

Earnings Presentation

4Q22

February/2023





Disclaimer

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Operational



- **8% increase in hydroelectric generation in 4Q22**, reflecting better hydrological conditions
- Wind power generation **increased by 32% in 2022** on a comparable basis, mainly due to the normalization of the collector substation generation at Ventos do Araripe III

Financial



- **Adjusted EBITDA of R\$521 million in 4Q22**, with **adjusted EBITDA margin of 35%**
- **Cash conversion ratio⁽¹⁾ of 68%** in 2022
- Signing of a judicial agreement involving the **indemnification of the HPPT** Três Irmãos
- **Approval** by the Board of Directors of the **dividend distribution proposal of R\$1.50 per share**

Growth and Innovation



- **Commercial startup of Ventos do Piauí II e III, on time on budget**
- **Completion of the negotiations** for the contracting of the solar projects **Sol de Jaíba** and **Sol do Piauí**, which will add 548 MWac of installed capacity to the portfolio
- Advances in the strategy to build an **ecosystem of strategic partners** with the **acquisition** of equity interest in the startup **Flora Energia**

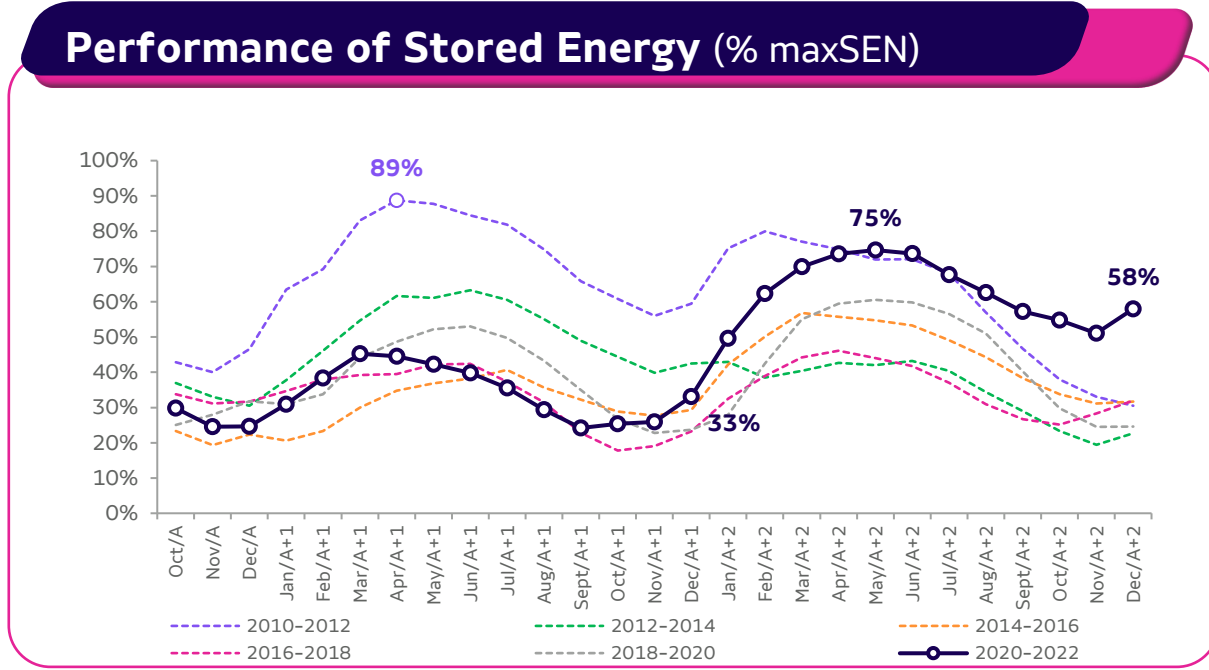
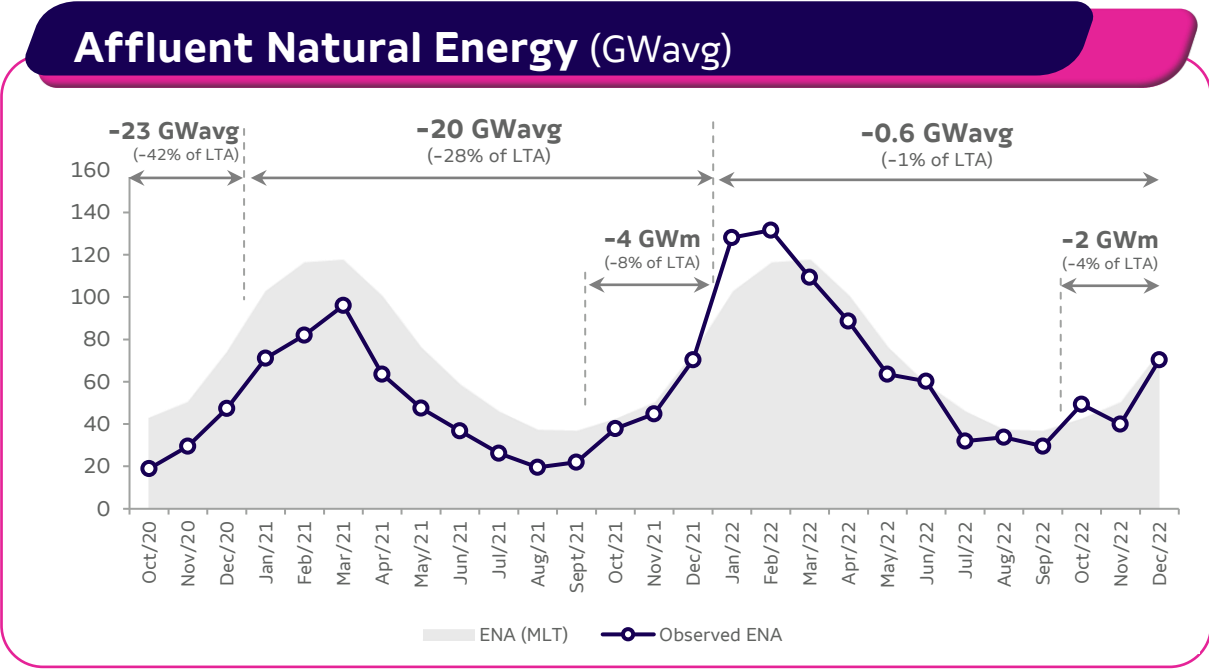
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Performance of the National Interconnected System - SIN ⁽¹⁾

