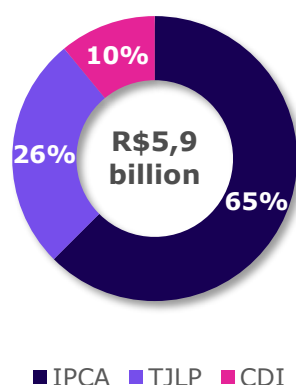
As a result, the Company's consolidated net debt at the end of 4Q22 was R\$2.5 billion, with average term of 7.2 years and fixed average cost of the portfolio of 11.2% p.a. (IPCA + 4.6% p.y. or CDI -1.2% p.y.).

Leverage, as measured by the ratio of net debt to Adjusted EBITDA, ended 4Q22 at 1.4x, as against 2.6x in 4Q21.

**Chart 17 – Gross Debt Amortization Schedule (R\$ million)**



**Chart 18 - Gross Debt by Index (%)**



The breakdown of the Company's debt portfolio, as well as the credit ratings of the Company and its subsidiaries and debt instruments are included in the "Appendices" section of this document.

## Free Cash Flow

**Table 15 – Consolidated Free Cash Flow**

R\$ million	4Q22	4Q21	Var. %	2022	2021	Var. %
Adjusted EBITDA	520.8	344.1	51.3%	1,791.7	1,110.9	61.3%
Income Tax/CS Cash	(22.7)	(3.4)	559.1%	(68.4)	(66.6)	2.7%
Working Capital	(63.7)	(54.7)	16.5%	(223.0)	264.6	N.M.
CAPEX Sustaining	(6.4)	(3.6)	75.8%	(14.2)	(8.2)	72.9%
<b>Operating Cash Flow</b>	<b>428.0</b>	<b>282.3</b>	<b>51.6%</b>	<b>1,486.1</b>	<b>1,300.7</b>	<b>14.3%</b>
Debt Service	(54.7)	(42.1)	29.9%	(266.4)	(221.2)	20.5%
<b>Operating Cash Flow after Debt Servicing</b>	<b>373.3</b>	<b>240.2</b>	<b>55.4%</b>	<b>1,219.6</b>	<b>1,079.5</b>	<b>13.0%</b>
Projects CAPEX	(91.4)	(302.8)	-69.8%	(1,504.2)	(698.8)	115.3%
Litigation Settlement	(59.6)	(42.6)	40.0%	(181.5)	(118.1)	53.7%
Borrowings	129.2	300.0	-56.9%	1,032.2	838.9	23.0%
Repayments	(101.1)	(25.1)	302.8%	(180.1)	(105.0)	71.5%
Capital Stock Increase	-	22.9	-100.0%	1,500.0	22.9	6463.7%
VIVEST Migration	-	-	-	(306.0)	-	-
Share Buyback (ADR CESP)	-	-	-	-	(3.3)	-100.0%
Dividends	-	(70.0)	-100.0%	(100.0)	(672.4)	-85.1%
<b>Free Cash Flow</b>	<b>250.3</b>	<b>122.6</b>	<b>104.2%</b>	<b>1,480.0</b>	<b>343.7</b>	<b>330.6%</b>

The change in cash flow between the quarters is explained mainly by:

- **Adjusted EBITDA:** improvement of 51% or R\$177 million in 4Q22 consolidated Adjusted EBITDA, totaling R\$521 million, with an expansion of 17 p.p. in Adjusted EBITDA margin, from 35% in 4Q22 versus 18% in 4Q21;
- **Working Capital:** increase of 16.5% in 4Q22 (R\$64 million in 4Q22 versus R\$55 million in 4Q21), mainly explained by:
  - Payment of the pension equation plan installments (Vivest) in the amount of R\$13 million in 4Q22, which this effect not carried through the result;
  - Negative variation of R\$85 million from the mark-to-market of the trading activity between the quarters, which is a non-cash effect;
  - Disbursements related to the Operations Center, which totaled R\$13 million in 4Q22; and
  - Positive non-cash effect of provisions for wind power plant reimbursements of R\$34 million in 4Q22.
- **Capex Projects:** Decrease of R\$211 million from 4Q21, mainly due to the conclusion of the Ventos do Piauí II and III wind project, amounting to R\$91 million in 4Q22 versus R\$303 million in 4Q21.





## Subsequent Event

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### **Distribution of dividends**

The Board of Directors approved, on this date, the proposal presented by the Company's management, to be submitted to the shareholders' general meeting, regarding the allocation of earnings of the fiscal year ended on December 31st, 2022, including the proposal of dividends of the total amount of R\$1.5 billion or R\$1.50 per share.

The Company informs that over the current fiscal year, it shall be evaluated the convenience and adequacy of additional dividends proposal on the same amount as the dividends proposed as above. The eventual additional dividends proposal shall be subject to market conditions, the Company's decisions regarding capital allocation and its growth strategy, and other factors that may carry out effects or impacts in relation to the Company's business, as well as shall depend on the pertaining corporate approvals.

## Contingent Liabilities and Assets

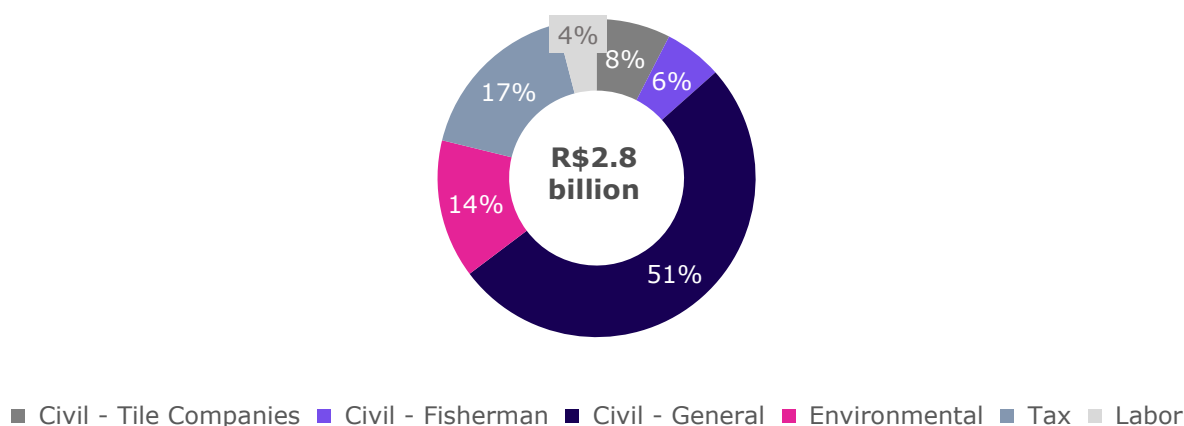
### Contingent Liabilities

In line with market best practices, the disclosure of Auren's contingent liabilities includes the amount involved in lawsuits whose likelihood of loss is considered probable and/or possible.

