



Eletrobras

1Q24

Conference Call Transcript

Conference Call – 1Q24 Results

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Pattern

START RECORDING

Operator: Ladies and gentlemen, thank you for waiting. Welcome to the videoconference to announce Eletrobras' first quarter 2024 results. Introducing the Eletrobras team, we have them here. Mr. Ivan de Souza Monteiro, President of Eletrobras. Mr. Eduardo Haima, Vice President of Finance and Investor Relations. Mr. Rodrigo Limp, Vice President of Regulation and Institutional Relations. Mr. Élio Wolff, Vice President of Strategy and Business Development. Mr. Ítalo Freitas,

Vice President of Commercialization and Interim VP of Expansion. Mr. Antônio Varejão de Godoy, Vice President of Operations and Security. Mr. Marcelo de Siqueira Freitas, Legal Vice-President. We inform you that this videoconference is being recorded and will be made available on the company's IR website, where the respective presentation is available in both languages. I would like to point out that, for those who need simultaneous translation, we have this tool available in the globe icon that says "interpretation", located in the lower center of the screen. When you select it, choose your preferred language: Portuguese or English. For those who are listening to the video conference in English, there is an option to mute the original audio in Portuguese by clicking on "mute original audio". For the Q&A session, we advise you to send them via the Q&A icon at the bottom of your screen. By default of the dynamic, their names will be announced so that they can ask their questions live. At this point, a prompt to unmute your microphone will appear on the screen. If you do not want to open your live microphone, please write "no microphone" at the end of the question so that our operator can read it aloud. Before proceeding, we would like to clarify that any statements that may be made during the conference call regarding the company's business prospects, projections, operational and financial goals constitute the beliefs and assumptions of Eletrobras' board of directors, as well as information currently available to the company. Future considerations are not guarantees of performance as they involve risks and uncertainties and therefore depend on circumstances that may or may not occur. Investors should understand that general economic conditions and other operating factors may influence the results expressed in such forward-looking considerations. I would now like to give the floor to Mr. Ivan de Souza Monteiro, President of Eletrobras, to begin our presentation. Mr. Ivan, please go on.

PRESENTATION

Mr. Ivan de Souza Monteiro – President of Eletrobras: Well, good morning, everyone. Thank you for attending the announcement of Eletrobras' results for the first quarter. And we could not begin this conference without expressing, on behalf of the entire board of directors and the Board of Eletrobras, our solidarity with the population of Rio Grande do Sul. Eletrobras has been interacting with the authorities of the state government and promoting help in whatever is necessary to minimize this tragedy that has befallen the state. Moving on to comments on the result, we had a result with the least effect of non-recurring factors, which is an ambition of ours. We want to have a very predictable company, in which analysts and the general public, shareholders, can have full knowledge, full monitoring that commercial relationships and operational activities are later reflected in the company's results, its profit and its profitability. The non-recurring effects were minimal and we consider that the gains from the compulsory loan agreements are part of the company's routine, given the high value it still has. Despite a still significant amount of provision of R\$ 16 billion, it comes from a trajectory of significant reduction starting from a number of R\$ 23 billion. Talking a little about recipes, especially in the field of generation, we had three highlights. The first is the reduction in the price of energy, which obviously leads to a reduction in generation revenue. A second impact was the exit of Candiota, a coal-fired thermal plant, and within the