Favorable hydrological conditions in 2022 benefited the recovery of the reservoirs of the SIN



- **ANE⁽²⁾ of SIN of 96% in 4Q22**, keeping the same level of 4Q21
- The **affluence of SIN in 2022 was 98%** compared to 72% of the Long-Term Average (LTA) in 2021
- **SEN⁽³⁾ SIN of 58% of maximum storage capacity at the end of Dec/22** vs. 33% in Dec/21
- 2022 with the **highest storage level since 2011**

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Operating Performance – Hydroelectric Assets

The difference between physical guarantee and Porto Primavera generation was 31MW avg in 4Q22 and 77MW avg in 2022

GSF⁽¹⁾
77% in 4Q22 vs.
66% in 4Q21

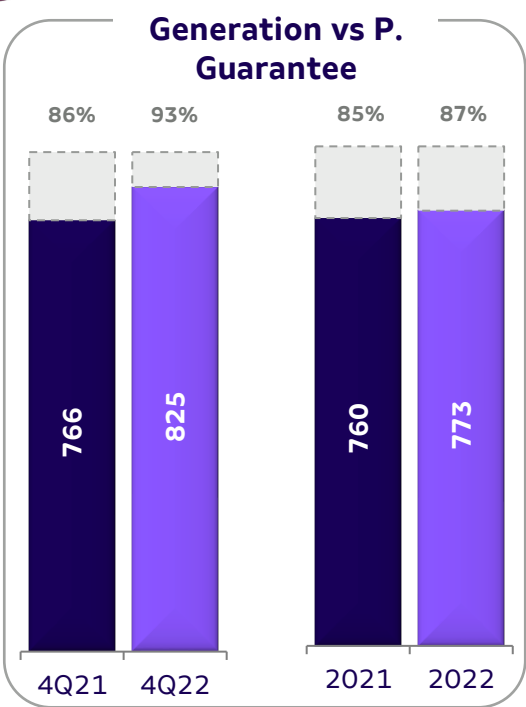
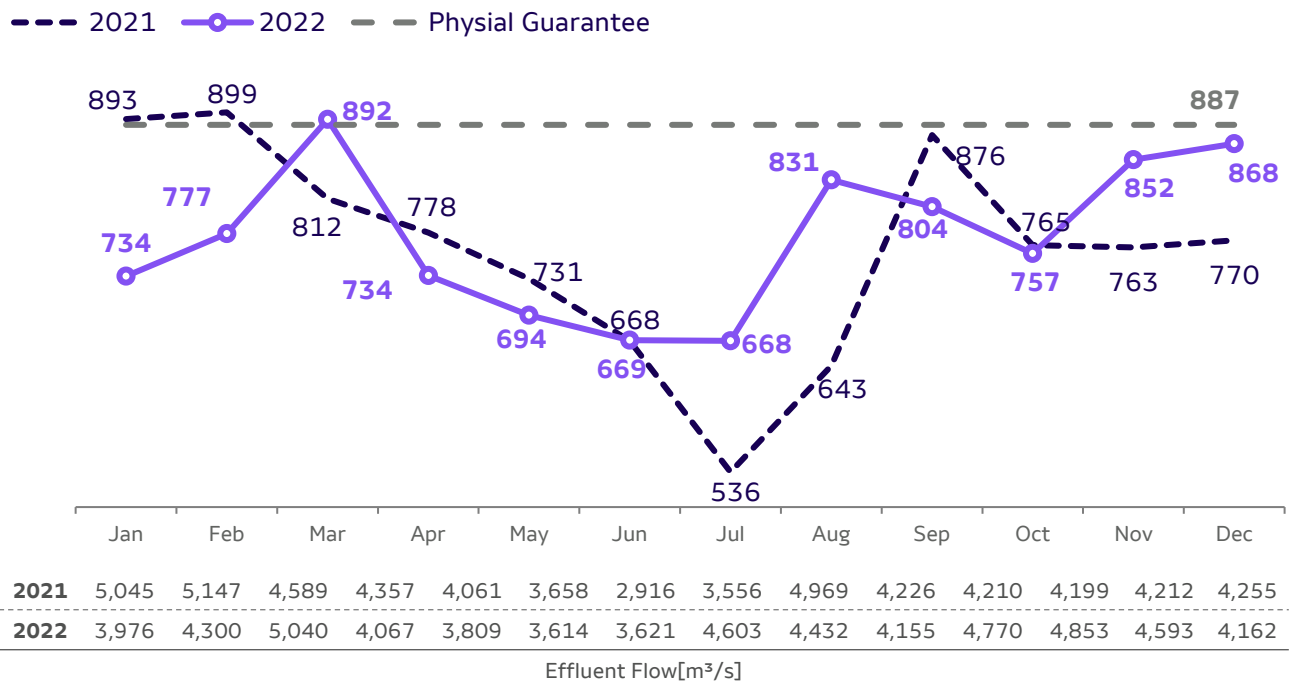
GSF⁽¹⁾
85% in 2022 vs. **73%**
in 2021