The Company is currently a party to lawsuits that represent a total contingent liability of R\$2.8 billion, of which R\$1.2 billion pertains to lawsuits whose likelihood of loss is considered probable, and the balance pertains to lawsuits whose likelihood of loss is considered possible.

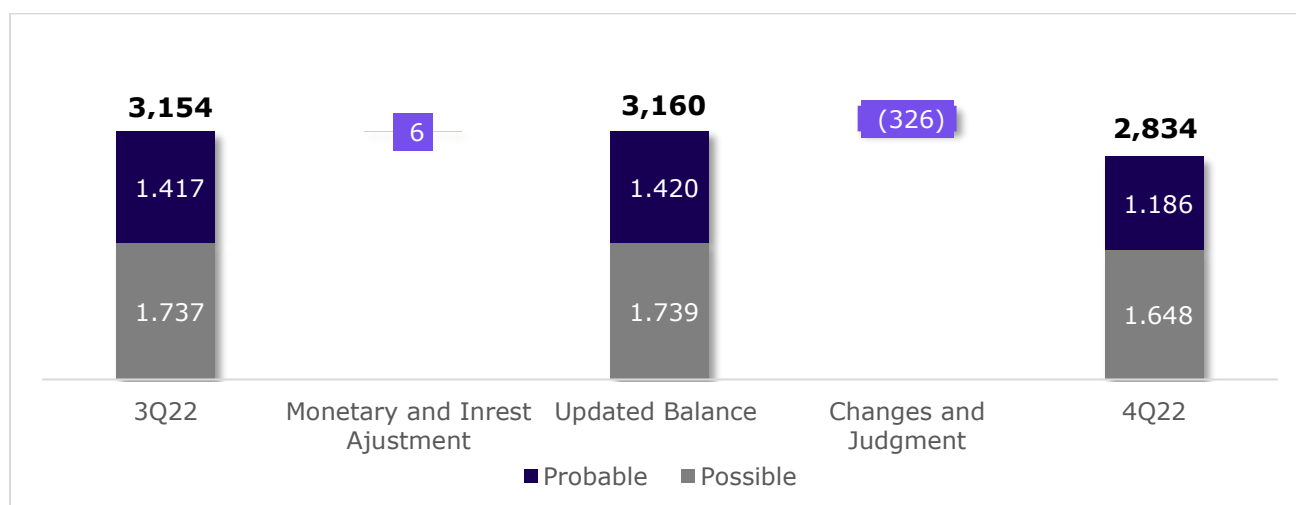
Between 3Q22 and 4Q22, total contingent liabilities decreased R\$326 million, of which R\$234 million was reduced from probable contingent liabilities due to settlements, conclusion of lawsuits in favor of the Company and adjustments of estimates and prognosis of cases according to their progress. The remaining reduction was in possible contingent liabilities.

**Chart 19 - Profile of Contingent Liabilities (R\$ % Total)<sup>10</sup>**



<sup>(10)</sup> The amount presented contemplates the combined lawsuit portfolio of the companies after the corporate reorganization process.

**Chart 20 – Evolution of Lawsuits<sup>(11)</sup> (R\$ million)**



The Company clarifies that the amount of contingent liabilities is constantly evaluated precisely because their measurement is linked to the Company's best risk estimates, including the actual progress of lawsuits.

It is worth to add that, at the end of 4Q22, the Company reached a significant reduction in litigation liabilities, compared to the balance that prevailed four years ago, at the time of CESP's privatization, responsible for almost all the litigation discussed. Since then, the balance of probable and possible litigation liabilities has been reduced by 33% in nominal terms and 54% in real terms.

Currently, this litigation liability is significantly more spread out compared to the previous four years, where no single lawsuit represents more than 10% of the probable and possible litigation liabilities and the 10 largest lawsuits, probable and possible, represent 53% of the total of the same probable and possible litigation liabilities.

### Active Litigation– Três Irmãos

According to the Material Fact of December 07, 2022, CESP, a wholly-owned subsidiary of the Company, entered into a judicial agreement with the Federal Government regarding the indemnification of the HPP Três Irmãos, judicially ratified on January 10, 2023. The judicial agreement defines that CESP will receive the indemnisation under the terms of Interministerial Ordinance MME/MF No. 129/2014, of March 27, 2014, for the historical amount of R\$1,717,362,148.59, updated by the SELIC rate (Special System for Settlement and Custody) in the capitalization regime compound, to be paid in 84 monthly and consecutive installments, calculated according to the SAC (Constant Amortization System) system, with first installment payment starting by October 15, 2023. The source of funds for the cost of the indemnisation is the Global Reversion Reserve (from Portuguese "RGR").

<sup>(11)</sup> Amount shown includes the portfolio of lawsuits of the companies after the corporate restructuring.

This agreement implies CESP's waiver of all other legal claims contained in Action No. 0045939-32.2014.4.01.3400. On January 17, 2022, the final and unappealable decision was certified and the lawsuit was definitively dismissed

As mentioned in the "Financial Performance" section, the settlement accounting generated a positive net income of R\$2.0 billion in 4Q22.

More information and the full Agreement are available in the Material Fact and Notice to the Market published by the Company, as well as in the Explanatory Notes to the Financial Statements referring to fiscal year 2022.