process of having 100% of its generation in renewable energy, in clean energy, we promoted the sale. And the most important effect that had a great impact in this quarter was the default of Amazonas Energia. The company has been working intensively in the search for the receipt of its credits. It is a very expressive volume, it has already reached R\$ 10 billion in delinquency. Remembering that the distributor has not made any payment to Eletrobras since November last year. We have sought, not only through legal actions, of a legal nature, but also intense discussions with ANEEL and with the Ministry of Mines and Energy itself, seeking a joint solution to this issue, which is a serious issue that affected us even in this first quarter, a significant amount of more than R\$ 400 million. In transmission, it's always a revenue indexed to the IPCA and a much greater focus here on Capex. We have a stable transmission revenue, small growth, but it is the focus of our Capex, I will make a comment a little later. In the field of expenses, we continue with the persistent and consistent reduction of our PMSO. We have now reached the recurring level, with the performance of the first quarter, projecting for the year, of R\$ 6.4 billion. Our ambition is to end 2026 with a recurring PMSO of around R\$ 5 billion and we continue to pursue this trajectory. We have an important event that we are discussing now, which is the renewal of the collective bargaining agreement, the first to be discussed with the private Eletrobras. In the field of investments, the highlight was our participation in the transmission auction, where we committed and acquired lots with a Capex commitment of R\$ 5.6 billion and an expected RAP of R\$ 590 million. We have greatly improved this process and expect not only to fulfill the investment program with a lower value than we estimate, but at a faster speed of implementation, which will make the revenues provided by this investment enter the company more quickly. In the financial area, we had two major highlights. The first, the conclusion of an issue, after the end of the quarter, of a debenture issue of R\$ 5.5 billion, debentures that were allocated in maturities of 5, 7 years, but, more importantly, in a parallel process, we worked on the waivers of all previous issues, including this new issue of R\$ 5.5 billion, and then Haiama will go down a little more detail, already with extremely uniform covenant conditions and general conditions for all titles, for all deeds, and in the previous ones we obtained the waivers and we also used the same standardization that we applied in this last issue. In the divestment process, we remain very committed to the gas-fired thermal power plant process. It is a process that has aroused a lot of interest and we remain focused on closing in 2024. We held for the first time a meeting of leaders, all the leadership of the company here in Rio de Janeiro, more than 500 people participated in this meeting. It was a two-day meeting where we were able to share, not only the company's strategy, but the discussions about culture, what kind of leadership we expect and that we stimulated and had very positive feedback. It is also with great joy that I inform you that we carried out the first trainee program in the history of Eletrobras with more than 14,500 applicants and selected 38 young people who have already started their work here at Eletrobras with great enthusiasm. Finally, I would like to conclude by saying that we have completed the restructuring of the marketing area. As I mentioned in the last discussion with everyone, Eletrobras will love to have a very large number of customers, to develop a commercialization area focused on these same customers. It is established in the city of São Paulo and now we hope to reap the benefit of assembling this team in the coming years, which I am sure will bring many joys to Eletrobras.

Thank you very much, and I will now move on to The Haiama to develop the presentation. Thank you very much.

Mr. Eduardo Haima – Vice President of Finance and Investor Relations: Thank you, Ivan. Good morning everyone. Moving on to slide 5, talk a little bit more about the highlights. There are four pillars that we have always talked about. First, the simplification of the administrative structure, then the cultural transformation and strengthening of the ESG agenda, then the financial issue and, finally, in the growth part, the transmission auction. Remembering that, on this date, we are paying R\$ 1.3 billion in dividends, as approved at the last AGM. On the next slide, now entering slide 6, the simplification of the administrative structure. As Ivan commented, our annualized cost today would be in the range of R\$ 6.4 billion, a decrease of 10% compared to the previous year and the last quarter of 12%. Remembering that as we are in a process of hiring people, renewing staff and several other initiatives to improve management, this number will still fluctuate throughout the year. But we keep that number that we had informed, close to R\$ 7 billion for the year and as Ivan mentioned, for 26, that number of R\$ 5 billion. On slide 7, getting into the question of cultural transformation. First, remembering that it was a great evolution in the attraction process, so much so that from July 23 to April of this year, we have already hired 1,100 people for our workforce and this attraction is very much in line with the way we see ahead. It is a structure that seeks innovation, generating results along with what we have done now, which was the revision of the career plan. As Ivan commented, we did the first trainee program process, where 38 people joined, and in the next few years we are expecting 50 trainees each year. It is important to mention that of the 38 there were 14,500 subscribers at the beginning. It shows the strength of the company in attracting talent and making this cultural transformation that we have commented on. On the next slide on the topic of ESG. The main highlight was our launch of the 2023 sustainability report, was the sale of Candiota, which is a coal-fired thermal plant, and in the generation itself was that 96.5% of it was made from renewable sources and with R\$ 1 billion of investment in the decarbonization of the Legal Amazon and revitalization of watersheds. Finally, in terms of engagement and reputation, we were the best corporate reputation within the electric power sector in Brazil. On slide 9, on the debt issue, as Ivan mentioned, we did our first debt coordinated by all the companies together, where we standardized a single instrument, and we got even better rates than they had been obtained the previous year. In such a way that our funding ranged from R\$ 5.5 billion to R\$ 4 billion in a series of CDI plus 0.85% and CDI plus 1%. And in the incentivized series, in IPCA, it was the equivalent of the NTN-B, plus 20bps of spread. It shows in fact the strength of the company in raising and improving its capital structure over time. On slide 10, talking a little more about the transmission auction, we were crowned winners in four lots, with an average discount in the range of 35%, and translating into a RAP, once the lines are ready and operating, of almost R\$ 600 million, with an investment foreseen by the ANEEL criterion of R\$ 5, 6 billion. We have always understood that we have a great competitiveness in auctions, either because we seek a very great synergy in the operations we already have, in the improvement of the Capex process and with each auction that they have been going through, they have been improving the way they operate. And in the cost of capital part, we

