

EARNINGS 2Q23



2Q23 Earnings Conference Call

Friday, August 11, 2023

10:00 a.m. (US ET) / 11:00 a.m. (Brasília time)

[Click here](#) to register for the conference call

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Highlights



2Q23 HIGHLIGHTS



R\$1,188 MM

All-time high
quarterly EBITDA
+144% vs. 2Q22, driven by
acquisitions, energy exports,
and cost & expense
optimization



837 GWh

Generated for exports
in 2Q23²
R\$198 MM impact on
EBITDA in the 2Q23



4.26x

Leverage (June/23)
Decline of around 0.56x
YTD, sustaining the
deleveraging cycle



STRONG PERFORMANCE OF THE TRADING COMPANY

Commercial margin of R\$51 MM and positive impact of R\$38 MM variation in MtM in 2Q23



SG&A REDUCTION

YoY nominal decrease of 6% in consolidated SG&A, driven by efficiency initiatives implemented by the Company



FUTURA 1

Start of commercial operation of the solar complex in late May/23



CORPORATE TRANSACTION WITH ITAÚ

Total cash impact of R\$1.0 billion through an indirect minority interest in the Parnaíba Complex plants



CAPEX OPTIMIZATION

R\$152MM in savings in the SSLNG project in Maranhão; conclusion of hedge for the entire FX exposure of the Company's capex, including the Azulão 950 MW project

Progress in deleveraging initiatives



Execution of mapped opportunities reinforces the Company's commitment to financial discipline and contributes to deleveraging

Equity

- ✓ Issue of preferred shares to Itaú in the Parnaíba Complex
- ✓ Beginning of process to evaluate partners for our renewable asset platform

Working Capital

- ✓ Optimization of plant inventories
- ✓ Sale of coal inventories
- ✓ Extension of payment terms
- ✓ Factoring of receivables

Revenues

- ✓ Exports to Argentina
- ✓ Self-production contracts in the Futura solar complex
- ✓ Higher trading margins
- ✓ Sales of gas from Sergipe and SSLNG
- ✓ Substitute power generation (GSUB)

Financial

- ✓ Incorporation of Termofortaleza into Eneva's holding company
- ✓ Tax benefits for the SSLNG project
- ✓ Hedging for 100% of capex
- ✓ Optimization of O&M, insurance, and SG&A

Deleveraging accelerates and reaches 4.26x in June 2023, down nearly 0.56x in 1H23

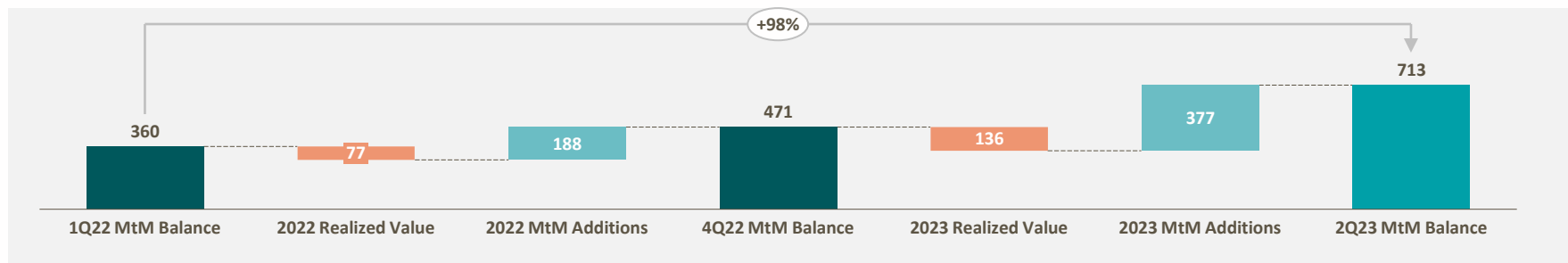
Energy Trading



Fair value balance of energy trading contracts reaches R\$713 MM, and the Company's active commercial approach diversifies EBITDA sources

