# ENGIE Brasil Energia S.A.
# Results Presentation 2Q19

August 6, 2019

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# CONTENT


01 Highlights

02 Shareholding Structure and Business Segments

03 Energy Market in Brazil

04 Sales and Energy Trading Strategy

05 Expansion

06 Financial Performance

07 Supporting Data

# HIGHLIGHTS



# MAIN FINANCIAL AND OPERATIONAL INDEXES

| (in R$ million) | 2Q19 | 2Q18 | Chg. | 6M19 | 6M18 | Chg. |
|---|---|---|---|---|---|---|
| Net Operating Revenue (NOR) | 2,176.5 | 2,135.0 | 1.9% | 4,515.2 | 4,003.8 | 12.8% |
| Results from Operations (EBIT) | 848.4 | 1,039.3 | -18.4% | 1,865.1 | 1,914.9 | -2.6% |
| Ebitda [1] | 1,052.0 | 1,218.7 | -13.7% | 2,264.8 | 2,263.3 | 0.1% |
| Ebitda / NOR - (%) [1] | 48.3 | 57.1 | -8.8 p.p. | 50.2 | 56.5 | -6.3 p.p. |
| Net Income | 385.4 | 589.2 | -34.6% | 950.9 | 1,078.5 | -11.8% |
| Return On Equity (ROE) [2] | 30.4 | 29.4 | 1.0 p.p. | 30.4 | 29.4 | 1.0 p.p. |
| Return On Invested Capital (ROIC) [3] | 17.5 | 22.3 | -4.8 p.p. | 17.5 | 22.3 | -4.8 p.p. |
| Net Debt [4] | 11,371.2 | 6,192.2 | 83.6% | 11,371.2 | 6,192.2 | 83.6% |
| Power Production (avg. MW) [5] | 4,446 | 3,429 | 29.6% | 4,859 | 4,026 | 20.7% |
| Energy Sold (avg. MW) [6] | 4,025 | 4,197 | -4.1% | 4,107 | 4,141 | -0.8% |
| Average Net Sales Price (R$/MWh) [7] | 189.87 | 181.11 | 4.8% | 188.96 | 179.30 | 5.4% |
| Number of Employees – Total | 1,413 | 1,220 | 15.8% | 1,413 | 1,220 | 15.8% |
| EBE Employees [8] | 1,386 | 1,171 | 18.4% | 1,386 | 1,171 | 18.4% |
| Employees on Under Construction Plants | 27 | 49 | -44.9% | 27 | 49 | -44.9% |

**Notes:**
[1] Ebitda represents: net income + income tax and social contribution + financial result + depreciation and amortization.
[2] ROE: net income for the past 4 quarters/shareholders' equity.
[3] ROIC: effective tax rate x EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits earmarked for debt servicing + SE).
[4] Adjusted amount, net of gains from hedge operations.
[5] Total gross electricity output from the plants operated by ENGIE Brasil Energia.
[6] Disregarding sales for quotas regime (Jaguara and Miranda HPPs).
[7] Net of taxes, exports and trading operations.
[8] With the full acquisition of ENGIE Geração Solar Distribuída, as from 4Q18, EBE absorbed the company's total payroll.

# HIGHLIGHTS

On June 13, the financial closing of the operation for the **acquisition** of 90% stake in **Transportadora Associada de Gás (TAG)** took place, following compliance with all conditions precedent.

**Pampa Sul Thermoelectric Plant** began commercial operations on June 2019, adding 345 MW of installed capacity to the generating complex.

The **9th issue of simple infrastructure debentures** in four series, **totaling R$ 1.6 billion**, was concluded on July 15.

# HIGHLIGHTS

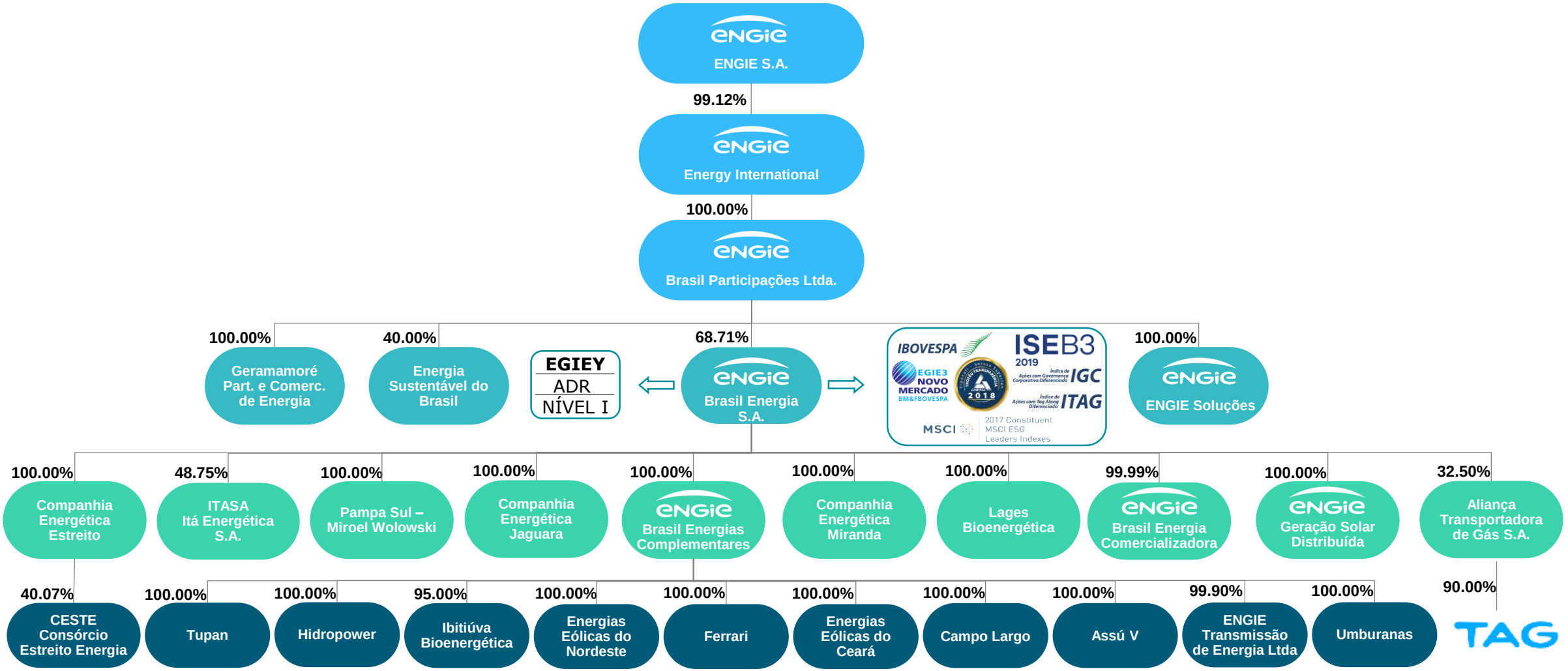


**EBE concluded a partnership with L'Oréal**, the latter at all its units in Brazil now to be supplied with **clean energy from the Trairí Wind Complex**, so contributing to the energy transition towards a low carbon economy.



# SHAREHOLDING STRUCTURE AND BUSINESS SEGMENTS

# SHAREHOLDING STRUCTURE[1]




**Note:**
[1] Simplified chart for illustrative purpose only.

# CONSISTENT EXPANSION

IN A DIVERSIFIED PORTFOLIO OF ASSETS

## GENERATION

**60** power plants operated with own installed capacity of **8,710.5 MW** (as from 06/30/2019)

## TRANSMISSION

**~1,000 Km** of **transmission lines** under construction

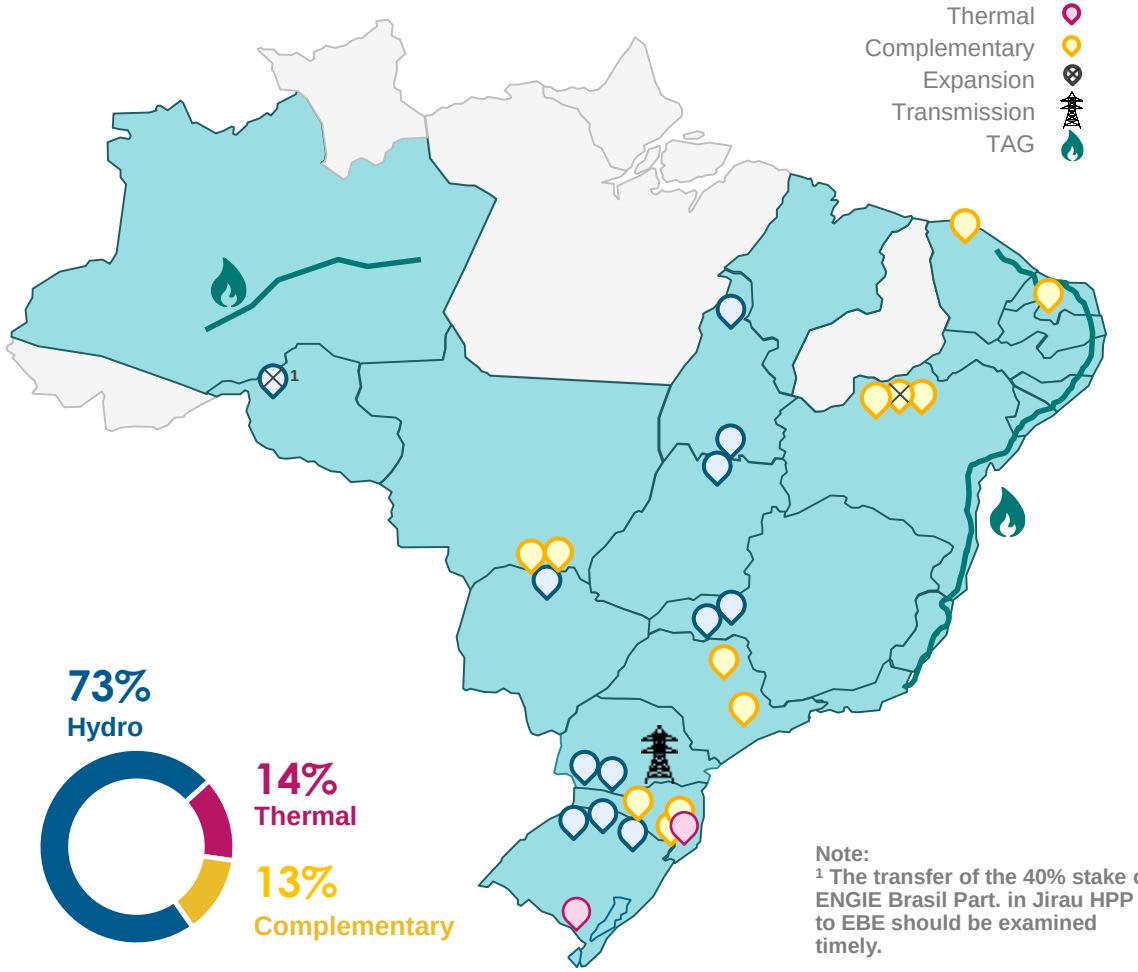
## DISTRIBUTED SOLAR GENERATION

Total of **2,199 installed systems,** with **28,273 kWp** of capacity

## NATURAL GAS (TAG)

**4,500 Km of pipelines** in the Southeast, Northeast and North regions

- EBE's stake of **29.25%**







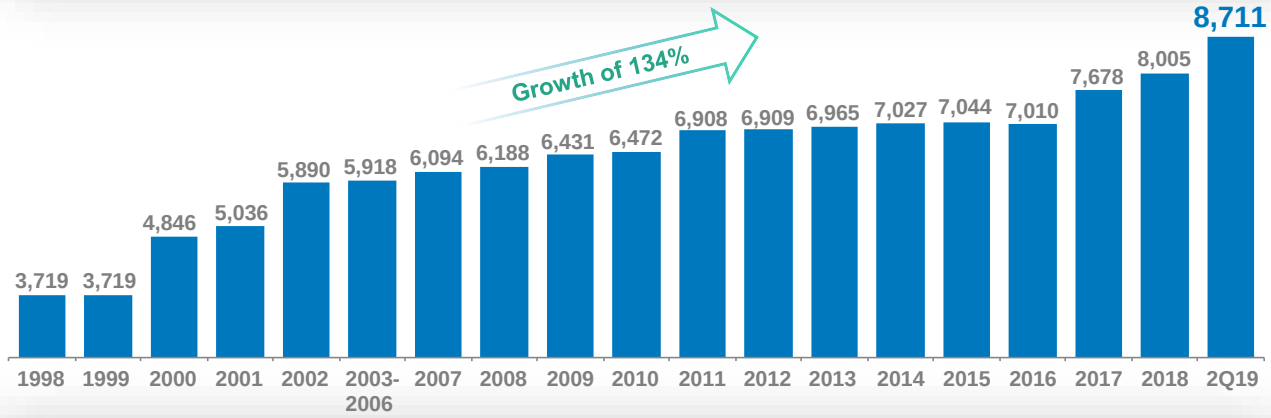
Note:
[1] The transfer of the 40% stake of ENGIE Brasil Part. in Jirau HPP to EBE should be examined timely.

# ENERGY GENERATION

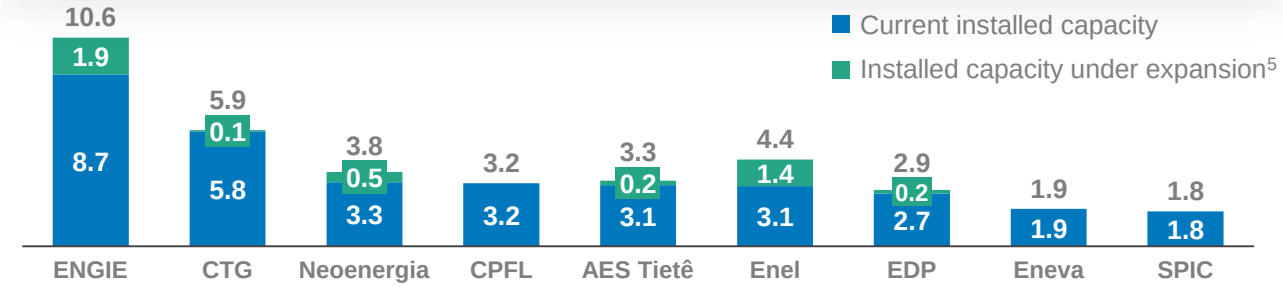
## RELEVANCE AMONG POWER PRODUCERS

EBE is part of the largest independent power producer group in the country and is positioned to capture business opportunities.