understand that our cost of capital does not owe to anyone and it now translates into this auction that in the first two auctions they took only one lot, then two lots and now we are winning four. It was very important in such a way that slide 12 shows the result of this, which we hope will be one of the verses of growth over time. On slide 12, the growth of transmission over time, adding up the auctions that we had won in 2022, 2023 and now in 2024, and all the reinforcements and improvements that we had already said, which are already approved by ANEEL itself and completing the Transnorte line that connects Manaus to Roraima, our RAP, our Annual Permitted Revenue from transmission should grow by around R\$ 2 billion with total investment, looking at the ANEEL criterion of R\$ 16 billion. Moving on to the broadcast on slide 14, the periodic review of the RAP. As you can see, comparing the economic part of the RAP from the 2023 cycle to 2024, comparing now with the RAP from 2024 to 2025, there would be a drop of 13%. This drop, according to ANEEL's methodology, was expected. Remembering that in the reimbursement of RBSE, given the postponement of the 2023 review, this impact would be greater now in 2024, it would not be neutral. The fall is coming, a good part, for that. But, on the other hand, there is a growth in our RAP, as I had mentioned in the previous slide, that whenever we do reinforcement and improvement works on our lines, they translate into an increase in RAP, in such a way that in the previous cycle for this one, it would be rising from R\$ 738 million to R\$ 1.158 million. And remembering that these numbers are still preliminary and we are still delving into the analyses. On slide 16, entering the other segment, which is generation, we had already said that in the previous quarter we would be lagging the price. This price that appears here in 2024, average price, R\$ 189, is the price that we reported with a lagged quarter, that is, it is the price that would have been looking at the fourth quarter, for the prices of 2024. And from then on we're putting a band of \$165 to \$175 in 2025, \$175 to \$195 in 2026 and so on. As well as in terms of contracted amount. From 2024 it is in fact a contracted amount that we have of almost 8 giga med in the ACL, but in the following years we are putting a band and this band purposely starts at the floor of the last number informed, which was in the fourth quarter, because we understand that this information is very strategic for the company. But it is important to mention that there has been a very big evolution in hiring by looking only at the 2024 number. We've got the financial numbers on slide 18. We have already mentioned that we like to look at the regulatory number, because it translates closer to what cash generation would actually be. On this criterion, our gross revenue grew 8% year-on-year in the first quarter. In terms of EBITDA, also looking at it from the regulatory point of view and, in this case, adjusting for non-recurring events, it grew by 5%. And our profit, then we look at IFRS, because it is the de facto calculation basis for dividends. It decreases, but a lot due to adjustments that you have to make in the transmission part, which can throw a certain oscillation in the accounting profit. Moving on to slide 19, understanding a little bit more about the cost part. As already mentioned, our cost is down from the previous year. If we look at it on a recurring basis as well, even in relation to the fourth quarter, but this number will still fluctuate a little throughout this year due to not only the hiring that we are still making, but also other restructuring costs that there will be, whether it is the improvement of systems, infrastructure and other parts that are important for us to have an increasingly agile and efficient management. On slide 20, entering the

