



B3: AURE3

## 2021 Results Presentation

March/2022

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# AGENDA

**01**

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**Corporate  
Reorganization**

**02**

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**Auren  
Energia**

**03**

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**2021  
Results**

**04**

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**Closing  
Remarks**

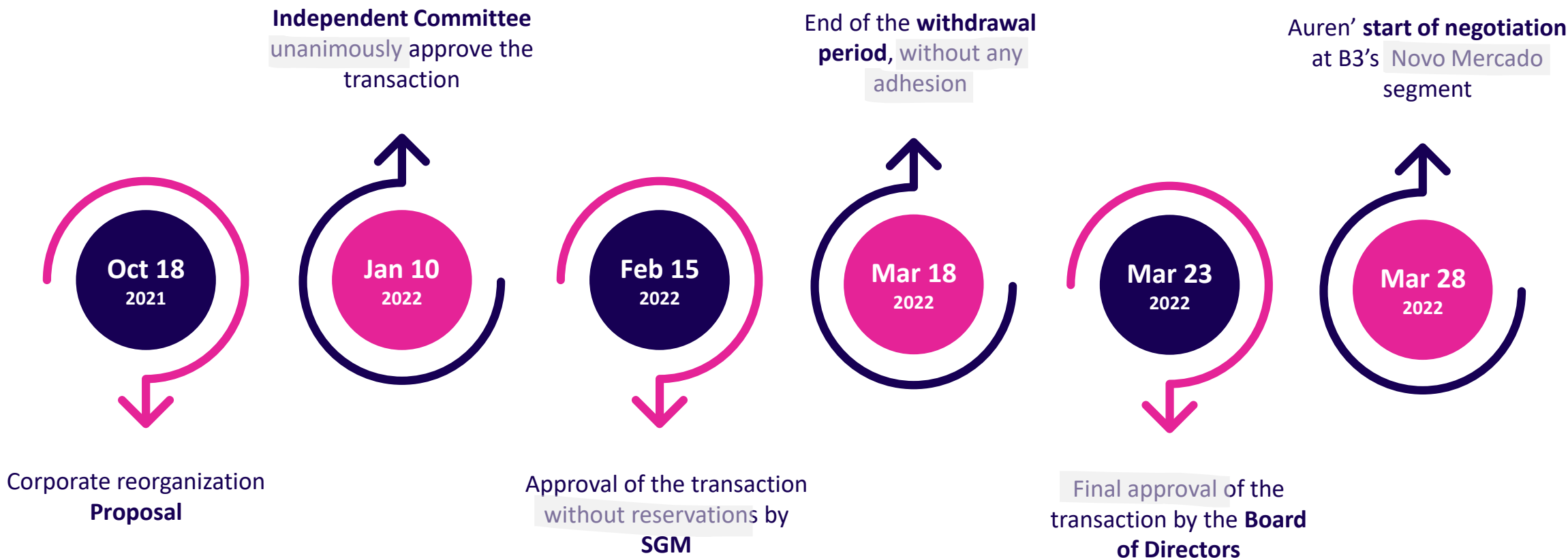
# 01

## Corporate Reorganization



# Corporate Reorganization

Highest level of **Corporate Governance** based on **respect, transparency and coherence**







# 02

## Auren Energia

We have a **new company in Brazil's electric sector**, with **unique skills** to the future that is starting

**01**

**First-class  
Assets**

Assets in the 1<sup>st</sup> quartile of **operational excellence, scale**, with **long duration** and in an **advanced stage of the diversification process**

**02**

**Leader in  
energy trading**

Leading position in energy trading based in **scale, diversification of client base**, consistent investments in **market intelligence** and **digitalization**

**03**

**Competitive  
advantage**

Strong generation capacity combined with the ability to provide services, flexibility and solutions to customers are **key to lead in an increasingly free, competitive, diversified and broad market**

**04**

**Management  
excellence**

Experienced management, tested on the ability to deliver and construct projects, turn-around and results with **high ESG standards** and a **genuine connection with the market**

**05**

**Focus on  
growth**

Highly differentiated strategy and capacity for growth by combining a **healthy capital structure, financial discipline, and track-record**