## Pension Plan - VIVEST

As previously disclosed, since 2020 there was an increase in the deficit in pension plans with lifetime income, contracted by CESP with Vivest, mainly due to the increase in IGP-DI index when compared to the National Extended Consumer Price Index (IPCA), along with an unfavorable economic scenario.

In this scenario, the Company defined a strategy to mitigate this actuarial risk related to supplementary pension plans with lifetime income. Among the main fronts of action, the launch of the voluntary migration plan enabled participants of defined benefit plans (Supplementary Retirement and Pension Plan - PSAP) to transfer their assets to a Defined Contribution plan (DC).

The migration, carried out on July 1, 2022, resulted in the settlement, by CESP, of the amount of R\$306 million in August 2022, referring to the payment of the migrated deficit, ending this stage of the actuarial risk mitigation process. With this, the portion of migrated participants no longer have their benefits linked to lifetime income and, therefore, will not impact potential future actuarial deficits of the Company.

The values of the actuarial commitments presented in the Company's Financial Statements are calculated as provided for in the technical pronouncement of the Accounting Pronouncements Committee 33 (R) / IAS 19 – Employee Benefits (CPC 33).

According to CPC 33, the migration resulted in a reduction of the net actuarial liability of R\$326 million, corresponding to the portion of the outstanding balance that was transferred to the CD plan, which, compared to the R\$306 million paid referring to the migrated deficit, results in a gain of R\$21 million, recognized in 3Q22 as Other Operating Income and its respective tax effects.

At the end of 2022, according to CPC 33, there was a reduction in the actuarial deficit of R\$522 thousand when compared to the end of 2021, mainly due to the settlement of R\$306 million related to the migrated deficit and the increase in the discount rate (NTN-B) from 5.21% in 2021 to 6.20% in 2022, as per Table 16 below.

**Table 16 - Calculation of the actuarial deficit using the CPC33 methodology**

(R\$ million, except where indicated)	2022	2021	Var. %
Present Value of Obligations	(6,212.7)	(7,897.3)	-21.3%
Fair Value of Assets	4,948.8	6,111.8	-19.0%
<b>Déficit<sup>12</sup></b>	<b>(1,263.9)</b>	<b>(1,785.5)</b>	<b>-29.2%</b>
Real Discount Rate <sup>13</sup>	6.20%	5.21%	1.0 p.p.

In addition to the accounting valuation, the actuarial commitments related to the PSAP plan are also calculated by Vivest, adopting the methodology defined by PREVIC. The methodology used by PREVIC is responsible for calculating the regulatory actuarial position and, therefore, defines any needs for cash contributions by CESP, in case deficit positions are configured. The PREVIC methodology does not directly impact the Result, only the deficit equation plan.

The equalization plan impacts the Cash and Post-Employment Benefit items, in Non-Current Liabilities, 12 months after the calculation of the deficit. Payment for the plan is made monthly. Regarding the deficit calculated on December 31, 2022, the equation calculations will be carried out throughout 2023, with possible impacts from 2024.

The reduction in the actuarial deficit of R\$51 thousand in 2022, according to the PREVIC methodology, mainly refers to the settlement of R\$306 million related to the migrated deficit, offset by the reduction in the liability discount rate from 4.88% in 2021 to 4.83% in 2022, as well as the performance of the plan's investments below the actuarial target, observed in 2022. It is worth mentioning that the definition of the liability discount rate methodology by the PREVIC methodology follows a different criterion from that defined by the CPC methodology 33, as mentioned in Table 18 below.

**Table 17 - Calculation of the actuarial deficit using the PREVIC methodology**

(R\$ million, except where indicated)	2022	2021	Var. (%)
Present Value of Obligations	(6,755.1)	(8,044.9)	-16.0%
Contracted Operations	(1,259.1)	(589.2)	113.7%
Fair Value of Assets	6,213.8	6,795.7	-8.6%
Calculated Deficit   100% of the Plan	(1,901.3)	(1,873.5)	1.5%
Calculated Deficit   Considering CESP's responsibility <sup>14</sup>	(1,710.4)	(1,720.2)	-0.6%
Real Discount Rate <sup>15</sup>	4.83%	4.88%	-0.1 p.p

<sup>(12)</sup> The amount is presented net in the Post-employment Benefits line in Non-Current Liabilities.

<sup>(13)</sup> The discount rate to be used to measure obligations with retirement benefits must be defined based on business practiced in the financial market for prime securities. Due to the lack of bonds with this profile, long-term government bonds linked to inflation are established as a basis, specifically NTN-Bs that are linked to the IPCA inflation index. The rate used is that of the evaluation date (December 31), aligned with the average term of the calculated plans.

<sup>(14)</sup> The value of responsibility of the sponsor CESP corresponds to the portion of the Company's obligation in eventual needs for contributions (cash outflow).

<sup>(15)</sup> The discount rate to be used to measure retirement benefit obligations must be defined based on PREVIC Ordinance No. 228/2021. The discount rate calculated for the year will be the new actuarial target for the subsequent year, that is, 4.88% will be the actuarial target for 2022, impacting the update of benefits granted for the year and, respectively, the 4.83 % will be the actuarial target valid for 2023.

## Calculation of Actuarial Commitments (Methodologies)

Based on the methodologies<sup>16</sup> defined in the accounting policy of pension funds in Brazil, below is a brief comparison between the methodologies presented above:

**Table 18 - Summary of Pension Fund Methodologies in Brazil**

	CPC 33	PREVIC
<b>Methodology for Calculating Actuarial Liabilities</b>	Actuarial Method Unit Credit Designed to determine the present value of the plan obligation.	Actuarial method Aggregate to determine the present value of the plan obligation.
<b>Methodology for defining the Discount Rate</b>	Rate defined based on long-term securities (NTN-B) positioned on Dec 31, 2022.	Rate defined based on the corridor established by PREVIC in PREVIC Ordinance No. 337/2020.

<sup>(16)</sup> PREVIC Ordinances: Dec 31,2020: PREVIC Ordinance 337/2020; Dec 31, 2021: PREVIC Ordinance 228/2021

## Regulatory Matters

### Revision of Physical Guarantee of Auren's plants

In connection with the ordinary revision of the physical guarantee of centrally dispatched hydroelectric plants, the Ministry of Mines and Energy (MME), through MME Ordinance 709/2022, defined the new values of physical guarantees, which became effective on January 1, 2023.