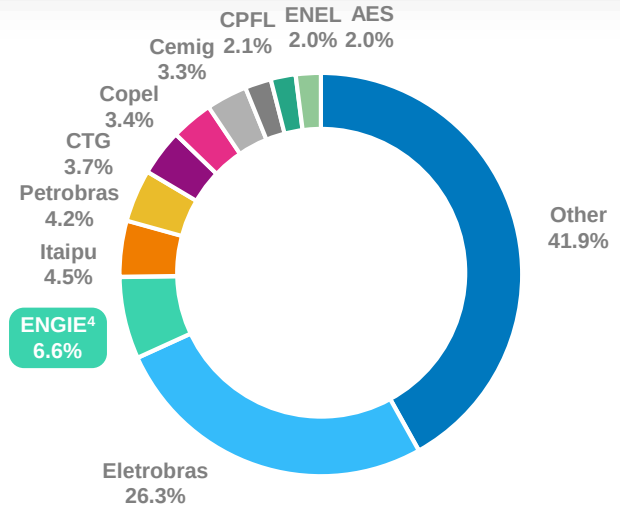
### Energy Generation | Proprietary Operating Installed Capacity (MW)




### Private Sector – Own Installed Capacity[1] (GW)




### Brazil – Existing Installed Capacity[2,3]




**Source: Aneel, Companies' websites and in-house studies.**
**Notes:**

1 Apparent sum-related errors are a result from rounding of addends.
2 Amount corresponding to National Interlinked System (SIN), considering the Operation Monthly Program (PMO) as of January 2019.
3 Includes only the Brazilian part of Itaipu.
4 Considering the consolidated installed capacity of the group in Brazil, including HPP Jirau.
5 Based on information from Aneel, ONS and internal study.

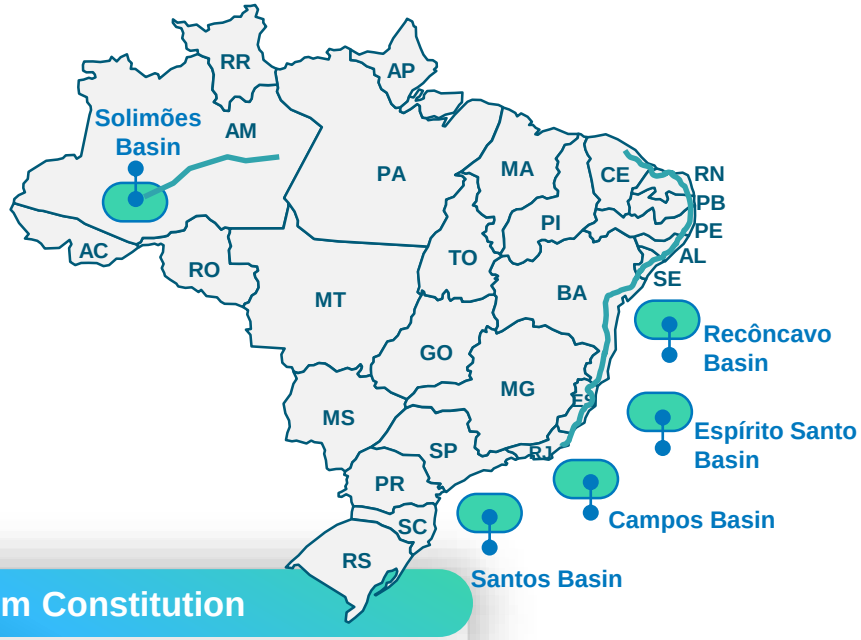
# NATURAL GAS

TRANSPORTADORA ASSOCIADA DE GÁS (TAG)

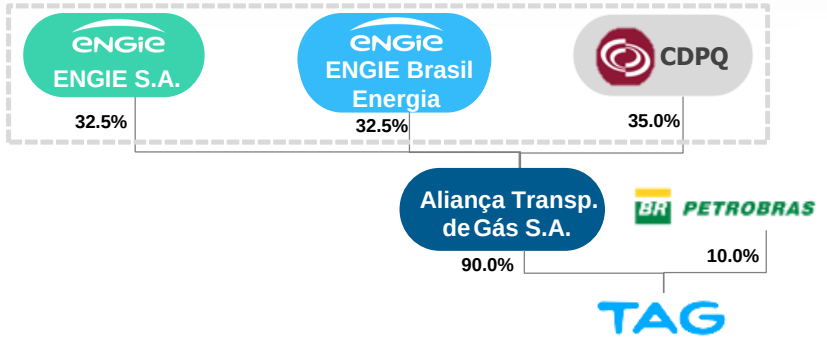
Entry into the natural gas segment materializing the strategy of becoming a key player in the Brazilian infrastructure energy sector.

## Technical Characteristics

- ~4,500 km of high pressure gas pipelines:
  3,700 km on the coast
  800 km in the Amazon region
- Contracted firm capacity for transporting more than 70 million $m^3$/day.
- 11 compression stations.
- Network with various interconnection points:
  - 10 gas distributors
  - 90 delivery points
  - refineries, fertilizer and power production plants supplied
  - 13 active gas entry points (including 2 LNG terminals)




## Consortium Constitution



# NATURAL GAS

## TRANSPORTADORA ASSOCIADA DE GÁS (TAG)

High level of medium and long term contracted volume in the regulated market.

### Contracts breakdown

| Gas Pipelines | Size (km) | Agreement Maturity | Termination of Authorization | Contracted Volumes (MM m³/day) | % of the Net Operating Revenue[1] |
|---|---|---|---|---|---|
| Gasene | 1,401 | Nov-2033 | Mar-2039 | 30.3 | 36.9% |
| Malha NE | 2,002 | Dec-2025 | Mar-2039 | 21.6 | 24.0% |
| Pilar-Ipojuca | 189 | Nov-2031 | Nov-2041 | 15.0 | 6.6% |
| Urucu-Coari-Manaus | 802 | Nov-2030 | Nov-2040 | 6.3 | 32.5% |
| Lagoa Parda Vitoria | 81 | Under negotiation | Mar-2039 | 0.7 | - |
| **Total** | **4,475** | | | **73.9** | **100.0%** |

- No construction and volume risk (ship or pay contracts).
- Following the expiry of the current agreements, a five-year tariff revision cycle will be triggered under the responsibility of ANP[2], which will decide the revised maximum permitted revenue flow:
  - calculation of the regulated WACC
  - validation of the regulated asset base
  - check of Opex and depreciation

**Notes:**
[1] Variations in revenue representativeness between GTAs may occur.
[2] Agência Nacional do Petróleo/National Petroleum Agency.

# TRANSMISSION

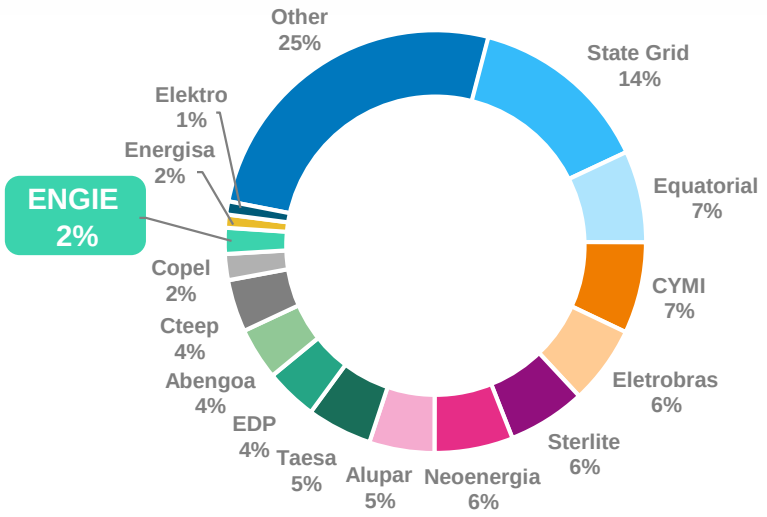
EXPANDING ITS PARTICIPATION IN THE ELECTRIC POWER INDUSTRY

EBE´s debut into the energy transmission segment in Brazil, representing a new business line.

## Transmission Segment – Main numbers

- Basic network extension (> 230 kV): 141,388 km[1].
- Total Maximum Annual Allowed Revenue (RAP) of transmission companies: R$ 23.8 billion[2].
- Eletrobras Group accounts for approximately 50% of the transmission market.
- Since 2013, there was a significant increase in the participation of private agents.
- Considering all auctions from 2013 to 2018, over than 45 thousand km of lines (R$ 10.5 billion RAP) were auctioned.

## Brazil Auctions 2013-2018 – Market Share (%RAP)[3]




**Notes:**

[1] Data 2017 – Relevant Operation Data / 2023 - PAR.

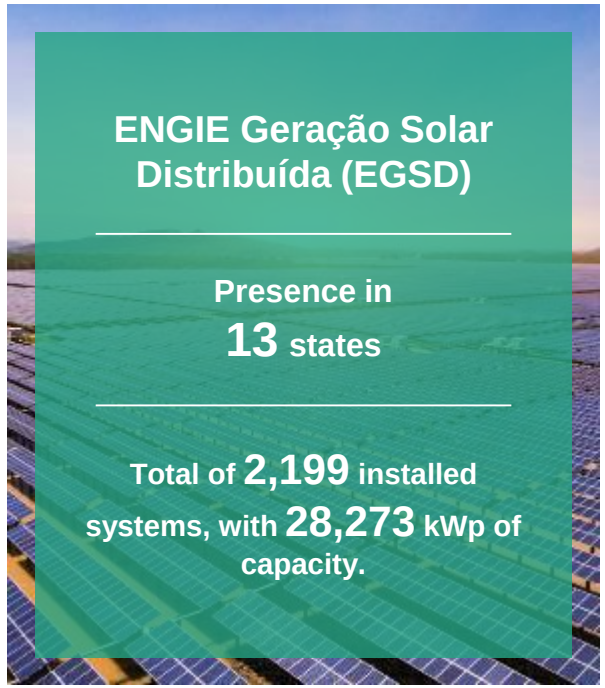
[2] Total RAP of transmission companies in the 2017-2018 cycle was approved in REH 2,258/2017.

[3] Considering the winners in the auctions, without taking into account eventual change in control that have occurred since then.

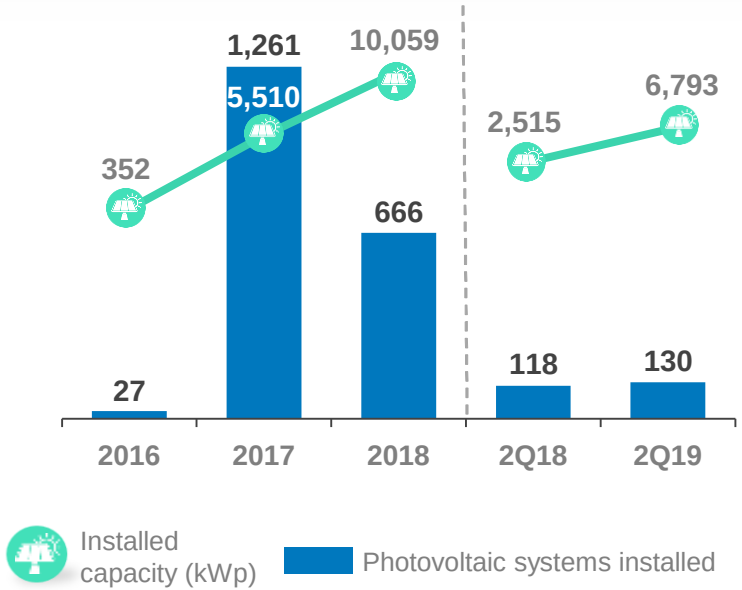
# DISTRIBUTED SOLAR GENERATION

GREATER PROMIXITY TO THE FINAL CONSUMER

Based on the Solar Industry Program, other two initiatives were launched with regional cooperatives, Unicred Solar and Credifoz Solar. Operations in the distributed solar generation segment contributes to a more dynamic energy matrix.




**Number of units and installed capacity**





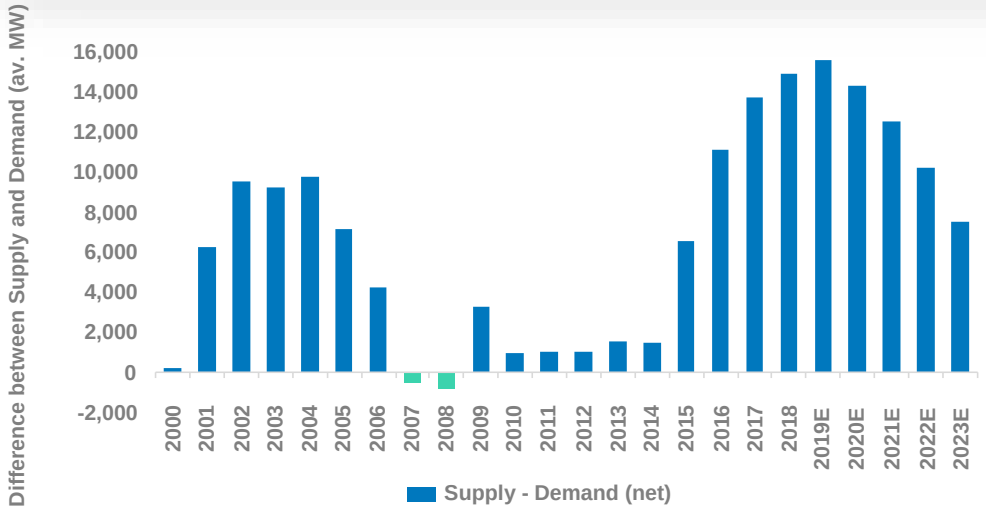
# ENERGY MARKET IN BRAZIL

# ENERGY MARKET

- **Supply:** in the past, supplied by hydroelectric plants with reservoirs. Currently, a greater presence of thermoelectric and hydroelectric run-of-river plants. Continuous expansion of supply from intermittent sources and water shortages recurrence
- **Demand:** the recovery in consumption accelerates the over-supply reduction.