# Portfolio of Assets

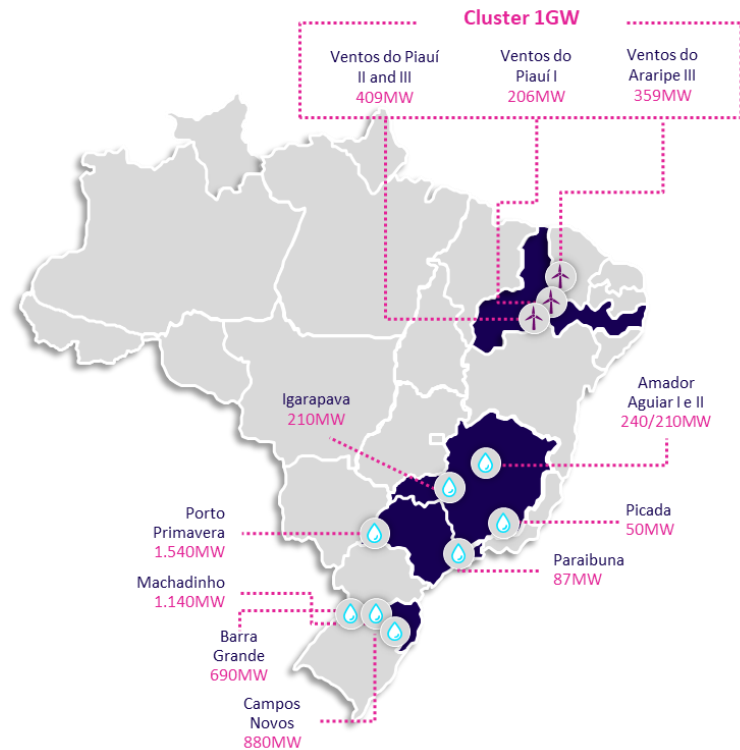
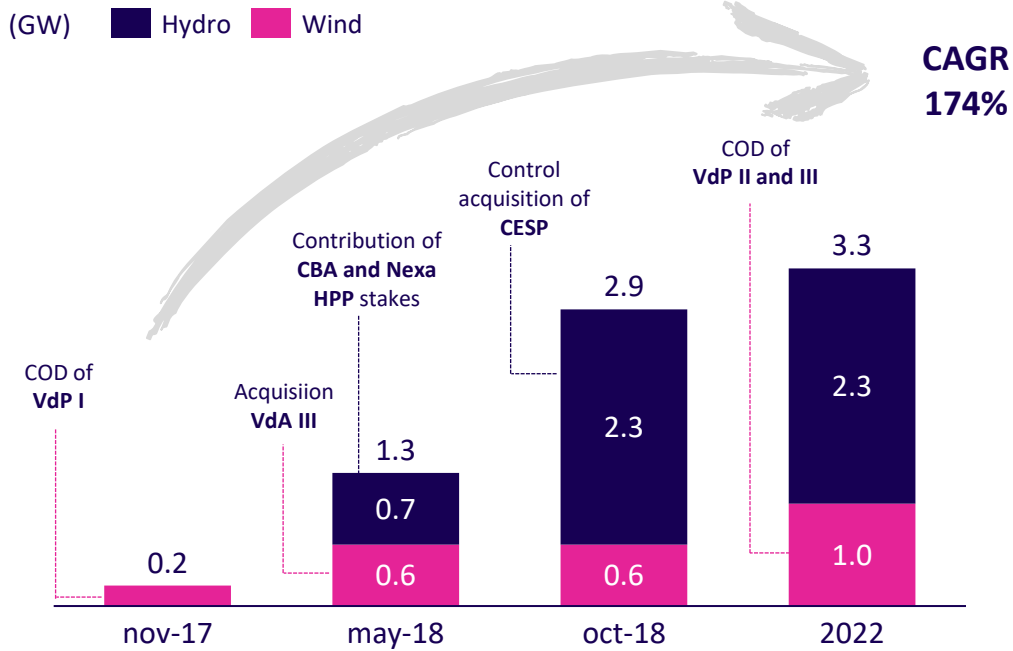
100% renewable with scale, competitive, diversified and long duration

Current installed capacity<sup>1</sup> of **3.3 GW**

Matrix composed by **71%** hydro and **29%** wind

**Competitive assets**, with high load factors, low O&M costs and complementarity

## Track-record and Installed Capacity Evolution



Note: (1) Contribution of CBA and Nexa stakes considers the total capacity of CBA Energia, Pollarix and Pinheiro Machado.