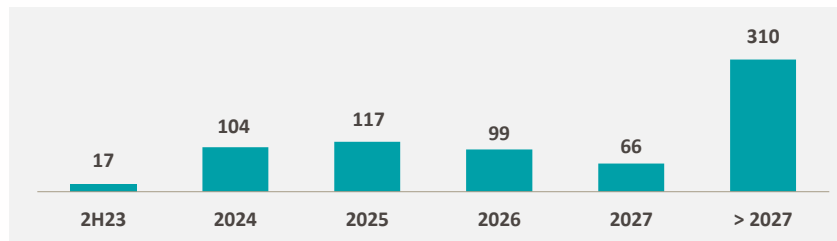
Fair Value Evolution of Energy Trading Contracts (MtM)¹

(R\$ million, balance at the end of the period)



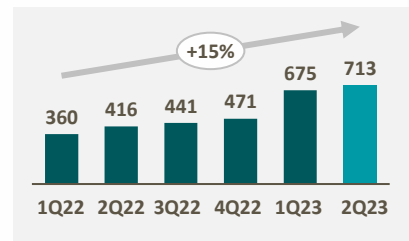
Fair Value of Energy Trading Contracts (MtM) by Year¹

(Breakdown of R\$713 MM)

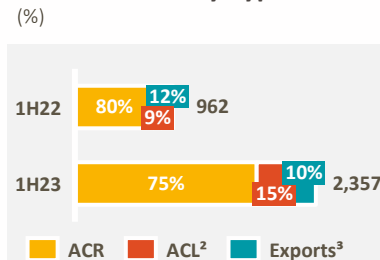


MtM Evolution by quarter

(R\$ million, balance at the end of the period)



Eneva EBITDA by Type of Revenues (%)



Financial Performance

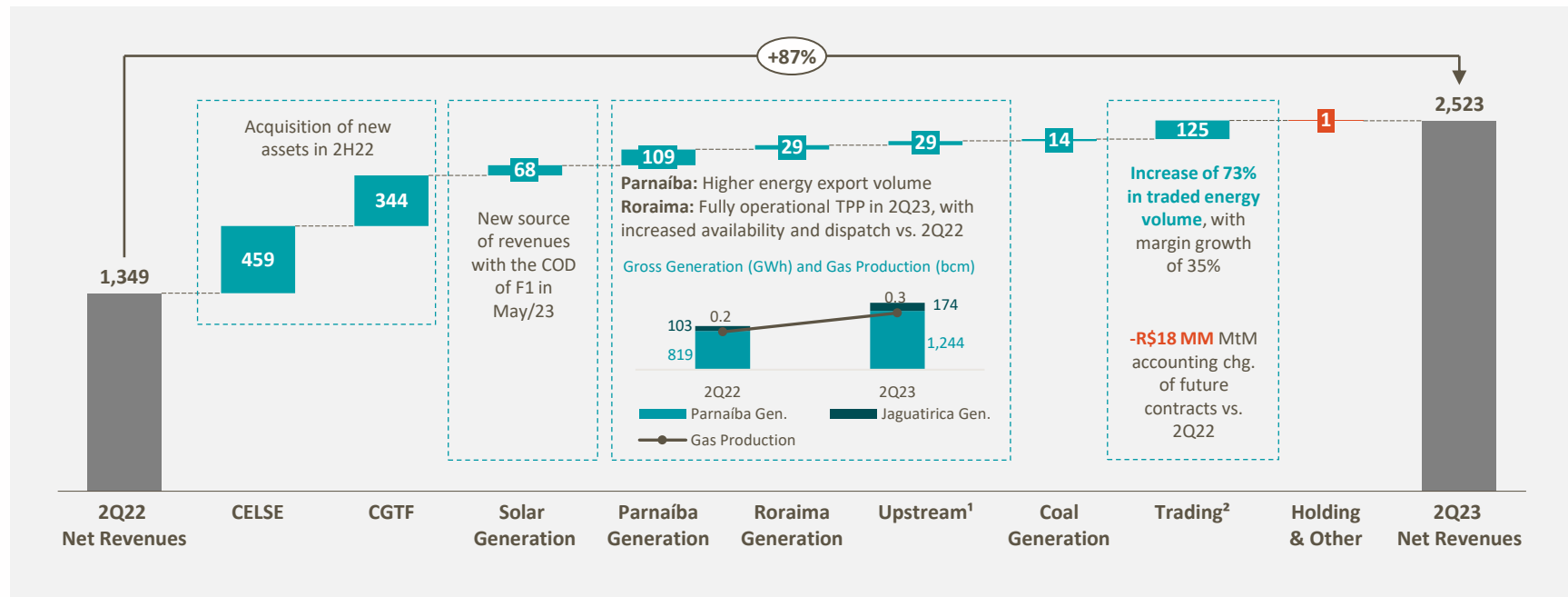


Revenue grows in all business segments

Growth of R\$1.2 billion in net revenues driven by revenues from acquired assets, COD of Futura I Solar Complex, and higher exports and trading volumes