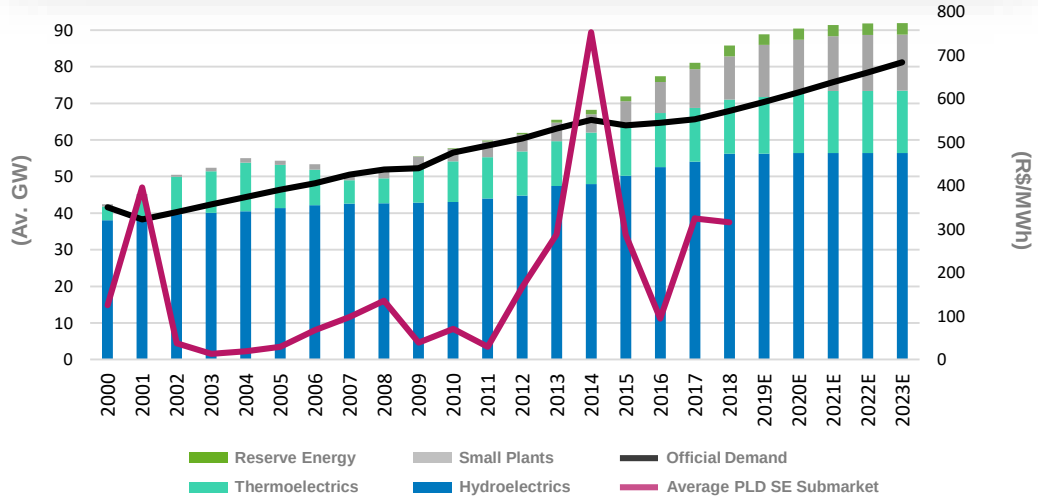
- **Surplus of capacity in the short-medium term, with a scarcity of energy and storage**
- **Greater volatility of spot prices at a high level**

## Theoretical Supply x Demand (ignores GSF impact)




**Source:** ENGIE Brasil Energia internal study based on official sector documents.

## Distribution of Supply by Source




**Source:** Internal study based on Aneel and ONS data.

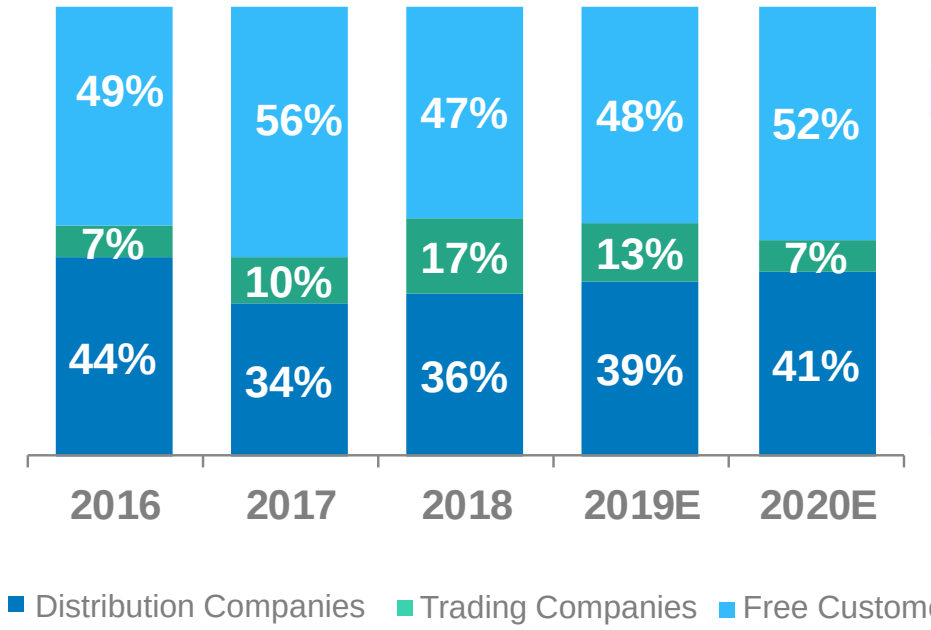
# SALES AND ENERGY TRADING STRATEGY



# DIVERSIFIED PORTFOLIO

AMONG DISTRIBUTION, FREE CUSTOMERS AND TRADING COMPANIES

**Client Breakdown (based on contracted energy)**




**First to consistently serve the free market…**

- Flexibility (prices, terms and conditions) → Maximizes portfolio's efficiency
- Opportunistic contracts (purchase/sale) → Product assembly
- Largest consumer market
- Regulated and unregulated contracts (signed until 2004) → Long-term cash flow predictability

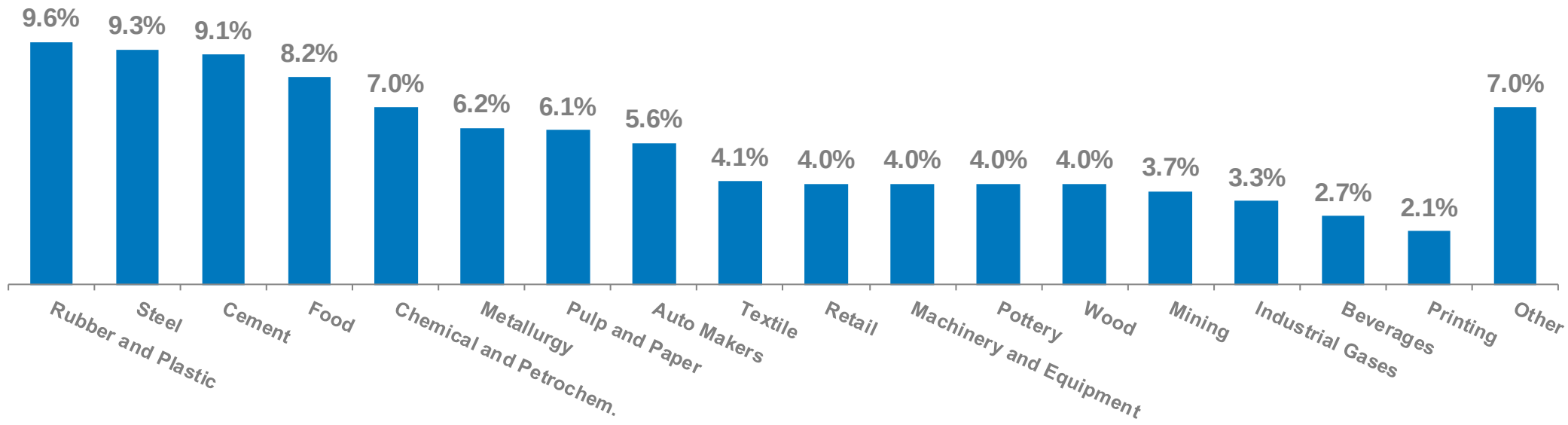
**…to minimize risks and to maximize portfolio's efficiency.**

The portfolio of free customers rose from 343 in 2Q18 to 569 in 2Q19, an increase of 66%.

# DIVERSIFICATION ALSO WITHIN THE FREE CUSTOMERS PORTFOLIO

Free customer industry diversification and a strict credit assessment policy allow for a zero default reality in the Free Contracting Environment (ACL).

**Free customers total sales volume for 2019: 2,569 average MW**



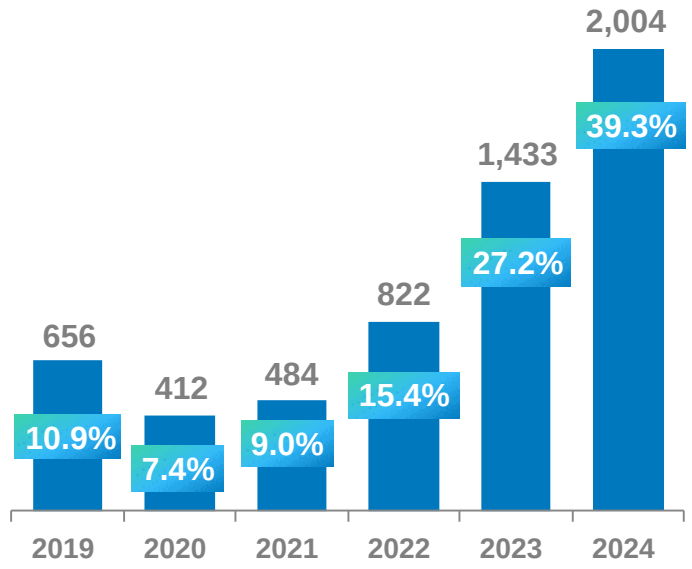

**Source:** Internal study based on IBGE's classification.

# COMMERCIAL STRATEGY

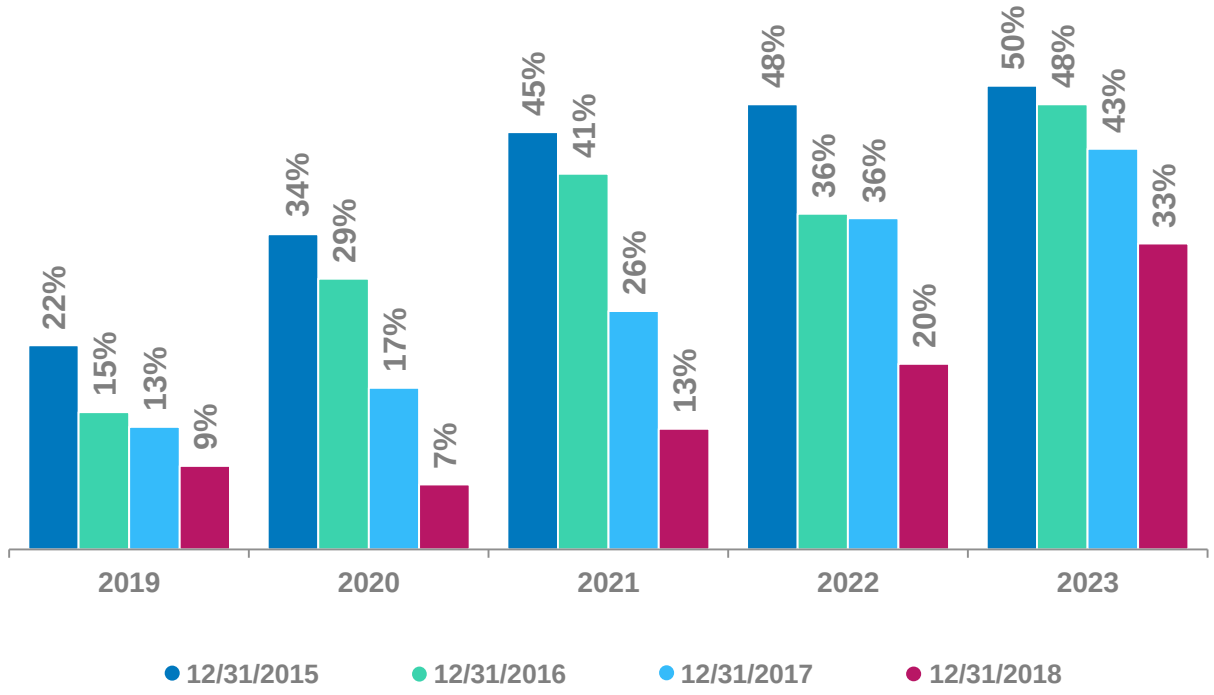
CONSIDERS THE GRADUAL SALE OF FUTURE ENERGY AVAILABILITY

## Uncontracted energy[1] (average MW)

as of June 30, 2019




## Uncontracted energy compared to the availability of a given year




**Note:**
[1] Percentage of total resources.

# ENERGY BALANCE AS OF JUNE 30, 2019

| | (in average MW) | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Auction **Gross** Price (R$/MWh) | Reference Date | **Gross** Price Adjusted (R$/MWh) | **Net** Price of PIS/COFINS/P&D (R$/MWh) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Own Resources | 4,536 | 4,695 | 4,860 | 4,919 | 4,917 | 4,918 | | | | |
| + | Purchases for Resale | 1,498 | 907 | 497 | 428 | 355 | 176 | | | | |
| = | **Total Resources (A)** | **6,034** | **5,602** | **5,357** | **5,347** | **5,272** | **5,094** | | | | |
| | Government Auction Sales[1] | 1,970 | 2,013 | 2,013 | 2,013 | 2,013 | 2,008 | | | | |
| | 2005-EN-2010-30 | 200 | 200 | 200 | 200 | 200 | 200 | 115.1 | Dez-05 | 231.9 | 208.3 |
| | 2006-EN-2009-30 | 493 | 493 | 493 | 493 | 493 | 493 | 128.4 | Jun-06 | 255.0 | 229.1 |
| | 2006-EN-2011-30 | 148 | 148 | 148 | 148 | 148 | 148 | 135.0 | Nov-06 | 265.7 | 238.7 |
| | 2007-EN-2012-30 | 256 | 256 | 256 | 256 | 256 | 256 | 126.6 | Out-07 | 239.4 | 215.1 |
| | 2014-EE-2014-06 | 98 | - | - | - | - | - | 270.7 | Mai-14 | 359.2 | 322.7 |
| | Proinfa | 19 | 19 | 19 | 19 | 19 | 19 | 147.8 | Jun-04 | 286.6 | 276.2 |
| | 1st Reserve Energy Auction | 14 | 14 | 14 | 14 | 14 | 14 | 158.1 | Ago-08 | 284.7 | 274.3 |
| | Auction Mix (New Energy / Reserve / GD) | 17 | 14 | 14 | 14 | 14 | 9 | - | - | 261.3 | 251.7 |
| | 2014-EN-2019-25 | 151 | 295 | 295 | 295 | 295 | 295 | 183.5 | Mar-14 | 247.7 | 222.5 |
| | 2014-EN-2019-25 | 10 | 10 | 10 | 10 | 10 | 10 | 206.2 | Nov-14 | 261.0 | 251.5 |
| | 2014-EN-2019-20 | 83 | 83 | 83 | 83 | 83 | 83 | 139.3 | Nov-14 | 176.4 | 160.1 |
| | 2015-EN-2018-20 | 46 | 46 | 46 | 46 | 46 | 46 | 188.5 | Ago-15 | 223.5 | 202.8 |
| | 8th Reserve Energy Auction | 9 | 9 | 9 | 9 | 9 | 9 | 303.0 | Nov-15 | 347.5 | 315.3 |
| | 2014-EN-2019-20 | 48 | 48 | 48 | 48 | 48 | 48 | 136.4 | Nov-14 | 176.7 | 160.4 |
| | Government Auction – Quotas regime | | | | | | | | | | |
| | 2018 - Quotas (UHJA) - 2018-30 | 239 | 239 | 239 | 239 | 239 | 239 | - | Jul-17 | 138.5 | 132.1 |
| | 2018 - Quotas (UHMI) - 2018-30 | 139 | 139 | 139 | 139 | 139 | 139 | - | Jul-17 | 158.8 | 151.5 |
| + | Bilateral Sales | 3,408 | 3,177 | 2,860 | 2,512 | 1,826 | 1,082 | | | | |
| = | **Total Sales (B)** | **5,378** | **5,190** | **4,873** | **4,525** | **3,839** | **3,090** | | | | |
| | **Balance (A - B)** | **656** | **412** | **484** | **822** | **1,433** | **2,004** | | | | |
| | Sales Average Price (R$/MWh) **(Net)**[2,3]: | 188.9 | 188.1 | 187.6 | | | | | | | |
| | Purchases Average Price (R$/MWh) **(Net)**[4]: | 182.5 | 176.1 | 176.9 | | | | | | | |

[1] XXXX-YY-WWWW-ZZ, where:
XXXX -> year of auction
YY -> EE = existing energy or NE = new energy
WWWW -> year of delivery start
ZZ -> supply contract duration (in years)

[2] Sales price, including trading operations, net of ICMS and taxes over revenue (PIS/Cofins, R&D), i.e. future inflation is not being considered.
[3] Disregarding sales for quotas regime (Jaguara and Miranda HPPs).
[4] Purchase net price, considering trading operations and benefits from PIS/Cofins credits, i.e. future inflation is not being considered.