Energy Costs
32% Energy cost
reduction in 4Q22
vs 4Q21

HPP Porto Primavera
1,540MW



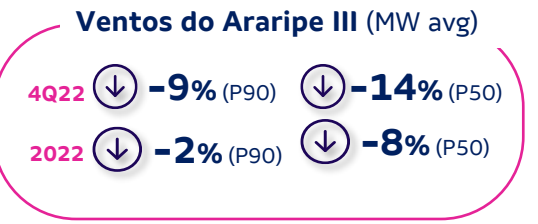
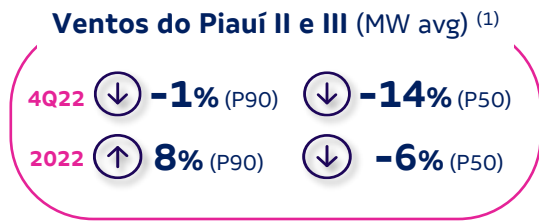
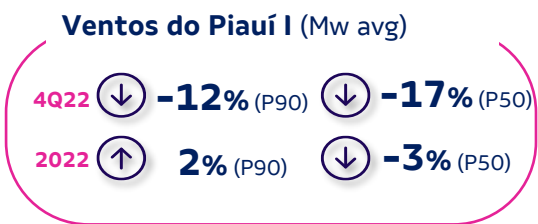
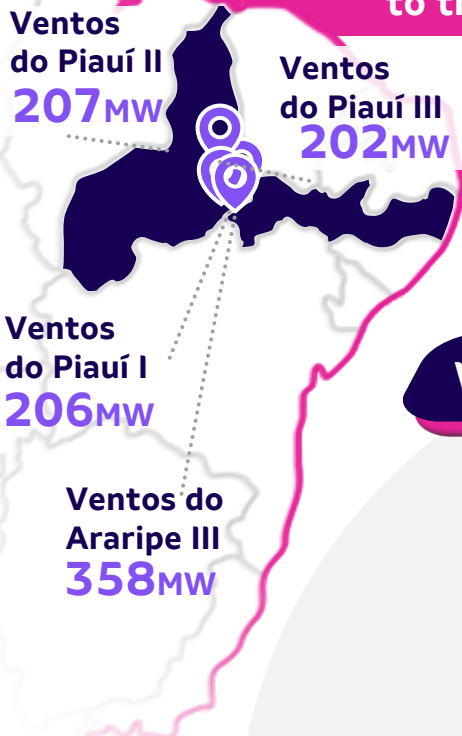
HPP Porto Primavera Generation⁽²⁾ (MW avg)



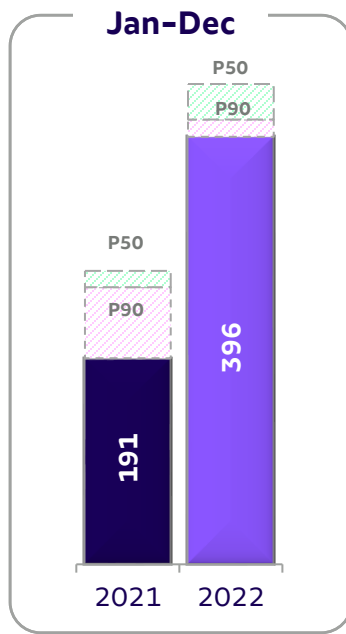
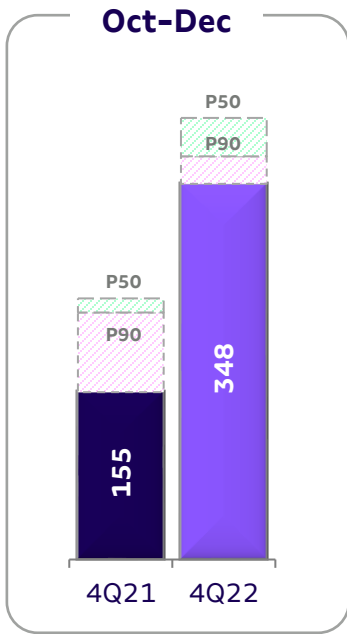
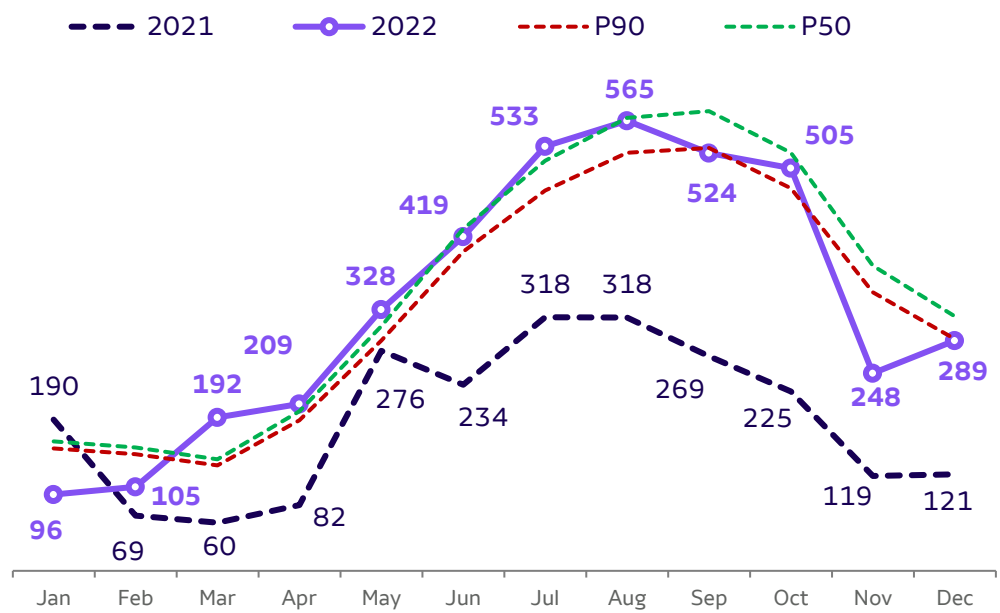
Notas: (1) Generation Scaling Factor; (2) Considers only the HPP Porto Primavera, in which the Company holds a 100% interest. HPP Paraibuna, for comparative purposes, was excluded from the graph.