operating provisions section, the highlight has already been commented on. The main one is the issue of the reversal that we had with the compulsory requirement of R\$ 440 million, and another one that is important to mention, which is the PDD. The PDD was also well impacted, not only in the revenue by Amazonas, but also in the PDD, of almost R\$ 80 million. And in the case of Chesf, which has the highlight of R\$ 66 million here, this one is very concentrated with a generator. On slide 21, giving a little more detail about compulsory loans, again, we managed to reduce, remembering that in the fourth quarter this provision was at R\$17 billion and now it has dropped to R\$16 billion. Reducing our risk and achieving good trades at a discount. The expectation is to continue doing this over the coming quarters and years, in such a way that in fact this line is increasingly derisory in our balance sheet. On slide 22, in terms of leverage, our leverage has barely changed since December. Remembering that now this number is not yet with the cash outflow of the dividends we are paying today, R\$ 1.3 billion. And in this whole account, looking ahead, we even highlighted that the resources that have already entered are not yet and we have already extended the debt from 2024 forward. How do you see this? The cash itself that is reported on the balance sheet was R\$17 billion, but when you consider that R\$5.5 billion came in and we paid R\$3.4 billion, which is the yellow in 2024, the debt balance has now been extended to after 2029, inclusive. It's an important stretch with very competitive situations as I had commented. Finally, on slide 23, I won't even go into too much detail, but it's a way that we are increasingly exercising internally, of looking not only at the result itself in detail, but looking at the cash flow directly and in fact, we can increasingly understand each of the impacts. Here, we always start at the regulatory limit, which is the way we understand it is the most correct, and we remove each of the items that impacted our cash throughout the quarter, whether it is the part of payments, the revitalization of the Amazon and the watersheds, or the investment of R\$ 1.8 billion and the debt service we made in the period. I think with that we can finish and move on to the Q&A session. Thank you.

Q&A SESSION

Operator: Now, we'll start the Q&A session. We kindly ask you to ask them all the questions at once, waiting for the company's response. Remembering that to ask questions, we advise them to be sent via the Q&A icon at the bottom of your screen. By default of the dynamic, their names will be announced so that they can ask their question live. At this point, a prompt to activate your microphone will appear on the screen. If you do not want to open your live microphone, please write "no microphone" at the end of the question, so that our operator will read it aloud. Please wait while we collect the questions. Our first question comes from Mr André Sampaio from Santander. We'll open the audio so you can ask the question. Please proceed. Please, Mr. André Sampaio, can you open your audio.

André Sampaio - Santander: Hi, guys. Now it's released the microphone here. Come on, ask a question that even you have already commented on a little bit, I'm going to ask you to go a little deeper into the tariff review of the transmission companies. We felt here a clear positive surprise

in relation to the size of the RAP and, consequently, the amount of the Economic RBSE versus what the companies were originally demonstrating there in their earnings releases. If I could comment a little bit on what may have led to this positive surprise in the RAP and consequently in the Economic RBSE, I think it would be very important here. Thank you.

Mr. Ivan de Souza Monteiro – President of Eletrobras: André, thank you for the question. I'm going to pass it on here to Vice President Rodrigo Limp.