**Notes:**
- The balance refers to the settlement point (net of losses and internal consumption of the plants).
- The average prices are considered simply estimates and are based on financial planning revisions, not capturing volume changes, which are updated quarterly.


EXPANSION

# EXPANSION:

JIRAU HPP | UPDATE




**CAPEX:** approximately R$ 20 billion

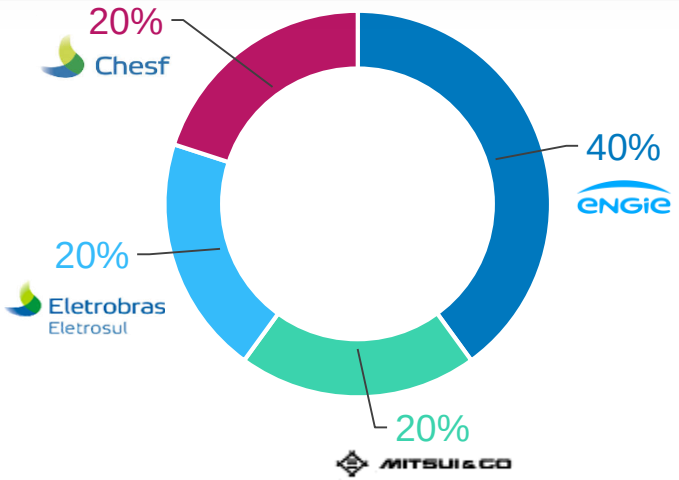
**Financing conditions:**

- R$ 9.5 bilhões (initial R$ 7.2 billion + R$ 2.3 billion) with amortization in 20 years: 100% financed by BNDES
- interested rate: TJLP + spread from 2.25% to 2.65%

Majeure lawsuit - recognition of 535 days in First Instance. Analysis processing in the Second Instance.

The transfer of the stake of ENGIE Brasil Part. in Jirau HPP to EBE has put on hold, awaiting more favorable conditions for the discussions to resume.

**Energia Sustentável do Brasil (ESBR) Shareholding Structure**



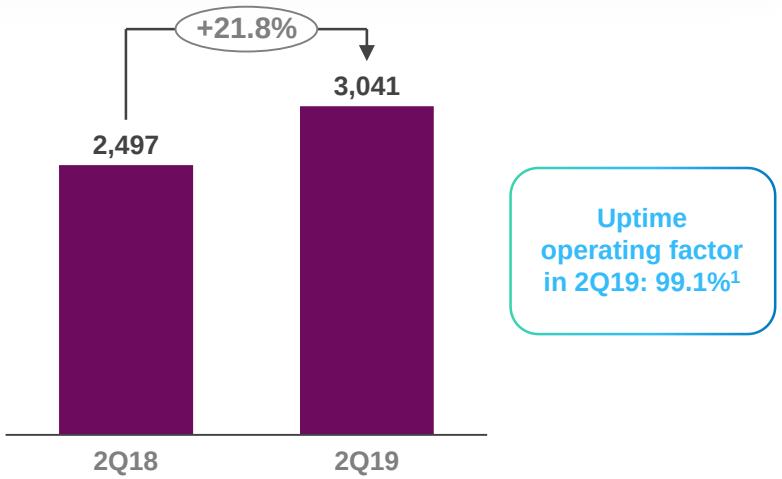
# EXPANSION:

JIRAU HPP | UPDATE

## Options to create additional value

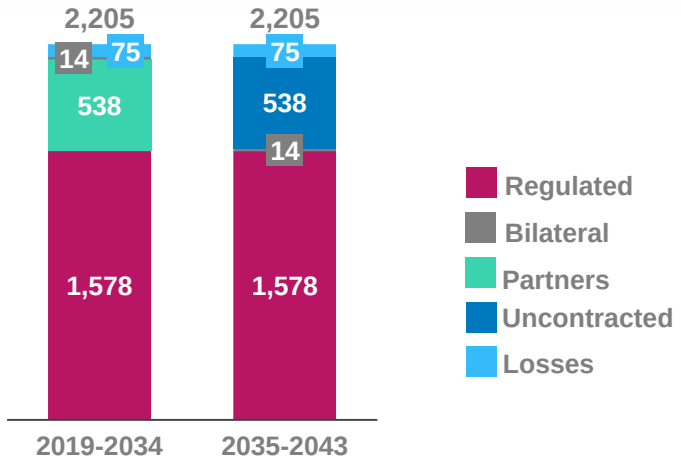
- Constant reservoir level
- Recalculation of transmission tariff
- Sale of carbon credits
- Additional long-term tax breaks
- Recalculation of GFOM/Renegotiation of GSF
- Rebalancing of the agreement

### Production (MW average)[1]




Uptime operating factor in 2Q19: 99.1%[1]

### ESBR PPA's portfolio (MW average)




**Note:**
[1] Subject to final CCEE booking.

# WIND PROJECT UNDER CONSTRUCTION:

## CAMPO LARGO WIND COMPLEX (PHASE II)

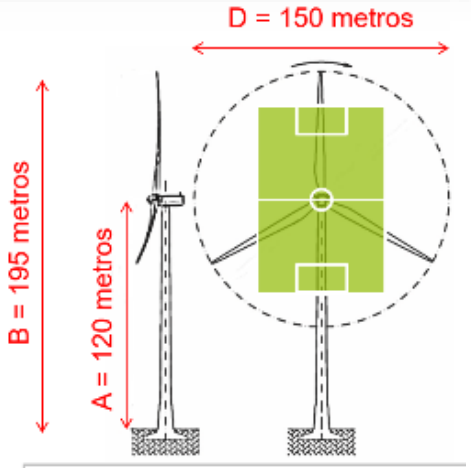
**Sales contracted in the free market have made the installation of the project a viable proposition**

The development will capture synergies with the Company's other wind power complexes in the region.

In the 2Q19, the first licenses for the installation of the project were issued, allowing topographic work, test drilling and brush clearance to begin in the internal access areas to the wind parks.

**Campo Largo Wind Complex (Phase II)**









**CE Campo Largo**
**Sento Sé and Umburanas (BA)** (Phase II)

**Total Installed Capacity:**
**361.2 MW**

**Commercial Capacity:**
**202.6 aMW**

**Investment (R$mm)[1]: ~R$ 1,600**

| Start of construction: 2019 | Start of operation: 2021 |
|---|---|

**Nº of wind turbines:** 86 (~ 4.2 MW each)

**Note:**
[1] Value as of January 2019.

# TRANSMISSION LINE UNDER CONSTRUCTION:

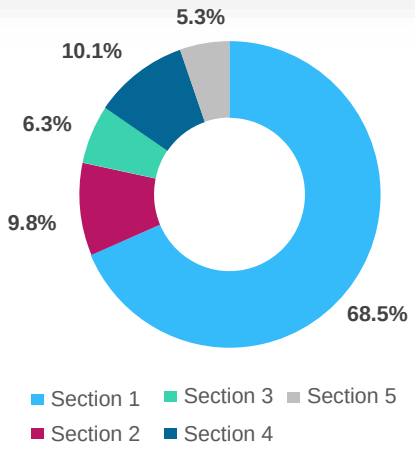
GRALHA AZUL TRANSMISSION SYSTEM

## Investment below Aneel projections and expected anticipation of COD

- Access to finance at competitive rates
- Location offers synergies with Salto Santiago and Salto Osório HPPs

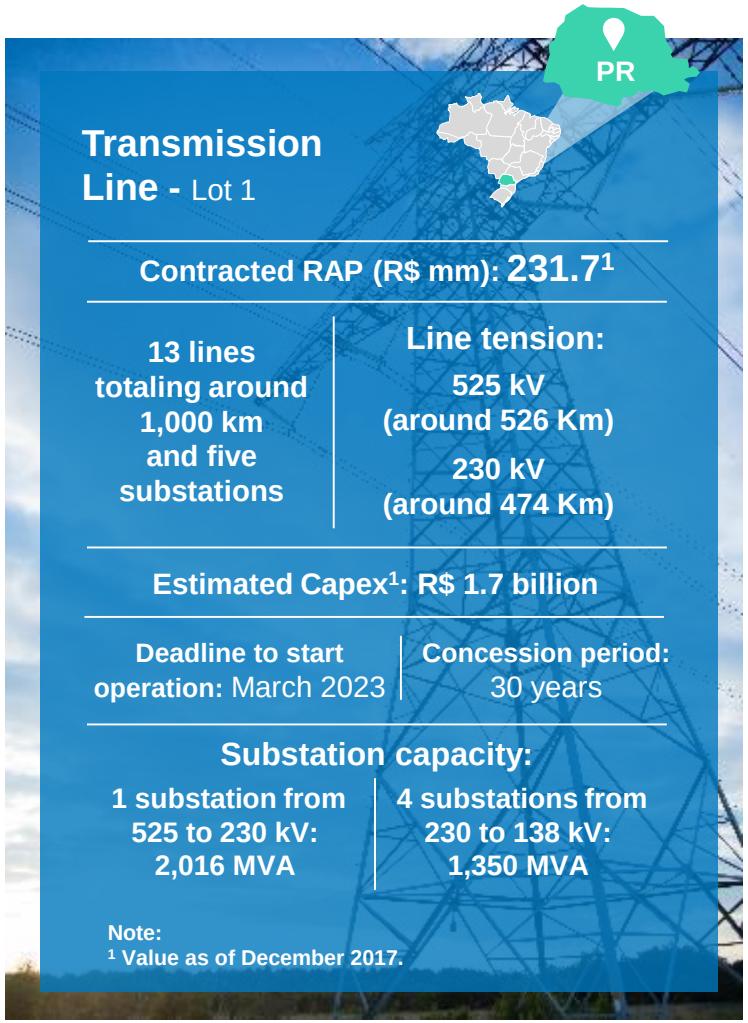
In 2Q19, the main equipment subcontractors have been selected and are currently being signed up. The initial preliminary license for the project has been obtained, establishing the conditions precedent for the issue of the installation license.

**RAP by section (%)**



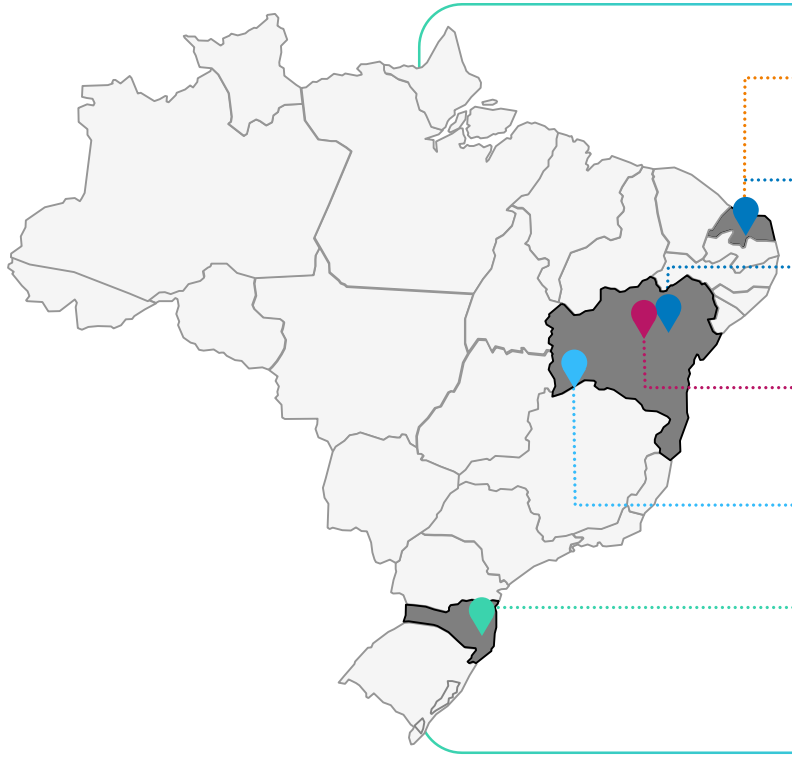






# PROJECTS UNDER DEVELOPMENT

ENGIE Brasil Energia has also a portfolio of assets under development. Some of them are presented below.