As expected, the physical guarantee of the HPP Porto Primavera was not reviewed because it was defined less than five years ago, when the current concession contract was signed due to the CESP privatization that took place on October 18, 2018. According to the current law, the next HPP Porto Primavera's physical guarantee review should take place in the next ordinary review process, scheduled for 2027, with effective date from January 1, 2028.

**Table 19 - Comparison between the current (2022) and revised (2023) Physical Guarantee of hydroelectric assets**

Plant	Auren's Indirect Participation	Physical Guarantee 2022 (MWavg)	Physical Guarantee 2022 (MWavg)	Variation (MWavg)	Variation (%)	Auren Participation (MWavg)
Picada	71.4%	30.8	29.6	-1.2	-3.9%	-0.9
Igarapava	17.1%	134.2	127.5	-6.7	-5.0%	-1.1
Amador Aguiar I	9.0%	154.4	146.7	-7.7	-5.0%	-0.7
Amador Aguiar II	9.0%	131.7	125.2	-6.5	-4.9%	-0.6
Barra Grande	10.3%	372.8	356.0	-16.8	-4.5%	-1.7
Campos Novos	16.3%	379.7	382.2	2.5	0.7%	0.8
Machadinho (*)	3.4%	547.1	519.8	-27.3	-5.0%	-
<b>Total</b>	-	1,750.7	1,687.0	-63.7	-3.6%	-4.2

(\*) In the case of Machadinho, the Company is not impacted by the physical guarantee revision due to the agreement signed between the consortium members.

For wind power plants, the MME published (From Portuguese, Ministério de Minas e Energia, Ministry of Energy), through Ordinance No. 1,830/SPE/MME/2022, the revised amounts of the guarantees. The review methodology, provided by the MME Ordinance No. 416/2015, establishes that it be carried out annually, based on the electricity generation verified from the 13th month after the entry into commercial operation until the most recent monthly record available (in this case, December 2021). In case the average generation is less than 90% or greater than 105% of the current physical guarantee, the value of the physical guarantee is adjusted to the verified generation value. That way, according to the indicated methodology, the plants of the Ventos do Piauí I did not change the physical guarantee, as they performed within the limits established by the Ordinance.

However, the plants in the Ventos do Araripe III complex underwent adjustments to their physical guarantees, resulting in a 15% reduction, due to production restrictions observed during the period of transformers repair at the collector substation after the incidents that occurred in 2020 and in 2021. It is important to mention that both incidents were covered by the Company's insurance policy resulting in reimbursements on account of lost profits.

Considering the annual frequency of the review and the normalization of generation in this wind farm in 2022, over time, the physical guarantee will tend to return to the previous level. The reduction in the physical guarantee does not change the regulated contracts, therefore there is no impact on the revenue from the wind complex.

**Table 20 - Comparison between the current (2022) and revised (2023) Physical Warranty of Ventos do Araripe III**

Wind Complex	Auren Participation	Physical Guarantee 2022 (MWavg)	Physical Guarantee 2023 (MWavg)	Variation (MWavg)	Variation (%)	Auren Participation (MWavg)
Ventos do Araripe III	100%	178.5	151.1	-27.4	-15.4%	-27.4

## MME Public Consultation 145 – Ancillary Services


The Ministry of Mines and Energy (MME) launched a public consultation, for the due reflection of society, regarding the necessary improvements for the regulatory and market framework for the provision of ancillary services. These services are currently provided by a few energy generators and performed either without any compensation (as in the case of primary frequency control) or with partial reimbursement of the costs involved (as in the case of secondary frequency control), without the necessary incentives to generate interest among agents to provide these services. This topic is particularly important for the system due to the continuous change in the profile of the Brazilian energy matrix, which will require an increase in the provision of these services. A few measures can help increase this offering, such as the establishment of a competitive market, with proper adjustment of compensation, and enabling the participation of other sources of generation, such as solar and wind, to offer reactive support for voltage control.

Auren continues to monitor this matter to seize new opportunities for providing services through its generation assets.

## Access to the transmission system

The expansion scenario in the generation segment has changed significantly in recent years, mostly reflecting the end of the discount in the system use tariff, which resulted in the so-called "gold rush for concessions," as entrepreneurs sought to implement their projects with the tariff discount within the period established in Law 14,120/2021.





ANEEL estimates that requests for concessions, awaiting analysis and submitted within the deadline for maintaining said tariff discount, currently total 208 GW.

Given this unprecedented number of concessions to be published, a new challenge emerged: what is the best way to conduct the process of giving access to the transmission system for distributing the necessary energy volume and power, in order to allow the system to be accessed by entrepreneurs that are effectively committed to executing their projects?

In response to these challenges, ANEEL and MME are holding public consultations to address the issue of access to the transmission system, which include:

- **MME Public Consultations 141 and 148/2022**, on the guidelines and system of the Bidding Process for Margin (PCM). This mechanism, which is under discussion, envisages that the competition for access to the transmission system no longer be carried out in the chronological order of the requests for access, but through a bidding process. The PCM bids would be made in R\$/kW and the amounts to be paid by the winners would be deemed advances and deducted from the transmission charges payable by them.
- **ANEEL Public Consultation 052/2022**, on access to the transmission system in the current scenario of expansion of wind and photovoltaic generators. The consultation proposes, in general lines, that the process for access and execution of the agreements for use of the transmission system take place prior to the concession, which, per ANEEL's position, could reduce the administrative and procedural costs for sector players.

The results of public consultations have not been published yet and Auren continues to monitor and contribute to the discussions.