Mr. Rodrigo Limp – Vice President of Regulation and Institutional Relations: Thank you, André. Thanks for the question. Good morning everyone. I think I'm just going to make a few clarifications on this topic. In fact, we received a lot of questions after the publication of the public consultation. Remembering that the numbers released by ANEEL so far are very preliminary. In other words, there is still the contribution phase in the public consultation that we are going to make contributions. There is still the inspection part of the reports that we presented to ANEEL before the opening of the review and some points that perhaps this perception that you raised, which we also felt hearing from some people, even separated a little the issue of RBSE, the financial component, from the economic one. According to the Ministry's ordinance, the financial component has to zero within eight years after the start of receipt, which arrives in 2028. The economic component, the logic is not this, even as well put by ANEEL's technical note, as long as it has non-depreciated assets, there is revenue associated with the portion of the economic RBSE. I'll give you an example here, for example, of the land, in which we have a relevant value, in the last report of close to R\$ 2 billion, in which, as there is no depreciation, the expectation is that it will have revenue until the end of the concession. In our preliminary analysis, which we have not yet concluded, we have not yet closed the contributions, the methodology that ANEEL has put in place, it is adherent to the methodology that was adopted in the last tariff review process back in 2018. But remembering that the numbers are still preliminary and that there is still another public consultation in parallel. We have already made the contributions, which is the O&M issue, this one is still to be completed by ANEEL, and they are a sum of ongoing processes. The O&M public consultation was the one that brought up the issue of the remuneration base and there is also the discussion of the RBSE financial component, which is another process. We still don't have the exact date that ANEEL will judge. If ANEEL judges until the conclusion of the review process, by the end of June, it will also take effect from the next cycle. And about the remuneration basis, just to conclude, there was the basis of the report from 2018, and then it was updated with the value today of the most recent report. It considered write-offs in the asset over the last cycle, which also generates a change in the average depreciation rate. In methodological terms, we are within expectations. But about the numbers, we still have some doubts, some points that we have to contribute to the public consultation. There are N spreadsheets, they are very active and there will probably be changes in the numbers, but in general terms the methodology is within what we expected. I don't know if it was clear.

André Sampaio - Santander: Very clear. Thanks for the reply.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Thank you, André.

Mr. Rodrigo Limp – Vice President of Regulation and Institutional Relations: Thank you.

Operator: Our next question comes from Mrs. Maria Carolina Carneiro, from Safra.

Maria Carolina Carneiro - Safra: Good morning. I'm without a microphone. I have two questions. First, the prices and amounts sold in 2024 look attractive, even above the levels of Dcide and Brix. Does this liquidity-filled business environment remain now in Q1, Q2 2024 or should we expect the market to be less liquid until the next wet period? The second question: about the company's capital allocation strategy, considering the sale of thermal plants that continues to progress, is it possible to sell the stake in other assets, such as CTEEP? Should we wait for you to participate in the reserve capacity auction or should you still wait to make the decision after the finalization of the discussions on possible anticipation of the CDE or will these discussions not be connected? We ask more because of possible higher cash demands in the event that a deal closes.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Good morning, Carol. Thanks for the questions. The first one I'll pass on to Vice President Ítalo to address, please. Thank you, Ítalo.

Mr. Ítalo Freitas – Vice President of Commercialization: Thank you, Ivan. Good morning, Carol. Undoubtedly, in this last quarter, we had a situation that was a low in the wind harvest. The winds from the Northeast have had an interesting drop, especially in recent months. And at the beginning of the quarter there was a reduction, a depletion of the reservoir, but automatically there was also a good harvest of rain at the end of the quarter, increasing the reservoirs, especially the reservoirs in the north, which gave a very relevant increase, and the reservoirs in the southeast. Not as steep as the one in the north, but with a higher speed. Obviously, it is in the non-rainy period, in the dry period of the process, so this puts a little pressure on the price and that is what we see in the coming months, until the wet period, relatively a pressure on the price until we start the wet period of the next cycle. This is the vision we have of the market. Obviously, the issue of what happened now in the south gave an upward pressure on the southern reservoir, the southern reservoir has a greater variability, but it's stored water in the system anyway. But we see a slightly less liquid market by the end of the dry season. That's the company's vision.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Thank you very much. Carol, with respect to the last two questions, I wanted to make a comment on what you say about the issue of liquidity. I wanted to draw attention to two situations that occurred that were very interesting for the company. The first, as Haiama has already highlighted, is the raising of R\$ 5.5 billion through debentures, now in a very standardized instrument for all subsidiaries, not only for the holding company. And second, was the obtaining of the wavers in the old instruments, in the deeds of

previous debentures, why? Because the similarity of standardization has given us a much greater degree of freedom for the management of the portfolio of assets that the company has. As you specifically mentioned the issue of thermal plants, I will ask for the contribution of Vice President Élio. Élio, please.