**Assú I, II, III and IV Photovoltaic Centrals - RN**
**Installed Capacity:** 120 MW

**Sto. Agostinho WC - RN**
**Installed Capacity:** 800 MW

**Umburanas WC – BA (Phase II)**
**Installed Capacity:** 300 MW

**Campo Largo WC – BA (Phase III)**
**Installed Capacity:** 250 MW

**Alvorada Photovoltaic Complex - BA**
**Installed Capacity:** 90 MW

**Norte Catarinense TPP - SC**
**Installed Capacity:** 600 MW
**Fuel:** natural gas

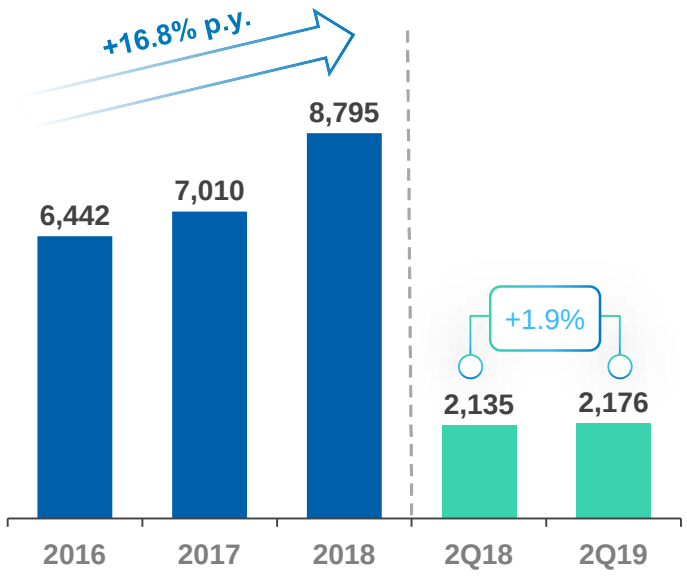


# FINANCIAL PERFORMANCE

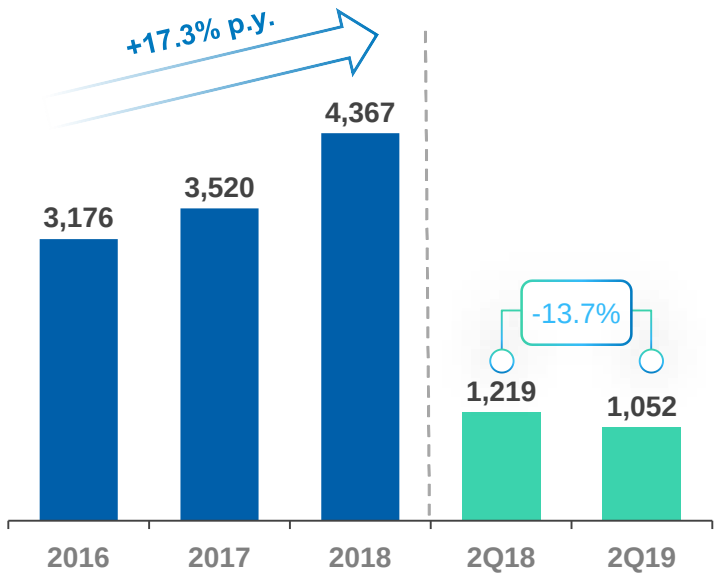
# SOLID FINANCIAL PERFORMANCE

Efficiency in the management of the portfolio and the focus on contracting strategies has enabled the Company to report stability in the annual levels of revenue generation, Ebitda and net income despite recent instability that affected the electricity sector and the Brazilian economy as a whole.

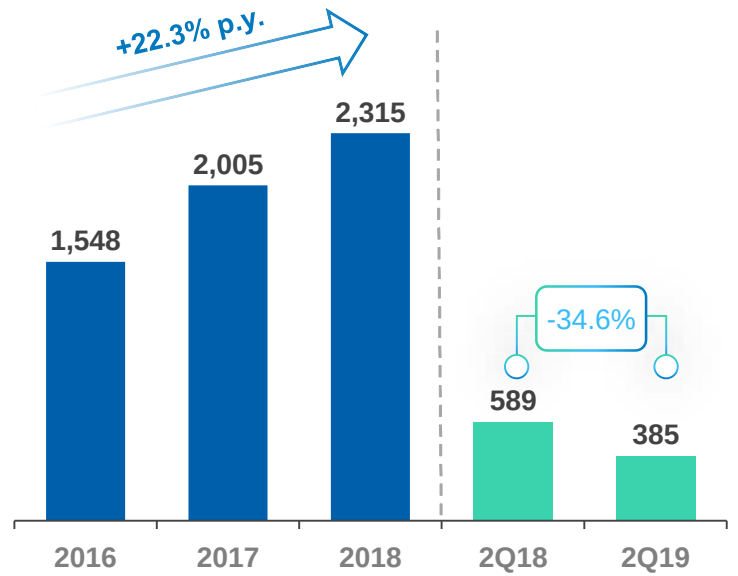
**Net Operating Revenue**
(R$ million)




**Ebitda**
(R$ million)

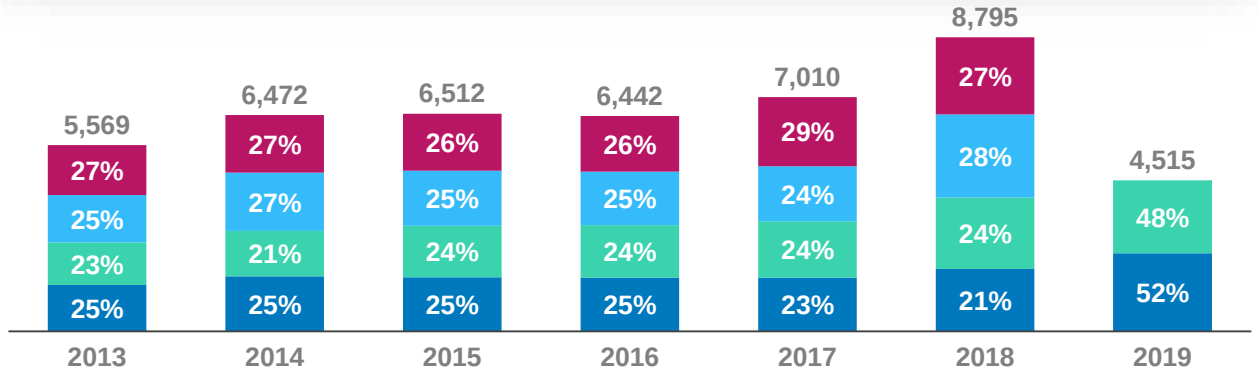



**Net Income**
(R$ million)



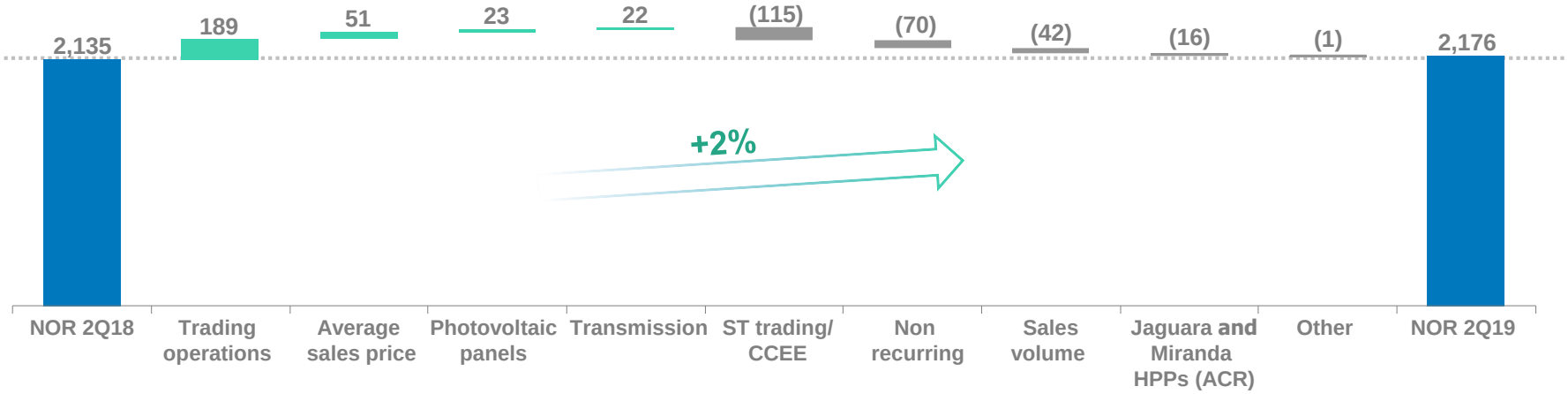
# NET OPERATING REVENUE CHANGE

## Net operating revenue change (R$ million)



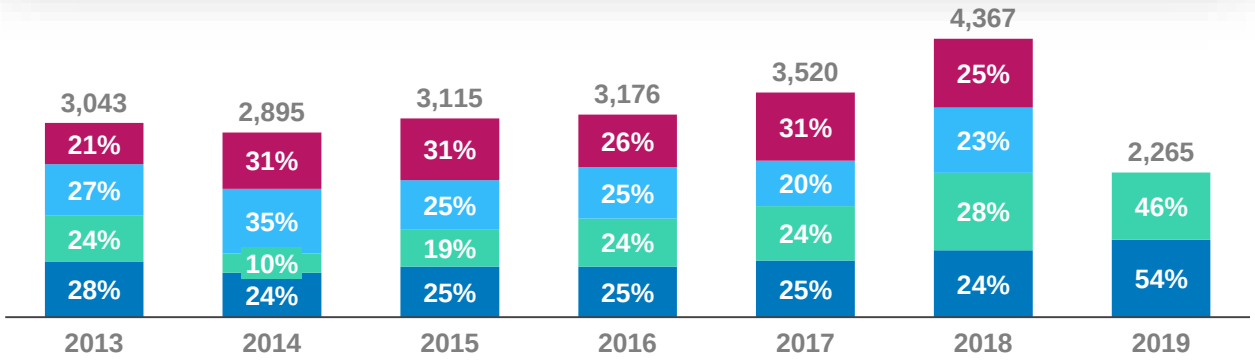

4th Quarter
3rd Quarter
2nd Quarter
1st Quarter

% of the net operating revenue



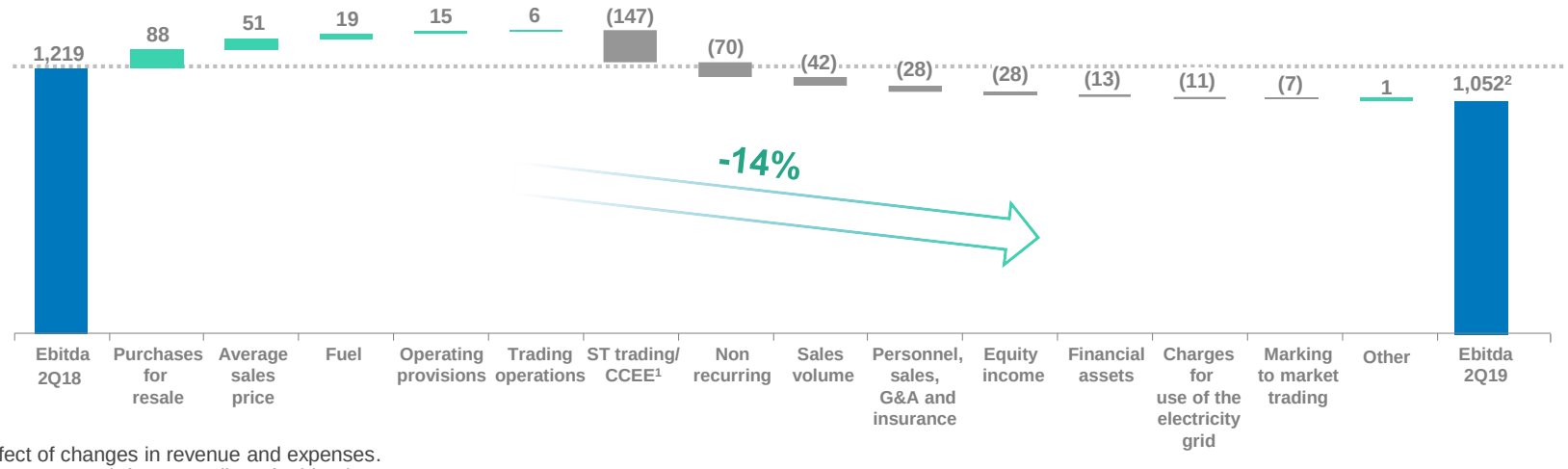
# EBITDA CHANGE

## Ebitda change (R$ million)




4th Quarter
3rd Quarter
2nd Quarter
1st Quarter

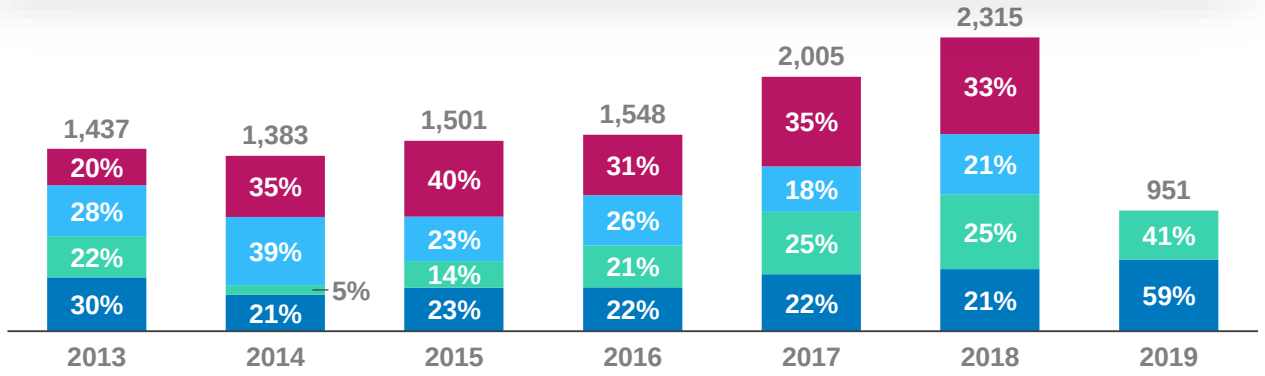
% of the accumulated annual Ebitda




**Note:**
[1] Considers the combined effect of changes in revenue and expenses.
[2] Apparent sum-related errors are a result from rounding of addends.