## Important Information

### Segmentation of Results

The business segmentation shown here reflects:

- **Hydroelectric Generation:** Segment comprising CESP Geradora and other hydroelectric assets in which Auren holds indirect interest through CBA Energia (BAESA and ENERCAN), Pollarix (ENERCAN, Amador Aguiar I e II, Igarapava and Picada) and Pinheiro Machado (Machadinho), whose balances are recognized under equity income in the consolidated financial statements of the Company;
- **Wind Power Generation:** Segment consisting of the Ventos do Piauí I, II and III and Ventos de Araripe III wind power complexes;
- **Trading:** Segment comprising Auren Comercializadora (former Votener) and CESP Comercializadora; and
- **Holding Company and Pipeline:** Segment includes expenses with the Company's corporate structure and other projects in the structuring and construction phase, such as the Sol do Piauí e Sol de Jaíba Projects.

To download the spreadsheet with segmented results, [click here](#).

### Intercompany Operations

Intercompany operations involving Auren's companies are essentially concentrated between the hydroelectric generation (largely at CESP Geradora) and wind power generation segments (Ventos do Piauí I and Ventos do Araripe III wind complexes) and the Trading segment (Auren Comercializadora, former Votener, and CESP Comercializadora), and refer to contracts for the purchase and sale of a portion of energy generated by these companies for sale in the free market.

Also, specifically for cases involving CESP Geradora and CESP Comercializadora, purchase and sale transactions are carried out to manage the energy balance of the hydroelectric assets in order to mitigate the effects of the GSF on the Company's results.

These intercompany operations are eliminated (see the "Eliminations" column) for consolidation of the results of Auren Energia.

## Impacts of Intercompany Operations in 2022

Votorantim Energia and CESP, before the formation of Auren, individually had contracts for purchase and sale of energy in their respective trading companies and generation assets. Throughout 2022, Auren has been restructuring its Trading segment to consolidate these contracts in Auren Comercializadora. In this context, the following initiatives were implemented until the end of 2022:

- Transfer of approximately 85% of the future energy purchase and sale contracts with third parties (except transactions with contractual or regulatory restrictions) from the generation assets to Auren Comercializadora; and
- Creation of intercompany contracts for sale of the surplus energy between Auren's Generation and Trading segments to equalize the Company's energy balance.

This consolidation created opportunities to simplify the management of such contracts, segregate the risk and return profiles of the Generation and Trading businesses and capture important synergies from optimizing this portfolio.

In addition, given that Auren Comercializadora's accounting policy is to classify its future energy purchase and sale contracts with third parties and intercompany contracts as financial instruments measured at fair value by the result (mark-to-market adjustment), a non-recurring gain of R\$439 million was booked under "Other Results" in the Trading segment, resulting from the effect of the initial mark-to-market adjustment of these contracts.

As the Company's accounting policies remain the same, considering its consolidated financial statements, such consolidation of contracts did not have any effect on the consolidated result, and its future energy purchase and sale contracts continue to be classified according to their original classification:

- Wholesale contracts: Contracts classified outside the scope of CPC 48, as they are maintained for purposes of receipt or delivery of a non-financial item and are not subject to mark-to-market adjustment; and
- Trading contracts: Contracts classified within the scope of CPC 48, as financial instruments recognized at fair value on the date the respective contract is signed and, subsequently, are marked to market at their fair value.

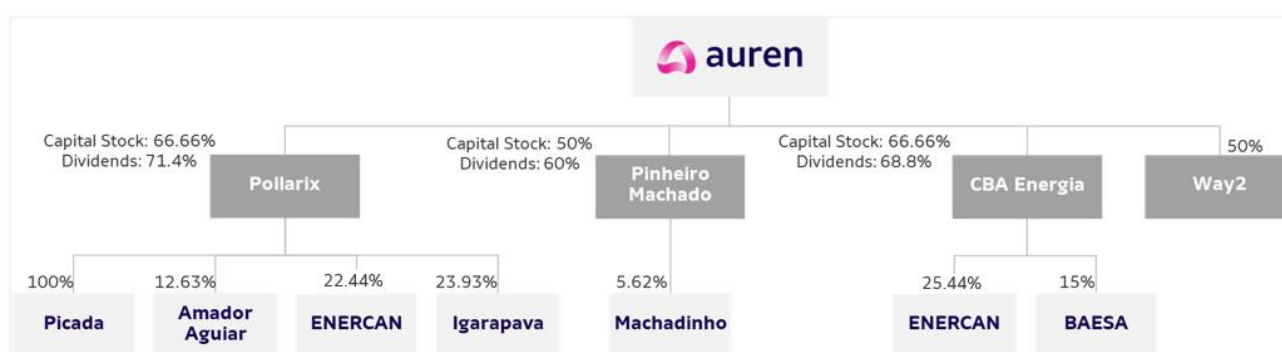
To reflect this scenario, the adjustment in the "Eliminations" column, in the amount of R\$439 million, pertains to the elimination of this non-recurring effect. In the consolidated result, the mark-to-market adjustment related to the trading activity is retained.

## Equity Income

The results that make up the equity income booked by the Company are derived from its indirect interest held in hydroelectric assets (CBA Energia, Pollarix and Pinheiro Machado) and in Way2.

In addition to the intercompany operations mentioned in the previous section, the eliminations shown in the consolidated result include the results of each company in which Auren holds interest and which are consolidated for the purposes of the financial statements, such as CESP, Auren Comercializadora (former Votener) and the companies of the Ventos do Piauí I, II and III and Ventos do Araripe III and Sol de Jaíba wind power complexes.

The non-controlling interest held by Auren in CBA Energia, Pollarix and Pinheiro Machado and the interest held by Auren Comercializadora (former Votener) in Way2 are not eliminated for accounting purposes as they do not meet the criteria for consolidation of their interests.