Mr. Élio Wolff – Vice President of Strategy and Business Development: Let's go. There was a question about CTEEP, we can't comment on that. Regarding thermal plants, objectively the process is evolving, we have already been commenting on this in the last calls. Our expectation is that we will indeed announce and complete this transaction throughout 2024. It has a lot of attractiveness in all assets, it is a very dispersed portfolio, even with almost 2 gigawatts thermal. In general, it continues to evolve and we believe we can close the process by the end of 2024. In relation to other assets, what we continue to prospect, logically, is our strategy of simplification and, eventually, decross-referencing assets with partners. We continue to work on this, prospecting continuously, as we have already done during the year 2023.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Thank you very much, Élio. Carol, you also mention, in relation to the discussions with the government, reiterating that the company participates in the Conciliation Chamber of the Attorney General's Office, and the matters discussed there are confidential. Thank you very much.

Operator: We have one more question from Maria Carolina Carneiro.

Maria Carolina Carneiro - Safra: If you will allow me one last moment, in the case of Amazonas, what are the next steps you can take to try to resolve this issue? Legal, regulatory, something with the CCEE or MME that can evolve?

Mr. Ivan de Souza Monteiro – President of Eletrobras: Carol, as I mentioned at the beginning of our call, we are adopting all the legal measures regarding the subject, collecting our credits that are in default and there is a set of dialogue with ANEEL and the MME. I ask Vice President Marcelo to talk a little about this issue of a specifically legal nature and then for Vice President Rodrigo Limp to talk about it regulatory issue. Marcelo, please.

Mr. Marcelo de Siqueira Freitas – Legal Vice President: Thank you, Ivan. Thanks for the question. In fact, we have, at this moment, already judicialized executions against Amazonas Energia in more than three-quarters of the total amount of the debt they have with the Eletrobras group. And, therefore, the collection processes are ongoing, with a very strong performance by Eletrobras in relation to them. But we will, in the sequence, adopt some more incisive legal measures, with the objective of seeking to cease this situation of current default and seek the past credits that are in default with the Eletrobras group.

Operator: Thank you, Marcelo. Limp, please.

Mr. Rodrigo Limp – Vice President of Regulation and Institutional Relations: Thank you for the question. In fact, this is one of the company's top priorities in the short term, as Ivan highlighted at the opening. And after a period in which the distributor remained in default with current expenses, we had, specifically from the recommendation of expiration by ANEEL in November, a return of defaulters. As you rightly put it, since November there has been no payment to Eletrobras and we are seeking several judicial measures that Marcelo has put in place and regulatory measures. We have specific measures to seek to mitigate our exposure to the Amazon. We achieved some progress throughout 2023 with the allocation of revenue directly from CCE to Eletrobras in the energy part, but in that part where there is still exposure to Amazonas, there is no receipt of revenue today. We made a request at the agency last week regarding an additional receipt of funds by CCE directly to Eletrobras, it will be drawn by lot, the rapporteur will be analyzed, it will be analyzed by the board of directors of ANEEL regarding the over-contracting of energy. Because Amazonas, by legislative measure, receives funds from the over-contracting directly from the CCC. Including that part of the contracts that are entered into with Eletrobras Eletronorte, in this case. And we have also made several negotiations with the Ministry and ANEEL. The Ministry published in February the result of the study of the working group regarding the distributor Amazonas, in which it presents some alternatives and all of them involve the transfer of control of the company, either by business transfer, or by a forfeiture process or by an intervention. It is also highlighted from this report that the need, the conclusion that matches our view that in order to have a new controller, regulatory flexibilization measures are necessary that need legislative measures, which is the path that the Ministry signals in the report of the working group together with ANEEL. Our expectation is that proposals for measures that make regulatory parameters more flexible and enable the entry of a new controller, because especially after ANEEL's recommendation for expiration, the current controller has been demonstrating a growing loss of conditions for the provision of the service, which may inevitably in the future bring the consequence, including for the quality of the energy supply. And in our view, we feel this very great concern, both from ANEEL and from the Ministry of Mines and Energy. We work with a scenario of having advances in the short term in terms of change of control. Without prejudice, obviously, to seeking judicially and regulatorily the receipt of funds that are the right of Eletrobras, because we have responsibility with the purchase contract and we always honor these commitments.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Thank you very much, Limp.