Operating Performance – Wind Assets

The entry into operation of the Ventos do Piauí II and III wind complexes added 81 MW avg to the wind generation in 2022



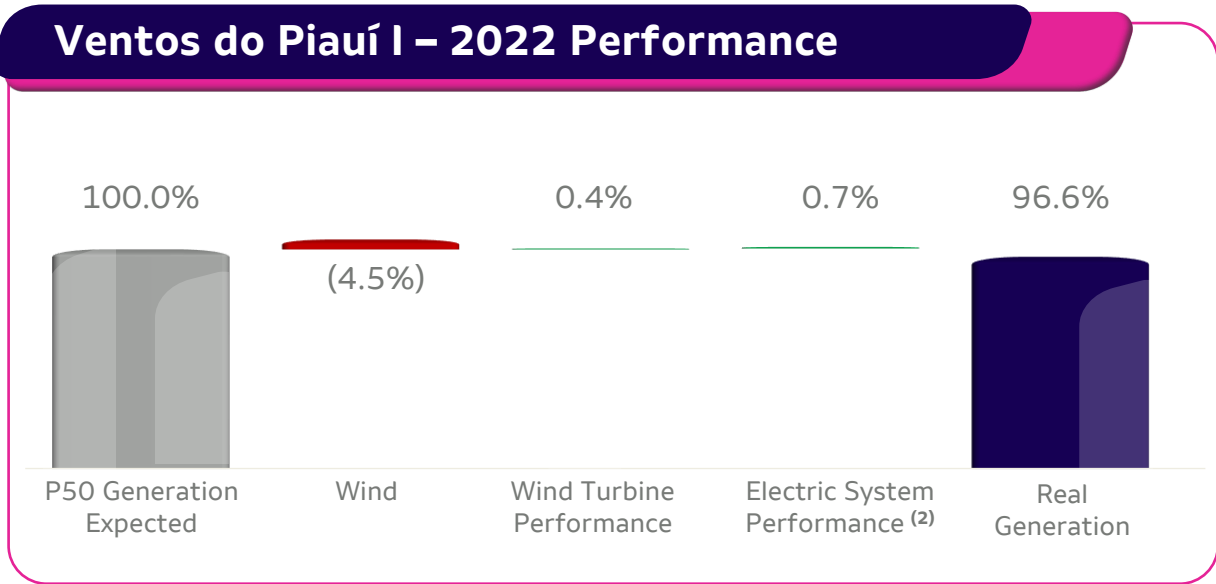
Wind Assets Generation (MW avg)



Note: (1) The calculation of the P90 and P50 of Ventos do Piauí II and III was weighted by the daily entry into operation of the wind turbines. The P-values for the months of October, November and December were adjusted for the ramp-up carried out and, to calculate the MW avg, only the period in which the complexes were operating was used.

Operating Performance – Wind Assets ⁽¹⁾

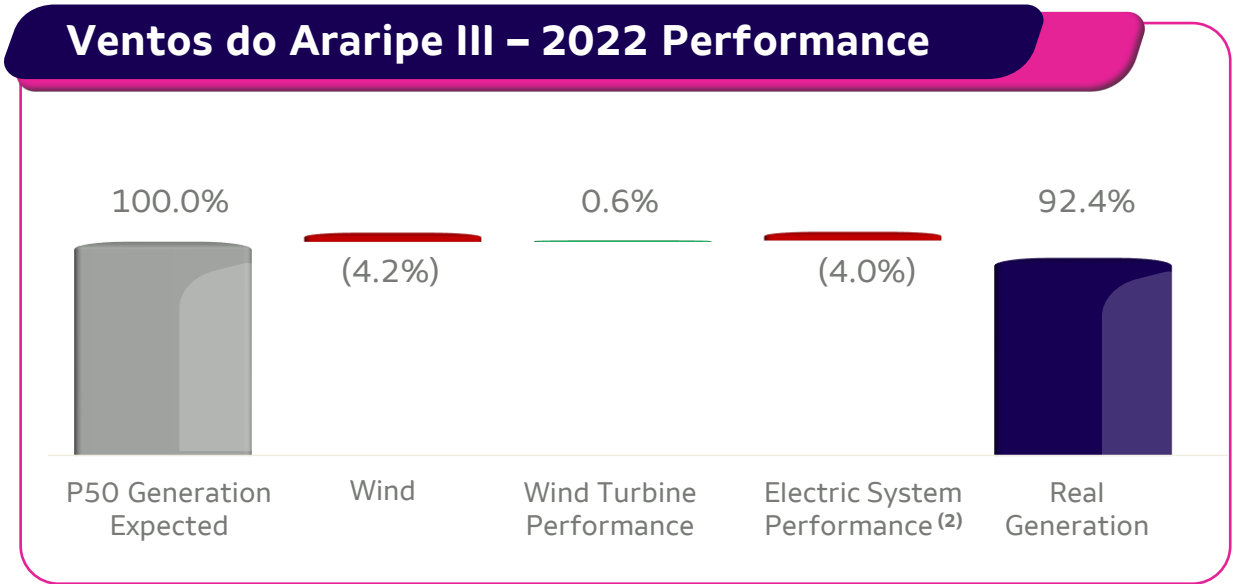
Annual performance of wind farms when compared to the technical parameters of the projects (P50 on a 100 basis)