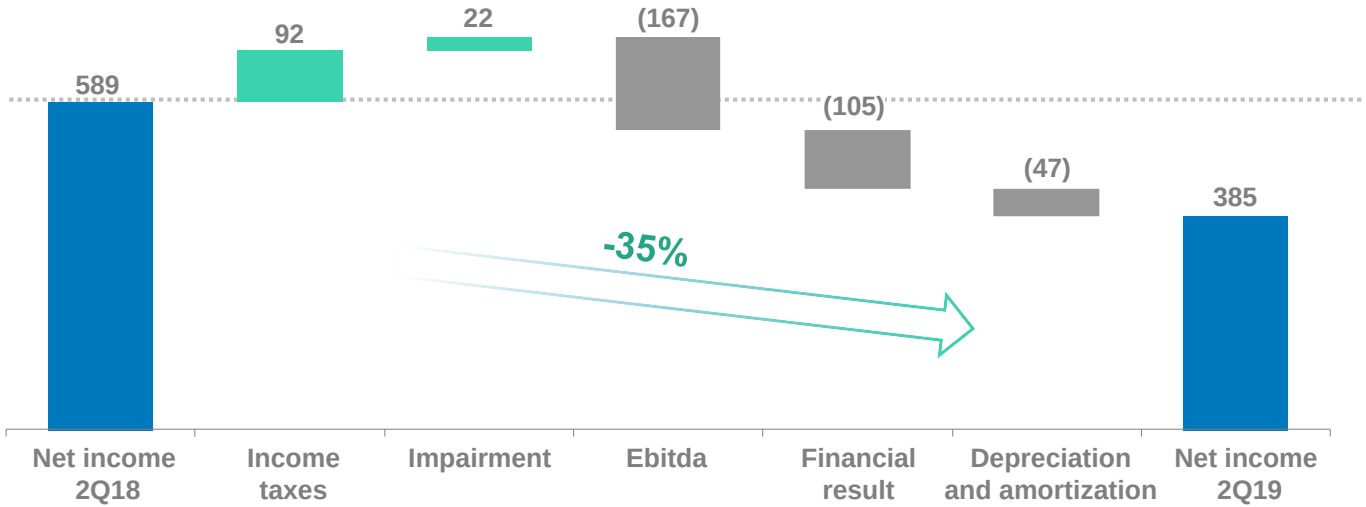
# NET INCOME CHANGE

**Net income change** (R$ million)




- 4th Quarter
- 3rd Quarter
- 2nd Quarter
- 1st Quarter

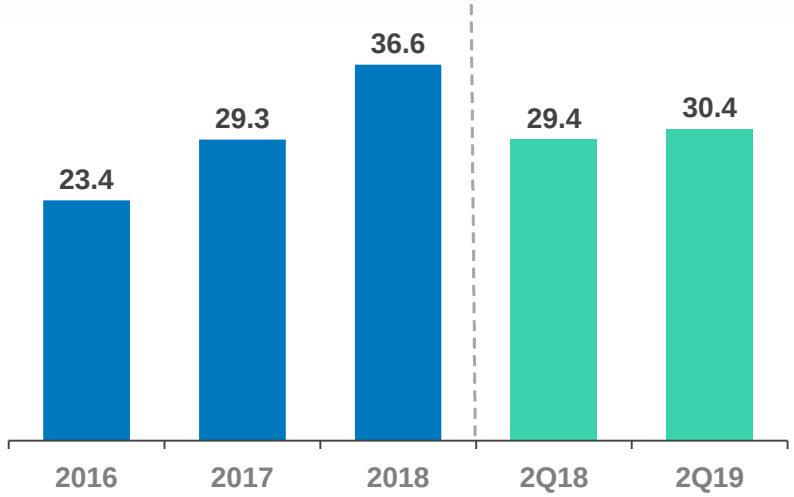
% of the accumulated annual net income



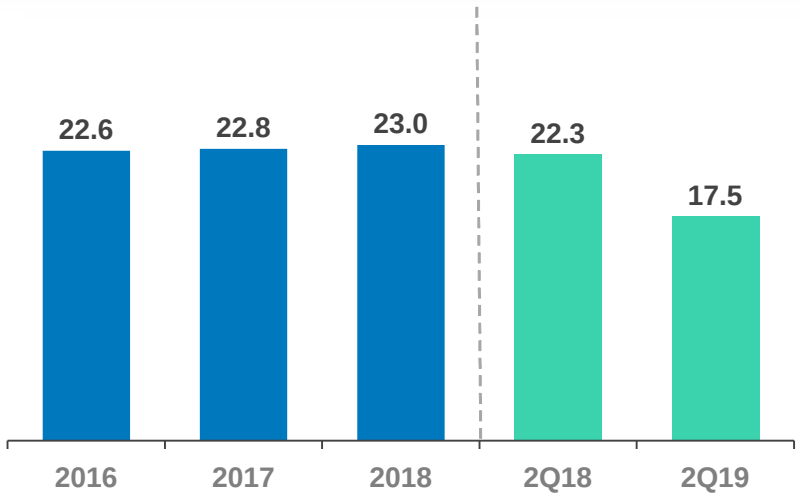
# CONSISTENT FINANCIAL INDICATORS

Creation of shareholder value: high levels of ROE and ROIC.

**ROE[1] - Return on Equity (%)**




**ROIC[1] - Return Over Invested Capital (%)**



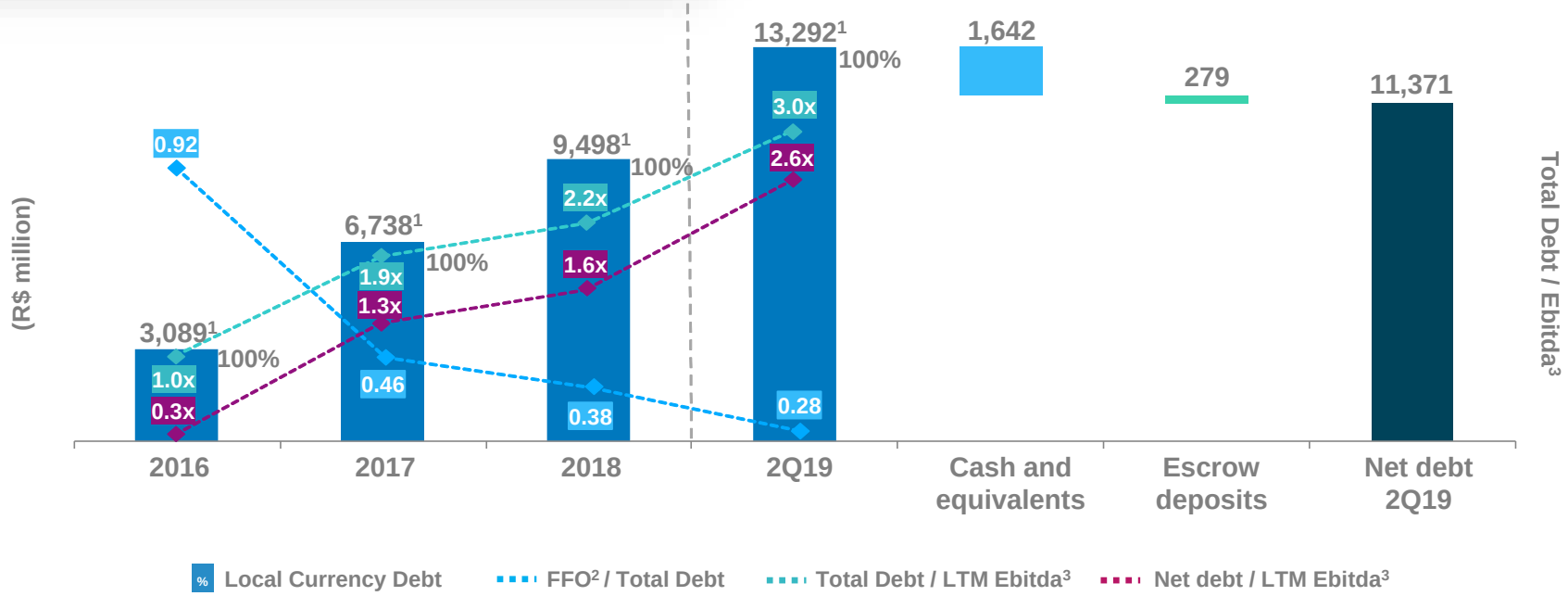

**Source:** ENGIE Brasil Energia internal study based on the Company's Financial Statements.
**Notes:**
[1] ROE: net income for the past 4 quarters / shareholders' equity.
[2] ROIC: effective tax rate x EBIT / invested capital (invested capital: debt – cash and cash equivalents – deposits earmarked for debt servicing + SE).

# LIMITED DEBT

## WITH NO CURRENCY EXPOSURE

Adjustment in leverage, with competitive cost, facilitates growth opportunities.

**Debt Overview** (R$ million)

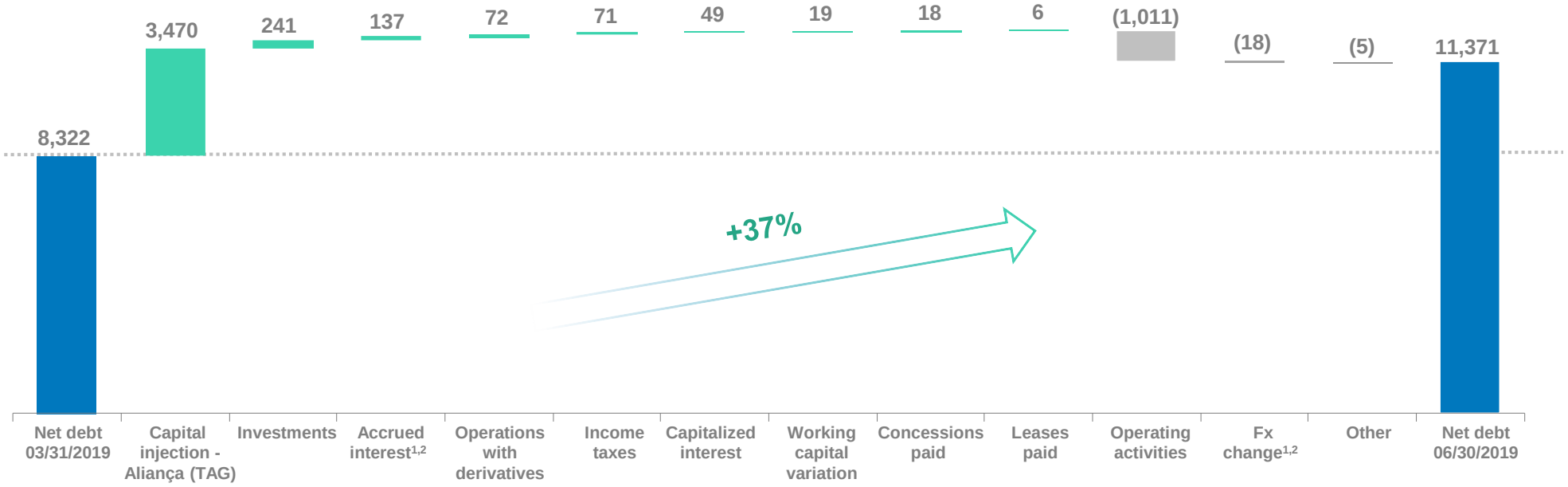



**Notes:**

[1] Debt net of hedge operations.
[2] Funds from Operations.
[3] Ebitda in the past 12 months.

# NET DEBT CHANGE

**Net debt change** (R$ million)



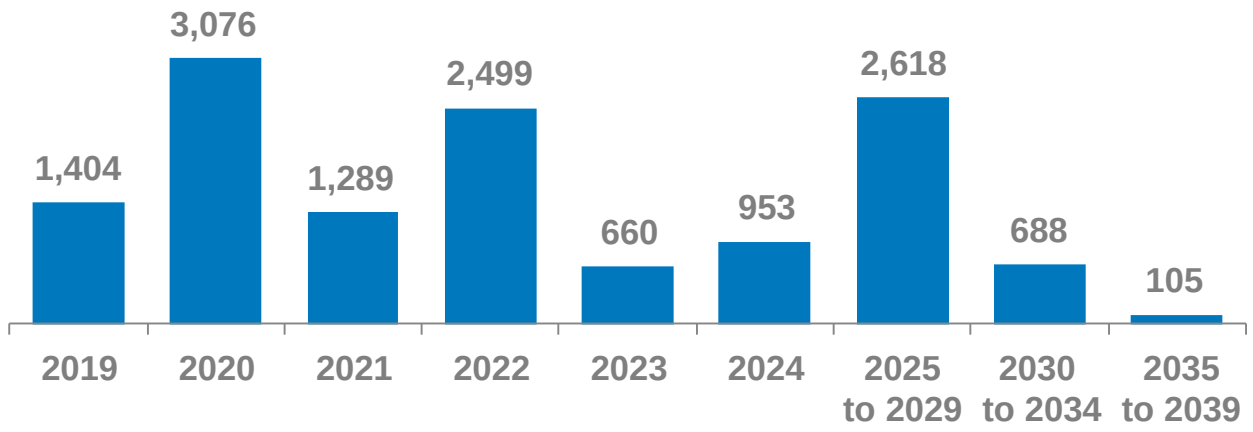

**Notes:**
[1] Does not impact the Company's cash position.
[2] The interests and FX change refer only to the Company's financial debt (loans, financing and debentures).

# DEBT PROFILE AND COMPOSITION

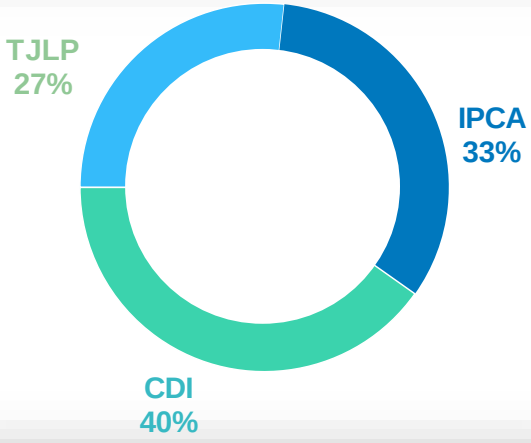
LOW COSTS AND DEFENSIVE INDEXES

AAA rating and robust cash generation translate into competitive costs of debt for financing growth.

**Maturity debt schedule** (R$ million)




**Breakdown of debt**



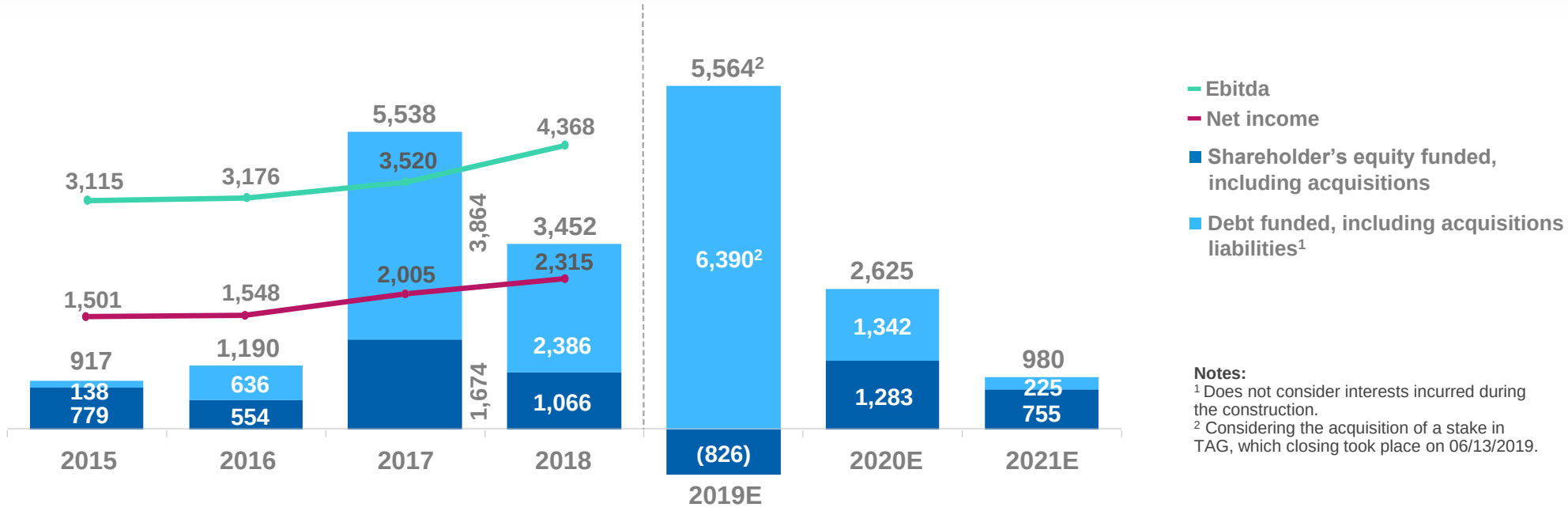

**Nominal cost of debt: 8.0% (8.2% in 2Q18)**

New expansion cycle represented an opportunity to optimize EBE's capital structure.