## Appendices

### Income Statement and Adjusted EBITDA - Segmented

#### 4T22

R\$ thousand	Consolidated			Hydroelectric Generation			Wind Power Generation			Commercialization			Holding			Elimination		
	4Q22	4Q21	Var. %	4Q22	4Q21	Var. %	4Q22	4Q21	Var. %	4Q22	4Q21	Var. %	4Q22	4Q21	Var. %	4Q22	4Q21	Var. %
Gross Revenue	1,698.2	2,075.7	-18.2%	502.0	450.1	11.5%	157.3	133.9	17.5%	1,347.4	1,613.0	-16.5%	-	-	-	(308.5)	(121.2)	154.6%
<b>Net Revenue</b>	<b>1,484.9</b>	<b>1,872.1</b>	<b>-20.7%</b>	<b>436.1</b>	<b>390.5</b>	<b>11.7%</b>	<b>152.0</b>	<b>128.6</b>	<b>18.2%</b>	<b>1,181.0</b>	<b>1,462.9</b>	<b>-19.3%</b>	-	-	-	<b>(284.2)</b>	<b>(110.0)</b>	<b>158.4%</b>
Purchased energy costs	(949.1)	(1,441.2)	-34.1%	(89.3)	(95.1)	-6.0%	(2.6)	(2.2)	18.8%	(1,141.3)	(1,453.9)	-21.5%	-	-	-	284.2	110.0	158.4%
Electricity network charges	(68.9)	(55.3)	24.6%	(55.3)	(49.0)	12.9%	(13.5)	(6.3)	115.3%	-	-	-	-	-	-	-	-	-
Operating costs	(211.0)	(186.0)	13.5%	(111.0)	(129.3)	-14.2%	(100.0)	(56.6)	76.6%	-	-	-	-	-	-	-	-	-
Hydrological risk exposure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross profit (loss)</b>	<b>255.9</b>	<b>189.6</b>	<b>34.9%</b>	<b>180.5</b>	<b>117.1</b>	<b>54.1%</b>	<b>35.8</b>	<b>63.5</b>	<b>-43.6%</b>	<b>39.6</b>	<b>9.0</b>	<b>341.2%</b>	-	-	-	-	-	-
Operating revenues (expenses)	332.4	(45.2)	N.M.	345.1	(36.4)	N.M.	86.6	(2.8)	N.M.	44.6	(21.3)	N.M.	(46.1)	15.3	N.M.	(97.7)	-	-
Equity income	49.0	84.0	-41.7%	53.9	93.2	-42.2%	-	-	-	(0.4)	(2.9)	-87.6%	315.3	(41.1)	N.M.	(319.8)	34.8	N.M.
Financial result	2,067.2	(210.3)	N.M.	2,117.4	(167.3)	N.M.	(65.8)	(40.8)	61.4%	(6.0)	(5.0)	20.9%	21.6	2.7	706.9%	-	-	-
<b>Net income (loss) before income tax and social</b>	<b>2,704.5</b>	<b>18.1</b>	<b>14845.1%</b>	<b>2,696.8</b>	<b>6.6</b>	<b>40495.6%</b>	<b>56.6</b>	<b>20.0</b>	<b>182.9%</b>	<b>77.8</b>	<b>(20.2)</b>	<b>-484.8%</b>	<b>290.8</b>	<b>(23.1)</b>	<b>N.M.</b>	<b>(417.6)</b>	<b>34.8</b>	<b>N.M.</b>
Income tax and social contribution	(251.3)	23.9	N.M.	(262.5)	28.1	N.M.	(47.0)	(10.5)	349.4%	16.8	(3.2)	N.M.	8.3	9.4	-11.3%	33.0	-	-
<b>Net income (loss)</b>	<b>2,453.1</b>	<b>42.0</b>	<b>5743.2%</b>	<b>2,434.3</b>	<b>34.8</b>	<b>6900.6%</b>	<b>9.6</b>	<b>9.5</b>	<b>0.6%</b>	<b>94.6</b>	<b>(23.4)</b>	<b>-504.6%</b>	<b>299.1</b>	<b>(13.8)</b>	<b>N.M.</b>	<b>(384.5)</b>	<b>34.8</b>	<b>N.M.</b>
Income tax and social contribution	251.3	(23.9)	N.M.	262.5	(28.1)	N.M.	47.0	10.5	349.4%	(16.8)	3.2	N.M.	(8.3)	(9.4)	-11.3%	(33.0)	-	-
<b>Net income (loss) before income tax and social</b>	<b>2,704.5</b>	<b>18.1</b>	<b>14845.1%</b>	<b>2,696.8</b>	<b>6.6</b>	<b>40495.6%</b>	<b>56.6</b>	<b>20.0</b>	<b>182.9%</b>	<b>77.8</b>	<b>(20.2)</b>	<b>N.M.</b>	<b>290.8</b>	<b>(23.1)</b>	<b>N.M.</b>	<b>(417.6)</b>	<b>34.8</b>	<b>N.M.</b>
Equity income	(49.0)	(84.0)	-41.7%	(53.9)	(93.2)	-42.2%	-	-	-	0.4	2.9	-87.6%	(315.3)	41.1	N.M.	319.8	(34.8)	N.M.
Financial result	(2,067.2)	210.3	N.M.	(2,117.4)	167.3	-1365.7%	65.8	40.8	61.4%	6.0	5.0	20.9%	(21.6)	(2.7)	706.9%	-	-	-
Depreciation and amortization	172.5	159.2	8.3%	96.4	114.9	-16.1%	64.5	33.6	91.6%	0.7	0.6	16.2%	11.0	10.1	8.9%	-	-	-
<b>EBITDA</b>	<b>760.8</b>	<b>303.6</b>	<b>150.6%</b>	<b>621.9</b>	<b>195.6</b>	<b>218.0%</b>	<b>186.8</b>	<b>94.4</b>	<b>97.9%</b>	<b>84.9</b>	<b>(11.8)</b>	<b>N.M.</b>	<b>(35.1)</b>	<b>25.4</b>	<b>N.M.</b>	<b>(97.7)</b>	-	-
Hydrological risk exposure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversão de Provisão para Litígios	(136.7)	24.9	N.M.	(136.7)	24.9	N.M.	-	-	-	-	-	-	-	-	-	-	-	-
Baixa de Depósitos Judiciais	-	15.9	-100.0%	-	15.9	-100.0%	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of fixed and intangible as:	(230.9)	(50.9)	353.4%	(230.9)	(50.9)	353.4%	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	127.6	50.6	152.4%	127.6	50.6	152.4%	-	-	-	-	-	-	-	-	-	-	-	-
Benefit plan migration effect	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>EBITDA Ajustado</b>	<b>520.8</b>	<b>344.1</b>	<b>51.3%</b>	<b>381.9</b>	<b>236.1</b>	<b>61.8%</b>	<b>186.8</b>	<b>94.4</b>	<b>97.9%</b>	<b>84.9</b>	<b>(11.8)</b>	<b>N.M.</b>	<b>(35.1)</b>	<b>25.4</b>	<b>N.M.</b>	<b>(97.7)</b>	-	-
Adjusted EBITDA Margin	35.1%	18.4%		87.6%	60.4%		122.9%	73.4%		7.2%	-0.8%							