The production in 2022 was **6.1%** lower than the expected average generation **P50** and **0.7%** lower than **P90**



As for the project assumptions, wind resources were **4.3%** lower than the average projection of 20 years



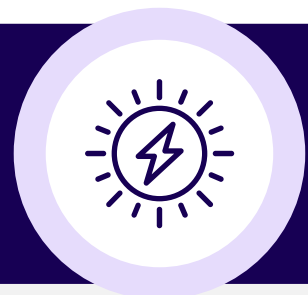
The wind turbines performance was **0.5%** higher than expected



The electric system performance was **2.3%** lower than expected, affected by the performance of improvement in the collecting substation and unavailability of one of the transformers

Notes: (1)Includes Ventos do Piauí I and Ventos do Araripe III. Aggregated performance demonstrated due to the location of the farms being within a radius of 30km and, therefore, considered a unique region; (2) 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)

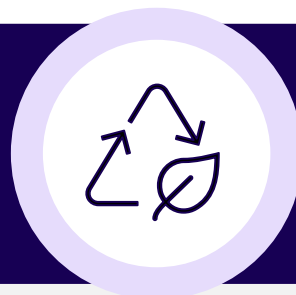
Consolidated Portfolio – Generation and Sales



3.0 GWm
of energy sold by 2024



765 customers



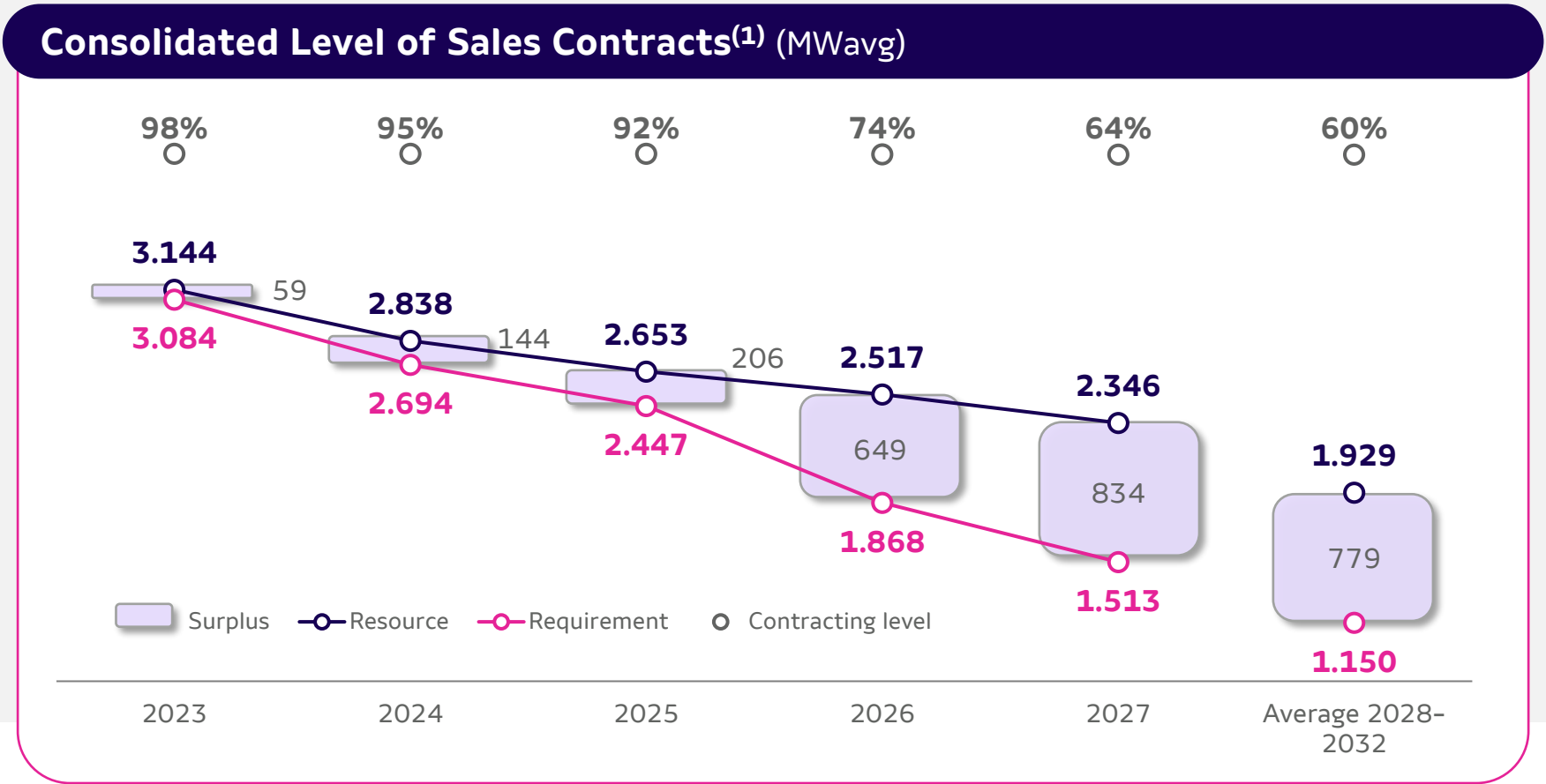
+900k carbon credits issued