Operator: Our next question is from Mr. Henrique Peretti from JP Morgan. Please, Mr. Henry, open your audio.

Henrique Peretti – JP Morgan: Okay. Good morning everyone. I have two questions. The first question is on the supply and price side of energy. It's a bit more of a strategic question. If you

compare, for example, yesterday we had the result of an energy auction in Chile, where the price came out at 56 dollars per megawatt-hour, plus 20 dollars of systemic costs. We're talking about \$76. In the U.S. we are talking about energy at 30, 40, 50 dollars, while in Brazil energy is at 20 dollars per megawatt-hour. Obviously it's not a commodity where you can just transport it from one place to another, but I think the supply issue, you don't have much control because there's an irrational part of the market. But the demand part, I think there's a big opportunity here. We can talk about electrification, or green hydrogen, or data centers. I wanted to know if the company is looking at the demand creation side for energy since energy in Brazil is so cheap, and the fact that Eletrobras' hydropower is 24/7, so you don't have a transportation problem, you don't have an intermittency problem. It is a gold that you have at this moment and I would like to know if there is a way for us to use this, if there is a way to influence electrification, as a way to increase demand and have a company that could improve the diversification of this energy. And the second point is the question of the agreement with the government, whether it is possible to insert the discussion of Amazonas within this larger agreement in the issue of conciliation with the STF. Thank you.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Henrique, first of all, thank you very much for your question. Good morning. We have three strands here, but then I'm going to ask Vice President Ítalo to explore each of them. But from data centers to discussions about green hydrogen, the electrification of important segments of relevant industries here in Brazil, all of this is being explored by the company and will certainly generate demand, as you well put it, but I pass the word to Ítalo here. Please.

Mr. Ítalo Freitas – Vice President of Commercialization: Thank you, Ivan. Thank you, Henry. You've got all day for us to talk. But we are very dedicated to this topic. We know that we need to increase demand in Brazil, or create demand in Brazil. So much so that the commercialization structure that we have set up has an area dedicated to nearshoring, including bringing demand to Brazil, and is already very active, participating in several discussions not only within Brazil, but abroad. Both in terms of demands related to industry and in terms of demands related to this new green economy. There was talk of green hydrogen and other fuels. We have been signing, obviously some of the memorandums of understanding that we sign with customers are not public, but the company's strategy is: first seek a partnership with the possible consumers of these green fuels and then develop together with the partnership already closed with the consumer or with the off taker, he will then develop the projects that will derive from this discussion. We approved a strategy on green hydrogen and derivatives in the Board of Directors. This was published about three, four months ago and this is the intention of Eletrobras. As you rightly said, hydroelectric power is considered a renewable energy, even within the rules of the European Union, and this energy is one of the only ones that you can have 24x7, renewable, stable and competitive. Eletrobras, especially in the world, has a hydraulic energy matrix and will be an important player in the world for this new increase in demand in the green economy. And of course, we are very imbued with bringing this new demand with customers, as I said, first closing with the customer, knowing the off taker and then going to

the project to meet the customer's demand.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Ítalo, thank you very much. Henrique, with regard to the second part, the second question, I reiterate that we cannot comment, but Eletrobras remains engaged in the discussions of the Conciliation Chamber, but what is discussed there is confidential. Thank you.

Henrique Peretti – JP Morgan: Thank you, guys.

Operator: Our next question comes from Mr. Daniel Travitzky of Safra. Mister Daniel, please enable your audio.