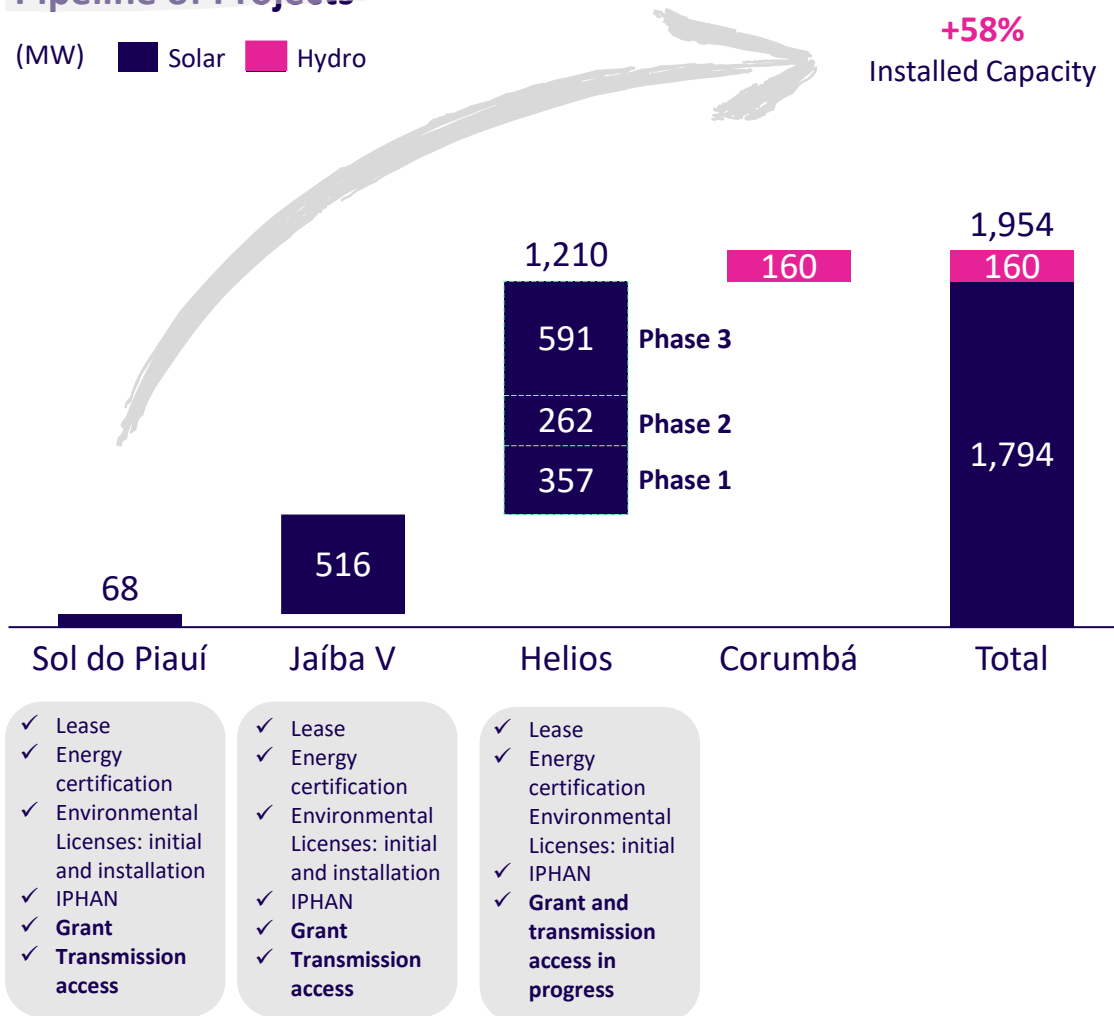


# Portfolio of Assets – Pipeline

Investment strategy focused on the **optimization of the overall risk-return ratio of the portfolio**

## Pipeline of Projects

(MW) ■ Solar ■ Hydro



## M&A Opportunities

### Targets

- **Ready-to-build** greenfield wind and solar projects
- **Renewable** operating assets
- Other asset classes, including **asset light** opportunities (services and solutions)

### Criteria

- **Suitability and complementarity** to the expansion strategy
- Strict **financial discipline**
- Careful **risk x return** analysis
- Focus on **long-term value creation**

# Corporate Governance

Highest governance standards, with fundamental and necessary structure and competencies to start a new cycle of growth and **value creation for all shareholders**

**AURE**  
B3 LISTED NM

B3's Novo Mercado  
segment



Shareholders and management  
aligned with long-term goals



Best practices in Corporate  
Policies, Internal Controls

**VOTORANTIM**

**CPP Investments**

Free Float

37.74%

32.06%

30.20%



## Board of Directors



**7** members elected on March 23,  
2022

**2** Independent members (or 29%)

**3** Advisory boards

Statutory Audit Committee  
Ethics Commission

Note: Also including the number of shares to be held by controlled entities of the shareholder.