QoQ Change in Net Revenues

(R\$ million)



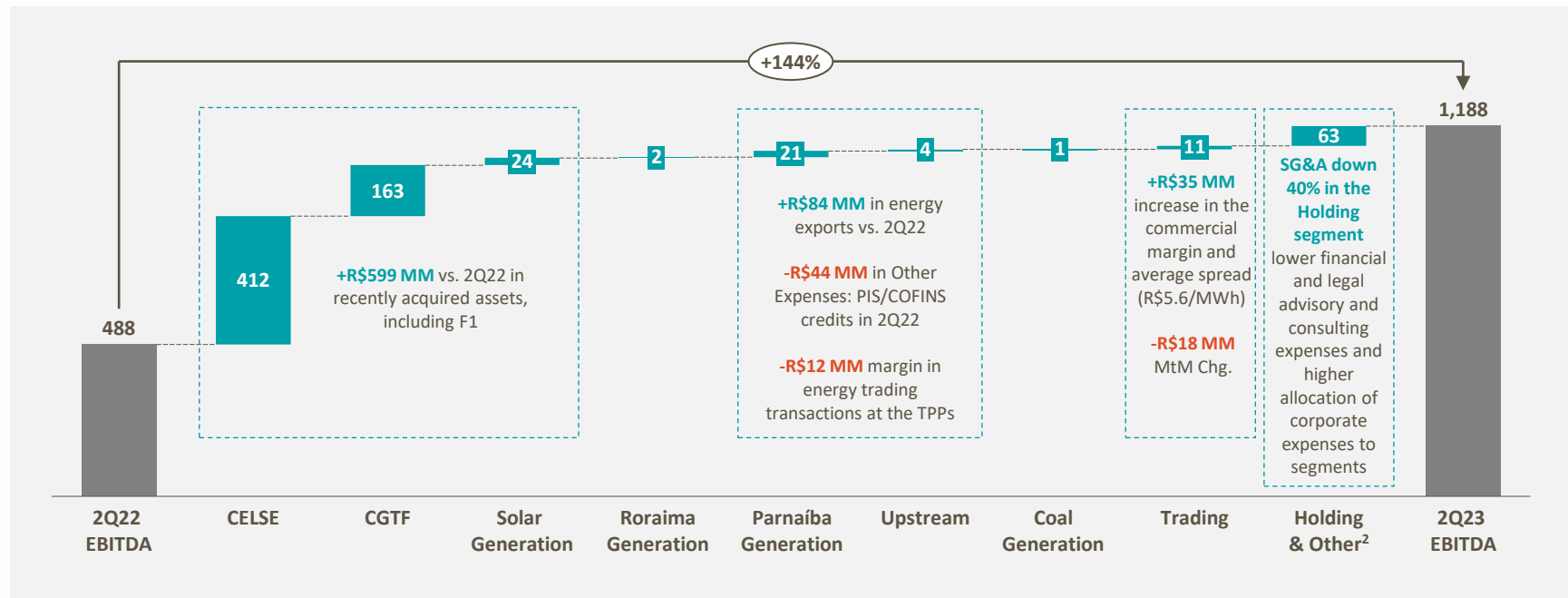
All-time high EBITDA in 2Q23, with growth across all segments



Driven by recent acquisitions, start of commercial operation of contracted assets, higher energy exported, and cost and expense optimization

QoQ Change in EBITDA

(R\$ million)



Result impacted by Company's growth in 2022

Higher debt volume, including CELSE's debt and previously capitalized debt, leads to higher financial expenses in the period

QoQ Financial Result Change

(R\$ million)