# CAPEX

The expansion plan and maintenance CAPEX are supported by a strong cash flow generation and prudent funding strategy.

**Accomplished/expected CAPEX and corresponding financing sources** (R$ million)

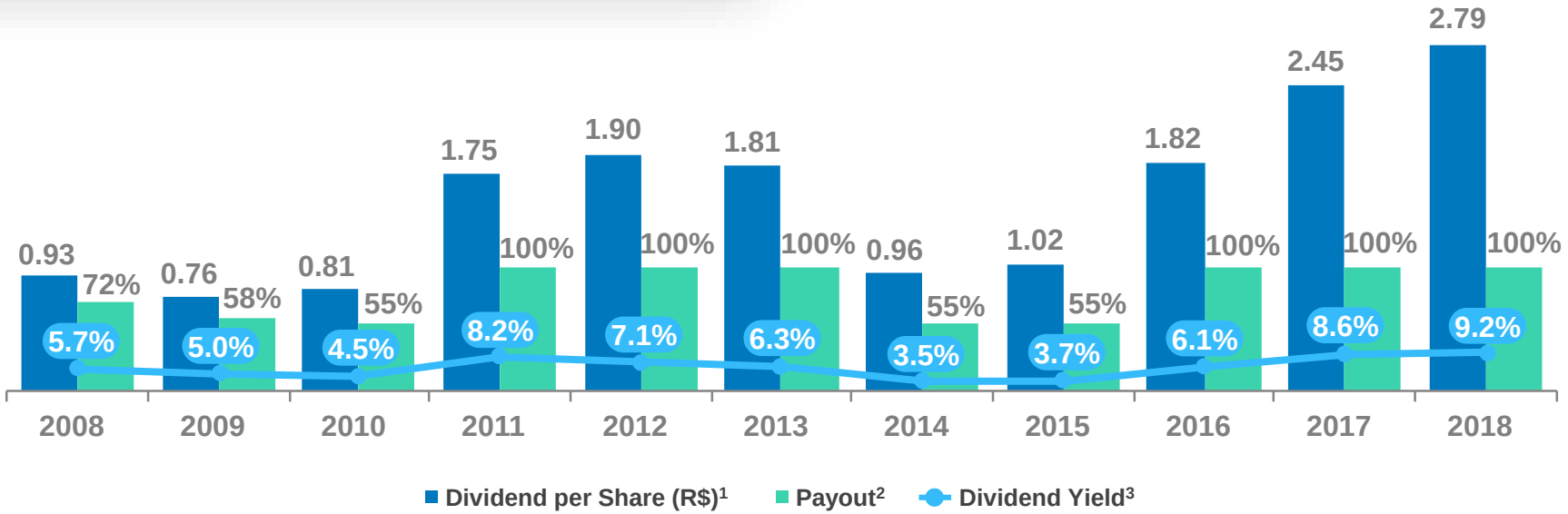



**Notes:**
[1] Does not consider interests incurred during the construction.
[2] Considering the acquisition of a stake in TAG, which closing took place on 06/13/2019.

# DIVIDEND POLICY

- By-law minimum payout: 30% of payable net income
- Management commitment: minimum payout of 55% of payable net income
- At least 2 dividends per year

**Dividends (based on distributable net income)**



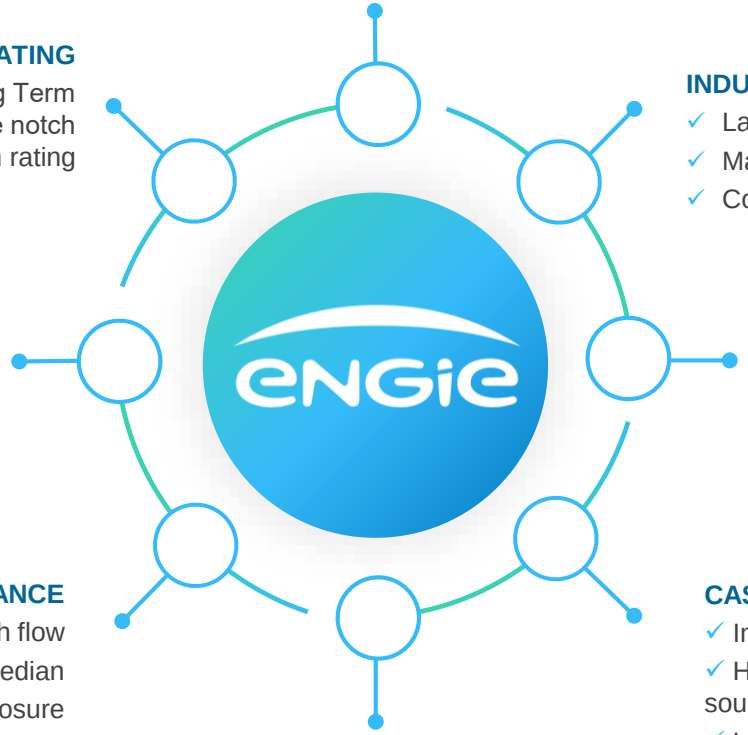

**Notes:**
[1] For the purposes of comparability between fiscal years, an adjustment in dividend per share was made in the light of the share bonus approved on December 07, 2018.
[2] Considers the annual payable net income.
[3] Based on volume-weighted closing price of ON shares in the period.

# COMPETITIVE ADVANTAGES

### STRATEGIC INDUSTRY
- ✓ Defensive profile in times of crisis
- ✓ Projects with high bankability
- ✓ Diversification among segments in the power sector

### PREMIUM RATING
- ✓ Fitch Ratings rated the Company's Local Long Term Rating as 'AAA(bra)' and in global scale "BB", one notch above the Brazilian sovereign rating

### INDUSTRY LEADERSHIP
- ✓ Largest independent power producer group in Brazil
- ✓ Market cap: R$ 35.5 billion in 06/30/2019
- ✓ Controlled by ENGIE S.A., world leader in energy



### HIGH-CALIBER CORPORATE GOVERNANCE AND SUSTAINABILITY
- ✓ Diversified and qualified team
- ✓ First class controlling shareholder
- ✓ Component of B3's Novo Mercado and ISE (since its inception in 2005)

### CLEAR COMMERCIAL STRATEGY
- ✓ Heavily contracted in the next years
- ✓ Diversified portfolio between free customers and regulated ones
- ✓ Benefits from windows of opportunities

### STABLE FINANCIAL PERFORMANCE
- ✓ Strong cash flow
- ✓ ROE and ROIC above sector median
- ✓ No FX exposure

### CASH FLOW PREDICTABILITY
- ✓ Inflation-indexed contracts
- ✓ Hydro based, with diversification on complementary sources and active portfolio management
- ✓ Long-term contracting strategy

### HIGH OPERATIONAL PERFORMANCE
- ✓ Benchmark indexes of availability
- ✓ ISO 9001, 14001 and OHSAS 18001 certified plants
- ✓ Use of advanced technology for remote operations and predictive maintenance

# SUPPORTING DATA



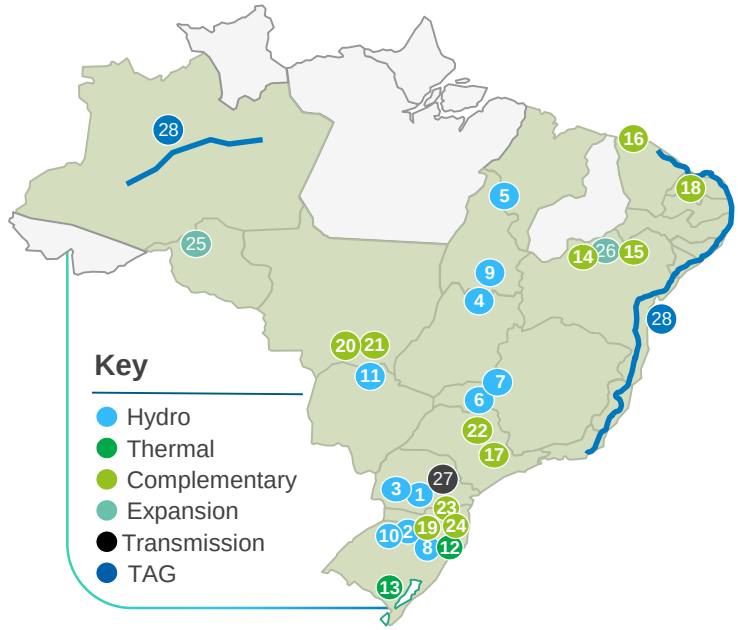
# DIVERSIFIED PORTFOLIO OF ASSETS

| | Hydro Power Plants | Installed Capacity (MW) | Commercial Capacity (aMW)[7] |
|---|---|---|---|
| 1 | Salto Santiago | 1,420.0 | 733.3 |
| 2 | Itá | 1,126.9[1] | 564.7[1] |
| 3 | Salto Osório | 1,078.0 | 502.6 |
| 4 | Cana Brava | 450.0 | 260.8 |
| 5 | Estreito | 435.6[1] | 256.9[1] |
| 6 | Jaguara | 424.0 | 341.0 |
| 7 | Miranda | 408.0 | 198.2 |
| 8 | Machadinho | 403.9[1] | 165.3[1] |
| 9 | São Salvador | 243.2 | 148.2 |
| 10 | Passo Fundo | 226.0 | 113.1 |
| 11 | Ponte de Pedra | 176.1 | 133.6 |
| | Total | 6,391.7 | 3,417.7 |

| | Thermal Power Plants | Installed Capacity (MW) | Commercial Capacity (aMW) |
|---|---|---|---|
| 12 | Jorge Lacerda Complex[2] | 857.0 | 649.9 |
| 13 | Pampa Sul | 345.0 | 323.5 |
| | Total | 1,202.0 | 973.4 |

| | Complementary P. Plants | Installed Capacity (MW) | Commercial Capacity (aMW) |
|---|---|---|---|
| 14 | Umburanas Complex (Wind)[3] | 360.0 | 213.3 |
| 15 | Campo Largo I Complex (Wind)[4] | 326.7 | 169.6 |
| 16 | Trairi Complex (Wind)[5] | 212.6 | 102.3 |
| 17 | Ferrari (Biomass) | 80.5 | 35.6 |
| 18 | Assú V (Solar) | 30.0 | 9.2 |
| 19 | Lages (Biomass) | 28.0 | 14.6 |
| 20 | Rondonópolis (SHP) | 26.6 | 14.0 |
| 21 | José G. da Rocha (SHP) | 24.4 | 11.9 |
| 22 | Ibitiúva (Biomass) | 22.9[1] | 13.9[1] |
| 23 | Nova Aurora (Solar) | 3.0 | n/a |
| 24 | Tubarão (Wind) | 2.1 | n/a |
| | Total | 1,116.8 | 584.4 |

Installed capacity of **8,710.5 MW (4,975.5 aMW),** **4,500 Km** of operating pipelines and **~1,000 Km** of transmission lines under construction.




## Expansion

| | Generation | Installed Capacity (MW) | Commercial Capacity (aMW) |
|---|---|---|---|
| 25 | Jirau (Hydro)[6] | 1,500.0 | 883.2 |
| 26 | Campo Largo II Complex (Wind) | 361.2 | 202.6 |
| | Total | 1,861.2 | 1,085.8 |

| | Transmission | Size | Substations |
|---|---|---|---|
| 27 | Lot 1 | ~ 1,000 Km | 5 |

| | Gas Pipelines | Size | Compression Stations |
|---|---|---|---|
| 28 | Transportadora Associada de Gás (TAG) | 4,500 Km | 11 |

**Notes:**
[1] Portion owned by ENGIE Brasil Energia.
[2] Complex comprised by three power plants.
[3] Complex comprised by 18 wind farms.
[4] Complex comprised by 11 wind farms.
[5] Complex comprised by eight wind farms.
[6] The transfer of the 40% stake of ENGIE Brasil Part. in Jirau HPP to EBE should be examined timely.
[7] Considers the physical guarantee revision in effect from January 1, 2018, pursuant to MME Ordinance 178/2017.

# RENEGOTIATION OF THE HYDROLOGICAL RISK

On December 31, 2015, Aneel approved the renegotiation of ENGIE Brasil Energia's hydrological risk as shown in the following table:

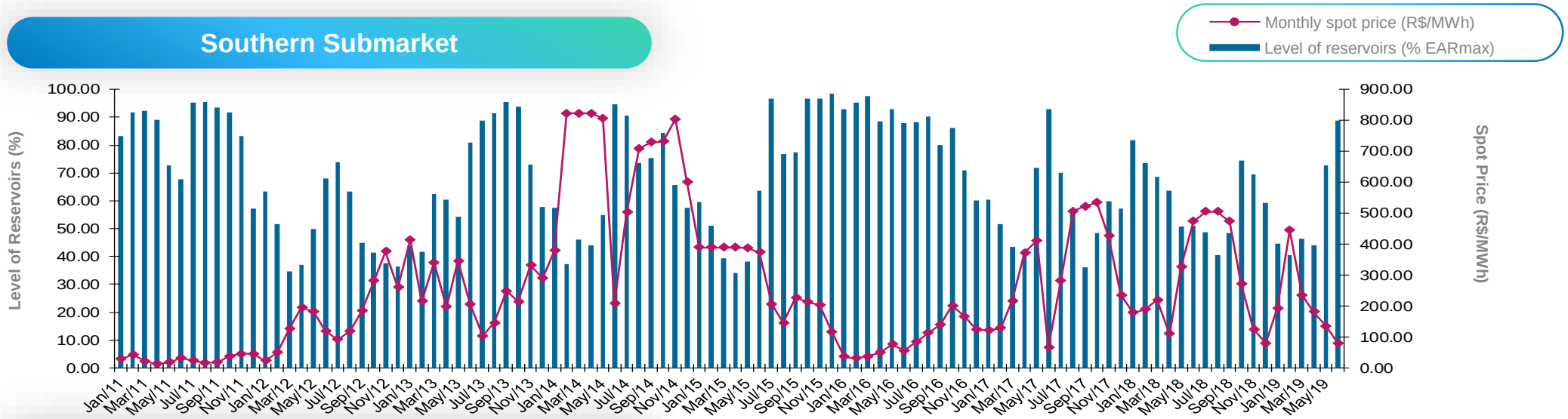
| Plant | Product | Amount Renegotiated (aMW) | Amount Renegotiated (MWh) | Net unit reimbursement (R$) | Total reimbursement (R$ million) | Term* (years) |
|---|---|---|---|---|---|---|
| **Cana Brava HPP** | SP92 | 261.66 | 2,292,177 | 18.26 | 41.9 | 13.25 |
| **Itá HPP** | SP92 | 336.00 | 2,943,360 | 18.26 | 53.7 | 13.25 |
| **Machadinho HPP** | SP92 | 84.04 | 736,190 | 18.26 | 13.4 | 13.25 |
| **Ponte de Pedra HPP** | SP95 | 123.55 | 1,082,315 | 23.80 | 25.8 | 7.17 |
| **Salto Santiago HPP** | P97 | 150.00 | 1,314,000 | 24.36 | 32.0 | 2.92 |
| **São Salvador HPP** | SP91 | 142.13 | 1,245,048 | 16.52 | 20.6 | 17.25 |
| **Estreito HPP** | SP91 | 247.13 | 2,164,859 | 16.52 | 35.8 | 17.25 |
| **TOTAL** | | **1,344.51** | **11,777,950** | | **223.1** | |

* Extension term as from January 1, 2016 for payment of the premium for reimbursement to 2015 results.