# 03

**2021**

**Results**



# 2021 Highlights

## 1

### Hydrology

- **The severe hydro crises** in 2021, with a result on the GSF (73% in 2021 vs. 81% in 2020), impacted Company's margin in the period
- Since the beginning of the rainy season (oct/21) there is a **recovery of inflows**, with a **resulting recovery of SIN's reservoir levels**, reaching 68,9%<sup>1</sup>

## 2

### Commercial Strategy

- **CESP's 2022 energy balance deficit equalized**, marking the ending of the structure energy deficit management for the period (2019-2022)
- **Progress of sale of contracts** in the free market between 2024 and 2026

## 3

### Financial Performance

- Auren's **Adjusted EBITDA** (proforma<sup>2</sup>) of **R\$1.0 billion** in 2021
- **Strong cash position** (proforma<sup>3</sup>) of R\$ 1.9 billion and **leverage of 1.5x** (proforma<sup>3</sup>) which gives support to the future growth strategy
- **Reduction of R\$1.8 billion in total contingent liabilities** in 2021 compared to last year, with emphasis on the settlement with The Panorama city potters (3Q21) and fisherman class actions (4Q21)

## 4

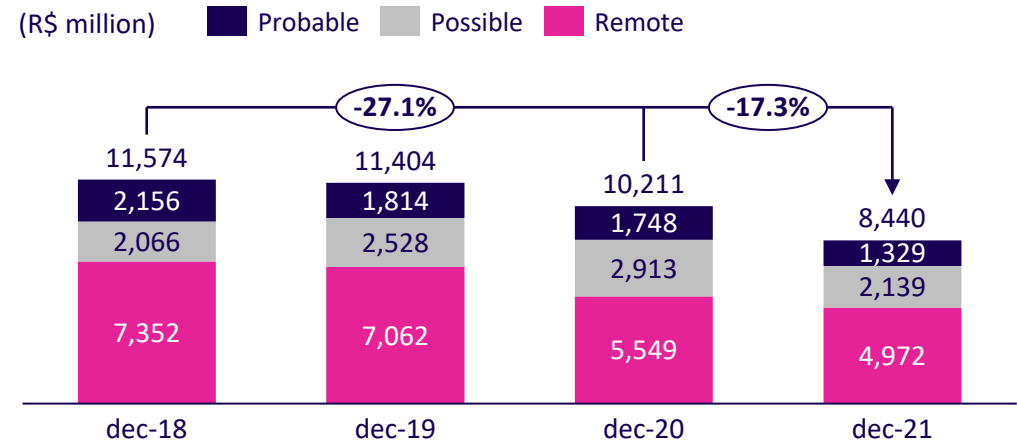
### Vivest

- **Migration plan adhesion period concluded** on March 24, 2022
- **20% of migrated beneficiaries**, equivalent to 18% of total mathematic reserve, **totaling R\$1.4 billion**
- New action fronts aimed at the **continuous mitigation of the actuarial liability**

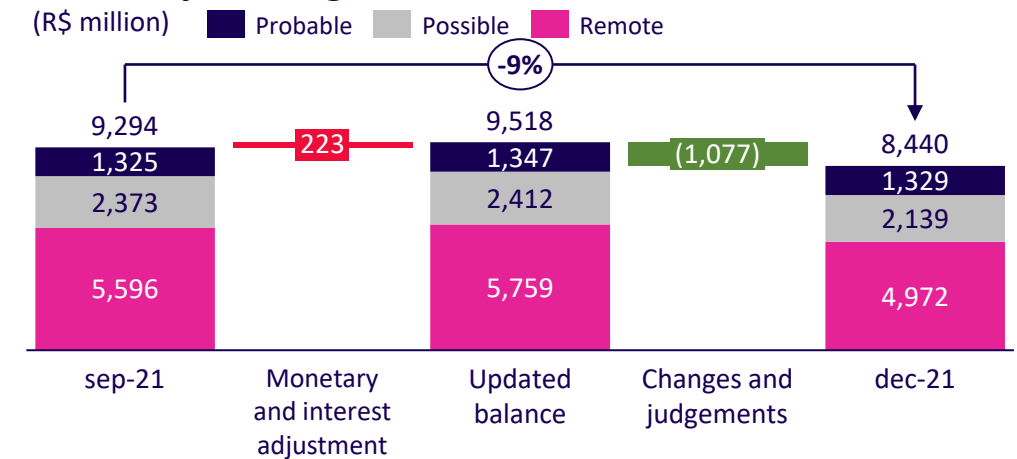
# Contingent Liabilities

Broad knowledge of the actions and resolution strategy guarantee continued success in the strategy of dismantling the liability litigation portfolio