2Q22 Financial Result	Debt of Acquired Assets	Volume Effect	Previously Capitalized Debt	Rate Effect ¹	FSRU Lease (IFRS 16)	Other ²	2Q23 Financial Result
-158	-R\$77 MM CELSE's Debt Charges ³ -153	Interest on Debentures and Monetary Variation: 8 th and 9 th debenture issues	Interest on Debentures and Monetary Variation: ENEV16 and ENEV26 for Jaguatirica and ENEV32 for Parnaíba V	IPCA inflation index reduction partially offset by CDI increase in the period	Interest on the FSRU lease at CELSE	+ R\$ 179 MM FSRU FX Var. + R\$ 28 MM Cash yield + R\$ 73 MM Swap termination 301	-308
	-R\$70 MM Interest on CELSE's Debentures -110		-68	14	-47	-86	
	-R\$7 MM CELSE's debt FX and Monetary Variation 	Debt Charges ³ and Monetary Variation: Commercial Papers and BNB Financing	Debt Charges and Monetary Variation ³ : BNB for Parnaíba V			- R\$ 32MM Suppliers FX Variation - R\$ 54 MM Other Expenses	

Notes: 1 - Considers interest on debentures, debt charges (including transaction costs), and monetary adjustment;

2 - Consolidates the impacts of the other lines in the financial result, especially income from financial investments, effects of net FX variation on lease, and other financial revenues and expenses; and

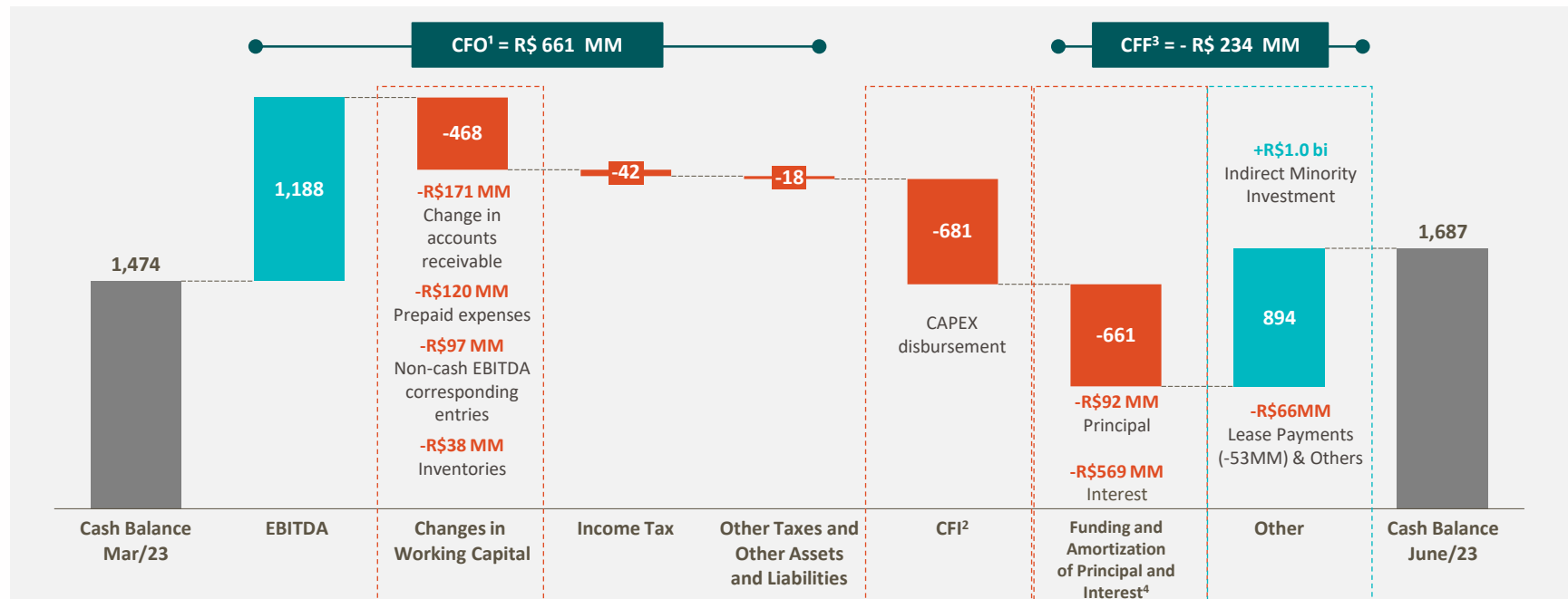
3 - Includes amortization of transaction costs.