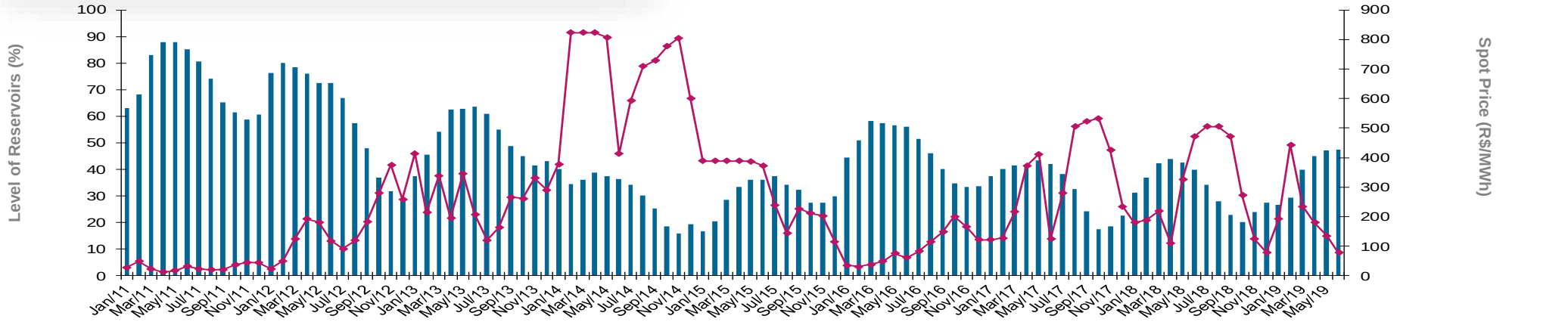
**Signing up to the renegotiation is limited to agreements negotiated within the scope of the Regulated Contracting Environment (ACR), with effects as from January 01, 2015.**

# CORRELATION BETWEEN RESERVOIR LEVELS AND SPOT PRICES

## Southern Submarket

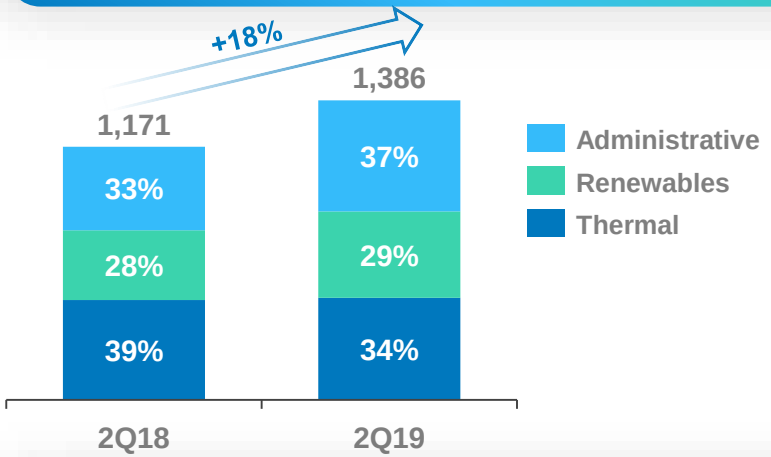



## Southeast/Central-Western Submarket

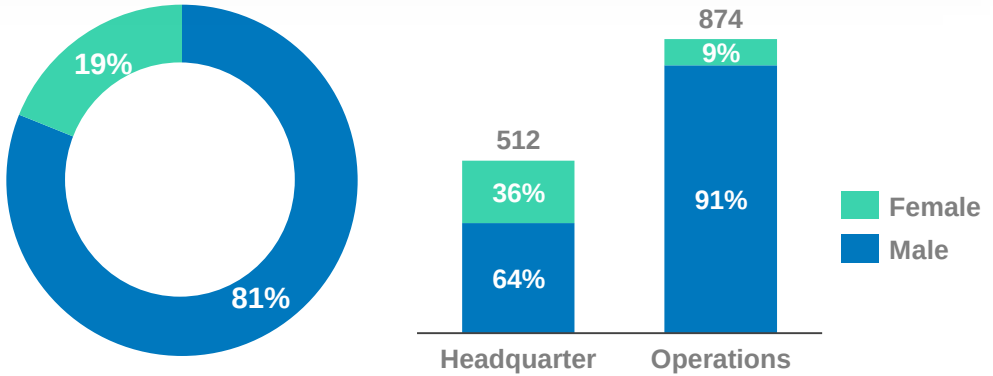


# HEADCOUNT[1]

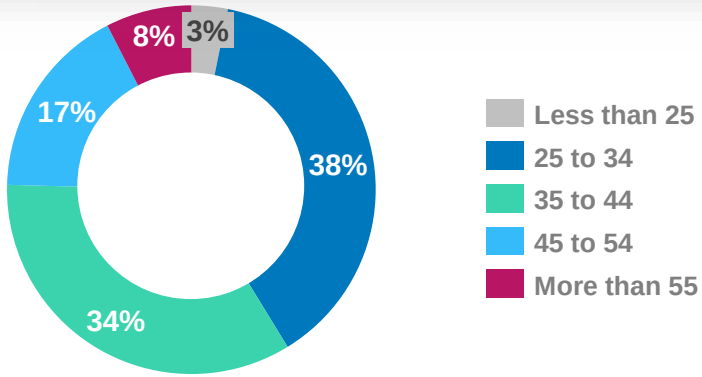
## Number of employees



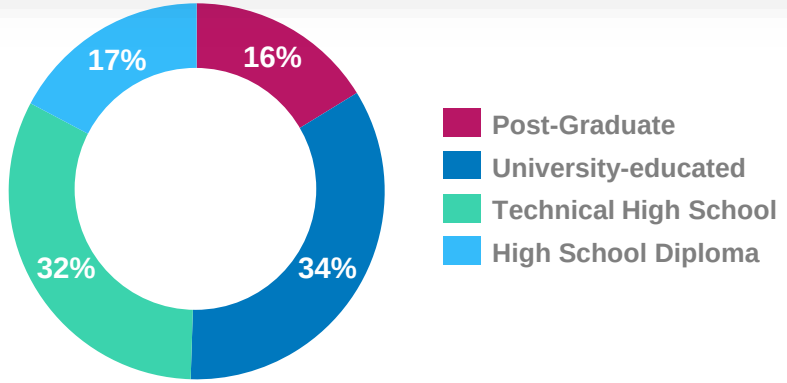

## By gender




## By age group




## By academic qualifications




**Note:**
[1] Does not consider employees posted to projects under construction and, as from 4Q18, considers ENGIE Geração Solar Distribuída total payroll.

# SUSTAINABILITY INDICATORS[1]

| Item | Dimension[2] | Index[3] | Material themes | GRI disclosure[4] | 2Q19 | 2Q18 | Change | 6M19 | 6M18 | Change |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Quality | Operating plants | - Energy Transition for a low carbon economy | 102-7, EU1 | 60 | 30 | 30 | 60 | 30 | 30 |
| 2 | | Installed capacity | | 102-7, EU1 | 10,430 | 9,399 | 11.0% | 10,430 | 9,399 | 11.0% |
| 3 | | Proprietary capacity | | 102-7, EU1 | 8,710 | 7,678 | 13.4% | 8,710 | 7,678 | 13.4% |
| 4 | | Number of certified plants | | 102-16, EU6 | 12 | 12 | 0 | 12 | 12 | 0 |
| 5 | | Certified installed capacity (MW) | | 102-16, EU6 | 8,127 | 8,127 | 0.0% | 8,127 | 8,127 | 0.0% |
| 6 | | Certified installed capacity in relation to the total | | 102-16, EU6 | 77.9% | 86.5% | -8.6 p.p. | 77.9% | 86.5% | -8.6 p.p. |
| 7 | | Installed capacity from renewable sources | | 102-7, EU1 | 9,229 | 8,542 | 8.0% | 9,229 | 8,542 | 8.0% |
| 8 | | Installed capacity from renewable sources in relation to the total | | 102-7, EU1 | 88.5% | 90.9% | -2.4 p.p. | 88.5% | 90.9% | -2.4 p.p. |
| 9 | | Energy generation (GWh) | | EU2 | 9,709 | 7,489 | 29.6% | 21,108 | 17,491 | 20.7% |
| 10 | | Certified energy generation | | 102-16, EU6 | 7,803 | 6,633 | 17.6% | 17,645 | 15,689 | 12.5% |
| 11 | | Certified energy generation in relation to the total | | 102-16, EU6 | 80.4% | 88.6% | -8.2 p.p. | 83.6% | 89.7% | -6.1 p.p. |
| 12 | | Energy generation from renewable sources (GWh) | | EU2 | 8,906 | 6,536 | 36.3% | 19,343 | 15,632 | 23.7% |
| 13 | | Energy generation from renewable sources in relation to the total | | EU2 | 91.7% | 87.3% | 4.5 p.p. | 91.6% | 89.4% | 2.3 p.p. |
| 14 | | Uptime ratio, excluding scheduled stoppages | | EU30 | 97.3% | 97.0% | 0.3 p.p. | 97.2% | 97.6% | -0.4 p.p. |
| 15 | | Uptime ratio, including scheduled stoppages | | EU30 | 89.7% | 90.7% | -1.1 p.p. | 91.3% | 92.4% | -1.1 p.p. |
| 16 | Environment and climate change | Saplings donated and planted (sum-total of planted and donated saplings) | - Energy Transition for a low carbon economy - Engajament with local comunities and stakeholders - Environment management | 304-2, 413-1 | 77,675 | 66,681 | 16.5% | 200,647 | 219,887 | -8.7% |
| 17 | | Number of visitors at the plants | | 413-1 | 28,916 | 33,793 | -14.4% | 38,289 | 47,493 | -19.4% |
| 18 | | CO2 Emissions (fossil fuel plants) (t/MWh) | | D305-1, D305-2, D305-3 | 0.942 | 0.965 | -2.4% | 0.944 | 0.951 | -0.8% |
| 19 | | CO2 Emissions from Tractebel Energia's generation complex(t/MWh) | | D305-1, D305-2, D305-3 | 0.067 | 0.123 | -45.0% | 0.076 | 0.101 | -24.7% |
| 20 | Occupational Heath and Safety (OH&S) | Frequency Rate ("Taxa de Frequência" - TF) own employees[5] | - Development, equality and health and safety - Management of impacts in the productive chain | 403-2 | 0.000 | 0.000 | - | 0.000 | 0.000 | - |
| 21 | | Severity Rate ("Taxa de Gravidade" - TG) own employees[6] | | 403-2 | 0.000 | 0.000 | - | 0.000 | 0.000 | - |
| 22 | | Frequency Rate ("Taxa de Frequência" - TF) own employees + long term service providers[5] | | 403-2 | 0.860 | 0.920 | ↓ | 0.890 | 0.470 | ↑ |
| 23 | | Frequency Rate ("Taxa de Frequência" - TF) short term service providers + ongoing constructions[5] | | 403-2 | 2.630 | 1.950 | ↑ | 1.120 | 2.530 | ↓ |
| 24 | Social Responsibility[7] | Non-incentivized investments | - Engajament with local comunities and stakeholderss | 203-2, 413-1 | 824.6 | 466.2 | 76.9% | 1,365.3 | 1,089.1 | 25.4% |
| 25 | | Investments through the Infancy and Adolescence Fund (FIA) | | 203-2, 413-1 | 149.6 | 303.4 | -50.7% | 1,606.4 | 723.3 | 122.1% |
| 26 | | Investments through the Culture Incentive Law (Rouanet) | | 203-2, 413-1 | 3,376.0 | 2,955.2 | 14.2% | 6,642.0 | 6,605.6 | 0.6% |
| 27 | | Investments through the Sport Incentive Law | | 203-2, 413-1 | 0.0 | 240.0 | -100.0% | 340.0 | 560.0 | -39.3% |
| 28 | | Investments through National Program of Support to Oncology Care (Pronon) | | 203-2, 413-1 | 0.0 | 0.0 | - | 0 | 0.0 | - |
| 29 | | Investments through the National Care Support Program for People with Special Needs (Pronas/PCD) | | 203-2, 413-1 | 0.0 | 0.0 | - | 0.0 | 0.0 | - |
| 30 | | Investments through the Municipal Fund for the Elderly | | 203-2, 413-1 | 45.0 | 0.0 | 100.0% | 583.1 | 492.4 | 18.4% |

Notes:
[1] Additional indices are available at Sustainability Report (www.engie.com.br/en/investors/financial-information).
[2] Reference: ENGIE Sustainable Management Policy.
[3] Value as of 06/30/2019.
[4] GRI: Global Reporting Initiative, *Standards version* and sector supplement version G4.
[5] TF = number of occupational accidents for every million hours of exposure to hazards.
[6] TG = number of days lost due to occupational accidents for every one thousand hours of exposure to hazards.
[7] Amounts in thousand of reais (R$).

# CONTACTS

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