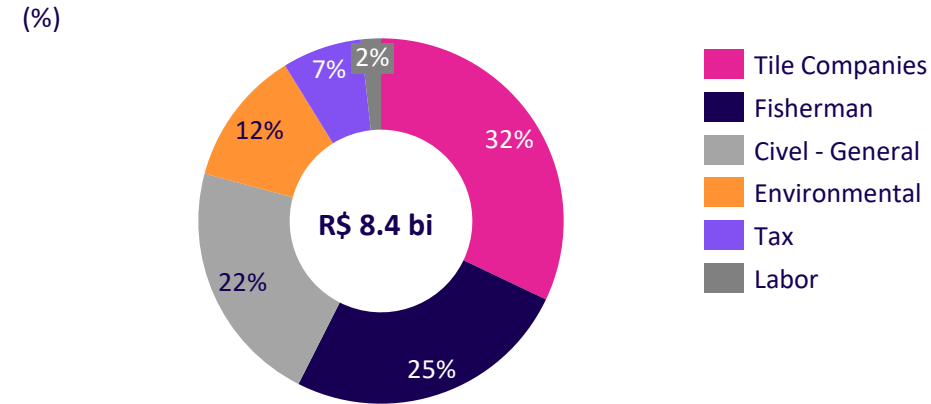
Annual Contingent Liabilities Evolution



Quarterly Contingent Liabilities Evolution



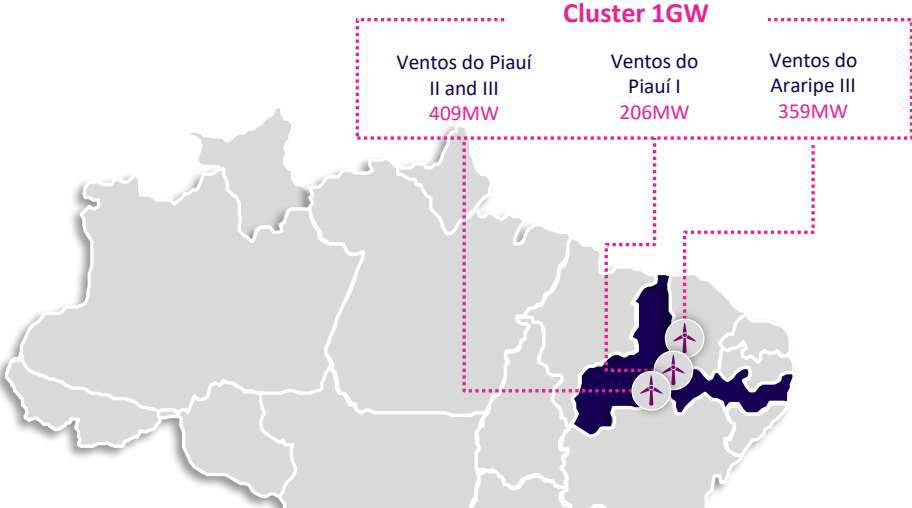
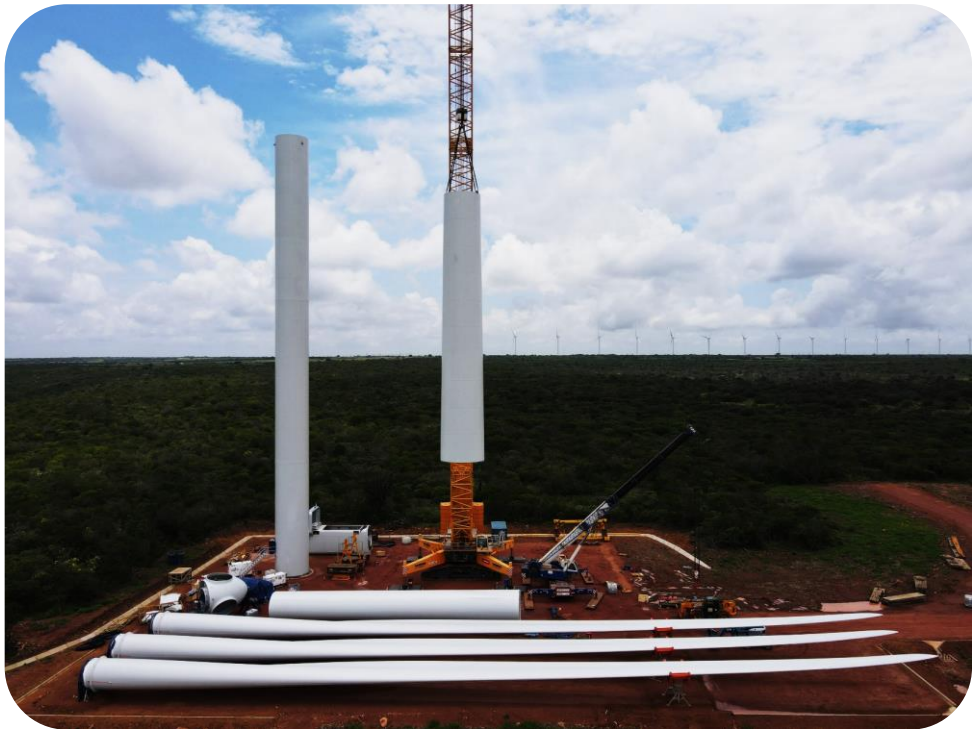
Portfolio Composition