Positive cash flow reflecting strong EBITDA in the period

Higher accounts receivable balance, resulting from energy exports to Argentina and Uruguay, was fully received in July

Cash Flow

(R\$ million)

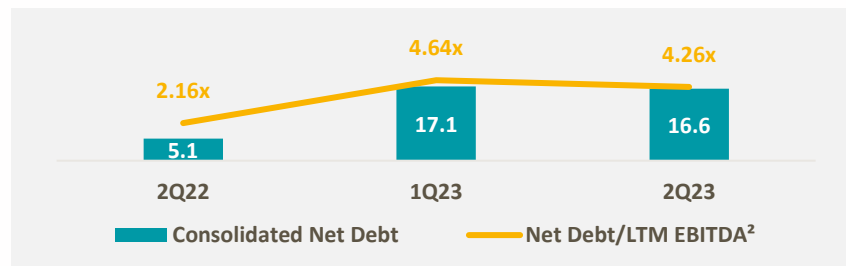


Indebtedness

Financial discipline continues the deleveraging cycle, supported by low-cost and long-term debt

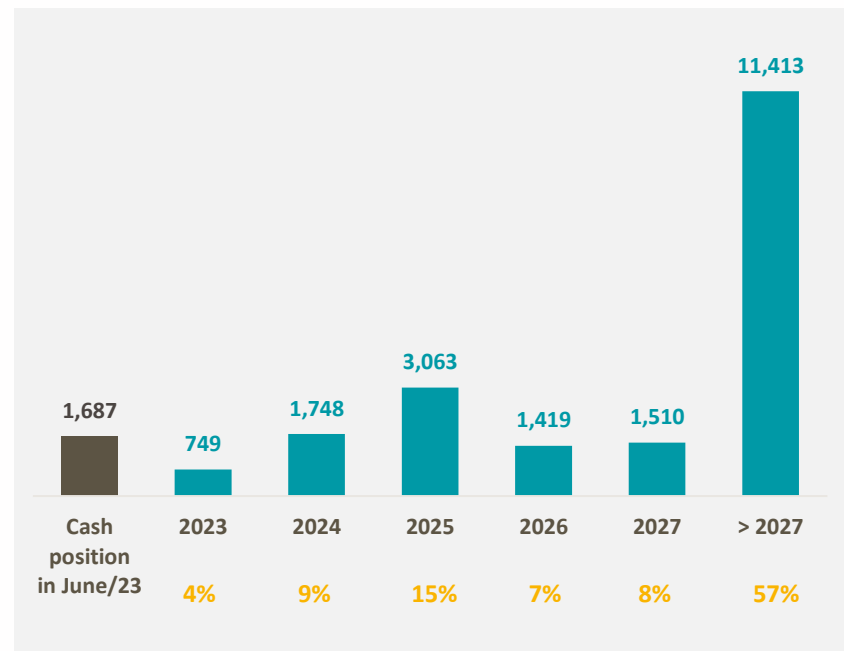
Net Debt¹

(R\$ billion)



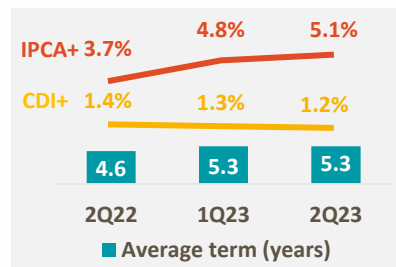
Amortization Schedule

(R\$ million)



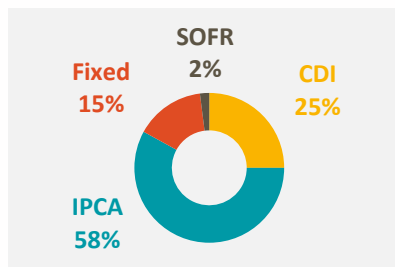
Average Duration and Cost³

(years; index +)



Debt Profile

(index)