~91%

Contracted level
by 2026

~60%

Average contracted
level **from 2028 to 2032**



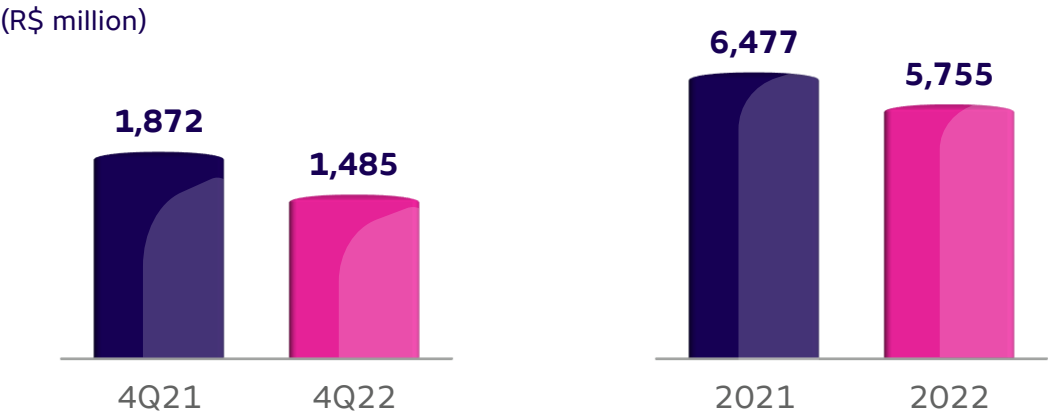
Note: (1) Considers physical guarantees net of basic grid losses. For Ventos do Piauí II and III, expectation of physical guarantees.

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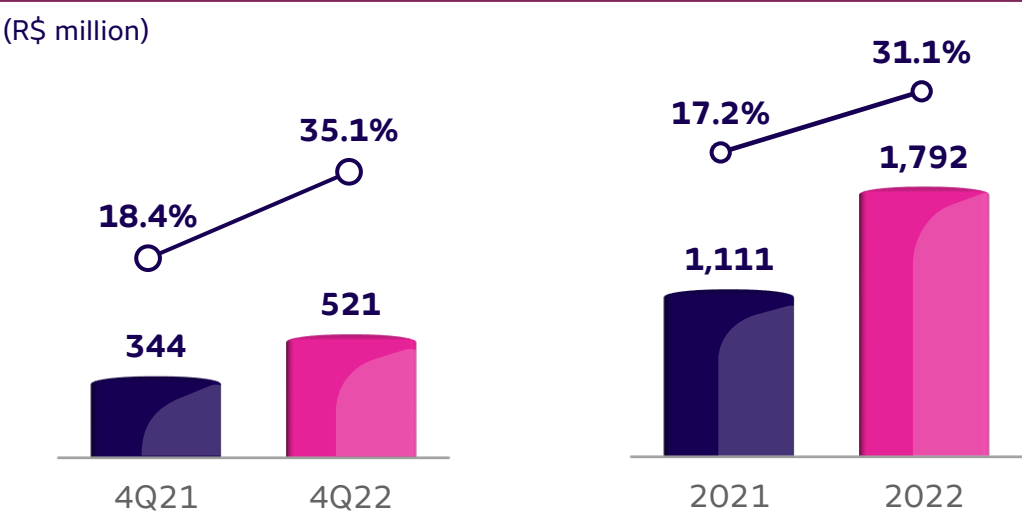
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Net Revenues⁽¹⁾



Adjusted EBITDA⁽¹⁾ and EBITDA Margin



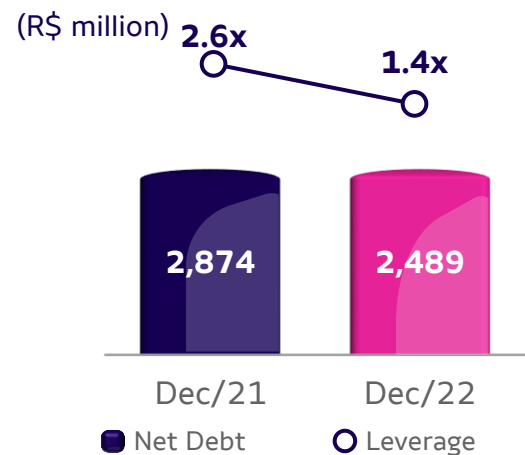
Adjusted EBITDA increased 51% and better margins in 4Q22

-  Better performance in energy balance equalization
-  Readjustments in the prices of energy sale contracts
-  Higher dividends received from Auren's invested companies
-  Entry into commercial operation of the Ventos do Piauí II e III wind farms
-  Receipt of compensation for loss of profit from Ventos do Araripe III

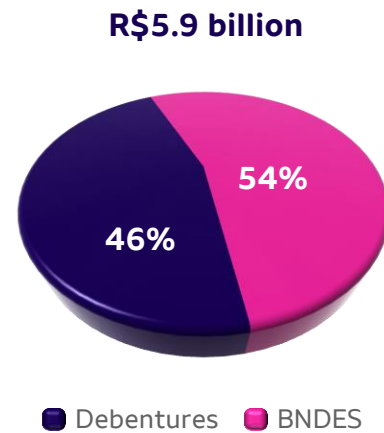
Note: (1) 2021 and 1Q22 are pro forma and unaudited.