Reduction of R\$7.4 billion in the last three years, being R\$1.6 of probable, considering monetary and interest adjustments

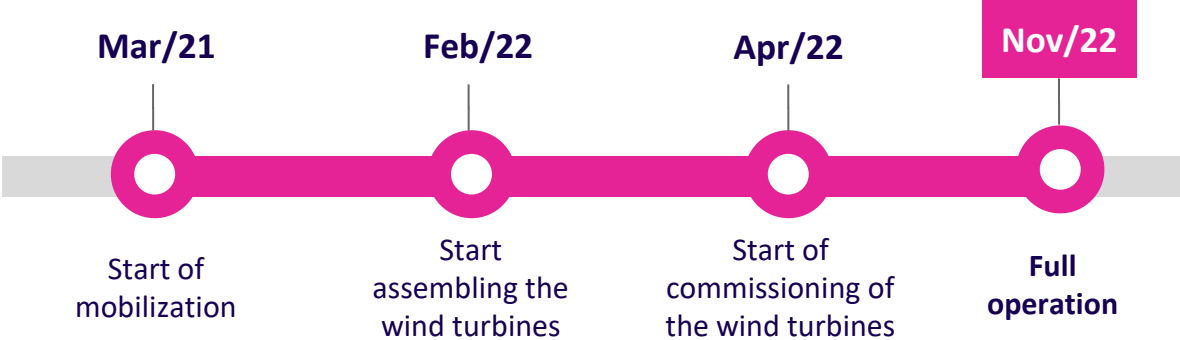
Reduction total contingent liabilities of R\$1.0 billion in 4Q21, before monetary and interest adjustments, in comparison to September 21

# Ventos do Piauí II and III



## Construction Status

**409 MW**  
installed capacity



On time, on budget

Funding **BNDES of R\$1.6 bi**  
(23 years, IPCA + 4.56%)