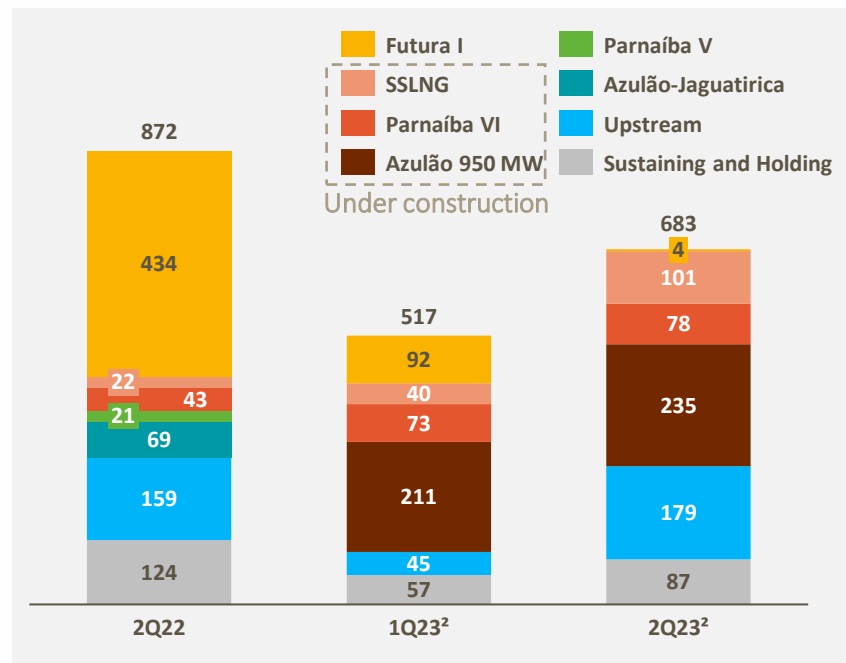


Capex



61% of Capex allocated to projects under construction

Total Capex¹ (R\$ million)



Main investments

- ✓ **Azulão 950 MW Complex**
R\$156 MM mostly allocated to payments to GE, in compliance with intermediate milestones, and R\$78 MM allocated to E&P Capex related to well drilling and completion.
- ✓ **Upstream**
95% of capex allocated to the development of gas fields in the Parnaíba Complex; other amounts were earmarked for completion of the first and second phases of wells of the exploratory campaign in the Complex, which provides for a total of 14 wells.
- ✓ **Gas liquefaction plants (SSLNG) – Maranhão**
R\$82 MM allocated to the payment of milestones related to the supplier of liquefaction tanks and the construction consortium. The remaining amount was allocated to completing earth-moving works at the liquefaction site and continuing civil works.
- ✓ **Parnaíba VI TPP**
Equipment purchase, payment to the EPC company, arrival of the Siemens generator at the Itaqui port, and manufacturing of the steam turbine upper casing.

Project Status



Parnaíba SSLNG

Project fully contracted, physical adherence at good levels



92.3%

Physical adherence

100%

Contracted works

- ✓ Beginning of civil works
- ✓ Arrival of first equipments at the site
- ✓ Beginning of electromechanical assembly at the liquefaction plant

Next milestones:

Completion: trailer manufacturing (100% contracted)	Aug/23
Completion: foundation and civil works	Dec/23
Completion: arrival of equipment at the sites	Jan/24
Completion: liquefaction commissioning	Apr/24
Completion: regasification commissioning	May/24
COD	2Q24

Azulão 950 MW

Beginning of civil works and procurement phase



100%

Physical adherence

52.6%

Capex contracted

- ✓ Beginning of civil works
- ✓ Drilling and completion of wells 7-AZU-9-AM and 7-AZU-11D-AM
- ✓ Public hearing for gas pipelines and development of the field

Next milestones:

Signing of contracts for critical equipment	Aug/23
Signing of EPC contracts	Dec/23
Start of gas pipeline construction	July/24
Plant energization	July/25
COD (simple cycle)	Jan/26
COD (combined cycle)	Oct/26
COD	4Q26

Parnaíba VI

Project ahead of schedule, with progress over 75%



Cooling Tower



HRSG



Transformers

102.2%

Physical adherence

74.7%

Accumulated physical progress

- ✓ Arrival of generator
- ✓ Completion of the main e-house assembly
- ✓ Completion of positioning of several ancillary units

Next milestones:

Delivery of the steam turbine to Parnaíba	Sep/23
Transformer energization	Nov/23
Completion of the mechanical assembly	Feb/24
Beginning of test operations	July/24
COD	4Q24
Beginning of the CCEAR	Jan/25

Q&A

Questions should only be asked in writing on the Zoom platform.





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