Financial Performance

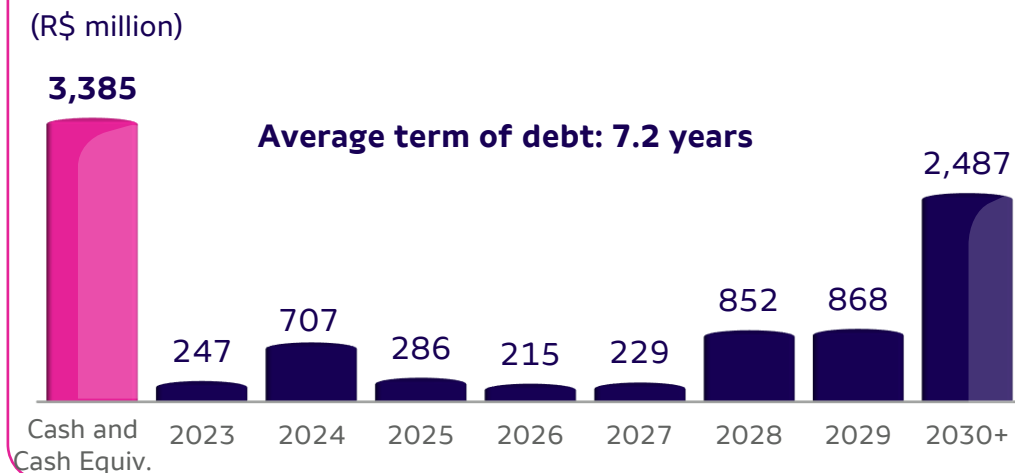
Net Debt and Leverage ⁽¹⁾



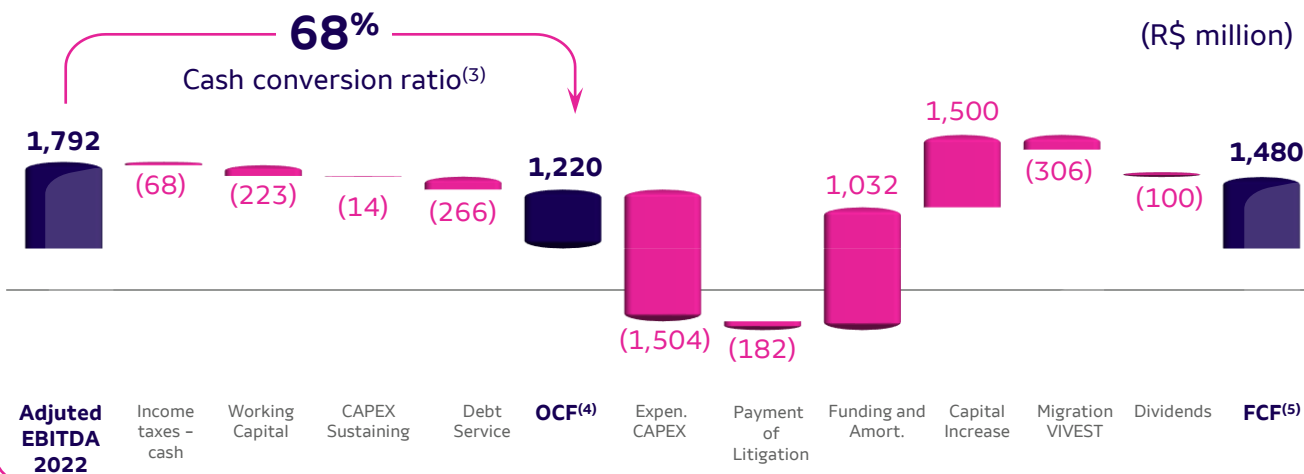
Gross Debt Profile



Amortization Schedule



Free Cash Flow 2022⁽²⁾



- Leverage of **1.4x** in Dec/22
- Cash conversion ratio of **68%**
- Decrease of **R\$211 million** in **Expansion CAPEX** compared to 4Q21, mainly due to the completion of **Ventos do Piauí II and III** and the **start** of the **Sol de Jaíba** and **Sol do Piauí** projects

Notes: (1) Net Debt/Adjusted EBITDA ratio; (2) Unaudited proforma figures; (3) Cash Conversion Ratio = OCF/Adjusted EBITDA; (4) OCF = Operating Cash Flow after Debt Service; (5) FCF = Free Cash Flow.