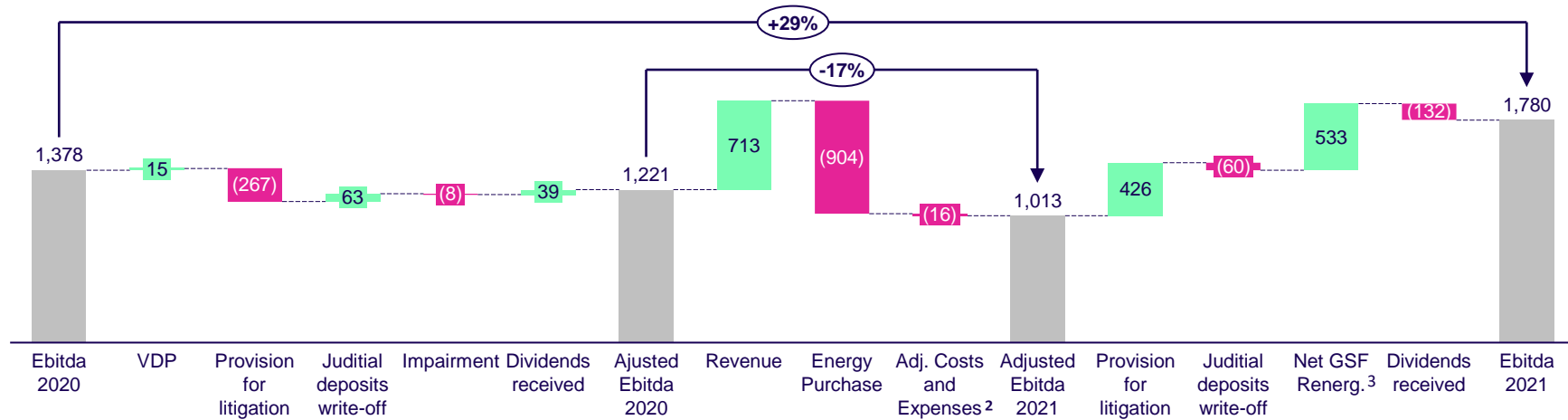
67% of energy contracted until 2032



# Auren's Proforma<sup>1</sup> Consolidated 2021 Results

## EBITDA and Adjusted EBITDA

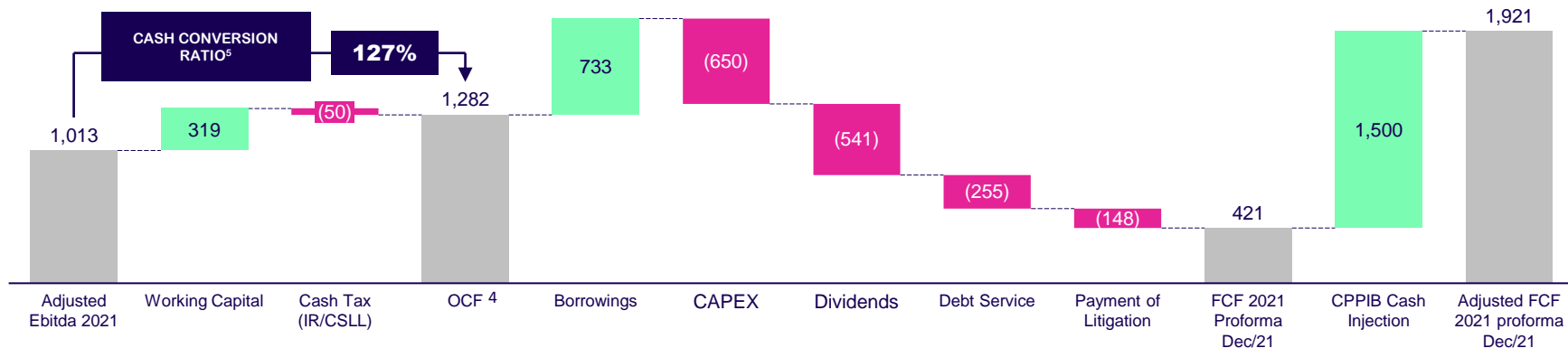
(R\$ million)



Decrease in operating margin mainly due to the hydro crisis

## Free Cash Flow

(R\$ million)



Borrowings and CAPEX mainly reflect progress in the construction of the VdP II and III wind complex, which had a project disbursement of R\$600 million by 2021

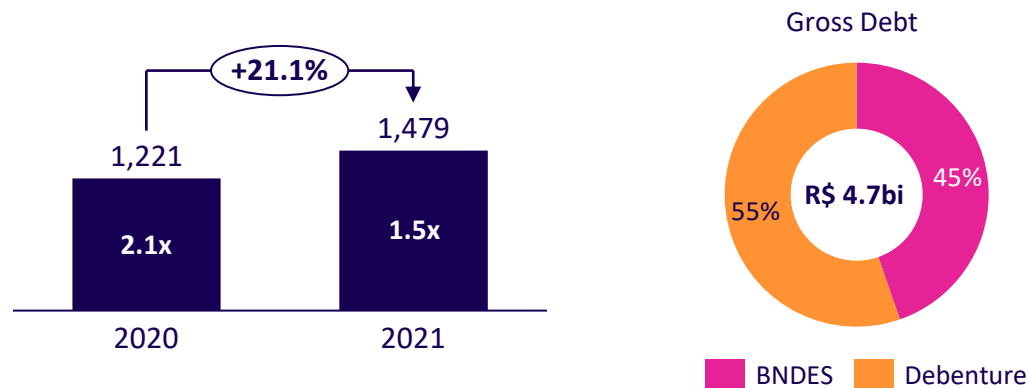
CPP Investments' contribution of R\$1.5 billion to strengthen the growth strategy

Notes: (1) Unaudited proforma; (2) Adjusted Operating Expenses considers total operating costs and expenses less provision for litigation, write-off of judicial deposits, depreciation and amortization, power purchase cost, VDP, GSF renegotiation, impairment and mark-to-market of energy futures contracts; (3) Net GSF renegotiation considers impairment; (4) OCF = Operating Cash Flow; (5) Cash Conversion Ratio = OCF/Adjusted EBITDA

# Auren's Proforma<sup>1</sup> Indebtedness 2021

## Net Debt and Leverage Evolution

(R\$ million; x)