Daniel Travitzky - Safra: Hi guys, good morning. Thanks for the opportunity here. I have two questions. First about transmission auctions, we saw a relevant participation of the company in the last auction. Just to understand here how you see the next auction, if you really think about participating and if you can share a little with us assumptions in terms of Capex, margin, implementation deadline. We know that you have a relevant operational competitive advantage there, so just so we can understand a little bit better how that translates here into number. And if you can do one more here about Angra 3. If, finally, you share some news on this topic, from the perspective of the definition of tariffs, how is this project progressing? Thank you.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Thank you, Daniel. Regarding the transmission auction, I will ask here for the participation of Vice President Élio, and in relation to Angra, then the participation of Vice President Camila. Please, Élio.

Mr. Élio Wolff – Vice President of Strategy and Business Development: Let's go. Good morning, Daniel. Thanks for the question. In fact, just to go back in time a bit, this is the third auction that we participate in post-capitalization. As Haiama has already pointed out, it is an evolutionary process. What we saw as a result in the March auction is a work that began more than a year and a half ago, evolving, not only in the processes, but also in the relationships with suppliers, logically bringing more competitiveness. Looking a little ahead, surely the topic is still on the agenda. The transmission auction theme is an ongoing business development activity within Eletrobras, we are already looking at the September auction. There are four lots and one of them is subdivided. We are talking about R\$ 4.5 billion that are being tendered and we are studying and logically over time we will decide our participation strategy or not, but surely if we see that the opportunity adds value to the company and that we have the competitiveness to participate and appetite, We are willing to participate. And looking a little further ahead, we already see the year 2025 and 2026 with about R\$ 20 to R\$ 25 billion more in auctions. Already in the schedule we also start to evaluate and be in the pipeline. I think that's it with regards to the broadcast auction.

Ms. Camila Gualda Sampaio Araujo – Vice President of Governance, Risks, Complaints and Sustainability: Good morning, Daniel. With regard to Angra 3, specifically due to our investment agreement, we have been following the movements, mainly, to finalize the BNDES studies, which are now scheduled for July, if I'm not mistaken, followed by the revision of the EPE, regarding, finally, tariff moderations, based on the results of the studies, and then, in the sequence, a tariff approval by the CNPE. There was recently the TCU ruling, which reviewed the first studies, those released in 2021, with a series of recommendations and we then do it in-house, we have a working group dedicated to now analyzing this information from the TCU so that this can be replicated within the Angra 3 project. We are currently doing this work and following the BNDES deliveries very closely.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Thank you very much, Camila. Thank you, Daniel.

Daniel Travitzky - Safra: Thanks, guys.

Operator: Our next question comes from Mr. Roberto Lira, from Plural. Please, Mr. Roberto, we will open the audio so that you can ask the question. Please, Mr. Roberto, can you proceed. Can you go on, please.

Roberto Lira - Plural: Good morning. In fact, my question was more about the process of how the negotiations are going in the Mediation and Conciliation Chamber. I know you can't talk, it's a more confidential subject, but I just wanted to know if there has been any progress. It's been a month since the deadline was extended, the extension was last month. I just wanted to see what you can say if you have made any progress, if you are moving in the right direction or not for the company?

Mr. Ivan de Souza Monteiro – President of Eletrobras: Roberto, good morning. Sorry, no comment. The matters dealt with there are confidential.

Roberto Lira - Plural: Okay, thank you.

Operator: Our next question comes from Mr. Marcelo Sá, from Itaú. Mr. Marcelo, we will open the audio so that you can ask the question.

Marcelo Sá - Itaú: My question was answered, it was about Angra. Thank you.

Mr. Ivan de Souza Monteiro – President of Eletrobras: Thank you, Marcelo.

Operator: Thank you. We now return the floor to the speaker, Mr. Ivan de Souza Monteiro, for the final considerations. Mr. Ivan, please.



Mr. Ivan de Souza Monteiro – President of Eletrobras: Thank you for everyone's participation. As always, the IR area is available for any additional questions. Thank you very much and have a great day.

Operator: At this moment, the Eletrobras conference is closed. We appreciate everyone's participation and have a nice day.