#### 2022

R\$ thousand	Consolidated			Hydroelectric Generation			Wind Power Generation			Commercialization			Holding			Elimination		
	2022	2021	Var. %	2022	2021	Var. %	2022	2021	Var. %	2022	2021	Var. %	2022	2021	Var. %	2022	2021	Var. %
Gross Revenue	6,530.1	7,190.6	-9.2%	1,959.6	1,741.2	12.5%	572.5	348.4	64.3%	4,952.5	5,576.6	-11.2%	-	-	-	(954.6)	(475.6)	100.7%
<b>Net Revenue</b>	<b>5,754.6</b>	<b>6,477.4</b>	<b>-11.2%</b>	<b>1,705.1</b>	<b>1,513.0</b>	<b>12.7%</b>	<b>550.8</b>	<b>331.3</b>	<b>66.2%</b>	<b>4,371.9</b>	<b>5,064.7</b>	<b>-13.7%</b>	-	-	-	<b>(873.1)</b>	<b>(431.6)</b>	<b>102.3%</b>
Purchased energy costs	(3,622.8)	(4,935.4)	-26.6%	(298.5)	(342.2)	-12.8%	(10.3)	(6.9)	49.2%	(4,187.1)	(5,017.9)	-16.6%	-	-	-	873.1	431.6	102.3%
Electricity network charges	(246.5)	(199.4)	23.6%	(209.5)	(176.4)	18.7%	(37.0)	(23.0)	61.1%	-	-	-	-	-	-	-	-	-
Operating costs	(732.0)	(682.7)	7.2%	(458.0)	(468.7)	-2.3%	(273.9)	(213.9)	28.1%	(0.1)	(0.1)	50.0%	-	-	-	-	-	-
Hydrological risk exposure	-	782.0	-	-	782.0	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Gross profit (loss)</b>	<b>1,153.3</b>	<b>1,441.8</b>	<b>-20.0%</b>	<b>739.1</b>	<b>1,307.6</b>	<b>-43.5%</b>	<b>229.5</b>	<b>87.5</b>	<b>162.3%</b>	<b>184.7</b>	<b>46.7</b>	<b>295.5%</b>	-	-	-	-	-	-
Operating revenues (expenses)	95.5	(162.1)	N.M.	217.1	9.6	2172.5%	80.1	(8.1)	N.M.	415.8	(105.2)	N.M.	(178.9)	(58.3)	207.0%	(438.6)	-	N.M.
Equity income	135.3	165.8	-18.4%	155.5	172.0	-9.6%	-	-	-	(2.5)	(2.9)	-13.5%	545.7	(5.8)	N.M.	(563.4)	2.5	N.M.
Financial result	1,660.3	(773.2)	N.M.	1,771.6	(616.7)	N.M.	(176.7)	(167.4)	5.6%	(29.9)	(6.3)	373.7%	95.3	17.2	455.2%	-	-	-
<b>Net income (loss) before income tax and social</b>	<b>3,044.4</b>	<b>672.3</b>	<b>352.8%</b>	<b>2,883.3</b>	<b>872.4</b>	<b>230.5%</b>	<b>132.9</b>	<b>(88.0)</b>	<b>N.M.</b>	<b>568.1</b>	<b>(67.7)</b>	<b>N.M.</b>	<b>462.1</b>	<b>(46.9)</b>	<b>N.M.</b>	<b>(1,002.0)</b>	<b>2.5</b>	<b>N.M.</b>
Income tax and social contribution	(368.7)	(252.0)	N.M.	(298.9)	(262.9)	13.7%	(86.8)	(21.9)	296.1%	(160.0)	(1.1)	N.M.	28.0	33.9	-17.4%	148.9	-	N.M.
<b>Net income (loss)</b>	<b>2,675.7</b>	<b>420.3</b>	<b>536.5%</b>	<b>2,584.4</b>	<b>609.6</b>	<b>324.0%</b>	<b>46.0</b>	<b>(109.9)</b>	<b>N.M.</b>	<b>408.1</b>	<b>(68.9)</b>	<b>N.M.</b>	<b>490.2</b>	<b>(12.9)</b>	<b>N.M.</b>	<b>(853.0)</b>	<b>2.5</b>	<b>N.M.</b>
Income tax and social contribution	368.7	252.0	N.M.	298.9	262.9	13.7%	86.8	21.9	296.1%	160.0	1.1	N.M.	(28.0)	(33.9)	-17.4%	(148.9)	-	N.M.
<b>Net income (loss) before income tax and social</b>	<b>3,044.4</b>	<b>672.3</b>	<b>352.8%</b>	<b>2,883.3</b>	<b>872.4</b>	<b>230.5%</b>	<b>132.9</b>	<b>(88.0)</b>	<b>N.M.</b>	<b>568.1</b>	<b>(67.7)</b>	<b>N.M.</b>	<b>462.1</b>	<b>(46.9)</b>	<b>N.M.</b>	<b>(1,002.0)</b>	<b>2.5</b>	<b>N.M.</b>
Equity income	(135.3)	(165.8)	-18.4%	(155.5)	(172.0)	-9.6%	-	-	-	2.5	2.9	-13.5%	(545.7)	5.8	N.M.	563.4	(2.5)	N.M.
Financial result	(1,660.3)	773.2	N.M.	(1,771.6)	616.7	N.M.	176.7	167.4	5.6%	29.9	6.3	373.7%	(95.3)	(17.2)	455.2%	-	-	-
Depreciation and amortization	615.9	598.9	2.8%	403.9	420.8	-4.0%	165.6	134.4	23.2%	2.3	3.1	-24.6%	44.1	40.4	9.0%	-	-	-
<b>EBITDA</b>	<b>1,864.8</b>	<b>1,878.7</b>	<b>-0.7%</b>	<b>1,360.1</b>	<b>1,738.0</b>	<b>-21.7%</b>	<b>475.2</b>	<b>213.8</b>	<b>122.3%</b>	<b>602.9</b>	<b>(55.4)</b>	<b>N.M.</b>	<b>(134.8)</b>	<b>(17.8)</b>	<b>655.8%</b>	<b>(438.6)</b>	-	-
Hydrological risk exposure	-	(782.0)	-100.0%	-	(782.0)	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversão de Provisão para Litígios	(59.5)	(425.7)	-86.0%	(59.5)	(425.7)	-86.0%	-	-	-	-	-	-	-	-	-	-	-	-
Baixa de Depósitos Judiciais	2.5	60.3	-95.9%	2.5	60.3	-95.9%	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of impairment of fixed and intangible assets	(230.9)	248.5	N.M.	(230.9)	248.5	N.M.	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	235.0	131.1	79.3%	235.0	131.1	79.3%	-	-	-	-	-	-	-	-	-	(386.7)	-100.0%	-
Benefit plan migration effect	(20.1)	-	N.M.	(20.1)	-	N.M.	-	-	-	-	-	-	-	-	-	-	-	-
<b>EBITDA Ajustado</b>	<b>1,791.7</b>	<b>1,110.9</b>	<b>61.3%</b>	<b>1,287.1</b>	<b>970.2</b>	<b>32.7%</b>	<b>475.2</b>	<b>213.8</b>	<b>122.3%</b>	<b>602.9</b>	<b>(55.4)</b>	<b>N.M.</b>	<b>(134.8)</b>	<b>368.8</b>	<b>N.M.</b>	<b>(438.6)</b>	<b>(386.7)</b>	<b>13.4%</b>
Adjusted EBITDA Margin	31.1%	17.2%		75.5%	64.1%		86.3%	64.5%		13.8%	-1.1%							