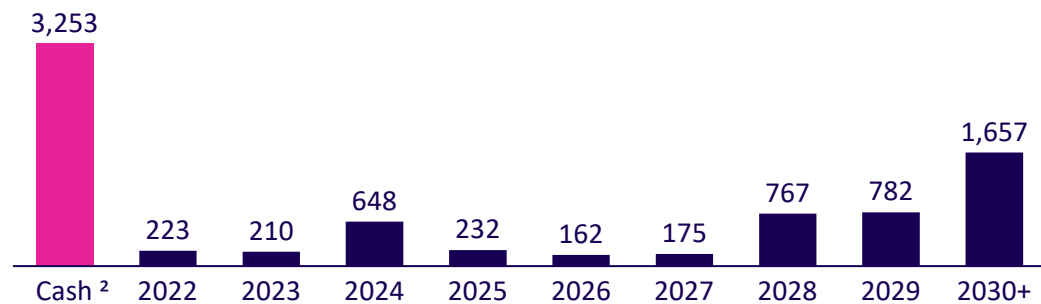


Average term of 7 years **with no relevant maturities in the short term**

**Strong cash position** brings robustness to future growth strategy

## Amortization Schedule

(R\$ million)



FitchRatings<sup>3</sup>

BB  
AAA (br)

STANDARD  
&POOR'S<sup>3</sup>

BB-  
br.AAA

Notes: (1) Unaudited proforma; (2) Unaudited proforma - considers contribution of R\$1.5 billion made by CPP Investments in February 2022; (3) Local Fitch rating presented reflects CESP and VTRM corporate rating and international, only CESP's. S&P's rating presented reflects CESP's corporate rating, both local and international; (4) Debt cost in IPCA + include TJLP exposure.

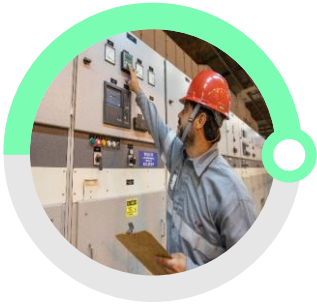


# 04

## Closing Remarks

# Closing Remarks

We are a new company, bringing a **legacy of responsible entrepreneurship** and a **future with clear priorities**



## OPERATION

**Safe operation**, with top priority on the **health and safety** of our employees and **operational excellence**



## ENERGY TRADING

**Innovative energy trading** and a solution provider, **customer centric** and with consistent investments in **market intelligence** and **digitalization**



## RESPONSABILITY

**Social and environmental commitments with a high impact** on the **communities** in which we operate and on the society in which we are inserted



## GROWTH

Growth by **developing our pipeline** and **acquiring new projects**. Operations with **responsible capital allocation** and **ambitious vision of the future**

# 05

## Appendix



# 2021 Results

## VTRM Energia Participações S.A.

(R\$ mil)	2021	2020	Δ
Gross operating revenue	2,953,352	2,610,862	13%
Net operating revenue	2,624,114	2,307,057	14%
Gross operating result	1,394,677	899,281	55%
Cost and expenses	(1,264,213)	(1,392,952)	-9%
EBITDA	1,918,896	1,445,922	33%
Adjusted EBITDA <sup>1</sup>	1,020,005	1,249,971	-18%
Adjusted EBITDA margin	39%	54%	-15 p.p.
Net income	311,646	1,650,470	-81%
Net debt	2,949,301	2,681,266	10%
Net debt/EBITDA LTM	1.5x	1.9x	-0.2x
Net debt/ adjusted EBITDA LTM	2.9x	2.1x	0.3x

Note: (1) Adjusted EBITDA excludes VDP (2020), allowance for litigation, write-off of judicial deposits and GSF renegotiation net of impairment



# 2021 Results

## CESP – Companhia Energética de São Paulo

(R\$ Thousand)	4T21	4T20	Δ	2021	2020	Δ
Gross operating revenue	724,952	581,775	25%	2,604,979	2,203,798	18%
Net operating revenue	638,702	500,649	28%	2,292,813	1,917,248	20%
Gross operating result	111,423	131,365	-15%	1,307,175	727,606	80%
Cost and expenses	(549,401)	(328,148)	67%	(973,207)	(1,104,522)	-12%
EBITDA	204,199	274,183	-26%	1,740,614	1,210,055	44%
Adjusted EBITDA	194,133	154,705	25%	841,723	1,014,104	-17%
Adjusted EBITDA margin	30%	31%	-1 p.p.	37%	53%	-16 p.p.
Net income	(52,165)	1,595,676	-	440,827	1,728,762	-75%
Net debt	1,508,097	1,216,403	24%	1,508,097	1,216,403	24%
Net debt/EBITDA LTM	0.9x	1.0x	-0.1x	0.9x	1.0x	-0.1x
Net debt/ adjusted EBITDA LTM	1.8x	1.2x	0.5x	1.8x	1.2x	0.5x

Note: (1) Adjusted EBITDA excludes allowance for litigation, write-off of judicial deposits and GSF renegotiation net of impairment.

# CONTACTS



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Investor**

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