Contingent Liabilities

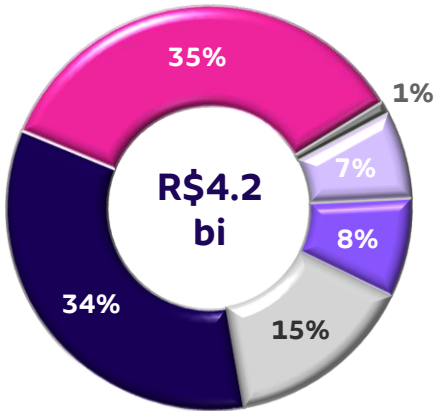
Contingent Liabilities Profile – 4Q18 vs 4Q22⁽¹⁾

(R\$ million)

Dec/18

Probable 2,156

Possible 2,066



Disbursement of
R\$715 million

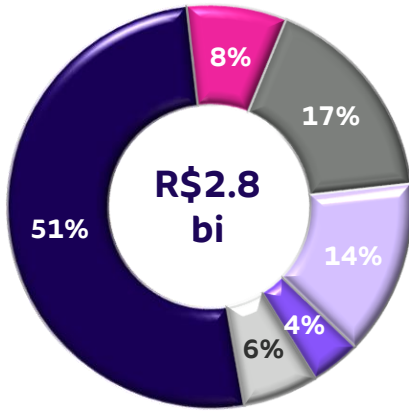
Write-off R\$3.3 bi

Monetary and Interest
Adjustment R\$1.9 bi

Dec/22

Probable 1,186

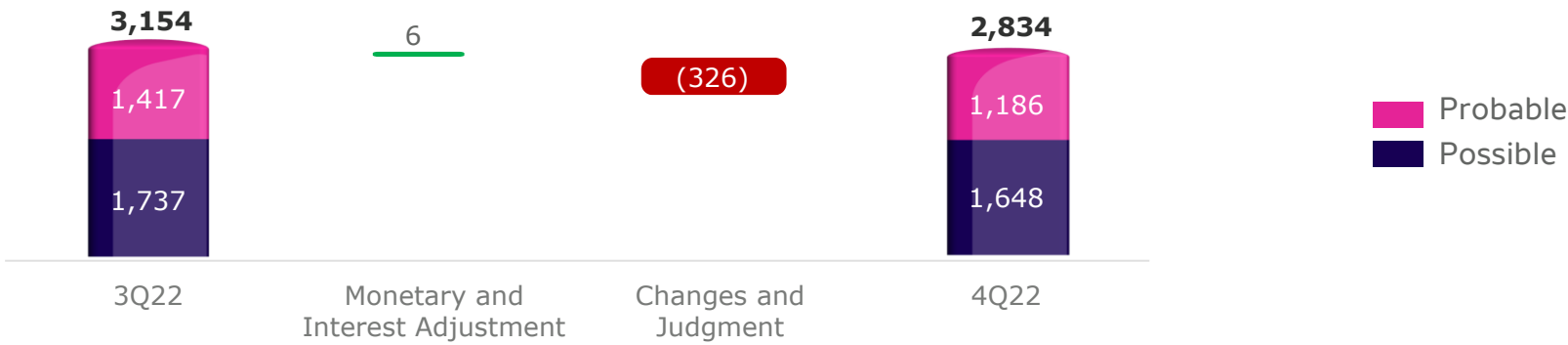
Possible 1,648



- Civil - Tile Companies
- Civil - General
- Civil - Fisherman
- Labor
- Environmental
- Tax

Evolution of Contingent Liabilities – 4Q22 ⁽²⁾

(R\$ million)



- Between 2018 and 2022, **reduction of 33%** in nominal terms and **54%** in real terms, considering **possible and probable**
- Write-off of **R\$3.3 billion**, with **cash disbursement of R\$715 million** in the last 4 years
- 10 main probable** and possible actions in **2022** account for **53% of the total**
- No individual lawsuit** represents **more than 10%** of probable and possible litigation

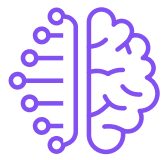
Notes: (1) General Civil indicates reclassifications and settlements. In 2022, 19% of the general civil contingency correspond to expropriations and 55% correspond to Indemnity actions; (2) litigation profile disclosed in 3Q22 was pro forma.

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Ecosystem of products and solutions to energy players of today and of the future



- Startup that offers a **marketplace solution** in the Distributed Generation business



- **Scalable solution**, asset light, that connects consumers to generators



- Accelerates Auren's go to market strategy in **Small Businesses and Residential** customers



- **Reference in artificial intelligence** (AI), with projects in sectors such as Energy, Agribusiness, Education, Oil & Gas, and Aviation

- Use of **analytics and AI** in energy management and energy consumption patterns of end consumers

- Development of **new products and solutions** in the energy sector together with Auren



- Develops **technology product and services**, focused on Energy measurement and management

- Provides solutions to players such as **Distributors, Centralized and Distributed Generators**, as well as **End Consumers**

- Generates value through **use of data** to optimize **Energy management** in its customers

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Through direct action and partnerships, Auren works to preserve major forests located in the following Brazilian biomes: **Cerrado, Atlantic Forest and Caatinga**

The preservation of these forest tracts⁽¹⁾ supports biodiversity, water and climate programs.

Wind



- **Exú** reserve and conservation areas in **Serra do Inácio**
- Location: **Pernambuco** and **Piauí**
- Biome: **Caatinga**
- Area: **240 ha**

Hydro



- **Cisalpina** Private Reserve
- Location: **Mato Grosso do Sul**
- Biome: **Mata Atlântica and Cerrado**
- Area: **3.8 thousand ha**

Partnership



- **Legado das Águas** Reserve
- Location: **São Paulo**
- Biome: **Atlantic Forest**
- Area: **31 thousand ha**

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Final considerations

- 
- **Anticipating the downward trend in prices and the challenging scenario of the energy sector, we equalized our energy balance for the next three years**
 - **Successful completion of Ventos do Piauí II e III, on time on budget**
 - **Start of construction of the Sol de Jaíba and Sol do Piauí projects**
 - **Positive conclusion of the litigation process referring to Três Irmãos**
 - **Balanced capital allocation with the combination between dividends payment and preserving room for growth**



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