## Debt

	Gross Debt (R\$ million)	Index	Spread	Amortization	Maturity
Auren Energia	342.5				
1ª Debenture	342.5	CDI	1.48%	Bullet	Dec/24
CESP	2,023.8				
11ª Debenture	224.7	CDI	1.64%	7 years	dec/25
12ª Debenture	1,799.1	IPCA	4.30%	10 years	aug/30
Ventos do Piauí I	752.9				
BNDES	616.1	TJLP	2.16%	16 years	jun/34
1ª Debenture	136.8	IPCA	5.47%	Bullet	jun/24
Ventos do Piauí II e III	1,665.1				
BNDES	1,665.1	IPCA	4.56%	22 years	mar/45
Ventos do Araripe III	1,045.8				
Repasse	406.0	TJLP	3.15%	12 years	dec/29
BNDES	450.0	TJLP	2.49%	16 years	jun/35
1ª Debenture	189.9	IPCA	6.99%	14 years	jul/32
<b>Total</b>	<b>5.830.2</b>				

## Ratings

	Agência	Rating	Outlook	Revisão
Auren - Corporate	Fitch Ratings	BBB -   AAA (bra)	Negative   Stable	mar/22
CESP - Corporate	Standard & Poor's	BB -   br.AAA	Stable	mai/21
CESP - 12ª Debenture	Fitch Ratings	AAA (bra)	Negative   Stable	jul/21
Ventos do Piauí I	Fitch Ratings	BB   AAA (bra)	Stable	mar/22
Ventos do Araripe III	Fitch Ratings	BB   AA- (bra)	Positive	oct/22

## Asset Portfolio

### ■ Assets under construction

Asset <sup>(1)</sup>	Source	Installed Capacity <sup>(2)</sup> (MW)	Physical Guarantee <sup>(2)</sup> (MWavg)	Economic Interest <sup>3</sup>
Porto Primavera	Hydro	1,540.0	886.8	100.0%
Barra Grande (BAESA)	Hydro	71.2	36.7	10.3%
Campos Novos (ENERCAN) <sup>(4)</sup>	Hydro	153.9	66.9	17.5%
Campos Novos (ENERCAN) <sup>(5)</sup>	Hydro	141.1	61.2	16.0%
Amador Aguiar I e II	Hydro	40.6	24.5	9.0%
Igarapava	Hydro	35.9	21.8	17.1%
Picada	Hydro	35.7	21.1	71.4%
Machadinho	Hydro	38.3	18.4	3.4%
Ventos do Piauí I	Wind	205.8	106.3	100.0%
Ventos do Piauí II	Wind	206.8	104.6	100.0%
Ventos do Piauí III	Wind	202.4	99.7	100.0%
Ventos do Araripe III	Wind	357.9	151.1	100.0%
<b>Total</b>		<b>3,029.6</b>	<b>1,599.1</b>	

<sup>(1)</sup> Includes assets in which the Company has investments: CBA Energia, Pollarix and Pinheiro Machado.

<sup>(2)</sup> Installed capacity proportional to the Company's indirect ownership interest in the assets.

<sup>(3)</sup> Indirect economic participation of Auren in the assets. At the holding company level, Auren has a differentiated dividend participation (CBA Energia +10%; Pollarix +25%; Pinheiro Machado +50%).

<sup>(4)</sup> Holding CBA Energia

<sup>(5)</sup> Holding Pollarix

▪ **Assets under construction**

Asset	Source	Installed Capacity (MW)	Physical Guarantee (MWavg)	Economic Interest <sup>3</sup>
Sol do Piauí	Hybrid	48.0	12.7	100.0%
Sol de Jaíba	Solar	500.0	154.2	100.0%
<b>Total</b>		<b>548.0</b>	<b>166.9</b>	

▪ **Pipeline**

Asset	Source	Installed Capacity (MW)	Physical Guarantee (MWavg)	Economic Interest
Hélios	Solar	1,210.0	355.3	100.0%
Corumbá	Hydro	81.6	51.5	51.0%
Ibiapaba	Wind	382.0	186.0	100.0%
<b>Total</b>		<b>1,673.6</b>	<b>592.8</b>	<b>-</b>